



**BARRY COUNTY
ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2022**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Barry County, Michigan

Report on the Audit of the Financial Statements***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Barry County (the "County") as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Barry County Road Commission, which represents 60.4%, 70.7%, and 72.8%, respectively, of the assets and deferred outflows, net position, and revenues of the aggregate discretely presented component units as of December 31, 2022, and the respective changes in financial position thereof for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for the Barry County Road Commission, are based solely on the report of the other auditors.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the Barry County Road Commission were not audited in accordance with *Government Auditing Standards*.

Change in Accounting Principle

The County adopted *GASB Statement No. 87, Leases* in 2022, which represents a change in its policy for reporting lease activities. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 County's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the schedules for the pension benefit plan, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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 accompanying combining and individual fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are 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 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 the schedule of expenditures of federal

awards 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 16, 2023, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County's internal control over financial reporting and compliance.

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

Gabridge & Company, PLC
Grand Rapids, Michigan
June 16, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

Barry County
Management's Discussion and Analysis
December 31, 2022

As management of **Barry County, Michigan** (the "County" or "government") we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the year ended December 31, 2022. 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, 2022 are as follows:

- The assets and deferred outflows of resources of the County, as presented in the government-wide financial statements, exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$61,234,960 (net position), an increase of \$2,604,626. Of this amount, \$22,975,213 is unrestricted and may be used to meet the County's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$15,329,732, a decrease of \$103,188 in comparison with the prior year. Of the fund balance amount, \$2,236,311 is available for spending at the County's discretion (unassigned fund balance).
- Total fund balance for the general fund was \$4,560,989, a decrease of \$199,979 when compared to the prior year. At the end of the year, the unassigned portion of the fund balance in the general fund was \$2,236,311 or approximately 12.0% of total general fund expenditures and transfers out for the year.
- The County's capital assets, net of accumulated depreciation, were \$48,819,567 at the end of the year, which compares to \$42,135,644 at the end of the prior year.
- The County's total long-term debt decreased by \$2,126,146 during the year, from \$24,620,281 as of December 31, 2021 to \$22,494,135 as of December 31, 2022.

Overview of the Financial Statements

This discussion and analysis section 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 for 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 and changes in the County's net pension liability and net OPEB asset).

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

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

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar

information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balance 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 balance for the general fund, the central dispatch, and 2021 ARPA act special revenue funds, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

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

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the delinquent tax umbrella fund, the Barry County Transit (FYE 9/30/22) fund, and Thornapple Manor fund, which are considered to be major funds of the County.

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

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

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

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

Government-wide Financial Analysis

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

Barry County's Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
ASSETS						
<i>Current Assets</i>						
Cash and investments	\$ 29,222,614	\$ 24,953,455	\$ 17,102,889	\$ 24,987,082	\$ 46,325,503	\$ 49,940,537
Receivables, net	7,909,883	6,394,213	9,484,651	3,336,553	17,394,534	9,730,766
Due from other governments	753,029	1,260,180	377,616	235,364	1,130,645	1,495,544
Other assets	1,491,490	1,349,108	223,931	283,035	1,715,421	1,632,143
Total Current Assets	39,377,016	33,956,956	27,189,087	28,842,034	66,566,103	62,798,990
<i>Noncurrent Assets</i>						
Capital assets not being depreciated	3,985,529	3,736,078	13,559,731	7,436,279	17,545,260	11,172,357
Capital assets being depreciated, net	11,141,963	10,087,330	20,132,344	20,875,957	31,274,307	30,963,287
Restricted cash	-	-	2,796	-	2,796	-
Prepaid	-	-	122,787	144,454	122,787	144,454
Net OPEB asset	533,234	616,840	-	135,348	533,234	752,188
Total Assets	55,037,742	48,397,204	61,006,745	57,434,072	116,044,487	105,831,276
DEFERRED OUTFLOWS OF RESOURCES						
Pension related deferred outflows	9,987,842	3,727,052	4,432,578	3,505,270	14,420,420	7,232,322
OPEB related deferred outflows	211,466	265,684	-	-	211,466	265,684
Deferred charges on refunding	165,299	238,768	56,699	62,667	221,998	301,435
Total Deferred Outflows of Resources	10,364,607	4,231,504	4,489,277	3,567,937	14,853,884	7,799,441
LIABILITIES						
<i>Current Liabilities</i>						
Accounts payable	493,931	631,540	624,435	1,542,485	1,118,366	2,174,025
Accrued and other liabilities	569,551	526,368	437,601	503,694	1,007,152	1,030,062
Unearned revenue	11,278,979	6,092,917	85,251	-	11,364,230	6,092,917
Due to other governments	-	-	27,508	29,816	27,508	29,816
Current portion of long-term debt	1,529,153	1,420,000	655,000	640,000	2,184,153	2,060,000
Current portion of compensated absences	298,175	264,349	146,060	203,362	444,235	467,711
Bonds and other payables	-	4,094	-	-	-	4,094
Accrued interest	47,450	61,650	-	-	47,450	61,650
MIP payable	-	-	835,243	1,003,631	835,243	1,003,631
Internal balances	(446,819)	(595,745)	446,819	595,745	-	-
Total Current Liabilities	13,770,420	8,405,173	3,257,917	4,518,733	17,028,337	12,923,906
<i>Noncurrent Liabilities</i>						
Compensated absences	648,414	574,856	283,527	394,763	931,941	969,619
Net OPEB liability	-	-	-	-	-	-
Net pension liability	18,087,017	8,121,664	4,513,849	4,270,801	22,600,866	12,392,465
Long-term debt	3,690,346	5,119,685	16,619,636	17,440,596	20,309,982	22,560,281
Total Liabilities	36,196,197	22,221,378	24,674,929	26,624,893	60,871,126	48,846,271
DEFERRED INFLOWS OF RESOURCES						
Pension related deferred inflows	607,979	4,303,564	2,009,560	1,027,504	2,617,539	5,331,068
OPEB related deferred inflows	239,628	305,306	-	-	239,628	305,306
Property taxes levied for subsequent year	5,935,118	5,449,034	-	-	5,935,118	5,449,034
Total Deferred Inflows of Resources	6,782,725	10,057,904	2,009,560	1,027,504	8,792,285	11,085,408
NET POSITION						
Net investment in capital assets	14,912,390	13,823,408	17,216,918	16,635,018	32,129,308	30,458,426
Restricted	6,127,643	5,701,010	2,796	-	6,130,439	5,701,010
Unrestricted	1,383,394	825,008	21,591,819	16,714,594	22,975,213	17,539,602
Total Net Position	\$ 22,423,427	\$ 20,349,426	\$ 38,811,533	\$ 33,349,612	\$ 61,234,960	\$ 53,699,038

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

equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Significant changes from the prior year include:

- Pension related deferred outflows increased from \$3,727,052 to \$9,987,842 within governmental activities because of the amortization of significant changes in assumptions within the pension valuation. Pension related deferred inflows decreased from \$4,303,564 to \$607,979 within governmental activities primarily because of the difference between actual net investment loss during the year of \$6,015,357 compared to projected net investment income of \$4,394,787, the difference being amortized over the next four years.
- Net pension liability increased from \$8,121,664 to \$18,087,017 within governmental activities for the same reason that pension related deferred inflows decreased. Investment market losses during the year, combined with changes in actuarial assumptions, led to this increase.
- Unearned revenue increased from \$6,092,917 to \$11,278,979 within governmental activities mostly due to the receipt of ARPA funds which had not been expended as of December 31, 2022.
- Cash and investments for governmental activities increased by \$4,269,159, largely due to receipt of ARPA funds during the year of \$5,977,683.

Barry County's Changes in Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Revenues						
Program Revenues						
Charges for services	\$ 3,200,279	\$ 3,186,161	\$ 21,188,055	\$ 19,329,493	\$ 24,388,334	\$ 22,515,654
Operating grants and contributions	7,618,945	5,131,998	3,249,809	3,852,059	10,868,754	8,984,057
Capital grants and contributions	-	-	-	191,451	-	191,451
General Revenues						
Taxes	19,145,843	18,333,764	583,327	574,385	19,729,170	18,908,149
Intergovernmental	1,245,658	1,206,925	-	-	1,245,658	1,206,925
Interest income (loss)	(292,945)	37,807	(123,612)	(9,631)	(416,557)	28,176
Total Revenues	30,917,780	27,896,655	24,897,579	23,937,757	55,815,359	51,834,412
Expenses						
General government	5,396,641	10,681,669	-	-	5,396,641	10,681,669
Judicial	6,819,438	-	-	-	6,819,438	-
Public safety	10,472,773	8,173,588	-	-	10,472,773	8,173,588
Public works	958,017	250,886	-	-	958,017	250,886
Health and welfare	3,990,761	3,850,875	-	-	3,990,761	3,850,875
Community and economic development	673,650	487,425	-	-	673,650	487,425
Recreation and cultural	865,172	642,595	-	-	865,172	642,595
Interest on long-term debt	167,327	220,274	-	-	167,327	220,274
Delinquent tax administration	-	-	29,210	36,948	29,210	36,948
Thornapple Manor	-	-	21,819,881	22,896,541	21,819,881	22,896,541
Transit, Jail Commissary, and Foreclosure	-	-	2,017,863	1,541,331	2,017,863	1,541,331
Total Expenses	29,343,779	24,307,312	23,866,954	24,474,820	53,210,733	48,782,132
Changes in Net Position Before Transfers	1,574,001	3,589,343	1,030,625	(537,063)	2,604,626	3,052,280
Transfers In (Out)	500,000	640,795	(500,000)	(640,795)	-	-
Changes in Net Position	2,074,001	4,230,138	530,625	(1,177,858)	2,604,626	3,052,280
<i>Net Position at the Beginning of Period - Restated</i>	<i>20,349,426</i>	<i>16,119,288</i>	<i>38,280,908</i>	<i>34,527,470</i>	<i>58,630,334</i>	<i>50,646,758</i>
Net Position at the End of Period	\$ 22,423,427	\$ 20,349,426	\$ 38,811,533	\$ 33,349,612	\$ 61,234,960	\$ 53,699,038

Net position of the County increased by \$2,604,626 during the year. Governmental activities increased by \$2,074,001 while business-type activities increased by \$530,625.

Significant items to note during the year include:

- Operating grants and contributions within governmental activities increased by \$2,486,947 largely due to ARPA funds being earned during the year.
- Tax revenue increased by \$812,079 due primarily to increased taxable values.

Governmental Activities

During the year, the County expended \$5,396,641, or approximately 18.39%, of governmental activities expenses for general government activities. Judicial expenses, previously classified under general government activities totaled \$6,819,438 or approximately 23.24% of governmental activities expenses. Health and welfare expenses totaled \$3,990,761, or approximately 13.6% of governmental activities expenses. Public safety expenses totaled \$10,472,773, or approximately 35.6%, of governmental activities expenses. Public works, recreation and cultural, community and economic development, and interest on long-term debt made up the remaining 9.17% of governmental activities expenses. In the current year, overall expenses increased by \$5,036,467, or 20.7%.

Business-type activities

Business type activities revenues increased by \$959,822 while expenses decreased by \$607,866 during the current year.

Significant changes within business-type activities primarily occurred within the Thornapple Manor medical care facility and the Barry County Transit (FYE 9/30/22). Both funds are separately audited and the reasons for changes within their activity can be found in their separately audited financial statements as indicated in the notes to the financial statements.

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 \$15,329,732, a decrease of \$103,188 in comparison with the prior year. The overall decrease in fund balance is described later in this analysis. Approximately 14.6%, or \$2,236,311, of this total amount constitutes *unassigned fund balance*. The remainder of fund balance is *restricted* (\$6,096,580, or 39.8%), *committed* (\$6,946,786, or 45.3%), *assigned* (\$18,992, or 0.1%) to indicate that it cannot be used at the County's discretion, or it is *nonspendable* (\$31,063, or 0.2%) because it has already been committed, in this case, for 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 \$2,236,311. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures and transfers out. Unassigned fund balance represents 12.0% of total general fund expenditures and transfers out.

The central dispatch fund ended the year with fund balance of \$2,097,316, which was an increase of \$441,956 from the prior year. This increase is primarily due to decreases in expenditures during the year.

The 2021 ARPA Act fund ended the year with a fund balance of \$9,017. \$2,180,977 was reported as grant revenues during the year, with \$9,774,389 being reported as unearned at December 31, 2022.

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

Net position of the enterprise funds increased \$530,625. Key elements of this change have been addressed elsewhere in this analysis.

The delinquent tax umbrella fund ended the year with net position of \$8,231,293, which was a decrease of \$24,540.

The Thornapple Manor fund ended the year with net position of \$21,048,064. This was a decrease of \$623,267 from the prior year.

The Barry County Transit (FYE 9/30/22) fund ended the year with net position of \$5,086,963, an overall increase of \$227,976.

General Fund Budgetary Highlights

- Overall, revenues were consistent with amounts budgeted, with approximately less than a 2.5% difference between the final budget and actual revenues.
- In total, general fund expenditures came in under amounts budgeted.

The County incurred the following expenditures in excess of the amounts appropriated during the year ended December 31, 2022:

	<u>Amended Budget</u>	<u>Actual Expenditures</u>	<u>Negative Variance</u>
General fund			
Trial court	\$ 1,541,210	\$ 1,567,464	\$ (26,254)
Land information services	506,650	507,211	(561)

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, 2022 amounted to \$48,819,567 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, buildings and improvements, machinery, equipment, vehicles, and right to use assets.

Major capital asset events during the current fiscal year included the start of construction on a central dispatch tower, land improvements and various improvements to County buildings, such as the central dispatch and jail. The County also purchased several vehicles for various uses.

The following summarizes the County's capital assets for the past two years:

	Capital Assets (net of depreciation)					
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 2,734,208	\$ 2,734,208	\$ -	\$ -	\$ 2,734,208	\$ 2,734,208
Construction in progress	1,251,321	1,001,870	13,559,731	7,436,279	14,811,052	8,438,149
Land improvements	537,359	485,226	970,065	1,025,465	1,507,424	1,510,691
Buildings and improvements	8,262,715	7,842,268	17,341,922	18,031,147	25,604,637	25,873,415
Equipment and vehicles	2,128,874	1,759,836	1,820,357	1,819,345	3,949,231	3,579,181
Right to use assets	213,015	-	-	-	213,015	-
Total	\$ 15,127,492	\$ 13,823,408	\$ 33,692,075	\$ 28,312,236	\$ 48,819,567	\$ 42,135,644

Additional information on the County's capital assets can be found in Note 6 of this report. Capital asset information for business-type activities consist of the Thornapple Manor Medical Facility and Barry County Transit, both separately audited units and, accordingly, are not included within the County's footnotes.

Long-term debt. At the end of the current fiscal year, the County had total debt outstanding, exclusive of compensated absences, of \$22,494,135. Of this amount, \$5,219,499 was debt of governmental activities and \$17,274,636 was debt of business-type activities.

	Long-term Debt					
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
General obligation bonds	\$ 5,004,397	\$ 6,539,685	\$ 5,754,636	\$ 6,310,596	\$ 10,759,033	\$ 12,850,281
Capital bonds	-	-	11,520,000	11,770,000	11,520,000	11,770,000
Lease liabilities	215,102	-	-	-	215,102	-
Total	\$ 5,219,499	\$ 6,539,685	\$ 17,274,636	\$ 18,080,596	\$ 22,494,135	\$ 24,620,281

Additional information on the County's long-term debt can be found in Note 7 of this report.

Economic Factors and Next Year's Budgets and Rates

The following factors were considered in preparing the County's budget for 2023:

- The County will continue to rely on state revenue sharing to support general fund expenditures.
- The Courts, Elected Officials, and Department Directors will continue to be fiscally prudent, managing their expenditures within or below budget allowing surplus general funds to be transferred to capital replacement funds.
- Property tax revenue is expected to increase slightly over the previous year.
- Pension costs will continue to rise in the near term as a result of actuarial assumption changes implemented by the Municipal Employees Retirement System Board.

- Pension costs are expected to decrease and level off over the long term as a result of the implementation of the hybrid plan for new hires effective in 2012.

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

Requests for Information

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

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

BASIC FINANCIAL STATEMENTS

Barry County
Statement of Net Position
December 31, 2022

	Primary Government			
	Governmental	Business-type	Total	Component Units
	Activities	Activities		
ASSETS				
<i>Current Assets</i>				
Cash and investments	\$ 29,222,614	\$ 16,794,905	\$ 46,017,519	\$ 4,435,122
Restricted cash	--	307,984	307,984	--
Accounts receivable	1,267,196	7,372,121	8,639,317	--
Special assessment receivable	--	--	--	805,809
Taxes receivable	5,738,783	2,112,530	7,851,313	--
Lease receivable	--	--	--	578,207
Loans receivable, net	903,904	--	903,904	--
Due from other governments	753,029	377,616	1,130,645	4,085,914
Other assets	1,491,490	87,355	1,578,845	--
Inventories	--	136,576	136,576	2,172,888
Total Current Assets	39,377,016	27,189,087	66,566,103	12,077,940
<i>Noncurrent Assets</i>				
Capital assets not being depreciated	3,985,529	13,559,731	17,545,260	25,435,058
Capital assets being depreciated, net	11,141,963	20,132,344	31,274,307	35,590,464
Restricted cash	--	2,796	2,796	--
Special assessment receivable, long-term	--	--	--	8,241,149
Lease receivable, long-term	--	--	--	4,030,673
Prepays	--	122,787	122,787	--
Net OPEB asset	533,234	--	533,234	227,334
Total Assets	55,037,742	61,006,745	116,044,487	85,602,618
DEFERRED OUTFLOWS OF RESOURCES				
Pension related	9,987,842	4,432,578	14,420,420	--
OPEB related	211,466	--	211,466	--
Deferred charges on bond refunding	165,299	56,699	221,998	8,165
Total Deferred Outflows of Resources	10,364,607	4,489,277	14,853,884	8,165
LIABILITIES				
<i>Current Liabilities</i>				
Negative equity in pooled cash	--	--	--	64,017
Accounts payable	493,931	624,435	1,118,366	864,735
Accrued liabilities	569,551	437,601	1,007,152	161,566
Unearned revenue	11,278,979	85,251	11,364,230	--
Due to other governments	--	27,508	27,508	--
Current portion of long-term debt	1,529,153	655,000	2,184,153	1,977,558
Current portion of compensated absences	298,175	146,060	444,235	--
Accrued interest	47,450	--	47,450	85,553
MIP payable	--	835,243	835,243	--
Internal Balances	(446,819)	446,819	--	--
Total Current Liabilities	13,770,420	3,257,917	17,028,337	3,153,429
<i>Noncurrent Liabilities</i>				
Compensated absences	648,414	283,527	931,941	--
Net pension liability	18,087,017	4,513,849	22,600,866	--
Long-term debt	3,690,346	16,619,636	20,309,982	13,031,829
Total Liabilities	36,196,197	24,674,929	60,871,126	16,185,258
DEFERRED INFLOWS OF RESOURCES				
Pension related	607,979	2,009,560	2,617,539	--
OPEB related	239,628	--	239,628	--
Revenues intended to finance a subsequent year	5,935,118	--	5,935,118	--
Deferred lease revenues	--	--	--	230,075
Total Deferred Inflows of Resources	6,782,725	2,009,560	8,792,285	230,075
NET POSITION				
Net investment in capital assets	14,912,390	17,216,918	32,129,308	53,560,425
<i>Restricted for:</i>				
Health and welfare programs	1,194,440	--	1,194,440	--
Public safety programs	3,249,424	--	3,249,424	--
Judicial programs	139,172	--	139,172	--
Housing rehabilitation loans	936,387	--	936,387	--
Other state-mandated programs	260,713	--	260,713	--
Debt service	315,576	--	315,576	2,313,745
Capital projects	--	--	--	4,387,155
Cemetery perpetual care (nonexpendable)	31,063	--	31,063	--
Cemetery perpetual care (expendable)	868	--	868	--
OPEB	--	2,796	2,796	--
<i>Unrestricted</i>	1,383,394	21,591,819	22,975,213	8,934,125
Total Net Position	\$ 22,423,427	\$ 38,811,533	\$ 61,234,960	\$ 69,195,450

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

**Barry County
Statement of Activities
For the Year Ended December 31, 2022**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-type Activities	Total	
Primary Government								
Governmental Activities:								
Judicial	\$ 6,819,438	\$ 978,022	\$ 2,106,073	\$ --	\$ (3,735,343)	\$ --	\$ (3,735,343)	\$ --
General government	5,396,641	1,104,793	1,681,287	--	(2,610,561)	--	(2,610,561)	--
Public safety	10,472,773	536,999	2,820,327	--	(7,115,447)	--	(7,115,447)	--
Public works	958,017	92,794	14,292	--	(850,931)	--	(850,931)	--
Health and welfare	3,990,761	253,818	892,547	--	(2,844,396)	--	(2,844,396)	--
Community and economic development	673,650	92,903	24,692	--	(556,055)	--	(556,055)	--
Recreation and culture	865,172	140,950	79,727	--	(644,495)	--	(644,495)	--
Interest on long-term debt	167,327	--	--	--	(167,327)	--	(167,327)	--
Total Governmental Activities	29,343,779	3,200,279	7,618,945	--	(18,524,555)	--	(18,524,555)	--
Business-type Activities:								
Delinquent Tax Umbrella	8,529	51,628	--	--	--	43,099	43,099	--
Foreclosure Fund	37,791	1,017,573	--	--	--	979,782	979,782	--
Jail Commissary	85,296	102,869	--	--	--	17,573	17,573	--
Thornapple Manor	21,819,881	19,355,289	1,841,325	--	--	(623,267)	(623,267)	--
Barry County Transit (9/30/22)	1,894,776	125,072	1,408,484	--	--	(361,220)	(361,220)	--
2019 Delinquent Tax Revolving	--	4,417	--	--	--	4,417	4,417	--
2020 Delinquent Tax Revolving	20,681	148,995	--	--	--	128,314	128,314	--
2021 Delinquent Tax Revolving	--	380,584	--	--	--	380,584	380,584	--
2022 Delinquent Tax Revolving	--	1,628	--	--	--	1,628	1,628	--
Total Business-type Activities	23,866,954	21,188,055	3,249,809	--	--	570,910	570,910	--
Total Primary Government	\$ 53,210,733	\$ 24,388,334	\$ 10,868,754	\$ --	(18,524,555)	570,910	(17,953,645)	--
Component Units								
Barry County Economic Development Board	\$ 140,585	\$ --	\$ 140,585	\$ --	--	--	--	--
Barry County Airport Commission	414,171	409,778	13,000	578,754	--	--	--	587,361
Barry County Board of Public Works	128,554	--	2,447,724	--	--	--	--	2,319,170
Barry County Road Commission	13,147,155	426,639	9,859,349	4,752,290	--	--	--	1,891,123
Barry County Drain Commission	1,182,058	217,254	712,600	1,104,775	--	--	--	852,571
Total Component Units	\$ 15,012,523	\$ 1,053,671	\$ 13,173,258	\$ 6,435,819	--	--	--	5,650,225
General Purpose Revenues and Transfers:								
Revenues								
Taxes					19,145,843	583,327	19,729,170	--
Unrestricted State sources					1,245,658	--	1,245,658	--
Investment earnings (losses)					(292,945)	(123,612)	(416,557)	10,892
Transfers					500,000	(500,000)	--	--
Total General Revenues and Transfers					20,598,556	(40,285)	20,558,271	10,892
Change in Net Position					2,074,001	530,625	2,604,626	5,661,117
Net Position at Beginning of Period - Restated, Note 17					20,349,426	38,280,908	58,630,334	63,534,333
Net Position at End of Period					\$ 22,423,427	\$ 38,811,533	\$ 61,234,960	\$ 69,195,450

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

**Barry County
Balance Sheet
Governmental Funds
December 31, 2022**

	Special Revenue			Other	Total
	General	Central Dispatch	2021 ARPA Act Funds	Governmental Funds	Governmental Funds
ASSETS					
Cash and investments	\$ 4,389,106	\$ 2,282,784	\$ 9,783,406	\$ 8,147,460	\$ 24,602,756
Accounts receivable	--	--	--	1,267,196	1,267,196
Taxes receivable	159,342	2,303,085	--	3,276,356	5,738,783
Loans receivable, net	--	--	--	903,904	903,904
Due from other governments	133,121	59,746	--	560,162	753,029
Due from other funds	506,074	--	--	--	506,074
Total Assets	\$ 5,187,643	\$ 4,645,615	\$ 9,783,406	\$ 14,155,078	\$ 33,771,742
LIABILITIES					
Negative equity in pooled cash	\$ --	\$ --	\$ --	\$ 118,254	\$ 118,254
Accounts payable	269,272	33,841	--	178,469	481,582
Accrued liabilities	357,382	64,555	--	146,885	568,822
Unearned revenue	--	--	9,774,389	1,504,590	11,278,979
Due to other funds	--	--	--	59,255	59,255
Total Liabilities	626,654	98,396	9,774,389	2,007,453	12,506,892
DEFERRED INFLOWS OF RESOURCES					
Revenues intended to finance a subsequent year	--	2,449,903	--	3,485,215	5,935,118
Total Liabilities and Deferred Inflows of Resources	626,654	2,548,299	9,774,389	5,492,668	18,442,010
FUND BALANCE					
Nonspendable	--	--	--	31,063	31,063
Restricted	--	2,097,316	9,017	3,990,247	6,096,580
Committed	2,305,686	--	--	4,641,100	6,946,786
Assigned	18,992	--	--	--	18,992
Unassigned	2,236,311	--	--	--	2,236,311
Total Fund Balance	4,560,989	2,097,316	9,017	8,662,410	15,329,732
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 5,187,643	\$ 4,645,615	\$ 9,783,406	\$ 14,155,078	\$ 33,771,742

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

Barry County
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position
December 31, 2022

Total Fund Balance - Governmental Funds	\$ 15,329,732
Net position of internal service funds that are treated as proprietary in the fund level statements are treated as governmental in the entity-wide statements.	5,684,929
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, the interest expenditure is reported when due.	(47,450)
General government capital assets of \$28,187,035 net of accumulated depreciation of \$14,019,438 are not financial resources, and accordingly are not reported in the funds.	14,167,597
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in the funds.	(8,707,154)
Compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.	(946,589)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. This represents long-term debt payable of \$4,745,000 and lease liabilities of \$215,102 plus bond premiums of \$259,397 less deferred charges on long-term debt of \$165,299.	(5,054,200)
The net OPEB asset is not due and payable in the current period; therefore, the asset and related deferred inflows/outflows are not reported in the funds.	505,072
Prepaid costs related to self-insurance programs do not represent current period costs and, therefore, are not reported in the fund financial statements.	1,491,490
Total Net Position - Governmental Activities	\$ <u>22,423,427</u>

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

Barry County
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2022

	<u>Special Revenue</u>			<u>Other</u>	<u>Total</u>
	<u>General</u>	<u>Central Dispatch</u>	<u>2021 ARPA Act Funds</u>	<u>Governmental Funds</u>	<u>Governmental Funds</u>
Revenues					
Taxes	\$ 13,723,354	\$ 2,071,548	\$ --	\$ 3,350,941	\$ 19,145,843
Intergovernmental	2,194,154	238,753	2,180,977	4,589,161	9,203,045
Licenses and permits	76,680	--	--	47,061	123,741
Charges for services	1,734,418	--	--	558,481	2,292,899
Fines and forfeitures	10,288	--	--	--	10,288
Rentals	6,500	--	--	11,408	17,908
Investment earnings (losses)	(291,132)	(3,528)	8,604	14,396	(271,660)
Other revenues	91,951	448	--	108,733	201,132
Total Revenues	17,546,213	2,307,221	2,189,581	8,680,181	30,723,196
Expenditures					
General government	2,866,406	--	--	1,543,186	4,409,592
Judicial	4,248,810	--	--	2,543,402	6,792,212
Public safety	7,196,384	1,875,402	--	493,149	9,564,935
Public works	299,193	--	567,808	91,016	958,017
Health and welfare	1,088,247	--	--	2,734,762	3,823,009
Community and economic development	524,955	--	20,800	127,009	672,764
Recreation and culture	98,552	--	--	734,778	833,330
Other	738,553	--	--	--	738,553
Debt service, principal	--	19,165	--	1,420,000	1,439,165
Debt service, interest	--	5,146	--	218,200	223,346
Capital outlay	--	234,267	--	1,328,914	1,563,181
Total Expenditures	17,061,100	2,133,980	588,608	11,234,416	31,018,104
Excess of Revenues Over (Under) Expenditures	485,113	173,241	1,600,973	(2,554,235)	(294,908)
Other Financing Sources (Uses)					
Sale of capital assets	--	--	--	15,812	15,812
Inception of lease	--	234,267	--	--	234,267
Transfers in	933,447	34,448	--	2,400,798	3,368,693
Transfers out	(1,618,539)	--	(1,592,369)	(216,144)	(3,427,052)
Net Other Financing Sources (Uses)	(685,092)	268,715	(1,592,369)	2,200,466	191,720
Net Change in Fund Balance	(199,979)	441,956	8,604	(353,769)	(103,188)
<i>Fund Balance at Beginning of Period</i>	<i>4,760,968</i>	<i>1,655,360</i>	<i>413</i>	<i>9,016,179</i>	<i>15,432,920</i>
Fund Balance at End of Period	\$ 4,560,989	\$ 2,097,316	\$ 9,017	\$ 8,662,410	\$ 15,329,732

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

Barry County
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and
Changes in Fund Balance with Statement of Activities
For the Year Ended December 31, 2022

Total Net Change in Fund Balances - Governmental Funds	\$ (103,188)
Changes in net position of internal service funds that are treated as enterprise fund changes in net position in the fund level statements are treated as governmental fund changes in net position in the entity-wide statements.	(259,927)
Change to compensated absences are not shown in the fund financial statements. The net effect of the current year increase is to decrease net position.	(107,384)
The statement of activities reports changes to net OPEB asset and OPEB related deferrals as OPEB income or expense; however, the revenues or expenditures recorded on the governmental funds equals actual OPEB contributions.	(72,146)
The statement of activities reports changes to net pension liability and pension related deferrals as pension expense; however, the expenditures recorded on the governmental funds equals actual pension contributions.	(8,978)
Current year long-term debt principal payments on contractual obligations, bonds payable, and capital leases are expenditures in the fund financial statements but are reductions in long-term debt in the government-wide financial statements. This is principal payments on long-term debt of \$1,420,000 and lease liabilities of \$19,165 less the incurred lease liability debt of \$234,267.	1,204,898
Net change in estimate for incurred-but-not-reported self-insurance claims and deposits with third-party providers to fund such claims.	142,382
Governmental fund report capital outlay as expenditures; however, in the Statement of Activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense. This is the amount by which capital outlay of \$1,835,883 exceeds depreciation expense of \$598,933 and net disposals of \$14,625.	1,222,325
Changes to accrued interest, bond premiums, and deferred charges on refunding are not shown in the fund financial statements. This is the amount by which the changes in bond premium of \$115,288 and accrued interest of \$14,200 exceeds the change in deferred charges on refunding of \$73,469.	56,019
Changes in Net Position - Governmental Activities	\$ <u>2,074,001</u>

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

**Barry County
Statement of Net Position
Proprietary Funds
December 31, 2022**

	Business-type Activities - Enterprise Funds					Governmental Activities Internal Service Funds
	Delinquent Tax Umbrella	Thornapple Manor	Barry County Transit (9/30/22)	Other Enterprise Funds	Total Enterprise Funds	
ASSETS						
<i>Current Assets</i>						
Cash and investments	\$ 7,138,178	\$ 2,473,258	\$ 3,276,955	\$ 3,906,514	\$ 16,794,905	\$ 4,738,112
Restricted cash	--	307,984	--	--	307,984	--
Accounts receivable	--	7,363,479	8,642	--	7,372,121	--
Taxes receivable	72,115	--	--	2,040,415	2,112,530	--
Due from other governments	--	--	377,616	--	377,616	--
Other assets	--	87,355	--	--	87,355	--
Inventories	--	136,576	--	--	136,576	--
Total Current Assets	7,210,293	10,368,652	3,663,213	5,946,929	27,189,087	4,738,112
<i>Noncurrent Assets</i>						
Capital assets not being depreciated	--	13,559,731	--	--	13,559,731	--
Capital assets being depreciated, net	--	18,188,555	1,943,789	--	20,132,344	959,895
Restricted cash	--	--	2,796	--	2,796	--
Prepays	--	122,787	--	--	122,787	--
Advance to other funds	1,021,000	--	--	--	1,021,000	--
Total Assets	8,231,293	42,239,725	5,609,798	5,946,929	62,027,745	5,698,007
DEFERRED OUTFLOWS OF RESOURCES						
Pension related	--	4,184,748	247,830	--	4,432,578	--
Charges on refunding	--	56,699	--	--	56,699	--
Total Deferred Outflows of Resources	--	4,241,447	247,830	--	4,489,277	--
LIABILITIES						
<i>Current Liabilities</i>						
Accounts payable	--	603,963	13,317	7,155	624,435	12,349
Accrued liabilities	--	387,664	23,195	26,742	437,601	729
Unearned revenue	--	85,251	--	--	85,251	--
Due to other governments	--	--	27,508	--	27,508	--
Current portion of long-term debt	--	655,000	--	--	655,000	--
Current portion of compensated absences	--	146,060	--	--	146,060	--
MIP payable	--	835,243	--	--	835,243	--
Due to other funds	--	--	--	446,819	446,819	--
Total Current Liabilities	--	2,713,181	64,020	480,716	3,257,917	13,078
<i>Noncurrent Liabilities</i>						
Compensated absences	--	283,527	--	--	283,527	--
Net pension liability	--	3,918,887	594,962	--	4,513,849	--
Long-term debt	--	16,619,636	--	--	16,619,636	--
Advance from other funds	--	--	--	1,021,000	1,021,000	--
Total Liabilities	--	23,535,231	658,982	1,501,716	25,695,929	13,078
DEFERRED INFLOWS OF RESOURCES						
Pension related	--	1,897,877	111,683	--	2,009,560	--
Total Deferred Inflows of Resources	--	1,897,877	111,683	--	2,009,560	--
NET POSITION						
Net investment in capital assets	--	15,273,129	1,943,789	--	17,216,918	959,895
<i>Restricted for:</i>						
OPEB	--	--	2,796	--	2,796	--
<i>Unrestricted</i>	8,231,293	5,774,935	3,140,378	4,445,213	21,591,819	4,725,034
Total Net Position	\$ 8,231,293	\$ 21,048,064	\$ 5,086,963	\$ 4,445,213	\$ 38,811,533	\$ 5,684,929

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

Barry County
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2022

	Business-type Activities - Enterprise Funds					Governmental Activities Internal Service Funds
	Delinquent Tax Umbrella	Thornapple Manor	Barry County Transit (9/30/22)	Other Enterprise Funds	Total Enterprise Funds	
Operating Revenues						
Charges for services	\$ 38,180	\$ 19,355,289	\$ 115,366	\$ 1,326,267	\$ 20,835,102	\$ 6,066,901
Interest and penalties on delinquent taxes	13,448	--	--	328,799	342,247	--
Other revenues	--	--	--	1,000	1,000	--
Total Operating Revenues	51,628	19,355,289	115,366	1,656,066	21,178,349	6,066,901
Operating Expenses						
Administrative	--	1,661,014	541,704	--	2,202,718	--
Operations	8,529	17,574,174	1,229,867	143,768	18,956,338	6,586,421
Maintenance	--	1,208,244	123,205	--	1,331,449	--
Depreciation	--	894,682	--	--	894,682	262,297
Total Operating Expenses	8,529	21,338,114	1,894,776	143,768	23,385,187	6,848,718
Operating Income (Loss)	43,099	(1,982,825)	(1,779,410)	1,512,298	(2,206,838)	(781,817)
Non-Operating Revenues (Expenses)						
Taxes	--	--	583,327	--	583,327	--
Intergovernmental revenues	--	1,841,325	1,408,484	--	3,249,809	--
Investment earnings (losses)	(140,092)	--	5,869	10,611	(123,612)	(61,502)
Gain on sale of capital assets	--	--	--	--	--	460
Other non-operating revenue	--	--	9,706	--	9,706	24,573
Interest expense	--	(434,208)	--	--	(434,208)	--
Other non-operating expense	--	(47,559)	--	--	(47,559)	--
Net Non-Operating Revenues (Expenses)	(140,092)	1,359,558	2,007,386	10,611	3,237,463	(36,469)
Income Before Contributions and Transfers	(96,993)	(623,267)	227,976	1,522,909	1,030,625	(818,286)
Transfers in	572,453	--	--	--	572,453	558,359
Transfers out	(500,000)	--	--	(572,453)	(1,072,453)	--
Change In Net Position	(24,540)	(623,267)	227,976	950,456	530,625	(259,927)
<i>Net Position at Beginning of Period - Restated</i>	<i>8,255,833</i>	<i>21,671,331</i>	<i>4,858,987</i>	<i>3,494,757</i>	<i>38,280,908</i>	<i>5,944,856</i>
Net Position at End of Period	\$ 8,231,293	\$ 21,048,064	\$ 5,086,963	\$ 4,445,213	\$ 38,811,533	\$ 5,684,929

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

Barry County
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2022

	Business-type Activities - Enterprise Funds					Governmental
	Delinquent Tax Umbrella	Thornapple Manor	Barry County Transit (FYE 9/30/22)	Other Enterprise Funds	Total Enterprise Funds	Activities Internal Service Funds
Cash Flows from Operating Activities						
Cash received from customers and users	\$ 35,221	\$ 18,615,132	\$ 134,070	\$ 1,732,546	\$ 20,516,969	\$ -
Cash received from interfund services	-	-	-	-	-	6,066,901
Cash payments to suppliers for goods and services	(8,529)	(6,136,746)	(449,408)	(143,089)	(6,737,772)	(417,068)
Cash payments to employees for services and fringe benefits	-	(15,704,577)	(1,335,226)	-	(17,039,803)	(6,452,751)
Net Cash Provided (Used) by Operating Activities	26,692	(3,226,191)	(1,650,564)	1,589,457	(3,260,606)	(802,918)
Cash Flows from Noncapital Financing Activities						
Transfers in	572,453	-	-	-	572,453	558,359
Transfers out	(500,000)	-	-	(572,453)	(1,072,453)	-
Other non-operating expense	-	(47,559)	-	-	(47,559)	-
Other non-operating revenues	-	-	9,706	-	9,706	24,573
Taxes levied	-	-	583,327	-	583,327	-
Intergovernmental revenue - noncapital related	-	1,920,737	1,266,232	-	3,186,969	-
Interfund loans	(107,000)	-	-	(41,926)	(148,926)	-
Net Cash Provided (Used) by Noncapital Financing Activities	(34,547)	1,873,178	1,859,265	(614,379)	3,083,517	582,932
Cash Flows from Capital and Related Financing Activities						
Principal payments on long-term debt	-	(799,992)	-	-	(799,992)	-
Interest payments on long-term debt	-	(434,208)	-	-	(434,208)	-
Purchases of capital assets	-	(6,238,775)	(243,069)	-	(6,481,844)	(344,056)
Proceeds from disposal of capital assets	-	-	-	-	-	460
Net Cash Used by Capital and Related Financing Activities	-	(7,472,975)	(243,069)	-	(7,716,044)	(343,596)
Cash Flows from Investing Activities						
Interest income (loss)	(140,092)	-	5,869	10,611	(123,612)	(61,502)
Net Cash Provided (Used) by Investing Activities	(140,092)	-	5,869	10,611	(123,612)	(61,502)
Net Increase (Decrease) in Cash and Investments	(147,947)	(8,825,988)	(28,499)	985,689	(8,016,745)	(625,084)
<i>Cash and Investments - Beginning of Year</i>	<i>7,286,125</i>	<i>11,607,230</i>	<i>3,308,250</i>	<i>2,920,825</i>	<i>25,122,430</i>	<i>5,363,196</i>
Cash and Investments - End of Year	\$ 7,138,178	\$ 2,781,242	\$ 3,279,751	\$ 3,906,514	\$ 17,105,685	\$ 4,738,112
Statement of Net Position						
Cash and investments	\$ 7,138,178	\$ 2,473,258	\$ 3,276,955	\$ 3,906,514	\$ 16,794,905	\$ 4,738,112
Restricted cash, current	-	307,984	-	-	307,984	-
Restricted cash, noncurrent	-	-	2,796	-	2,796	-
Total Statement of Net Position	\$ 7,138,178	\$ 2,781,242	\$ 3,279,751	\$ 3,906,514	\$ 17,105,685	\$ 4,738,112

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

Barry County
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2022

	Business-type Activities - Enterprise Funds					Governmental Activities Internal Service Funds
	Delinquent Tax Umbrella	Thornapple Manor	Barry County Transit (FYE 9/30/22)	Other Enterprise Funds	Total Enterprise Funds	
Reconciliation of Operating Income (Loss) to						
Net Cash Provided by (Used in) Operating Activities						
Operating income (loss)	\$ 43,099	\$ (1,982,825)	\$ (1,779,410)	\$ 1,512,298	\$ (2,206,838)	\$ (781,817)
Adjustments to Reconcile Operating Income to						
Net Cash Provided by (Used in) Operating Activities						
Depreciation expense	-	894,682	207,323	-	1,102,005	262,297
Changes in Assets, Deferred Outflows, Liabilities, and Deferred Inflows						
Accounts receivable	-	(1,450,287)	18,704	-	(1,431,583)	-
Taxes receivable	(14,099)	-	-	76,480	62,381	-
Other assets	-	80,771	-	-	80,771	-
Accounts payable	-	(896,994)	(20,771)	(285)	(918,050)	(279,648)
Accrued and other liabilities	-	(253,374)	7,630	964	(244,780)	(3,750)
Due to other governments	(2,308)	-	-	-	(2,308)	-
Net pension liability and related deferred items	-	381,836	(84,040)	-	297,796	-
Net Cash Provided (Used) by Operating Activities	\$ 26,692	\$ (3,226,191)	\$ (1,650,564)	\$ 1,589,457	\$ (3,260,606)	\$ (802,918)

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

Barry County
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2022

	<u>OPEB Trust Fund</u>	<u>Private Purpose Trust Fund</u>	<u>Custodial Funds</u>
ASSETS			
Cash and investments	\$ --	\$ 43,881	\$ 608,319
Interest in pooled investment	859,081	--	--
<i>Total Assets</i>	<u>859,081</u>	<u>43,881</u>	<u>608,319</u>
LIABILITIES			
Due to other governments	--	--	483,849
Undistributed collections	--	--	77,129
Bonds and other payables	--	--	21,240
<i>Total Liabilities</i>	<u>--</u>	<u>--</u>	<u>582,218</u>
NET POSITION			
Restricted for individuals, organizations, and other governments	<u>\$ 859,081</u>	<u>\$ 43,881</u>	<u>\$ 26,101</u>

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

Barry County
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2022

	<u>OPEB Trust Fund</u>	<u>Private Purpose Trust Fund</u>	<u>Custodial Funds</u>
Additions			
Taxes collected for other governments	\$ --	\$ --	\$ 29,496,595
Library penal fine collections	--	--	39,555
Inmate trust collections	--	--	264,130
Court collections	--	--	237,138
County clerk/register of deeds collections	--	--	20,317,518
Treasurer collections	--	--	1,453,721
Employer contributions	36,965	--	--
Investment Earnings (Loss)			
Interest, dividends, and other investment gains	(109,466)	--	--
<i>Total Additions</i>	<u>(72,501)</u>	<u>--</u>	<u>51,808,657</u>
Deductions			
Payments of property taxes to other governments	--	--	29,496,595
Library penal fine distributions	--	--	47,847
Inmate trust distributions	--	--	286,174
Court distributions	--	--	237,138
County clerk/register of deeds distributions	--	--	20,317,518
Treasure distributions	--	--	1,453,721
Retirement benefits	114,422	--	--
Administration expense	1,720	--	--
<i>Total Deductions</i>	<u>116,142</u>	<u>--</u>	<u>51,838,993</u>
<i>Change in Net Position</i>	<u>(188,643)</u>	<u>--</u>	<u>(30,336)</u>
<i>Net Position at Beginning of Period</i>	1,047,724	43,881	56,437
<i>Net Position at End of Period</i>	<u>\$ 859,081</u>	<u>\$ 43,881</u>	<u>\$ 26,101</u>

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

Barry County
Combining Statement of Net Position
Component Units
December 31, 2022

	Barry County Economic Development	Barry County Airport Commission	Barry County Road Commission	Barry County Drain Commission	Barry County Board of Public Works	Total Component Units
ASSETS						
<i>Current Assets</i>						
Cash and investments	\$ --	\$ 360,598	\$ 2,811,697	\$ 1,248,287	\$ 14,540	\$ 4,435,122
Special assessment receivable	--	--	--	805,809	--	805,809
Lease receivable	--	4,162	--	--	574,045	578,207
Due from other governments	--	--	4,085,914	--	--	4,085,914
Inventories	--	21,081	2,151,807	--	--	2,172,888
Total Current Assets	--	385,841	9,049,418	2,054,096	588,585	12,077,940
<i>Noncurrent Assets</i>						
Capital assets not being depreciated	--	307,439	16,539,622	6,159,082	2,428,915	25,435,058
Capital assets being depreciated, net	--	5,049,039	25,906,148	4,635,277	--	35,590,464
Special assessment receivable, long-term	--	--	--	8,241,149	--	8,241,149
Lease receivable, long-term	--	228,064	--	--	3,802,609	4,030,673
Net OPEB asset	--	--	227,334	--	--	227,334
Total Assets	--	5,970,383	51,722,522	21,089,604	6,820,109	85,602,618
DEFERRED OUTFLOWS OF RESOURCES						
Deferred charges on bond refunding	--	--	--	--	8,165	8,165
Total Deferred Outflows of Resources	--	--	--	--	8,165	8,165
LIABILITIES						
<i>Current Liabilities</i>						
Negative equity in pooled cash	--	--	--	--	64,017	64,017
Accounts payable	--	40,112	40,753	783,870	--	864,735
Accrued liabilities	--	--	161,566	--	--	161,566
Current portion of long-term debt	--	--	984,026	513,532	480,000	1,977,558
Accrued interest	--	--	--	60,018	25,535	85,553
Total Current Liabilities	--	40,112	1,186,345	1,357,420	569,552	3,153,429
<i>Noncurrent Liabilities</i>						
Long-term debt	--	--	1,625,000	7,451,375	3,955,454	13,031,829
Total Liabilities	--	40,112	2,811,345	8,808,795	4,525,006	16,185,258
DEFERRED INFLOWS OF RESOURCES						
Deferred lease revenues	--	230,075	--	--	--	230,075
Total Deferred Inflows of Resources	--	230,075	--	--	--	230,075
NET POSITION						
Net investment in capital assets	--	5,356,478	40,320,770	7,883,177	--	53,560,425
<i>Restricted for:</i>						
Debt service	--	--	--	10,477	2,303,268	2,313,745
Capital projects	--	--	--	4,387,155	--	4,387,155
<i>Unrestricted</i>	--	343,718	8,590,407	--	--	8,934,125
Total Net Position	\$ --	\$ 5,700,196	\$ 48,911,177	\$ 12,280,809	\$ 2,303,268	\$ 69,195,450

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

Barry County
Combining Statement of Activities
Component Units
For the Year Ended December 31, 2022

	Barry County Economic Development	Barry County Airport Commission	Barry County Road Commission	Barry County Drain Commission	Barry County Board of Public Works	Total Component Units
Expenses						
Public works	\$ --	\$ --	\$ --	\$ 988,699	\$ --	\$ 988,699
Community and economic development	140,585	--	--	--	--	140,585
Road Commission	--	--	13,099,113	--	--	13,099,113
Board of Public Works	--	--	--	--	35,766	35,766
Airport Commission	--	414,171	--	--	--	414,171
Interest on long-term debt	--	--	48,042	193,359	92,788	334,189
Total Expenses	140,585	414,171	13,147,155	1,182,058	128,554	15,012,523
Program Revenues						
Charges for services	--	409,778	426,639	217,254	--	1,053,671
Operating grants and contributions	140,585	13,000	9,859,349	712,600	2,447,724	13,173,258
Capital grants and contributions	--	578,754	4,752,290	1,104,775	--	6,435,819
Total Program Revenues	--	1,001,532	15,038,278	2,034,629	2,447,724	20,662,748
Net Program Revenues (Expenses)	--	587,361	1,891,123	852,571	2,319,170	5,650,225
General Revenue						
Investment earnings (losses)	--	--	9,175	1,150	567	10,892
Total General Revenues	--	--	9,175	1,150	567	10,892
Change in Net Position	--	587,361	1,900,298	853,721	2,319,737	5,661,117
<i>Net Position at Beginning of Period</i>	--	5,112,835	47,010,879	11,427,088	(16,469)	63,534,333
Net Position at End of Period	\$ --	\$ 5,700,196	\$ 48,911,177	\$ 12,280,809	\$ 2,303,268	\$ 69,195,450

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

NOTES TO FINANCIAL STATEMENTS

Barry County
Notes to the Financial Statements

Note 1 - Summary of Significant Accounting Policies

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

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

Reporting Entity

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

The financial statements for *Barry County Transit*, a nonmajor enterprise fund, are presented for the fiscal year ending September 30, 2022. This fund is audited individually. Complete financial statements are issued under separate cover and can be obtained from the entity's administrative office. Accordingly, the County has elected to omit substantially all note disclosures related to the Barry County Transit in these financial statements.

Blended Component Units

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

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

Barry County

Notes to the Financial Statements

Thornapple Manor Medical Care Facility (Thornapple Manor Fund) is included in these financial statements as a blended component unit for the year ended December 31, 2022. This component unit is also audited individually. Complete financial statements are issued under separate cover and may be obtained from Thornapple Manor's administrative office. Thornapple Manor Medical Care Facility is a 161-bed, long-term medical care unit owned and operated by Barry County. It is governed by the Barry County Department of Human Services Board. This Board consists of three members, two of which are appointed by the Barry County Board of Commissioners. The component unit is audited individually, and complete financial statements may be obtained from the Thornapple Manor's administrative office. Accordingly, the County has elected to omit substantially all note disclosures related to the Thornapple Manor Medical Care Facility in these financial statements.

Discretely Presented Component Units

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

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

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

Barry County

Notes to the Financial Statements

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

Barry County Economic Development Board (the “Board”) - The Board is appointed by the County Board of Commissioners. The Board may not issue debt or levy a tax without the approval of the County Board of Commissioners. If a millage rate is approved, the taxes would be levied under the taxing authority of the County. The Board is therefore economically dependent on the County. The Board had no resources as of December 31, 2022 to report and economic development services will be provided by the Barry County Economic Development Alliance in 2022 (an unrelated organization).

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

Joint Ventures

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

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

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

Barry County
Notes to the Financial Statements

Jointly Governed Organizations

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

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

Government-wide and Fund Financial Statements

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Barry County

Notes to the Financial Statements

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, with the exception of special assessments in the drain commission component unit which are based on a 180-day period of availability, and expenditure-driven grants which are based on a one-year period of availability. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The County reports the following major governmental funds:

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

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

The *2021 ARPA Act fund* accounts for the American Rescue Plan Act of 2021 resources collected and expended.

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 *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.

The *Barry County Transit (FYE 9/30/22) fund* accounts for the activities of the Barry County Transit, which provides safe and reliable public transportation throughout all of

Barry County
Notes to the Financial Statements

Barry County. Revenues are primarily generated from federal, state, and local operating assistance grants.

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.

Custodial funds are custodial in nature and do not present results of operations or have a measurement focus. Custodial 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.

The *OPEB Trust* fund accounts for the activities of the Barry County Retiree Health Care Plan, which accumulates resources for retiree healthcare benefit payments to qualified County employees.

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.

Barry County

Notes to the Financial Statements

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.

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

Barry County

Notes to the Financial Statements

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. Management has recorded an allowance for uncollectible balances in the Thornapple Manor enterprise fund. Detail of the uncollectable amount may be obtained from the audit report at the Thornapple Manor administrative office.

Loans receivable in the CDBG housing special revenue fund represent federal funds advanced to area residents for home improvements. Amounts must be repaid by the homeowner upon sale or foreclosure. The County has an enforceable lien on the related property. Since the County is not always able to recover the full amount of the loan, management has recorded an estimated allowance of \$47,574.

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.

Barry County
Notes to the 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. 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.

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

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

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

Barry County
Notes to the Financial Statements

Deferred Outflows of Resources

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

Unearned Revenues

Unearned revenues are those where asset recognition criteria have been met but for which revenue recognition criteria have not been met.

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.

Barry County
Notes to the Financial Statements

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 2022 ad valorem tax (excluding the portion for general operations) is levied and collectible on December 1, 2022, 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, 2022 levy is reported as deferred inflows of resources at year-end. Similarly, the County reports deferred inflows of resources for lease revenues that are reported as a receivable as of year-end, but, will be deferred and collected in future years.

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 experience provided in its pension and OPEB plans.

Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Barry County
Notes to the Financial Statements

Fund Equity

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

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

Interfund Transactions

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

Pensions

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

Barry County
Notes to the Financial Statements

Retiree Health Care Costs

The County records a net OPEB liability (asset) for the difference between the total OPEB liability calculated by the actuary and the OPEB plan's fiduciary net position. For the purpose of measuring the net OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the County's Retiree Health Care Plan and additions to/deductions from the OPEB plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. As of December 31, 2022, the County has recorded a net OPEB asset. Investments are reported at fair value.

Use of Estimates

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

Note 2 - Stewardship, Compliance, and Accountability

Budgetary Information

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

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

Excess of Expenditures over Budget

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

Barry County
Notes to the Financial Statements

The County incurred the following expenditures in excess of the amounts appropriated during the year ended December 31, 2022:

	<u>Amended Budget</u>	<u>Actual Expenditures</u>	<u>Negative Variance</u>
General fund			
Trial court	\$ 1,541,210	\$ 1,567,464	\$ (26,254)
Land information services	506,650	507,211	(561)

Note 3 - Deposits and Investments

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

Following is a reconciliation of deposit and investment balances as of December 31, 2022:

	<u>Primary Government</u>	<u>Component Units</u>	<u>Total</u>
Statement of Net Position			
Cash and investments	\$ 46,017,519	\$ 4,435,122	\$ 50,452,641
Restricted cash, current	307,984	-	307,984
Restricted cash, noncurrent	2,796	-	2,796
Statement of Fiduciary Net Position			
Cash and investments - custodial funds	608,319	-	608,319
Cash and investments - private purpose trust	43,881	-	43,881
Cash and investments - OPEB trust	859,081	-	859,081
Total Deposits and Investments	<u>47,839,580</u>	<u>4,435,122</u>	<u>52,274,702</u>
<i>Less Units Separately Audited</i>			
Barry County Transit (9/30/22)	3,279,751	-	3,279,751
Thornapple Manor	2,781,242	-	2,781,242
Barry County Road Commission	-	2,811,697	2,811,697
Deposits and Investments Managed by the County	<u>\$ 53,900,573</u>	<u>\$ 7,246,819</u>	<u>\$ 61,147,392</u>

Barry County
Notes to the Financial Statements

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

Cash on hand	\$ 1,999
Checking and savings accounts	44,136,149
Investments	<u>17,009,244</u>
Total Deposits and Investments	<u>\$ 61,147,392</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, \$46,550,191 of the County's bank balance of \$48,360,392 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, 2022:

Treasury and agency securities	\$ 6,523,502
Asset backed securities	1,676,605
Money market funds	3,502,692
Municipal bonds	1,662,173
Michigan CLASS	689,982
Certificate of deposit	2,055,430
Other investments	<u>898,860</u>
Total	<u>\$ 17,009,244</u>

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

Credit Risk. State law limits investments to specific government securities, certificates of deposits and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers acceptances of specific financial institutions, qualified mutual funds and qualified external investment pools as identified in the list of authorized investments in the summary of significant accounting policies. The County's investment policy

Barry County
Notes to the Financial Statements

does not have specific limits in excess of state law on investment credit risk. Credit risk ratings, where applicable, are summarized as follows:

Standards & Poor's AAA	\$ 150,330
Standards & Poor's AA+	2,828,597
Standards & Poor's AA	983,472
Standards & Poor's AA-	303,316
Standards & Poor's A+	43,448
Standards & Poor's A	86,806
Unavailable	<u>12,613,275</u>
Total	<u>\$ 17,009,244</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	\$ 5,334,893
Less than 1 year	6,204,083
1-5 years	4,043,158
11-15 years	41,888
16-20 years	40,256
More than 25 years	<u>1,344,966</u>
Total	<u>\$ 17,009,244</u>

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

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

Barry County
Notes to the Financial Statements

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

	Level 1	Level 2	Level 3	Total
Treasury and agency securities	\$ 6,523,502	\$ -	\$ -	\$ 6,523,502
Asset backed securities	1,676,605	-	-	1,676,605
Municipal bonds	1,662,173	-	-	1,662,173
Michigan CLASS	-	689,982	-	689,982
Other investments	-	898,860	-	898,860
	<u>\$ 9,862,280</u>	<u>\$ 1,588,842</u>	<u>\$ -</u>	<u>11,451,122</u>

Investment accounts not subject to fair value disclosure requirements:

Money market accounts	3,502,692
Certificates of deposit	2,055,430
Total Investments	<u>\$ 17,009,244</u>

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

The composition of interfund balances as of December 31, 2022 was as follows:

Interfund balances		
Receivable	Payable	Amount
General	Nonmajor governmental funds	\$ 59,255
General	Nonmajor enterprise funds	446,819

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.

The composition of long-term interfund advances as of December 31, 2022 was as follows:

Advances		
Receivable	Payable	Amount
Delinquent Tax Umbrella	Nonmajor enterprise funds	\$ 1,021,000

Barry County
Notes to the Financial Statements

For the year ended December 31, 2022 interfund transfers consisted of the following:

Transfer In	Transfer Out	Amount
Nonmajor governmental funds	General	\$ 1,060,180
Nonmajor governmental funds	ARPA	1,340,187
General	ARPA	217,734
Central Dispatch	ARPA	34,448
Internal service fund	General	558,359
General	Delinquent Tax Umbrella	500,000
Delinquent Tax Umbrella	Nonmajor enterprise funds	572,453
General	Nonmajor governmental funds	215,713
Nonmajor governmental funds	Nonmajor governmental funds	431

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 can authorize any surplus in the general fund (excluding those funds collapsed into the general fund for external reporting purposes) to be transferred.

Note 5 - Leases Receivable - Airport Commission

The Barry County Airport Commission is reporting total lease receivables of \$232,226 as of December 31, 2022. For fiscal year 2022 the airport commission reported lease revenue of \$159,166 and interest revenue of \$5,040 related to lease payments received. These leases are summarized as follows:

Lease	Lease Receivable	Lease Revenue	Lease Interest Revenue
Hanger Leases	\$ 232,226	\$ 159,166	\$ 5,040

Barry County
Notes to the Financial Statements

Note 6 - Capital Assets

Capital asset activity for the primary government for the year ended December 31, 2022 was as follows:

Governmental Activities	Beginning Balance	Additions	Disposals	Ending Balance
Capital Assets not Being Depreciated or Amortized				
Land	\$ 2,734,208	\$ -	\$ -	\$ 2,734,208
Construction in progress	1,001,870	1,251,321	(1,001,870)	1,251,321
<i>Subtotal</i>	<u>3,736,078</u>	<u>1,251,321</u>	<u>(1,001,870)</u>	<u>3,985,529</u>
Capital Assets Being Depreciated and Amortized				
Land improvements	1,312,757	97,559	-	1,410,316
Buildings and improvements	16,673,868	758,844	-	17,432,712
Machinery and equipment	4,810,424	330,770	(16,983)	5,124,211
Data processing equipment	1,119,765	334,965	-	1,454,730
Vehicles	1,861,763	174,083	-	2,035,846
Intangible right to use assets	-	234,267	-	234,267
<i>Subtotal</i>	<u>25,778,577</u>	<u>1,930,488</u>	<u>(16,983)</u>	<u>27,692,082</u>
Less Accumulated Depreciation & Amortization				
Land improvements	827,531	45,426	-	872,957
Buildings and improvements	8,831,600	338,397	-	9,169,997
Machinery and equipment	3,763,732	193,858	(2,358)	3,955,232
Data processing equipment	911,307	102,152	-	1,013,459
Vehicles	1,357,077	160,145	-	1,517,222
Intangible right to use assets	-	21,252	-	21,252
<i>Subtotal</i>	<u>15,691,247</u>	<u>861,230</u>	<u>(2,358)</u>	<u>16,550,119</u>
Capital Assets Being Depreciated/Amortized, Net	<u>10,087,330</u>	<u>1,069,258</u>	<u>(14,625)</u>	<u>11,141,963</u>
<i>Capital Assets, Net</i>	<u>\$ 13,823,408</u>	<u>\$ 2,320,579</u>	<u>\$ (1,016,495)</u>	<u>\$ 15,127,492</u>

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

General government	\$ 208,399
Culture and recreation	85,235
Public safety	241,140
Health and welfare	64,159
Data processing fund	102,152
Vehicle fund	160,145
<i>Total</i>	<u>\$ 861,230</u>

Capital assets held by the internal service funds are charged to the various functions based on their usage of the assets. Capital asset information for the Thornapple Manor Medical Care Facility and Barry County Transit (both the only business-type activities with capital assets) can be found in their separately audited annual financial reports, as indicated in Note 1 of this document.

Barry County

Notes to the Financial Statements

The right to use assets are presented as depreciation expense on the statement of revenues, expenses, and changes in net position related to the County's intangible asset of a assets purchased under lease agreements, which are included in the above table as right to use assets. With the implementation of Governmental Accounting Standards Board Statement No. 87, *Leases*, a lease meeting the criteria of this Statement requires the lessee to recognize a lease liability and an intangible right to use asset.

Discretely presented component units

Capital assets activity for the component units for the year ended December 31, 2022 was as follows:

Drainage Districts	Beginning Balance	Additions	Disposals	Ending Balance
Capital Assets not Being Depreciated				
Construction in progress	\$ 4,030,657	\$ 2,404,978	\$ (276,553)	\$ 6,159,082
<i>Subtotal</i>	<u>4,030,657</u>	<u>2,404,978</u>	<u>(276,553)</u>	<u>6,159,082</u>
Capital Assets Being Depreciated				
Drain infrastructure	6,078,612	442,849	-	6,521,461
Vehicles and equipment	102,105	21,030	-	123,135
<i>Subtotal</i>	<u>6,180,717</u>	<u>463,879</u>	<u>-</u>	<u>6,644,596</u>
Less Accumulated Depreciation				
Drain infrastructure	1,858,721	117,220	-	1,975,941
Vehicles and equipment	24,453	8,925	-	33,378
<i>Subtotal</i>	<u>1,883,174</u>	<u>126,145</u>	<u>-</u>	<u>2,009,319</u>
Capital Assets Being Depreciated, Net	<u>4,297,543</u>	<u>337,734</u>	<u>-</u>	<u>4,635,277</u>
<i>Capital Assets, Net</i>	<u>\$ 8,328,200</u>	<u>\$ 2,742,712</u>	<u>\$ (276,553)</u>	<u>\$ 10,794,359</u>

Barry County
Notes to the Financial Statements

Airport Commission	Beginning Balance	Additions	Disposals	Ending Balance
Capital Assets not Being Depreciated				
Land	\$ 285,000	\$ -	\$ -	\$ 285,000
Construction in progress	-	22,439	-	22,439
<i>Subtotal</i>	<u>285,000</u>	<u>22,439</u>	<u>-</u>	<u>307,439</u>
Capital Assets Being Depreciated				
Land improvements	3,730,687	213,273	-	3,943,960
Buildings	2,346,765	578,754	-	2,925,519
Equipment	451,738	-	(41,046)	410,692
<i>Subtotal</i>	<u>6,529,190</u>	<u>792,027</u>	<u>(41,046)</u>	<u>7,280,171</u>
Less Accumulated Depreciation				
Land improvements	1,475,011	199,609	-	1,674,620
Buildings	389,448	54,232	-	443,680
Equipment	122,418	27,531	(37,117)	112,832
<i>Subtotal</i>	<u>1,986,877</u>	<u>281,372</u>	<u>(37,117)</u>	<u>2,231,132</u>
Capital Assets Being Depreciated, Net	<u>4,542,313</u>	<u>510,655</u>	<u>(3,929)</u>	<u>5,049,039</u>
<i>Capital Assets, Net</i>	<u>\$ 4,827,313</u>	<u>\$ 533,094</u>	<u>\$ (3,929)</u>	<u>\$ 5,356,478</u>
Board of Public Works	Beginning Balance	Additions	Disposals	Ending Balance
Capital Assets not Being Depreciated				
Construction in progress	\$ 449,009	\$ 1,979,906	\$ -	\$ 2,428,915

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

Note 7 - 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.

Barry County
Notes to the Financial Statements

Long-term debt activity for the year ended December 31, 2022 was as follows:

Primary Government	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
General obligation bonds	\$ 6,165,000	\$ -	\$ (1,420,000)	\$ 4,745,000	\$ 1,510,000
Lease liabilities	-	234,267	(19,165)	215,102	19,153
Compensated absences	839,205	107,384	-	946,589	298,175
Bond premiums and discounts, net	374,685	-	(115,288)	259,397	-
<i>Subtotal</i>	<u>7,378,890</u>	<u>341,651</u>	<u>(1,554,453)</u>	<u>6,166,088</u>	<u>1,827,328</u>
Business-type Activities					
2021 Capital Improvement	11,770,000	-	(250,000)	11,520,000	405,000
2021 Refunding Bonds	3,565,000	-	(390,000)	3,175,000	250,000
Bond Premiums	2,745,596	-	(165,960)	2,579,636	-
Compensated absences	598,125	-	(168,538)	429,587	146,060
<i>Subtotal</i>	<u>18,678,721</u>	<u>-</u>	<u>(974,498)</u>	<u>17,704,223</u>	<u>801,060</u>
<i>Total Primary Government</i>	<u>\$ 26,057,611</u>	<u>\$ 341,651</u>	<u>\$ (2,528,951)</u>	<u>\$ 23,870,311</u>	<u>\$ 2,628,388</u>
Component Units	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Drainage Districts					
General obligation bonds	\$ 367,490	\$ 6,100,000	\$ (363,800)	\$ 6,103,690	\$ 363,800
Drain notes and other debt	3,645,235	-	(1,871,864)	1,773,371	149,732
Bond Premium	-	87,846	-	87,846	-
<i>Subtotal</i>	<u>4,012,725</u>	<u>6,187,846</u>	<u>(2,235,664)</u>	<u>7,964,907</u>	<u>513,532</u>
Board of Public Works					
General obligation bonds	4,760,346	-	(465,000)	4,295,346	480,000
Bond Premiums	147,482	-	(7,374)	140,108	-
<i>Subtotal</i>	<u>4,907,828</u>	<u>-</u>	<u>(472,374)</u>	<u>4,435,454</u>	<u>480,000</u>
<i>Total Component Units</i>	<u>\$ 8,920,553</u>	<u>\$ 6,187,846</u>	<u>\$ (2,708,038)</u>	<u>\$ 12,400,361</u>	<u>\$ 993,532</u>

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

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. The central dispatch is also involved in several lease agreements as summarized below.

Barry County
Notes to the Financial Statements

Bonds payable and lease payables at December 31, 2022 for governmental activities are as follows:

\$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.	\$ 4,745,000
\$66,214 central dispatch lease for the right to use a radio tower with monthly payments of \$382 that includes principal and interest.	63,063
\$91,066 central dispatch lease for the right to use phone antenna with monthly payments of \$642 that includes principal and interest.	85,383
\$76,987 central dispatch lease for the right to use a parcel of land located in the Village of Freeport that is owed by Crown Castle with monthly payments of \$998 including principal and interest.	66,656
<i>Total general obligation debt - governmental activities</i>	<u>\$ 4,960,102</u>

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

\$234,267 has been recorded as an intangible right to use asset in capital assets. Due to the implementation of GASB Statement No. 87, *Leases*, this obligation met the criteria of a lease; thus, requiring it to be recorded. These assets will be amortized over their respective lease terms. There are no residual value guarantees in the lease provisions.

Bonds payable at December 31, 2022 for business-type activities are as follows:

\$11,770,000 2021 Capital Improvement and Refunding Bonds, dated July 6, 2021, due in annual installments ranging from \$390,000 to \$840,000 through April 1, 2041, with interest of 4%, payable semi-annually.	\$ 11,520,000
\$3,565,000 Ref of Ser 12 (Ltd Tax GO) dated July 6, 2021, due in annual installments ranging from \$250,000 to \$435,000 through April 1, 2032, with interest of 4%, payable semi-annually.	3,175,000
<i>Total note payable - Thornapple Manor</i>	<u>\$ 14,695,000</u>

Component Units

Drainage Districts

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

Barry County
Notes to the Financial Statements

drainage district projects and are payable out of assessments to be made against the benefited properties.

Notes payable and amounts owed to other governmental units at December 31, 2022 per respective drain projects serviced from the debt service funds of the Drainage Districts are as follows:

Drain Notes

\$161,000 Clear Lake drain drainage district note dated June 1, 2021, due in annual installments of \$16,100 through June 1, 2031, with interest of 2.19% sue annually.	\$ 144,900
\$1,174,000 Cloverdale drainage district drain bonds, Series 2021 note dated June, 1 2021, due in annual installments of \$58,000 or \$59,000 through June 1, 2041, with interest at 2.52% sue semi-annually.	1,115,000
\$190,000 Early Curtis drain drainage district note dated June 1, 2021, due in annual installments of \$19,000 through June 1, 2031, with interest at 2.19% due annually.	171,000
\$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.	41,940
\$189,117 Fineview drain assessment district note dated March 8, 2019, due in annual installments of \$6,345 to \$13,060 through June 1, 2038, with interest at 4.02%, payable annually.	157,459
\$171,837 Holmes drain assessment district note dated March 8, 2019, due in annual installments of \$5,765 to \$11,866, through June 1, 2038, with interest at 4.02%, payable annually.	143,072
\$6,100,000 Watson 2022 drain bonds, due in annual installments of \$305,000 through June 2041, with interest payable thereon at a rate ranging from 2.00-2.25% payable semi-annually.	5,795,000
\$882,000 General Obligation bonds, due in annual installments of \$58,800 through June 1, 2030, with interest at 2.95%, payable annually.	308,690
<i>Total notes payable - drainage districts</i>	<u>\$ 7,877,061</u>

Board of Public Works

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

Barry County
Notes to the Financial Statements

Bonds payable at December 31, 2022 of the Board of Public Works are as follows:

\$650,000 Water Supply System Bonds dated June 26, 2003, due in annual installments ranging from \$25,000 to \$40,000 through October 1, 2024, with interest at 2.5% payable semi-annually.	\$ 73,281
\$1,040,000 Water Supply System Bonds Series A dated August 23, 2006, due in annual installments ranging from \$10,000 to \$15,000 through October 1, 2026, with interest at 2.125%, payable semi-annually.	305,000
\$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.	45,000
\$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.	100,000
\$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.	125,000
\$2,763,000 Leach and Middle Lake Sanitary Sewer System Bonds, dated January 22, 2010, payable in annual installments ranging from \$148,000 to \$155,000, with interest at 2.5%, payable semi-annually.	1,122,065
\$885,000 Michigan Transportation Fund Refunding Bonds, series 2013, dated September 9, 2013, payable in annual installments ranging from \$65,000 to \$75,000, with interest ranging from 0.8 to 3.6%, payable semi-annually.	300,000
\$2,315,000 Sewage Disposal System Bonds general obligation limited tax, series 2021, dated June 9, 2021 payable in annual installments ranging from \$90,000 to \$145,000, with interest ranging from 2.125% to 4% payable semi-annually.	2,225,000
<i>Total bonds payable - board of public works</i>	<u>\$ 4,295,346</u>

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

Year Ending December 31,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2023	\$ 1,529,153	\$ 164,758	\$ 655,000	\$ 574,700
2024	1,619,639	102,072	680,000	548,000
2025	1,655,132	36,879	720,000	520,000
2026	20,643	3,668	765,000	490,300
2027	21,159	3,152	785,000	459,300
2028-2032	63,786	9,858	4,620,000	1,775,200
2033-2037	43,037	3,160	3,305,000	973,900
2038-2041	7,556	167	3,165,000	259,500
Totals	<u>\$ 4,960,102</u>	<u>\$ 323,714</u>	<u>\$ 14,695,000</u>	<u>\$ 5,600,900</u>

Barry County
Notes to the Financial Statements

Year Ending December 31,	Component Units			
	Drainage Districts		Board of Public Works	
	Principal	Interest	Principal	Interest
2023	\$ 513,532	\$ 167,423	\$ 480,000	\$ 113,859
2024	472,119	159,231	473,281	98,690
2025	472,730	148,741	450,000	84,671
2026	473,335	138,258	460,000	70,995
2027	473,964	127,752	355,000	58,909
2028-2032	2,065,732	493,960	887,065	178,984
2033-2037	1,928,723	276,169	625,000	95,506
2038-2041	1,476,926	68,626	565,000	29,325
Totals	\$ 7,877,061	\$ 1,580,160	\$ 4,295,346	\$ 730,939

Note 8 - 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 on the following page.

Barry County
Notes to the Financial Statements

	General Fund	Central Dispatch	2021 ARPA Act Funds	Nonmajor Governmental Funds	Totals
Nonspendable					
Permanent fund corpus	\$ -	\$ -	\$ -	\$ 31,063	\$ 31,063
<i>Subtotal</i>	-	-	-	31,063	31,063
Restricted					
Central dispatch/E-911	-	2,097,316	-	-	2,097,316
ARPA	-	-	9,017	-	9,017
Senior services	-	-	-	865,977	865,977
Cemetery perpetual care	-	-	-	868	868
Debt service	-	-	-	315,576	315,576
Animal services/shelter	-	-	-	316,996	316,996
Community outreach	-	-	-	11,468	11,468
Register of deeds systems	-	-	-	260,713	260,713
Judicial programs	-	-	-	131,534	131,534
Law enforcement	-	-	-	219,306	219,306
Housing rehabilitation	-	-	-	936,387	936,387
Criminal diversion	-	-	-	931,422	931,422
<i>Subtotal</i>	-	2,097,316	9,017	3,990,247	6,096,580
Committed					
Hazardous waste disposal	-	-	-	289,869	289,869
Remonumentation plan	-	-	-	20,530	20,530
County parks	118,204	-	-	317,884	436,088
Child and family services	-	-	-	3,244,877	3,244,877
Public safety programs	-	-	-	6,068	6,068
Judicial programs	-	-	-	268,706	268,706
Capital projects	-	-	-	367,381	367,381
Building improvements	2,173,484	-	-	-	2,173,484
Other purposes	13,998	-	-	125,785	139,783
<i>Subtotal</i>	2,305,686	-	-	4,641,100	6,946,786
Assigned for master land use	18,992	-	-	-	18,992
Unassigned	2,236,311	-	-	-	2,236,311
Total fund balances - governmental funds	<u>\$ 4,560,989</u>	<u>\$ 2,097,316</u>	<u>\$ 9,017</u>	<u>\$ 8,662,410</u>	<u>\$ 15,329,732</u>

Barry County
Notes to the Financial Statements

Note 9 - Net Investment in Capital Assets

The composition of the County's net investment in capital assets as of December 31, 2022 was as follows:

	Governmental Activities	Business-type Activities
Add:		
Capital assets not being depreciated	\$ 3,985,529	\$ 13,559,731
Capital assets being depreciated, net	11,141,963	20,132,344
	<u>15,127,492</u>	<u>33,692,075</u>
Less:		
Total installment debt	(4,745,000)	-
Capital related debt	-	(14,695,000)
Bond premiums and discounts, net	(259,397)	(2,579,636)
Leases payable	(215,102)	
Add:		
Deferred charge on bond refunding	165,299	56,699
Medical care facility refunding bonds, net premiums and discounts, and related deferred amounts*	4,839,098	-
Unspent bond proceeds	-	742,780
	<u>(215,102)</u>	<u>(16,475,157)</u>
Net investment in capital assets	<u>\$ 14,912,390</u>	<u>\$ 17,216,918</u>

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

Note 10 - Risk Management

Primary Government

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

The County is completely self-insured for disability benefits. The plan covers all employees except employees at the Medical Care facility. The Disability Benefits Plan provides benefits of 67% of current wages, for a period not to exceed 52 weeks. Benefits commence on the eighth day after a

Barry County
Notes to the Financial Statements

disabling injury or illness. The program is administered by a third party that coordinates claims review and processing.

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

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

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

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

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

Barry County
Notes to the Financial Statements

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

		MMRMA	
	Disability	Liability	Totals
Liability, December 31, 2020	\$ -	\$ 25,164	\$ 25,164
Claims and changes in estimates	58,789	126,227	185,016
Claim payments	(58,789)	(100,066)	(158,855)
Liability, December 31, 2021	-	51,325	51,325
Claims and changes in estimates	38,901	113,311	152,212
Claim payments	(38,901)	(77,262)	(116,163)
Liability, December 31, 2022	\$ -	\$ 87,374	\$ 87,374

Note 11 - 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 2022 amounted to \$62,739.

Note 12 - Contingent Liabilities

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

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

Barry County
Notes to the Financial Statements

Note 13 - 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 Barry County Transit enterprise fund (the "Transit") and the Thornapple Manor enterprise fund. While part of a single plan, these funds are administratively separate from the rest of the County and have chosen to report plan information using a different measurement date. Accordingly, it is not practical to present disclosures for the plan as a whole in this report. For information about the plan for Transit and Thornapple Manor employees, refer to the separately issued financial statements.

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

Employees Covered by Benefit Terms. At December 31, 2022, plan membership for governmental activities consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	174
Inactive employees entitled to but not yet receiving benefits	73
Active employees	174
Total membership	<u>421</u>

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

Barry County
Notes to the Financial Statements

Division	Plan Type	Status	Employer Contribution Rate*	Employee Contribution Rate
911 Central Dispatch (after 5/11)	Defined Benefit	Open	8.99%	1.00%
Hybrid	Hybrid	Open	5.97%	0.00%
911 Central Dispatch Supervisors	Defined Benefit	Closed	6,392	1.00%
BCCEA - Court House	Defined Benefit	Closed	35,564	8.16%
Elected Officials	Defined Benefit	Closed	26,376	3.70%
Sheriff - Corrections	Defined Benefit	Closed	20,085	9.03%
General	Defined Benefit	Closed	15,959	0.00%
911 Central Dispatch	Defined Benefit	Closed	3,342	0.00%
Department Heads	Defined Benefit	Closed	58,403	3.70%
Sheriff - Deputies and Command	Defined Benefit	Closed	54,477	6.06%
Jail Administrator	Defined Benefit	Closed	-	0.00%

*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 table above for the plan as a whole:

Net Pension Liability. The County's net pension liability was measured as of December 31, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021.

Actuarial Assumptions. The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.00%, long-term
Investment rate of return	7.00%, net of investment expense including inflation

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

Barry County
Notes to the Financial Statements

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

Asset Class	Target Allocation	Target Allocation Gross Rate of Return	Long-term Expected Gross Rate of Return	Inflation Assumption	Long-term Expected Real Rate of Return
Global equity	60.00%	7.00%	4.20%	2.50%	2.70%
Global fixed income	20.00%	4.50%	0.90%	2.50%	0.40%
Private investments	20.00%	9.50%	1.90%	2.50%	1.40%
Totals	100.00%		7.00%		4.50%

Discount Rate. The discount rate used to measure the total pension liability is 7.25% for the current year. The current discount rate shown for GASB 68 purposes is higher than the MERS assumed rate of return. This is because, for GASB 68 purposes, the discount rate must be gross of administrative expenses, whereas for funding purposes, it is net of administrative expenses. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

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

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at December 31, 2021	\$ 65,943,440	\$ 57,821,776	\$ 8,121,664
Service cost	974,235	-	974,235
Interest	4,689,961	-	4,689,961
Changes in benefits	(200,031)	-	(200,031)
Difference between expected and actual experience	(729,575)	-	(729,575)
Changes of assumptions	2,665,642	-	2,665,642
Employer contributions	-	3,353,685	(3,353,685)
Employee contributions	-	245,702	(245,702)
Net investment income	-	(6,015,357)	6,015,357
Benefit payments, including refunds of employee contributions	(3,482,875)	(3,482,875)	-
Administrative expense	-	(107,797)	107,797
Other changes	111,194	69,840	41,354
Net changes	4,028,551	(5,936,802)	9,965,353
Balances at December 31, 2022	\$ 69,971,991	\$ 51,884,974	\$ 18,087,017

Barry County

Notes to the Financial Statements

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

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the County's governmental activities, calculated using the discount rate of 7.25%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1% lower (6.25%) or 1% higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
County's net pension liability	<u>\$ 26,681,522</u>	<u>\$ 18,087,017</u>	<u>\$ 10,925,370</u>

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

For the year ended December 31, 2022, the County's governmental activities recognized pension expense of \$3,362,663. The County reported pension-related deferred outflows/inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 4,858,704	\$ -
Difference between expected and actual experience	269,992	607,979
Changes of assumptions	4,859,146	-
Total	<u>\$ 9,987,842</u>	<u>\$ 607,979</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
2023	\$ 1,603,125
2024	2,050,183
2025	2,534,362
2026	2,869,515
2027	322,678

Statement of Fiduciary Net Position

As of December 31, 2022, the County had a payable of \$266,655 due to MERS. Detailed information about the pension plan's fiduciary net position is available in the separately issued MERS financial report.

Barry County
Notes to the Financial Statements

Deferred Compensation Plan

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

Note 14 - Other Postemployment Benefits

Plan Description

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

Benefits Provided and Contributions

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

Membership of the Plan consisted of the following at the date of the latest actuarial valuation (December 31, 2022):

Inactive plan members or beneficiaries currently receiving benefits	20
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	<u>7</u>
Total employees covered by the plan	<u>27</u>

Barry County
Notes to the Financial Statements

Methods and Assumptions

The total OPEB liability was determined by an actuarial valuation as of December 31, 2022 and a measurement date of December 31, 2022 and the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.00%
Salary increases	2.00%
Investment rate of return	7.25%, net of OPEB plan investment expense
Discount rate	3.73%
Average retirement age	60
Mortality	Pub-2010 Scale MP-2019
Health care trend rates	3.50%

Discount Rate

The discount rate used to measure the total OPEB liability was 7.25%. This discount rate is used to determine the total OPEB liability.

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

Investment Rate of Return

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

Asset Class	Target Allocation	Target Gross Rate of Return	Long-term Expected Gross Rate of Return	Inflation Assumption	Long-term Expected Real Rate of Return
Global equity	60.00%	7.00%	4.20%	2.50%	2.70%
Global fixed income	20.00%	4.50%	0.90%	2.50%	0.40%
Private investments	20.00%	9.50%	1.90%	2.50%	1.40%
Totals	100.00%		7.00%		4.50%

Barry County
Notes to the Financial Statements

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

	Increase (Decrease)		
	Total OPEB Liability	Plan Net Position	Net OPEB (Asset)
Balance at December 31, 2021	\$ 430,884	\$ 1,047,724	\$ (616,840)
Service cost	8,579	-	8,579
Interest	22,311	-	22,311
Difference between expected and actual experience	(21,505)	-	(21,505)
Employer contributions	-	36,965	(36,965)
Net investment income	-	(109,466)	109,466
Benefit payments, including refunds of employee contributions	(114,422)	(114,422)	-
Administrative expense	-	(1,720)	1,720
<i>Net changes</i>	(105,037)	(188,643)	83,606
Balance at December 31, 2022	\$ 325,847	\$ 859,081	\$ (533,234)

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the net OPEB liability (asset) of the employer, calculated using the discount rate of 7.25%, as well as what the employer's net OPEB liability (asset) would be using a discount rate that is 1 percentage point lower or higher than the current rate:

	1% Decrease (6.25%)	Current Rate (7.25%)	1% Increase (8.25%)
Net OPEB liability (asset)	\$ (524,068)	\$ (533,234)	\$ (541,970)

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

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

	1% Decrease	Current Rate	1% Increase
Net OPEB liability (asset)	\$ (542,374)	\$ (533,234)	\$ (523,812)

Barry County

Notes to the Financial Statements

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

For the year ended December 31, 2022, the County recognized OPEB expense of \$8,579. At December 31, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Source	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 198,394	\$ 184,516
Changes of assumptions	13,072	-
Net difference between projected and actual earnings in OPEB plan investments	-	55,112
Total	\$ 211,466	\$ 239,628

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

Year Ended December 31,	Amount
2023	\$ (11,461)
2024	(11,461)
2025	(11,461)
2026	6,221

Note 16 - Subsequent Events

In preparing these financial statements, the County and management has evaluated events and transactions for potential recognition or disclosure through June 16, 2023, the date the financial statements were available to be issued.

The County is not aware of any subsequent events requiring disclosure.

Note 17 - Prior Period Adjustment

The Facility requested the employee retention credit for Quarter 1 through Quarter 3 of 2021. The revenue was not recognized in 2021, despite it being earned, as management was uncertain about what portion would be collected. Management has since determined that moving the revenues into the period that they were earned is the most appropriate for financial reporting. The impact of the restatement on net position is as follows:

	2021
Net Position - December 31, 2021, as previously reported	\$ 16,740,035
Employee Retention Credit Revenue that pertains to 2021	4,931,296
<i>Net Position - December 31, 2021, as previously reported</i>	<i>\$ 21,671,331</i>

Barry County
Notes to the Financial Statements

Note 18 - Adoption of GASB Statement No. 87, *Leases*

The County adopted the provisions of GASB Statement No. 87, *Leases*, in the current year, which improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. Detailed information can be found in Notes 5, 6, and 7 of these Notes to the Financial Statements.

REQUIRED SUPPLEMENTARY INFORMATION

Barry County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
General Fund
For the Year Ended December 31, 2022

	Budgeted Amounts			Variance Favorable (Unfavorable)
	Original	Final	Actual	Final to Actual
Revenues				
Taxes	\$ 13,463,340	\$ 13,505,293	\$ 13,723,354	\$ 218,061
Intergovernmental	2,218,007	2,263,399	2,194,154	(69,245)
Licenses and permits	98,180	98,180	76,680	(21,500)
Charges for services	1,886,555	1,796,138	1,734,418	(61,720)
Fines and forfeitures	29,000	28,025	10,288	(17,737)
Interest and rentals	117,020	17,020	(284,632)	(301,652)
Other revenues	250,502	244,477	91,951	(152,526)
Total Revenues	18,062,604	17,952,532	17,546,213	(406,319)
Other Financing Sources				
Transfers in	1,339,318	1,557,052	933,447	(623,605)
Total Revenues and Other Financing Sources	19,401,922	19,509,584	18,479,660	(1,029,924)
Expenditures				
General government				
Board of commissioners	223,443	223,443	211,163	12,280
County administrator	358,164	435,726	421,119	14,607
Elections	166,150	167,150	108,093	59,057
Clerk	664,772	614,460	604,669	9,791
Equalization	355,119	360,771	310,189	50,582
Extraditions	3,000	3,000	2,286	714
Register of deeds	307,684	312,421	307,890	4,531
Land information services	495,885	506,650	507,211	(561)
Treasurer	268,766	270,919	259,806	11,113
Tax tribunal refunds	10,000	10,000	8,062	1,938
Cooperative extension	129,125	126,626	125,918	708
Total general government	2,982,108	3,031,166	2,866,406	164,760
Judicial				
Trial court	1,489,751	1,541,210	1,567,464	(26,254)
Jury board	11,500	11,500	8,940	2,560
Probate court	975,330	987,064	937,014	50,050
Adult probation	10,073	10,073	10,030	43
Legal counsel	75,000	75,000	69,979	5,021
Prosecuting attorney	923,250	934,015	917,587	16,428
Courthouse and grounds	829,379	987,676	737,796	249,880
Total judicial	4,314,283	4,546,538	4,248,810	297,728
Public safety				
Sheriff	3,626,728	3,686,151	3,646,781	39,370
Secondary road patrol	123,322	125,475	108,946	16,529
Snowmobile enforcement	1,032	1,032	--	1,032
Court security	137,162	141,037	114,789	26,248
Marine safety	154,761	154,761	110,797	43,964
Emergency services	154,670	159,823	158,710	1,113
Jail	2,716,185	2,755,370	2,604,191	151,179
Animal control	95,466	106,594	105,153	1,441
Animal shelter	294,948	347,301	347,017	284
Total public safety	\$ 7,304,274	\$ 7,477,544	\$ 7,196,384	\$ 281,160

Expenditures (Continued from Previous Page)

Continued...

Barry County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
General Fund
For the Year Ended December 31, 2022

	Budgeted Amounts			Variance Favorable (Unfavorable)
	Original	Final	Actual	Final to Actual
Public works				
Drain commissioner	\$ 271,091	\$ 275,085	\$ 263,167	\$ 11,918
Appropriation for public works	114,834	114,834	36,026	78,808
Total public works	<u>385,925</u>	<u>389,919</u>	<u>299,193</u>	<u>90,726</u>
Health and welfare				
District health department	470,500	470,500	470,500	--
Health department building	160,256	162,301	138,872	23,429
Soldiers' and sailors' relief	40,000	40,000	8,068	31,932
Medical examiner	158,272	170,022	167,493	2,529
Substance abuse	80,553	80,553	79,792	761
Veterans' affairs	49,626	49,626	43,822	5,804
Veterans' burials	37,500	37,500	25,200	12,300
Mental health	154,500	154,500	154,500	--
Total health and welfare	<u>1,151,207</u>	<u>1,165,002</u>	<u>1,088,247</u>	<u>76,755</u>
Community and economic development				
Planning and zoning	369,898	375,926	374,369	1,557
Appropriation for economic development	140,585	140,585	140,585	--
Agriculture preservation	10,000	10,000	10,001	(1)
Appropriation to soil conservation	32,500	32,500	--	32,500
Total community and economic development	<u>552,983</u>	<u>559,011</u>	<u>524,955</u>	<u>34,056</u>
Recreation and culture				
Parks and recreation	100,833	101,264	98,552	2,712
Other				
Insurance and bonds	441,024	446,521	446,521	--
Other	342,969	344,461	292,032	52,429
Total other	<u>783,993</u>	<u>790,982</u>	<u>738,553</u>	<u>52,429</u>
Total Expenditures	<u>17,575,606</u>	<u>18,061,426</u>	<u>17,061,100</u>	<u>1,000,326</u>
Other Financing Uses				
Transfers out	2,185,455	1,958,494	1,618,539	339,955
Total Expenditures and Other Financing Uses	<u>19,761,061</u>	<u>20,019,920</u>	<u>18,679,639</u>	<u>1,340,281</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>(359,139)</u>	<u>(510,336)</u>	<u>(199,979)</u>	<u>310,357</u>
Net Change in Fund Balance	<u>(359,139)</u>	<u>(510,336)</u>	<u>(199,979)</u>	<u>310,357</u>
Fund Balance at Beginning of Period	<u>4,760,968</u>	<u>4,760,968</u>	<u>4,760,968</u>	<u>--</u>
Fund Balance at End of Period	<u>\$ 4,401,829</u>	<u>\$ 4,250,632</u>	<u>\$ 4,560,989</u>	<u>\$ 310,357</u>

Concluded.

Barry County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Central Dispatch
For the Year Ended December 31, 2022

	Budgeted Amounts			Variance Favorable (Unfavorable)
	Original	Final	Actual	Final to Actual
Revenues				
Taxes	\$ 1,887,414	\$ 1,887,414	\$ 2,071,548	\$ 184,134
Intergovernmental	215,000	215,000	238,753	23,753
Other financing sources	10,000	10,000	(3,528)	(13,528)
Other revenues	100	100	448	348
Total Revenues	2,112,514	2,112,514	2,307,221	194,707
Other Financing Sources				
Inception of lease	--	--	234,267	234,267
Transfers in	--	34,448	34,448	--
Total Revenues and Other Financing Sources	2,112,514	2,146,962	2,575,936	428,974
Expenditures				
Public safety	2,209,850	2,244,298	2,133,980	110,318
Total Expenditures	2,209,850	2,244,298	2,133,980	110,318
Excess (Deficiency) of Revenues and Other Sources Over Expenditures	(97,336)	(97,336)	441,956	539,292
Net Change in Fund Balance	(97,336)	(97,336)	441,956	539,292
Fund Balance at Beginning of Period	1,655,360	1,655,360	1,655,360	--
Fund Balance at End of Period	\$ 1,558,024	\$ 1,558,024	\$ 2,097,316	\$ 539,292

Barry County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
2021 ARPA Act Funds
For the Year Ended December 31, 2022

	Budgeted Amounts			Variance Favorable (Unfavorable)
	Original	Final	Actual	Final to Actual
Revenues				
Intergovernmental	\$ 5,977,683	\$ 5,977,683	\$ 2,180,977	\$ (3,796,706)
Interest and rentals	--	--	8,604	8,604
Total Revenues	<u>5,977,683</u>	<u>5,977,683</u>	<u>2,189,581</u>	<u>(3,788,102)</u>
Expenditures				
Public works	--	5,033,593	567,808	4,465,785
Community and economic development	--	20,800	20,800	--
Total Expenditures	<u>--</u>	<u>5,054,393</u>	<u>588,608</u>	<u>4,465,785</u>
Other Financing Uses				
Transfers out	--	1,592,369	1,592,369	--
Total Expenditures and Other Financing Uses	<u>--</u>	<u>6,646,762</u>	<u>2,180,977</u>	<u>4,465,785</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Uses	<u>5,977,683</u>	<u>(669,079)</u>	<u>8,604</u>	<u>677,683</u>
Net Change in Fund Balance	<u>5,977,683</u>	<u>(669,079)</u>	<u>8,604</u>	<u>677,683</u>
<i>Fund Balance at Beginning of Period</i>	413	413	413	--
Fund Balance at End of Period	<u>\$ 5,978,096</u>	<u>\$ (668,666)</u>	<u>\$ 9,017</u>	<u>\$ 677,683</u>

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

	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability								
Service cost	\$ 1,834,822	\$ 1,748,817	\$ 925,388	\$ 919,169	\$ 896,719	\$ 871,498	\$ 914,049	\$ 840,881
Interest	7,095,422	6,440,308	4,223,162	4,267,235	4,084,570	3,945,272	3,708,855	3,545,367
Difference between expected and actual experience	(304,422)	1,299,934	255,610	89,324	121,436	(1,089,692)	931,469	-
Changes in benefits	(200,031)	-	(2,605)	(8,353)	-	-	-	-
Changes of assumptions**	4,154,266	4,059,008	1,781,913	-	-	-	2,006,349	-
Benefit payments, including refunds of employee contributions	(4,679,320)	(4,384,175)	(3,026,736)	(2,763,942)	(2,659,269)	(2,510,367)	(2,456,647)	(2,292,924)
Other changes	(221,025)	(439,829)	378,906	(230,812)	(102,970)	(19,207)	(151,016)	(66,372)
Net Change in Pension Liability	7,679,712	8,724,063	4,535,638	2,272,621	2,340,486	1,197,504	4,953,059	2,026,952
<i>Total Pension Liability - Beginning</i>	<i>94,741,590</i>	<i>86,017,527</i>	<i>56,490,789</i>	<i>54,218,168</i>	<i>51,877,682</i>	<i>50,680,178</i>	<i>45,727,119</i>	<i>43,700,167</i>
Total Pension Liability - Ending (a)	\$ 102,421,302	\$ 94,741,590	\$ 61,026,427	\$ 56,490,789	\$ 54,218,168	\$ 51,877,682	\$ 50,680,178	\$ 45,727,119
Plan Fiduciary Net Position								
Contributions - employer	\$ 4,485,682	\$ 3,973,970	\$ 3,283,999	\$ 2,654,732	\$ 2,309,633	\$ 2,858,700	\$ 3,676,953	\$ 1,873,216
Contributions - member	351,434	371,921	281,201	302,688	304,826	287,908	293,939	315,846
Net Investment income (loss)	(2,550,025)	10,053,097	5,866,343	5,336,228	(1,608,133)	4,720,969	3,465,203	(462,833)
Benefit payments, including refunds of employee contributions	(4,679,320)	(4,384,175)	(3,026,736)	(2,763,942)	(2,659,269)	(2,510,367)	(2,456,647)	(2,292,924)
Administrative expenses	(147,551)	(126,982)	(90,860)	(92,007)	(79,362)	(73,939)	(68,602)	(67,801)
Other changes	11,091	(90,026)	148,776	(17,061)	(37,461)	144,628	-	-
Net Change in Plan Fiduciary Net Position	(2,528,689)	9,797,805	6,462,723	5,420,638	(1,769,766)	5,427,899	4,910,846	(634,496)
<i>Plan Fiduciary Net Position - Beginning</i>	<i>82,349,125</i>	<i>72,551,320</i>	<i>44,131,626</i>	<i>38,710,988</i>	<i>40,480,754</i>	<i>35,052,855</i>	<i>30,142,009</i>	<i>30,776,505</i>
Plan Fiduciary Net Position - Ending (b)	\$ 79,820,436	\$ 82,349,125	\$ 50,594,349	\$ 44,131,626	\$ 38,710,988	\$ 40,480,754	\$ 35,052,855	\$ 30,142,009
Net Pension Liability - Ending (a) - (b)	\$ 22,600,866	\$ 12,392,465	\$ 10,432,078	\$ 12,359,163	\$ 15,507,180	\$ 11,396,928	\$ 15,627,323	\$ 15,585,110
Plan fiduciary net position as a percentage of total pension liability	77.93%	86.92%	82.91%	78.12%	71.40%	78.03%	69.16%	65.92%
Covered payroll	\$ 20,841,929	\$ 20,373,187	\$ 8,843,234	\$ 8,687,064	\$ 8,440,406	\$ 8,049,626	\$ 8,309,065	\$ 7,492,355
Net pension liability as a percentage of covered payroll	108.44%	60.83%	117.97%	142.27%	183.73%	141.58%	188.08%	208.01%

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

**The following were significant changes to economic and demographic assumptions:

2015 valuation - The investment rate of return assumption was reduced from 8.25% to 8.0%, the wage inflation assumption was reduced from 4.50% to 3.75%, inflation rates changed from 3.0-4.0% to 3.25%, and the mortality assumption was updated to be based on the RP-2014 tables.

2019 valuation - The investment rate of return assumption was reduced from 8.00% to 7.60%, the wage inflation assumption was reduced from 3.75% to 3.00%.

2020 valuation - Mortality rates were changed to the recently issued Pub-2010 mortality general rates as published by the Society of Actuaries along with a change to sex-distinct assumptions.

2021 valuation - The investment rate of return assumption was reduced from 7.60% to 7.25%.

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 4,148,111	\$ 3,663,832	\$ 3,229,951	\$ 2,876,964	\$ 2,540,295	\$ 2,320,790	\$ 2,104,464	\$ 2,098,206
Contributions in relation to the actuarially determined contribution	4,648,111	4,163,832	4,226,133	3,389,391	3,040,453	4,476,649	4,354,464	2,998,206
Contribution deficiency (excess)	<u>\$ (500,000)</u>	<u>\$ (500,000)</u>	<u>\$ (996,182)</u>	<u>\$ (512,427)</u>	<u>\$ (500,158)</u>	<u>\$ (2,155,859)</u>	<u>\$ (2,250,000)</u>	<u>\$ (900,000)</u>
Covered payroll	\$ 20,841,929	\$ 20,373,187	\$ 18,645,228	\$ 18,002,586	\$ 17,526,709	\$ 16,789,414	\$ 16,860,391	\$ 16,044,722
Contributions as a percentage of covered payroll	22.30%	20.44%	22.67%	18.83%	17.35%	26.66%	25.83%	18.69%

Valuation Date: December 31, 2021

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

Methods and assumptions used to determine contribution rates

Actuarial cost method	Entry-age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	18 years
Asset valuation method	5-year smoothed
Inflation	2.50%
Salary increases	3.00% in the long-term
Investment rate of return	7.00% net of investment expenses, including inflation
Retirement age	Experience-based tables of rates that are specific to the type of eligibility condition
Mortality	Pub-2010 and fully generational MP-2019

Barry County
Required Supplementary Information
Barry County Retiree Health Care Plan
Schedule of Changes in Net OPEB Liability (Asset) and Related Ratios
Last Six Calendar Years

	2022	2021	2020	2019	2018	2017
Total OPEB Liability						
Service cost	\$ 8,579	\$ 14,501	\$ 41,258	\$ 46,640	\$ 46,640	\$ 42,251
Interest cost	22,311	29,502	76,993	73,452	71,285	94,130
Difference between expected and actual experience	(21,505)	(265,029)	361,374	-	-	(403,885)
Changes of assumptions	-	-	6,962	-	-	20,249
Benefit payments, including refunds of employee contributions	(114,422)	(869,078)	(89,733)	(90,549)	(83,410)	(74,777)
Net Change in total OPEB Liability	(105,037)	(1,090,104)	396,854	29,543	34,515	(322,032)
<i>Total OPEB Liability - Beginning</i>	<i>430,884</i>	<i>1,520,988</i>	<i>1,124,134</i>	<i>1,094,591</i>	<i>1,060,076</i>	<i>1,382,108</i>
Total OPEB Liability - Ending (a)	\$ 325,847	\$ 430,884	\$ 1,520,988	\$ 1,124,134	\$ 1,094,591	\$ 1,060,076
Plan Fiduciary Net Position						
Employer contribution	\$ 36,965	\$ 52,785	\$ 55,660	\$ 27,191	\$ 45,173	\$ 44,136
Net investment income (loss)	(109,466)	204,603	198,176	185,723	(50,748)	171,405
Benefit payments, including refunds of employee contributions	(114,422)	(869,078)	(89,733)	(65,554)	(69,904)	(74,777)
Administrative expenses	(1,720)	(2,581)	(2,689)	(2,652)	(3,494)	(3,318)
Net Change in Plan Fiduciary Net Position	(188,643)	(614,271)	161,414	144,708	(78,973)	137,446
<i>Plan Fiduciary Net Position - Beginning</i>	<i>1,047,724</i>	<i>1,661,995</i>	<i>1,500,581</i>	<i>1,355,873</i>	<i>1,434,846</i>	<i>1,297,400</i>
Plan Fiduciary Net Position - Ending (b)	\$ 859,081	\$ 1,047,724	\$ 1,661,995	\$ 1,500,581	\$ 1,355,873	\$ 1,434,846
Net OPEB Liability (Asset) - Ending (a) - (b)	\$ (533,234)	\$ (616,840)	\$ (141,007)	\$ (376,447)	\$ (261,282)	\$ (374,770)
Plan fiduciary net position as a percentage of total OPEB liability	263.65%	243.16%	109.27%	133.49%	123.87%	135.35%
Covered payroll	\$ 480,715	\$ 633,062	\$ 9,269,654	\$ 8,522,984	\$ 8,547,799	\$ 8,672,124
Net OPEB liability (asset) as a percentage of covered payroll	-110.93%	-97.44%	-1.52%	-4.42%	-3.06%	-4.32%

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

Barry County
Required Supplementary Information
Barry County Retiree Health Care Plan
Schedule of Contributions
Last Six Calendar Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contribution	\$ -	\$ -	\$ 51,376	\$ 25,705	\$ 24,776	\$ 48,731
Contributions in relation to the actuarially determined contribution	36,965	52,785	55,660	27,191	45,173	44,136
Contribution deficiency (excess)	<u>\$ (36,965)</u>	<u>\$ (52,785)</u>	<u>\$ (4,284)</u>	<u>\$ (1,486)</u>	<u>\$ (20,397)</u>	<u>\$ 4,595</u>
 Covered employee payroll	 \$ 480,715	 \$ 633,062	 \$ 9,269,654	 \$ 8,522,984	 \$ 8,547,799	 \$ 8,672,124
 Contributions as a percentage of covered employee payroll	 7.69%	 8.34%	 0.60%	 0.32%	 0.53%	 0.51%

Valuation Date: December 31, 2022

Methods and assumptions used to determine contribution rates

Actuarial cost method	Entry-age, normal
Amortization method	Level percent of payroll
Remaining amortization period	1 year, closed
Asset valuation method	Market value
Inflation	2.00%
Salary increases (merit / longevity increased plus wage inflation increases)	2.00%
Investment rate of return	7.35%, net of OPEB plan investment expense
Retirement age	Based on service, 100% retirement at age 60
Health care trend rate	3.50%
Mortality	Pub-2010 mortality table, scale MP-2019

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

OTHER SUPPLEMENTARY INFORMATION

Barry County
General Fund Combining Balance Sheet
All Funds Treated as General
December 31, 2022

	<u>General</u>	<u>Building Rehab</u>	<u>Parks and Recreation</u>	<u>Agriculture Preservation</u>	<u>Master Land Use Program</u>	<u>Total General Funds</u>
ASSETS						
Cash and investments	\$ 2,052,096	\$ 2,174,437	\$ 119,682	\$ 14,656	\$ 28,235	\$ 4,389,106
Taxes receivable	159,342	--	--	--	--	159,342
Due from other governments	133,121	--	--	--	--	133,121
Due from other funds	506,074	--	--	--	--	506,074
Total Assets	\$ 2,850,633	\$ 2,174,437	\$ 119,682	\$ 14,656	\$ 28,235	\$ 5,187,643
LIABILITIES						
Accounts payable	\$ 257,758	\$ 953	\$ 660	\$ 658	\$ 9,243	\$ 269,272
Accrued liabilities	356,564	--	818	--	--	357,382
Total Liabilities	614,322	953	1,478	658	9,243	626,654
FUND BALANCE						
Committed	--	2,173,484	118,204	13,998	--	2,305,686
Assigned	--	--	--	--	18,992	18,992
Unassigned	2,236,311	--	--	--	--	2,236,311
Total Fund Balance	2,236,311	2,173,484	118,204	13,998	18,992	4,560,989
Total Liabilities and Fund Balance	\$ 2,850,633	\$ 2,174,437	\$ 119,682	\$ 14,656	\$ 28,235	\$ 5,187,643

Barry County
General Fund Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
All Funds Treated as General
For the Year Ended December 31, 2022

	General	Building Rehab	Parks and Recreation	Agriculture Preservation	Master Land Use Program	Eliminating Entry	Total General Funds
Revenues							
Taxes	\$ 13,723,354	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 13,723,354
Intergovernmental	2,194,154	--	--	--	--	--	2,194,154
Licenses and permits	76,680	--	--	--	--	--	76,680
Charges for services	1,734,418	--	--	--	--	--	1,734,418
Fines and forfeitures	10,288	--	--	--	--	--	10,288
Rentals	6,500	--	--	--	--	--	6,500
Investment earnings (losses)	(294,405)	3,273	--	--	--	--	(291,132)
Other revenues	91,951	--	--	--	--	--	91,951
Total Revenues	17,542,940	3,273	--	--	--	--	17,546,213
Expenditures							
General government	2,866,406	--	--	--	--	--	2,866,406
Judicial	4,133,966	114,844	--	--	--	--	4,248,810
Public safety	7,196,384	--	--	--	--	--	7,196,384
Public works	299,193	--	--	--	--	--	299,193
Health and welfare	1,088,247	--	--	--	--	--	1,088,247
Community and economic development	463,946	--	--	10,001	51,008	--	524,955
Recreation and culture	--	--	98,552	--	--	--	98,552
Other	738,553	--	--	--	--	--	738,553
Total Expenditures	16,786,695	114,844	98,552	10,001	51,008	--	17,061,100
Excess of Revenues Over (Under) Expenditures	756,245	(111,571)	(98,552)	(10,001)	(51,008)	--	485,113
Other Financing Sources (Uses)							
Transfers in	933,447	--	101,264	10,000	10,000	(121,264)	933,447
Transfers out	(1,739,803)	--	--	--	--	121,264	(1,618,539)
Net Other Financing Sources (Uses)	(806,356)	--	101,264	10,000	10,000	--	(685,092)
Net Change in Fund Balance	(50,111)	(111,571)	2,712	(1)	(41,008)	--	(199,979)
<i>Fund Balance at Beginning of Period</i>	<i>2,286,422</i>	<i>2,285,055</i>	<i>115,492</i>	<i>13,999</i>	<i>60,000</i>	<i>--</i>	<i>4,760,968</i>
Fund Balance at End of Period	\$ 2,236,311	\$ 2,173,484	\$ 118,204	\$ 13,998	\$ 18,992	\$ --	\$ 4,560,989

Barry County
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2022

	Special Revenue						
	Register of Deeds Automation	Local Corrections Officer Training	Victim Services Unit	Indigent Defense	Concealed Pistol License	Drug Law Enforcement	Special Investigation
ASSETS							
Cash and investments	\$ 260,925	\$ 75,493	\$ 6,277	\$ 284,272	\$ 86,447	\$ 10,222	\$ 11,170
Accounts receivable	--	--	--	--	--	--	--
Taxes receivable	--	--	--	--	--	--	--
Loans receivable, net	--	--	--	--	--	--	--
Due from other governments	--	--	--	--	--	--	--
Total Assets	\$ 260,925	\$ 75,493	\$ 6,277	\$ 284,272	\$ 86,447	\$ 10,222	\$ 11,170
LIABILITIES							
Negative equity in pooled cash	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Accounts payable	212	--	--	1,115	350	--	--
Accrued liabilities	--	--	--	12,409	259	--	--
Unearned revenue	--	--	--	270,748	--	--	--
Due to other funds	--	--	--	--	--	--	--
Total Liabilities	212	--	--	284,272	609	--	--
DEFERRED INFLOWS OF RESOURCES							
Revenues intended to finance a subsequent year	--	--	--	--	--	--	--
Total Liabilities and Deferred Inflows of Resources	212	--	--	284,272	609	--	--
FUND BALANCE							
Nonspendable	--	--	--	--	--	--	--
Restricted	260,713	75,493	6,277	--	85,838	10,222	--
Committed	--	--	--	--	--	--	11,170
Unassigned	--	--	--	--	--	--	--
Total Fund Balance	260,713	75,493	6,277	--	85,838	10,222	11,170
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 260,925	\$ 75,493	\$ 6,277	\$ 284,272	\$ 86,447	\$ 10,222	\$ 11,170

Continued...

Barry County
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2022

	Special Revenue						
	Crime Victims' Rights Week	Law Library	Commission on Aging	CDBG Housing	Middleville Police Services	MSHDA Home Program	Swift and Sure Program
ASSETS							
Cash and investments	\$ --	\$ 14,999	\$ 977,905	\$ 24,243	\$ --	\$ --	\$ 73,210
Accounts receivable	--	--	--	--	--	13,312	--
Taxes receivable	--	--	1,150,781	--	--	--	--
Loans receivable, net	--	--	--	903,904	--	--	--
Due from other governments	7,807	--	36,196	--	99,947	--	31,835
Total Assets	\$ 7,807	\$ 14,999	\$ 2,164,882	\$ 928,147	\$ 99,947	\$ 13,312	\$ 105,045
LIABILITIES							
Negative equity in pooled cash	\$ 5,407	\$ --	\$ --	\$ --	\$ 88,388	\$ --	\$ --
Accounts payable	--	129	27,147	5,072	--	--	904
Accrued liabilities	2,399	--	47,587	--	11,559	--	4,396
Unearned revenue	--	--	--	--	--	--	--
Due to other funds	--	--	--	--	--	--	--
Total Liabilities	7,806	129	74,734	5,072	99,947	--	5,300
DEFERRED INFLOWS OF RESOURCES							
Revenues intended to finance a subsequent year	--	--	1,224,171	--	--	--	--
Total Liabilities and Deferred Inflows of Resources	7,806	129	1,298,905	5,072	99,947	--	5,300
FUND BALANCE							
Nonspendable	--	--	--	--	--	--	--
Restricted	1	--	865,977	923,075	--	13,312	--
Committed	--	14,870	--	--	--	--	99,745
Unassigned	--	--	--	--	--	--	--
Total Fund Balance	1	14,870	865,977	923,075	--	13,312	99,745
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 7,807	\$ 14,999	\$ 2,164,882	\$ 928,147	\$ 99,947	\$ 13,312	\$ 105,045

Continued...

Barry County
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2022

	Special Revenue						
	56B Sobriety Court	Community Corrections	Adult Drug Court	Michigan Justice Training	Social Welfare	Child Care Fund	Juvenile Continuum of Care
ASSETS							
Cash and investments	\$ 100,878	\$ 2,331	\$ 240,875	\$ 10,168	\$ 104,189	\$ 2,584,244	\$ 4,574
Accounts receivable	--	--	--	--	--	--	--
Taxes receivable	--	--	--	--	--	--	--
Loans receivable, net	--	--	--	--	--	--	--
Due from other governments	28,155	12,426	36,564	--	--	27,746	6,230
Total Assets	\$ 129,033	\$ 14,757	\$ 277,439	\$ 10,168	\$ 104,189	\$ 2,611,990	\$ 10,804
LIABILITIES							
Negative equity in pooled cash	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Accounts payable	4,798	6,791	4,350	--	--	93	--
Accrued liabilities	3,505	1,898	4,383	--	--	10,212	--
Unearned revenue	--	--	--	--	--	--	--
Due to other funds	--	--	--	--	--	--	--
Total Liabilities	8,303	8,689	8,733	--	--	10,305	--
DEFERRED INFLOWS OF RESOURCES							
Revenues intended to finance a subsequent year	--	--	--	--	--	--	--
Total Liabilities and Deferred Inflows of Resources	8,303	8,689	8,733	--	--	10,305	--
FUND BALANCE							
Nonspendable	--	--	--	--	--	--	--
Restricted	120,730	--	--	10,168	--	--	10,804
Committed	--	6,068	268,706	--	104,189	2,601,685	--
Unassigned	--	--	--	--	--	--	--
Total Fund Balance	120,730	6,068	268,706	10,168	104,189	2,601,685	10,804
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 129,033	\$ 14,757	\$ 277,439	\$ 10,168	\$ 104,189	\$ 2,611,990	\$ 10,804

Continued...

Barry County
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2022

	Special Revenue						
	Diverted Felons	Charlton Park	Friend of the Court	Bench Warrant	Sheriff K-9 Donation	Animal Shelter T.N.R. Grant 2016	Solid Waste
ASSETS							
Cash and investments	\$ 931,422	\$ 408,049	\$ 356,877	\$ 1,360	\$ 29,948	\$ 6,621	\$ 272,711
Accounts receivable	--	--	--	--	--	--	20,042
Taxes receivable	--	529,292	--	--	--	--	--
Loans receivable, net	--	--	--	--	--	--	--
Due from other governments	--	--	226,007	--	--	--	--
Total Assets	\$ 931,422	\$ 937,341	\$ 582,884	\$ 1,360	\$ 29,948	\$ 6,621	\$ 292,753
LIABILITIES							
Negative equity in pooled cash	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Accounts payable	--	6,006	4,884	--	--	--	2,884
Accrued liabilities	--	9,281	38,997	--	--	--	--
Unearned revenue	--	--	--	--	--	--	--
Due to other funds	--	41,129	--	--	--	--	--
Total Liabilities	--	56,416	43,881	--	--	--	2,884
DEFERRED INFLOWS OF RESOURCES							
Revenues intended to finance a subsequent year	--	563,041	--	--	--	--	--
Total Liabilities and Deferred Inflows of Resources	--	619,457	43,881	--	--	--	2,884
FUND BALANCE							
Nonspendable	--	--	--	--	--	--	--
Restricted	931,422	--	--	1,360	29,948	6,621	--
Committed	--	317,884	539,003	--	--	--	289,869
Unassigned	--	--	--	--	--	--	--
Total Fund Balance	931,422	317,884	539,003	1,360	29,948	6,621	289,869
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 931,422	\$ 937,341	\$ 582,884	\$ 1,360	\$ 29,948	\$ 6,621	\$ 292,753

Continued...

Barry County
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2022

	Special Revenue					Debt Service	
	C SNIP Donation	Animal Shelter Donation	Community Resource Network	Remonumentation	Two Seven Oh Inc. T.N.R	Opioid Settlement	Friend of the Court Renovation
ASSETS							
Cash and investments	\$ 1,921	\$ 308,454	\$ 11,467	\$ --	\$ --	\$ --	\$ 2,196
Accounts receivable	--	--	--	--	--	1,233,842	--
Taxes receivable	--	--	--	--	--	--	--
Loans receivable, net	--	--	--	--	--	--	--
Due from other governments	--	--	--	32,535	14,714	--	--
Total Assets	\$ 1,921	\$ 308,454	\$ 11,467	\$ 32,535	\$ 14,714	\$ 1,233,842	\$ 2,196
LIABILITIES							
Negative equity in pooled cash	\$ --	\$ --	\$ --	\$ 12,005	\$ 12,454	\$ --	\$ --
Accounts payable	--	--	--	--	2,260	--	--
Accrued liabilities	--	--	--	--	--	--	--
Unearned revenue	--	--	--	--	--	1,233,842	--
Due to other funds	--	--	--	--	--	--	--
Total Liabilities	--	--	--	12,005	14,714	1,233,842	--
DEFERRED INFLOWS OF RESOURCES							
Revenues intended to finance a subsequent year	--	--	--	--	--	--	--
Total Liabilities and Deferred Inflows of Resources	--	--	--	12,005	14,714	1,233,842	--
FUND BALANCE							
Nonspendable	--	--	--	--	--	--	--
Restricted	1,921	308,454	11,467	--	--	--	2,196
Committed	--	--	--	20,530	--	--	--
Unassigned	--	--	--	--	--	--	--
Total Fund Balance	1,921	308,454	11,467	20,530	--	--	2,196
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 1,921	\$ 308,454	\$ 11,467	\$ 32,535	\$ 14,714	\$ 1,233,842	\$ 2,196

Continued...

Barry County
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2022

	Debt Service		Capital Projects			Permanent	Total Nonmajor Governmental Funds
	Thornapple Manor 2012 Bonds	Building Authority Thornapple Manor Debt	McKeown Bridge Construction	Public Safety Infrastructure	Capital Replacement	Cemetery Perpetual Care	
ASSETS							
Cash and investments	\$ 1,473	\$ 431,753	\$ 21	\$ --	\$ 478,834	\$ 31,931	\$ 8,147,460
Accounts receivable	--	--	--	--	--	--	1,267,196
Taxes receivable	--	1,596,283	--	--	--	--	3,276,356
Loans receivable, net	--	--	--	--	--	--	903,904
Due from other governments	--	--	--	--	--	--	560,162
Total Assets	\$ 1,473	\$ 2,028,036	\$ 21	\$ --	\$ 478,834	\$ 31,931	\$ 14,155,078
LIABILITIES							
Negative equity in pooled cash	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 118,254
Accounts payable	--	--	--	--	111,474	--	178,469
Accrued liabilities	--	--	--	--	--	--	146,885
Unearned revenue	--	--	--	--	--	--	1,504,590
Due to other funds	--	18,126	--	--	--	--	59,255
Total Liabilities	--	18,126	--	--	111,474	--	2,007,453
DEFERRED INFLOWS OF RESOURCES							
Revenues intended to finance a subsequent year	--	1,698,003	--	--	--	--	3,485,215
Total Liabilities and Deferred Inflows of Resources	--	1,716,129	--	--	111,474	--	5,492,668
FUND BALANCE							
Nonspendable	--	--	--	--	--	31,063	31,063
Restricted	1,473	311,907	--	--	--	868	3,990,247
Committed	--	--	21	--	367,360	--	4,641,100
Unassigned	--	--	--	--	--	--	--
Total Fund Balance	1,473	311,907	21	--	367,360	31,931	8,662,410
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 1,473	\$ 2,028,036	\$ 21	\$ --	\$ 478,834	\$ 31,931	\$ 14,155,078

Barry County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2022

	Special Revenue						
	Register of Deeds Automation	Local Corrections Officer Training	Victim Services Unit	Indigent Defense	Concealed Pistol License	Drug Law Enforcement	Special Investigation
Revenues							
Taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Intergovernmental	--	--	2,596	315,265	--	--	--
Licenses and permits	--	--	--	--	47,061	--	--
Charges for services	63,280	7,580	--	--	--	--	--
Rentals	--	--	--	--	--	--	--
Investment earnings	228	--	16	--	--	--	23
Other revenues	9,600	--	--	--	--	--	--
Total Revenues	73,108	7,580	2,612	315,265	47,061	--	23
Expenditures							
General government	8,041	--	--	--	--	--	--
Judicial	--	--	--	723,856	--	--	--
Public safety	--	5,251	1,044	--	13,986	--	--
Public works	--	--	--	--	--	--	--
Health and welfare	--	--	--	--	--	--	--
Community and economic development	--	--	--	--	--	--	--
Recreation and culture	--	--	--	--	--	--	--
Debt service, principal	--	--	--	--	--	--	--
Debt service, interest	--	--	--	--	--	--	--
Capital outlay	--	--	--	--	--	--	--
Total Expenditures	8,041	5,251	1,044	723,856	13,986	--	--
Excess of Revenues Over (Under) Expenditures	65,067	2,329	1,568	(408,591)	33,075	--	23
Other Financing Sources (Uses)							
Sale of capital assets	--	--	--	--	--	--	--
Transfers in	--	--	--	431,193	431	--	--
Transfers out	--	--	--	(22,602)	(193,542)	--	--
Net Other Financing Sources (Uses)	--	--	--	408,591	(193,111)	--	--
Net Change in Fund Balance	65,067	2,329	1,568	--	(160,036)	--	23
Fund Balance at Beginning of Period	195,646	73,164	4,709	--	245,874	10,222	11,147
Fund Balance at End of Period	\$ 260,713	\$ 75,493	\$ 6,277	\$ --	\$ 85,838	\$ 10,222	\$ 11,170

Continued...

Barry County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2022

	Special Revenue						
	Crime Victims' Rights Week	Law Library	Commission on Aging	CDBG Housing	Middleville Police Services	MSHDA Home Program	Swift and Sure Program
Revenues							
Taxes	\$ --	\$ --	\$ 1,160,818	\$ --	\$ --	\$ --	\$ --
Intergovernmental	63,751	6,500	475,046	--	312,891	--	122,686
Licenses and permits	--	--	--	--	--	--	--
Charges for services	--	--	252,655	--	--	--	5,325
Rentals	--	--	1,163	--	--	--	--
Investment earnings	--	--	7,074	11	--	--	--
Other revenues	--	--	5,586	92,903	--	--	--
Total Revenues	63,751	6,500	1,902,342	92,914	312,891	--	128,011
Expenditures							
General government	74,869	--	--	--	--	--	--
Judicial	--	23,062	--	--	--	--	158,920
Public safety	--	--	--	--	319,350	--	--
Public works	--	--	--	--	--	--	--
Health and welfare	--	--	1,970,092	--	--	--	--
Community and economic development	--	--	--	127,009	--	--	--
Recreation and culture	--	--	--	--	--	--	--
Debt service, principal	--	--	--	--	--	--	--
Debt service, interest	--	--	--	--	--	--	--
Capital outlay	--	--	--	--	--	--	--
Total Expenditures	74,869	23,062	1,970,092	127,009	319,350	--	158,920
Excess of Revenues Over (Under) Expenditures	(11,118)	(16,562)	(67,750)	(34,095)	(6,459)	--	(30,909)
Other Financing Sources (Uses)							
Sale of capital assets	--	--	--	--	--	--	--
Transfers in	2,223	18,500	21,530	--	6,459	--	55,877
Transfers out	--	--	--	--	--	--	--
Net Other Financing Sources (Uses)	2,223	18,500	21,530	--	6,459	--	55,877
Net Change in Fund Balance	(8,895)	1,938	(46,220)	(34,095)	--	--	24,968
Fund Balance at Beginning of Period	8,896	12,932	912,197	957,170	--	13,312	74,777
Fund Balance at End of Period	\$ 1	\$ 14,870	\$ 865,977	\$ 923,075	\$ --	\$ 13,312	\$ 99,745

Continued...

Barry County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2022

	Special Revenue						
	56B Sobriety Court	Community Corrections	Adult Drug Court	Michigan Justice Training	Social Welfare	Child Care Fund	Juvenile Continuum of Care
Revenues							
Taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Intergovernmental	154,916	123,406	148,261	3,417	--	356,746	--
Licenses and permits	--	--	--	--	--	--	--
Charges for services	15,348	--	12,780	--	--	--	--
Rentals	--	--	--	--	--	--	--
Investment earnings	--	--	--	--	60	--	--
Other revenues	--	--	--	--	--	--	--
Total Revenues	170,264	123,406	161,041	3,417	60	356,746	--
Expenditures							
General government	--	--	--	--	6,021	--	--
Judicial	179,626	--	206,216	--	--	--	--
Public safety	--	125,448	--	5,796	--	--	--
Public works	--	--	--	--	--	--	--
Health and welfare	--	--	--	--	--	720,017	--
Community and economic development	--	--	--	--	--	--	--
Recreation and culture	--	--	--	--	--	--	--
Debt service, principal	--	--	--	--	--	--	--
Debt service, interest	--	--	--	--	--	--	--
Capital outlay	--	--	--	--	--	--	--
Total Expenditures	179,626	125,448	206,216	5,796	6,021	720,017	--
Excess of Revenues Over							
(Under) Expenditures	(9,362)	(2,042)	(45,175)	(2,379)	(5,961)	(363,271)	--
Other Financing Sources (Uses)							
Sale of capital assets	--	--	--	--	--	--	--
Transfers in	33,569	1,335	45,175	--	7,840	363,271	--
Transfers out	--	--	--	--	--	--	--
Net Other Financing Sources (Uses)	33,569	1,335	45,175	--	7,840	363,271	--
Net Change in Fund Balance	24,207	(707)	--	(2,379)	1,879	--	--
Fund Balance at Beginning of Period	96,523	6,775	268,706	12,547	102,310	2,601,685	10,804
Fund Balance at End of Period	\$ 120,730	\$ 6,068	\$ 268,706	\$ 10,168	\$ 104,189	\$ 2,601,685	\$ 10,804

Continued...

Barry County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2022

	Special Revenue						
	Diverted Felons	Charlton Park	Friend of the Court	Bench Warrant	Sheriff K-9 Donation	Animal Shelter T.N.R. Grant 2016	Solid Waste
Revenues							
Taxes	\$ --	\$ 533,980	\$ --	\$ --	\$ --	\$ --	\$ --
Intergovernmental	101,905	104,364	909,321	--	1,711	--	14,292
Licenses and permits	--	--	--	--	--	--	--
Charges for services	--	90,256	19,107	--	--	--	92,150
Rentals	--	10,245	--	--	--	--	--
Investment earnings	--	1,988	--	--	--	--	--
Other revenues	--	--	--	--	--	--	644
Total Revenues	101,905	740,833	928,428	--	1,711	--	107,086
Expenditures							
General government	--	--	--	--	--	--	--
Judicial	--	--	1,251,722	--	--	--	--
Public safety	--	--	--	--	15,019	--	--
Public works	--	--	--	--	--	--	91,016
Health and welfare	--	--	--	--	--	--	--
Community and economic development	--	--	--	--	--	--	--
Recreation and culture	--	734,778	--	--	--	--	--
Debt service, principal	--	--	--	--	--	--	--
Debt service, interest	--	--	--	--	--	--	--
Capital outlay	--	--	--	--	--	--	--
Total Expenditures	--	734,778	1,251,722	--	15,019	--	91,016
Excess of Revenues Over (Under) Expenditures	101,905	6,055	(323,294)	--	(13,308)	--	16,070
Other Financing Sources (Uses)							
Sale of capital assets	--	15,812	--	--	--	--	--
Transfers in	--	7,751	127,020	--	--	--	1,100
Transfers out	--	--	--	--	--	--	--
Net Other Financing Sources (Uses)	--	23,563	127,020	--	--	--	1,100
Net Change in Fund Balance	101,905	29,618	(196,274)	--	(13,308)	--	17,170
Fund Balance at Beginning of Period	829,517	288,266	735,277	1,360	43,256	6,621	272,699
Fund Balance at End of Period	\$ 931,422	\$ 317,884	\$ 539,003	\$ 1,360	\$ 29,948	\$ 6,621	\$ 289,869

Continued...

Barry County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2022

	Special Revenue					Debt Service	
	C SNIP Donation	Animal Shelter Donation	Community Resource Network	Remonumentation	Two Seven Oh Inc. T.N.R	Opioid Settlement	Friend of the Court Renovation
Revenues							
Taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Intergovernmental	--	33,789	3,450	54,814	39,434	--	--
Licenses and permits	--	--	--	--	--	--	--
Charges for services	--	--	--	--	--	--	--
Rentals	--	--	--	--	--	--	--
Investment earnings	--	298	24	--	--	--	--
Other revenues	--	--	--	--	--	--	--
Total Revenues	--	34,087	3,474	54,814	39,434	--	--
Expenditures							
General government	--	--	--	79,995	--	--	--
Judicial	--	--	--	--	--	--	--
Public safety	--	7,255	--	--	--	--	--
Public works	--	--	--	--	--	--	--
Health and welfare	--	175	4,119	--	40,359	--	--
Community and economic development	--	--	--	--	--	--	--
Recreation and culture	--	--	--	--	--	--	--
Debt service, principal	--	--	--	--	--	--	--
Debt service, interest	--	--	--	--	--	--	--
Capital outlay	--	--	--	--	--	--	--
Total Expenditures	--	7,430	4,119	79,995	40,359	--	--
Excess of Revenues Over							
(Under) Expenditures	--	26,657	(645)	(25,181)	(925)	--	--
Other Financing Sources (Uses)							
Sale of capital assets	--	--	--	--	--	--	--
Transfers in	--	--	--	26,203	--	--	--
Transfers out	--	--	--	--	--	--	--
Net Other Financing Sources (Uses)	--	--	--	26,203	--	--	--
Net Change in Fund Balance	--	26,657	(645)	1,022	(925)	--	--
Fund Balance at Beginning of Period	1,921	281,797	12,112	19,508	925	--	2,196
Fund Balance at End of Period	\$ 1,921	\$ 308,454	\$ 11,467	\$ 20,530	\$ --	\$ --	\$ 2,196

Continued...

Barry County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2022

	Debt Service		Capital Projects			Permanent	Total Nonmajor Governmental Funds
	Thornapple Manor 2012 Bonds	Building Authority Thornapple Manor Debt	McKeown Bridge Construction	Public Safety Infrastructure	Capital Replacement	Cemetery Perpetual Care	
Revenues							
Taxes	\$ --	\$ 1,656,143	\$ --	\$ --	\$ --	\$ --	\$ 3,350,941
Intergovernmental	1,240,600	--	--	--	--	--	4,589,161
Licenses and permits	--	--	--	--	--	--	47,061
Charges for services	--	--	--	--	--	--	558,481
Rentals	--	--	--	--	--	--	11,408
Investment earnings	--	4,624	--	--	--	50	14,396
Other revenues	--	--	--	--	--	--	108,733
Total Revenues	1,240,600	1,660,767	--	--	--	50	8,680,181
Expenditures							
General government	1,241,350	1,024	--	--	131,886	--	1,543,186
Judicial	--	--	--	--	--	--	2,543,402
Public safety	--	--	--	--	--	--	493,149
Public works	--	--	--	--	--	--	91,016
Health and welfare	--	--	--	--	--	--	2,734,762
Community and economic development	--	--	--	--	--	--	127,009
Recreation and culture	--	--	--	--	--	--	734,778
Debt service, principal	--	1,420,000	--	--	--	--	1,420,000
Debt service, interest	--	218,200	--	--	--	--	218,200
Capital outlay	--	--	--	1,251,321	77,593	--	1,328,914
Total Expenditures	1,241,350	1,639,224	--	1,251,321	209,479	--	11,234,416
Excess of Revenues Over (Under) Expenditures	(750)	21,543	--	(1,251,321)	(209,479)	50	(2,554,235)
Other Financing Sources (Uses)							
Sale of capital assets	--	--	--	--	--	--	15,812
Transfers in	--	--	--	1,251,321	--	--	2,400,798
Transfers out	--	--	--	--	--	--	(216,144)
Net Other Financing Sources (Uses)	--	--	--	1,251,321	--	--	2,200,466
Net Change in Fund Balance	(750)	21,543	--	--	(209,479)	50	(353,769)
Fund Balance at Beginning of Period	2,223	290,364	21	--	576,839	31,881	9,016,179
Fund Balance at End of Period	\$ 1,473	\$ 311,907	\$ 21	\$ --	\$ 367,360	\$ 31,931	\$ 8,662,410

Concluded.

Barry County
Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2022

	Enterprise						
	Foreclosure Fund	Jail Commissary	2019 Delinquent Tax Revolving	2020 Delinquent Tax Revolving	2021 Delinquent Tax Revolving	2022 Delinquent Tax Revolving	Total Enterprise Funds
ASSETS							
<i>Current Assets</i>							
Cash and investments	\$ 3,366,863	\$ 189,704	\$ --	\$ 199,374	\$ 122,185	\$ 28,388	\$ 3,906,514
Taxes receivable	--	--	--	312,022	1,281,574	446,819	2,040,415
Total Assets	3,366,863	189,704	--	511,396	1,403,759	475,207	5,946,929
LIABILITIES							
<i>Current Liabilities</i>							
Accounts payable	5,434	1,721	--	--	--	--	7,155
Accrued liabilities	--	--	--	--	--	26,742	26,742
Due to other funds	--	--	--	--	--	446,819	446,819
Total Current Liabilities	5,434	1,721	--	--	--	473,561	480,716
<i>Noncurrent Liabilities</i>							
Advance from other funds	--	--	--	--	1,021,000	--	1,021,000
Total Liabilities	5,434	1,721	--	--	1,021,000	473,561	1,501,716
NET POSITION							
<i>Unrestricted</i>	3,361,429	187,983	--	511,396	382,759	1,646	4,445,213
Total Net Position	\$ 3,361,429	\$ 187,983	\$ --	\$ 511,396	\$ 382,759	\$ 1,646	\$ 4,445,213

Barry County
Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Enterprise Funds
For the Year Ended December 31, 2022

	Enterprise						
	Foreclosure Fund	Jail Commissary	2019 Delinquent Tax Revolving	2020 Delinquent Tax Revolving	2021 Delinquent Tax Revolving	2022 Delinquent Tax Revolving	Total Enterprise Funds
Operating Revenues							
Charges for services	\$ 1,016,573	\$ 102,869	\$ 4,417	\$ 40,848	\$ 160,466	\$ 1,094	\$ 1,326,267
Interest and penalties on delinquent taxes	--	--	--	108,147	220,118	534	328,799
Other revenues	1,000	--	--	--	--	--	1,000
Total Operating Revenues	1,017,573	102,869	4,417	148,995	380,584	1,628	1,656,066
Operating Expenses							
Operations	37,791	85,296	--	20,681	--	--	143,768
Total Operating Expenses	37,791	85,296	--	20,681	--	--	143,768
Operating Income (Loss)	979,782	17,573	4,417	128,314	380,584	1,628	1,512,298
Non-Operating Revenues (Expenses)							
Investment earnings (losses)	9,552	--	--	382	659	18	10,611
Net Non-Operating Revenues (Expenses)	9,552	--	--	382	659	18	10,611
Income Before Contributions and Transfers	989,334	17,573	4,417	128,696	381,243	1,646	1,522,909
Transfers in	--	--	--	--	--	--	--
Transfers out	--	--	(572,453)	--	--	--	(572,453)
Change In Net Position	989,334	17,573	(568,036)	128,696	381,243	1,646	950,456
<i>Net Position at Beginning of Period</i>	2,372,095	170,410	568,036	382,700	1,516	--	3,494,757
Net Position at End of Period	\$ 3,361,429	\$ 187,983	\$ --	\$ 511,396	\$ 382,759	\$ 1,646	\$ 4,445,213

Barry County
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2022

	Enterprise						
	Foreclosure Fund	Jail Commissary	2019 Delinquent Tax Revolving	2020 Delinquent Tax Revolving	2021 Delinquent Tax Revolving	2022 Delinquent Tax Revolving	Total Enterprise Funds
Cash Flows from Operating Activities							
Cash received from customers and users	\$ 1,017,573	\$ 102,869	\$ 308,588	\$ 1,053,952	\$ (305,245)	\$ (445,191)	\$ 1,732,546
Cash payments to suppliers for goods and services	(32,357)	(86,600)	(4,415)	(20,681)	(25,778)	26,742	(143,089)
Net Cash Provided (Used) by Operating Activities	<u>985,216</u>	<u>16,269</u>	<u>304,173</u>	<u>1,033,271</u>	<u>(331,023)</u>	<u>(418,449)</u>	<u>1,589,457</u>
Cash Flows from Noncapital Financing Activities							
Transfers out	-	-	(572,453)	-	-	-	(572,453)
Interfund loans	-	-	-	(914,000)	425,255	446,819	(41,926)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>-</u>	<u>-</u>	<u>(572,453)</u>	<u>(914,000)</u>	<u>425,255</u>	<u>446,819</u>	<u>(614,379)</u>
Cash flows from Investing Activities							
Interest income	9,552	-	-	382	659	18	10,611
Net Cash Provided by Investing Activities	<u>9,552</u>	<u>-</u>	<u>-</u>	<u>382</u>	<u>659</u>	<u>18</u>	<u>10,611</u>
Net Increase (Decrease) in Cash and Investments	994,768	16,269	(268,280)	119,653	94,891	28,388	985,689
<i>Cash and Investments - Beginning of Year</i>	<u>2,372,095</u>	<u>173,435</u>	<u>268,280</u>	<u>79,721</u>	<u>27,294</u>	<u>-</u>	<u>2,920,825</u>
Cash and Investments - End of Year	<u>\$ 3,366,863</u>	<u>\$ 189,704</u>	<u>\$ -</u>	<u>\$ 199,374</u>	<u>\$ 122,185</u>	<u>\$ 28,388</u>	<u>\$ 3,906,514</u>

Barry County
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2022

	<u>Enterprise</u>						
	<u>Foreclosure Fund</u>	<u>Jail Commissary</u>	<u>2019 Delinquent Tax Revolving</u>	<u>2020 Delinquent Tax Revolving</u>	<u>2021 Delinquent Tax Revolving</u>	<u>2022 Delinquent Tax Revolving</u>	<u>Total Enterprise Funds</u>
Reconciliation of Operating Income to							
Net Cash Provided (Used) by Operating Activities							
Operating Income	\$ 979,782	\$ 17,573	\$ 4,417	\$ 128,314	\$ 380,584	\$ 1,628	\$ 1,512,298
Adjustments to Reconcile Operating Income to							
Net Cash Provided (Used) by Operating Activities							
Changes in Assets and Liabilities							
Taxes receivable	-	-	304,171	904,957	(685,829)	(446,819)	76,480
Accounts payable	5,434	(1,304)	(4,415)	-	-	-	(285)
Accrued liabilities	-	-	-	-	(25,778)	26,742	964
Net Cash Provided (Used) by Operating Activities	<u>\$ 985,216</u>	<u>\$ 16,269</u>	<u>\$ 304,173</u>	<u>\$ 1,033,271</u>	<u>\$ (331,023)</u>	<u>\$ (418,449)</u>	<u>\$ 1,589,457</u>

Barry County
Combining Statement of Net Position
Internal Service Funds
December 31, 2022

	Internal Service					
				Workers'		
	Data Processing	Telephone	Vehicle Fund	Compensation Fund	Health Insurance	Disability Fund
ASSETS						
<i>Current Assets</i>						
Cash and investments	\$ 742,822	\$ 45,364	\$ 592,600	\$ 253,120	\$ 249,196	\$ 218,805
Total Current Assets	<u>742,822</u>	<u>45,364</u>	<u>592,600</u>	<u>253,120</u>	<u>249,196</u>	<u>218,805</u>
<i>Noncurrent Assets</i>						
Capital assets being depreciated, net	441,271	--	518,624	--	--	--
Total Assets	<u>1,184,093</u>	<u>45,364</u>	<u>1,111,224</u>	<u>253,120</u>	<u>249,196</u>	<u>218,805</u>
LIABILITIES						
<i>Current Liabilities</i>						
Accounts payable	3,034	210	--	--	578	--
Accrued liabilities	--	--	--	--	--	729
Total Liabilities	<u>3,034</u>	<u>210</u>	<u>--</u>	<u>--</u>	<u>578</u>	<u>729</u>
NET POSITION						
Investment in capital assets	441,271	--	518,624	--	--	--
<i>Unrestricted</i>	739,788	45,154	592,600	253,120	248,618	218,076
Total Net Position	<u>\$ 1,181,059</u>	<u>\$ 45,154</u>	<u>\$ 1,111,224</u>	<u>\$ 253,120</u>	<u>\$ 248,618</u>	<u>\$ 218,076</u>

Continued...

Barry County
Combining Statement of Net Position
Internal Service Funds
December 31, 2022

	Internal Service					
	<u>Fringe Benefit Fund</u>	<u>Life Insurance</u>	<u>Retirement</u>	<u>Dental and Optical</u>	<u>Unemployment</u>	<u>Total Internal Service Funds</u>
ASSETS						
<i>Current Assets</i>						
Cash and investments	\$ 1,939,523	\$ 19,465	\$ 237,918	\$ 107,403	\$ 331,896	\$ 4,738,112
Total Current Assets	<u>1,939,523</u>	<u>19,465</u>	<u>237,918</u>	<u>107,403</u>	<u>331,896</u>	<u>4,738,112</u>
<i>Noncurrent Assets</i>						
Capital assets being depreciated, net	--	--	--	--	--	959,895
Total Assets	<u>1,939,523</u>	<u>19,465</u>	<u>237,918</u>	<u>107,403</u>	<u>331,896</u>	<u>5,698,007</u>
LIABILITIES						
<i>Current Liabilities</i>						
Accounts payable	--	136	--	5,753	2,638	12,349
Accrued liabilities	--	--	--	--	--	729
Total Current Liabilities	<u>--</u>	<u>136</u>	<u>--</u>	<u>5,753</u>	<u>2,638</u>	<u>13,078</u>
<i>Noncurrent Liabilities</i>						
Total Liabilities	<u>--</u>	<u>136</u>	<u>--</u>	<u>5,753</u>	<u>2,638</u>	<u>13,078</u>
NET POSITION						
Investment in capital assets	--	--	--	--	--	959,895
<i>Unrestricted</i>	1,939,523	19,329	237,918	101,650	329,258	4,725,034
Total Net Position	<u>\$ 1,939,523</u>	<u>\$ 19,329</u>	<u>\$ 237,918</u>	<u>\$ 101,650</u>	<u>\$ 329,258</u>	<u>\$ 5,684,929</u>

Concluded.

Barry County
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended December 31, 2022

	Internal Service					
				Workers'		
	Data Processing	Telephone	Vehicle Fund	Compensation Fund	Health Insurance	Disability Fund
Operating Revenues						
Charges for services	\$ --	\$ 43,989	\$ --	\$ 228,687	\$ 2,075,759	\$ 49,732
Total Operating Revenues	<u>--</u>	<u>43,989</u>	<u>--</u>	<u>228,687</u>	<u>2,075,759</u>	<u>49,732</u>
Operating Expenses						
Operations	253,380	48,558	50,423	209,531	2,065,346	47,423
Depreciation	102,152	--	160,145	--	--	--
Total Operating Expenses	<u>355,532</u>	<u>48,558</u>	<u>210,568</u>	<u>209,531</u>	<u>2,065,346</u>	<u>47,423</u>
Operating Income (Loss)	<u>(355,532)</u>	<u>(4,569)</u>	<u>(210,568)</u>	<u>19,156</u>	<u>10,413</u>	<u>2,309</u>
Non-Operating Revenues (Expenses)						
Investment earnings (losses)	--	--	--	--	--	--
Gain on sale of capital assets	--	--	460	--	--	--
Other non-operating revenue	8,160	--	--	15,964	--	--
Net Non-Operating Revenues (Expenses)	<u>8,160</u>	<u>--</u>	<u>460</u>	<u>15,964</u>	<u>--</u>	<u>--</u>
Income Before Contributions and Transfers	<u>(347,372)</u>	<u>(4,569)</u>	<u>(210,108)</u>	<u>35,120</u>	<u>10,413</u>	<u>2,309</u>
Transfers in	--	--	--	--	58,359	--
Change In Net Position	<u>(347,372)</u>	<u>(4,569)</u>	<u>(210,108)</u>	<u>35,120</u>	<u>68,772</u>	<u>2,309</u>
<i>Net Position at Beginning of Period</i>	1,528,431	49,723	1,321,332	218,000	179,846	215,767
Net Position at End of Period	<u><u>\$ 1,181,059</u></u>	<u><u>\$ 45,154</u></u>	<u><u>\$ 1,111,224</u></u>	<u><u>\$ 253,120</u></u>	<u><u>\$ 248,618</u></u>	<u><u>\$ 218,076</u></u>

Continued...

Barry County
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended December 31, 2022

	Internal Service					
	Fringe Benefit Fund	Life Insurance	Retirement	Dental and Optical	Unemployment	Total Internal Service Funds
Operating Revenues						
Charges for services	\$ 201,743	\$ 59,121	\$ 3,298,514	\$ 89,591	\$ 19,765	\$ 6,066,901
Total Operating Revenues	<u>201,743</u>	<u>59,121</u>	<u>3,298,514</u>	<u>89,591</u>	<u>19,765</u>	<u>6,066,901</u>
Operating Expenses						
Operations	64,000	54,050	3,697,247	93,766	2,697	6,586,421
Depreciation	--	--	--	--	--	262,297
Total Operating Expenses	<u>64,000</u>	<u>54,050</u>	<u>3,697,247</u>	<u>93,766</u>	<u>2,697</u>	<u>6,848,718</u>
Operating Income (Loss)	<u>137,743</u>	<u>5,071</u>	<u>(398,733)</u>	<u>(4,175)</u>	<u>17,068</u>	<u>(781,817)</u>
Non-Operating Revenues (Expenses)						
Investment earnings (losses)	(61,502)	--	--	--	--	(61,502)
Gain on sale of capital assets	--	--	--	--	--	460
Other non-operating revenue	--	449	--	--	--	24,573
Net Non-Operating Revenues (Expenses)	<u>(61,502)</u>	<u>449</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(36,469)</u>
Income Before Contributions and Transfers	<u>76,241</u>	<u>5,520</u>	<u>(398,733)</u>	<u>(4,175)</u>	<u>17,068</u>	<u>(818,286)</u>
Transfers in	--	--	500,000	--	--	558,359
Change In Net Position	<u>76,241</u>	<u>5,520</u>	<u>101,267</u>	<u>(4,175)</u>	<u>17,068</u>	<u>(259,927)</u>
Net Position at Beginning of Period	1,863,282	13,809	136,651	105,825	312,190	5,944,856
Net Position at End of Period	<u>\$ 1,939,523</u>	<u>\$ 19,329</u>	<u>\$ 237,918</u>	<u>\$ 101,650</u>	<u>\$ 329,258</u>	<u>\$ 5,684,929</u>

Concluded.

Barry County
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2022

	Internal Service Funds					
				Workers'		
	Data Processing	Telephone	Vehicle Fund	Compensation Fund	Health Insurance	Disability Fund
Cash Flows from Operating Activities						
Cash received for interfund activity	\$ -	\$ 43,989	\$ -	\$ 228,687	\$ 2,075,759	\$ 49,732
Cash payments to suppliers for goods and services	(318,297)	(48,348)	(50,423)	-	-	-
Cash payments to employees for services and fringe benefits	-	-	-	(209,531)	(2,064,768)	(51,173)
Net Cash Provided (Used) by Operating Activities	(318,297)	(4,359)	(50,423)	19,156	10,991	(1,441)
Cash Flows from Non-capital Financing Activities						
Transfers in	-	-	-	-	58,359	-
Other non-operating revenues	8,160	-	-	15,964	-	-
Net Cash Provided by Non-capital Financing Activities	8,160	-	-	15,964	58,359	-
Cash Flows from Capital and Related Financing Activities						
Purchase of capital assets	(169,973)	-	(174,083)	-	-	-
Proceeds from disposal of capital assets	-	-	460	-	-	-
Net Cash Used by Capital and Related Financing Activities	(169,973)	-	(173,623)	-	-	-
Cash Flows from Investing Activities						
Interest income (loss)	-	-	-	-	-	-
Net Cash Flows Provided by Investing Activities	-	-	-	-	-	-
Net Increase (Decrease) in Cash and Investments	(480,110)	(4,359)	(224,046)	35,120	69,350	(1,441)
<i>Cash and Investments - Beginning of Year</i>	<i>1,222,932</i>	<i>49,723</i>	<i>816,646</i>	<i>218,000</i>	<i>179,846</i>	<i>220,246</i>
<i>Cash and Investments - End of Year</i>	<i>\$ 742,822</i>	<i>\$ 45,364</i>	<i>\$ 592,600</i>	<i>\$ 253,120</i>	<i>\$ 249,196</i>	<i>\$ 218,805</i>

Barry County
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2022

	Internal Service Funds					
	Fringe Benefit Fund	Life Insurance	Retirement	Dental and Optical	Unemployment	Total Internal Service Funds
Cash Flows from Operating Activities						
Cash received for interfund activity	\$ 201,743	\$ 59,121	\$ 3,298,514	\$ 89,591	\$ 19,765	\$ 6,066,901
Cash payments to suppliers for goods and services	-	-	-	-	-	(417,068)
Cash payments to employees for services and fringe benefits	(64,000)	(53,914)	(3,914,848)	(88,013)	(6,504)	(6,452,751)
Net Cash Provided (Used) by Operating Activities	<u>137,743</u>	<u>5,207</u>	<u>(616,334)</u>	<u>1,578</u>	<u>13,261</u>	<u>(802,918)</u>
Cash Flows from Non-capital Financing Activities						
Transfers in	-	-	500,000	-	-	558,359
Other non-operating revenues	-	449	-	-	-	24,573
Net Cash Provided by Non-capital Financing Activities	<u>-</u>	<u>449</u>	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>582,932</u>
Cash Flows from Capital and Related Financing Activities						
Purchase of capital assets	-	-	-	-	-	(344,056)
Proceeds from disposal of capital assets	-	-	-	-	-	460
Net Cash Used by Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(343,596)</u>
Cash Flows from Investing Activities						
Interest income (loss)	(61,502)	-	-	-	-	(61,502)
Net Cash Flows Provided by Investing Activities	<u>(61,502)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(61,502)</u>
Net Increase (Decrease) in Cash and Investments	76,241	5,656	(116,334)	1,578	13,261	(625,084)
<i>Cash and Investments - Beginning of Year</i>	1,863,282	13,809	354,252	105,825	318,635	5,363,196
<i>Cash and Investments - End of Year</i>	<u>\$ 1,939,523</u>	<u>\$ 19,465</u>	<u>\$ 237,918</u>	<u>\$ 107,403</u>	<u>\$ 331,896</u>	<u>\$ 4,738,112</u>

Barry County
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2022

	Internal Service Funds					
				Workers'		
	Data Processing	Telephone	Vehicle Fund	Compensation Fund	Health Insurance	Disability Fund
Reconciliation of Operating Income (Loss) to						
Net Cash Provided by (Used in) Operating Activities						
Operating Income (Loss)	\$ (355,532)	\$ (4,569)	\$ (210,568)	\$ 19,156	\$ 10,413	\$ 2,309
Adjustments to Reconcile Operating Income (Loss) to						
Net Cash Provided by (Used in) Operating Activities						
Depreciation expense	102,152	-	160,145	-	-	-
Changes in Assets and Liabilities						
Accounts payable	(64,917)	210	-	-	578	-
Accrued liabilities	-	-	-	-	-	(3,750)
Net Cash Provided (Used) by Operating Activities	\$ (318,297)	\$ (4,359)	\$ (50,423)	\$ 19,156	\$ 10,991	\$ (1,441)

Barry County
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2022

	Internal Service Funds					
	Fringe Benefit Fund	Life Insurance	Retirement	Dental and Optical	Unemployment	Total Internal Service Funds
Reconciliation of Operating Income (Loss) to						
Net Cash Provided by (Used in) Operating Activities						
Operating Income (Loss)	\$ 137,743	\$ 5,071	\$ (398,733)	\$ (4,175)	\$ 17,068	\$ (781,817)
Adjustments to Reconcile Operating Income (Loss) to						
Net Cash Provided by (Used in) Operating Activities						
Depreciation expense	-	-	-	-	-	262,297
Changes in Assets and Liabilities						
Accounts payable	-	136	(217,601)	5,753	(3,807)	(279,648)
Accrued liabilities	-	-	-	-	-	(3,750)
Net Cash Provided (Used) by Operating Activities	\$ 137,743	\$ 5,207	\$ (616,334)	\$ 1,578	\$ 13,261	\$ (802,918)

Barry County
Combining Statement of Fiduciary Net Position
Custodial Funds
December 31, 2022

	General Custodial	Library	Inmate Custodial	Total
ASSETS				
Cash and investments	\$ 573,916	\$ 21,828	\$ 12,575	\$ 608,319
<i>Total Assets</i>	<u>573,916</u>	<u>21,828</u>	<u>12,575</u>	<u>608,319</u>
LIABILITIES				
Due to other governments	483,849	--	--	483,849
Undistributed collections	68,827	8,302	--	77,129
Bonds and other payables	21,240	--	--	21,240
<i>Total Liabilities</i>	<u>573,916</u>	<u>8,302</u>	<u>--</u>	<u>582,218</u>
NET POSITION				
Restricted for individuals, organizations, and other governments	<u>\$ --</u>	<u>\$ 13,526</u>	<u>\$ 12,575</u>	<u>\$ 26,101</u>

Barry County
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended December 31, 2022

	General Custodial	Library	Inmate Custodial	Total
Additions				
Taxes collected for other governments	\$ 29,496,595	\$ --	\$ --	\$ 29,496,595
Library penal fine collections	--	39,555	--	39,555
Inmate trust collections	--	--	264,130	264,130
Court collections	237,138	--	--	237,138
County clerk/register of deeds collections	20,317,518	--	--	20,317,518
Treasurer collections	1,453,721	--	--	1,453,721
Total Additions	51,504,972	39,555	264,130	51,808,657
Deductions				
Payments of property taxes to other governments	29,496,595	--	--	29,496,595
Library penal fine distributions	--	47,847	--	47,847
Inmate trust distributions	--	--	286,174	286,174
Court distributions	237,138	--	--	237,138
County clerk/register of deeds distributions	20,317,518	--	--	20,317,518
Treasurer distributions	1,453,721	--	--	1,453,721
Total Deductions	51,504,972	47,847	286,174	51,838,993
Change in Net Position	--	(8,292)	(22,044)	(30,336)
<i>Net Position at Beginning of Period</i>	--	21,818	34,619	56,437
Net Position at End of Period	\$ --	\$ 13,526	\$ 12,575	\$ 26,101

Barry County Economic Development Board
Statement of Activities
For the Year Ended December 31, 2022

Functions/Programs		Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
	Expenses				
Community and economic development	\$ 140,585	\$ --	\$ 140,585	\$ --	\$ --
<i>Total</i>	<u>\$ 140,585</u>	<u>\$ --</u>	<u>\$ 140,585</u>	<u>\$ --</u>	<u>--</u>
<i>Change in Net Position</i>					<u>--</u>
<i>Net Position at Beginning of Period</i>					<u>--</u>
<i>Net Position at End of Period</i>					<u>\$ --</u>

Barry County Economic Development Board
Statement of Revenues, Expenditures, and Change in Fund Balance
Governmental Fund
For the Year Ended December 31, 2022

Revenues	
Intergovernmental	\$ 140,585
<i>Total Revenues</i>	<u>140,585</u>
Expenditures	
Community and economic development	<u>140,585</u>
<i>Total Expenditures</i>	<u>140,585</u>
<i>Excess of Revenues Over</i>	
<i>(Under) Expenditures</i>	<u>--</u>
<i>Net Change in Fund Balance</i>	<u>--</u>
<i>Fund Balance at Beginning of Period</i>	<u>--</u>
<i>Fund Balance at End of Period</i>	<u><u>\$ --</u></u>

Barry County Airport Commission
Statement of Net Position
December 31, 2022

ASSETS

Current Assets

Cash and investments	\$ 360,598
Lease receivable, current portion	4,162
Inventories	21,081
Total Current Assets	385,841

Noncurrent Assets

Capital assets not being depreciated	307,439
Capital assets being depreciated, net	5,049,039
Lease receivable, long-term	228,064
Total Assets	5,970,383

LIABILITIES

Current Liabilities

Accounts payable	40,112
Total Liabilities	40,112

DEFERRED INFLOWS OF RESOURCES

Deferred lease revenues	230,075
Total Deferred Inflows of Resources	230,075

NET POSITION

Investment in capital assets	5,356,478
<i>Unrestricted</i>	343,718
Total Net Position	\$ 5,700,196

Barry County Airport Commission
Statement of Activities
For the Year Ended December 31, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Public works	\$ 414,171	\$ 409,778	\$ 13,000	\$ 578,754	\$ 587,361
Total	\$ 414,171	\$ 409,778	\$ 13,000	\$ 578,754	587,361
Change in Net Position					587,361
<i>Net Position at Beginning of Period</i>					5,112,835
<i>Net Position at End of Period</i>					\$ 5,700,196

**Barry County Airport Commission
Balance Sheet
Governmental Fund
December 31, 2022**

ASSETS

Cash and investments	\$ 360,598
Lease receivables	232,226
Inventories	21,081
<i>Total Assets</i>	<u>\$ 613,905</u>

LIABILITIES

Accounts payable	\$ 40,112
<i>Total Liabilities</i>	<u>40,112</u>

DEFERRED INFLOWS OF RESOURCES

Deferred lease revenues	230,075
<i>Total Liabilities and Deferred Inflows of Resources</i>	<u>270,187</u>

FUND BALANCE

Nonspendable	21,081
Unassigned	322,637
<i>Total Fund Balance</i>	<u>343,718</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</i>	<u>\$ 613,905</u>

Barry County Airport Commission
Reconciliation of Governmental Fund Balance Sheet to the Statement of Net Position
December 31, 2022

Total Fund Balance - Governmental Fund	\$ 343,718
General government capital assets of \$7,587,610 net of accumulated depreciation of \$2,231,132, are not financial resources, and accordingly are not reported in the funds.	5,356,478
Total Net Position - Governmental Activities	\$ <u>5,700,196</u>

Barry County Airport Commission
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund
For the Year Ended December 31, 2022

Revenues	
Intergovernmental	\$ 13,000
Charges for services	376,684
Interest	5,040
Other revenues	20,189
<i>Total Revenues</i>	<u>414,913</u>
Expenditures	
Public works	364,582
<i>Total Expenditures</i>	<u>364,582</u>
<i>Excess of Revenues Over</i>	
<i>(Under) Expenditures</i>	<u>50,331</u>
Other Financing Sources (Uses)	
Sale of capital assets	7,865
<i>Net Other Financing Sources (Uses)</i>	<u>7,865</u>
<i>Net Change in Fund Balance</i>	58,196
<i>Fund Balance at Beginning of Period</i>	285,522
<i>Fund Balance at End of Period</i>	<u>\$ 343,718</u>

Barry County Airport Commission
Reconciliation of Governmental Fund Statement of Revenues, Expenditures, and
Changes in Fund Balance with Statement of Activities
For the Year Ended December 31, 2022

Total Net Change in Fund Balances - Governmental Fund	\$	58,196
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Governmental fund report capital outlay as expenditures; however, in the Statement of Activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense. This is the amount by which capital outlay expenditures of \$814,466 exceed depreciation expense of \$281,372 and net disposals of capital assets of \$3,929.

		529,165
--	--	---------

Changes in Net Position - Governmental Activities	\$	<u>587,361</u>
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Barry County Drain Commission
Statement of Net Position
December 31, 2022

ASSETS

Current Assets

Cash and investments	\$ 1,248,287
Special assessments receivable	805,809
Total Current Assets	2,054,096

Noncurrent Assets

Capital assets not being depreciated	6,159,082
Capital assets being depreciated, net	4,635,277
Special assessment receivable, long-term	8,241,149
Total Assets	21,089,604

LIABILITIES

Current Liabilities

Accounts payable	783,870
Accrued interest	60,018
Current portion of long-term debt	513,532
Total Current Liabilities	1,357,420

Noncurrent Liabilities

Bonds and notes payable	7,451,375
Total Liabilities	8,808,795

NET POSITION

Net investment in capital assets	7,883,177
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Restricted for:

Debt service	10,477
Capital projects	4,387,155

Unrestricted

	--
Total Net Position	\$ 12,280,809

Barry County Drain Commission
Statement of Activities
For the Year Ended December 31, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Drain Activities:					
Public works	\$ 988,699	\$ 217,254	\$ 712,600	\$ 1,104,775	\$ 1,045,930
Interest on long-term debt	193,359	--	--	--	(193,359)
<i>Total Drain Activities</i>	\$ 1,182,058	\$ 217,254	\$ 712,600	\$ 1,104,775	852,571
General Purpose Revenues:					
Investment earnings					1,150
<i>Total General Revenues</i>					1,150
<i>Change in Net Position</i>					853,721
<i>Net Position at Beginning of Period</i>					11,427,088
<i>Net Position at End of Period</i>					\$ 12,280,809

**Barry County Drain Commission
Balance Sheet
Governmental Funds
December 31, 2022**

	Debt Service		Capital Projects					Total
	Algonquin Lake Dam Project	Little Thornapple Debt 2019	Revolving Drain Maintenance	Gun Lake Weed Assessment	Algonquin Lake Drain Maintenance	Regular Drain	Little Thornapple Construction	Governmental Funds
ASSETS								
Cash and investments	\$ 6,672	\$ 3,805	\$ 70,347	\$ 202,546	\$ 1,412	\$ 963,439	\$ 66	\$ 1,248,287
Special assessments receivable	--	--	--	343,735	8,000	8,695,223	--	9,046,958
<i>Total Assets</i>	\$ 6,672	\$ 3,805	\$ 70,347	\$ 546,281	\$ 9,412	\$ 9,658,662	\$ 66	\$ 10,295,245
LIABILITIES								
Accounts payable	\$ --	\$ --	\$ 4,261	\$ --	\$ --	\$ 779,609	\$ --	\$ 783,870
<i>Total Liabilities</i>	--	--	4,261	--	--	779,609	--	783,870
DEFERRED INFLOWS OF RESOURCES								
Unavailable Revenues	--	--	--	189,998	--	8,051,151	--	8,241,149
<i>Total Liabilities and Deferred Inflows of Resources</i>	--	--	4,261	189,998	--	8,830,760	--	9,025,019
FUND BALANCE								
Restricted	6,672	3,805	66,086	356,283	9,412	827,902	66	1,270,226
Unassigned	--	--	--	--	--	--	--	--
<i>Total Fund Balance</i>	6,672	3,805	66,086	356,283	9,412	827,902	66	1,270,226
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balance</i>	\$ 6,672	\$ 3,805	\$ 70,347	\$ 546,281	\$ 9,412	\$ 9,658,662	\$ 66	\$ 10,295,245

Barry County Drain Commission
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position
December 31, 2022

Total Fund Balance - Governmental Funds	\$ 1,270,226
In the statement of activities, interest is accrued on outstanding bonds and notes payable, whereas in governmental funds, the interest expenditure is reported when due.	(60,018)
Capital assets used in governmental activities of \$12,803,678, net of accumulated depreciation of \$2,009,319, are not financial resources and therefore are not reported as assets in the governmental funds.	10,794,359
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.	(7,964,907)
Long-term receivables are not available to pay for current period expenditures and are, therefore, reported as deferred inflows of resources in the funds.	8,241,149
Total Net Position - Governmental Activities	\$ <u>12,280,809</u>

Barry County Drain Commission
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2022

	Debt Service		Capital Projects					
	Algonquin Lake Dam Project	Little Thornapple Debt 2019	Revolving Drain Maintenance	Gun Lake Weed Assessment	Algonquin Lake Drain Maintenance	Regular Drain	Little Thornapple Construction	Total Governmental Funds
Revenues								
Intergovernmental	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 100,405	\$ --	\$ 100,405
Special assessments	15,125	61,249	--	171,236	15,629	1,104,775	--	1,368,014
Other revenues	--	--	79,271	--	--	137,983	--	217,254
Investment earnings	--	41	--	83	--	860	166	1,150
Total Revenues	15,125	61,290	79,271	171,319	15,629	1,344,023	166	1,686,823
Expenditures								
Public works	--	(9,143)	19,238	98,402	3,376	629,824	120,857	862,554
Debt service, principal	26,813	150,000	--	--	--	2,058,851	--	2,235,664
Debt service, interest	606	4,425	--	--	--	239,708	--	244,739
Capital outlay	--	--	21,029	--	--	2,571,275	--	2,592,304
Total Expenditures	27,419	145,282	40,267	98,402	3,376	5,499,658	120,857	5,935,261
Excess of Revenues Over (Under) Expenditures	(12,294)	(83,992)	39,004	72,917	12,253	(4,155,635)	(120,691)	(4,248,438)
Other Financing Sources (Uses)								
Note issuance	--	--	--	--	--	6,100,000	--	6,100,000
Premium on notes issued	--	--	--	--	--	87,846	--	87,846
Net Other Financing Sources (Uses)	--	--	--	--	--	6,187,846	--	6,187,846
Net Change in Fund Balance	(12,294)	(83,992)	39,004	72,917	12,253	2,032,211	(120,691)	1,939,408
Fund Balance at Beginning of Period	18,966	87,797	27,082	283,366	(2,841)	(1,204,309)	120,757	(669,182)
Fund Balance at End of Period	\$ 6,672	\$ 3,805	\$ 66,086	\$ 356,283	\$ 9,412	\$ 827,902	\$ 66	\$ 1,270,226

Barry County Drain Commission
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and
Changes in Fund Balance with Statement of Activities
For the Year Ended December 31, 2022

Total Net Change in Fund Balances - Governmental Funds	\$ 1,939,408
Changes to accrued interest are not shown in the fund financial statements. The net effect of the current year increase is to decrease net position.	51,380
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	348,956
Repayment of long-term debt and borrowing of long-term debt is reported as expenditures and other financing sources in governmental funds, but the repayment reduces long-term liabilities and the borrowings increase long-term liabilities in the statement of net position. In the current year, these amounts consist of debt issuance of \$6,100,000, premium of \$87,846, and principal retirement of \$2,235,664.	(3,952,182)
Governmental fund report capital outlay as expenditures; however, in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense. This is the amount by which capital outlay expenditures of \$2,592,304 are in excess of depreciation expense of \$126,145.	2,466,159
Changes in Net Position - Governmental Activities	\$ <u>853,721</u>

Barry County Board of Public Works
Statement of Net Position
December 31, 2022

ASSETS

Current Assets

Cash and investments	\$ 14,540
Lease receivable	574,045
Total Current Assets	588,585

Noncurrent Assets

Capital assets not being depreciated	2,428,915
Lease receivable, long-term	3,802,609
Total Assets	6,820,109

DEFERRED OUTFLOWS OF RESOURCES

Deferred charges on bond refunding	8,165
Total Deferred Outflows of Resources	8,165

LIABILITIES

Current Liabilities

Negative equity in pooled cash	64,017
Accrued interest	25,535
Current portion of bonds payable	480,000
Total Current Liabilities	569,552

Noncurrent Liabilities

Bonds Payable	3,955,454
Total Liabilities	4,525,006

NET POSITION

Restricted for:

Debt service	2,303,268
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Unrestricted

Total Net Position	\$ 2,303,268
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**Barry County Board of Public Works
Statement of Activities
For the Year Ended December 31, 2022**

Functions/Programs		Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
	Expenses				
Public works	\$ 35,766	\$ --	\$ 2,447,724	\$ --	\$ 2,411,958
Interest on long-term debt	92,788	--	--	--	(92,788)
Total	\$ 128,554	\$ --	\$ 2,447,724	\$ --	2,319,170
General Purpose Revenues:					
Interest income					567
Total General Revenues					567
Change in Net Position					2,319,737
<i>Net Position at Beginning of Period</i>					(16,469)
Net Position at End of Period					\$ 2,303,268

**Barry County Board of Public Works
Balance Sheet
Governmental Funds
December 31, 2022**

	Debt Service				
	Yankee Springs Debt	Middleville Sewer Debt 2006 B	Middleville Sewer Debt 2006 A	Fawn Lake Sewer Debt	Yankee Springs Arsenic Debt
ASSETS					
Cash and investments	\$ --	\$ 48	\$ 325	\$ 495	\$ --
Lease receivable	115,156	45,239	306,621	101,084	152,258
Total Assets	\$ 115,156	\$ 45,287	\$ 306,946	\$ 101,579	\$ 152,258
LIABILITIES					
Negative equity in pooled cash	\$ 40,695	\$ --	\$ --	\$ --	\$ 23,033
Total Liabilities	40,695	--	--	--	23,033
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	73,740	45,239	306,621	101,084	125,664
Total Liabilities and Deferred Inflows of Resources	114,435	45,239	306,621	101,084	148,697
FUND BALANCE					
Restricted	721	48	325	495	3,561
Unassigned	--	--	--	--	--
Total Fund Balance	721	48	325	495	3,561
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 115,156	\$ 45,287	\$ 306,946	\$ 101,579	\$ 152,258

**Barry County Board of Public Works
Balance Sheet
Governmental Funds
December 31, 2022**

	Debt Service					
	Finkbeiner Crane Debt	1999 Middleville Sewer	Leach and Middle Lake Sewer	Middleville Sewer Debt 2021	Middleville Sewer Construction 2021	Total Governmental Funds
ASSETS						
Cash and investments	\$ 12,737	\$ --	\$ 935	\$ --	\$ --	\$ 14,540
Lease receivable	291,388	--	1,129,078	2,235,830	--	4,376,654
Total Assets	\$ 304,125	\$ --	\$ 1,130,013	\$ 2,235,830	\$ --	\$ 4,391,194
LIABILITIES						
Negative equity in pooled cash	\$ --	\$ --	\$ --	\$ 289	\$ --	\$ 64,017
Total Liabilities	--	--	--	289	--	64,017
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues	291,388	--	1,129,078	2,235,330	--	4,308,144
Total Liabilities and Deferred Inflows of Resources	291,388	--	1,129,078	2,235,619	--	4,372,161
FUND BALANCE						
Restricted	12,737	--	935	211	--	19,033
Unassigned	--	--	--	--	--	--
Total Fund Balance	12,737	--	935	211	--	19,033
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 304,125	\$ --	\$ 1,130,013	\$ 2,235,830	\$ --	\$ 4,391,194

Barry County Board of Public Works
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position
December 31, 2022

Total Fund Balance - Governmental Funds	\$ 19,033
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental fund statements. This amount represents long-term debt payable less deferred charges on bond refunding.	(4,427,289)
Long-term receivables are not available to pay for current period expenditures and are, therefore, reported as deferred inflows of resources in the governmental fund statements.	4,308,144
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, the interest expenditure is reported when due.	(25,535)
General government capital assets of \$2,428,915 are not financial resources and accordingly are not reported in the funds.	2,428,915
Total Net Position - Governmental Activities	\$ <u>2,303,268</u>

Barry County Board of Public Works
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2022

	Debt Service				
	Yankee Springs Debt	Middleville Sewer Debt 2006 B	Middleville Sewer Debt 2006 A	Fawn Lake Sewer Debt	Yankee Springs Arsenic Debt
Revenues					
Intergovernmental	\$ 42,832	\$ 11,169	\$ 61,459	\$ 30,672	\$ 28,188
Interest income	2	1	96	--	3
Total Revenues	42,834	11,170	61,555	30,672	28,191
Expenditures					
Public works	--	--	--	2,971	--
Debt service, principal	40,000	10,000	55,000	25,000	25,000
Debt service, interest	2,832	1,169	6,459	2,701	3,188
Total Expenditures	42,832	11,169	61,459	30,672	28,188
Excess of Revenues Over (Under) Expenditures	2	1	96	--	3
Net Change in Fund Balance	2	1	96	--	3
<i>Fund Balance at Beginning of Period</i>	719	47	229	495	3,558
Fund Balance at End of Period	\$ 721	\$ 48	\$ 325	\$ 495	\$ 3,561

Barry County Board of Public Works
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2022

	Debt Service					
	Finkbeiner Crane Debt	1999 Middleville Sewer	Leach and Middle Lake Sewer	Middleville Sewer Debt 2021	Middleville Sewer Construction 2021	Total Governmental Funds
Revenues						
Intergovernmental	\$ 85,969	\$ --	\$ 174,864	\$ 154,781	\$ --	\$ 589,934
Interest income	--	--	261	204	--	567
Total Revenues	85,969	--	175,125	154,985	--	590,501
Expenditures						
Public works	250	554	--	31,991	1,979,906	2,015,672
Debt service, principal	75,000	--	145,000	90,000	--	465,000
Debt service, interest	10,969	--	29,864	32,791	--	89,973
Total Expenditures	86,219	554	174,864	154,782	1,979,906	2,570,645
Excess of Revenues Over (Under) Expenditures	(250)	(554)	261	203	(1,979,906)	(1,980,144)
Net Change in Fund Balance	(250)	(554)	261	203	(1,979,906)	(1,980,144)
<i>Fund Balance at Beginning of Period</i>	12,987	554	674	8	1,979,906	1,999,177
Fund Balance at End of Period	\$ 12,737	\$ --	\$ 935	\$ 211	\$ --	\$ 19,033

Barry County Board of Public Works
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and
Changes in Fund Balance with Statement of Activities
For the Year Ended December 31, 2022

Total Net Change in Fund Balances - Governmental Funds	\$ (1,980,144)
Repayment of long-term debt is reported as expenditures in the governmental fund statements, but the repayment reduces long-term liabilities in the statement of net position in the current period.	472,374
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. In the current period these amounts consist of long-term receivables (not collected within 60 days of year-end).	1,857,790
Some items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. This amount represents the current year change in accrued interest payable and deferred charges on bond refunding.	(10,189)
Governmental fund reports capital outlay as expenditures, however, in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense. This is the amount of capital outlay of \$1,979,906 as there is no depreciation for construction in progress assets.	1,979,906
Changes in Net Position - Governmental Activities	\$ <u>2,319,737</u>



**BARRY COUNTY
SINGLE AUDIT ACT COMPLIANCE
YEAR ENDED DECEMBER 31, 2022**

Barry County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022

Federal/Pass-through Grantor Cluster/Program Title	Assistance Listing Number	Federal/Pass-through Grantor Number	Subawards	Federal Expenditures
U.S. Department of Justice				
Passed through the Michigan State Police:				
Adult Drug Court and Veterans Treatment Court	16.585	2020 MU-BX-0088	\$ -	\$ 44,730
Byrne Justice Assistance Grant	16.738	72159-SCAO02023	-	13,468
Total U.S. Department of Justice			<u>-</u>	<u>58,198</u>
U.S. Department of Transportation				
Passed through the Michigan State Police				
FY 2022 Sobriety Court	20.601	AL-22-05	-	105,196
FY 2023 Sobriety Court	20.601	AL-23-05	-	16,390
<i>Program Total</i>			<u>-</u>	<u>121,586</u>
Total U.S. Department of Transportation			<u>-</u>	<u>121,586</u>
U.S. Department of Treasury				
Direct Awards				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	SLT00040 and SLT0247	348,888	2,180,977
COVID-19 Local Assistance and Tribal Consistency Fund	21.032	N/A	-	50,000
Total U.S. Department of Treasury			<u>348,888</u>	<u>2,230,977</u>
U. S. Environmental Protection Agency				
Passed through the Michigan Department of Environment, Great Lakes, and Energy				
Assessment, Cleanup, and Revolving Loan Fund Grants	66.818	00E02722	-	24,692
Total U.S. Environmental Protection Agency			<u>-</u>	<u>24,692</u>
U.S. Department of Health and Human Services				
Passed through the Michigan Office of Services to the Aging and Region III-B Area Agency on Aging:				
Title III-B Special Programs for the Aging, Grants for:				
Title III-E/National Family Caregiver Support:				
FY 2022	93.052	SFSC-04-11001-5	-	4,878
FY 2023	93.052	SFSC-04-11001-5	-	1,626
<i>Program Total</i>			<u>\$ -</u>	<u>\$ 6,504</u>

See Notes to the Schedule of Expenditures of Federal Awards

Barry County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022

Federal/Pass-through Grantor Cluster/Program Title	Assistance Listing Number	Federal/Pass-through Grantor Number	Subawards	Federal Expenditures
Aging Cluster:				
Supportive Services and Senior Centers:				
FY 2022	93.044	22BCCOA1	\$ -	\$ 15,060
FY 2023	93.044	23BCCOA1	-	3,791
<i>Program Total</i>			-	18,851
Title III-C Special Programs for the Aging, Nutrition Services:				
FY 2022 Nutrition Congregate	93.045	22BCCOA1	-	52,777
FY 2023 Nutrition Congregate	93.045	23BCCOA1	-	21,124
FY 2022 Nutrition Home Delivered Meals	93.045	22BCCOA1	-	42,189
FY 2023 Nutrition Home Delivered Meals	93.045	23BCCOA1	-	13,112
<i>Program Total</i>			-	129,202
Nutrition Services Incentive Program				
FY 2022	93.053	22BCCOA1	-	40,736
FY 2023	93.053	23BCCOA1	-	15,867
<i>Program Total</i>			-	56,603
Total Aging Cluster:			-	204,656
Child Support Enforcement:				
Passed through Michigan Department of Health and Human Services				
Title IV-D Program	93.563	CS/COM-17-08003	-	725,919
Incentive Payments	93.563	N/A	-	96,173
<i>Program Total</i>			-	822,092
Total U.S. Department of Health and Human Services			-	1,033,252
U.S. Department of Homeland Security				
Passed through the Michigan State Police				
Emergency Management Performance Grant:				
FY 2022	97.042	EMC-2022-EP-00001	-	39,685
FY 2023	97.042	n/a	-	13,076
<i>Program Total</i>			-	52,761
Total U.S. Department of Homeland Security			-	52,761
Total Expenditures of Federal Awards			\$ 348,888	\$ 3,521,466

See Notes to the Schedule of Expenditures of Federal Awards

Barry County
Notes to the Schedule of Expenditures of Federal Awards

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Barry County, Michigan (the "County") under programs of the federal government for the year ended December 31, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

The County's reporting entity is defined in Note 1 of the County's Audited Financial Statements. The County's financial statements include the operations of the Barry County Road Commission, the Barry County Transit (FYE 9/30/22), and Thornapple Manor, which received federal awards that are not included in the Schedule for the year ended December 31, 2022, as these entities were separately audited from the County.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Barry County
Notes to the Schedule of Expenditures of Federal Awards

NOTE C - RECONCILIATION TO FINANCIAL STATEMENTS

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

Intergovernmental revenues reported in the financial statements:	
Governmental funds	\$ 9,203,045
Business-type activities	3,249,809
Component units	<u>19,468,492</u>
Total intergovernmental revenue:	<u>31,921,346</u>
<i>Subtract separately audited entities:</i>	
Thornapple Manor	(1,841,325)
Barry County Transit (09/30/22)	(1,408,484)
Barry County Road Commission	(14,611,639)
<i>Subtract state and local sources:</i>	<u>(10,538,432)</u>
Total expenditures of federal awards:	<u>\$ 3,521,466</u>

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

To the Board of Commissioners
County of Barry, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Barry County, Michigan (the "County"), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise County's basic financial statements, and have issued our report thereon dated June 16, 2023. Our report includes a reference to other auditors who audited the financial statements of the Barry County Road Commission, as described in our report on the County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The Independent Auditor's Report indicated that the audit of the Barry County Road Commission was not performed in accordance with *Government Auditing Standards*.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

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

Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

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

Gabridge & Company, PLC
Grand Rapids, MI
June 16, 2023

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

To the Board of Commissioners
County of Barry, Michigan

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Barry County, Michigan's (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the County's major federal program for the year ended December 31, 2022. The County's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The County's basic financial statements include the operations of Barry County Road Commission, Barry County Transit, and Thornapple Manor, which received certain federal awards and which are not included in the schedule of expenditures of federal awards for the year ended December 31, 2022. Our audit, described below, did not include the operations of Barry County Road Commission, Barry County Transit, or Thornapple Manor, because each entity arranged for a separate financial statement audit and did not meet the criteria for a single audit in accordance with the Uniform Guidance.

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, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County's federal programs.

Independent Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Gabridge & Company, PLC
Grand Rapids, MI
June 16, 2023

Barry County
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2022

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued	Unmodified
Internal controls over financial reporting	
Material weaknesses identified?	No
Significant deficiencies identified?	No
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	No
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of Major Programs

<u>Name of Federal Program or Cluster</u>	<u>Assistance Listing Number</u>
Coronavirus State and Local Fiscal Recovery Funds	21.027
Dollar threshold used to distinguish between Type A and B programs?	\$ 750,000
Auditee qualified as a low-risk auditee?	Yes

SECTION II - FINANCIAL STATEMENT FINDINGS
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No matters were reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
--

No matters were reported.

SECTION IV - SUMMARY OF PRIOR AUDIT FINDINGS

No matters were reported in the prior year.

June 16, 2023

To the Board of Commissioners
County of Barry, 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 (the “County”) for the year ended December 31, 2022. Our report includes a reference to other auditors. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies, except for as referenced in Note 18, was not changed during 2022. We noted no transactions entered into by the County during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

- Management’s estimate of the useful lives of depreciable capital assets is based on the length of time it is believed that those assets will provide some economic benefit in the future.
- Management’s assumptions used to calculate the actuarial report and the net present value of pension benefits.
- Management’s estimate of the allowance for uncollectible receivable balances is based on past experience and future expectation for the collection of various account balances.

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

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 16, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to County's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

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

Other Matters

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

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

Restriction on Use

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

Very truly yours,

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

Gabridge & Company, PLC
Grand Rapids, MI