

County of
Barry,
Michigan



Year Ended
December 31,
2017

Annual
Financial
Report

COUNTY OF BARRY, MICHIGAN

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INDEPENDENT AUDITORS' REPORT

June 12, 2018

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, 2017, 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 also did not audit the financial statements of Barry County Road Commission, 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	66.7%	58.4%	88.9%
Barry County Road Commission	72.8%	79.6%	87.7%
Barry County Transit	66.5%	62.0%	69.4%

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 Barry County Road Commission, Thornapple Manor, and 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 Barry County Road Commission, and 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, 2017, 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 12, 2018 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.

Rehmann Lobson LLC

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MANAGEMENT'S DISCUSSION AND ANALYSIS

COUNTY OF BARRY, MICHIGAN

Management's Discussion and Analysis

As management of Barry County, we offer readers of the *County of Barry, Michigan's* (the "County") financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2017. 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, 2017 are as follows:

Total net position	\$43,349,931
Unrestricted net position	7,062,453
Change in net position	1,780,690
Fund balances, governmental funds	13,757,803
Change in fund balances, governmental funds	503,187
Fund balance, general fund	3,912,269
(as percentage of general fund expenditures and transfers out)	24%
Unassigned fund balance, general fund	2,199,449
(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, 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, child care 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, 2016 delinquent tax revolving 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	
	2017	2016	2017	2016	2017	2016
Assets						
Current and other assets	\$25,574,636	\$25,130,573	\$18,035,944	\$17,965,037	\$43,610,580	\$43,095,610
Capital assets, net	13,343,197	13,590,764	23,139,475	23,871,769	36,482,672	37,462,533
Total assets	38,917,833	38,721,337	41,175,419	41,836,806	80,093,252	80,558,143
Deferred outflows of resources	1,870,209	4,116,098	2,679,315	2,542,722	4,549,524	6,658,820
Liabilities						
Long-term debt	12,771,418	13,892,276	5,529,266	5,681,519	18,300,684	19,573,795
Other liabilities	12,389,520	16,467,496	4,700,624	5,112,751	17,090,144	21,580,247
Total liabilities	25,160,938	30,359,772	10,229,890	10,794,270	35,390,828	41,154,042
Deferred inflows of resources	5,510,561	4,490,072	391,456	3,608	5,902,017	4,493,680
Net position						
Net investment						
in capital assets	13,043,197	13,215,764	18,089,475	18,621,769	31,132,672	31,837,533
Restricted	4,840,788	4,446,675	314,018	277,227	5,154,806	4,723,902
Unrestricted (deficit)	(7,767,442)	(9,674,848)	14,829,895	14,682,654	7,062,453	5,007,806
Total net position	\$10,116,543	\$ 7,987,591	\$33,233,388	\$33,581,650	\$43,349,931	\$41,569,241

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 \$1,780,690. The governmental activities increased by \$2,128,952. This increase was primarily because of an increase in tax revenues, an increase in state shared revenues, and a decrease in overall expenses. The business-type activities decrease of \$348,262 when compared to the prior year is due primarily to a reduction in the transfers out of the Delinquent Tax Fund.

	Change in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues						
Program revenues:						
Charges for services	\$ 2,636,322	\$ 2,565,831	\$19,587,001	\$18,895,313	\$22,223,323	\$21,461,144
Operating grants and contributions	3,644,266	3,587,640	1,008,544	939,443	4,652,810	4,527,083
Capital grants and contributions	117,918	114,990	-	64,336	117,918	179,326
General revenues:						
Property taxes	15,858,259	15,321,081	490,735	500,034	16,348,994	15,821,115
Grants and contributions not restricted to specific programs	1,377,172	1,224,644	-	-	1,377,172	1,224,644
Unrestricted investment earnings	106,041	55,873	49,915	92,293	155,956	148,166
Gain on sale of capital assets	3,274	11,373	-	-	3,274	11,373
Total revenues	23,743,252	22,881,432	21,136,195	20,491,419	44,879,447	43,372,851
Expenses						
General government	8,552,451	8,650,042	-	-	8,552,451	8,650,042
Public safety	7,982,713	8,180,115	-	-	7,982,713	8,180,115
Public works	138,106	199,749	-	-	138,106	199,749
Health and welfare	3,994,144	3,616,272	-	-	3,994,144	3,616,272
Recreation and cultural	652,853	671,051	-	-	652,853	671,051
Community and economic development	391,870	605,359	-	-	391,870	605,359
Interest on long-term debt	402,163	434,594	-	-	402,163	434,594
Delinquent tax administration	-	-	30,923	39,352	30,923	39,352
Thornapple Manor	-	-	19,129,829	18,471,207	19,129,829	18,471,207
Other	-	-	1,823,705	1,681,514	1,823,705	1,681,514
Total expenses	22,114,300	22,357,182	20,984,457	20,192,073	43,098,757	42,549,255

COUNTY OF BARRY, MICHIGAN

Management's Discussion and Analysis

	Change in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Change in net position before transfers	\$ 1,628,952	\$ 524,250	\$ 151,738	\$ 299,346	\$ 1,780,690	\$ 823,596
Transfers	500,000	2,324,615	(500,000)	(2,324,615)	-	-
Change in net position	2,128,952	2,848,865	(348,262)	(2,025,269)	1,780,690	823,596
Net position, beginning of year	7,987,591	5,138,726	33,581,650	35,606,919	41,569,241	40,745,645
Net position, end of year	<u>\$10,116,543</u>	<u>\$ 7,987,591</u>	<u>\$33,233,388</u>	<u>\$33,581,650</u>	<u>\$43,349,931</u>	<u>\$41,569,241</u>

Governmental Activities

During the year, the County invested \$8,552,451 or 39% of governmental activities expenses to general government activities. Health and welfare expenses totaled \$3,994,144 or 18% of governmental activities. Public safety expenditures totaled \$7,982,713 or 36% of governmental activities expenses. Public works, recreation and cultural, community and economic development, and interest on long-term debt made up the remaining 7% of governmental activities expenses. In the current year expenses decreased by \$242,882, which was primarily the result of decreases in expenses to general government, public safety, public works, recreation and culture, and community and economic development.

Business-type activities. Business type activities decreased the County's net position by \$348,262. 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 \$13,757,803, an increase of \$503,187 in comparison with the prior year. The overall increase 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 \$2,199,449. 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 \$1,459,610, which was an increase of \$207,436 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 \$113,215 to \$1,011,297 as of year-end.

The building authority Thornapple Manor debt fund balance will vary based on taxes received in comparison to the required annual debt payments. In the current year, fund balance increased by \$78,097 to \$521,141 as tax collections were in excess of current year required debt payments.

The child care fund ended the year with fund balance of \$2,601,685, which was an increase of \$526,773 from the prior year. This was the result of transfer of operations from the juvenile drug court.

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 \$348,262. Key elements of this change have been addressed elsewhere in this analysis.

The delinquent tax umbrella fund ended the year with net position of \$8,130,576, which was an increase of \$242,179. This increase is because of a \$617,121 transfer in from the 2014 delinquent tax revolving fund and a transfer out to the general fund of \$500,000.

The 2016 delinquent tax revolving fund ended the year with net position of \$414,880 or an overall increase of \$413,655, which is the result of the delinquent tax settlement process.

The Thornapple Manor fund ended the year with net position of \$19,424,216. This is a decrease of \$816,120 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 3.3% difference between the final budget and actual revenues.
- Expenditures for the Trial Court came in under budget by approximately \$109,000. This was the result of prudent fiscal management by the Trial Court Judges, Administrator and staff.
- Prosecuting attorney expenditures were under budget by approximately \$46,000. This was the result of prudent fiscal management by the Prosecuting Attorney and his staff.
- Jail expenditures and sheriff expenditures were under budget by approximately \$60,000 and \$70,000, respectively. 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 being utilized.

COUNTY OF BARRY, MICHIGAN

Management's Discussion and Analysis

- 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 \$1,039,052 and was allocated equally to the building rehabilitation, vehicle replacement, data processing, and capital replacement funds.

Capital Asset and Debt Administration

Capital assets. The County's investment in capital assets for its governmental and business-type activities as of December 31, 2017, amounted to \$36,482,672 (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	
	2017	2016	2017	2016	2017	2016
Land	\$ 2,734,208	\$ 2,734,208	\$ -	\$ -	\$ 2,734,208	\$ 2,734,208
Construction in progress	41,288	1,005,341	-	-	41,288	1,005,341
Land improvements	446,391	486,787	1,300,128	1,378,760	1,746,519	1,865,547
Buildings	8,160,058	7,291,242	19,548,046	20,170,932	27,708,104	27,462,174
Vehicles and equipment	1,961,252	2,073,186	2,291,301	2,322,077	4,252,553	4,395,263
Total	\$13,343,197	\$13,590,764	\$23,139,475	\$23,871,769	\$36,482,672	\$37,462,533

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 \$18,300,684. Of this amount, \$12,771,418 was debt of governmental activities and \$5,529,266 was debt of business-type activities.

	Long-term Debt					
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
General obligation bonds	\$12,095,837	\$13,271,125	\$ -	\$ -	\$12,095,837	\$13,271,125
Capital lease payable	-	-	5,050,000	5,250,000	5,050,000	5,250,000
Compensated absences	675,581	621,151	479,266	431,519	1,154,847	1,052,670
Total	\$12,771,418	\$13,892,276	\$ 5,529,266	\$ 5,681,519	\$18,300,684	\$19,573,795

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

COUNTY OF BARRY, MICHIGAN

Management's Discussion and Analysis

Economic Factors and Next Year's Budgets and Rates

The following factors were considered in preparing the County's budget for 2018:

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

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

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 3.5%. 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 2016 and 2017 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, 2017

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and cash equivalents	\$ 7,574,076	\$ 9,852,937	\$ 17,427,013	\$ 5,515,523
Restricted cash and cash equivalents	77,195	306,253	383,448	-
Investments	9,385,375	4,424,713	13,810,088	154,068
Receivables, net	6,361,640	3,875,091	10,236,731	7,430,311
Internal balances	543,493	(543,493)	-	-
Other assets	708,865	80,063	788,928	1,991,536
Net other postemployment benefits asset	923,992	40,380	964,372	-
Capital assets not being depreciated	2,775,496	-	2,775,496	17,762,860
Capital assets being depreciated, net	10,567,701	23,139,475	33,707,176	25,977,834
Total assets	38,917,833	41,175,419	80,093,252	58,832,132
Deferred outflows of resources				
Deferred charge on advance refunding	532,644	-	532,644	21,410
Deferred pension amounts	1,337,565	2,679,315	4,016,880	-
Total deferred outflows of resources	1,870,209	2,679,315	4,549,524	21,410
Liabilities				
Accounts payable and accrued liabilities	992,592	1,774,536	2,767,128	333,018
Long-term liabilities:				
Due within one year	1,472,752	389,436	1,862,188	1,435,542
Due in more than one year	11,298,666	5,139,830	16,438,496	9,164,327
Net pension liability	11,396,928	2,926,088	14,323,016	-
Total liabilities	25,160,938	10,229,890	35,390,828	10,932,887
Deferred inflows of resources				
Property taxes levied for subsequent year	4,354,675	-	4,354,675	-
Deferred pension amounts	1,155,886	391,456	1,547,342	-
Total deferred inflows of resources	5,510,561	391,456	5,902,017	-
Net position				
Net investment in capital assets	13,043,197	18,089,475	31,132,672	38,234,172
Restricted:				
Health and welfare programs	1,170,376	-	1,170,376	-
Public safety programs	1,613,559	-	1,613,559	-
Judicial programs	425,362	-	425,362	-
Housing rehabilitation loans	1,066,149	-	1,066,149	-
Other state-mandated programs	107,738	-	107,738	-
Debt service	417,103	-	417,103	26,702
Capital projects	8,721	-	8,721	151,254
Property tax foreclosures	-	314,018	314,018	-
Cemetery perpetual care (nonexpendable)	30,925	-	30,925	-
Cemetery perpetual care (expendable)	855	-	855	-
Unrestricted (deficit)	(7,767,442)	14,829,895	7,062,453	9,508,527
Total net position	\$ 10,116,543	\$ 33,233,388	\$ 43,349,931	\$ 47,920,655

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

COUNTY OF BARRY, MICHIGAN

Statement of Activities

For the Year Ended December 31, 2017

		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	\$ 8,552,451	\$ 1,965,886	\$ 1,957,967	\$ -	\$ (4,628,598)
Public safety	7,982,713	244,530	720,363	117,918	(6,899,902)
Public works	138,106	67,806	2,151	-	(68,149)
Health and welfare	3,994,144	229,348	928,887	-	(2,835,909)
Recreation and cultural	652,853	119,957	34,898	-	(497,998)
Community and economic development	391,870	8,795	-	-	(383,075)
Interest on long-term debt	402,163	-	-	-	(402,163)
Total governmental activities	22,114,300	2,636,322	3,644,266	117,918	(15,715,794)
Business-type activities:					
Delinquent tax administration	30,923	900,061	-	-	869,138
Thornapple Manor	19,129,829	18,313,709	-	-	(816,120)
Other	1,823,705	373,231	1,008,544	-	(441,930)
Total business-type activities	20,984,457	19,587,001	1,008,544	-	(388,912)
Total primary government	\$ 43,098,757	\$ 22,223,323	\$ 4,652,810	\$ 117,918	\$ (16,104,706)
Component units					
Road Commission	\$ 7,682,351	\$ 223,904	\$ 6,855,323	\$ 2,291,593	\$ 1,688,469
Drainage Districts	657,841	-	-	300,056	(357,785)
Board of Public Works	112,261	-	108,807	-	(3,454)
Economic Development Board	122,394	-	137,394	-	15,000
Airport Commission	399,192	310,957	-	458,452	370,217
Total component units	\$ 8,974,039	\$ 534,861	\$ 7,101,524	\$ 3,050,101	\$ 1,712,447

continued...

COUNTY OF BARRY, MICHIGAN

Statement of Activities

For the Year Ended December 31, 2017

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Changes in net position				
Net (expenses) revenues	<u>\$ (15,715,794)</u>	<u>\$ (388,912)</u>	<u>\$ (16,104,706)</u>	<u>\$ 1,712,447</u>
General revenues:				
Property taxes	15,858,259	490,735	16,348,994	-
Grants and contributions not restricted to specific programs	1,377,172	-	1,377,172	34,349
Unrestricted investment earnings	106,041	49,915	155,956	18,558
Gain on sale of capital assets	3,274	-	3,274	63,967
Transfers	<u>500,000</u>	<u>(500,000)</u>	<u>-</u>	<u>-</u>
Total general revenues and transfers	<u>17,844,746</u>	<u>40,650</u>	<u>17,885,396</u>	<u>116,874</u>
Change in net position	2,128,952	(348,262)	1,780,690	1,829,321
Net position, beginning of year, as restated	<u>7,987,591</u>	<u>33,581,650</u>	<u>41,569,241</u>	<u>46,091,334</u>
Net position, end of year	<u><u>\$ 10,116,543</u></u>	<u><u>\$ 33,233,388</u></u>	<u><u>\$ 43,349,931</u></u>	<u><u>\$ 47,920,655</u></u>

concluded

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

FUND FINANCIAL STATEMENTS

COUNTY OF BARRY, MICHIGAN

Balance Sheet

Governmental Funds

December 31, 2017

	General	Central Dispatch	Commission on Aging	Child Care
Assets				
Cash and cash equivalents	\$ -	\$ 131,034	\$ 761,583	\$ 2,651,764
Restricted cash and cash equivalents	-	-	-	-
Investments	6,408,633	1,398,353	325,600	-
Accounts receivable	-	-	-	-
Taxes receivable	225,754	1,354,945	941,688	-
Loans receivable, net	-	-	-	-
Due from other governments	239,086	48,719	68,172	117,790
Due from other funds	570,844	-	-	-
Advances to other funds	86,973	-	-	-
Total assets	\$ 7,531,290	\$ 2,933,051	\$ 2,097,043	\$ 2,769,554
Liabilities				
Negative equity in pooled cash and cash equivalents	\$ 3,294,270	\$ -	\$ -	\$ -
Accounts payable	179,551	10,810	65,937	163,778
Accrued liabilities	145,200	32,975	25,568	4,091
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
Total liabilities	3,619,021	43,785	91,505	167,869
Deferred inflows of resources				
Property taxes levied for subsequent year	-	1,429,656	993,611	-
Fund balances				
Nonspendable	86,973	-	-	-
Restricted	-	1,459,610	886,927	-
Committed	1,625,847	-	125,000	2,601,685
Unassigned	2,199,449	-	-	-
Total fund balances	3,912,269	1,459,610	1,011,927	2,601,685
Total liabilities, deferred inflows of resources and fund balances	\$ 7,531,290	\$ 2,933,051	\$ 2,097,043	\$ 2,769,554

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



Building Authority Thornapple Manor Debt	Nonmajor Governmental Funds	Totals
\$ -	\$ 2,898,847	\$ 6,443,228
77,195	-	77,195
536,246	88,462	8,757,294
-	61,424	61,424
1,397,712	433,391	4,353,490
-	1,065,058	1,065,058
-	407,901	881,668
-	-	570,844
-	-	86,973
<u>\$ 2,011,153</u>	<u>\$ 4,955,083</u>	<u>\$ 22,297,174</u>
\$ -	\$ 73,742	\$ 3,368,012
-	43,093	463,169
-	31,357	239,191
15,890	11,461	27,351
-	86,973	86,973
<u>15,890</u>	<u>246,626</u>	<u>4,184,696</u>
<u>1,474,122</u>	<u>457,286</u>	<u>4,354,675</u>
-	30,925	117,898
521,141	2,046,223	4,913,901
-	2,174,023	6,526,555
-	-	2,199,449
<u>521,141</u>	<u>4,251,171</u>	<u>13,757,803</u>
<u>\$ 2,011,153</u>	<u>\$ 4,955,083</u>	<u>\$ 22,297,174</u>

COUNTY OF BARRY, MICHIGAN

Reconciliation

Fund Balances for Governmental Funds
to Net Position of Governmental Activities
December 31, 2017

Fund balances - total governmental funds \$ 13,757,803

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

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

Capital assets not being depreciated	2,775,496
Capital assets being depreciated, net	10,567,701
Less amounts accounted for in governmental internal service funds	(744,745)

Prepaid costs related to self-insurance programs 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	923,992
Prepaid self-insured retention balance	708,865

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

Net position of governmental activities accounted for in internal service funds	5,716,792
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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	(11,260,000)
Compensated absences	(675,581)
Premium/discount on bonds payable, net	(835,837)
Deferred charge on advance refunding	532,644
Accrued interest on long-term liabilities	(104,038)
Liability for incurred-but-not-reported self-insurance claims	(31,300)

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	(11,396,928)
Deferred outflows related to the net pension liability	1,337,565
Deferred inflows related to the net pension liability	(1,155,886)

Net position of governmental activities	<u>\$ 10,116,543</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, 2017

	General	Central Dispatch	Commission on Aging	Child Care
Revenues				
Taxes	\$ 11,362,936	\$ 1,586,113	\$ 970,470	\$ -
Intergovernmental	2,050,693	216,235	371,859	502,892
Licenses and permits	101,942	-	-	-
Charges for services	1,759,979	-	229,348	-
Fines and forfeitures	34,584	-	-	-
Interest and rentals	156,782	10,028	3,007	-
Other revenues	112,370	231	27,162	-
Total revenues	15,579,286	1,812,607	1,601,846	502,892
Expenditures				
Current:				
General government	5,828,465	-	-	-
Public safety	5,568,954	1,496,910	-	-
Public works	-	-	-	-
Health and welfare	1,160,174	-	1,711,114	1,042,702
Community and economic development	380,840	-	-	-
Recreation and cultural	20,175	-	-	-
Other	644,703	-	-	-
Debt service:				
Principal	-	-	-	-
Interest expense	-	-	-	-
Capital outlay	458,582	108,261	3,947	-
Total expenditures	14,061,893	1,605,171	1,715,061	1,042,702
Revenues over (under) expenditures	1,517,393	207,436	(113,215)	(539,810)
Other financing sources (uses)				
Proceeds from sale of capital assets	-	-	-	-
Transfers in	504,895	-	-	1,066,583
Transfers out	(2,196,934)	-	-	-
Total other financing sources (uses)	(1,692,039)	-	-	1,066,583
Net change in fund balances	(174,646)	207,436	(113,215)	526,773
Fund balances, beginning of year	4,086,915	1,252,174	1,125,142	2,074,912
Fund balances, end of year	\$ 3,912,269	\$ 1,459,610	\$ 1,011,927	\$ 2,601,685

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



Building Authority Thornapple Manor Debt	Nonmajor Governmental Funds	Totals
\$ 1,492,065	\$ 446,675	\$ 15,858,259
-	1,774,840	4,916,519
-	35,704	137,646
-	313,189	2,302,516
-	20	34,604
2,450	572	172,839
-	178,458	318,221
<u>1,494,515</u>	<u>2,749,458</u>	<u>23,740,604</u>
493	1,627,110	7,456,068
-	382,152	7,448,016
-	75,031	75,031
-	44,637	3,958,627
-	24,510	405,350
-	606,027	626,202
-	-	644,703
985,000	75,000	1,060,000
430,925	20,444	451,369
-	33,150	603,940
<u>1,416,418</u>	<u>2,888,061</u>	<u>22,729,306</u>
<u>78,097</u>	<u>(138,603)</u>	<u>1,011,298</u>
-	11,415	11,415
-	637,598	2,209,076
-	(531,668)	(2,728,602)
<u>-</u>	<u>117,345</u>	<u>(508,111)</u>
78,097	(21,258)	503,187
<u>443,044</u>	<u>4,272,429</u>	<u>13,254,616</u>
<u>\$ 521,141</u>	<u>\$ 4,251,171</u>	<u>\$ 13,757,803</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, 2017

Net change in fund balances - total governmental funds	\$ 503,187
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Amounts reported for *governmental activities* in the statement of activities are different because:

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

Acquisition/construction of capital assets	681,187
Less acquisition/construction of capital assets accounted for in governmental internal service funds	(96,349)
Gain (loss) on disposal of capital assets	(3,448)
Proceeds from sale of capital assets	(11,415)
Depreciation expense	(911,878)
Less depreciation expense accounted for in governmental internal service funds	210,335

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	14,056
Change in net pension liability and related deferred amounts	902,089

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	1,060,000
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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	7,387
Amortization of deferred charge on advance refunding	(73,469)
Amortization of bond premiums and discounts	115,288
Change in the accrual of compensated absences	(54,430)
Net change in estimate for incurred-but-not-reported self-insurance claims and deposits with third party provider to fund such claims	188,718

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	(1,433,480)
Interest revenue from governmental internal service funds	8,374
Gain (loss) on sale of capital assets in governmental internal service funds	3,274
Net transfers accounted for in governmental internal service funds	1,019,526

Change in net position of governmental activities	<u>\$ 2,128,952</u>
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The accompanying notes are an integral part of these financial statements.

COUNTY OF BARRY, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund

For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes:				
Real and personal property taxes	\$ 10,948,000	\$ 10,948,000	\$ 11,009,932	\$ 61,932
Other taxes	9,080	9,080	353,004	343,924
Total taxes	<u>10,957,080</u>	<u>10,957,080</u>	<u>11,362,936</u>	<u>405,856</u>
Intergovernmental:				
Federal grants	133,717	216,478	187,661	(28,817)
State grants	1,834,560	1,844,781	1,863,032	18,251
Total intergovernmental	<u>1,968,277</u>	<u>2,061,259</u>	<u>2,050,693</u>	<u>(10,566)</u>
Licenses and permits:				
Dog licenses	73,000	73,000	48,813	(24,187)
Marriage license fees	6,150	8,550	9,630	1,080
Planning services	35,000	35,000	43,499	8,499
Total licenses and permits	<u>114,150</u>	<u>116,550</u>	<u>101,942</u>	<u>(14,608)</u>
Charges for services:				
Circuit court	86,913	93,913	127,484	33,571
District court	464,800	544,800	546,894	2,094
Friend of the court	44,000	60,000	55,930	(4,070)
Probate court	32,000	32,000	36,300	4,300
County treasurer	2,210	2,210	10,645	8,435
County clerk	107,720	114,693	126,705	12,012
Register of deeds	250,187	400,280	292,018	(108,262)
Real estate transfer tax	220,000	220,000	278,099	58,099
Mapping department	10,400	10,400	8,795	(1,605)
Juvenile court	10,100	10,100	857	(9,243)
Sheriff	128,110	128,110	128,141	31
Record copying	88,418	88,418	94,571	6,153
Other	57,177	57,177	53,540	(3,637)
Total charges for services	<u>1,502,035</u>	<u>1,762,101</u>	<u>1,759,979</u>	<u>(2,122)</u>
Fines and forfeitures:				
Bond forfeitures	5,000	5,000	11,737	6,737
Ordinance fines and costs	15,000	15,000	22,847	7,847
Total fines and forfeitures	<u>20,000</u>	<u>20,000</u>	<u>34,584</u>	<u>14,584</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, 2017

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues (concluded)				
Interest and rentals:				
Interest revenues	\$ 150,020	\$ 77,720	\$ 97,213	\$ 19,493
Rentals	19,136	19,136	59,569	40,433
Total interest and rentals	169,156	96,856	156,782	59,926
Other revenues:				
Reimbursements and refunds	57,400	64,900	110,756	45,856
Other	10	1,510	1,614	104
Total other revenues	57,410	66,410	112,370	45,960
Total revenues	14,788,108	15,080,256	15,579,286	499,030
Expenditures				
General government:				
Board of commissioners	188,943	188,943	166,313	(22,630)
Trial court	1,585,060	1,600,550	1,491,146	(109,404)
Jury board	11,000	11,000	5,343	(5,657)
Probate court	807,655	815,914	787,516	(28,398)
Adult probation	9,546	9,546	8,369	(1,177)
County administrator	295,934	298,543	280,769	(17,774)
Elections	60,900	60,900	44,491	(16,409)
Legal counsel	75,000	85,000	83,270	(1,730)
Clerk	521,315	530,009	521,538	(8,471)
Equalization	196,300	199,163	173,147	(26,016)
Prosecuting attorney	745,556	752,017	706,409	(45,608)
Register of deeds	245,011	249,488	244,156	(5,332)
Extraditions	2,000	2,600	-	(2,600)
Land information services	290,249	291,212	287,735	(3,477)
Treasurer	268,689	269,652	251,010	(18,642)
Cooperative extension	115,946	115,946	114,275	(1,671)
Courthouse and grounds	549,719	557,286	507,489	(49,797)
Drain commissioner	165,469	168,718	155,489	(13,229)
Total general government	6,134,292	6,206,487	5,828,465	(378,022)
Public safety:				
Sheriff	3,045,132	3,049,460	2,979,717	(69,743)
Secondary road patrol	118,291	118,291	114,019	(4,272)
Court security	94,774	94,774	93,176	(1,598)
Highway safety grant	907	907	271	(636)
Marine safety	138,370	138,370	114,160	(24,210)
Emergency services	113,788	213,327	175,267	(38,060)
Jail	2,092,611	2,093,005	2,033,002	(60,003)
Animal control	66,177	68,435	59,342	(9,093)
Total public safety	5,670,050	5,776,569	5,568,954	(207,615)

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, 2017

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures (continued)				
Health and welfare:				
District health department	\$ 441,266	\$ 441,266	\$ 441,266	\$ -
Health department building	130,932	132,707	121,978	(10,729)
Animal shelter	201,545	206,819	173,062	(33,757)
Soldiers' and sailors' relief	40,000	40,000	7,644	(32,356)
Medical examiner	124,086	124,086	123,466	(620)
Substance abuse	69,395	74,050	74,047	(3)
Veterans' counselor	37,272	39,072	35,111	(3,961)
Veterans' burials	37,500	37,500	29,100	(8,400)
Mental health	154,500	154,500	154,500	-
Total health and welfare	<u>1,236,496</u>	<u>1,250,000</u>	<u>1,160,174</u>	<u>(89,826)</u>
Community and economic development:				
Appropriation to Economic Development Board	122,394	137,394	137,394	-
Appropriation to Road Commission	11,334	11,334	11,334	-
Appropriation to Soil Conservation	15,500	15,500	15,500	-
Planning and zoning	215,671	222,909	215,289	(7,620)
Agriculture preservation	2,950	2,950	1,323	(1,627)
Total community and economic development	<u>367,849</u>	<u>390,087</u>	<u>380,840</u>	<u>(9,247)</u>
Recreation and cultural:				
Parks and recreation	-	34,190	20,175	(14,015)
Other:				
Insurance and bonds	426,551	422,754	422,754	-
Other	339,476	403,570	221,949	(181,621)
Total other	<u>766,027</u>	<u>826,324</u>	<u>644,703</u>	<u>(181,621)</u>
Capital outlay:				
Building rehabilitation	-	610,395	458,582	(151,813)
Total expenditures	<u>14,174,714</u>	<u>15,094,052</u>	<u>14,061,893</u>	<u>(1,032,159)</u>
Revenues over (under) expenditures	<u>613,394</u>	<u>(13,796)</u>	<u>1,517,393</u>	<u>1,531,189</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, 2017

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Other financing sources (uses)				
Transfers in	\$ 760,089	\$ 771,550	\$ 504,895	\$ (266,655)
Transfers out	(1,373,483)	(1,420,503)	(2,196,934)	776,431
Total other financing sources (uses)	(613,394)	(648,953)	(1,692,039)	1,043,086
Net change in fund balance	-	(662,749)	(174,646)	488,103
Fund balance, beginning of year	4,086,915	4,086,915	4,086,915	-
Fund balance, end of year	\$ 4,086,915	\$ 3,424,166	\$ 3,912,269	\$ 488,103

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, 2017

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ 1,609,280	\$ 1,609,280	\$ 1,586,113	\$ (23,167)
Intergovernmental	215,000	215,000	216,235	1,235
Interest and rentals	10,000	10,000	10,028	28
Other revenues	75	75	231	156
	<u>1,834,355</u>	<u>1,834,355</u>	<u>1,812,607</u>	<u>(21,748)</u>
Total revenues				
Expenditures				
Current - public safety	1,695,562	1,695,562	1,496,910	(198,652)
Capital outlay	114,500	114,500	108,261	(6,239)
	<u>1,810,062</u>	<u>1,810,062</u>	<u>1,605,171</u>	<u>(204,891)</u>
Total expenditures				
Net change in fund balance	24,293	24,293	207,436	183,143
Fund balance, beginning of year	<u>1,252,174</u>	<u>1,252,174</u>	<u>1,252,174</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,276,467</u>	<u>\$ 1,276,467</u>	<u>\$ 1,459,610</u>	<u>\$ 183,143</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, 2017

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ 925,304	\$ 965,350	\$ 970,470	\$ 5,120
Intergovernmental	353,988	353,988	371,859	17,871
Charges for services	350,000	209,000	229,348	20,348
Interest and rentals	2,250	4,064	3,007	(1,057)
Other revenues	68,375	45,241	27,162	(18,079)
	<u>1,699,917</u>	<u>1,577,643</u>	<u>1,601,846</u>	<u>24,203</u>
Total revenue				
Expenditures				
Current - health and welfare	1,689,767	1,600,617	1,711,114	110,497
Capital outlay	8,000	3,947	3,947	-
	<u>1,697,767</u>	<u>1,604,564</u>	<u>1,715,061</u>	<u>110,497</u>
Total expenditures				
Revenues over (under) expenditures	2,150	(26,921)	(113,215)	(86,294)
Other financing sources				
Proceeds from sale of capital assets	-	2,755	-	(2,755)
Net change in fund balance	2,150	(24,166)	(113,215)	(89,049)
Fund balance, beginning of year	1,125,142	1,125,142	1,125,142	-
Fund balance, end of year	<u>\$ 1,127,292</u>	<u>\$ 1,100,976</u>	<u>\$ 1,011,927</u>	<u>\$ (89,049)</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 - Child Care Fund

For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Intergovernmental	\$ 536,694	\$ 654,301	\$ 502,892	\$ (151,409)
Expenditures				
Current - health and welfare	<u>1,143,859</u>	<u>1,272,440</u>	<u>1,042,702</u>	<u>(229,738)</u>
Revenues over (under) expenditures	(607,165)	(618,139)	(539,810)	78,329
Other financing sources				
Transfers in	<u>602,170</u>	<u>493,588</u>	<u>1,066,583</u>	<u>572,995</u>
Net change in fund balance	(4,995)	(124,551)	526,773	651,324
Fund balance, beginning of year	<u>2,074,912</u>	<u>2,074,912</u>	<u>2,074,912</u>	<u>-</u>
Fund balance, end of year	<u>\$ 2,069,917</u>	<u>\$ 1,950,361</u>	<u>\$ 2,601,685</u>	<u>\$ 651,324</u>

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

COUNTY OF BARRY, MICHIGAN

Statement of Net Position

Proprietary Funds
December 31, 2017

	Business-type Activities - Enterprise Funds		
	Delinquent Tax Umbrella	2016 Delinquent Tax Revolving	Thornapple Manor
Assets			
Current assets:			
Cash and cash equivalents	\$ 3,141,615	\$ 113,271	\$ 2,775,648
Restricted cash and cash equivalents	-	-	306,253
Investments	3,663,630	-	-
Accounts receivable, net	-	-	1,081,758
Taxes receivable, net	52,001	2,127,930	-
Due from other governments	-	-	-
Due from other funds	1,276,000	-	-
Other assets	-	-	80,063
Total current assets	<u>8,133,246</u>	<u>2,241,201</u>	<u>4,243,722</u>
Noncurrent assets:			
Net other postemployment benefits asset	-	-	-
Capital assets being depreciated, net	-	-	22,493,317
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>22,493,317</u>
Total assets	<u>8,133,246</u>	<u>2,241,201</u>	<u>26,737,039</u>
Deferred outflows of resources			
Deferred pension amounts	-	-	2,502,324
Liabilities			
Current liabilities:			
Accounts payable	-	-	697,788
Accrued liabilities	-	-	989,668
Due to other governments	2,670	6,828	-
Due to other funds	-	1,819,493	-
Current portion of long-term debt	-	-	389,436
Total current liabilities	<u>2,670</u>	<u>1,826,321</u>	<u>2,076,892</u>
Noncurrent liabilities:			
Long-term debt, net of current portion	-	-	5,139,830
Net pension liability	-	-	2,206,969
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>7,346,799</u>
Total liabilities	<u>2,670</u>	<u>1,826,321</u>	<u>9,423,691</u>
Deferred inflows of resources			
Deferred pension amounts	-	-	391,456
Net position			
Net investment in capital assets	-	-	17,443,317
Restricted for property tax foreclosures	-	-	-
Unrestricted	8,130,576	414,880	1,980,899
Total net position	<u>\$ 8,130,576</u>	<u>\$ 414,880</u>	<u>\$ 19,424,216</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
\$ 3,822,403	\$ 9,852,937	\$ 4,498,860
-	306,253	-
761,083	4,424,713	628,081
21,105	1,102,863	-
422,584	2,602,515	-
169,713	169,713	-
-	1,276,000	-
-	80,063	-
<u>5,196,888</u>	<u>19,815,057</u>	<u>5,126,941</u>
40,380	40,380	-
646,158	23,139,475	744,745
<u>686,538</u>	<u>23,179,855</u>	<u>744,745</u>
<u>5,883,426</u>	<u>42,994,912</u>	<u>5,871,686</u>
<u>176,991</u>	<u>2,679,315</u>	<u>-</u>
19,781	717,569	152,953
40,587	1,030,255	1,941
17,214	26,712	-
-	1,819,493	-
-	389,436	-
<u>77,582</u>	<u>3,983,465</u>	<u>154,894</u>
-	5,139,830	-
719,119	2,926,088	-
<u>719,119</u>	<u>8,065,918</u>	<u>-</u>
<u>796,701</u>	<u>12,049,383</u>	<u>154,894</u>
<u>-</u>	<u>391,456</u>	<u>-</u>
646,158	18,089,475	744,745
314,018	314,018	-
<u>4,303,540</u>	<u>14,829,895</u>	<u>4,972,047</u>
<u>\$ 5,263,716</u>	<u>\$ 33,233,388</u>	<u>\$ 5,716,792</u>

COUNTY OF BARRY, MICHIGAN

Statement of Revenues, Expenses and Changes in Fund Net Position

Proprietary Funds

For the Year Ended December 31, 2017

	Business-type Activities - Enterprise Funds		
	Delinquent Tax Umbrella	2016 Delinquent Tax Revolving	Thornapple Manor
Operating revenues			
Charges for services	\$ 60,147	\$ 167,945	\$ 18,313,709
Interest and penalties on delinquent taxes	7,692	250,420	-
Other revenues	-	-	-
Total operating revenues	67,839	418,365	18,313,709
Operating expenses			
Operations	3,630	5,738	17,971,999
Depreciation	-	-	1,003,530
Other expenses	-	-	-
Total operating expenses	3,630	5,738	18,975,529
Operating income (loss)	64,209	412,627	(661,820)
Nonoperating revenues (expenses)			
Taxes	-	-	-
Intergovernmental revenues	-	-	-
Interest revenue	48,448	148	-
Interest expense	-	-	(154,300)
Gain on sale of capital assets	-	-	-
Total nonoperating revenues (expenses)	48,448	148	(154,300)
Income (loss) before transfers	112,657	412,775	(816,120)
Transfers			
Transfers in	629,522	880	-
Transfers out	(500,000)	-	-
Total transfers	129,522	880	-
Change in net position	242,179	413,655	(816,120)
Net position, beginning of year	7,888,397	1,225	20,240,336
Net position, end of year	\$ 8,130,576	\$ 414,880	\$ 19,424,216

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
\$ 638,841	\$ 19,180,642	\$ 4,389,064
148,247	406,359	-
-	-	17,977
787,088	19,587,001	4,407,041
1,666,541	19,647,908	5,627,012
178,719	1,182,249	210,335
-	-	3,174
1,845,260	20,830,157	5,840,521
(1,058,172)	(1,243,156)	(1,433,480)
490,735	490,735	-
1,004,206	1,004,206	-
5,657	54,253	8,374
-	(154,300)	-
-	-	3,274
1,500,598	1,394,894	11,648
442,426	151,738	(1,421,832)
12,653	643,055	1,019,526
(643,055)	(1,143,055)	-
(630,402)	(500,000)	1,019,526
(187,976)	(348,262)	(402,306)
5,451,692	33,581,650	6,119,098
\$ 5,263,716	\$ 33,233,388	\$ 5,716,792

COUNTY OF BARRY, MICHIGAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2017

	Business-type Activities - Enterprise Funds		
	Delinquent Tax Umbrella	2016 Delinquent Tax Revolving	Thornapple Manor
Cash flows from operating activities			
Cash received from customers and users	\$ 50,422	\$ 2,906,230	\$ 19,764,512
Cash received from interfund services	-	-	-
Cash payments to suppliers for goods and services	(3,630)	(5,738)	(4,489,802)
Cash payments to employees for services	-	-	(13,572,535)
Cash payments to purchase delinquent taxes	-	(4,086,986)	-
Net cash provided by (used in) operating activities	46,792	(1,186,494)	1,702,175
Cash flows from noncapital financing activities			
Transfers in	629,522	880	-
Transfers out	(500,000)	-	-
Taxes	-	-	-
Intergovernmental revenue	-	-	-
Long-term advances (to)/from other funds	(2,419,014)	2,419,014	-
Payments on long-term advances to/(from) other funds	2,513,014	(1,143,014)	-
Net cash provided by (used in) noncapital financing activities	223,522	1,276,880	-
Cash flows from capital and related financing activities			
Principal payments on long-term debt	-	-	(200,000)
Interest payments on long-term debt	-	-	(154,300)
Purchases of capital assets	-	-	(357,972)
Proceeds from sale of capital assets	-	-	-
Net cash used in capital and related financing activities	-	-	(712,272)
Cash flows from investing activities			
Purchase of investments	(1,254,316)	-	-
Sale of investments	1,560,692	-	-
Interest received	48,448	148	-
Net cash provided by investing activities	354,824	148	-
Net increase (decrease) in cash and cash equivalents	625,138	90,534	989,903
Cash and cash equivalents, beginning of year	2,516,477	22,737	2,091,998
Cash and cash equivalents, end of year	\$ 3,141,615	\$ 113,271	\$ 3,081,901



Business-type Activities - Enterprise Funds		Governmental Activities
Nonmajor Enterprise Funds	Totals	Internal Service Funds
\$ 2,529,296	\$ 25,250,460	\$ -
-	-	4,407,041
(922,415)	(5,421,585)	(268,201)
(749,997)	(14,322,532)	(5,282,062)
-	(4,086,986)	-
856,884	1,419,357	(1,143,222)
12,653	643,055	1,019,526
(643,055)	(1,143,055)	-
490,735	490,735	-
913,250	913,250	-
-	-	-
(1,370,000)	-	-
(596,417)	903,985	1,019,526
-	(200,000)	-
-	(154,300)	-
(91,983)	(449,955)	(96,349)
-	-	5,287
(91,983)	(804,255)	(91,062)
(761,083)	(2,015,399)	-
759,307	2,319,999	-
5,657	54,253	-
3,881	358,853	-
172,365	1,877,940	(214,758)
3,650,038	8,281,250	4,713,618
\$ 3,822,403	\$ 10,159,190	\$ 4,498,860

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COUNTY OF BARRY, MICHIGAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2017

	Business-type Activities - Enterprise Funds		
	Delinquent Tax Umbrella	2016 Delinquent Tax Revolving	Thornapple Manor
Statement of net position classification of cash and cash equivalents			
Cash and cash equivalents	\$ 3,141,615	\$ 113,271	\$ 2,775,648
Restricted cash and cash equivalents	-	-	306,253
	<u>\$ 3,141,615</u>	<u>\$ 113,271</u>	<u>\$ 3,081,901</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income (loss)	\$ 64,209	\$ 412,627	\$ (661,820)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	-	-	1,003,530
Changes in:			
Accounts receivable	-	-	1,450,803
Taxes receivable	(19,676)	(1,020,140)	-
Other assets	-	-	30,704
Net other postemployment benefits asset	-	-	-
Accounts payable	-	-	(13,380)
Accrued liabilities	-	-	358,452
Due to other governments	2,259	(14,684)	-
Due to other funds	-	(564,297)	-
Compensated absences	-	-	47,747
Net pension liability and related deferred amounts	-	-	(513,861)
Net cash provided by (used in) operating activities	<u>\$ 46,792</u>	<u>\$ (1,186,494)</u>	<u>\$ 1,702,175</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
\$ 3,822,403	\$ 9,852,937	\$ 4,498,860
-	306,253	-
<u>\$ 3,822,403</u>		<u>\$ 4,498,860</u>

\$ (1,058,172) \$ (1,243,156) \$ (1,433,480)

178,719	1,182,249	210,335
322	1,451,125	76,474
1,730,507	690,691	-
-	30,704	-
(14,834)	(14,834)	-
(8,134)	(21,514)	1,508
10,199	368,651	1,941
11,379	(1,046)	-
-	(564,297)	-
-	47,747	-
6,898	(506,963)	-
<u>\$ 856,884</u>		<u>\$ (1,143,222)</u>

concluded

COUNTY OF BARRY, MICHIGAN

Statement of Fiduciary Net Position

Fiduciary Funds

December 31, 2017

	Agency Funds	Private Purpose Trust Funds
Assets		
Cash and cash equivalents	<u>\$ 673,480</u>	<u>\$ 43,881</u>
Liabilities		
Accounts payable	\$ 386,258	-
Due to other governments	204,129	-
Undistributed receipts	<u>83,093</u>	<u>-</u>
Total liabilities	<u>\$ 673,480</u>	<u>-</u>
Net position		
Restricted for private purposes		<u>\$ 43,881</u>

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

COUNTY OF BARRY, MICHIGAN

Statement of Changes in Fiduciary Net Position

Private Purpose Trust Funds

For the Year Ended December 31, 2017

Additions	
Local contributions	\$ 15,197
Deductions	
Services to beneficiaries	<u>40,982</u>
Change in net position	(25,785)
Net position, beginning of year	<u>69,666</u>
Net position, end of year	<u>\$ 43,881</u>

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

COUNTY OF BARRY, MICHIGAN

Combining Statement of Net Position

Discretely Presented Component Units

December 31, 2017

	Road Commission	Drainage Districts	Board of Public Works
Assets			
Cash and cash equivalents	\$ 4,667,293	\$ 237,965	\$ 25,991
Investments	-	154,068	-
Receivables	1,197,675	2,239,051	3,993,585
Inventories	1,972,223	-	-
Capital assets not being depreciated	16,539,622	180,562	-
Capital assets being depreciated, net	18,448,125	3,962,771	-
Total assets	42,824,938	6,774,417	4,019,576
Deferred outflows of resources			
Deferred charge on advance refunding	-	-	21,410
Liabilities			
Accounts payable and accrued liabilities	139,796	153,807	28,938
Long-term liabilities:			
Due within one year	684,181	316,361	435,000
Due in more than one year	3,850,000	1,763,981	3,550,346
Total liabilities	4,673,977	2,234,149	4,014,284
Net position			
Net investment in capital assets	30,787,747	2,836,811	-
Restricted for:			
Debt service	-	-	26,702
Capital projects	-	-	-
Unrestricted (deficit)	7,363,214	1,703,457	-
Total net position	\$ 38,150,961	\$ 4,540,268	\$ 26,702

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



Economic Development Board	Airport Commission	Totals
\$ 15,000	\$ 569,274	\$ 5,515,523
-	-	154,068
-	-	7,430,311
-	19,313	1,991,536
-	1,042,676	17,762,860
-	3,566,938	25,977,834
15,000	5,198,201	58,832,132
-	-	21,410
-	10,477	333,018
-	-	1,435,542
-	-	9,164,327
-	10,477	10,932,887
-	4,609,614	38,234,172
-	-	26,702
-	151,254	151,254
15,000	426,856	9,508,527
\$ 15,000	\$ 5,187,724	\$ 47,920,655

COUNTY OF BARRY, MICHIGAN

Combining Statement of Activities Discretely Presented Component Units For the Year Ended December 31, 2017

	Road Commission	Drainage Districts	Board of Public Works
Expenses			
Road Commission	\$ 7,682,351	\$ -	\$ -
Drainage Districts	-	657,841	-
Board of Public Works	-	-	112,261
Economic Development Board	-	-	-
Airport Commission	-	-	-
Total expenses	7,682,351	657,841	112,261
Program revenues			
Charges for services	223,904	-	-
Operating grants and contributions	6,855,323	-	108,807
Capital grants and contributions	2,291,593	300,056	-
Total program revenues	9,370,820	300,056	108,807
Net revenues (expenses)	1,688,469	(357,785)	(3,454)
General revenues			
Grants and contributions not restricted to specific programs	-	34,349	-
Unrestricted investment earnings	16,577	992	989
Gain on sale of capital assets	63,967	-	-
Total general revenues	80,544	35,341	989
Change in net position	1,769,013	(322,444)	(2,465)
Net position, beginning of year, as restated	36,381,948	4,862,712	29,167
Net position, end of year	\$ 38,150,961	\$ 4,540,268	\$ 26,702

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



Economic Development Board	Airport Commission	Totals
\$ -	\$ -	\$ 7,682,351
-	-	657,841
-	-	112,261
122,394	-	122,394
-	399,192	399,192
<u>122,394</u>	<u>399,192</u>	<u>8,974,039</u>
-	310,957	534,861
137,394	-	7,101,524
-	458,452	3,050,101
<u>137,394</u>	<u>769,409</u>	<u>10,686,486</u>
<u>15,000</u>	<u>370,217</u>	<u>1,712,447</u>
-	-	34,349
-	-	18,558
-	-	63,967
<u>-</u>	<u>-</u>	<u>116,874</u>
15,000	370,217	1,829,321
<u>-</u>	<u>4,817,507</u>	<u>46,091,334</u>
<u>\$ 15,000</u>	<u>\$ 5,187,724</u>	<u>\$ 47,920,655</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 Barry County Transit, a nonmajor enterprise fund, are presented for the fiscal year ending September 30, 2017. This fund is audited individually. Complete financial statements are issued under separate cover and can be obtained from the entity’s administrative office.

Blended Component Units

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

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

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, 2017. This component unit is also audited individually. Complete financial statements are issued under separate cover and may be obtained from Thornapple Manor’s administrative office. Thornapple Manor Medical Care Facility is a 161-bed, long-term medical care unit owned and operated by Barry County. It is governed by the Barry County Department of Human Services Board. This Board consists of three members, two of which are appointed by the Barry County Board of Commissioners. The component unit is audited individually and complete financial statements may be obtained from the Thornapple Manor’s administrative office.

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 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.

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

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 63.6% and 36.4%, respectively. In addition, the treasury function for the Department rests with the Eaton County Treasurer. The operations of the Department are presented as a discretely presented component unit of Eaton County.

Jointly Governed Organizations

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

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

Government-wide and Fund Financial Statements

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

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 *child care fund* accounts for services provided for community-based programming and placement costs for youth involved in child welfare and juvenile justice cases. Revenue is primarily generated through state grants.

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 *2016 delinquent tax revolving fund* accounts for the collection and administration of delinquent property taxes levied in year 2016.

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.

COUNTY OF BARRY, MICHIGAN

Notes to Financial Statements

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

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

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

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

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

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

Deposits and Investments

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

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

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

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

COUNTY OF BARRY, MICHIGAN

Notes to Financial Statements

Receivables and Payables

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

Property taxes receivable in governmental funds represent amounts due from taxpayers on the July 1 and December 1 tax levies in the general fund and other governmental funds, respectively. Any amounts outstanding on the July 1 levy after 60 days into the subsequent fiscal year are made whole by the County delinquent tax fund through an effective early tax settlement. This allows the 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, 2017, management has recorded an allowance of \$932,825 for uncollectible balances in the Thornapple Manor enterprise fund. Detail of the uncollectable amount may be obtained from the audit report at the Thornapple Manor administrative office.

Loans receivable in the CDBG housing special revenue fund 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 \$55,355.

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.

COUNTY OF BARRY, MICHIGAN

Notes to Financial Statements

Inventories and Prepaids

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

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

Capital Assets

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

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

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

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

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

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

COUNTY OF BARRY, MICHIGAN

Notes to Financial Statements

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. Detail of these amounts can be found in the long-term debt footnote. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. During the year no liability was reported in the governmental funds.

Long-term Obligations

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

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

Deferred Inflows of Resources

Property taxes (excluding those for the general fund, which are subject to a different timeline) are levied and attach as an enforceable lien of property on December 1. Property taxes are payable through February 14. Although the County's 2017 ad valorem tax (excluding the portion for general operations) is levied and collectible on December 1, 2017, 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, 2017 levy is reported as deferred inflows of resources at year-end.

COUNTY OF BARRY, MICHIGAN

Notes to Financial Statements

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.

Pensions

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

Use of Estimates

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

COUNTY OF BARRY, MICHIGAN

Notes to Financial Statements

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

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

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

Excess of Expenditures Over Budget

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

During the year ended December 31, 2017, 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:			
Transfers out	\$ 1,420,503	\$ 2,196,934	\$ 776,431
Commission on aging fund	1,604,564	1,715,061	110,497
Nonmajor governmental funds:			
Charlton park	596,512	606,027	9,515
Local corrections officer training	5,000	6,470	1,470
Crime victim's rights week	56,560	57,171	611
Law library	20,000	20,706	706
Veterans' trust	7,500	7,665	165

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.

COUNTY OF BARRY, MICHIGAN

Notes to Financial Statements

Following is a reconciliation of deposit and investment balances as of December 31, 2017:

	Primary Government	Component Units	Total
Statement of net position			
Cash and cash equivalents	\$ 17,427,013	\$ 5,515,523	\$ 22,942,536
Restricted cash and cash equivalents	383,448	-	383,448
Investments	13,810,088	154,068	13,964,156
	<u>31,620,549</u>	<u>5,669,591</u>	<u>37,290,140</u>
Statement of fiduciary net position			
Cash and cash equivalents - agency funds	673,480	-	673,480
Cash and cash equivalents - private purpose trusts	43,881	-	43,881
	<u>717,361</u>	<u>-</u>	<u>717,361</u>
Total	<u>\$ 32,337,910</u>	<u>\$ 5,669,591</u>	<u>\$ 38,007,501</u>
Cash on hand			\$ 3,168
Checking and savings accounts			26,758,886
Certificates of deposit:			
Due within one year			1,465,906
Due in 1-5 years			1,829,147
Due in 6-10 years			240,814
Investments			<u>7,709,580</u>
Total			<u>\$ 38,007,501</u>

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned. State law does not require and the County does not have a policy for deposit custodial credit risk. As of year-end, \$30,224,145 of the County's bank balance of \$34,016,941 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, 2017:

U.S. government treasuries	\$ 122,231
U.S. government agencies	4,929,383
Money market funds	864,369
Municipal bonds	1,299,219
Corporate bonds	<u>494,378</u>
Total	<u>\$ 7,709,580</u>

COUNTY OF BARRY, MICHIGAN

Notes to Financial Statements

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

Credit Risk. State law limits investments to specific government securities, certificates of deposits and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers acceptances of specific financial institutions, qualified mutual funds and qualified external investment pools as identified in the list of authorized investments in the summary of significant accounting policies. The County's investment policy does not have specific limits in excess of state law on investment credit risk. Credit risk ratings, where applicable, are summarized as follows:

Not subject to credit risk	\$ 122,231
Moody's Aaa	931,309
Moody's AA1	904,131
S&P AAAm	806,398
S&P AA+	3,998,074
S&P AA-	395,088
S&P A1	494,378
Morningstar 4 Stars	<u>57,971</u>
Total	<u>\$ 7,709,580</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	\$ 864,369
1 - 5 years	3,835,800
6 - 10 years	1,887,200
11 - 15 years	784,554
16 - 20 years	57,986
21 - 25 years	<u>279,671</u>
Total	<u>\$ 7,709,580</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	\$ -	\$ 122,231	\$ -	\$ 122,231
U.S. government agencies	-	4,929,383	-	4,929,383
Money market funds	161,410	644,988	-	806,398
Municipal bonds	-	1,299,219	-	1,299,219
Corporate bonds	494,378	-	-	494,378
	<u>\$ 655,788</u>	<u>\$ 6,995,821</u>	<u>\$ -</u>	<u>7,651,609</u>
Investments carried at amortized cost - Money market funds				<u>57,971</u>
Total				<u>\$ 7,709,580</u>

4. RECEIVABLES AND PAYABLES

Receivables are comprised of the following at year-end:

	Governmental Activities	Business-type Activities	Component Units
Taxes (current)	\$ 4,353,490	\$ -	\$ -
Taxes (delinquent)	-	2,602,515	-
Accounts	61,424	2,035,688	-
Allowance for uncollectible accounts	(55,355)	(932,825)	-
Loans	1,120,413	-	-
Due from other governments	881,668	169,713	1,202,175
Special assessments	-	-	2,234,551
Leases	-	-	3,993,585
Total	<u>\$ 6,361,640</u>	<u>\$ 3,875,091</u>	<u>\$ 7,430,311</u>

Of the amounts detailed above, \$1,711,989 of special assessments and \$3,529,647 of leases receivable in the component units are not expected to be collected within one year. Similarly, loans receivable of \$1,120,413 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 payable	\$ 616,122	\$ 717,569	\$ 146,744
Accrued liabilities	241,132	1,030,255	95,161
Due to other governments	-	26,712	41,500
Self-insurance claims payable	31,300	-	-
Accrued interest on long-term debt	104,038	-	49,613
Total	<u>\$ 992,592</u>	<u>\$ 1,774,536</u>	<u>\$ 333,018</u>

5. OTHER ASSETS

The composition of other assets of December 31, 2017, was as follows:

	Governmental Activities	Business-type Activities	Component Units
Inventories	\$ -	\$ -	\$ 1,991,536
Prepaid self-insured retention balance	708,865	-	-
Other prepaid items	-	80,063	-
Total	<u>\$ 708,865</u>	<u>\$ 80,063</u>	<u>\$ 1,991,536</u>

6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2017, was as follows:

	Due to and from Primary Government Funds	
	Due from Fund	Due to Fund
General fund	\$ 570,844	\$ -
Building authority Thornapple Manor debt fund	-	15,890
Nonmajor governmental funds	-	11,461
Delinquent tax umbrella fund	1,276,000	-
Delinquent tax revolving 2016 fund	-	1,819,493
Total	<u>\$ 1,846,844</u>	<u>\$ 1,846,844</u>

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	\$ 86,973	\$ -
Nonmajor governmental funds	-	86,973
Total	<u>\$ 86,973</u>	<u>\$ 86,973</u>

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

For the year ended December 31, 2017, interfund transfers consisted of the following:

Transfers in	Transfers out				
	General Fund	Nonmajor Governmental Funds	Delinquent Tax Umbrella	Nonmajor Enterprise Funds	Totals
General fund	\$ -	\$ 4,895	\$ 500,000	\$ -	\$ -
Child Care	539,810	526,773	-	-	1,066,583
Nonmajor governmental funds	637,598	-	-	-	637,598
Delinquent tax umbrella	-	-	-	629,522	629,522
2016 Delinquent tax revolving	-	-	-	880	880
Nonmajor enterprise funds	-	-	-	12,653	12,653
Internal service funds	1,019,526	-	-	-	1,019,526
Totals	<u>\$ 2,196,934</u>	<u>\$ 531,668</u>	<u>\$ 500,000</u>	<u>\$ 643,055</u>	<u>\$ 3,871,657</u>

Transfers are used to: (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; (2) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. 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 \$1,039,052 was transferred ratably to the building rehabilitation fund (a component of the general fund), the capital replacement fund, the vehicle replacement internal service fund, and the data processing internal service fund. The transfers to the internal service funds were to provide the resources 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, 2017, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Governmental activities					
Capital assets not being depreciated:					
Land	\$ 2,734,208	\$ -	\$ -	\$ -	\$ 2,734,208
Construction in progress	1,005,341	41,288	-	(1,005,341)	41,288
	<u>3,739,549</u>	<u>41,288</u>	<u>-</u>	<u>(1,005,341)</u>	<u>2,775,496</u>
Capital assets being depreciated:					
Land improvements	1,160,404	-	-	-	1,160,404
Buildings	14,379,763	373,022	-	856,768	15,609,553
Equipment	6,894,192	266,877	(135,336)	148,573	7,174,306
	<u>22,434,359</u>	<u>639,899</u>	<u>(135,336)</u>	<u>1,005,341</u>	<u>23,944,263</u>
Less accumulated depreciation for:					
Land improvements	(673,617)	(40,396)	-	-	(714,013)
Buildings	(7,088,521)	(360,974)	-	-	(7,449,495)
Equipment	(4,821,006)	(510,508)	118,460	-	(5,213,054)
	<u>(12,583,144)</u>	<u>(911,878)</u>	<u>118,460</u>	<u>-</u>	<u>(13,376,562)</u>
Total capital assets being depreciated, net	<u>9,851,215</u>	<u>(271,979)</u>	<u>(16,876)</u>	<u>1,005,341</u>	<u>10,567,701</u>
Governmental activities capital assets, net	<u>\$ 13,590,764</u>	<u>\$ (230,691)</u>	<u>\$ (16,876)</u>	<u>\$ -</u>	<u>\$ 13,343,197</u>

At December 31, 2017, the County had outstanding commitments for governmental activities totaling approximately \$41,000.

COUNTY OF BARRY, MICHIGAN

Notes to Financial Statements

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Business-type activities					
Capital assets being depreciated:					
Land improvements	\$ 2,037,754	\$ 19,961	\$ -	\$ -	\$ 2,057,715
Buildings	26,301,712	53,645	-	-	26,355,357
Vehicles	1,430,010	-	(2,850)	-	1,427,160
Equipment	4,676,335	376,349	(11,916)	-	5,040,768
	<u>34,445,811</u>	<u>449,955</u>	<u>(14,766)</u>	<u>-</u>	<u>34,881,000</u>
Less accumulated depreciation for:					
Land improvements	(658,994)	(98,593)	-	-	(757,587)
Buildings	(6,130,780)	(676,531)	-	-	(6,807,311)
Vehicles	(972,024)	(132,086)	2,850	-	(1,101,260)
Equipment	(2,812,244)	(275,039)	11,916	-	(3,075,367)
	<u>(10,574,042)</u>	<u>(1,182,249)</u>	<u>14,766</u>	<u>-</u>	<u>(11,741,525)</u>
Total capital assets being depreciated, net	<u>23,871,769</u>	<u>(732,294)</u>	<u>-</u>	<u>-</u>	<u>23,139,475</u>
Business-type activities capital assets, net	<u>\$ 23,871,769</u>	<u>\$ (732,294)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,139,475</u>

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

Depreciation of governmental activities by function	
General government	\$ 283,867
Culture and recreation	75,979
Public safety	275,215
Health and welfare	66,482
Capital assets held by the internal service funds are charged to the various functions based on their usage of the assets	<u>210,335</u>
Total governmental activities	<u>\$ 911,878</u>
Depreciation of business-type activities by function	
Thornapple Manor	\$ 1,003,530
Transit	<u>178,719</u>
Total business-type activities	<u>\$ 1,182,249</u>

COUNTY OF BARRY, MICHIGAN

Notes to Financial Statements

Discretely presented component units

Capital assets activity for the component units for the year ended December 31, 2017, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Road Commission					
Capital assets not being depreciated:					
Land	\$ 85,433	\$ -	\$ -	\$ -	\$ 85,433
Land improvements	16,037,068	-	-	-	16,037,068
Right-of-ways	408,328	8,793	-	-	417,121
	<u>16,530,829</u>	<u>8,793</u>	<u>-</u>	<u>-</u>	<u>16,539,622</u>
Capital assets being depreciated:					
Land improvements	214,808	-	-	-	214,808
Buildings	902,737	-	-	-	902,737
Equipment	9,115,482	1,427,455	(258,127)	-	10,284,810
Pit depletion	758,134	248,317	-	-	1,006,451
Infrastructure	23,409,258	1,716,734	(155,295)	-	24,970,697
	<u>34,400,419</u>	<u>3,392,506</u>	<u>(413,422)</u>	<u>-</u>	<u>37,379,503</u>
Less accumulated depreciation for:					
Land improvements	(170,003)	(10,740)	-	-	(180,743)
Buildings	(661,796)	(17,151)	-	-	(678,947)
Equipment	(7,324,760)	(912,251)	88,118	-	(8,148,893)
Pit depletion	(175,124)	(352)	-	-	(175,476)
Infrastructure	(8,884,570)	(1,018,044)	155,295	-	(9,747,319)
	<u>(17,216,253)</u>	<u>(1,958,538)</u>	<u>243,413</u>	<u>-</u>	<u>(18,931,378)</u>
Total capital assets being depreciated, net	<u>17,184,166</u>	<u>1,433,968</u>	<u>(170,009)</u>	<u>-</u>	<u>18,448,125</u>
Road Commission capital assets, net	<u>\$ 33,714,995</u>	<u>\$ 1,442,761</u>	<u>\$ (170,009)</u>	<u>\$ -</u>	<u>\$ 34,987,747</u>

COUNTY OF BARRY, MICHIGAN

Notes to Financial Statements

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Drainage Districts					
Capital assets not being depreciated:					
Construction in progress	\$ 29,835	\$ 150,727	\$ -	\$ -	\$ 180,562
Capital assets being depreciated:					
Drain infrastructure	5,325,776	-	-	-	5,325,776
Vehicles	9,350	44,000	-	-	53,350
	<u>5,335,126</u>	<u>44,000</u>	<u>-</u>	<u>-</u>	<u>5,379,126</u>
Less accumulated depreciation for:					
Drain infrastructure	(1,310,136)	(102,162)	-	-	(1,412,298)
Vehicles	(2,700)	(1,357)	-	-	(4,057)
	<u>(1,312,836)</u>	<u>(103,519)</u>	<u>-</u>	<u>-</u>	<u>(1,416,355)</u>
Total capital assets being depreciated, net	<u>4,022,290</u>	<u>(59,519)</u>	<u>-</u>	<u>-</u>	<u>3,962,771</u>
Drainage Districts capital assets, net	<u>\$ 4,052,125</u>	<u>\$ 91,208</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,143,333</u>
Airport Commission					
Capital assets not being depreciated:					
Land	\$ 285,000	\$ -	\$ -	\$ -	\$ 285,000
Construction in progress	1,218,760	181,100	-	(642,184)	757,676
	<u>1,503,760</u>	<u>181,100</u>	<u>-</u>	<u>(642,184)</u>	<u>1,042,676</u>
Capital assets being depreciated:					
Land improvements	4,554,029	3,672	-	549,184	5,106,885
Buildings	1,374,637	64,900	-	93,000	1,532,537
Equipment	92,779	176,775	-	-	269,554
	<u>6,021,445</u>	<u>245,347</u>	<u>-</u>	<u>642,184</u>	<u>6,908,976</u>
Less accumulated depreciation for:					
Land improvements	(2,944,070)	(113,546)	-	-	(3,057,616)
Buildings	(200,466)	(28,125)	-	-	(228,591)
Equipment	(47,884)	(7,947)	-	-	(55,831)
	<u>(3,192,420)</u>	<u>(149,618)</u>	<u>-</u>	<u>-</u>	<u>(3,342,038)</u>
Total capital assets being depreciated, net	<u>2,829,025</u>	<u>95,729</u>	<u>-</u>	<u>642,184</u>	<u>3,566,938</u>
Airport Commission capital assets, net	<u>\$ 4,332,785</u>	<u>\$ 276,829</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,609,614</u>

At December 31, 2017, the Airport Commission had outstanding commitments totaling approximately \$166,000.

COUNTY OF BARRY, MICHIGAN

Notes to Financial Statements

8. LONG-TERM DEBT

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

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

Long-term debt activity for the year ended December 31, 2017, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<i>Primary Government</i>					
<i>Governmental activities</i>					
General obligation bonds	\$ 12,320,000	\$ -	\$ (1,060,000)	\$ 11,260,000	\$ 1,145,000
Compensated absences	621,151	260,706	(206,276)	675,581	212,464
Bond premiums and discounts, net	951,125	-	(115,288)	835,837	115,288
Total governmental activities	<u>\$ 13,892,276</u>	<u>\$ 260,706</u>	<u>\$ (1,381,564)</u>	<u>\$ 12,771,418</u>	<u>\$ 1,472,752</u>
<i>Business-type activities</i>					
Capital leases payable	\$ 5,250,000	\$ -	\$ (200,000)	\$ 5,050,000	\$ 225,000
Compensated absences	431,519	524,913	(477,166)	479,266	164,436
Total business-type activities	<u>\$ 5,681,519</u>	<u>\$ 524,913</u>	<u>\$ (677,166)</u>	<u>\$ 5,529,266</u>	<u>\$ 389,436</u>
<i>Component Units</i>					
<i>Road Commission</i>					
Notes payable	\$ 4,500,000	\$ -	\$ (300,000)	\$ 4,200,000	\$ 350,000
Compensated absences	318,520	15,661	-	334,181	334,181
	<u>4,818,520</u>	<u>15,661</u>	<u>(300,000)</u>	<u>4,534,181</u>	<u>684,181</u>
<i>Drainage Districts</i>					
General obligation bonds	814,800	67,200	(108,180)	773,820	58,800
Drain notes and other debt	1,518,916	132,000	(344,394)	1,306,522	257,561
	<u>2,333,716</u>	<u>199,200</u>	<u>(452,574)</u>	<u>2,080,342</u>	<u>316,361</u>
<i>Board of Public Works</i>					
General obligation bonds	<u>4,390,346</u>	<u>-</u>	<u>(405,000)</u>	<u>3,985,346</u>	<u>435,000</u>
Total component units	<u>\$ 11,542,582</u>	<u>\$ 214,861</u>	<u>\$ (1,157,574)</u>	<u>\$ 10,599,869</u>	<u>\$ 1,435,542</u>

COUNTY OF BARRY, MICHIGAN

Notes to Financial Statements

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

Primary Government

The Barry County Board of Commissioners is party to long-term lease agreements for rental of the Medical Care Facility Buildings and the 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, 2017 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. \$ 300,000

\$13,685,000 Building Authority - Medical Care Facility Refunding Bonds, dated November 15, 2012, due in annual installments ranging from \$25,000 to \$1,635,000 through April 1, 2025, with interest ranging from 2.00 to 4.00%, payable semi-annually. 10,960,000

Total general obligation debt - governmental activities \$ 11,260,000

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

Capital leases payable at December 31, 2017 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. \$ 5,050,000

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. \$ 4,200,000

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, 2017 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.

\$ 773,820

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.

\$ 23,200

\$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.

152,000

\$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.

156,342

\$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.

134,069

\$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.

180,000

\$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.

133,000

\$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.

144,286

\$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.

251,625

\$100,000 Gun Lake Dam drain assessment district note dated August 7, 2017, due in full on February 7, 2019, with interest at 1.20%.

100,000

\$32,000 Crystal Lake Dam drain assessment district note dated November 1, 2017, due in annual installments of \$10,667 through November 1, 2020, with interest at 1.48%, payable annually.

32,000

Total notes payable - Drainage Districts

\$ 1,306,522

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, 2017 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.	\$ 75,000
\$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.	258,281
\$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.	575,000
\$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.	95,000
\$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.	225,000
\$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.	250,000
\$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.	1,807,065
\$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>700,000</u>
Total bonds payable - Board of Public Works	<u>\$ 3,985,346</u>

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
2018	\$ 1,145,000	\$ 417,425	\$ 225,000	\$ 151,050
2019	1,230,000	379,755	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	1,420,000	218,200	300,000	127,175
2023-2027	4,745,000	289,700	1,625,000	497,000
2028-2032	-	-	2,125,000	194,250
Total	<u>\$ 11,260,000</u>	<u>\$ 1,916,006</u>	<u>\$ 5,050,000</u>	<u>\$ 1,391,501</u>

Year Ended December 31,	Component Units	
	Principal	Interest
2018	\$ 1,101,361	\$ 238,837
2019	1,158,161	212,051
2020	1,058,160	185,166
2021	1,107,492	159,323
2022	1,026,550	133,328
2023-2027	4,286,079	315,510
2028-2030	527,885	28,631
Total	<u>\$ 10,265,688</u>	<u>\$ 1,272,846</u>

COUNTY OF BARRY, MICHIGAN

Notes to Financial Statements

9. FUND BALANCES - GOVERNMENTAL FUNDS

The County reports fund balance in governmental funds based on the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. GASB 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Detailed information on fund balances of governmental funds is as follows:

	General Fund	Central Dispatch	Commission on Aging	Child Care	Building Authority Thornapple Manor Debt	Nonmajor Governmental Funds	Totals
Nonspendable							
Advances to other funds	\$ 86,973	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 86,973
Permanent fund corpus	-	-	-	-	-	30,925	30,925
	<u>86,973</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,925</u>	<u>117,898</u>
Restricted							
Central dispatch/E-911	-	1,459,610	-	-	-	-	1,459,610
Senior services	-	-	886,927	-	-	-	886,927
Cemetery perpetual care	-	-	-	-	-	855	855
Thornapple Manor debt	-	-	-	-	521,141	-	521,141
County parks	-	-	-	-	-	8,721	8,721
Animal services/shelter	-	-	-	-	-	271,192	271,192
Community outreach	-	-	-	-	-	12,257	12,257
Register of deeds systems	-	-	-	-	-	107,738	107,738
Judicial programs	-	-	-	-	-	69,629	69,629
Law enforcement	-	-	-	-	-	66,370	66,370
Housing rehabilitation	-	-	-	-	-	1,066,149	1,066,149
Criminal diversion	-	-	-	-	-	355,733	355,733
Other purposes	-	-	-	-	-	87,579	87,579
	<u>-</u>	<u>1,459,610</u>	<u>886,927</u>	<u>-</u>	<u>521,141</u>	<u>2,046,223</u>	<u>4,913,901</u>
Committed							
Senior services	-	-	125,000	-	-	-	125,000
Hazardous waste disposal	-	-	-	-	-	214,610	214,610
Re monumentation plan	-	-	-	-	-	19,596	19,596
County parks	-	-	-	-	-	82,255	82,255
Child and family services	-	-	-	2,601,685	-	894,916	3,496,601
Public safety programs	-	-	-	-	-	19,059	19,059
Judicial programs	-	-	-	-	-	286,797	286,797
Debt service	-	-	-	-	-	26,085	26,085
Building improvements	1,561,489	-	-	-	-	623,236	2,184,725
Other purposes	64,358	-	-	-	-	7,469	71,827
	<u>1,625,847</u>	<u>-</u>	<u>125,000</u>	<u>2,601,685</u>	<u>-</u>	<u>2,174,023</u>	<u>6,526,555</u>
Unassigned	<u>2,199,449</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,199,449</u>
Total fund balances - governmental funds	<u>\$ 3,912,269</u>	<u>\$ 1,459,610</u>	<u>\$ 1,011,927</u>	<u>\$ 2,601,685</u>	<u>\$ 521,141</u>	<u>\$ 4,251,171</u>	<u>\$13,757,803</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, 2017 was as follows:

	Governmental Activities	Business-type Activities	Component Units
Capital assets:			
Capital assets not being depreciated	\$ 2,775,496	\$ -	\$ 17,762,860
Capital assets being depreciated, net	10,567,701	23,139,475	25,977,834
	<u>13,343,197</u>	<u>23,139,475</u>	<u>43,740,694</u>
Related debt:			
Total installment debt	11,260,000	5,050,000	10,265,688
Bond premiums and discounts, net	835,837	-	-
Deferred charge on advance refunding	532,644	-	21,410
Less: Medical care facility refunding bonds and related deferred amounts*	(12,328,481)	-	-
Less: noncapital drain debt***	-	-	(773,820)
Less: amounts under leases receivable and related deferred amounts**	-	-	(4,006,756)
	<u>300,000</u>	<u>5,050,000</u>	<u>5,506,522</u>
Net investment in capital assets	<u>\$ 13,043,197</u>	<u>\$ 18,089,475</u>	<u>\$ 38,234,172</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, 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 insured for workers' compensation claims via a policy with the Michigan Association of Counties.

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

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

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

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:

	Disability	MMRMA Liability	Totals
Liability, January 1, 2016	\$ -	\$ 113,124	\$ 113,124
Claims and changes in estimates	56,129	138,632	194,761
Claim payments	(56,129)	(164,367)	(220,496)
Liability, December 31, 2016	-	87,389	87,389
Claims and changes in estimates	48,178	(31,148)	17,030
Claim payments	(48,178)	(24,941)	(73,119)
Liability, December 31, 2017	\$ -	\$ 31,300	\$ 31,300

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, 2017.

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, 2017, there were no claims that exceeded insurance coverage. The Road Commission did not have any significant reduction in insurance coverage from previous years.

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 2017 amounted to \$30,783.

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.

COUNTY OF BARRY, MICHIGAN

Notes to Financial Statements

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

14. EMPLOYEE RETIREMENT SYSTEMS AND PLANS

Primary Government

General Information About the Plan

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

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

Benefits Provided. Pension benefits vary by division/bargaining unit and are calculated as final average compensation (based on a 3 or 5 year period) and multipliers ranging from 1.5% to 2.5%. Participants are considered to be fully vested in the plan after 6 or 10 years, depending on bargaining unit. Normal retirement age is 60 with early retirement options available for certain bargaining units. Member contributions range from 0% to 9.03% of covered wages, as summarized in the table on the following page.

Employees Covered by Benefit Terms. At December 31, 2016, plan membership for governmental activities consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	144
Inactive employees entitles to but not yet receiving benefits	38
Active employees	176
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Total membership	358
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COUNTY OF BARRY, MICHIGAN

Notes to Financial Statements

Contributions. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees. Employer contributions are expressed as a percentage of payroll for open divisions and as a fixed monthly amount for closed divisions as summarized in the following table for the plan as a whole:

Division	Plan Type	Status	Employer Contribution Rate	Employee Contribution Rate
MCF Local 2742	Defined Benefit	Open	3.92%	2.00%
911 Central Dispatch Supervisors	Defined Benefit	Open	20.61%	0.57%
911 Central Dispatch (after 5/11)	Defined Benefit	Open	9.39%	0.00%
MCF Non Union	Defined Benefit	Open	10.26%	0.00%
MCF Administrator	Defined Benefit	Open	46.62%	0.00%
Hybrid	Hybrid	Open	7.80%	0.00%
BCCEA-CourtHouse	Defined Benefit	Closed	\$ 21,182	5.99%
Elected Officials	Defined Benefit	Closed	14,526	3.70%
Sheriff-Corrections	Defined Benefit	Closed	12,793	9.03%
Sheriff-Deputies	Defined Benefit	Closed	33,613	6.06%
General	Defined Benefit	Closed	1,062	0.00%
911 Central Dispatch	Defined Benefit	Closed	2,361	3.00%
Department Heads	Defined Benefit	Closed	34,025	3.70%
Sheriff-Command	Defined Benefit	Closed	33,613	6.06%
Jail Administrator	Defined Benefit	Closed	365	0.00%

Net Pension Liability. The County's net pension liability was measured as of December 31, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016.

Actuarial Assumptions. The total pension liability in the December 31, 2016 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 explicit price inflation assumption is used in the valuation, the long-term annual rate of price inflation implicit in the 3.75% base wage inflation is 2.5%.

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.

COUNTY OF BARRY, MICHIGAN

Notes to Financial Statements

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	57.5%	5.02%	2.89%
Global fixed income	20.0%	2.18%	0.44%
Real assets	12.5%	4.23%	0.51%
Diversifying strategies	10.0%	6.56%	0.66%
	<u>100.00%</u>		
Inflation			3.25%
Administrative expenses netted above			<u>0.25%</u>
Investment rate of return			<u>8.00%</u>

Discount Rate. The discount rate used to measure the total pension liability is 8.00% for 2017 (down from 8.25% in 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.

COUNTY OF BARRY, MICHIGAN

Notes to Financial Statements

Changes in Net Pension Liability

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

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2016	\$ 50,680,178	\$ 35,052,855	\$ 15,627,323
Changes for the year:			
Service cost	871,498	-	871,498
Interest	3,945,272	-	3,945,272
Differences between expected and actual experience	(1,089,692)	-	(1,089,692)
Employer contributions	-	2,858,700	(2,858,700)
Employee contributions	-	287,908	(287,908)
Net investment income	-	4,720,969	(4,720,969)
Benefit payments, including refunds of employee contributions	(2,510,367)	(2,510,367)	-
Administrative expense	-	(73,939)	73,939
Other changes	(19,207)	144,628	(163,835)
Net changes	1,197,504	5,427,899	(4,230,395)
Balances at December 31, 2017	\$ 51,877,682	\$ 40,480,754	11,396,928
Amount reported in Transit enterprise fund			719,119
Amount reported in Thornapple Manor enterprise fund			2,206,969
Total primary government			\$ 14,323,016

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 8.00%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1% lower (7.00%) or 1% higher (9.00%) than the current rate:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
County's net pension liability	\$ 17,596,576	\$ 11,396,928	\$ 6,196,088

COUNTY OF BARRY, MICHIGAN

Notes to Financial Statements

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

For the year ended December 31, 2017, the County's governmental activities recognized pension expense of \$1,956,611. The County reported pension-related deferred outflows/inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 868,788	(868,788)
Differences between expected and actual experience	-	287,098	(287,098)
Changes of assumptions	1,337,565	-	1,337,565
	<u>1,337,565</u>	<u>1,155,886</u>	<u>181,679</u>
Amount reported in Transit enterprise fund	176,991	-	176,991
Amount reported in Thornapple Manor enterprise fund	2,502,324	391,456	2,110,868
	<u>2,502,324</u>	<u>391,456</u>	<u>2,110,868</u>
Total	<u>\$ 4,016,880</u>	<u>\$ 1,547,342</u>	<u>\$ 2,469,538</u>

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

Year Ended December 31,	Amount
2018	\$ 344,364
2019	344,362
2020	(254,599)
2021	(70,831)
2022	<u>(181,617)</u>
Total	<u>\$ 181,679</u>

Payable to the Pension Plan. At December 31, 2017, the County (governmental activities) reported a payable of \$139,581 for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2017.

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.

COUNTY OF BARRY, MICHIGAN

Notes to 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.

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, 2017, the County contributed \$62,046 (\$23,966 for current retiree benefits net of a distribution from the assets held in trust with MERS and an additional \$38,080 in advance funding). Retirees receiving benefits contributed \$29,319, or approximately 47% 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.

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	\$ 52,192
Interest on net OPEB asset	(65,484)
Adjustment to annual required contribution	<u>46,448</u>
Net OPEB cost (expense)	33,156
Contributions made	<u>62,046</u>
Change in net OPEB asset	(28,890)
Net OPEB asset, beginning of year	<u>935,482</u>
Net OPEB asset, end of year	<u><u>\$ 964,372</u></u>

COUNTY OF BARRY, MICHIGAN

Notes to Financial Statements

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

Governmental activities	\$ 923,992
Business-type activities	<u>40,380</u>
	<u>\$ 964,372</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB asset for 2017 and the two previous years was as follows:

Year Ended December 31,	Annual OPEB Cost	Percentage Contributed	Net OPEB (Obligation) Asset
2015	\$ 59,887	236%	\$ 900,220
2016	30,676	215%	935,482
2017	33,156	187%	964,372

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.

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.

COUNTY OF BARRY, MICHIGAN

Notes to Financial Statements

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 - BARRY COUNTY CMH AUTHORITY

During the year, management re-evaluated the status of the Barry County Community Mental Health Authority, which has previously been reported as a component unit of the County. Based on recent changes in professional standards and state funding models, management has concluded that the County is no longer “financially accountable” for the CMH Authority, and that it would not be misleading to exclude it from the County’s financial reporting entity. Accordingly, the Barry County CMH Authority is no longer considered a component unit of the County. A copy of the CMH Authority’s separately audited financial statements may be obtained by contacting Barry County Mental Health Authority, 500 Barfield Dr., Hastings, MI 49508.

■ ■ ■ ■ ■

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	2017
Total pension liability			
Service cost	\$ 840,881	\$ 914,049	\$ 871,498
Interest	3,545,367	3,708,855	3,945,272
Differences between expected and actual experience	-	931,469	(1,089,692)
Changes of assumptions	-	2,006,349	-
Benefit payments, including refunds of employee contributions	(2,292,924)	(2,456,647)	(2,510,367)
Other	(66,372)	(151,016)	(19,207)
Net change in total pension liability	2,026,952	4,953,059	1,197,504
Total pension liability, beginning of year	43,700,167	45,727,119	50,680,178
Total pension liability, end of year	45,727,119	50,680,178	51,877,682
Plan fiduciary net position			
Employer contributions	1,873,216	3,676,953	2,858,700
Employee contributions	315,846	293,939	287,908
Net investment income (loss)	(462,833)	3,465,203	4,720,969
Benefit payments, including refunds of employee contributions	(2,292,924)	(2,456,647)	(2,510,367)
Administrative expense	(67,801)	(68,602)	(73,939)
Other	-	-	144,628
Net change in plan fiduciary net position	(634,496)	4,910,846	5,427,899
Plan fiduciary net position, beginning of year	30,776,505	30,142,009	35,052,855
Plan fiduciary net position, end of year	30,142,009	35,052,855	40,480,754
County's net pension liability	\$ 15,585,110	\$ 15,627,323	\$ 11,396,928
Plan fiduciary net position as a percentage of total pension liability	65.9%	69.2%	78.0%
Covered payroll	\$ 7,492,355	\$ 8,309,065	\$ 8,049,626
County's net pension liability as a percentage of covered payroll	208.0%	188.1%	141.6%

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%
2017	51,877,682	40,480,754	11,396,928	78.0%	8,049,626	141.6%

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 ⁽¹⁾	44.3%
2017	1,637,841	2,858,700	(1,220,859)	8,049,626	35.5%

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

⁽¹⁾ 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, 2016. 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	5 year smoothed. 10 year smoothing prior to 2016.
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
2015	\$ 13,463	1050%
2016	48,779	135%
2017	52,192	119%

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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, 2017

	General Fund	Building Rehab	Parks and Recreation
Assets			
Cash and cash equivalents	\$ -	\$ 1,602,777	\$ 60,475
Investments	6,408,633	-	-
Taxes receivable	225,754	-	-
Due from other governments	239,086	-	-
Due from other funds	570,844	-	-
Advances to other funds	86,973	-	-
Total assets	\$ 7,531,290	\$ 1,602,777	\$ 60,475
Liabilities			
Negative equity in pooled cash and cash equivalents	\$ 4,961,405	\$ -	\$ -
Accounts payable	138,263	41,288	-
Accrued liabilities	145,200	-	-
Total liabilities	5,244,868	41,288	-
Fund balances			
Nonspendable	86,973	-	-
Committed	-	1,561,489	60,475
Unassigned	2,199,449	-	-
Total fund balances	2,286,422	1,561,489	60,475
Total liabilities and fund balances	\$ 7,531,290	\$ 1,602,777	\$ 60,475



Agriculture Preservation	Adjustments	Total
\$ 3,883	\$ (1,667,135)	\$ -
-	-	6,408,633
-	-	225,754
-	-	239,086
-	-	570,844
-	-	86,973
<u>\$ 3,883</u>	<u>\$ (1,667,135)</u>	<u>\$ 7,531,290</u>
\$ -	\$ (1,667,135)	\$ 3,294,270
-	-	179,551
-	-	145,200
<u>-</u>	<u>(1,667,135)</u>	<u>3,619,021</u>
-	-	86,973
3,883	-	1,625,847
-	-	2,199,449
<u>3,883</u>	<u>-</u>	<u>3,912,269</u>
<u>\$ 3,883</u>	<u>\$ (1,667,135)</u>	<u>\$ 7,531,290</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, 2017

	General Fund	Building Rehab	Parks and Recreation
Revenues			
Taxes	\$ 11,362,936	\$ -	\$ -
Intergovernmental	2,050,693	-	-
Licenses and permits	101,942	-	-
Charges for services	1,759,979	-	-
Fines and forfeitures	34,584	-	-
Interest and rentals	154,631	2,151	-
Other revenues	110,870	-	1,500
Total revenues	15,575,635	2,151	1,500
Expenditures			
Current:			
General government	5,828,465	-	-
Public safety	5,568,954	-	-
Health and welfare	1,160,174	-	-
Community and economic development	379,517	-	-
Recreation and cultural	-	-	20,175
Other	644,703	-	-
Capital outlay	-	458,582	-
Total expenditures	13,581,813	458,582	20,175
Revenues over (under) expenditures	1,993,822	(456,431)	(18,675)
Other financing sources (uses)			
Transfers in	500,000	264,658	34,175
Transfers out	(2,493,822)	-	-
Total other financing sources (uses)	(1,993,822)	264,658	34,175
Net changes in fund balances	-	(191,773)	15,500
Fund balances, beginning of year	2,286,422	1,753,262	44,975
Fund balances, end of year	\$ 2,286,422	\$ 1,561,489	\$ 60,475



Agriculture Preservation	Eliminations	Total
\$ -	\$ -	\$ 11,362,936
-	-	2,050,693
-	-	101,942
-	-	1,759,979
-	-	34,584
-	-	156,782
-	-	112,370
-	-	15,579,286
-	-	5,828,465
-	-	5,568,954
-	-	1,160,174
1,323	-	380,840
-	-	20,175
-	-	644,703
-	-	458,582
1,323	-	14,061,893
(1,323)	-	1,517,393
2,950	(296,888)	504,895
-	296,888	(2,196,934)
2,950	-	(1,692,039)
1,627	-	(174,646)
2,256	-	4,086,915
\$ 3,883	\$ -	\$ 3,912,269

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, 2017

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
General fund:				
Taxes:				
Real and personal property taxes	\$ 10,948,000	\$ 10,948,000	\$ 11,009,932	\$ 61,932
Other taxes	9,080	9,080	353,004	343,924
Total taxes	10,957,080	10,957,080	11,362,936	405,856
Intergovernmental:				
Federal grants	133,717	216,478	187,661	(28,817)
State grants	1,834,560	1,844,781	1,863,032	18,251
Total intergovernmental	1,968,277	2,061,259	2,050,693	(10,566)
Licenses and permits:				
Dog licenses	73,000	73,000	48,813	(24,187)
Marriage license fees	6,150	8,550	9,630	1,080
Planning services	35,000	35,000	43,499	8,499
Total licenses and permits	114,150	116,550	101,942	(14,608)
Charges for services:				
Circuit court	86,913	93,913	127,484	33,571
District court	464,800	544,800	546,894	2,094
Friend of the court	44,000	60,000	55,930	(4,070)
Probate court	32,000	32,000	36,300	4,300
County treasurer	2,210	2,210	10,645	8,435
County clerk	107,720	114,693	126,705	12,012
Register of deeds	250,187	400,280	292,018	(108,262)
Real estate transfer tax	220,000	220,000	278,099	58,099
Mapping department	10,400	10,400	8,795	(1,605)
Juvenile court	10,100	10,100	857	(9,243)
Sheriff	128,110	128,110	128,141	31
Record copying	88,418	88,418	94,571	6,153
Other	57,177	57,177	53,540	(3,637)
Total charges for services	1,502,035	1,762,101	1,759,979	(2,122)
Fines and forfeitures:				
Bond forfeitures	5,000	5,000	11,737	6,737
Ordinance fines and costs	15,000	15,000	22,847	7,847
Total fines and forfeitures	20,000	20,000	34,584	14,584

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, 2017

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues (concluded)				
General fund (concluded):				
Interest and rentals:				
Interest revenue	\$ 150,020	\$ 75,020	\$ 95,062	\$ 20,042
Rentals	19,136	19,136	59,569	40,433
Total interest and rentals	169,156	94,156	154,631	60,475
Other revenues:				
Reimbursements and refunds	57,400	64,900	110,756	45,856
Other	10	10	114	104
Total other revenues	57,410	64,910	110,870	45,960
Total general fund	14,788,108	15,076,056	15,575,635	499,579
Parks and recreation fund:				
Other revenues	-	1,500	1,500	-
Building rehab fund:				
Interest and rentals:				
Interest revenue	-	2,700	2,151	(549)
Total revenues	14,788,108	15,080,256	15,579,286	499,030
Expenditures				
General fund:				
General government:				
Board of commissioners	188,943	188,943	166,313	(22,630)
Trial court	1,585,060	1,600,550	1,491,146	(109,404)
Jury board	11,000	11,000	5,343	(5,657)
Probate court	807,655	815,914	787,516	(28,398)
Adult probation	9,546	9,546	8,369	(1,177)
County administrator	295,934	298,543	280,769	(17,774)
Elections	60,900	60,900	44,491	(16,409)
Legal counsel	75,000	85,000	83,270	(1,730)
Clerk	521,315	530,009	521,538	(8,471)
Equalization	196,300	199,163	173,147	(26,016)
Prosecuting attorney	745,556	752,017	706,409	(45,608)
Extraditions	2,000	2,600	-	(2,600)
Register of deeds	245,011	249,488	244,156	(5,332)
Land information services	290,249	291,212	287,735	(3,477)
Treasurer	268,689	269,652	251,010	(18,642)
Cooperative extension	115,946	115,946	114,275	(1,671)
Courthouse and grounds	549,719	557,286	507,489	(49,797)
Drain commissioner	165,469	168,718	155,489	(13,229)
Total general government	6,134,292	6,206,487	5,828,465	(378,022)

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, 2017

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures (continued)				
General fund (continued):				
Public safety:				
Sheriff	\$ 3,045,132	\$ 3,049,460	\$ 2,979,717	\$ (69,743)
Secondary road patrol	118,291	118,291	114,019	(4,272)
Court security	94,774	94,774	93,176	(1,598)
Highway safety grant	907	907	271	(636)
Marine safety	138,370	138,370	114,160	(24,210)
Emergency services	113,788	213,327	175,267	(38,060)
Jail	2,092,611	2,093,005	2,033,002	(60,003)
Animal control	66,177	68,435	59,342	(9,093)
Total public safety	<u>5,670,050</u>	<u>5,776,569</u>	<u>5,568,954</u>	<u>(207,615)</u>
Health and welfare:				
District health department	441,266	441,266	441,266	-
Health department building	130,932	132,707	121,978	(10,729)
Animal shelter	201,545	206,819	173,062	(33,757)
Soldiers' and sailors' relief	40,000	40,000	7,644	(32,356)
Medical examiner	124,086	124,086	123,466	(620)
Substance abuse	69,395	74,050	74,047	(3)
Veterans' counselor	37,272	39,072	35,111	(3,961)
Veterans' burials	37,500	37,500	29,100	(8,400)
Mental health	154,500	154,500	154,500	-
Total health and welfare	<u>1,236,496</u>	<u>1,250,000</u>	<u>1,160,174</u>	<u>(89,826)</u>
Community and economic development:				
Appropriation to Economic Development				
Board	122,394	137,394	137,394	-
Appropriation to Road Commission	11,334	11,334	11,334	-
Appropriation to Soil Conservation	15,500	15,500	15,500	-
Planning and zoning	215,671	222,909	215,289	(7,620)
Total community and economic development	<u>364,899</u>	<u>387,137</u>	<u>379,517</u>	<u>(7,620)</u>
Other:				
Insurance and bonds	426,551	422,754	422,754	-
Other	339,476	403,570	221,949	(181,621)
Total other	<u>766,027</u>	<u>826,324</u>	<u>644,703</u>	<u>(181,621)</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, 2017

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures (concluded)				
Total general fund	\$ 14,171,764	\$ 14,446,517	\$ 13,581,813	\$ (864,704)
Building rehab fund:				
Capital outlay	-	610,395	458,582	(151,813)
Parks and recreation fund:				
Recreation and cultural	-	34,190	20,175	(14,015)
Agriculture preservation fund:				
Community and economic development	2,950	2,950	1,323	(1,627)
Total expenditures	14,174,714	15,094,052	14,061,893	(1,032,159)
Revenues over (under) expenditures	613,394	(13,796)	1,517,393	1,531,189
Other financing sources (uses)				
Transfers in:				
General fund	825,139	825,139	500,000	(325,139)
Building rehab fund	-	11,461	264,658	253,197
Parks and recreation fund	-	34,175	34,175	-
Agriculture preservation fund	2,950	2,950	2,950	-
Eliminations	(68,000)	(102,175)	(296,888)	(194,713)
Total transfers in	760,089	771,550	504,895	(266,655)
Transfers out:				
General fund	(1,441,483)	(1,454,678)	(2,493,822)	1,039,144
Building rehab fund	-	(68,000)	-	(68,000)
Eliminations	68,000	102,175	296,888	(194,713)
Total transfers out	(1,373,483)	(1,420,503)	(2,196,934)	776,431
Total other financing sources (uses)	(613,394)	(648,953)	(1,692,039)	509,776
Net change in fund balance	-	(662,749)	(174,646)	488,103
Fund balance, beginning of year	4,086,915	4,086,915	4,086,915	-
Fund balance, end of year	\$ 4,086,915	\$ 3,424,166	\$ 3,912,269	\$ 488,103

concluded

COUNTY OF BARRY, MICHIGAN

Combining Balance Sheet Nonmajor Governmental Funds December 31, 2017

	Special Revenue	Debt Service	Capital Projects
Assets			
Cash and cash equivalents	\$ 2,282,364	\$ 25,946	\$ 590,457
Investments	56,618	144	-
Accounts receivable	19,924	-	41,500
Taxes receivable	433,391	-	-
Loans receivable	1,065,058	-	-
Due from other governments	407,901	-	-
Total assets	\$ 4,265,256	\$ 26,090	\$ 631,957
Liabilities			
Negative equity in pooled cash and cash equivalents	\$ 73,742	\$ -	\$ -
Accounts payable	43,088	5	-
Accrued liabilities	31,357	-	-
Due to other funds	11,461	-	-
Advances from other funds	86,973	-	-
Total liabilities	246,621	5	-
Deferred inflows of resources			
Property taxes levied for subsequent year	457,286	-	-
Fund balances			
Nonspendable	-	-	-
Restricted	2,036,647	-	8,721
Committed	1,524,702	26,085	623,236
Total fund balances	3,561,349	26,085	631,957
Total liabilities, deferred inflows of resources and fund balances	\$ 4,265,256	\$ 26,090	\$ 631,957



Permanent	
Cemetery Perpetual Care	Totals
\$ 80	\$ 2,898,847
31,700	88,462
-	61,424
-	433,391
-	1,065,058
-	407,901
<hr/>	
\$ 31,780	\$ 4,955,083
<hr/>	

\$ -	\$ 73,742
-	43,093
-	31,357
-	11,461
-	86,973
<hr/>	
-	246,626
<hr/>	
-	457,286
<hr/>	

30,925	30,925
855	2,046,223
-	2,174,023
<hr/>	
31,780	4,251,171
<hr/>	
\$ 31,780	\$ 4,955,083
<hr/>	

COUNTY OF BARRY, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds For the Year Ended December 31, 2017

	Special Revenue	Debt Service	Capital Projects
Revenues			
Taxes	\$ 446,675	\$ -	\$ -
Intergovernmental	1,774,840	-	-
Licenses and permits	35,704	-	-
Charges for services	313,189	-	-
Fines and forfeitures	20	-	-
Interest and rentals	422	-	-
Other revenues	178,458	-	-
Total revenues	2,749,308	-	-
Expenditures			
Current:			
General government	1,627,110	-	-
Public safety	382,152	-	-
Public works	75,031	-	-
Health and welfare	44,637	-	-
Community and economic development	24,510	-	-
Recreation and cultural	606,027	-	-
Debt service:			
Principal	-	75,000	-
Interest expense	-	20,444	-
Capital outlay	28,150	-	5,000
Total expenditures	2,787,617	95,444	5,000
Revenues over (under) expenditures	(38,309)	(95,444)	(5,000)
Other financing sources (uses)			
Proceeds from sale of capital assets	11,415	-	-
Transfers in	280,520	97,315	259,763
Transfers out	(531,668)	-	-
Total other financing sources (uses)	(239,733)	97,315	259,763
Net changes in fund balances	(278,042)	1,871	254,763
Fund balances, beginning of year	3,839,391	24,214	377,194
Fund balances, end of year	\$ 3,561,349	\$ 26,085	\$ 631,957



Permanent	
Cemetery Perpetual Care	Totals
\$ -	\$ 446,675
-	1,774,840
-	35,704
-	313,189
-	20
150	572
-	178,458
<hr/>	
150	2,749,458
<hr/>	
-	1,627,110
-	382,152
-	75,031
-	44,637
-	24,510
-	606,027
-	75,000
-	20,444
-	33,150
<hr/>	
-	2,888,061
<hr/>	
150	(138,603)
<hr/>	
-	11,415
-	637,598
-	(531,668)
<hr/>	
-	117,345
<hr/>	
150	(21,258)
<hr/>	
31,630	4,272,429
<hr/>	
\$ 31,780	\$ 4,251,171
<hr/>	

COUNTY OF BARRY, MICHIGAN

Combining Balance Sheet

Nonmajor Special Revenue Funds

December 31, 2017

	Charlton Park	Friend of the Court	Local Corrections Officer Training	Solid Waste
Assets				
Cash and cash equivalents	\$ 211,623	\$ 616,602	\$ 62,005	\$ 195,072
Investments	-	-	-	-
Accounts receivable	-	-	-	19,924
Taxes receivable	433,391	-	-	-
Loans receivable	-	-	-	-
Due from other governments	-	202,283	-	-
Total assets	<u>\$ 645,014</u>	<u>\$ 818,885</u>	<u>\$ 62,005</u>	<u>\$ 214,996</u>
Liabilities				
Negative equity in pooled cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Accounts payable	1,372	3,137	525	386
Accrued liabilities	5,667	14,839	-	-
Due to other funds	11,461	-	-	-
Advance from other funds	86,973	-	-	-
Total liabilities	<u>105,473</u>	<u>17,976</u>	<u>525</u>	<u>386</u>
Deferred inflows of resources				
Property taxes levied for subsequent year	<u>457,286</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances				
Restricted	-	-	61,480	-
Committed	<u>82,255</u>	<u>800,909</u>	<u>-</u>	<u>214,610</u>
Total fund balances	<u>82,255</u>	<u>800,909</u>	<u>61,480</u>	<u>214,610</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 645,014</u>	<u>\$ 818,885</u>	<u>\$ 62,005</u>	<u>\$ 214,996</u>

C SNIP Donation	Animal Shelter Donation	Animal Shelter T.N.R. Grant 2016	Community Resource Network	Remonu- mentation	Register of Deeds Automation	Victim Services Unit
\$ 1,921	\$ 264,230	\$ 18,074	\$ 12,257	\$ 1,438	\$ 112,918	\$ 6,932
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	25,838	-	-
<u>\$ 1,921</u>	<u>\$ 264,230</u>	<u>\$ 18,074</u>	<u>\$ 12,257</u>	<u>\$ 27,276</u>	<u>\$ 112,918</u>	<u>\$ 6,932</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	12,367	666	-	7,680	5,005	-
-	-	-	-	-	175	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	12,367	666	-	7,680	5,180	-
-	-	-	-	-	-	-
1,921	251,863	17,408	12,257	-	107,738	6,932
-	-	-	-	19,596	-	-
1,921	251,863	17,408	12,257	19,596	107,738	6,932
<u>\$ 1,921</u>	<u>\$ 264,230</u>	<u>\$ 18,074</u>	<u>\$ 12,257</u>	<u>\$ 27,276</u>	<u>\$ 112,918</u>	<u>\$ 6,932</u>

continued...

COUNTY OF BARRY, MICHIGAN

Combining Balance Sheet

Nonmajor Special Revenue Funds

December 31, 2017

	Drug Law Enforcement	Special Investigation	Crime Victims' Rights Week	Law Library
Assets				
Cash and cash equivalents	\$ 1,960	\$ 8,825	\$ 7,857	\$ 9,248
Investments	-	-	-	-
Accounts receivable	-	-	-	-
Taxes receivable	-	-	-	-
Loans receivable	-	-	-	-
Due from other governments	-	-	12,761	-
Total assets	<u>\$ 1,960</u>	<u>\$ 8,825</u>	<u>\$ 20,618</u>	<u>\$ 9,248</u>
Liabilities				
Negative equity in pooled cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	1,779
Accrued liabilities	-	-	936	-
Due to other funds	-	-	-	-
Advance from other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>936</u>	<u>1,779</u>
Deferred inflows of resources				
Property taxes levied for subsequent year	-	-	-	-
Fund balances				
Restricted	1,960	-	19,682	-
Committed	-	8,825	-	7,469
Total fund balances	<u>1,960</u>	<u>8,825</u>	<u>19,682</u>	<u>7,469</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,960</u>	<u>\$ 8,825</u>	<u>\$ 20,618</u>	<u>\$ 9,248</u>

CDBG Housing	Middleville Police Services	MSHDA Home Grant	Community Corrections	Adult Drug Court	Juvenile Drug Court	Michigan Justice Training
\$ 4,721	\$ -	\$ -	\$ -	\$ 241,518	\$ -	\$ 13,873
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,051,746	-	13,312	-	-	-	-
-	69,731	-	18,132	32,339	-	-
<u>\$ 1,056,467</u>	<u>\$ 69,731</u>	<u>\$ 13,312</u>	<u>\$ 18,132</u>	<u>\$ 273,857</u>	<u>\$ -</u>	<u>\$ 13,873</u>
\$ -	\$ 64,533	\$ -	\$ 5,974	\$ -	\$ -	\$ -
3,630	-	-	1,335	3,610	-	-
-	5,198	-	589	1,541	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>3,630</u>	<u>69,731</u>	<u>-</u>	<u>7,898</u>	<u>5,151</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1,052,837	-	13,312	-	-	-	13,873
-	-	-	10,234	268,706	-	-
<u>1,052,837</u>	<u>-</u>	<u>13,312</u>	<u>10,234</u>	<u>268,706</u>	<u>-</u>	<u>13,873</u>
<u>\$ 1,056,467</u>	<u>\$ 69,731</u>	<u>\$ 13,312</u>	<u>\$ 18,132</u>	<u>\$ 273,857</u>	<u>\$ -</u>	<u>\$ 13,873</u>

continued...

COUNTY OF BARRY, MICHIGAN

Combining Balance Sheet

Nonmajor Special Revenue Funds

December 31, 2017

	56B Sobriety Court	Social Welfare	Veterans' Trust	Sure and Swift Program
Assets				
Cash and cash equivalents	\$ 6,299	\$ 37,389	\$ -	\$ -
Investments	-	56,618	-	-
Accounts receivable	-	-	-	-
Taxes receivable	-	-	-	-
Loans receivable	-	-	-	-
Due from other governments	23,327	-	-	23,490
Total assets	<u>\$ 29,626</u>	<u>\$ 94,007</u>	<u>\$ -</u>	<u>\$ 23,490</u>
Liabilities				
Negative equity in pooled cash and cash equivalents	\$ -	\$ -	\$ -	\$ 3,235
Accounts payable	602	-	-	994
Accrued liabilities	1,242	-	-	1,170
Due to other funds	-	-	-	-
Advance from other funds	-	-	-	-
Total liabilities	<u>1,844</u>	<u>-</u>	<u>-</u>	<u>5,399</u>
Deferred inflows of resources				
Property taxes levied for subsequent year	-	-	-	-
Fund balances				
Restricted	27,782	-	-	-
Committed	-	94,007	-	18,091
Total fund balances	<u>27,782</u>	<u>94,007</u>	<u>-</u>	<u>18,091</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 29,626</u>	<u>\$ 94,007</u>	<u>\$ -</u>	<u>\$ 23,490</u>



Diverted Felons	Bench Warrant	Sheriff K-9 Donation	Concealed Pistol License	Total
\$ 355,733	\$ 1,360	\$ 2,930	\$ 87,579	\$ 2,282,364
-	-	-	-	56,618
-	-	-	-	19,924
-	-	-	-	433,391
-	-	-	-	1,065,058
-	-	-	-	407,901
<u>\$ 355,733</u>	<u>\$ 1,360</u>	<u>\$ 2,930</u>	<u>\$ 87,579</u>	<u>\$ 4,265,256</u>

\$ -	\$ -	\$ -	\$ -	\$ 73,742
-	-	-	-	43,088
-	-	-	-	31,357
-	-	-	-	11,461
-	-	-	-	86,973
-	-	-	-	246,621

-	-	-	-	457,286
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355,733	1,360	2,930	87,579	2,036,647
-	-	-	-	1,524,702

355,733	1,360	2,930	87,579	3,561,349
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<u>\$ 355,733</u>	<u>\$ 1,360</u>	<u>\$ 2,930</u>	<u>\$ 87,579</u>	<u>\$ 4,265,256</u>
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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, 2017

	Charlton Park	Friend of the Court	Local Corrections Officer Training	Solid Waste
Revenues				
Taxes	\$ 446,675	\$ -	\$ -	\$ -
Intergovernmental	34,898	853,070	-	-
Licenses and permits	-	-	-	-
Charges for services	119,957	27,220	10,296	67,806
Fines and forfeitures	-	-	-	-
Interest and rentals	-	-	-	-
Other revenues	-	-	-	2,640
Total revenues	601,530	880,290	10,296	70,446
Expenditures				
Current:				
General government	-	1,062,719	-	-
Public safety	-	-	6,470	-
Public works	-	-	-	75,031
Health and welfare	-	-	-	-
Community and economic development	-	-	-	-
Recreation and cultural	606,027	-	-	-
Capital outlay	-	-	-	-
Total expenditures	606,027	1,062,719	6,470	75,031
Revenues over (under) expenditures	(4,497)	(182,429)	3,826	(4,585)
Other financing sources (uses)				
Proceeds from sale of capital assets	11,415	-	-	-
Transfers in	-	182,429	-	1,063
Transfers out	(4,895)	-	-	-
Total other financing sources (uses)	6,520	182,429	-	1,063
Net changes in fund balances	2,023	-	3,826	(3,522)
Fund balances, beginning of year	80,232	800,909	57,654	218,132
Fund balances, end of year	\$ 82,255	\$ 800,909	\$ 61,480	\$ 214,610

C SNIP Donation	Animal Shelter Donation	Animal Shelter T.N.R. Grant 2016	Community Resource Network	Remonu- mentation	Register of Deeds Automation	Victim Services Unit
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	21,165	2,300	43,989	-	748
-	-	-	-	-	-	-
-	-	-	-	-	64,090	-
-	-	-	-	-	-	-
-	173	-	11	-	65	8
-	172,108	-	-	60	-	3,600
-	172,281	21,165	2,311	44,049	64,155	4,356
-	-	-	-	65,260	47,595	-
-	-	-	-	-	-	1,457
-	-	-	-	-	-	-
-	19,950	7,216	3,248	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	19,950	7,216	3,248	65,260	47,595	1,457
-	152,331	13,949	(937)	(21,211)	16,560	2,899
-	-	-	-	-	-	-
-	-	-	-	22,818	-	-
-	-	-	-	-	-	-
-	-	-	-	22,818	-	-
-	152,331	13,949	(937)	1,607	16,560	2,899
1,921	99,532	3,459	13,194	17,989	91,178	4,033
\$ 1,921	\$ 251,863	\$ 17,408	\$ 12,257	\$ 19,596	\$ 107,738	\$ 6,932

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, 2017

	Drug Law Enforcement	Special Investigation	Crime Victims' Rights Week	Law Library
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	55,250	6,500
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	20	-	-
Interest and rentals	-	6	-	-
Other revenues	-	-	-	-
Total revenues	-	26	55,250	6,500
Expenditures				
Current:				
General government	-	-	57,171	20,706
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Community and economic development	-	-	-	-
Recreation and cultural	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	57,171	20,706
Revenues over (under) expenditures	-	26	(1,921)	(14,206)
Other financing sources (uses)				
Proceeds from sale of capital assets	-	-	-	-
Transfers in	-	-	-	11,500
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	11,500
Net changes in fund balances	-	26	(1,921)	(2,706)
Fund balances, beginning of year	1,960	8,799	21,603	10,175
Fund balances, end of year	\$ 1,960	\$ 8,825	\$ 19,682	\$ 7,469

CDBG Housing	Middleville Police Services	MSHDA Home Grant	Community Corrections	Adult Drug Court	Juvenile Drug Court	Michigan Justice Training
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	287,430	-	82,269	109,032	-	5,230
-	-	-	-	-	-	-
-	-	-	-	15,655	-	-
-	-	-	-	-	-	-
4	-	-	-	-	-	-
-	-	-	-	-	-	-
4	287,430	-	82,269	124,687	-	5,230
-	-	-	-	141,471	-	-
-	287,512	-	80,616	-	-	5,739
-	-	-	-	-	-	-
-	-	-	-	-	-	-
24,510	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
24,510	287,512	-	80,616	141,471	-	5,739
(24,506)	(82)	-	1,653	(16,784)	-	(509)
-	-	-	-	-	-	-
-	-	-	-	16,784	-	-
-	-	-	-	-	(526,773)	-
-	-	-	-	16,784	(526,773)	-
(24,506)	(82)	-	1,653	-	(526,773)	(509)
1,077,343	82	13,312	8,581	268,706	526,773	14,382
\$ 1,052,837	\$ -	\$ 13,312	\$ 10,234	\$ 268,706	\$ -	\$ 13,873

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, 2017

	56B Sobriety Court	Social Welfare	Veterans' Trust	Sure and Swift Program
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	86,681	-	-	115,633
Licenses and permits	-	-	-	-
Charges for services	8,165	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rentals	-	155	-	-
Other revenues	-	-	-	-
Total revenues	94,846	155	-	115,633
Expenditures				
Current:				
General government	110,626	-	-	120,335
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	-	6,558	7,665	-
Community and economic development	-	-	-	-
Recreation and cultural	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	110,626	6,558	7,665	120,335
Revenues over (under) expenditures	(15,780)	(6,403)	(7,665)	(4,702)
Other financing sources (uses)				
Proceeds from sale of capital assets	-	-	-	-
Transfers in	23,451	7,840	-	14,635
Transfers out	-	-	-	-
Total other financing sources (uses)	23,451	7,840	-	14,635
Net changes in fund balances	7,671	1,437	(7,665)	9,933
Fund balances, beginning of year	20,111	92,570	7,665	8,158
Fund balances, end of year	\$ 27,782	\$ 94,007	\$ -	\$ 18,091

Diverted Felons	Bench Warrant	Sheriff K-9 Donation	Concealed Pistol License	Total
\$ -	\$ -	\$ -	\$ -	\$ 446,675
70,645	-	-	-	1,774,840
-	-	-	35,704	35,704
-	-	-	-	313,189
-	-	-	-	20
-	-	-	-	422
-	-	50	-	178,458
70,645	-	50	35,704	2,749,308
1,227	-	-	-	1,627,110
-	-	300	58	382,152
-	-	-	-	75,031
-	-	-	-	44,637
-	-	-	-	24,510
-	-	-	-	606,027
28,150	-	-	-	28,150
29,377	-	300	58	2,787,617
41,268	-	(250)	35,646	(38,309)
-	-	-	-	11,415
-	-	-	-	280,520
-	-	-	-	(531,668)
-	-	-	-	(239,733)
41,268	-	(250)	35,646	(278,042)
314,465	1,360	3,180	51,933	3,839,391
\$ 355,733	\$ 1,360	\$ 2,930	\$ 87,579	\$ 3,561,349

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, 2017

	Charlton Park		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues			
Taxes	\$ 425,600	\$ 446,675	\$ 21,075
Intergovernmental	27,900	34,898	6,998
Licenses and permits	-	-	-
Charges for services	119,400	119,957	557
Fines and forfeitures	-	-	-
Interest and rentals	-	-	-
Other revenues	-	-	-
Total revenues	572,900	601,530	28,630
Expenditures			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Community and economic development	-	-	-
Recreation and cultural	596,512	606,027	9,515
Capital outlay	-	-	-
Total expenditures	596,512	606,027	9,515
Revenues over (under) expenditures	(23,612)	(4,497)	19,115
Other financing sources (uses)			
Proceeds from sale of capital assets	-	11,415	11,415
Transfers in	-	-	-
Transfers out	(11,461)	(4,895)	(6,566)
Total other financing sources (uses)	(11,461)	6,520	4,849
Net changes in fund balances	(35,073)	2,023	37,096
Fund balances, beginning of year	80,232	80,232	-
Fund balances, end of year	\$ 45,159	\$ 82,255	\$ 37,096



Friend of the Court			Local Corrections Officer Training		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
836,293	853,070	16,777	-	-	-
-	-	-	-	-	-
23,050	27,220	4,170	10,000	10,296	296
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
859,343	880,290	20,947	10,000	10,296	296
1,119,606	1,062,719	(56,887)	-	-	-
-	-	-	5,000	6,470	1,470
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
700	-	(700)	-	-	-
1,120,306	1,062,719	(57,587)	5,000	6,470	1,470
(260,963)	(182,429)	78,534	5,000	3,826	(1,174)
-	-	-	-	-	-
197,397	182,429	(14,968)	-	-	-
-	-	-	-	-	-
197,397	182,429	(14,968)	-	-	-
(63,566)	-	63,566	5,000	3,826	(1,174)
800,909	800,909	-	57,654	57,654	-
\$ 737,343	\$ 800,909	\$ 63,566	\$ 62,654	\$ 61,480	\$ (1,174)

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, 2017

	Solid Waste		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Licenses and permits	-	-	-
Charges for services	53,000	67,806	14,806
Fines and forfeitures	-	-	-
Interest and rentals	-	-	-
Other revenues	2,500	2,640	140
	<u>55,500</u>	<u>70,446</u>	<u>14,946</u>
Total revenues			
Expenditures			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	110,000	75,031	(34,969)
Health and welfare	-	-	-
Community and economic development	-	-	-
Recreation and cultural	-	-	-
Capital outlay	-	-	-
	<u>110,000</u>	<u>75,031</u>	<u>(34,969)</u>
Total expenditures			
Revenues over (under) expenditures	<u>(54,500)</u>	<u>(4,585)</u>	<u>49,915</u>
Other financing sources (uses)			
Proceeds from sale of capital assets	-	-	-
Transfers in	1,063	1,063	-
Transfers out	-	-	-
	<u>1,063</u>	<u>1,063</u>	<u>-</u>
Total other financing sources (uses)			
Net changes in fund balances	(53,437)	(3,522)	49,915
Fund balances, beginning of year	218,132	218,132	-
Fund balances, end of year	<u>\$ 164,695</u>	<u>\$ 214,610</u>	<u>\$ 49,915</u>



C SNIP Donation			Animal Shelter Donation		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	500	173	(327)
-	-	-	171,437	172,108	671
-	-	-	171,937	172,281	344
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	28,500	19,950	(8,550)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	28,500	19,950	(8,550)
-	-	-	143,437	152,331	8,894
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	143,437	152,331	8,894
1,921	1,921	-	99,532	99,532	-
\$ 1,921	\$ 1,921	\$ -	\$ 242,969	\$ 251,863	\$ 8,894

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, 2017

	Animal Shelter T.N.R. Grant 2016		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	20,000	21,165	1,165
Licenses and permits	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest and rentals	-	-	-
Other revenues	-	-	-
Total revenues	20,000	21,165	1,165
Expenditures			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	20,000	7,216	(12,784)
Community and economic development	-	-	-
Recreation and cultural	-	-	-
Capital outlay	-	-	-
Total expenditures	20,000	7,216	(12,784)
Revenues over (under) expenditures	-	13,949	13,949
Other financing sources (uses)			
Proceeds from sale of capital assets	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net changes in fund balances	-	13,949	13,949
Fund balances, beginning of year	3,459	3,459	-
Fund balances, end of year	\$ 3,459	\$ 17,408	\$ 13,949



Community Resource Network			Remonumentation		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7,000	2,300	(4,700)	46,027	43,989	(2,038)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	11	11	400	-	(400)
-	-	-	-	60	60
7,000	2,311	(4,689)	46,427	44,049	(2,378)
-	-	-	70,286	65,260	(5,026)
-	-	-	-	-	-
-	-	-	-	-	-
7,000	3,248	(3,752)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
7,000	3,248	(3,752)	70,286	65,260	(5,026)
-	(937)	(937)	(23,859)	(21,211)	2,648
-	-	-	-	-	-
-	-	-	22,818	22,818	-
-	-	-	-	-	-
-	-	-	22,818	22,818	-
-	(937)	(937)	(1,041)	1,607	2,648
13,194	13,194	-	17,989	17,989	-
\$ 13,194	\$ 12,257	\$ (937)	\$ 16,948	\$ 19,596	\$ 2,648

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, 2017

	Register of Deeds Automation		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Licenses and permits	-	-	-
Charges for services	58,573	64,090	5,517
Fines and forfeitures	-	-	-
Interest and rentals	-	65	65
Other revenues	-	-	-
	<u>58,573</u>	<u>64,155</u>	<u>5,582</u>
Total revenues			
Expenditures			
Current:			
General government	80,000	47,595	(32,405)
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Community and economic development	-	-	-
Recreation and cultural	-	-	-
Capital outlay	-	-	-
	<u>80,000</u>	<u>47,595</u>	<u>(32,405)</u>
Total expenditures			
Revenues over (under) expenditures	<u>(21,427)</u>	<u>16,560</u>	<u>37,987</u>
Other financing sources (uses)			
Proceeds from sale of capital assets	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)			
Net changes in fund balances	<u>(21,427)</u>	<u>16,560</u>	<u>37,987</u>
Fund balances, beginning of year	<u>91,178</u>	<u>91,178</u>	<u>-</u>
Fund balances, end of year	<u>\$ 69,751</u>	<u>\$ 107,738</u>	<u>\$ 37,987</u>



Victim Services Unit			Drug Law Enforcement		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,000	748	(252)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
20	8	(12)	-	-	-
2,200	3,600	1,400	-	-	-
<hr/>			<hr/>		
3,220	4,356	1,136	-	-	-
<hr/>			<hr/>		
-	-	-	-	-	-
3,220	1,457	(1,763)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<hr/>			<hr/>		
3,220	1,457	(1,763)	-	-	-
<hr/>			<hr/>		
-	2,899	2,899	-	-	-
<hr/>			<hr/>		
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<hr/>			<hr/>		
-	-	-	-	-	-
<hr/>			<hr/>		
-	2,899	2,899	-	-	-
<hr/>			<hr/>		
4,033	4,033	-	1,960	1,960	-
<hr/>			<hr/>		
\$ 4,033	\$ 6,932	\$ 2,899	\$ 1,960	\$ 1,960	\$ -
<hr/>			<hr/>		

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COUNTY OF BARRY, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Nonmajor Special Revenue Funds For the Year Ended December 31, 2017

	Special Investigation		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Licenses and permits	-	-	-
Charges for services	-	-	-
Fines and forfeitures	100	20	(80)
Interest and rentals	4	6	2
Other revenues	-	-	-
	<u>104</u>	<u>26</u>	<u>(78)</u>
Total revenues			
Expenditures			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Community and economic development	-	-	-
Recreation and cultural	-	-	-
Capital outlay	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures			
Revenues over (under) expenditures	<u>104</u>	<u>26</u>	<u>(78)</u>
Other financing sources (uses)			
Proceeds from sale of capital assets	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)			
Net changes in fund balances	<u>104</u>	<u>26</u>	<u>(78)</u>
Fund balances, beginning of year	<u>8,799</u>	<u>8,799</u>	<u>-</u>
Fund balances, end of year	<u>\$ 8,903</u>	<u>\$ 8,825</u>	<u>\$ (78)</u>



Crime Victims' Rights Week			Law Library		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
54,189	55,250	1,061	6,500	6,500	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
54,189	55,250	1,061	6,500	6,500	-
56,560	57,171	611	20,000	20,706	706
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
56,560	57,171	611	20,000	20,706	706
(2,371)	(1,921)	450	(13,500)	(14,206)	(706)
-	-	-	-	-	-
-	-	-	11,500	11,500	-
-	-	-	-	-	-
-	-	-	11,500	11,500	-
(2,371)	(1,921)	450	(2,000)	(2,706)	(706)
21,603	21,603	-	10,175	10,175	-
\$ 19,232	\$ 19,682	\$ 450	\$ 8,175	\$ 7,469	\$ (706)

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, 2017

	CDBG Housing		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Licenses and permits	-	-	-
Charges for services	43,110	-	(43,110)
Fines and forfeitures	-	-	-
Interest and rentals	-	4	4
Other revenues	-	-	-
Total revenues	43,110	4	(43,106)
Expenditures			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Community and economic development	71,000	24,510	(46,490)
Recreation and cultural	-	-	-
Capital outlay	-	-	-
Total expenditures	71,000	24,510	(46,490)
Revenues over (under) expenditures	(27,890)	(24,506)	3,384
Other financing sources (uses)			
Proceeds from sale of capital assets	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net changes in fund balances	(27,890)	(24,506)	3,384
Fund balances, beginning of year	1,077,343	1,077,343	-
Fund balances, end of year	\$ 1,049,453	\$ 1,052,837	\$ 3,384



Middleville Police Services			MSHDA Home Grant		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
289,333	287,430	(1,903)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
289,333	287,430	(1,903)	-	-	-
-	-	-	-	-	-
289,333	287,512	(1,821)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
289,333	287,512	(1,821)	-	-	-
-	(82)	(82)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	(82)	(82)	-	-	-
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, 2017

	Community Corrections		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	92,094	82,269	(9,825)
Licenses and permits	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest and rentals	-	-	-
Other revenues	-	-	-
	<u>92,094</u>	<u>82,269</u>	<u>(9,825)</u>
Total revenues	<u>92,094</u>	<u>82,269</u>	<u>(9,825)</u>
Expenditures			
Current:			
General government	-	-	-
Public safety	88,890	80,616	(8,274)
Public works	-	-	-
Health and welfare	-	-	-
Community and economic development	-	-	-
Recreation and cultural	-	-	-
Capital outlay	-	-	-
	<u>88,890</u>	<u>80,616</u>	<u>(8,274)</u>
Total expenditures	<u>88,890</u>	<u>80,616</u>	<u>(8,274)</u>
Revenues over (under) expenditures	<u>3,204</u>	<u>1,653</u>	<u>(1,551)</u>
Other financing sources (uses)			
Proceeds from sale of capital assets	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	3,204	1,653	(1,551)
Fund balances, beginning of year	8,581	8,581	-
Fund balances, end of year	<u>\$ 11,785</u>	<u>\$ 10,234</u>	<u>\$ (1,551)</u>



Adult Drug Court			Juvenile Drug Court		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
100,000	109,032	9,032	-	-	-
-	-	-	-	-	-
12,000	15,655	3,655	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
112,000	124,687	12,687	-	-	-
159,946	141,471	(18,475)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
159,946	141,471	(18,475)	-	-	-
(47,946)	(16,784)	31,162	-	-	-
-	-	-	-	-	-
47,946	16,784	(31,162)	-	-	-
-	-	-	-	(526,773)	(526,773)
47,946	16,784	(31,162)	-	(526,773)	(526,773)
-	-	-	-	(526,773)	(526,773)
268,706	268,706	-	526,773	526,773	-
\$ 268,706	\$ 268,706	\$ -	\$ 526,773	\$ -	\$ (526,773)

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, 2017

	Michigan Justice Training		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	5,785	5,230	(555)
Licenses and permits	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest and rentals	-	-	-
Other revenues	-	-	-
	<u>5,785</u>	<u>5,230</u>	<u>(555)</u>
Total revenues	<u>5,785</u>	<u>5,230</u>	<u>(555)</u>
Expenditures			
Current:			
General government	-	-	-
Public safety	5,785	5,739	(46)
Public works	-	-	-
Health and welfare	-	-	-
Community and economic development	-	-	-
Recreation and cultural	-	-	-
Capital outlay	-	-	-
	<u>5,785</u>	<u>5,739</u>	<u>(46)</u>
Total expenditures	<u>5,785</u>	<u>5,739</u>	<u>(46)</u>
Revenues over (under) expenditures	<u>-</u>	<u>(509)</u>	<u>(509)</u>
Other financing sources (uses)			
Proceeds from sale of capital assets	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	-	(509)	(509)
Fund balances, beginning of year	<u>14,382</u>	<u>14,382</u>	<u>-</u>
Fund balances, end of year	<u>\$ 14,382</u>	<u>\$ 13,873</u>	<u>\$ (509)</u>

56B Sobriety Court			Social Welfare		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
85,000	86,681	1,681	-	-	-
-	-	-	-	-	-
7,000	8,165	1,165	-	-	-
-	-	-	-	-	-
-	-	-	-	155	155
-	-	-	-	-	-
92,000	94,846	2,846	-	155	155
115,451	110,626	(4,825)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	7,840	6,558	(1,282)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
115,451	110,626	(4,825)	7,840	6,558	(1,282)
(23,451)	(15,780)	7,671	(7,840)	(6,403)	1,437
-	-	-	-	-	-
23,451	23,451	-	7,840	7,840	-
-	-	-	-	-	-
23,451	23,451	-	7,840	7,840	-
-	7,671	7,671	-	1,437	1,437
20,111	20,111	-	92,570	92,570	-
\$ 20,111	\$ 27,782	\$ 7,671	\$ 92,570	\$ 94,007	\$ 1,437

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, 2017

	Veterans' Trust		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	7,500	-	(7,500)
Licenses and permits	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest and rentals	-	-	-
Other revenues	-	-	-
Total revenues	7,500	-	(7,500)
Expenditures			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	7,500	7,665	165
Community and economic development	-	-	-
Recreation and cultural	-	-	-
Capital outlay	-	-	-
Total expenditures	7,500	7,665	165
Revenues over (under) expenditures	-	(7,665)	(7,665)
Other financing sources (uses)			
Proceeds from sale of capital assets	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net changes in fund balances	-	(7,665)	(7,665)
Fund balances, beginning of year	7,665	7,665	-
Fund balances, end of year	\$ 7,665	\$ -	\$ (7,665)



Sure and Swift Program			Diverted Felons		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
112,000	115,633	3,633	105,000	70,645	(34,355)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
112,000	115,633	3,633	105,000	70,645	(34,355)
126,635	120,335	(6,300)	2,000	1,227	(773)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	28,150	28,150	-
126,635	120,335	(6,300)	30,150	29,377	(773)
(14,635)	(4,702)	9,933	74,850	41,268	(33,582)
-	-	-	-	-	-
14,635	14,635	-	-	-	-
-	-	-	(94,774)	-	(94,774)
14,635	14,635	-	(94,774)	-	(94,774)
-	9,933	9,933	(19,924)	41,268	61,192
8,158	8,158	-	314,465	314,465	-
\$ 8,158	\$ 18,091	\$ 9,933	\$ 294,541	\$ 355,733	\$ 61,192

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, 2017

	Bench Warrant		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Licenses and permits	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest and rentals	-	-	-
Other revenues	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenues	-	-	-
	<hr/>	<hr/>	<hr/>
Expenditures			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Community and economic development	-	-	-
Recreation and cultural	-	-	-
Capital outlay	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	-	-	-
	<hr/>	<hr/>	<hr/>
Revenues over (under) expenditures	-	-	-
	<hr/>	<hr/>	<hr/>
Other financing sources (uses)			
Proceeds from sale of capital assets	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	-
	<hr/>	<hr/>	<hr/>
Net changes in fund balances	-	-	-
	<hr/>	<hr/>	<hr/>
Fund balances, beginning of year	1,360	1,360	-
	<hr/>	<hr/>	<hr/>
Fund balances, end of year	<u>\$ 1,360</u>	<u>\$ 1,360</u>	<u>\$ -</u>



Sheriff K-9 Donation			Concealed Pistol License		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	25,000	35,704	10,704
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,000	50	(950)	-	-	-
1,000	50	(950)	25,000	35,704	10,704
-	-	-	-	-	-
1,000	300	(700)	1,000	58	(942)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,000	300	(700)	1,000	58	(942)
-	(250)	(250)	24,000	35,646	11,646
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	(250)	(250)	24,000	35,646	11,646
3,180	3,180	-	51,933	51,933	-
\$ 3,180	\$ 2,930	\$ (250)	\$ 75,933	\$ 87,579	\$ 11,646

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, 2017

	Total		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues			
Taxes	\$ 425,600	\$ 446,675	\$ 21,075
Intergovernmental	1,795,621	1,774,840	(20,781)
Licenses and permits	25,000	35,704	10,704
Charges for services	326,133	313,189	(12,944)
Fines and forfeitures	100	20	(80)
Interest and rentals	924	422	(502)
Other revenues	177,137	178,458	1,321
Total revenues	2,750,515	2,749,308	(1,207)
Expenditures			
Current:			
General government	1,750,484	1,627,110	(123,374)
Public safety	394,228	382,152	(12,076)
Public works	110,000	75,031	(34,969)
Health and welfare	70,840	44,637	(26,203)
Community and economic development	71,000	24,510	(46,490)
Recreation and cultural	596,512	606,027	9,515
Capital outlay	28,850	28,150	(700)
Total expenditures	3,021,914	2,787,617	(234,297)
Revenues over (under) expenditures	(271,399)	(38,309)	233,090
Other financing sources (uses)			
Proceeds from sale of capital assets	-	11,415	11,415
Transfers in	326,650	280,520	(46,130)
Transfers out	(106,235)	(531,668)	(425,433)
Total other financing sources (uses)	220,415	(239,733)	(460,148)
Net changes in fund balances	(50,984)	(278,042)	(227,058)
Fund balances, beginning of year	3,839,391	3,839,391	-
Fund balances, end of year	\$ 3,788,407	\$ 3,561,349	\$ (227,058)

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COUNTY OF BARRY, MICHIGAN

Combining Balance Sheet Nonmajor Debt Service Funds December 31, 2017

	Building Authority		2016 Road Commission	Total
	Friend of the Court Renovation	Thornapple Manor 2012 Bonds		
Assets				
Cash and cash equivalents	\$ 22,863	\$ 3,078	\$ 5	\$ 25,946
Investments	-	144	-	144
Total assets	<u>\$ 22,863</u>	<u>\$ 3,222</u>	<u>\$ 5</u>	<u>\$ 26,090</u>
Liabilities				
Accounts payable	\$ -	\$ -	\$ 5	\$ 5
Fund balances				
Committed	<u>22,863</u>	<u>3,222</u>	<u>-</u>	<u>26,085</u>
Total liabilities and fund balances	<u>\$ 22,863</u>	<u>\$ 3,222</u>	<u>\$ 5</u>	<u>\$ 26,090</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, 2017

	Building Authority			
	Friend of the Court Renovation	Thornapple Manor 2012 Bonds	2016 Road Commission	Total
Expenditures				
Debt service:				
Principal	\$ 75,000	\$ -	\$ -	\$ 75,000
Interest expense	20,194	250	-	20,444
Total expenditures	95,194	250	-	95,444
Other financing sources				
Transfers in	97,315	-	-	97,315
Net changes in fund balances	2,121	(250)	-	1,871
Fund balances, beginning of year	20,742	3,472	-	24,214
Fund balances, end of year	\$ 22,863	\$ 3,222	\$ -	\$ 26,085

COUNTY OF BARRY, MICHIGAN

Combining Balance Sheet

Nonmajor Capital Projects Funds

December 31, 2017

	McKeown Bridge Construction	Capital Replacement	Total
Assets			
Cash and cash equivalents	\$ 8,721	\$ 581,736	\$ 590,457
Accounts receivable	-	41,500	41,500
Total assets	<u>8,721</u>	<u>623,236</u>	<u>631,957</u>
Fund balances			
Restricted	\$ 8,721	\$ -	\$ 8,721
Committed	-	623,236	623,236
Total fund balances	<u>\$ 8,721</u>	<u>\$ 623,236</u>	<u>\$ 631,957</u>

COUNTY OF BARRY, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds For the Year Ended December 31, 2017

	McKeown Bridge Construction	Capital Replacement	Total
Revenues			
Interest revenue	\$ -	\$ -	\$ -
Expenditures			
Capital outlay	-	5,000	5,000
Revenues over (under) expenditures	-	(5,000)	(5,000)
Other financing sources (uses)			
Transfers in	-	259,763	259,763
Net changes in fund balances	-	254,763	254,763
Fund balances, beginning of year	8,721	368,473	377,194
Fund balances, end of year	\$ 8,721	\$ 623,236	\$ 631,957

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COUNTY OF BARRY, MICHIGAN

Combining Statement of Net Position

Nonmajor Enterprise Funds

December 31, 2017

	2014 Delinquent Tax Revolving	2015 Delinquent Tax Revolving	2017 Delinquent Tax Revolving
Assets			
Current assets:			
Cash and cash equivalents	\$ -	\$ 182,136	\$ 17,233
Investments	-	-	-
Accounts receivable	-	-	-
Delinquent taxes receivable	-	422,584	-
Due from other governments	-	-	-
Total current assets	-	604,720	17,233
Noncurrent assets:			
Net other postemployment benefits asset	-	-	-
Capital assets being depreciated, net	-	-	-
Total noncurrent assets	-	-	-
Total assets	-	604,720	17,233
Deferred outflows of resources			
Deferred pension amounts	-	-	-
Liabilities			
Current liabilities:			
Accounts payable	-	-	-
Accrued liabilities	-	-	-
Due to other governments	-	921	16,293
Total current liabilities	-	921	16,293
Noncurrent liabilities:			
Net pension liability	-	-	-
Total liabilities	-	921	16,293
Net position			
Investment in capital assets	-	-	-
Restricted for property tax foreclosures	-	-	-
Unrestricted	-	603,799	940
Total net position	\$ -	\$ 603,799	\$ 940



Foreclosure	Transit	Jail Commissary	Total
\$ 921,484	\$ 2,517,899	\$ 183,651	\$ 3,822,403
305,164	455,919	-	761,083
-	21,105	-	21,105
-	-	-	422,584
-	169,713	-	169,713
<u>1,226,648</u>	<u>3,164,636</u>	<u>183,651</u>	<u>5,196,888</u>
-	40,380	-	40,380
-	646,158	-	646,158
-	686,538	-	686,538
<u>1,226,648</u>	<u>3,851,174</u>	<u>183,651</u>	<u>5,883,426</u>
-	176,991	-	176,991
-	5,293	14,488	19,781
-	40,587	-	40,587
-	-	-	17,214
-	45,880	14,488	77,582
-	719,119	-	719,119
-	764,999	14,488	796,701
-	646,158	-	646,158
314,018	-	-	314,018
<u>912,630</u>	<u>2,617,008</u>	<u>169,163</u>	<u>4,303,540</u>
<u>\$ 1,226,648</u>	<u>\$ 3,263,166</u>	<u>\$ 169,163</u>	<u>\$ 5,263,716</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, 2017

	2014 Delinquent Tax Revolving	2015 Delinquent Tax Revolving	2017 Delinquent Tax Revolving
Operating revenues			
Charges for services	\$ -	\$ 44,815	\$ 654
Interest and penalties on delinquent taxes	-	147,963	284
Total operating revenues	-	192,778	938
Operating expense			
Operations	1	20,054	-
Depreciation	-	-	-
Total operating expense	1	20,054	-
Operating income (loss)	(1)	172,724	938
Nonoperating revenues			
Taxes	-	-	-
Intergovernmental revenues	-	-	-
Interest revenue	-	90	2
Total nonoperating revenues	-	90	2
Income (loss) before transfers	(1)	172,814	940
Transfers			
Transfers in	-	12,653	-
Transfers out	(617,121)	-	-
Total transfers	(617,121)	12,653	-
Change in net position	(617,122)	185,467	940
Net position, beginning of year	617,122	418,332	-
Net position, end of year	\$ -	\$ 603,799	\$ 940



Foreclosure	Transit	Jail Commissary	Total
\$ 220,141	\$ 238,435	\$ 134,796	\$ 638,841
-	-	-	148,247
220,141	238,435	134,796	787,088
1,500	1,511,280	133,706	1,666,541
-	178,719	-	178,719
1,500	1,689,999	133,706	1,845,260
218,641	(1,451,564)	1,090	(1,058,172)
-	490,735	-	490,735
-	1,004,206	-	1,004,206
1,227	4,338	-	5,657
1,227	1,499,279	-	1,500,598
219,868	47,715	1,090	442,426
-	-	-	12,653
(25,934)	-	-	(643,055)
(25,934)	-	-	(630,402)
193,934	47,715	1,090	(187,976)
1,032,714	3,215,451	168,073	5,451,692
\$ 1,226,648	\$ 3,263,166	\$ 169,163	\$ 5,263,716

COUNTY OF BARRY, MICHIGAN

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Year Ended December 31, 2017

	2014 Delinquent Tax Revolving	2015 Delinquent Tax Revolving	2017 Delinquent Tax Revolving
Cash flows from operating activities			
Cash received from customers and users	\$ 504,463	\$ 1,413,908	\$ 17,231
Cash payments to suppliers for goods and services	(5,568)	(20,054)	-
Cash payments to employees for services	-	-	-
Net cash provided by (used in) operating activities	498,895	1,393,854	17,231
Cash flows from noncapital financing activities			
Transfers in	-	12,653	-
Transfers out	(617,121)	-	-
Taxes	-	-	-
Intergovernmental revenues	-	-	-
Payments on long-term advances from other funds	-	(1,370,000)	-
Net cash provided by (used in) noncapital financing activities	(617,121)	(1,357,347)	-
Cash flows from capital and related financing activities			
Purchases of capital assets	-	-	-
Cash flows from investing activities			
Purchase of investments	-	-	-
Sale of investments	-	-	-
Interest received	-	90	2
Net cash provided by investing activities	-	90	2
Net increase (decrease) in cash and cash equivalents	(118,226)	36,597	17,233
Cash and cash equivalents, beginning of year	118,226	145,539	-
Cash and cash equivalents, end of year	\$ -	\$ 182,136	\$ 17,233



Foreclosure	Transit	Jail Commissary	Total
\$ 220,141	\$ 238,757	\$ 134,796	\$ 2,529,296
(1,500)	(773,552)	(121,741)	(922,415)
-	(749,997)	-	(749,997)
218,641	(1,284,792)	13,055	856,884
-	-	-	12,653
(25,934)	-	-	(643,055)
-	490,735	-	490,735
-	913,250	-	913,250
-	-	-	(1,370,000)
(25,934)	1,403,985	-	(596,417)
-	(91,983)	-	(91,983)
(305,164)	(455,919)	-	(761,083)
304,098	455,209	-	759,307
1,227	4,338	-	5,657
161	3,628	-	3,881
192,868	30,838	13,055	172,365
728,616	2,487,061	170,596	3,650,038
\$ 921,484	\$ 2,517,899	\$ 183,651	\$ 3,822,403

continued...

COUNTY OF BARRY, MICHIGAN

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the Year Ended December 31, 2017

	2014 Delinquent Tax Revolving	2015 Delinquent Tax Revolving	2017 Delinquent Tax Revolving
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income (loss)	\$ (1)	\$ 172,724	\$ 938
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation expense	-	-	-
Changes in:			
Accounts receivable	-	-	-
Taxes receivable	504,673	1,225,834	-
Net other postemployment benefits asset	-	-	-
Accounts payable	(5,567)	-	-
Accrued liabilities	-	-	-
Due to other governments	(210)	(4,704)	16,293
Net pension liability and related deferred amounts	-	-	-
Net cash provided by (used in) operating activities	<u>\$ 498,895</u>	<u>\$ 1,393,854</u>	<u>\$ 17,231</u>



Foreclosure	Transit	Jail Commissary	Total
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\$	218,641	\$	(1,451,564)	\$	1,090	\$	(1,058,172)
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-	178,719	-	178,719				
-	322	-	322				
-	-	-	1,730,507				
-	(14,834)	-	(14,834)				
-	(14,532)	11,965	(8,134)				
-	10,199	-	10,199				
-	-	-	11,379				
-	6,898	-	6,898				
<hr/>							
\$	218,641	\$	(1,284,792)	\$	13,055	\$	856,884
<hr/>							

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COUNTY OF BARRY, MICHIGAN

Combining Statement of Net Position

Internal Service Funds

December 31, 2017

	Data Processing	Telephone	Vehicle
Assets			
Current assets:			
Cash and cash equivalents	\$ 1,343,511	\$ 53,363	\$ 1,158,045
Investments	-	-	-
Total current assets	<u>1,343,511</u>	<u>53,363</u>	<u>1,158,045</u>
Noncurrent assets:			
Capital assets being depreciated, net	<u>312,494</u>	<u>-</u>	<u>432,251</u>
Total assets	<u>1,656,005</u>	<u>53,363</u>	<u>1,590,296</u>
Liabilities (all current)			
Accounts payable	200	-	-
Accrued liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities (all current)	<u>200</u>	<u>-</u>	<u>-</u>
Net position			
Investment in capital assets	312,494	-	432,251
Unrestricted	<u>1,343,311</u>	<u>53,363</u>	<u>1,158,045</u>
Total net position	<u>\$ 1,655,805</u>	<u>\$ 53,363</u>	<u>\$ 1,590,296</u>



Workers' Compensation	Health Insurance	Disability	Fringe Benefits	Life Insurance	Retirement
\$ 48,458	\$ 332,426	\$ 229,048	\$ 713,422	\$ 5,509	\$ 279,925
-	-	-	628,081	-	-
48,458	332,426	229,048	1,341,503	5,509	279,925
-	-	-	-	-	-
48,458	332,426	229,048	1,341,503	5,509	279,925
-	-	-	-	-	143,795
-	-	1,941	-	-	-
-	-	1,941	-	-	143,795
-	-	-	-	-	-
48,458	332,426	227,107	1,341,503	5,509	136,130
\$ 48,458	\$ 332,426	\$ 227,107	\$ 1,341,503	\$ 5,509	\$ 136,130

continued...

COUNTY OF BARRY, MICHIGAN

Combining Statement of Net Position

Internal Service Funds

December 31, 2017

	Dental and Optical	Unemployment	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 102,835	\$ 232,318	\$ 4,498,860
Investments	-	-	628,081
Total current assets	102,835	232,318	5,126,941
Noncurrent assets:			
Capital assets being depreciated, net	-	-	744,745
Total assets	102,835	232,318	5,871,686
Liabilities (all current)			
Accounts payable	-	8,958	152,953
Accrued liabilities	-	-	1,941
Total liabilities (all current)	-	8,958	154,894
Net position			
Investment in capital assets	-	-	744,745
Unrestricted	102,835	223,360	4,972,047
Total net position	\$ 102,835	\$ 223,360	\$ 5,716,792

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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, 2017

	Data Processing	Telephone	Vehicle
Operating revenues			
Charges for services	\$ -	\$ 32,205	\$ -
Other revenues	2,500	5,828	590
Total operating revenues	2,500	38,033	590
Operating expenses			
Operations	173,564	37,122	46,015
Depreciation	65,569	-	144,766
Other expenses	3,174	-	-
Total operating expenses	242,307	37,122	190,781
Operating income (loss)	(239,807)	911	(190,191)
Nonoperating revenues			
Interest revenue	-	-	-
Gain (loss) on sale of capital assets	(1,964)	-	5,238
Total nonoperating revenues	(1,964)	-	5,238
Income (loss) before transfers	(241,771)	911	(184,953)
Transfers			
Transfers in	259,763	-	259,763
Change in net position	17,992	911	74,810
Net position, beginning of year	1,637,813	52,452	1,515,486
Net position, end of year	\$ 1,655,805	\$ 53,363	\$ 1,590,296



Workers' Compensation	Health Insurance	Disability	Fringe Benefits	Life Insurance	Retirement
\$ 178,126 9,059	\$ 2,002,186 -	\$ 87,240 -	\$ 154,775 -	\$ 53,806 -	\$ 1,774,274 -
187,185	2,002,186	87,240	154,775	53,806	1,774,274
185,574	2,006,033	57,921	41,986	51,684	2,959,129
-	-	-	-	-	-
-	-	-	-	-	-
185,574	2,006,033	57,921	41,986	51,684	2,959,129
1,611	(3,847)	29,319	112,789	2,122	(1,184,855)
-	-	-	8,374	-	-
-	-	-	-	-	-
-	-	-	8,374	-	-
1,611	(3,847)	29,319	121,163	2,122	(1,184,855)
-	-	-	-	-	500,000
1,611	(3,847)	29,319	121,163	2,122	(684,855)
46,847	336,273	197,788	1,220,340	3,387	820,985
\$ 48,458	\$ 332,426	\$ 227,107	\$ 1,341,503	\$ 5,509	\$ 136,130

continued...

COUNTY OF BARRY, MICHIGAN

Combining Statement of Revenues, Expenses and Changes in Fund Net Position Internal Service Funds For the Year Ended December 31, 2017

	Dental and Optical	Unemployment	Total
Operating revenues			
Charges for services	\$ 57,219	\$ 49,233	\$ 4,389,064
Other revenues	-	-	17,977
Total operating revenues	57,219	49,233	4,407,041
Operating expenses			
Operations	59,026	8,958	5,627,012
Depreciation	-	-	210,335
Other expenses	-	-	3,174
Total operating expenses	59,026	8,958	5,840,521
Operating income (loss)	(1,807)	40,275	(1,433,480)
Nonoperating revenues			
Interest revenue	-	-	8,374
Gain (loss) on sale of capital assets	-	-	3,274
Total nonoperating revenues	-	-	11,648
Income (loss) before transfers	(1,807)	40,275	(1,421,832)
Transfers			
Transfers in	-	-	1,019,526
Change in net position	(1,807)	40,275	(402,306)
Net position, beginning of year	104,642	183,085	6,119,098
Net position, end of year	\$ 102,835	\$ 223,360	\$ 5,716,792

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COUNTY OF BARRY, MICHIGAN

Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended December 31, 2017

	Data Processing	Telephone	Vehicle
Cash flows from operating activities			
Cash received from interfund services	\$ 2,500	\$ 38,033	\$ 590
Cash payments to suppliers for goods and services	(185,064)	(37,122)	(46,015)
Cash payments to employees for services	-	-	-
Net cash provided by (used in) operating activities	(182,564)	911	(45,425)
Cash flows from noncapital financing activities			
Transfers in	259,763	-	259,763
Cash flows from capital and related financing activities			
Purchase of capital assets	(30,579)	-	(65,770)
Proceeds from sale of capital assets	49	-	5,238
Net cash used in capital and related financing activities	(30,530)	-	(60,532)
Net increase (decrease) in cash and cash equivalents	46,669	911	153,806
Cash and cash equivalents, beginning of year	1,296,842	52,452	1,004,239
Cash and cash equivalents, end of year	\$ 1,343,511	\$ 53,363	\$ 1,158,045
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income (loss)	\$ (239,807)	\$ 911	\$ (190,191)
Adjustments to reconcile operating income (loss) to net cash (used in) provided by operating activities:			
Depreciation expense	65,569	-	144,766
Changes in:			
Accounts receivable	-	-	-
Accounts payable	(8,326)	-	-
Accrued liabilities	-	-	-
Net cash provided by (used in) operating activities	\$ (182,564)	\$ 911	\$ (45,425)



Workers' Compensation	Health Insurance	Disability	Fringe Benefits	Life Insurance	Retirement
\$ 187,185	\$ 2,002,186	\$ 87,240	\$ 154,775	\$ 53,806	\$ 1,774,274
-	-	-	-	-	-
(185,574)	(2,006,033)	(55,980)	(41,986)	(51,684)	(2,876,471)
1,611	(3,847)	31,260	112,789	2,122	(1,102,197)
-	-	-	-	-	500,000
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,611	(3,847)	31,260	112,789	2,122	(602,197)
46,847	336,273	197,788	600,633	3,387	882,122
\$ 48,458	\$ 332,426	\$ 229,048	\$ 713,422	\$ 5,509	\$ 279,925
\$ 1,611	\$ (3,847)	\$ 29,319	\$ 112,789	\$ 2,122	\$ (1,184,855)
-	-	-	-	-	-
-	-	-	-	-	76,474
-	-	-	-	-	6,184
-	-	1,941	-	-	-
\$ 1,611	\$ (3,847)	\$ 31,260	\$ 112,789	\$ 2,122	\$ (1,102,197)

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COUNTY OF BARRY, MICHIGAN

Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended December 31, 2017

	Dental and Optical	Unemployment	Total
Cash flows from operating activities			
Cash received from interfund services	\$ 57,219	\$ 49,233	\$ 4,407,041
Cash payments to suppliers for goods and services	-	-	(268,201)
Cash payments to employees for services	(59,026)	(5,308)	(5,282,062)
Net cash provided by (used in) operating activities	(1,807)	43,925	(1,143,222)
Cash flows from noncapital financing activities			
Transfers in	-	-	1,019,526
Cash flows from capital and related financing activities			
Purchase of capital assets	-	-	(96,349)
Proceeds from sale of capital assets	-	-	5,287
Net cash used in capital and related financing activities	-	-	(91,062)
Net increase (decrease) in cash and cash equivalents	(1,807)	43,925	(214,758)
Cash and cash equivalents, beginning of year	104,642	188,393	4,713,618
Cash and cash equivalents, end of year	\$ 102,835	\$ 232,318	\$ 4,498,860
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income (loss)	\$ (1,807)	\$ 40,275	\$ (1,433,480)
Adjustments to reconcile operating income (loss) to net cash (used in) provided by operating activities:			
Depreciation expense	-	-	210,335
Changes in:			
Accounts receivable	-	-	76,474
Accounts payable	-	3,650	1,508
Accrued liabilities	-	-	1,941
Net cash provided by (used in) operating activities	\$ (1,807)	\$ 43,925	\$ (1,143,222)

concluded

COUNTY OF BARRY, MICHIGAN

Combining Statement of Fiduciary Assets and Liabilities

Agency Funds

December 31, 2017

	Trust and Agency	Library	Inmate Trust	Total
Assets				
Cash and cash equivalents	\$ 634,311	\$ 23,046	\$ 16,123	\$ 673,480
Liabilities				
Accounts payable	\$ 370,135	\$ -	\$ 16,123	\$ 386,258
Due to other governments	204,129	-	-	204,129
Undistributed receipts	60,047	23,046	-	83,093
Total liabilities	\$ 634,311	\$ 23,046	\$ 16,123	\$ 673,480

COUNTY OF BARRY, MICHIGAN

Combining Statement of Fiduciary Net Position

Private Purpose Trust Funds

December 31, 2017

	Cooperative Extension 4H	Norris Road Trees	Total
Assets			
Cash and cash equivalents	\$ -	\$ 43,881	\$ 43,881
Net position			
Restricted for private purposes	\$ -	\$ 43,881	\$ 43,881

COUNTY OF BARRY, MICHIGAN

Combining Statement of Changes in Fiduciary Net Position

Private Purpose Trust Funds

For the Year Ended December 31, 2017

	Cooperative Extension 4H	Norris Road Trees	Total
Additions			
Local contributions	\$ -	\$ 15,197	\$ 15,197
Deductions			
Services to beneficiaries	40,982	-	40,982
Change in net position	(40,982)	15,197	(25,785)
Net position, beginning of year	40,982	28,684	69,666
Net position, end of year	\$ -	\$ 43,881	\$ 43,881

COUNTY OF BARRY, MICHIGAN

Combining Balance Sheet

Drainage Districts Component Unit

December 31, 2017

		Debt Service	Capital Projects
	Regular Drain	Algonquin Lake Dam Project	Gun Lake Weed Assessment
Assets			
Cash and cash equivalents	\$ 240,590	\$ 14,363	\$ -
Investments	99,382	-	37,728
Special assessments receivable	2,020,372	126,852	87,327
Due from other governments	4,500	-	-
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u><u>\$ 2,364,844</u></u>	<u><u>\$ 141,215</u></u>	<u><u>\$ 125,055</u></u>
Liabilities			
Negative equity in pooled cash and cash equivalents	\$ -	\$ -	\$ 32,770
Accounts payable	91,517	-	-
Due to other governments	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	91,517	-	32,770
Deferred inflows of resources			
Deferred special assessments receivable	1,612,950	99,039	-
Fund balances			
Unassigned (deficit)	<u>660,377</u>	<u>42,176</u>	<u>92,285</u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 2,364,844</u></u>	<u><u>\$ 141,215</u></u>	<u><u>\$ 125,055</u></u>



Capital Projects			
Revolving Drain Maintenance	Algonquin Lake Drain Maintenance	Adjustments	Total
\$ 1,873	\$ 13,909	\$ (32,770)	\$ 237,965
16,958	-	-	154,068
-	-	-	2,234,551
-	-	-	4,500
<u>\$ 18,831</u>	<u>\$ 13,909</u>	<u>\$ (32,770)</u>	<u>\$ 2,631,084</u>
\$ -	\$ -	\$ (32,770)	\$ -
-	115	-	91,632
<u>41,500</u>	<u>-</u>	<u>-</u>	<u>41,500</u>
41,500	115	(32,770)	133,132
-	-	-	1,711,989
<u>(22,669)</u>	<u>13,794</u>	<u>-</u>	<u>785,963</u>
<u>\$ 18,831</u>	<u>\$ 13,909</u>	<u>\$ (32,770)</u>	<u>\$ 2,631,084</u>

COUNTY OF BARRY, MICHIGAN

Reconciliation

Fund Balances for Governmental Funds
to Net Position of Governmental Activities
Drainage Districts Component Unit
December 31, 2017

Fund balances - total governmental funds	\$	785,963
--	----	---------

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	180,562
Capital assets being depreciated, net	3,962,771

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

Deferred special assessments receivable	1,711,989
---	-----------

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	(2,080,342)
Accrued interest on long-term liabilities	(20,675)

Net position	\$	<u>4,540,268</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, 2017

		Debt Service	Capital Projects
	Regular Drain	Algonquin Lake Dam Project	Gun Lake Weed Assessment
Revenues			
Special assessments	\$ 649,614	\$ 37,183	\$ 96,980
Interest	615	-	343
Other revenues	25,436	-	-
	<u>675,665</u>	<u>37,183</u>	<u>97,323</u>
Total revenues			
Expenditures			
Current:			
Public works	440,689	179	152,648
Debt service:			
Principal	425,760	26,814	-
Interest	39,624	1,721	-
	<u>906,073</u>	<u>28,714</u>	<u>152,648</u>
Total expenditures			
Revenues over (under) expenditures	<u>(230,408)</u>	<u>8,469</u>	<u>(55,325)</u>
Other financing sources (uses)			
Issuance of long-term debt	132,000	-	-
Transfers in	3,037	-	-
Transfers out	-	-	-
	<u>135,037</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)			
Net changes in fund balances	(95,371)	8,469	(55,325)
Fund balances, beginning of year	<u>755,748</u>	<u>33,707</u>	<u>147,610</u>
Fund balances, end of year	<u>\$ 660,377</u>	<u>\$ 42,176</u>	<u>\$ 92,285</u>



Capital Projects			
Revolving Drain Maintenance	Algonquin Lake Drain Maintenance	Eliminations	Total
\$ -	\$ -	\$ -	\$ 783,777
33	1	-	992
8,913	-	-	34,349
<hr/>			
8,946	1	-	819,118
<hr/>			
45,828	820	-	640,164
-	-	-	452,574
-	-	-	41,345
<hr/>			
45,828	820	-	1,134,083
<hr/>			
(36,882)	(819)	-	(314,965)
<hr/>			
-	-	-	132,000
-	-	(3,037)	-
(3,037)	-	3,037	-
<hr/>			
(3,037)	-	-	132,000
<hr/>			
(39,919)	(819)	-	(182,965)
17,250	14,613	-	968,928
<hr/>			
\$ (22,669)	\$ 13,794	\$ -	\$ 785,963
<hr/>			

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, 2017

Net change in fund balances - total governmental funds	\$ (182,965)
--	--------------

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	194,727
Depreciation expense	(103,519)

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	452,574
Issuance of long-term debt	(132,000)
Obligation for non-capital debt issued by another government for an intercounty project	(67,200)

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	(483,721)
---	-----------

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	(340)
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Change in net position	<u>\$ (322,444)</u>
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COUNTY OF BARRY, MICHIGAN

Combining Balance Sheet

Board of Public Works Component Unit

December 31, 2017

	Debt Service			
	Fawn Lake Sewer Debt	1999 Middleville Sewer	Yankee Springs Debt	Yankee Springs Arsenic Debt
Assets				
Cash and cash equivalents	\$ 396	\$ 512	\$ 644	\$ 3,504
Leases receivable	227,386	75,900	259,896	251,333
Total assets	<u>\$ 227,782</u>	<u>\$ 76,412</u>	<u>\$ 260,540</u>	<u>\$ 254,837</u>
Deferred inflows of resources				
Deferred leases receivable	\$ 227,386	\$ 75,900	\$ 259,896	\$ 251,333
Fund balances				
Restricted for debt service	<u>396</u>	<u>512</u>	<u>644</u>	<u>3,504</u>
Total deferred inflows of resources and fund balances	<u>\$ 227,782</u>	<u>\$ 76,412</u>	<u>\$ 260,540</u>	<u>\$ 254,837</u>



Debt Service					
Middleville Sewer Debt 2006A	Middleville Sewer Debt 2006B	Leach and Middle Lake Sewer Debt	Finkbeiner Crane Debt	Adjustments	Total
\$ 35	\$ 30	\$ 171	\$ 20,699	\$ -	\$ 25,991
578,055	95,505	1,818,359	687,151	-	3,993,585
<u>\$ 578,090</u>	<u>\$ 95,535</u>	<u>\$ 1,818,530</u>	<u>\$ 707,850</u>	<u>\$ -</u>	<u>\$ 4,019,576</u>
\$ 578,055	\$ 95,505	\$ 1,818,359	\$ 687,151	\$ -	\$ 3,993,585
<u>35</u>	<u>30</u>	<u>171</u>	<u>20,699</u>	<u>-</u>	<u>25,991</u>
<u>\$ 578,090</u>	<u>\$ 95,535</u>	<u>\$ 1,818,530</u>	<u>\$ 707,850</u>	<u>\$ -</u>	<u>\$ 4,019,576</u>

COUNTY OF BARRY, MICHIGAN

Reconciliation

Fund Balances for Governmental Funds
to Net Position of Governmental Activities
Board of Public Works Component Unit
December 31, 2017

Fund balances - total governmental funds	\$	25,991
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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	3,993,585
----------------------------	-----------

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	(3,985,346)
---------------	-------------

Deferred charge on advance refunding	21,410
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Accrued interest on long-term liabilities	(28,938)
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Net position	\$	<u>26,702</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, 2017

	Debt Service			
	Fawn Lake Sewer Debt	1999 Middleville Sewer	Yankee Springs Debt	Yankee Springs Arsenic Debt
Revenues				
Intergovernmental	\$ 35,059	\$ 82,950	\$ 42,332	\$ 25,738
Interest	810	68	34	21
Total revenues	35,869	83,018	42,366	25,759
Expenditures				
Current:				
Public works	803	-	-	-
Debt service:				
Principal	25,000	75,000	35,000	20,000
Interest	10,059	7,950	7,332	5,738
Total expenditures	35,862	82,950	42,332	25,738
Net changes in fund balances	7	68	34	21
Fund balances, beginning of year	389	444	610	3,483
Fund balances, end of year	\$ 396	\$ 512	\$ 644	\$ 3,504



Debt Service				
Middleville Sewer Debt 2006A	Middleville Sewer Debt 2006B	Leach and Middle Lake Sewer Debt	Finkbeiner Crane Debt	Total
\$ 62,144 13	\$ 12,231 10	\$ 176,802 33	\$ 69,840 -	\$ 507,096 989
62,157	12,241	176,835	69,840	508,085
-	-	-	-	803
50,000	10,000	130,000	60,000	405,000
12,145	2,232	46,802	19,510	111,768
62,145	12,232	176,802	79,510	517,571
12	9	33	(9,670)	(9,486)
23	21	138	30,369	35,477
\$ 35	\$ 30	\$ 171	\$ 20,699	\$ 25,991

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, 2017

Net changes in fund balances - total governmental funds	\$	(9,486)
---	----	---------

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	405,000
---	---------

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	(398,289)
--------------------------------------	-----------

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	2,959
Amortization of deferred charge on advance refunding	(2,649)
	<hr/>

Change in net position	\$	<u>(2,465)</u>
------------------------	----	----------------

COUNTY OF BARRY, MICHIGAN

Balance Sheet

Economic Development Board Component Unit
December 31, 2017

Assets

Cash and cash equivalents	\$ 15,000
---------------------------	-----------

Fund balance

Unrestricted	\$ 15,000
--------------	-----------

COUNTY OF BARRY, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance Economic Development Board Component Unit For the Year Ended December 31, 2017

Revenues	
Intergovernmental	\$ 137,394
Expenditures	
Current - community and economic development	<u>122,394</u>
Net changes in fund balance	15,000
Fund balance, beginning of year	<u>-</u>
Fund balance, end of year	<u><u>\$ 15,000</u></u>

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COUNTY OF BARRY, MICHIGAN

Balance Sheet

Airport Commission Component Unit
December 31, 2017

Assets

Cash and cash equivalents	\$ 569,274
Inventories	<u>19,313</u>

Total assets	<u><u>\$ 588,587</u></u>
--------------	--------------------------

Liabilities

Accounts payable	<u>\$ 10,477</u>
------------------	------------------

Fund balance

Nonspendable	19,313
Restricted for capital projects	151,254
Unassigned	<u>407,543</u>

Total fund balance	<u>578,110</u>
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Total liabilities and fund balance	<u><u>\$ 588,587</u></u>
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COUNTY OF BARRY, MICHIGAN

Reconciliation

Fund Balance for Governmental Fund
to Net Position of Governmental Activities
Airport Commission Component Unit
December 31, 2017

Fund balance - total governmental fund	\$	578,110
--	----	---------

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	1,042,676
Capital assets being depreciated, net	<u>3,566,938</u>

Net position	\$	<u><u>5,187,724</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, 2017

Revenues	
Charges for services	\$ 310,957
Donations	<u>271,307</u>
Total revenues	<u>582,264</u>
Expenditures	
Current - public works	243,226
Capital outlay	<u>245,650</u>
Total expenditures	<u>488,876</u>
Net change in fund balance	93,388
Fund balance, beginning of year	<u>484,722</u>
Fund balance, end of year	<u><u>\$ 578,110</u></u>

COUNTY OF BARRY, MICHIGAN

Reconciliation

Net Change in Fund Balance of Governmental Fund
to Change in Net Position of Governmental Activities
Airport Commission Component Unit
For the Year Ended December 31, 2017

Net change in fund balance - total governmental fund	\$	93,388
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Amounts reported for *governmental activities* in the statement of activities are different because:

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

Acquisition/construction of capital assets	239,302
Donated capital assets	187,145
Depreciation expense	<u>(149,618)</u>

Change in net position	\$	<u><u>370,217</u></u>
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County of Barry,
Michigan



Year Ended
December 31,
2017

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 12, 2018

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, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated June 12, 2018, 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.

Rehmann Robson LLC

COUNTY OF BARRY, MICHIGAN

Schedule of Expenditures of Federal Awards For the Year Ended December 31, 2017

Federal Agency / Cluster / Program Title	CFDA Number	Passed Through	Pass-through / Grantor Number	Total Subawards	Federal Expenditures
U.S. Department of Justice					
Edward Byrne Memorial Justice Assistance Grant Program:					
FY 2017 Adult Felony Drug Court	16.738	MSCAO	2015-MU-BX-0964	\$ -	\$ 38,433
FY 2018 Adult Felony Drug Court	16.738	MSCAO	2016-MU-BX-0964	-	16,234
FY 2018 Southwest Enforcement Team	16.738	MSP	201870888	-	11,000
Total U.S. Department of Justice				-	65,667
U.S. Department of Health and Human Services					
Aging Cluster:					
Title III-B Special Programs for the Aging, Grants for Supportive Services and Senior Centers:					
FY 2017	93.044	R3B	17BCCOA1	-	11,047
FY 2018	93.044	R3B	18BCCOA1	-	7,397
				-	18,444
Title III-C Special Programs for the Aging, Nutrition Services:					
FY 2017 Nutrition Congregate	93.045	R3B	17BCCOA1	-	58,960
FY 2018 Nutrition Congregate	93.045	R3B	18BCCOA1	-	17,910
FY 2017 Nutrition Home Delivered Meals	93.045	R3B	17BCCOA1	-	32,260
FY 2018 Nutrition Home Delivered Meals	93.045	R3B	18BCCOA1	-	8,093
					117,223
Nutrition Services Incentive Program:					
FY 2017	93.053	R3B	17BCCOA1	-	32,504
FY 2018	93.053	R3B	18BCCOA1	-	9,685
					42,189
Total Aging Cluster				-	177,856
Title III-E/National Family Caregiver Support:					
FY 2017	93.052	R3B	SFSC-04-11001-5	-	7,654
FY 2018	93.052	R3B	SFSC-04-11001-5	-	1,253
				-	8,907
Child Support Enforcement:					
Title IV-D Program	93.563	MDHHS	CSCOM17-08003	-	648,317
Incentive Payments	93.563	MDHHS	-n/a-	-	107,721
				-	756,038
Access and Visitation Grant	93.597	MSCAO	-n/a-	-	125
Total U.S. Department of Health and Human Services				-	942,926
U.S. Department of Homeland Security					
Emergency Management Performance Grant:					
FY 2017	97.042	MSP	EMC-2017-EP-00001-S01	-	21,862
FY 2018	97.042	MSP	-n/a-	-	9,563
				-	31,425

continued...

COUNTY OF BARRY, MICHIGAN

Schedule of Expenditures of Federal Awards For the Year Ended December 31, 2017

Federal Agency / Cluster / Program Title	CFDA Number	Passed Through	Pass-through / Grantor Number	Total Subawards	Federal Expenditures
U.S. Department of Homeland Security (Concluded)					
Homeland Security Grant Program:					
State Homeland Security Program - Training FY 2015	97.067	COVB	EMW-2015-SS-00033	\$ -	\$ 1,724
State Homeland Security Program - Training FY 2016	97.067	COVB	EMW-2016-SS-00010-S01	-	600
State Homeland Security Program - Equipment FY 2015	97.067	COVB	EMW-2015-SS-00033	-	59,694
				-	62,018
Total U.S. Department of Homeland Security				-	93,443
Total Expenditures of Federal Awards				\$ -	\$ 1,102,036

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, 2017. 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 Barry County Road Commission and Barry County Transit, which received federal awards that are not included in the Schedule for the year ended December 31, 2017, 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. 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 A & C Design	20.106	B-26-0043-2215	\$ 3,488
Snow Plow & Tractor	20.106	B-26-0043-2516	177,127
			<u>\$ 180,615</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
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 12, 2018

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, 2017, 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 12, 2018. Our report includes a reference to other auditors who audited the financial statements of Barry County Road Commission, Barry County Medical Care Facility (Thornapple Manor) and 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 Independent Auditors' Reports indicated that 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 2017-001 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 Finding

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 "Rehmann Lobson 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 12, 2018

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 the County's major federal program for the year ended December 31, 2017. 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 Barry County Road Commission and Barry County Transit, which received \$1,147,103 and \$259,114 in federal awards, respectively, and which are not included in the schedule of expenditures of federal awards for the year ended December 31, 2017. Our audit, described below, did not include the operations of Barry County Road Commission or 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 the County's major federal program 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, 2017.

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.

A handwritten signature in dark ink, reading "Lehmann Lohman LLC". The signature is written in a cursive, flowing style.

COUNTY OF BARRY, MICHIGAN

Schedule of Findings and Questioned Costs For the Year Ended December 31, 2017

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, 2017

SECTION II - FINANCIAL STATEMENT FINDINGS

2017-001 - Internal Controls over Preparation of the Schedule of Expenditures of Federal Awards

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

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

Condition. Management was able to provide us with an initial Schedule of Expenditures of Federal Awards in a timely manner. However, we identified errors, such as incorrect CFDA and award numbers and errors in year-end accruals. These errors in the aggregate were deemed to have a significant impact on the Schedule as a whole.

Cause. This condition was primarily caused by the County failing to follow its policy on preparation and review of the Schedule of Expenditures of Federal Awards. According to the policy, elected officials or department heads are to review and approve the Schedule of Expenditures of Federal Awards after it is prepared by the outside accounting firm. There was no indication that such review occurred in the year under audit.

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

Recommendation. We recommend that the County follow its policy on preparation and review of the Schedule of Expenditures of Federal Awards. This includes agreeing the Schedule to general ledger reports and supporting documentation, as well as verifying the accuracy of the Schedule in comparison to the grant award documentation received from grantors.

COUNTY OF BARRY, MICHIGAN

Schedule of Findings and Questioned Costs For the Year Ended December 31, 2017

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

COUNTY OF BARRY, MICHIGAN

Summary Schedule of Prior Audit Findings

For the Year Ended December 31, 2017

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

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 in 2016. Errors noted in 2016 have been corrected and no additional errors were identified in 2017.

2016-002 - Complete and Accurate Grant Reports - CFDA #93.563 - Child Support Enforcement - Michigan Department of Health and Human Services

The County contracts with a third-party to prepare monthly draw reports for the Child Support Enforcement program. The draw reports are prepared based on a manually-prepared spreadsheet provided by the County. In the prior year, the spreadsheet did not consistently agree to the general ledger. As a result, certain fees and judgments that must be applied against eligible expenditures were excluded from the manually-prepared spreadsheet provided to the third-party. The variances were not significant or material to the grant program. No such errors were identified in 2017.

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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.

2017-001 – Internal Controls over Preparation of the Schedule of Expenditures of Federal Awards

Planned Corrective Action: The County will review and expand its policy on preparation of the Schedule of Expenditures of Federal Awards with elected officials and department heads to ensure that the policy is followed.

Responsible Party: County Administrator.

Date of Planned Corrective Action: July 2018.

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

INDEPENDENT AUDITORS' COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

June 12, 2018

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, 2017, and have issued our report thereon dated June 12, 2018. We did not audit the financial statements of Barry County Road Commission, Barry County Medical Care Facility or Barry County Transit. Those financial statements were audited by other auditors whose reports thereon has 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 report of other auditors. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated January 24, 2018, 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 12, 2018. 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 23, 2018.

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 allowance for uncollectible receivable balances is based on past experience and future expectation for collection of various account balances.
- Management's estimate of the insurance claims incurred but not reported is based on information provided by the entity's third party administrators and subsequent claims activity.
- The assumptions used in the actuarial valuations of the other postemployment benefits plan are based on historical trends and industry standards.

We evaluated the key factors and assumptions used to develop these estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units. In addition, the financial statements include a net pension 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 Lohman LLC

COUNTY OF BARRY, MICHIGAN

■ Attachment A - Comments and Recommendations

For the December 31, 2017 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 12, 2018, issued in accordance with *Government Auditing Standards*. This memorandum does not affect that report or our report dated June 12, 2018, 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. During our testing of reported wages, 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.

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COUNTY OF BARRY, MICHIGAN

Attachment B - Upcoming Changes in Accounting Standards / Regulations

For the December 31, 2017 Audit

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

GASB 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 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.

COUNTY OF BARRY, MICHIGAN

Attachment B - Upcoming Changes in Accounting Standards / Regulations

For the December 31, 2017 Audit

GASB 87 ■ Leases

Effective 12/15/2020 (your FY 2020)

This standard establishes a single model for reporting all leases (including those previously classified as operating and capital). Lessees will now report offsetting intangible lease assets and lease liabilities equal to the present value of future lease payments. Lessors will report offsetting lease receivables and deferred inflows of resources.

GASB 88 ■ Certain Disclosures Related to Debt

Effective 06/15/2019 (your FY 2019)

This standard provides guidance on note disclosures related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. 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, 2017 Audit

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

Barry County Administration
220 West State Street
Hastings, MI 49058
Ph. (269) 945-1284
Fax (26) 948 4884



Michael Brown
County Administrator

Luella Dennison
Deputy County Administrator

Barry County

June 12, 2018

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 the **County of Barry, Michigan**, as of and for the year ended December 31, 2017, 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 12, 2018:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated January 24, 2018, 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 pension and 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 City'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 are not aware of any pending or threatened 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.

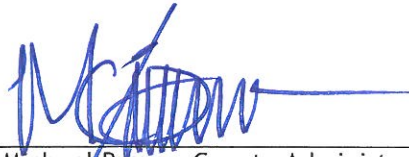
Uniform Guidance (2 CFR 200)

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

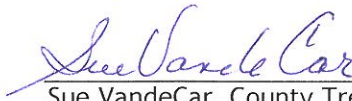
intended users of the schedule of expenditures of federal awards no later than the date of issuance by the entity of the schedule of expenditures of federal awards and the auditor's report thereon.

- 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.



Michael Brown, County Administrator



Sue VandeCar, County Treasurer

COUNTY OF BARRY, MICHIGAN

Schedule of Adjustments Passed (SOAP)

For the December 31, 2017 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
Business-type activities / enterprise funds					
Effect of accounting for property tax chargebacks and principal residence exemption audit activity in an agency fund	\$ (17,861)	\$ -	\$ (13,328)	\$ (76,979)	\$ (72,446)
Misstatement as a percentage of total assets and deferred outflows	-0.04%	0.00%	-0.03%	-0.18%	-0.17%
Component units					
Effect of not recording intergovernmental receivable for intercounty drain	\$ -	\$ -	\$ (33,000)	\$ 33,000	\$ -
Misstatement as a percentage of total assets and deferred outflows	0.00%	0.00%	-4.60%	4.60%	0.00%
Fiduciary funds					
Effect of accounting for property tax chargebacks and principal residence exemption audit activity in an agency fund	\$ 17,861	\$ 17,861	\$ -	\$ -	\$ -
Misstatement as a percentage of total assets	2.49%	2.49%	0.00%	0.00%	0.00%