County of Barry, Michigan

Year Ended December 31, 2013

Annual Financial Report

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COUNTY OF BARRY, MICHIGAN

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INDEPENDENT AUDITORS' REPORT

June 4, 2014

Board of Commissioners
County of Barry, Michigan
Hastings, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the ***County of Barry, Michigan*** (the "County"), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Independent Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Barry County Road Commission, the Barry County Medical Care Facility (Thornapple Manor), or the Barry County Transit. The Barry County Road Commission represents 71% and 76% of the total assets and revenues, respectively, of the discretely presented component units. Thornapple Manor is presented as a major enterprise fund, and is therefore a separate opinion unit. The Barry County Transit represents 71% and 71% of the total assets and revenues, respectively of the nonmajor enterprise funds. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Barry County Road Commission, Thornapple Manor, and the Barry County Transit, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Barry County Road Commission and the Barry County Medical Care Facility (Thornapple Manor) were not audited in accordance with *Government Auditing Standards.*

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

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

Opinions

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Barry, Michigan as of December 31, 2013, and the respective changes in financial position and cash flows, where applicable, therefore, and the respective budgetary comparisons for the general fund and each major special revenue fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated June 4, 2014 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Rehmann Robson LLC

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

As management of Barry County, we offer readers of the ***County of Barry, Michigan's*** (the "County") financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2013. 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, 2013 are as follows:

Total net position	$53,117,554
Unrestricted net position	16,466,803
Change in net position	569,885
Fund balances, governmental funds	11,889,781
Change in fund balances, governmental funds	(785,022)
Fund balance, general fund	4,581,315
(as percentage of general fund expenditures and transfers out)	32%
Unassigned fund balance, general fund	2,286,422
(as percentage of general fund expenditures and transfers out)	16%

Overview of the Financial Statements

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

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

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

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

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

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

Management's Discussion and Analysis

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities.*

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

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

Proprietary funds. The County maintains two types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Barry County uses enterprise funds to account for its delinquent tax collection and administration, Thornapple Manor medical care facility, jail commissary, and Transit system. *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, 2012 delinquent tax fund, 2013 delinquent tax fund, and Thornapple Manor fund, all of 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.

Management's Discussion and Analysis

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

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

Government-wide Financial Analysis

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

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Assets						
Current and other assets	$23,363,324	$24,294,728	$19,976,391	$16,717,565	$43,339,715	$41,012,293
Capital assets, net	12,674,484	12,978,922	26,799,611	21,460,487	39,474,095	34,439,409
Total assets	36,037,808	37,273,650	46,776,002	38,178,052	82,813,810	75,451,702
Deferred outflows of resources	826,520	899,989	-	-	826,520	899,989
Liabilities						
Long-term liabilities	16,930,445	17,661,368	6,156,501	294,475	23,086,946	17,955,843
Other liabilities	1,217,695	2,388,493	1,958,464	1,308,131	3,176,159	3,696,624
Total liabilities	18,148,140	20,049,861	8,114,965	1,602,606	26,263,105	21,652,467
Deferred inflows of resources	4,259,671	3,816,287	-	-	4,259,671	3,816,287
Net position						
Net investment in capital assets	12,139,884	13,232,508	20,974,611	21,460,487	33,114,495	34,692,995
Restricted	3,249,015	3,843,489	287,241	489,759	3,536,256	4,333,248
Unrestricted (deficit)	(932,382)	(2,768,506)	17,399,185	14,625,200	16,466,803	11,856,694
Total net position	$14,456,517	$14,307,491	$38,661,037	$36,575,446	$53,117,554	$50,882,937

A portion of the County's net position is unrestricted and available for future operations, while a significant portion of net position relates to its investment in capital assets (e.g., land, buildings, vehicles, equipment and infrastructure), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Management's Discussion and Analysis

Net position of the County increased by $569,885. The governmental activities increased by $149,026 which is primarily due to stabilized revenues and decreasing costs. The business-type activities increase of $420,859 is due to an increase in charges for services while maintaining a consistency of expenses with prior year and a reduction of transfers out to other funds.

	Change in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues						
Program revenues:						
Charges for services	$ 2,239,691	$ 2,518,625	$17,126,814	$15,445,611	$19,366,505	$17,964,236
Operating grants and contributions	3,699,950	3,660,926	631,105	594,375	4,331,055	4,255,301
Capital grants and contributions	590,734	61,351	63,025	191,890	653,759	253,241
General revenues:						
Property taxes	13,947,821	14,334,795	457,160	449,047	14,404,981	14,783,842
Grants and contributions not restricted to specific programs	1,249,243	1,102,199	-	-	1,249,243	1,102,199
Unrestricted investment earnings (loss)	(237,134)	71,883	(56,690)	7,865	(293,824)	79,748
Gain on sale of capital assets assets	-	2,350	-	-	-	2,350
Total revenues	21,490,305	21,752,129	18,221,414	16,688,788	39,711,719	38,440,917
Expenses						
General government	8,034,819	8,248,634	-	-	8,034,819	8,248,634
Public safety	7,663,949	6,516,559	-	-	7,663,949	6,516,559
Public works	101,339	122,121	-	-	101,339	122,121
Health and welfare	4,859,210	8,592,740	-	-	4,859,210	8,592,740
Recreation and cultural	684,240	559,854	-	-	684,240	559,854
Community and economic development	314,742	294,038	-	-	314,742	294,038
Interest on long-term debt	492,092	1,050,238	-	-	492,092	1,050,238
Delinquent tax administration	-	-	36,811	40,954	36,811	40,954
Thornapple Manor	-	-	15,596,544	15,227,994	15,596,544	15,227,994
Other	-	-	1,358,088	1,261,753	1,358,088	1,261,753
Total expenses	22,150,391	25,384,184	16,991,443	16,530,701	39,141,834	41,914,885
Change in net position before transfers	(660,086)	(3,632,055)	1,229,971	158,087	569,885	(3,473,968)
Transfers	809,112	1,541,302	(809,112)	(1,541,302)	-	-
Change in net position	149,026	(2,090,753)	420,859	(1,383,215)	569,885	(3,473,968)
Net position, beginning of year, as restated	14,307,491	16,398,244	38,240,178	37,958,661	52,547,669	54,356,905
Net position, end of year	$14,456,517	$14,307,491	$38,661,037	$36,575,446	$53,117,554	$50,882,937

Management's Discussion and Analysis

Governmental Activities

During the year, the County invested $8,034,819 or 36 percent of governmental activities expenses to general government activities. Health and welfare expenses totaled $4,859,210 or 22 percent of governmental activities. This amount decreased substantially in the current year due to the completion of the Thornapple Manor Cottages construction project (accounted for in a capital projects fund and reported as health and welfare expenses in the statement of activities because the assets themselves are capitalized in the Thornapple Manor enterprise fund). Public safety expenditures totaled $7,663,949 or 35 percent of governmental activities expenses. Public works, recreation and cultural, community and economic development, and interest on long-term debt made up the remaining 7 percent of governmental activities expenses.

Business-type activities. Business-type activities increased the County's net position by $420,859. Key elements of this increase are as follows:

- Increase in charges for services while maintaining a consistency of expenses with prior year and a reduction of transfers out to other funds.

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 $11,889,781, a decrease of $785,022 in comparison with the prior year. Approximately 19 percent of this total amount constitutes *unassigned fund balance*. The remainder of fund balance is *restricted, committed* or *assigned* to indicate that it cannot be used at the County's discretion, or it is *nonspendable* because it has already been committed, in this case, for 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 $2,286,422. As a measure of the general fund's liquidity, it may be useful to compare unreserved fund balance to total fund expenditures. Unassigned fund balance represents 16 percent of total general fund expenditures and transfers out.

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

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

Net position of the enterprise funds decreased $420,859. Key elements of this changed have been addressed elsewhere in this analysis.

Management's Discussion and Analysis

General Fund Budgetary Highlights

- Property tax revenue exceeded budget due to conservative forecasting's of the rate of change in taxable valuation.
- Interest revenue on the County's deposits and investments was less than budgeted amounts due to negative trends in the investment market.
- Expenditures for the Trial Court came in under budget. This was the result of prudent financial management by the Trial Court at all levels of the organization.
- Public works building rehabilitation expenditures was under budget due to projects that were scheduled to be completed in 2013 being postponed until 2014.
- Other expenditures came in under budget. This was due primarily to contingency that was budgeted for unforeseen expenses, not being utilized. Another contributing factor was that the cost for contracting for outside accounting services and the cost of the county's liability and property insurance premium came in less than budgeted for.
- Operating transfers out exceeded the original and amended budget due to a board resolution to transfer the entire year-end surplus to designated funds.

Capital Asset and Debt Administration

Capital assets. The County's investment in capital assets for its governmental and business-type activities as of December 31, 2013, amounted to $39,474,095 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and systems, improvements, and machinery and equipment.

Major capital asset events during the current fiscal year included the purchase of central dispatch equipment. The vehicle fund purchased nine replacement patrol vehicles at the Barry County Sheriff's Department and the data processing fund purchased a new telephone system.

	Capital Assets (Net of Depreciation)					
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	$ 2,734,208	$ 2,734,208	$ -	$ -	$ 2,734,208	$ 2,734,208
Construction in progress	60,636	187,638	-	247,031	60,636	434,669
Land improvements	580,493	621,778	1,495,352	1,205,052	2,075,845	1,826,830
Buildings	7,190,712	7,406,202	22,153,313	17,058,624	29,344,025	24,464,826
Machinery and equipment	2,108,435	2,029,096	3,150,946	2,949,780	5,259,381	4,978,876
Total	$12,674,484	$12,978,922	$26,799,611	$21,460,487	$39,474,095	$34,439,409

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

Management's Discussion and Analysis

Long-term debt. At the end of the current fiscal year, the County had total debt outstanding of $23,086,946. Of this amount, $16,930,445 was debt of governmental activities and $6,156,501 was debt of business-type activities.

	Long-term Debt					
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
General obligation bonds	$16,306,989	$17,172,277	$ -	$ -	$16,306,989	$17,172,277
Capital lease payable	-	-	5,825,000	-	5,825,000	-
Other installment debt	9,600	14,400	-	-	9,600	14,400
Compensated absences	613,856	474,691	331,501	294,475	945,357	769,166
Total	$16,930,445	$17,661,368	$ 6,156,501	$ 294,475	$23,086,946	$17,955,843

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

Economic Factors and Next Year's Budgets and Rates

The following factors were considered in preparing the County's budget for 2014:

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

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

In March of 2014, the Board of Commissioners commissioned an update to the Financial Analysis and Forecast Report to provide a continuation of the forecasting for 2014-2018. Based on the results of the 2010 study, the County planned for a 1.46% decline in property tax revenue for 2014, however based on the actual taxable valuation for 2014 it is projected that property tax revenue use increase by 2.5%. The 2014-2018 forecast report anticipates that revenue will increase between 1.46% and 2.00% annually. The County continues to adopt multi-year budgets using the MSU study as a primary source for forecasting revenue.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information may be addressed to the Barry County Administrator, 220 W. State St., Hastings, MI, 49058, 269.945.1284.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

COUNTY OF BARRY, MICHIGAN

Statement of Net Position

December 31, 2013

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
Assets				
Cash and cash equivalents	$ 4,614,282	$ 5,228,549	$ 9,842,831	$ 3,072,279
Restricted cash and cash equivalents	250,537	301,003	551,540	-
Investments	10,710,519	8,052,206	18,762,725	424,875
Receivables, net	4,972,504	6,131,423	11,103,927	9,216,471
Internal balances	569,606	(569,606)	-	-
Other assets	216,817	132,416	349,233	1,696,396
Net pension asset	1,190,650	700,400	1,891,050	-
Net other postemployment benefits asset	838,409	-	838,409	-
Capital assets not being depreciated	2,794,844	-	2,794,844	17,274,791
Capital assets being depreciated, net	9,879,640	26,799,611	36,679,251	19,778,400
Total assets	36,037,808	46,776,002	82,813,810	51,463,212
Deferred outflows of resources				
Deferred loss on advance refunding	826,520	-	826,520	32,006
Liabilities				
Accounts payable and accrued liabilities	1,217,695	1,946,376	3,164,071	458,073
Long-term liabilities:				
Due within one year	1,160,868	288,738	1,449,606	1,048,349
Due in more than one year	15,769,577	5,867,763	21,637,340	6,373,746
Net other postemployment benefits obligation	-	12,088	12,088	-
Total liabilities	18,148,140	8,114,965	26,263,105	7,880,168
Deferred inflows of resources				
Property taxes levied for subsequent year	4,259,671	-	4,259,671	-
Net position				
Net investment in capital assets	12,139,884	20,974,611	33,114,495	35,693,791
Restricted (Note 10)	3,249,015	287,241	3,536,256	-
Unrestricted (deficit)	(932,382)	17,399,185	16,466,803	7,921,259
Total net position	$ 14,456,517	$ 38,661,037	$ 53,117,554	$ 43,615,050

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

COUNTY OF BARRY, MICHIGAN

Statement of Activities

For the Year Ended December 31, 2013

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues
Primary government					
Governmental activities:					
General government	$ 8,034,819	$ 1,683,287	$ 1,896,543	$ -	$ (4,454,989)
Public safety	7,663,949	168,843	693,696	590,734	(6,210,676)
Public works	101,339	26,670	1,613	-	(73,056)
Health and welfare	4,859,210	225,481	1,088,080	-	(3,545,649)
Recreation and cultural	684,240	131,302	20,017	-	(532,921)
Community and economic development	314,742	4,108	1	-	(310,633)
Interest on long-term debt	492,092	-	-	-	(492,092)
Total governmental activities	22,150,391	2,239,691	3,699,950	590,734	(15,620,016)
Business-type activities:					
Delinquent tax administration	36,811	880,464	-	-	843,653
Thornapple Manor	15,596,544	15,916,615	-	-	320,071
Other	1,358,088	329,735	631,105	63,025	(334,223)
Total business-type activities	16,991,443	17,126,814	631,105	63,025	829,501
Total primary government	$ 39,141,834	$ 19,366,505	$ 4,331,055	$ 653,759	$ (14,790,515)
Component units					
Road Commission	$ 6,523,857	$ 355,340	$ 4,665,181	$ 3,558,234	$ 2,054,898
Drainage Districts	396,383	624,733	-	664,059	892,409
Board of Public Works	222,655	-	247,648	-	24,993
Economic Development Board	63,394	-	63,394	-	-
Airport Commission	327,766	272,201	208,099	575,371	727,905
Total component units	$ 7,534,055	$ 1,252,274	$ 5,184,322	$ 4,797,664	$ 3,700,205

continued...

Statement of Activities

For the Year Ended December 31, 2013

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
Changes in net position				
Net (expenses) revenues	$ (15,620,016)	$ 829,501	$ (14,790,515)	$ 3,700,205
General revenues:				
Property taxes	13,947,821	457,160	14,404,981	-
Grants and contributions not restricted to specific programs	1,249,243	-	1,249,243	2,350
Unrestricted investment earnings (loss)	(237,134)	(56,690)	(293,824)	22,892
Gain on sale of capital assets	-	-	-	9,006
Transfers	809,112	(809,112)	-	-
Total general revenues and transfers	15,769,042	(408,642)	15,360,400	34,248
Change in net position	149,026	420,859	569,885	3,734,453
Net position, beginning of year, as restated	14,307,491	38,240,178	52,547,669	39,880,597
Net position, end of year	$ 14,456,517	$ 38,661,037	$ 53,117,554	$ 43,615,050

concluded

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

FUND FINANCIAL STATEMENTS

COUNTY OF BARRY, MICHIGAN

Balance Sheet

Governmental Funds
December 31, 2013

	General	Central Dispatch	Commission on Aging	Building Authority Thornapple Manor Debt
Assets				
Cash and cash equivalents	$ -	$ 182,631	$ 240,524	$ 11,440
Restricted cash and cash equivalents	-	-	-	182,554
Investments	7,319,086	1,422,941	974,735	164,381
Accounts receivable	-	-	-	-
Taxes receivable	234,459	1,240,009	811,304	1,347,187
Due from other governments	408,803	-	49,733	-
Due from other funds	569,606	-	-	-
Total assets	$ 8,531,954	$ 2,845,581	$ 2,076,296	$ 1,705,562
Liabilities				
Negative equity in pooled cash and cash equivalents	$ 3,504,708	$ -	$ -	$ -
Accounts payable	153,951	8,792	14,661	-
Accrued liabilities	291,980	56,946	48,806	-
Total liabilities	3,950,639	65,738	63,467	-
Deferred inflows of resources				
Property taxes levied for subsequent year	-	1,400,972	916,609	1,520,117
Fund balances				
Nonspendable	-	-	-	-
Restricted	-	1,378,871	971,220	185,445
Committed	2,294,893	-	125,000	-
Unassigned	2,286,422	-	-	-
Total fund balances	4,581,315	1,378,871	1,096,220	185,445
Total liabilities, deferred inflows of resources and funds balances	$ 8,531,954	$ 2,845,581	$ 2,076,296	$ 1,705,562

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

Nonmajor Governmental Funds	Totals
$ 4,094,850	$ 4,529,445
67,983	250,537
312,566	10,193,709
6,487	6,487
373,507	4,006,466
501,015	959,551
-	569,606
$ 5,356,408	$ 20,515,801
$ 152,251	$ 3,656,959
44,820	222,224
89,434	487,166
286,505	4,366,349
421,973	4,259,671
30,925	30,925
813,679	3,349,215
3,803,326	6,223,219
-	2,286,422
4,647,930	11,889,781
$ 5,356,408	$ 20,515,801

Reconciliation

Fund Balances for Governmental Funds
to Net Position of Governmental Activities
December 31, 2013

Fund balances - total governmental funds	$ 11,889,781
Amounts reported for *governmental activities* in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources, and therefore not reported in the funds.	
Capital assets not being depreciated	2,794,844
Capital assets being depreciated, net	9,879,640
Less amounts accounted for in governmental internal service funds	(636,583)
Prepaid costs related to self-insurance programs and pension and other postemployment benefits plans do not represent current period costs and therefore are not reported in the fund financial statements.	
Net pension asset	1,190,650
Net other postemployment benefits (OPEB) asset	838,409
Prepaid self-insured retention balance	216,817
Internal service funds are used by management to charge the costs of certain activities, such as insurance and other centralized costs, to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the statement of net position.	
Net position of governmental activities accounted for in internal service funds	4,547,203
Certain liabilities, such as bonds payable, are not due and payable in the current period, and therefore are not reported in the funds.	
Bonds payable	(15,019,600)
Premium/discount on bonds payable, net	(1,296,989)
Deferred loss on advance refunding	826,520
Compensated absences	(613,856)
Accrued interest on long-term liabilities	(131,125)
Liability for incurred-but-not-reported self-insurance claims	(29,194)
Net position of governmental activities	$ 14,456,517

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

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COUNTY OF BARRY, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds
For the Year Ended December 31, 2013

	General	Central Dispatch	Commission on Aging	Building Authority Thornapple Manor Debt
Revenues				
Taxes	$ 10,111,898	$ 1,105,386	$ 902,226	$ 1,412,696
Intergovernmental	2,151,380	216,336	318,792	-
Licenses and permits	134,382	-	-	-
Charges for services	1,484,713	-	220,557	-
Fines and forfeitures	29,256	-	-	-
Interest and rentals	(168,874)	(76,145)	2,192	1,022
Other revenues	89,184	204	49,193	-
Total revenues	13,831,939	1,245,781	1,492,960	1,413,718
Expenditures				
Current:				
General government	5,150,515	-	-	2,602
Public safety	5,287,972	1,395,576	-	-
Public works	159,310	-	-	-
Health and welfare	957,903	-	1,558,825	-
Community and economic development	327,718	-	-	-
Recreation and cultural	4,451	-	-	-
Other	521,415	-	-	-
Debt service:				
Principal	-	4,800	-	700,000
Interest expense	-	-	-	479,547
Capital outlay	-	122,564	-	-
Total expenditures	12,409,284	1,522,940	1,558,825	1,182,149
Revenues over (under) expenditures	1,422,655	(277,159)	(65,865)	231,569
Other financing sources (uses)				
Proceeds on sale of capital assets	-	-	-	-
Transfers in	715,928	-	-	-
Transfers out	(1,983,175)	-	-	-
Total other financing sources (uses)	(1,267,247)	-	-	-
Net change in fund balances	155,408	(277,159)	(65,865)	231,569
Fund balances, beginning of year	4,425,907	1,656,030	1,162,085	(46,124)
Fund balances, end of year	$ 4,581,315	$ 1,378,871	$ 1,096,220	$ 185,445

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

Nonmajor Governmental Funds	Totals
$ 415,615	$ 13,947,821
2,492,552	5,179,060
-	134,382
281,310	1,986,580
600	29,856
2,267	(239,538)
60,347	198,928
3,252,691	21,237,089
1,656,951	6,810,068
374,042	7,057,590
43,715	203,025
1,410,792	3,927,520
-	327,718
598,687	603,138
-	521,415
50,000	754,800
31,888	511,435
884,548	1,007,112
5,050,623	21,723,821
(1,797,932)	(486,732)
13,673	13,673
1,043,305	1,759,233
(88,021)	(2,071,196)
968,957	(298,290)
(828,975)	(785,022)
5,476,905	12,674,803
$ 4,647,930	$ 11,889,781

Reconciliation

Net Changes in Fund Balances of Governmental Funds
to Change in Net Position of Governmental Activities
For the Year Ended December 31, 2013

Net change in fund balances - total governmental funds	$ (785,022)
Amounts reported for *governmental activities* in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Acquisition/construction of capital assets	647,156
Less acquisition/construction of capital assets accounted for in governmental internal service funds	(334,072)
Gain (loss) on disposal of capital assets	(31,547)
Proceeds from sale of capital assets	(13,673)
Depreciation expense	(871,165)
Less depreciation expense accounted for in governmental internal service funds	188,847
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds.	
Change in net other postemployment benefits (OPEB) asset	(96,511)
Change in net pension asset	690,650
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long term-liabilities.	
Principal payments on long-term liabilities	754,800
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
Change in accrued interest on bonds payable	(22,476)
Amortization of deferred loss on advance refunding	(73,469)
Amortization of bond premiums and discounts	115,288
Change in the accrual of compensated absences	(139,165)
Net change in estimate for incurred-but-not-reported self-insurance claims and deposits with third party provider to fund such claims	85,835
U.S. Department of Homeland Security non-cash grant assistance	288,146
Donated equipment under capital asset threshold	(288,146)
Internal service funds are used by management to charge the costs of certain activities, such as insurance and other centralized costs, to individual funds. The net revenue (expense) of internal service funds is reported with governmental activities:	
Nonoperating intergovernmental revenues in internal service funds	19,635
Interest revenue from governmental internal service funds	(54,565)
Loss on sale of capital assets in governmental internal service funds	(35,209)
Net transfers in governmental internal service funds	1,121,075
Net operating loss from governmental activities accounted for in internal service funds	(1,017,386)
Change in net position of governmental activities	$ 149,026

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

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund
For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes:				
Real and personal property taxes	$ 9,867,650	$ 9,999,542	$ 10,102,422	$ 102,880
Other taxes	9,127	5,161	9,476	4,315
Total taxes	9,876,777	10,004,703	10,111,898	107,195
Intergovernmental:				
Federal grants	205,899	462,131	444,950	(17,181)
State grants	1,576,721	1,707,405	1,706,430	(975)
Contributions from local governments	-	32,875	-	(32,875)
Total intergovernmental	1,782,620	2,202,411	2,151,380	(51,031)
Licenses and permits:				
Gun permits	16,000	28,955	29,145	190
Dog licenses	82,700	65,376	66,123	747
Marriage license fees	6,950	8,685	8,874	189
Planning services	35,000	30,000	30,240	240
Total licenses and permits	140,650	133,016	134,382	1,366
Charges for services:				
Circuit Court	113,525	140,154	142,980	2,826
District Court	421,900	515,547	464,052	(51,495)
Friend of the Court	44,000	50,743	50,651	(92)
Probate Court	21,000	31,312	37,364	6,052
County Treasurer	1,295	3,320	3,244	(76)
County Clerk	71,930	76,615	79,217	2,602
Register of Deeds	200,000	210,524	213,293	2,769
Real estate transfer tax	140,000	196,303	198,876	2,573
Mapping department	27,000	4,000	4,108	108
Juvenile Court	18,100	11,100	11,317	217
Sheriff	82,650	115,732	93,697	(22,035)
Record copying	81,600	107,575	107,672	97
Pay phone commissions	20,000	-	-	-
Other	54,820	76,409	78,242	1,833
Total charges for services	1,297,820	1,539,334	1,484,713	(54,621)

continued...

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund
For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues (concluded)				
Fines and forfeitures:				
Bond forfeitures	$ 5,700	$ 6,500	$ 6,089	$ (411)
Ordinance fines and costs	33,600	22,842	23,167	325
Total fines and forfeitures	39,300	29,342	29,256	(86)
Interest and rentals:				
Interest revenues	145,020	51,020	(183,274)	(234,294)
Rentals	14,400	14,400	14,400	-
Total interest and rentals	159,420	65,420	(168,874)	(234,294)
Other revenues:				
Reimbursements and refunds	80,138	66,316	73,869	7,553
Other	1,600	16,112	15,315	(797)
Total other revenues	81,738	82,428	89,184	6,756
Total revenues	13,378,325	14,056,654	13,831,939	(224,715)
Expenditures				
General government:				
Board of commissioners	174,375	174,375	153,293	(21,082)
Trial court	1,566,527	1,566,527	1,428,798	(137,729)
Jury board	11,475	11,475	8,386	(3,089)
Probate court	714,909	714,909	642,861	(72,048)
Adult probation	9,268	9,268	7,868	(1,400)
County administrator	246,978	248,228	242,682	(5,546)
Elections	32,100	32,100	11,947	(20,153)
Legal counsel	48,000	48,000	29,713	(18,287)
Clerk	426,006	428,147	398,564	(29,583)
Equalization	173,659	177,469	168,337	(9,132)
Prosecuting attorney	761,787	685,524	669,823	(15,701)
Register of deeds	213,779	214,939	212,917	(2,022)
Land information services	211,702	220,005	218,704	(1,301)
Treasurer	248,849	248,849	229,154	(19,695)
Cooperative extension	105,502	105,802	105,896	94
Courthouse and grounds	479,553	499,585	466,878	(32,707)
Drain commissioner	159,977	159,977	154,694	(5,283)
Total general government	5,584,446	5,545,179	5,150,515	(394,664)

continued...

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund
For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures (continued)				
Public safety:				
Sheriff	$ 2,633,629	$ 2,679,939	$ 2,669,713	$ (10,226)
Secondary road patrol	102,043	102,043	102,149	106
Highway safety grant	-	929	458	(471)
Marine safety	128,008	127,522	120,713	(6,809)
Emergency services	106,789	368,975	359,832	(9,143)
Jail	1,755,959	1,817,025	1,833,595	16,570
Animal control	235,619	217,527	201,512	(16,015)
Total public safety	4,962,047	5,313,960	5,287,972	(25,988)
Public works:				
Building rehabilitation	-	309,171	159,310	(149,861)
Health and welfare:				
District health department	400,259	400,259	400,000	(259)
Health department building	112,400	119,541	116,128	(3,413)
Soldiers' and sailors' relief	46,050	66,042	33,062	(32,980)
Medical examiner	105,674	105,674	104,821	(853)
Substance abuse	105,003	159,794	103,375	(56,419)
Veterans' counselor	53,534	33,542	28,317	(5,225)
Veterans' burials	38,581	38,581	17,700	(20,881)
Mental health	154,500	154,500	154,500	-
Total health and welfare	1,016,001	1,077,933	957,903	(120,030)
Community and economic development:				
Appropriation to Economic Development Board	63,394	63,394	63,394	-
Appropriation to Airport Commission	45,194	45,194	45,194	-
Appropriation to Road Commission	11,334	11,334	11,334	-
Appropriation to Soil Conservation	16,000	16,000	16,000	-
Planning and zoning	212,204	212,204	191,796	(20,408)
Total community and economic development	348,126	348,126	327,718	(20,408)

continued...

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund
For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures (concluded)				
Recreation and cultural:				
Parks and recreation	$ 13,450	$ 13,450	$ 4,451	$ (8,999)
Other:				
Insurance and bonds	342,729	342,729	332,518	(10,211)
Other	197,728	346,995	188,897	(158,098)
Total other	540,457	689,724	521,415	(168,309)
Total expenditures	12,464,527	13,297,543	12,409,284	(888,259)
Revenues over (under) expenditures	913,798	759,111	1,422,655	663,544
Other financing sources (uses)				
Transfers in	627,907	704,467	715,928	11,461
Transfers out	(1,544,555)	(1,619,568)	(1,983,175)	363,607
Total other financing sources (uses)	(916,648)	(915,101)	(1,267,247)	375,068
Net change in fund balance	(2,850)	(155,990)	155,408	311,398
Fund balance, beginning of year	4,425,907	4,425,907	4,425,907	-
Fund balance, end of year	$ 4,423,057	$ 4,269,917	$ 4,581,315	$ 311,398

concluded

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

COUNTY OF BARRY, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Central Dispatch Fund
For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	$ 1,077,939	$ 1,077,939	$ 1,105,386	$ 27,447
Intergovernmental	195,000	195,000	216,336	21,336
Interest and rentals	20,000	20,000	(76,145)	(96,145)
Other revenues	50	50	204	154
Total revenues	1,292,989	1,292,989	1,245,781	(47,208)
Expenditures				
Current - public safety	1,562,475	1,562,475	1,395,576	(166,899)
Debt service - principal	4,800	4,800	4,800	-
Capital outlay	175,000	175,000	122,564	(52,436)
Total expenditures	1,742,275	1,742,275	1,522,940	(219,335)
Net change in fund balance	(449,286)	(449,286)	(277,159)	172,127
Fund balance, beginning of year	1,656,030	1,656,030	1,656,030	-
Fund balance, end of year	$ 1,206,744	$ 1,206,744	$ 1,378,871	$ 172,127

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

COUNTY OF BARRY, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Commission on Aging Fund
For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	$ 881,574	$ 805,732	$ 902,226	$ 96,494
Intergovernmental	266,475	274,407	318,792	44,385
Charges for services	185,000	185,000	220,557	35,557
Interest and rentals	-	-	2,192	2,192
Other revenues	53,575	58,475	49,193	(9,282)
Total revenue	1,386,624	1,323,614	1,492,960	169,346
Expenditures				
Current - health and welfare	1,384,624	1,483,956	1,558,825	74,869
Capital outlay	2,000	4,031	-	(4,031)
Total expenditures	1,386,624	1,487,987	1,558,825	70,838
Net change in fund balance	-	(164,373)	(65,865)	98,508
Fund balance, beginning of year	1,162,085	1,162,085	1,162,085	-
Fund balance, end of year	$ 1,162,085	$ 997,712	$ 1,096,220	$ 98,508

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

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COUNTY OF BARRY, MICHIGAN

Statement of Net Position

Proprietary Funds
December 31, 2013

	Business-type Activities - Enterprise Funds		
	Delinquent Tax Umbrella	Delinquent Tax Revolving 2012	Delinquent Tax Revolving 2013
Assets			
Current assets:			
Cash and cash equivalents	$ -	$ 167,601	$ 34,577
Restricted cash and cash equivalents	-	-	-
Investments	7,768,093	-	-
Accounts receivable, net	-	-	-
Taxes receivable	13,209	1,747,961	569,606
Due from other governments	-	-	-
Due from other funds	1,463,000	-	-
Other assets	-	-	-
Total current assets	9,244,302	1,915,562	604,183
Noncurrent assets:			
Capital assets being depreciated, net	-	-	-
Net pension asset	-	-	-
Total noncurrent assets	-	-	-
Total assets	9,244,302	1,915,562	604,183
Liabilities			
Current liabilities:			
Accounts payable	-	-	-
Accrued liabilities	-	-	-
Due to other governments	-	15,924	32,536
Due to other funds	-	1,463,000	569,606
Current portion of long-term debt	-	-	-
Total current liabilities	-	1,478,924	602,142
Long-term liabilities:			
Long-term debt, net of current portion	-	-	-
Net other postemployment benefit obligation	-	-	-
Total noncurrent liabilities	-	-	-
Total liabilities	-	1,478,924	602,142
Net position			
Net investment in capital assets	-	-	-
Restricted for property tax foreclosures	-	-	-
Unrestricted	9,244,302	436,638	2,041
Total net position	$ 9,244,302	$ 436,638	$ 2,041

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

Business-type Activities - Enterprise Funds			Governmental Activities
Thornapple Manor	Nonmajor Enterprise Funds	Totals	Internal Service Funds
$ 1,991,388	$ 3,034,983	$ 5,228,549	$ 3,741,796
301,003	-	301,003	-
-	284,113	8,052,206	516,810
3,292,029	8,015	3,300,044	-
-	386,704	2,717,480	-
-	113,899	113,899	-
-	-	1,463,000	-
92,149	40,267	132,416	-
5,676,569	3,867,981	21,308,597	4,258,606
25,791,848	1,007,763	26,799,611	636,583
700,400	-	700,400	-
26,492,248	1,007,763	27,500,011	636,583
32,168,817	4,875,744	48,808,608	4,895,189
920,433	21,664	942,097	151,798
938,112	16,435	954,547	196,188
-	1,272	49,732	-
-	-	2,032,606	-
288,738	-	288,738	-
2,147,283	39,371	4,267,720	347,986
5,867,763	-	5,867,763	-
-	12,088	12,088	-
5,867,763	12,088	5,879,851	-
8,015,046	51,459	10,147,571	347,986
19,966,848	1,007,763	20,974,611	636,583
-	287,241	287,241	-
4,186,923	3,529,281	17,399,185	3,910,620
$ 24,153,771	$ 4,824,285	$ 38,661,037	$ 4,547,203

COUNTY OF BARRY, MICHIGAN

Statement of Revenues, Expenses and Changes in Fund Net Position

Proprietary Funds
For the Year Ended December 31, 2013

	Business-type Activities - Enterprise Funds		
	Delinquent Tax Umbrella	Delinquent Tax Revolving 2012	Delinquent Tax Revolving 2013
Operating revenues			
Charges for services	$ 8,109	$ 169,288	$ 1,262
Interest and penalties on delinquent taxes	11,599	266,024	777
Other revenues	-	-	-
Total operating revenues	19,708	435,312	2,039
Operating expenses			
Operations	380	-	-
Depreciation	-	-	-
Other expenses	-	-	-
Total operating expenses	380	-	-
Operating income (loss)	19,328	435,312	2,039
Nonoperating revenues (expenses)			
Taxes	-	-	-
Intergovernmental revenues	-	-	-
Interest revenue	(76,914)	-	2
Interest expense	-	-	-
Loss on sale of capital assets	-	-	-
Total nonoperating revenues (expenses)	(76,914)	-	2
Income (loss) before transfers	(57,586)	435,312	2,041
Transfers			
Transfers in	1,663,545	-	-
Transfers out	(924,222)	-	-
Total transfers	739,323	-	-
Change in net position	681,737	435,312	2,041
Net position, beginning of year, as restated	8,562,565	1,326	-
Net position, end of year	$ 9,244,302	$ 436,638	$ 2,041

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

Business-type Activities - Enterprise Funds			Governmental Activities
Thornapple Manor	Nonmajor Enterprise Funds	Totals	Internal Service Funds
$ 15,916,615	$ 599,819	$ 16,695,093	$ 3,547,780
-	153,321	431,721	-
-	-	-	288
15,916,615	753,140	17,126,814	3,548,068
14,572,306	1,222,110	15,794,796	4,374,603
897,638	172,409	1,070,047	188,847
-	-	-	2,004
15,469,944	1,394,519	16,864,843	4,565,454
446,671	(641,379)	261,971	(1,017,386)
-	457,160	457,160	-
-	689,916	689,916	19,635
18,368	6,068	(52,476)	(54,565)
(126,600)	-	(126,600)	-
-	-	-	(35,209)
(108,232)	1,153,144	968,000	(70,139)
338,439	511,765	1,229,971	(1,087,525)
-	115,110	1,778,655	1,121,075
-	(1,663,545)	(2,587,767)	-
-	(1,548,435)	(809,112)	1,121,075
338,439	(1,036,670)	420,859	33,550
23,815,332	5,860,955	38,240,178	4,513,653
$ 24,153,771	$ 4,824,285	$ 38,661,037	$ 4,547,203

COUNTY OF BARRY, MICHIGAN

Statement of Cash Flows

Proprietary Funds
For the Year Ended December 31, 2013

	Business-type Activities - Enterprise Funds		
	Delinquent Tax Umbrella	Delinquent Tax Revolving 2012	Delinquent Tax Revolving 2013
Cash flows from operating activities			
Cash received from customers and users	$ 23,138	$ 2,790,442	$ 34,575
Cash received from interfund services	-	-	-
Cash payments to suppliers for goods and services	(3,197)	-	-
Cash payments to employees for services	-	-	-
Cash payments to purchase delinquent taxes	-	(4,109,997)	-
Net cash provided by (used in) operating activities	19,941	(1,319,555)	34,575
Cash flows from non-capital financing activities			
Transfers in	1,663,545	-	-
Transfers out	(924,222)	-	-
Taxes	-	-	-
Intergovernmental revenue	-	-	-
Long-term advances (to)/from other funds	(2,967,538)	2,967,538	-
Payments on long-term advances to/(from) other funds	3,154,056	(1,504,538)	-
Net cash provided by (used in) non-capital financing activities	925,841	1,463,000	-
Cash flows from capital and related financing activities			
Intergovernmental capital grants	-	-	-
Proceeds from debt issuance	-	-	-
Principal payments on long-term debt	-	-	-
Interest payments on long-term debt	-	-	-
Proceeds from sale of capital assets	-	-	-
Purchases of capital assets	-	-	-
Net cash provided by (used in) capital and related financing activities	-	-	-
Cash flows from investing activities			
Sale of investments	-	-	-
Purchase of investments	(985,406)	-	-
Interest received	39,624	-	2
Net cash provided by (used in) investing activities	(945,782)	-	2
Net increase in cash and cash equivalents	-	143,445	34,577
Cash and cash equivalents, beginning of year	-	24,156	-
Cash and cash equivalents, end of year	$ -	$ 167,601	$ 34,577

Business-type Activities - Enterprise Funds			Governmental Activities
Thornapple Manor	Nonmajor Enterprise Funds	Totals	Internal Service Funds
$ 15,917,861	$ 2,736,666	$ 21,502,682	$ -
-	-	-	3,548,068
(3,663,952)	(679,470)	(4,346,619)	(222,066)
(10,955,657)	(581,503)	(11,537,160)	(4,005,508)
-	-	(4,109,997)	-
1,298,252	1,475,693	1,508,906	(679,506)
-	115,110	1,778,655	1,121,075
-	(1,663,545)	(2,587,767)	-
-	457,160	457,160	-
-	630,949	630,949	-
-	-	-	-
-	(1,649,518)	-	-
-	(2,109,844)	278,997	1,121,075
-	-	-	19,635
6,000,000	-	6,000,000	-
(175,000)	-	(175,000)	-
(126,600)	-	(126,600)	-
-	107,900	107,900	-
(6,347,151)	(62,020)	(6,409,171)	(334,072)
(648,751)	45,880	(602,871)	(314,437)
-	3,131,392	3,131,392	-
-	(1,670,410)	(2,655,816)	-
18,368	6,068	64,062	-
18,368	1,467,050	539,638	-
667,869	878,779	1,724,670	127,132
1,624,522	2,156,204	3,804,882	3,614,664
$ 2,292,391	$ 3,034,983	$ 5,529,552	$ 3,741,796

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COUNTY OF BARRY, MICHIGAN

Statement of Cash Flows

Proprietary Funds
For the Year Ended December 31, 2013

	Business-type Activities - Enterprise Funds		
	Delinquent Tax Umbrella	Delinquent Tax Revolving 2012	Delinquent Tax Revolving 2013
Balance sheet classification of cash and cash equivalents			
Cash and cash equivalents	$ -	$ 167,601	$ 34,577
Restricted cash and cash equivalents	-	-	-
	$ -	$ 167,601	$ 34,577
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income (loss)	$ 19,328	$ 435,312	$ 2,039
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	-	-	-
Change in market value of investments			
Changes in:			
Accounts receivable	-	-	-
Taxes receivable	3,430	(1,201,341)	(569,606)
Other assets	-	-	-
Accounts payable	(110)	-	-
Net pension asset	-	-	-
Accrued liabilities	-	-	-
Due to other governments	(2,707)	(6,906)	32,536
Due to other funds	-	(546,620)	569,606
Compensated absences	-	-	-
Net other postemployment benefits obligation	-	-	-
Net cash provided by (used in) operating activities	$ 19,941	$ (1,319,555)	$ 34,575

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

Business-type Activities - Enterprise Funds			Governmental Activities
Thornapple Manor	Nonmajor Enterprise Funds	Totals	Internal Service Funds
$ 1,991,388	$ 3,034,983	$ 5,228,549	$ 3,741,796
301,003	-	301,003	-
$ 2,292,391	$ 3,034,983	$ 5,529,552	$ 3,741,796
$ 446,671	$ (641,379)	$ 261,971	$ (1,017,386)
897,638	172,409	1,070,047	188,847
1,246	(28)	1,218	-
-	2,010,227	242,710	-
(36,718)	(40,267)	(76,985)	-
484,836	(15,058)	469,668	(47,155)
(700,400)	-	(700,400)	-
167,953	4,374	172,327	196,188
-	(26,673)	(3,750)	-
-	-	22,986	-
37,026	-	-	-
-	12,088	12,088	-
$ 1,298,252	$ 1,475,693	$ 1,508,906	$ (679,506)

concluded

COUNTY OF BARRY, MICHIGAN

Statement of Fiduciary Net Position

Fiduciary Funds
December 31, 2013

	Agency Funds	Private Purpose Trust Funds
Assets		
Cash and cash equivalents	$ 588,784	$ 69,890
Investments	79,402	-
Total assets	$ 668,186	69,890
Liabilities		
Accounts payable	$ 387,629	-
Due to other governments	141,283	-
Undistributed receipts	139,274	-
Total liabilities	$ 668,186	-
Net position		
Restricted for private purposes		$ 69,890

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

COUNTY OF BARRY, MICHIGAN

Statement of Changes in Fiduciary Net Position

Private Purpose Trust Funds
For the Year Ended December 31, 2013

Additions		
Local contributions	$	54,216
Deductions		
Services to beneficiaries		24,589
Change in net position		29,627
Net position, beginning of year		40,263
Net position, end of year	$	69,890

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

COUNTY OF BARRY, MICHIGAN

Combining Statement of Net Position

Discretely Presented Component Units
December 31, 2013

	Road Commission	Drainage Districts	Board of Public Works
Assets			
Cash and cash equivalents	$ 2,841,537	$ 31,201	$ 25,854
Investments	-	424,875	-
Receivables	1,367,013	1,994,743	5,807,421
Inventories	1,665,014	-	-
Capital assets not being depreciated	16,439,594	67,351	-
Capital assets being depreciated, net	14,328,063	3,260,711	-
Total assets	36,641,221	5,778,881	5,833,275
Deferred outflows of resources			
Deferred loss on advance refunding	-	-	32,006
Liabilities			
Accounts payable and accrued liabilities	372,722	43,038	34,361
Long-term liabilities:			
Due within one year	272,349	176,000	600,000
Due in more than one year	-	1,183,400	5,190,346
Total liabilities	645,071	1,402,438	5,824,707
Net position			
Net investment in capital assets	30,767,657	1,968,662	-
Unrestricted	5,228,493	2,407,781	40,574
Total net position	$ 35,996,150	$ 4,376,443	$ 40,574

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

Economic Development Board	Airport Commission	Totals
$ -	$ 173,687	$ 3,072,279
-	-	424,875
-	47,294	9,216,471
-	31,382	1,696,396
-	767,846	17,274,791
-	2,189,626	19,778,400
-	3,209,835	51,463,212
-	-	32,006
-	7,952	458,073
-	-	1,048,349
-	-	6,373,746
-	7,952	7,880,168
-	2,957,472	35,693,791
-	244,411	7,921,259
$ -	$ 3,201,883	$ 43,615,050

COUNTY OF BARRY, MICHIGAN

Combining Statement of Activities

Discretely Presented Component Units
For the Year Ended December 31, 2013

	Road Commission	Drainage Districts	Board of Public Works
Expenses			
Road Commission	$ 6,523,857	$ -	$ -
Drainage Districts	-	396,383	-
Board of Public Works	-	-	222,655
Economic Development Board	-	-	-
Airport Commission	-	-	-
Total expenses	6,523,857	396,383	222,655
Program revenues			
Charges for services	355,340	624,733	-
Operating grants and contributions	4,665,181	-	247,648
Capital grants and contributions	3,558,234	664,059	-
Total program revenues	8,578,755	1,288,792	247,648
Net revenues (expenses)	2,054,898	892,409	24,993
General revenues			
Grants and contributions not restricted to specific programs	-	2,350	-
Unrestricted investment earnings	21,304	1,275	313
Gain on sale of capital assets	9,006	-	-
Total general revenues	30,310	3,625	313
Change in net position	2,085,208	896,034	25,306
Net position, beginning of year	33,910,942	3,480,409	15,268
Net position, end of year	$ 35,996,150	$ 4,376,443	$ 40,574

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

Economic Development Board	Airport Commission	Totals
$ -	$ -	$ 6,523,857
-	-	396,383
-	-	222,655
63,394	-	63,394
-	327,766	327,766
63,394	327,766	7,534,055
-	272,201	1,252,274
63,394	208,099	5,184,322
-	575,371	4,797,664
63,394	1,055,671	11,234,260
-	727,905	3,700,205
-	-	2,350
-	-	22,892
-	-	9,006
-	-	34,248
-	727,905	3,734,453
-	2,473,978	39,880,597
$ -	$ 3,201,883	$ 43,615,050

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NOTES TO FINANCIAL STATEMENTS

Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Reporting Entity

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

The financial statements for the Barry County Transit, a nonmajor enterprise fund, are presented for the fiscal year ending September 30, 2013. This fund is audited individually. Complete financial statements are issued under separate cover and can be obtained from Barry County Transit's administrative office.

Blended Component Units:

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

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

The Thornapple Manor Medical Care Facility (Thornapple Manor Fund) are included in these financial statements as a blended component unit for the year ended December 31, 2013. This component unit is also audited individually. Complete financial statements are issued under separate cover and may be obtained from Thornapple Manor's administrative office. The Thornapple Manor Medical Care Facility is a 138-bed, long-term medical care unit owned and operated by Barry County. It is governed by the Barry County Department of Human Services Board. This Board consists of three members, two of which are appointed by the Barry County Board of Commissioners. Therefore, the County is deemed to have the ability to impose its will on the Thornapple Manor Fund.

Discretely Presented Component Units

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

Barry County 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.

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

Barry County 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.

The Airport Commission (the "Airport") – The Airport is classified as a joint venture with another governmental unit. The details relating to this joint venture agreement are disclosed below.

Joint Ventures

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

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

Barry/Eaton District Health Department – The County is a member of the Barry/Eaton Health Department (the "Department"), which is a joint venture between Barry and Eaton Counties. Both Counties provide annual appropriations and pass-through the statutory amount of cigarette tax funding to subsidize operations. The current funding formula approved by the District Health Board requires Eaton County and Barry County to provide 65 percent and 35 percent, respectively. In addition, the treasury function for the Department rests with the Eaton County Treasurer. The operations of the Department are presented as a discretely presented component unit of Eaton County.

Jointly Governed Organizations

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

Government-wide and fund financial statements

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

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*.

Notes to Financial Statements

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

Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting,* as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Agency funds, a type of fiduciary fund, are unlike all other types of funds, reporting only assets and liabilities. Therefore, agency funds cannot be said to have a measurement focus. They do, however, use the accrual basis of accounting to recognize receivables and payables.

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

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

The County reports the following major governmental funds:

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

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

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

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

Notes to Financial Statements

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 *2013 delinquent tax revolving fund* accounts for the collection and administration of delinquent property taxes levied in year 2013.

The *2012 delinquent tax revolving fund* accounts for the collection and administration of delinquent property taxes levied in year 2012.

The *Thornapple Manor fund* accounts for the activities of the Thornapple Manor Medical Care Facility, a 138-bed long-term medical care unit owned and operated by Barry County. Revenues are generated by charges for services and a County appropriation.

Additionally, the County reports the following fund types:

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

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

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

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

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

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

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

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

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

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

Deposits and investments

The government's cash and cash equivalents include amounts in demand deposit accounts, certificates of deposit and short-term investments with original maturities of three months or less from the date of acquisition. Investments are stated at fair value.

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

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

Restricted cash and cash equivalents consist of amounts set-aside for repayment of general obligation bonds and related interest thereon, in accordance with terms of the restricted debt agreements. In addition, proceeds from the sale of foreclosed property, net of unpaid taxes and fees and auction costs, are restricted for various delinquent tax administration purposes, as defined in the General Property Tax Act 206 of 1893. Such amounts are reported in the foreclosure enterprise fund.

Receivables and payables

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

Property taxes receivable in governmental funds represent amounts due from taxpayers on the July 1 and December 1 tax levies in the general fund and other governmental funds, respectively. Any amounts outstanding on the July 1 levy after 60 days into the subsequent fiscal year are made whole by the County delinquent tax fund through an effective early tax settlement. This allows the County's general fund to recognize the full amount of the July 1 tax levy in the current year, regardless of the timing of actual collections. Any unpaid balances as of 60 days into the subsequent fiscal year are transferred to the delinquent tax revolving fund where collection is pursued. A similar process takes place between the delinquent tax fund, the other County funds accounting for property tax levies, and other local taxing authorities within the County's geographical region in March or April.

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

All trade and property tax receivables are shown net of an allowance for uncollectibles, as applicable. At December 31, 2013, management has recorded an allowance of $188,396 for uncollectible balance in the Thornapple Manor enterprise fund.

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

Deferred inflows of resources

Property taxes (excluding those for the general fund, which are subject to a different timeline) are levied and attach as an enforceable lien of property on December 1. Property taxes are payable through February 14. Although the County's 2013 ad valorem tax (excluding the portion for general operations) is levied and collectible on December 1, 2013, 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, 2013 levy is reported as deferred inflows of resources at year-end.

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

Inventories and prepaids

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

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

Capital assets

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

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

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

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

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

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

Notes to Financial Statements

Road Commission – Discretely Presented Component Unit

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

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

Thornapple Manor – Enterprise fund

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

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

Transit - Blended Component Unit

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

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

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

Deferred outflows of resources

The County refunded certain bonds payable in order to secure lower interest rates and reduce future debt service expenditures. The difference between the carrying amount of the refunded debt and the amount placed in escrow for purposes of paying the remaining balance of refunded debt is reported as a loss on advance refunding. This amount is being amortized at the government-wide financial statement level using the straight-line method over the life of the related bonds. Amortization expense for the year ending December 31, 2013 was $73,469.

Compensated absences

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

Long-term obligations

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

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

Fund equity

Governmental funds report nonspendable fund balance for amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Restricted fund balance is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws or regulations of other governments. Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Commissioners. A formal resolution of the Board of Commissioners is required to establish, modify, or rescind a fund balance commitment. The County reports assigned fund balance for amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. Unassigned fund balance is the residual classification for the general fund.

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

Interfund transactions

During the course of normal operations, the County has numerous transactions between funds and component units, including expenditures and transfers of resources to provide services, construct assets, and service debt. The accompanying financial statements generally reflect such transactions as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements. Internal service funds are used to record charges for services to all County departments and funds as transfers or operating revenue. All County funds record these payments to the internal service funds as transfers or operating expenditures/expenses.

Estimates

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

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general and special revenue funds. All annual appropriations lapse at year end. The legal level of budgetary control is at the activity level in the general fund and at the functional level 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 between accounts without Board approval. Budgetary transfers between funds and amendments to total fund budgets are not permitted without Board approval.

Deficit fund equity

The negative balance in unrestricted net position of governmental activities is the direct result of the County Building Authority issuing bonds to finance the construction of an addition at Thornapple Manor. The capital assets are reported under business-type activities, while the related debt is reported as governmental activities, insomuch as the bonds are being serviced over time through ad valorem taxes levied on all taxable property in the County.

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.

Notes to Financial Statements

During the year ended December 31, 2013 the County incurred expenditures in certain budgetary funds which were in excess of the amounts budgeted, as follows:

	Final Budget	Expenditures	Budget Variance
General fund			
General government:			
Cooperative extension	$ 105,802	$ 105,896	$ 94
Public safety:			
Secondary road patrol	102,043	102,149	106
Transfers out	1,629,168	2,212,710	583,542
Commission on aging			
Current:			
Health and welfare	1,483,956	1,558,825	74,869
Nonmajor governmental funds			
Animal shelter donation - capital outlay	6,100	9,240	3,140
Victim Services Unit - public safety	3,700	3,829	129
Diverted felons - general government	115,000	203,274	88,274

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

3. DEPOSITS AND INVESTMENTS

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

Notes to Financial Statements

Following is a reconciliation of deposit and investment balances as of December 31, 2013:

	Primary Government	Component Units	Total
Statement of net position			
Cash and cash equivalents	$ 9,842,831	$ 3,072,279	$ 12,915,110
Restricted cash and cash equivalents	551,540	-	551,540
Investments	18,762,725	424,875	19,187,600
	29,157,096	3,497,154	32,654,250
Statement of fiduciary net position			
Cash and cash equivalents – agency funds	588,784	-	588,784
Investments - agency funds	79,402	-	79,402
Cash and cash equivalents – private purpose trusts	69,890	-	69,890
	738,076	-	738,076
Total	$ 29,895,172	$ 3,497,154	$ 33,392,326
Cash on hand	$ 2,241	$ 500	$ 2,741
Checking and savings accounts	14,501,829	3,453,622	17,955,451
Certificates of deposit – all due within one year	426,074	-	426,074
Investments	14,965,028	43,032	15,008,060
Total	$ 29,895,172	$ 3,497,154	$ 33,392,326

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, $18,347,896 of the County's bank balance of $20,863,839 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, 2013:

U.S. government treasuries	$ 293,314
U.S. government agencies	5,313,532
Money market funds	9,401,214
Total	$ 15,008,060

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

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

Not subject to credit risk	$ 293,314
Unrated	8,761,572
S&P AA+	5,313,532
S&P AAAm	639,642
Total	$ 15,008,060

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	$ 9,401,214
1 – 5 years	4,844
6 – 10 years	2,467,069
11 – 15 years	2,410,741
16 – 20 years	175,612
21 – 24 years	113,055
25 - 30 years	435,525
Total	$ 15,008,060

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

4. RECEIVABLES AND PAYABLES

Receivables are comprised of the following at year-end:

	Governmental Activities	Business-type Activities	Component Units
Taxes (current)	$ 4,006,466	$ -	$ -
Taxes (delinquent)	-	2,717,480	-
Accounts	6,487	3,488,440	49,594
Allowance for uncollectible accounts accounts	-	(188,396)	-
Due from other governments	959,551	113,899	1,365,202
Special assessments	-	-	1,994,743
Leases	-	-	5,806,932
Total	$ 4,972,504	$ 6,131,423	$ 9,216,471

Of the amounts detailed above, $1,631,262 of special assessments receivable in the component units are not expected to be collected within one year. Similarly, $5,712,571 of leases receivable in the component units are not expected to be collected within one year.

Accounts payable and accrued liabilities

Payables are comprised of the following at year-end:

	Governmental Activities	Business-type Activities	Component Units
Accounts	$ 374,022	$ 942,097	$ 222,865
Accrued liabilities	683,354	954,547	159,569
Due to other governments	-	49,732	21,085
Self-insurance claims payable	29,194	-	-
Accrued interest on long-term debt	131,125	-	54,554
Total	$ 1,217,695	$ 1,946,376	$ 458,073

5. OTHER ASSETS

The composition of other assets of December 31, 2013, was as follows:

	Governmental Activities	Business-type Activities	Component Units
Inventories	$ -	$ -	$ 1,696,396
Prepaid items	-	132,416	-
Prepaid self-insured retention balance	216,817	-	-
Total	$ 216,817	$ 132,416	$ 1,696,396

6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2013, was as follows:

	Due to and from primary government funds	
	Due from fund	Due to fund
General fund	$ 569,606	$ -
Delinquent tax umbrella fund	1,463,000	-
Delinquent tax revolving 2012 fund	-	1,463,000
Delinquent tax revolving 2013 fund	-	569,606
Total	$ 2,032,606	$ 2,032,606

	Due to and from drainage district funds	
	Due from fund	Due to fund
Algonquin Lake dam project	$ 99,286	$ -
Regular drain	-	99,286
Total	$ 99,286	$ 99,286

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.

Notes to Financial Statements

For the year ended December 31, 2013, interfund transfers consisted of the following:

	Transfers out				
Transfers in	General Fund	Nonmajor Governmental Funds	Delinquent Tax Umbrella	Nonmajor Enterprise Funds	Totals
General fund	$ -	$ 88,021	$ 627,907	$ -	$ 715,928
Nonmajor governmental funds	1,043,305	-	-	-	1,043,305
Delinquent tax umbrella	-	-	-	1,663,545	1,663,545
Nonmajor enterprise funds	-	-	115,110	-	115,110
Internal service funds	939,870	-	181,205	-	1,121,075
Totals	$ 1,983,175	$ 88,021	$ 924,222	$ 1,663,545	$ 4,658,963

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.

7. CAPITAL ASSETS

Capital asset activity for the primary government for the year ended December 31, 2013, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Governmental activities					
Capital assets not being depreciated:					
Land	$ 2,734,208	$ -	$ -	$ -	$ 2,734,208
Construction in progress	187,638	60,636	-	(187,638)	60,636
	2,921,846	60,636	-	(187,638)	2,794,844
Capital assets being depreciated:					
Land improvements	1,133,250	-	-	-	1,133,250
Buildings	13,309,186	109,377	(51,203)	-	13,367,360
Equipment	6,670,925	477,143	(1,330,031)	187,638	6,005,675
	21,113,361	586,520	(1,381,234)	187,638	20,506,285
Less accumulated depreciation for:					
Land improvements	511,472	41,285	-	-	552,757
Buildings	5,902,984	318,519	(44,855)	-	6,176,648
Equipment	4,641,829	511,361	(1,255,950)	-	3,897,240
	11,056,285	871,165	(1,300,805)	-	10,626,645
Total capital assets being depreciated, net	10,057,076	(284,645)	(80,429)	187,638	9,879,640
Governmental activities capital assets, net	$ 12,978,922	$ (224,009)	$ (80,429)	$ -	$ 12,674,484

Notes to Financial Statements

At December 31, 2013, the County had outstanding commitments for governmental activities totaling approximately $450,000.

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Business-type activities					
Capital assets not being depreciated:					
Construction in progress	$ 247,031	$ 5,439,825	$ -	$ (5,686,856)	$ -
Capital assets being depreciated:					
Land improvements	1,536,629	361,387	-	-	1,898,016
Buildings	20,600,031	-	-	5,686,856	26,286,887
Vehicles	1,359,980	62,020	(92,994)	-	1,329,006
Equipment	3,835,762	545,939	-	-	4,381,701
	27,332,402	969,346	(92,994)	5,686,856	33,895,610
Less accumulated depreciation for:					
Land improvements	331,577	71,087	-	-	402,664
Buildings	3,541,407	592,167	-	-	4,133,574
Vehicles	653,495	131,794	(92,994)	-	692,295
Equipment	1,592,467	274,999	-	-	1,867,466
	6,118,946	1,070,047	(92,994)	-	7,095,999
Total capital assets being depreciated, net	21,213,456	(100,701)	-	5,686,856	26,799,611
Business-type activities capital assets, net	$ 21,460,487	$ 5,339,124	$ -	$ -	$ 26,799,611

Notes to Financial Statements

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

Depreciation of governmental activities by function	
General government	$ 291,200
Culture and recreation	65,758
Public safety	260,916
Health and welfare	64,444
Capital assets held by the internal service funds are charged to the various functions based on their usage of the assets	188,847
Total governmental activities	$ 871,165
Depreciation of business-type activities by function	
Thornapple Manor	$ 897,638
Transit	172,409
Total business-type activities	$ 1,070,047

Discretely presented component units

Capital assets activity for the component units for the year ended December 31, 2013, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Road Commission					
Capital assets not being depreciated:					
Land	$ 85,433	$ -	$ -	$ -	$ 85,433
Land improvements	15,700,293	262,423	-	-	15,962,716
Right-of-ways	385,348	6,097	-	-	391,445
	16,171,074	268,520	-	-	16,439,594
Capital assets being depreciated:					
Land improvements	214,808	-	-	-	214,808
Buildings	872,728	-	-	-	872,728
Equipment	7,605,356	487,370	(138,697)	-	7,954,029
Pit depletion	707,807	6,264	-	-	714,071
Infrastructure - bridges	3,319,777	2,111,196	-	-	5,430,973
Infrastructure - guardrails	4,656	211,380	-	-	216,036
Infrastructure - roads	14,413,798	504,608	(147,852)	-	14,770,554
	27,138,930	3,320,818	(286,549)	-	30,173,199

Notes to Financial Statements

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Less accumulated depreciation for:					
Land improvements	$ 126,812	$ 10,969	$ -	$ -	$ 137,781
Buildings	584,848	23,764	-	-	608,612
Equipment	7,059,636	253,126	(76,803)	-	7,235,959
Pit depletion	168,466	6,569	-	-	175,035
Infrastructure - bridges	1,280,276	79,898	-	-	1,360,174
Infrastructure - guardrails	233	6,479	-	-	6,712
Infrastructure - roads	5,650,000	818,715	(147,852)	-	6,320,863
	14,870,271	1,199,520	(224,655)	-	15,845,136
Total capital assets being depreciated, net	12,268,659	2,121,298	(61,894)	-	14,328,063
Road Commission capital assets, net	$ 28,439,733	$ 2,389,818	$ (61,894)	$ -	$ 30,767,657

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Drainage Districts					
Capital assets not being depreciated:					
Construction in progress	$ 56,433	$ 67,351	$ -	$ (56,433)	$ 67,351
Capital assets being depreciated:					
Drain infrastructure	3,957,829	280,540	-	56,433	4,294,802
Vehicles	9,350	-	-	-	9,350
	3,967,179	280,540	-	56,433	4,304,152
Less accumulated depreciation for:					
Drain infrastructure	967,245	75,365	-	-	1,042,610
Vehicles	208	623	-	-	831
	967,453	75,988	-	-	1,043,441
Total capital assets being depreciated, net	2,999,726	204,552	-	56,433	3,260,711
Drainage Districts capital assets, net	$ 2,515,201	$ 271,903	$ -	$ -	$ 3,328,062

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Airport Commission					
Capital assets not being depreciated:					
Land	$ 285,000	$ -	$ -	$ -	$ 285,000
Construction in progress	-	482,846	-	-	482,846
	285,000	482,846	-	-	767,846
Capital assets being depreciated:					
Land improvements	3,716,384	-	-	-	3,716,384
Buildings	980,282	235,422	-	-	1,215,704
Equipment	53,641	7,370	-	-	61,011
	4,750,307	242,792	-	-	4,993,099
Less accumulated depreciation for:					
Land improvements	2,566,454	71,664	-	-	2,638,118
Buildings	103,310	24,679	-	-	127,989
Equipment	35,629	1,737	-	-	37,366
	2,705,393	98,080	-	-	2,803,473
Total capital assets being depreciated, net	2,044,914	144,712	-	-	2,189,626
Airport Commission capital assets, net	$ 2,329,914	$ 627,558	$ -	$ -	$ 2,957,472

8. LONG-TERM DEBT

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

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

Notes to Financial Statements

Long-term debt activity for the year ended December 31, 2013, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Primary Government					
Governmental activities					
General obligation bonds	$ 15,760,000	$ -	$ (750,000)	$ 15,010,000	$ 875,000
Installment purchase agreements	14,400	-	(4,800)	9,600	4,800
	15,774,400	-	(754,800)	15,019,600	879,800
Compensated absences	474,691	300,116	(160,951)	613,856	165,780
Bond premiums and discounts, net	1,412,277	-	(115,288)	1,296,989	115,288
Total governmental activities	$ 17,661,368	$ 300,116	$ (1,031,039)	$ 16,930,445	$ 1,160,868
Business-type activities					
Capital leases payable	$ -	$ 6,000,000	$ (175,000)	$ 5,825,000	$ 175,000
Compensated absences	294,475	502,782	(465,756)	331,501	113,738
Total business-type activities	$ 294,475	$ 6,502,782	$ (640,756)	$ 6,156,501	$ 288,738
Component Units					
Road Commission					
Compensated absences	$ 281,654	$ -	$ (9,305)	$ 272,349	$ 272,349
Drainage Districts					
Drain notes and other debt	1,294,400	300,000	(235,000)	1,359,400	176,000
Board of Public Works					
General obligation bonds	6,295,346	885,000	(1,390,000)	5,790,346	600,000
Total component units	$ 7,871,400	$ 1,185,000	$ (1,634,305)	$ 7,422,095	$ 1,048,349

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

Primary Government

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

Bonds and loans payable at December 31, 2013 for governmental activities are as follows:

$950,000 Building Authority Bonds, Series 2002, dated July 25, 2002, due in annual installments ranging from $25,000 to $75,000 through July 1, 2021, with interest ranging from 4.90 to 5.85%, payable semi-annually.	$ 525,000
$18,850,000 Building Authority – Medical Care Facility Bonds, dated August 1, 2006, partially refunded in 2012. Due in annual installments ranging from $700,000 to $800,000 through April 1, 2014, with interest ranging from 4.25 to 4.50%, payable semi-annually.	800,000
$13,685,000 Building Authority – Medical Care Facility Refunding Bonds, dated November 15, 2012, due in annual installments ranging from $25,000 to $1,635,000 through April 1, 2025, with interest ranging from 2.00 to 4.00%, payable semi-annually.	13,685,000
Total general obligation debt - governmental activities	$ 15,010,000

Capital leases for governmental activities are as follows:

$23,625 Installment purchase agreement to finance the acquisition of a recording system for central dispatch, due in annual installments of $4,800, with 0% interest, payable annually.	$ 9,600

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

Capital leases payable at December 31, 2013 for business-type activities are as follows:

$6,000,000 Building Authority – Medical Care Facility Bonds, dated April 17, 2012, due in annual installments ranging from $175,000 to $750,000 through April 1, 2032, with interest ranging from 2.00 to 3.55%, payable semi-annually.	$ 5,825,000

Component Units

Drainage Districts

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

Notes payable and amounts owed to other governmental units at December 31, 2013 per respective drain projects serviced from the debt service funds of the Drainage Districts are as follows:

Drain Notes

$232,000 Delton Village special assessment district note dated June 17, 2008, due in annual installments of $23,200 through June 1, 2018, with interest at 4.25%, payable annually.	$ 116,000

$380,000 Chase drain special assessment district note dated September 23, 2011, due in annual installments of $38,000 through June 1, 2021, with interest at 2.92%, payable semi-annually.	$ 304,000
$448,000 Sandy Beach drain special assessment district note dated October 25, 2011, due in annual installments of $44,800 through June 1, 2021, with interest at 3.89%, payable semi-annually.	358,400
$410,000 Algonquin Lake drain special assessment district note dated June 13, 2012, due in annual installments of $35,000 to $45,000 through June 1, 2022, with interest ranging from .65 to 3.30%, payable annually.	281,000
$300,000 Middleville Towne Center drain special assessment district note dated September 17, 2013, due in annual installments of $30,000 through June 1, 2023, with interest at 2.73%, payable annually.	300,000
Total notes payable – Drainage Districts	$ 1,359,400

Board of Public Works

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

Bonds payable at December 31, 2013, per respective constructive projects serviced from the debt service funds of the Board of Public Works are as follows:

$1,870,000 Middleville Sanitary Sewer System Refunding Bonds dated October 15, 2003, due in annual installments ranging from $170,000 to $220,000 through November 1, 2014, with interest ranging from 2.25 to 3.80%, payable semi-annually.	$ 220,000
$1,125,000 Middleville Sanitary Sewer System Bonds dated February 1, 1999, due in annual installments ranging from $50,000 to $75,000 through October 1, 2018, with interest ranging from 4.15 to 4.80%, payable semi-annually.	375,000
$650,000 Water Supply System Bonds dated June 26, 2003, due in annual installments ranging from $25,000 to $40,000 through October 1, 2024, with interest at 2.5%, payable semi-annually.	393,281
$1,040,000 Water Supply System Bonds Series A dated August 23, 2006, due in annual installments ranging from $40,000 to $65,000 through April 1, 2027, with interest at 2.125%, payable semi-annually.	775,000

$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.	$ 135,000
$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.	325,000
$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.	330,000
$995,000 Michigan Transportation Fund Bonds Series 2010, dated February 1, 2010, payable in annual installments ranging from $25,000 to $75,000, with interest at 7.9%, payable semi-annually.	50,000
$2,763,000 Leach and Middle Lake Sanitary Sewer System Bonds, dated January 22, 2010, payable in annual installment ranging from $148,000 to $155,000, with interest at 2.5%, payable semi-annually.	2,302,065
$885,000 Michigan Transportation Fund Refunding Bonds, Series 2013, dated September 9, 2013, payable in annual installment ranging from $65,000 to $75,000, with interest ranging from .8% to 3.6%, payable semi-annually.	885,000
Total bonds payable – Board of Public Works	$ 5,790,346

During 2013, the County advance-refunded $825,000 of its Michigan Transportation Fund Bonds, Series 2011 by issuing $885,000 in Michigan Transportation Fund Bonds, Series 2013. The 2013 refunding bonds provided resources to purchase U.S. government securities that were placed in an escrow fund for the purpose of generating resources for all future debt service payments on $825,000 of refunded debt. As a result, the bonds are considered defeased and the liability has been removed from the statement of net position. At December 31, 2013, $825,000 of defeased bonds were outstanding and scheduled to be paid by the escrow agent on February 1, 2014. The refunding resulted in a cash savings of $250,117 and a net economic gain of $220,094.

Notes to Financial Statements

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

Year Ended December 31,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2014	$ 879,800	$ 1,172,437	$ 175,000	$ 167,050
2015	869,800	507,962	200,000	163,300
2016	950,000	483,562	200,000	159,300
2017	1,060,000	452,487	200,000	155,300
2018	1,145,000	417,425	225,000	151,050
2019-2023	6,880,000	1,368,501	1,375,000	667,751
2024-2028	3,235,000	130,100	1,700,000	445,512
2029-2032	-	-	1,750,000	127,188
Total	$ 15,019,600	$ 4,532,474	$ 5,825,000	$ 2,036,451

Year Ended December 31,	Component Units	
	Principal	Interest
2014	$ 776,000	$ 192,642
2015	576,000	171,731
2016	576,000	155,808
2017	581,000	139,359
2018	611,000	123,385
2019-2023	2,344,400	386,186
2024-2028	1,513,281	107,761
2029-2032	172,065	2,150
Total	$ 7,149,746	$ 1,279,022

9. FUND BALANCES - GOVERNMENTAL FUNDS

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

	General Fund	Central Dispatch	Commission on Aging	Building Authority Thornapple Manor Debt	Nonmajor Funds	Totals
Nonspendable						
Permanent fund corpus	$ -	$ -	$ -	$ -	$ 30,925	$ 30,925
Restricted						
Central dispatch/E-911	-	1,378,871	-	-	-	1,378,871
Senior services	-	-	971,220	-	-	971,220
Cemetery perpetual care	-	-	-	-	431	431
Thornapple Manor debt	-	-	-	185,445	-	185,445
Manor construction	-	-	-	-	332	332
County parks	-	-	-	-	120,400	120,400
Animal services/shelter	-	-	-	-	122,304	122,304
Child and family services	-	-	-	-	718	718
Community outreach	-	-	-	-	12,859	12,859
Register of deeds systems	-	-	-	-	103,342	103,342
Judicial programs	-	-	-	-	59,979	59,979
Law enforcement	-	-	-	-	168,412	168,412
Housing assistance	-	-	-	-	7,489	7,489
Criminal diversion	-	-	-	-	212,970	212,970
Other purposes	-	-	-	-	4,443	4,443
	-	1,378,871	971,220	185,445	813,679	3,349,215
Committed						
Senior services	-	-	125,000	-	-	125,000
Hazardous waste disposal	-	-	-	-	167,128	167,128
Remonumentation plan	-	-	-	-	22,692	22,692
Child and family services	-	-	-	-	2,849,313	2,849,313
Public safety programs	-	-	-	-	105,706	105,706
Judicial programs	-	-	-	-	603,987	603,987
Debt service	-	-	-	-	44,024	44,024
Building improvements	2,231,810	-	-	-	-	2,231,810
Other purposes	63,083	-	-	-	10,476	73,559
	2,294,893	-	125,000	-	3,803,326	6,223,219
Unassigned	2,286,422	-	-	-	-	2,286,422
Total fund balances - governmental funds	$4,581,315	$1,378,871	$1,096,220	$ 185,445	$4,647,930	$ 11,889,781

10. NET POSITION

The composition of the County's net investment in capital assets as of December 31, 2013 was as follows:

	Governmental Activities	Business-type Activities	Component Units
Capital assets:			
Capital assets not being depreciated	$ 2,794,844	$ -	$ 17,274,791
Capital assets being depreciated, net	9,879,640	26,799,611	19,778,400
	12,674,484	26,799,611	37,053,191
Related debt:			
Total bonds and notes payable	15,019,600	5,825,000	7,149,746
Premiums and discounts, net	1,296,989	-	-
Bonds payable related to capital leases	(15,781,989)	-	(5,790,346)
	534,600	5,825,000	1,359,400
Net investment in capital assets	$ 12,139,884	$ 20,974,611	$ 35,693,791

The composition of the County's restricted net position as of December 31, 2013 was as follows:

	Governmental Activities	Business-type Activities	Component Units
Health and welfare programs	$ 1,111,544	$ -	$ -
Public safety programs	1,416,543	-	-
Judicial programs	403,689	-	-
Recreation and cultural programs	120,400	-	-
Other state-mandated programs	110,831	-	-
Debt service	54,652	-	-
Property tax foreclosures	-	287,241	-
Cemetery perpetual care:			
Nonexpendable	30,925	-	-
Expendable	431	-	-
Total restricted net position	$ 3,249,015	$ 287,241	$ -

11. RISK MANAGEMENT

Primary Government

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

Notes to Financial Statements

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

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

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

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

In addition, the Authority has accumulated resources to create and fund an internal stop loss fund. The stop loss fund was initiated to eliminate the need to purchase aggregate reinsurance for aggregate losses paid in excess of $178,000, net of reinsurance recoveries for any one member in any one year. Aggregate paid losses in excess of $178,000 net of reinsurance recoveries are paid entirely from the internal stop loss fund. If at any time the stop loss fund is insufficient to fund Barry County's losses, the remaining liability shall become the responsibility of the Authority as a whole.

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

	Workers' Compensation	Disability	MMRMA Liability	Totals
Liability, January 1, 2012	$ -	$ -	$ 16,341	$ 16,341
Claims and changes in estimates	154,087	69,582	200,018	423,687
Claim payments	(154,087)	(69,582)	(159,735)	(383,404)
Liability, December 31, 2012	-	-	56,624	56,624
Claims and changes in estimates	289,602	62,783	21,237	373,622
Claim payments	(97,744)	(62,783)	(48,667)	(209,194)
Liability, December 31, 2013	$ 191,858	$ -	$ 29,194	$ 221,052

Thornapple Manor Blended Component Unit

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

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

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

Thornapple Manor is insured against potential professional liability claims under an occurrence-basis policy, whereby all claims resulting from incidents that occur during the policy period are covered up to insured limits, regardless of when the claims are reported to the insurance carrier. There are no known outstanding or pending claims as of December 31, 2013.

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

Road Commission Component Unit

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

Notes to Financial Statements

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

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

The Road Commission also has self-insurance for workers' compensation as a member of the County Road Association Self-Insurance Fund. The Road Commission's employee medical benefits insurance is purchased through a commercial carrier. At December 31, 2013, there were no claims that exceeded insurance coverage. The Road Commission did not have any significant reduction in insurance coverage from previous years.

12. PROPERTY TAXES

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

13. CONTINGENT LIABILITIES

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

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

14. EMPLOYEE RETIREMENT SYSTEMS AND PLANS

Primary Government

Defined benefit pension plan

Plan description. The primary government's full-time employees are eligible to participate in the Municipal Employees Retirement System of Michigan (MERS), an agent multiple-employer, defined benefit pension plan. The System is administered by the MERS retirement board. MERS provides retirement and disability benefits, as well as death benefits to plan members and beneficiaries. The plan is closed to all new employees who are offered participation in a hybrid plan instead.

Act No. 427 of the Public Acts of 1984, as amended, establishes and amends the benefit provisions of the participants in MERS. A publicly available financial report that includes financial statements and required supplementary information for MERS may be obtained by writing to the Municipal Employees Retirement System of Michigan, 1134 Municipal Way, Lansing, Michigan 48917, or by calling (800) 767-6377.

The County is required to contribute at an actuarially determined rate; the current rate for open divisions is 4.08 percent to 15.71 percent of annual covered payroll, depending on the employee group. Contributions for closed divisions are based on a flat monthly dollar amount. Participating employees are required to contribute 0 percent to 6.53 percent of their annual salary depending on their assigned department. The contribution requirements of the County are established and may be amended by the Retirement Board of MERS. The contribution requirements of plan members are established and may be amended by the County Board of Commissioners, depending on the MERS contribution program adopted by the County.

For the year ended December 31, 2013, the County contributed the full amount of the annual required contribution of $1,835,668 plus an additional contribution of $1,397,889. Member contributions for the same period totaled $341,968. The required contributions were determined as part of the December 31, 2011 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 8.0 percent, (b) projected salary increase of 4.5 percent per year (1 percent, 2 percent and 3 percent, for calendar year 2014, 2015 and 2016, respectively) compounded annually, attributable to inflation, (c) additional projected salary increases of 0.0 percent to 13.0 percent per year, depending on age, attributable to seniority/merit, and (d) the assumption that benefits will increase 2.5 percent per year after retirement for certain retirees depending on the benefit option selected. The actuarial value of MERS assets was determined on the basis of a valuation method that assumes the fund earns the expected rate of return, and includes an adjustment to reflect fair value. The County's unfunded actuarial accrued liability is being amortized 26 years as a level percentage of projected payroll on an open basis. The latest actuarial valuation was performed as of December 31, 2012.

Three-Year Trend Information			
Year Ended December 31,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset
2011	$ 2,395,012	100%	$ -
2012	1,856,189	138%	500,000
2013	1,842,507	175%	1,891,050

Funded Status and Funding Progress. As of December 31, 2012, the most recent actuarial valuation date, the plan was 75 percent funded. The actuarial accrued liability for benefits was $55,500,352, and the actuarial value of assets was $41,432,725, resulting in an unfunded actuarial accrued liability (UAAL) of $14,067,627. The covered payroll (annual payroll of active employees covered by the plan) was $15,091,952, and the ratio of the UAAL to the covered payroll was 93 percent. The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

The County's annual pension cost and net pension asset for the current year are as follows:

Annual required contribution	$ 1,835,668
Interest on net pension asset	(40,000)
Adjustment to annual required contribution	46,839
Annual pension cost	1,842,507
Contributions made	3,233,557
Increase (decrease) in net pension asset	1,391,050
Net pension asset, beginning of year	500,000
Net pension asset, end of year	$ 1,891,050

Deferred compensation plan

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

Road Commission Discretely Presented Component Unit

The Barry County Board of Road Commissioners has a 401(k) single employer defined contribution plan, available to all employees of the Road Commission. A defined contribution plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive.

Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account, the returns earned on the investments of those contributions, and the forfeitures of other participant's account. All employees who are at least 21 years old and have completed six months of service are eligible to participate.

The plan allows for employees to determine their own contribution, up to 60 percent of their salary, according to current provisions of the Internal Service Code. The Road Commission contributes 10 percent of the employees' salary. These contributions are not dependent on the participation of the employees. The plan uses the accrual basis of accounting with investment stated at fair market value.

Employees are allowed to borrow from their account and at December 31, 2013, the outstanding loan balances were $151,706. Employee and employer contributions are paid to the plan on each payroll date (bi-weekly) and for the year ended December 31, 2013, employee and employer contributions totaled $137,083 and $159,685, respectively.

15. OTHER POSTEMPLOYMENT BENEFITS

Primary Government

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

Funding Policy. The contribution requirements of Plan members and the County are established and may be amended by the County Board of Commissioners. The required contribution is based on projected pay-as-you go financing requirements, with an additional amount to prefund benefits as determined annually by the County Board of Commissioners. For the year ended December 31, 2013, the County contributed $61,972 to the Plan, all of which was to fund current retiree benefits. Retirees receiving benefits contributed $44,097, or approximately 42 percent of the total premiums, through their required contribution of $40 - $465 per month for retiree-only coverage and $232 - $880 for full cost of coverage for retiree and spouse coverage.

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

Notes to Financial Statements

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

Annual required contribution	$ 138,428
Interest on net OPEB obligation	(69,427)
Adjustment to annual required contribution	92,341
Net OPEB cost (expense)	161,342
Contributions made	(61,972)
Change in net OPEB asset (obligation)	(99,370)
Net OPEB asset (obligation), beginning of year	925,691
Net OPEB asset (obligation), end of year	$ 826,321

This amount is presented in the accompanying financial statements as follows:

	Governmental Activities	Business-type Activities	Total
Net OPEB asset	$ 838,409	$ -	$ 838,409
Net OPEB liability	-	(12,088)	(12,088)
Total	$ 838,409	$ (12,088)	$ 826,321

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2013 and the two previous years was as follows:

Year Ended December 31,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB (Obligation) Asset
2011	$ 163,697	53%	$ (243,100)
2012	119,795	1083%	934,920
2013	161,342	38%	826,321

Funded Status and Funding Progress. As of December 31, 2010, the most recent actuarial valuation date, the Plan was 0% funded. The actuarial accrued liability for benefits was $1,018,853, and the County had no assets in trust for future OPEB obligations, resulting in an unfunded actuarial accrued liability (UAAL) of $1,018,853. Subsequent to the date of this valuation, the County made a discretionary contribution to a legally established trust with MERS which is expected to reduce the UAAL in the next valuation.

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

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

In the December 31, 2010 actuarial valuation, the individual entry age actuarial cost method was used. The actuarial assumptions includes: (a) a rate of return on investments of 7.5%; (b) projected salary increases of 4.5% attributable to inflation; (c) additional projected salary increases ranging from 0.3% to 8.4%, depending on age, attributable to seniority/merit; and (d) projected healthcare benefit increases of 4.5% to 9.0%. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the fair value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll over 12 years on an open basis.

Road Commission Discretely Presented Component Unit

Plan Description. The Road Commission provides healthcare benefits to certain employees upon retirement, in accordance with the Road Commission policy. Currently, 20 retirees participate and receive benefits. As of January 1, 2003, the Barry County Road Commission changed its policy for providing hospitalization medical coverage for their retirees. Per the policy in place as of December 31, 2002, the Road Commission provided hospitalization medical coverage and life insurance on a complimentary basis for any employee who retired at age 55 with at least eight years of service. The Road Commission continues to provide life insurance using the same parameters. Two current employees and three retirees were grandfathered in under the previous policy.

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

Funding Policy. Benefits are provided based on requirements of employee contracts and are financed on a pay-as-you-go basis. For the year ended December 31, 2013, the Road Commission expended $110,452 for 20 participants currently eligible to receive benefits.

Notes to Financial Statements

Funding Progress. For the year beginning January 1, 2013, the Road Commission has estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of December 31, 2010. The valuation computes an annual required contribution, which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

Funded Status and Funding Progress. As of December 31, 2010, the most recent actuarial valuation date, the Plan was 0% funded. The actuarial accrued liability for benefits was $1,894,640, and the Road Commission had no assets in trust for future OPEB obligations, resulting in an unfunded actuarial accrued liability (UAAL) of $1,894,640. The covered payroll (annual payroll of active employees covered by the plan) was $1,751,054, and the ratio of the UAAL to the covered payroll was 108 percent. The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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

Annual required contribution	$ 110,452
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Net OPEB cost (expense)	110,452
Contributions made	(110,452)
Change in net OPEB obligation	-
Net OPEB obligation, beginning of year	-
Net OPEB obligation, end of year	$ -

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

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

In the December 31, 2010 actuarial valuation, the unit credit actuarial cost method was used. The actuarial assumption includes a 6.49 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investment, calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 12 percent initially, reduced by decrements to an ultimate rate of 5 percent after ten years. Both rates included a 4.5 percent inflation assumption. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2013, was 21 years.

16. RESTATEMENTS

Beginning net position of the Thornapple Manor enterprise fund and business-type activities were increased by $1,664,732 to correct the balance reported for resident accounts receivable.

For the year ended December 31, 2013, the County determined that the 2012 limited tax, general obligation bonds issued to finance construction of the cottages project at Thornapple Manor were more appropriately presented as a liability of the Thornapple Manor enterprise fund instead of governmental activities. Accordingly, beginning net position of governmental activities was increased by $5,995,065, the net balance of the bonds payable, unamortized bond discount and accrued interest payable at December 31, 2012.

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REQUIRED SUPPLEMENTARY INFORMATION

Required Supplementary Information

MERS Agent Multiple-Employer Defined Benefit Plan
Primary Government

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
12/31/2007	$29,427,062	$40,693,355	$11,266,293	72.3%	$13,845,563	81.4%
12/31/2008	31,660,857	43,736,838	12,075,981	72.4%	14,537,192	83.1%
12/31/2009	34,220,112	46,126,969	11,906,857	74.2%	14,440,472	82.5%
12/31/2010	36,553,096	49,246,224	12,693,128	74.2%	14,818,563	85.7%
12/31/2011	39,122,587	53,060,208	13,937,621	73.7%	14,811,968	94.1%
12/31/2012	41,432,725	55,500,352	14,067,627	74.7%	15,091,952	93.2%

Schedule of Employer Contributions

Year Ended December 31,	Annual Required Contributions	Percentage Contributed
2008	$ 2,213,285	100%
2009	2,372,050	100%
2010	1,955,534	100%
2011	2,395,012	100%
2012	1,856,189	138%
2013	1,835,668	176%

COUNTY OF BARRY, MICHIGAN

Required Supplementary Information

Single Employer Other Postemployment Benefits Plan
Primary Government

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
12/31/2006	$ -	$ 824,444	$ 824,444	0.0%	n/a	n/a
12/31/2008	-	1,459,719	1,459,719	0.0%	n/a	n/a
12/31/2010	-	1,018,853	1,018,853	0.0%	n/a	n/a

Schedule of Employer Contributions

Year Ended December 31,	Annual Required Contributions	Percentage Contributed
2011	$ 168,902	51%
2012	132,596	979%
2013	138,428	45%

Required Supplementary Information

Single Employer Other Postemployment Benefits Plan
Road Commission Component Unit

Schedule of Funding Progress

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

Schedule of Employer Contributions

Year Ended December 31,	Annual Required Contributions	Percentage Contributed
2011	$ 126,307	100%
2012	125,257	100%
2013	110,452	100%

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

COUNTY OF BARRY, MICHIGAN

Combining Balance Sheet

General Fund - By Activity
December 31, 2013

	General Fund	Gypsy Moth	Building Rehab
Assets			
Cash and cash equivalents	$ -	$ 18,837	$ 1,433,704
Investments	6,511,797	-	807,289
Taxes receivable	234,459	-	-
Due from other governments	406,558	2,245	-
Due from other funds	569,606	-	-
Total assets	$ 7,722,420	$ 21,082	$ 2,240,993
Liabilities			
Negative equity in pooled cash and cash equivalents	$ 4,999,274	$ -	$ -
Accounts payable	144,744	-	9,183
Accrued liabilities	291,980	-	-
Total liabilities	5,435,998	-	9,183
Fund balances			
Committed	-	21,082	2,231,810
Unassigned	2,286,422	-	-
Total fund balances	2,286,422	21,082	2,231,810
Total liabilities and fund balances	$ 7,722,420	$ 21,082	$ 2,240,993

Parks and Recreation	Agriculture Preservation	Master Land Use Plan	Adjustments	Total
$ 22,910	$ 3,550	$ 15,565	$ (1,494,566)	$ -
-	-	-	-	7,319,086
-	-	-	-	234,459
-	-	-	-	408,803
-	-	-	-	569,606
$ 22,910	$ 3,550	$ 15,565	$ (1,494,566)	$ 8,531,954
$ -	$ -	$ -	$ (1,494,566)	$ 3,504,708
24	-	-	-	153,951
-	-	-	-	291,980
24	-	-	(1,494,566)	3,950,639
22,886	3,550	15,565	-	2,294,893
-	-	-	-	2,286,422
22,886	3,550	15,565	-	4,581,315
$ 22,910	$ 3,550	$ 15,565	$ (1,494,566)	$ 8,531,954

COUNTY OF BARRY, MICHIGAN

Combining Statement of Revenues, Expenditures

and Changes in Fund Balances - General Fund - By Activity
For the Year Ended December 31, 2013

	General Fund	Gypsy Moth	Building Rehab
Revenues			
Taxes	$ 10,111,898	$ -	$ -
Intergovernmental	2,151,380	-	-
Licenses and permits	134,382	-	-
Charges for services	1,484,713	-	-
Fines and forfeitures	29,256	-	-
Interest and rentals	(170,487)	-	1,613
Other revenues	89,184	-	-
Total revenues	13,830,326	-	1,613
Expenditures			
Current:			
General government	5,150,515	-	-
Public safety	5,287,972	-	-
Public works	-	-	159,310
Health and welfare	957,903	-	-
Community and economic development	327,718	-	-
Recreation and cultural	-	-	-
Other	521,415	-	-
Total expenditures	12,245,523	-	159,310
Revenues over (under) expenditures	1,584,803	-	(157,697)
Other financing sources (uses)			
Transfers in	627,907	-	307,956
Transfers out	(2,212,710)	-	-
Total other financing sources (uses)	(1,584,803)	-	307,956
Net changes in fund balances	-	-	150,259
Fund balances, beginning of year	2,286,422	21,082	2,081,551
Fund balances, end of year	$ 2,286,422	$ 21,082	$ 2,231,810

Parks and Recreation	Agriculture Preservation	Master Land Use Plan	Eliminations	Total
$ -	$ -	$ -	$ -	$ 10,111,898
-	-	-	-	2,151,380
-	-	-	-	134,382
-	-	-	-	1,484,713
-	-	-	-	29,256
-	-	-	-	(168,874)
-	-	-	-	89,184
-	-	-	-	13,831,939
-	-	-	-	5,150,515
-	-	-	-	5,287,972
-	-	-	-	159,310
-	-	-	-	957,903
-	-	-	-	327,718
4,451	-	-	-	4,451
-	-	-	-	521,415
4,451	-	-	-	12,409,284
(4,451)	-	-	-	1,422,655
9,600	-	-	(229,535)	715,928
-	-	-	229,535	(1,983,175)
9,600	-	-	-	(1,267,247)
5,149	-	-	-	155,408
17,737	3,550	15,565	-	4,425,907
$ 22,886	$ 3,550	$ 15,565	$ -	$ 4,581,315

COUNTY OF BARRY, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund - By Activity
For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
General fund:				
Taxes:				
Real and personal property taxes	$ 9,867,650	$ 9,999,542	$ 10,102,422	$ 102,880
Other taxes	9,127	5,161	9,476	4,315
Total taxes	9,876,777	10,004,703	10,111,898	107,195
Intergovernmental:				
Federal grants	205,899	462,131	444,950	(17,181)
State grants	1,576,721	1,707,405	1,706,430	(975)
Local contributions	-	32,875	-	(32,875)
Total intergovernmental	1,782,620	2,202,411	2,151,380	(51,031)
Licenses and permits:				
Gun permits	16,000	28,955	29,145	190
Dog licenses	82,700	65,376	66,123	747
Marriage license fees	6,950	8,685	8,874	189
Planning services	35,000	30,000	30,240	240
Total licenses and permits	140,650	133,016	134,382	1,366
Charges for services:				
Circuit Court	113,525	140,154	142,980	2,826
District Court	421,900	515,547	464,052	(51,495)
Friend of the Court	44,000	50,743	50,651	(92)
Probate Court	21,000	31,312	37,364	6,052
County Treasurer	1,295	3,320	3,244	(76)
County Clerk	71,930	76,615	79,217	2,602
Register of Deeds	200,000	210,524	213,293	2,769
Real estate transfer tax	140,000	196,303	198,876	2,573
Mapping department	27,000	4,000	4,108	108
Juvenile Court	18,100	11,100	11,317	217
Sheriff	82,650	115,732	93,697	(22,035)
Record copying	81,600	107,575	107,672	97
Pay phone commissions	20,000	-	-	-
Other	54,820	76,409	78,242	1,833
Total charges for services	1,297,820	1,539,334	1,484,713	(54,621)

continued...

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund - By Activity
For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues (concluded)				
General fund (concluded):				
Fines and forfeitures:				
Bond forfeitures	$ 5,700	$ 6,500	$ 6,089	$ (411)
Ordinance fines and costs	33,600	22,842	23,167	325
Total fines and forfeitures	39,300	29,342	29,256	(86)
Interest and rentals:				
Interest revenue (loss)	145,020	51,020	(184,887)	(235,907)
Rentals	14,400	14,400	14,400	-
Total interest and rentals	159,420	65,420	(170,487)	(235,907)
Other revenues:				
Reimbursements and refunds	80,138	66,316	73,869	7,553
Other	600	15,112	15,315	203
Total other revenues	80,738	81,428	89,184	7,756
Total general fund	13,377,325	14,055,654	13,830,326	(225,328)
Building rehab fund:				
Interest and rentals:				
Interest revenue	-	-	1,613	1,613
Parks and recreation:				
Other revenues	1,000	1,000	-	(1,000)
Total revenues	13,378,325	14,056,654	13,831,939	(224,715)
Expenditures				
General fund:				
General government:				
Board of commissioners	174,375	174,375	153,293	(21,082)
Trial court	1,566,527	1,566,527	1,428,798	(137,729)
Jury board	11,475	11,475	8,386	(3,089)
Probate court	714,909	714,909	642,861	(72,048)
Adult probation	9,268	9,268	7,868	(1,400)
County administrator	246,978	248,228	242,682	(5,546)
Elections	32,100	32,100	11,947	(20,153)

continued...

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund - By Activity
For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures (continued)				
General fund (continued):				
General government (concluded):				
Legal counsel	$ 48,000	$ 48,000	$ 29,713	$ (18,287)
Clerk	426,006	428,147	398,564	(29,583)
Equalization	173,659	177,469	168,337	(9,132)
Prosecuting attorney	761,787	685,524	669,823	(15,701)
Register of deeds	213,779	214,939	212,917	(2,022)
Land information services	211,702	220,005	218,704	(1,301)
Treasurer	248,849	248,849	229,154	(19,695)
Cooperative extension	105,502	105,802	105,896	94
Courthouse and grounds	479,553	499,585	466,878	(32,707)
Drain commissioner	159,977	159,977	154,694	(5,283)
Total general government	5,584,446	5,545,179	5,150,515	(394,664)
Public safety:				
Sheriff	2,633,629	2,679,939	2,669,713	(10,226)
Secondary road patrol	102,043	102,043	102,149	106
Highway safety grant	-	929	458	(471)
Marine safety	128,008	127,522	120,713	(6,809)
Emergency services	106,789	368,975	359,832	(9,143)
Jail	1,755,959	1,817,025	1,833,595	16,570
Animal control	235,619	217,527	201,512	(16,015)
Total public safety	4,962,047	5,313,960	5,287,972	(25,988)
Health and welfare:				
District health department	400,259	400,259	400,000	(259)
Health department building	112,400	119,541	116,128	(3,413)
Soldiers' and sailors' relief	46,050	66,042	33,062	(32,980)
Medical examiner	105,674	105,674	104,821	(853)
Substance abuse	105,003	159,794	103,375	(56,419)
Veterans' counselor	53,534	33,542	28,317	(5,225)
Veterans' burials	38,581	38,581	17,700	(20,881)
Mental health	154,500	154,500	154,500	-
Total health and welfare	1,016,001	1,077,933	957,903	(120,030)

continued...

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund - By Activity
For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures (concluded)				
General fund (concluded):				
Community and economic development:				
Appropriation to Economic Development Board	$ 63,394	$ 63,394	$ 63,394	$ -
Appropriation to Airport Commission	45,194	45,194	45,194	-
Appropriation to Road Commission	11,334	11,334	11,334	-
Appropriation to Soil Conservation	16,000	16,000	16,000	-
Planning and zoning	212,204	212,204	191,796	(20,408)
Total community and economic development	348,126	348,126	327,718	(20,408)
Other:				
Insurance and bonds	342,729	342,729	332,518	(10,211)
Other	197,728	346,995	188,897	(158,098)
Total other	540,457	689,724	521,415	(168,309)
Total general fund	12,451,077	12,974,922	12,245,523	(729,399)
Building rehab fund:				
Public works	-	309,171	159,310	(149,861)
Parks and recreation fund:				
Recreation and cultural	13,450	13,450	4,451	(8,999)
Total expenditures	12,464,527	13,297,543	12,409,284	(888,259)
Revenues over (under) expenditures	913,798	759,111	1,422,655	663,544
Other financing sources (uses)				
Transfers in:				
General fund	627,907	627,907	627,907	-
Building rehab fund	-	76,560	307,956	231,396
Parks and recreation fund	9,600	9,600	9,600	-
Eliminations	(9,600)	(9,600)	(229,535)	(219,935)
Total transfers in	627,907	704,467	715,928	11,461

continued...

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund - By Activity
For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Other financing sources (uses) (concluded)				
Transfers out:				
General fund	$ (1,554,155)	$ (1,629,168)	$ (2,212,710)	$ (583,542)
Eliminations	9,600	9,600	229,535	219,935
Total transfers out	(1,544,555)	(1,619,568)	(1,983,175)	(363,607)
Total other financing (uses)	(916,648)	(915,101)	(1,267,247)	(352,146)
Net change in fund balance	(2,850)	(155,990)	155,408	311,398
Fund balance, beginning of year	4,425,907	4,425,907	4,425,907	-
Fund balance, end of year	$ 4,423,057	$ 4,269,917	$ 4,581,315	$ 311,398

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COUNTY OF BARRY, MICHIGAN

Combining Balance Sheet

Nonmajor Governmental Funds
December 31, 2013

	Special Revenue	Debt Service	Capital Projects McKeown Bridge Construction
Assets			
Cash and cash equivalents	$ 4,063,719	$ 21,998	$ 9,053
Restricted cash and cash equivalents	-	67,983	-
Investments	281,290	-	-
Accounts receivable	6,487	-	-
Taxes receivable	373,507	-	-
Due from other governments	501,015	-	-
Total assets	$ 5,226,018	$ 89,981	$ 9,053
Liabilities			
Negative equity in pooled cash and cash equivalents	$ 106,294	$ 45,957	$ -
Accounts payable	44,820	-	-
Accrued liabilities	89,434	-	-
Total liabilities	240,548	45,957	-
Deferred inflows of resources			
Property taxes levied for subsequent year	421,973	-	-
Fund balances			
Nonspendable	-	-	-
Restricted	804,195	-	9,053
Committed	3,759,302	44,024	-
Total fund balances	4,563,497	44,024	9,053
Total liabilities, deferred inflows of resources and fund balances	$ 5,226,018	$ 89,981	$ 9,053

Permanent Cemetery Perpetual Care	Totals
$ 80	$ 4,094,850
-	67,983
31,276	312,566
-	6,487
-	373,507
-	501,015
$ 31,356	$ 5,356,408
$ -	$ 152,251
-	44,820
-	89,434
-	286,505
-	421,973
30,925	30,925
431	813,679
-	3,803,326
31,356	4,647,930
$ 31,356	$ 5,356,408

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances - Nonmajor Governmental Funds
For the Year Ended December 31, 2013

	Special Revenue	Debt Service	Capital Projects McKeown Bridge Construction
Revenues			
Taxes	$ 415,615	$ -	$ -
Intergovernmental	2,492,552	-	-
Charges for services	281,310	-	-
Fines and forfeitures	600	-	-
Interest and rentals	974	101	1,122
Other revenues	55,962	4,385	-
Total revenues	3,247,013	4,486	1,122
Expenditures			
Current:			
General government	1,656,951	-	-
Public safety	374,042	-	-
Public works	43,715	-	-
Health and welfare	1,410,792	-	-
Recreation and cultural	598,687	-	-
Debt service:			
Principal	-	50,000	-
Interest expense	-	31,888	-
Capital outlay	40,772	-	843,776
Total expenditures	4,124,959	81,888	843,776
Revenues over (under) expenditures	(877,946)	(77,402)	(842,654)
Other financing sources (uses)			
Proceeds on sale of capital assets	13,673	-	-
Transfers in	960,592	82,713	-
Transfers out	(88,021)	-	-
Total other financing sources (uses)	886,244	82,713	-
Net changes in fund balances	8,298	5,311	(842,654)
Fund balances, beginning of year	4,555,199	38,713	851,707
Fund balances, end of year	$ 4,563,497	$ 44,024	$ 9,053

Permanent Cemetery Perpetual Care	Totals
$ -	$ 415,615
-	2,492,552
-	281,310
-	600
70	2,267
-	60,347
70	3,252,691
-	1,656,951
-	374,042
-	43,715
-	1,410,792
-	598,687
-	50,000
-	31,888
-	884,548
-	5,050,623
70	(1,797,932)
-	13,673
-	1,043,305
-	(88,021)
-	968,957
70	(828,975)
31,286	5,476,905
$ 31,356	$ 4,647,930

COUNTY OF BARRY, MICHIGAN

Combining Balance Sheet

Nonmajor Special Revenue Funds
December 31, 2013

	Charlton Park	Friend of the Court	Local Corrections Officer Training
Assets			
Cash and cash equivalents	$ 61,162	$ 552,877	$ 38,047
Investments	115,788	-	-
Accounts receivable	-	-	-
Taxes receivable	373,507	-	-
Due from other governments	-	161,806	-
Total assets	$ 550,457	$ 714,683	$ 38,047
Liabilities			
Negative equity in pooled cash and cash equivalents	$ -	$ -	$ -
Accounts payable	3,392	4,330	495
Accrued liabilities	13,413	36,638	-
Total liabilities	16,805	40,968	495
Deferred inflows of resources			
Property taxes levied for subsequent year	421,973	-	-
Fund balances			
Restricted	111,679	-	37,552
Committed	-	673,715	-
Total fund balances	111,679	673,715	37,552
Total liabilities, deferred inflows of resources and fund balances	$ 550,457	$ 714,683	$ 38,047

Solid Waste	C SNIP Donation	Animal Shelter Donation	Community Resource Network	Healthy Start	Remonu-mentation
$ 160,770	$ 1,921	$ 120,383	$ 7,601	$ 718	$ -
-	-	-	5,258	-	-
6,487	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	29,562
$ 167,257	$ 1,921	$ 120,383	$ 12,859	$ 718	$ 29,562
$ -	$ -	$ -	$ -	$ -	$ 6,334
129	-	-	-	-	536
-	-	-	-	-	-
129	-	-	-	-	6,870
-	-	-	-	-	-
-	1,921	120,383	12,859	718	-
167,128	-	-	-	-	22,692
167,128	1,921	120,383	12,859	718	22,692
$ 167,257	$ 1,921	$ 120,383	$ 12,859	$ 718	$ 29,562

continued...

COUNTY OF BARRY, MICHIGAN

Combining Balance Sheet

Nonmajor Special Revenue Funds
December 31, 2013

	Register of Deeds Automation	Victim Services Unit	School Liason
Assets			
Cash and cash equivalents	$ 19,927	$ 272	$ 87,927
Investments	83,415	11,835	-
Accounts receivable	-	-	-
Taxes receivable	-	-	-
Due from other governments	-	-	(2,875)
Total assets	$ 103,342	$ 12,107	$ 85,052
Liabilities			
Negative equity in pooled cash and cash equivalents	$ -	$ -	$ -
Accounts payable	-	1,102	-
Accrued liabilities	-	-	-
Total liabilities	-	1,102	-
Deferred inflows of resources			
Property taxes levied for subsequent year	-	-	-
Fund balances			
Restricted	103,342	11,005	-
Committed	-	-	85,052
Total fund balances	103,342	11,005	85,052
Total liabilities, deferred inflows of resources and fund balances	$ 103,342	$ 12,107	$ 85,052

Drug Law Enforcement	Special Investigation	Crime Victims' Rights Week	Law Library	CDBG Housing	Middleville Police Services
$ 120	$ 480	$ 17,792	$ 10,476	$ 5,792	$ -
-	7,261	-	-	1,697	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	13,124	-	-	30,040
$ 120	$ 7,741	$ 30,916	$ 10,476	$ 7,489	$ 30,040
$ -	$ -	$ -	$ -	$ -	$ 11,857
-	-	-	-	-	1,189
-	-	2,003	-	-	10,898
-	-	2,003	-	-	23,944
-	-	-	-	-	-
120	-	28,913	-	7,489	-
-	7,741	-	10,476	-	6,096
120	7,741	28,913	10,476	7,489	6,096
$ 120	$ 7,741	$ 30,916	$ 10,476	$ 7,489	$ 30,040

continued...

COUNTY OF BARRY, MICHIGAN

Combining Balance Sheet

Nonmajor Special Revenue Funds
December 31, 2013

	MSHDA Home Grant	Community Corrections	Adult Drug Court
Assets			
Cash and cash equivalents	$ -	$ -	$ 173,313
Investments	-	-	-
Accounts receivable	-	-	-
Taxes receivable	-	-	-
Due from other governments	-	10,223	18,663
Total assets	$ -	$ 10,223	$ 191,976
Liabilities			
Negative equity in pooled cash and cash equivalents	$ -	$ 1,280	$ -
Accounts payable	-	-	35
Accrued liabilities	-	2,126	4,291
Total liabilities	-	3,406	4,326
Deferred inflows of resources			
Property taxes levied for subsequent year	-	-	-
Fund balances			
Restricted	-	-	-
Committed	-	6,817	187,650
Total fund balances	-	6,817	187,650
Total liabilities, deferred inflows of resources and fund balances	$ -	$ 10,223	$ 191,976

Juvenile Drug Court	Michigan Justice Training	56B Sobriety Court	Social Welfare	Child Care	Veterans' Trust
$ 515,860	$ 13,689	$ -	$ 35,248	$ 2,016,896	$ 4,443
-	-	-	56,036	-	-
-	-	-	-	-	-
-	-	-	-	-	-
32,035	-	32,180	-	98,866	-
$ 547,895	$ 13,689	$ 32,180	$ 91,284	$ 2,115,762	$ 4,443
$ -	$ -	$ 16,427	$ -	$ -	$ -
-	-	11,133	-	18,804	-
3,318	-	340	-	12,644	-
3,318	-	27,900	-	31,448	-
-	-	-	-	-	-
130,740	13,689	4,280	-	-	4,443
413,837	-	-	91,284	2,084,314	-
544,577	13,689	4,280	91,284	2,084,314	4,443
$ 547,895	$ 13,689	$ 32,180	$ 91,284	$ 2,115,762	$ 4,443

continued...

COUNTY OF BARRY, MICHIGAN

Combining Balance Sheet

Nonmajor Special Revenue Funds
December 31, 2013

	Sure and Swift Program	Diverted Felons	Bench Warrant	Total
Assets				
Cash and cash equivalents	$ -	$ 216,645	$ 1,360	$ 4,063,719
Investments	-	-	-	281,290
Accounts receivable	-	-	-	6,487
Taxes receivable	-	-	-	373,507
Due from other governments	77,391	-	-	501,015
Total assets	$ 77,391	$ 216,645	$ 1,360	$ 5,226,018
Liabilities				
Negative equity in pooled cash and cash equivalents	$ 70,396	$ -	$ -	$ 106,294
Accounts payable	-	3,675	-	44,820
Accrued liabilities	3,763	-	-	89,434
Total liabilities	74,159	3,675	-	240,548
Deferred inflows of resources				
Property taxes levied for subsequent year	-	-	-	421,973
Fund balances				
Restricted	732	212,970	1,360	804,195
Committed	2,500	-	-	3,759,302
Total fund balances	3,232	212,970	1,360	4,563,497
Total liabilities, deferred inflows of resources and fund balances	$ 77,391	$ 216,645	$ 1,360	$ 5,226,018

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COUNTY OF BARRY, MICHIGAN

Combining Statement of Revenues, Expenditures

and Changes in Fund Balances - Nonmajor Special Revenue Funds
For the Year Ended December 31, 2013

	Charlton Park	Friend of the Court	Local Corrections Officer Training
Revenues			
Taxes	$ 415,615	$ -	$ -
Intergovernmental	20,017	720,031	-
Charges for services	131,302	16,462	11,238
Fines and forfeitures	-	-	-
Interest and rentals	-	-	-
Other revenues	-	32	-
Total revenues	566,934	736,525	11,238
Expenditures			
Current:			
General government	-	910,419	-
Public safety	-	-	14,123
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	598,687	-	-
Capital outlay	-	-	-
Total expenditures	598,687	910,419	14,123
Revenues over (under) expenditures	(31,753)	(173,894)	(2,885)
Other financing sources (uses)			
Proceeds on sale of capital assets	13,673	-	-
Transfers in	-	323,460	-
Transfers out	(11,461)	-	-
Total other financing sources (uses)	2,212	323,460	-
Net changes in fund balances	(29,541)	149,566	(2,885)
Fund balances, beginning of year	141,220	524,149	40,437
Fund balances, end of year	$ 111,679	$ 673,715	$ 37,552

Solid Waste	C SNIP Donation	Animal Shelter Donation	Community Resource Network	Healthy Start	Remonu-mentation
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	6,060	6,473	49,280
26,670	-	-	-	-	-
-	-	-	-	-	-
-	-	385	10	-	400
28,064	-	18,109	-	-	-
54,734	-	18,494	6,070	6,473	49,680
-	-	-	-	-	66,748
-	-	-	-	-	-
43,715	-	-	-	-	-
-	797	74,087	10,205	13,369	-
-	-	-	-	-	-
-	-	9,240	-	-	-
43,715	797	83,327	10,205	13,369	66,748
11,019	(797)	(64,833)	(4,135)	(6,896)	(17,068)
-	-	-	-	-	-
1,063	-	-	-	-	22,414
-	-	-	-	-	-
1,063	-	-	-	-	22,414
12,082	(797)	(64,833)	(4,135)	(6,896)	5,346
155,046	2,718	185,216	16,994	7,614	17,346
$ 167,128	$ 1,921	$ 120,383	$ 12,859	$ 718	$ 22,692

continued...

COUNTY OF BARRY, MICHIGAN

Combining Statement of Revenues, Expenditures

and Changes in Fund Balances - Nonmajor Special Revenue Funds
For the Year Ended December 31, 2013

	Register of Deeds Automation	Victim Services Unit	School Liason
Revenues			
Taxes	$ -	$ -	$ -
Intergovernmental	-	1,100	30,000
Charges for services	64,397	-	-
Fines and forfeitures	-	-	-
Interest and rentals	54	25	-
Other revenues	-	250	875
Total revenues	64,451	1,375	30,875
Expenditures			
Current:			
General government	-	-	-
Public safety	-	3,829	-
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Capital outlay	31,532	-	-
Total expenditures	31,532	3,829	-
Revenues over (under) expenditures	32,919	(2,454)	30,875
Other financing sources (uses)			
Proceeds on sale of capital assets	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net changes in fund balances	32,919	(2,454)	30,875
Fund balances, beginning of year	70,423	13,459	54,177
Fund balances, end of year	$ 103,342	$ 11,005	$ 85,052

Drug Law Enforcement	Special Investigation	Crime Victims' Rights Week	Law Library	CDBG Housing	Middleville Police Services
$ -	$ -	$ -	$ -	$ -	$ -
-	-	48,448	6,500	179,864	267,361
-	-	-	-	4,924	-
120	480	-	-	-	-
-	6	-	-	1	-
-	-	-	-	-	-
120	486	48,448	6,500	184,789	267,361
-	-	50,636	19,091	-	-
-	-	-	-	-	272,541
-	-	-	-	-	-
-	-	-	-	184,434	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	50,636	19,091	184,434	272,541
120	486	(2,188)	(12,591)	355	(5,180)
-	-	-	-	-	-
-	-	-	11,500	-	-
-	-	-	-	-	-
-	-	-	11,500	-	-
120	486	(2,188)	(1,091)	355	(5,180)
-	7,255	31,101	11,567	7,134	11,276
$ 120	$ 7,741	$ 28,913	$ 10,476	$ 7,489	$ 6,096

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COUNTY OF BARRY, MICHIGAN

Combining Statement of Revenues, Expenditures

and Changes in Fund Balances - Nonmajor Special Revenue Funds
For the Year Ended December 31, 2013

	MSHDA Home Grant	Community Corrections	Adult Drug Court
Revenues			
Taxes	$ -	$ -	$ -
Intergovernmental	58,458	78,947	95,299
Charges for services	-	-	22,142
Fines and forfeitures	-	-	-
Interest and rentals	-	-	-
Other revenues	-	-	-
Total revenues	58,458	78,947	117,441
Expenditures			
Current:			
General government	-	-	126,528
Public safety	-	77,975	-
Public works	-	-	-
Health and welfare	58,458	-	-
Recreation and cultural	-	-	-
Capital outlay	-	-	-
Total expenditures	58,458	77,975	126,528
Revenues over (under) expenditures	-	972	(9,087)
Other financing sources (uses)			
Proceeds on sale of capital assets	-	-	-
Transfers in	-	-	78,400
Transfers out	-	-	-
Total other financing sources (uses)	-	-	78,400
Net changes in fund balances	-	972	69,313
Fund balances, beginning of year	-	5,845	118,337
Fund balances, end of year	$ -	$ 6,817	$ 187,650

Juvenile Drug Court	Michigan Justice Training	56B Sobriety Court	Social Welfare	Child Care	Veterans' Trust
$ -	$ -	$ -	$ -	$ -	$ -
131,090	5,416	58,010	-	484,914	3,308
-	-	4,175	-	-	-
-	-	-	-	-	-
-	-	-	93	-	-
-	-	-	-	-	-
131,090	5,416	62,185	93	484,914	3,308
97,756	-	57,905	-	-	-
-	5,574	-	-	-	-
-	-	-	-	-	-
-	-	-	97,005	972,437	-
-	-	-	-	-	-
-	-	-	-	-	-
97,756	5,574	57,905	97,005	972,437	-
33,334	(158)	4,280	(96,912)	(487,523)	3,308
-	-	-	-	-	-
42,338	-	-	8,330	470,587	-
-	-	-	-	-	-
42,338	-	-	8,330	470,587	-
75,672	(158)	4,280	(88,582)	(16,936)	3,308
468,905	13,847	-	179,866	2,101,250	1,135
$ 544,577	$ 13,689	$ 4,280	$ 91,284	$ 2,084,314	$ 4,443

continued...

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances - Nonmajor Special Revenue Funds
For the Year Ended December 31, 2013

	Sure and Swift Program	Diverted Felons	Bench Warrant	Total
Revenues				
Taxes	$ -	$ -	$ -	$ 415,615
Intergovernmental	124,611	117,365	-	2,492,552
Charges for services	-	-	-	281,310
Fines and forfeitures	-	-	-	600
Interest and rentals	-	-	-	974
Other revenues	-	8,632	-	55,962
Total revenues	124,611	125,997	-	3,247,013
Expenditures				
Current:				
General government	124,594	203,274	-	1,656,951
Public safety	-	-	-	374,042
Public works	-	-	-	43,715
Health and welfare	-	-	-	1,410,792
Recreation and cultural	-	-	-	598,687
Capital outlay	-	-	-	40,772
Total expenditures	124,594	203,274	-	4,124,959
Revenues over (under) expenditures	17	(77,277)	-	(877,946)
Other financing sources (uses)				
Proceeds on sale of capital assets	-	-	-	13,673
Transfers in	2,500	-	-	960,592
Transfers out	-	(76,560)	-	(88,021)
Total other financing sources (uses)	2,500	(76,560)	-	886,244
Net changes in fund balances	2,517	(153,837)	-	8,298
Fund balances, beginning of year	715	366,807	1,360	4,555,199
Fund balances, end of year	$ 3,232	$ 212,970	$ 1,360	$ 4,563,497

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COUNTY OF BARRY, MICHIGAN

Schedule of Revenues, Expenditures

and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2013

	Charlton Park		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues			
Taxes	$ 410,500	$ 415,615	$ 5,115
Intergovernmental	25,000	20,017	(4,983)
Charges for services	130,450	131,302	852
Fines and forfeitures	-	-	-
Interest and rentals	-	-	-
Other revenues	-	-	-
Total revenues	565,950	566,934	984
Expenditures			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	608,775	598,687	(10,088)
Capital outlay	-	-	-
Total expenditures	608,775	598,687	(10,088)
Revenues over (under) expenditures	(42,825)	(31,753)	11,072
Other financing sources (uses)			
Proceeds on sale of capital assets	7,600	13,673	6,073
Transfers in	-	-	-
Transfers out	(11,461)	(11,461)	-
Total other financing sources (uses)	(3,861)	2,212	6,073
Net changes in fund balances	(46,686)	(29,541)	17,145
Fund balances, beginning of year	141,220	141,220	-
Fund balances, end of year	$ 94,534	$ 111,679	$ 17,145

Friend of the Court			Local Corrections Officer Training		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
$ -	$ -	$ -	$ -	$ -	$ -
605,000	720,031	115,031	-	-	-
20,000	16,462	(3,538)	12,260	11,238	(1,022)
-	-	-	-	-	-
-	-	-	-	-	-
1,000	32	(968)	-	-	-
626,000	736,525	110,525	12,260	11,238	(1,022)
995,480	910,419	(85,061)	-	-	-
-	-	-	16,628	14,123	(2,505)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
300	-	(300)	-	-	-
995,780	910,419	(85,361)	16,628	14,123	(2,505)
(369,780)	(173,894)	195,886	(4,368)	(2,885)	1,483
-	-	-	-	-	-
399,723	323,460	(76,263)	-	-	-
-	-	-	-	-	-
399,723	323,460	(76,263)	-	-	-
29,943	149,566	119,623	(4,368)	(2,885)	1,483
524,149	524,149	-	40,437	40,437	-
$ 554,092	$ 673,715	$ 119,623	$ 36,069	$ 37,552	$ 1,483

continued...

COUNTY OF BARRY, MICHIGAN

Schedule of Revenues, Expenditures

and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2013

	Solid Waste		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues			
Taxes	$ -	$ -	$ -
Intergovernmental	-	-	-
Charges for services	47,000	26,670	(20,330)
Fines and forfeitures	-	-	-
Interest and rentals	-	-	-
Other revenues	2,500	28,064	25,564
Total revenues	49,500	54,734	5,234
Expenditures			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	81,400	43,715	(37,685)
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Capital outlay	-	-	-
Total expenditures	81,400	43,715	(37,685)
Revenues over (under) expenditures	(31,900)	11,019	42,919
Other financing sources (uses)			
Proceeds on sale of capital assets	-	-	-
Transfers in	1,063	1,063	-
Transfers out	-	-	-
Total other financing sources (uses)	1,063	1,063	-
Net changes in fund balances	(30,837)	12,082	42,919
Fund balances, beginning of year	155,046	155,046	-
Fund balances, end of year	$ 124,209	$ 167,128	$ 42,919

C SNIP Donation			Animal Shelter Donation		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	500	385	(115)
-	-	-	21,448	18,109	(3,339)
-	-	-	21,948	18,494	(3,454)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,150	797	(1,353)	76,910	74,087	(2,823)
-	-	-	-	-	-
-	-	-	6,100	9,240	3,140
2,150	797	(1,353)	83,010	83,327	317
(2,150)	(797)	1,353	(61,062)	(64,833)	(3,771)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(2,150)	(797)	1,353	(61,062)	(64,833)	(3,771)
2,718	2,718	-	185,216	185,216	-
$ 568	$ 1,921	$ 1,353	$ 124,154	$ 120,383	$ (3,771)

continued...

COUNTY OF BARRY, MICHIGAN

Schedule of Revenues, Expenditures

and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2013

	Community Resource Network		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues			
Taxes	$ -	$ -	$ -
Intergovernmental	2,860	6,060	3,200
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest and rentals	12	10	(2)
Other revenues	-	-	-
Total revenues	2,872	6,070	3,198
Expenditures			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	12,500	10,205	(2,295)
Recreation and cultural	-	-	-
Capital outlay	-	-	-
Total expenditures	12,500	10,205	(2,295)
Revenues over (under) expenditures	(9,628)	(4,135)	5,493
Other financing sources (uses)			
Proceeds on sale of capital assets	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net changes in fund balances	(9,628)	(4,135)	5,493
Fund balances, beginning of year	16,994	16,994	-
Fund balances, end of year	$ 7,366	$ 12,859	$ 5,493

Healthy Start			Remonumentation		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
$ -	$ -	$ -	$ -	$ -	$ -
15,000	6,473	(8,527)	49,956	49,280	(676)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	400	400	-
-	-	-	-	-	-
15,000	6,473	(8,527)	50,356	49,680	(676)
-	-	-	71,020	66,748	(4,272)
-	-	-	-	-	-
-	-	-	-	-	-
15,000	13,369	(1,631)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
15,000	13,369	(1,631)	71,020	66,748	(4,272)
-	(6,896)	(6,896)	(20,664)	(17,068)	3,596
-	-	-	-	-	-
-	-	-	22,414	22,414	-
-	-	-	-	-	-
-	-	-	22,414	22,414	-
-	(6,896)	(6,896)	1,750	5,346	3,596
7,614	7,614	-	17,346	17,346	-
$ 7,614	$ 718	$ (6,896)	$ 19,096	$ 22,692	$ 3,596

continued...

COUNTY OF BARRY, MICHIGAN

Schedule of Revenues, Expenditures
and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2013

	Register of Deeds Automation		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues			
Taxes	$ -	$ -	$ -
Intergovernmental	-	-	-
Charges for services	78,000	64,397	(13,603)
Fines and forfeitures	-	-	-
Interest and rentals	-	54	54
Other revenues	-	-	-
Total revenues	78,000	64,451	(13,549)
Expenditures			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Capital outlay	77,880	31,532	(46,348)
Total expenditures	77,880	31,532	(46,348)
Revenues over (under) expenditures	120	32,919	32,799
Other financing sources (uses)			
Proceeds on sale of capital assets	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net changes in fund balances	120	32,919	32,799
Fund balances, beginning of year	70,423	70,423	-
Fund balances, end of year	$ 70,543	$ 103,342	$ 32,799

Victim Services Unit			School Liaison		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
$ -	$ -	$ -	$ -	$ -	$ -
2,000	1,100	(900)	-	30,000	30,000
-	-	-	-	-	-
-	-	-	-	-	-
50	25	(25)	-	-	-
350	250	(100)	-	875	875
2,400	1,375	(1,025)	-	30,875	30,875
-	-	-	-	-	-
3,700	3,829	129	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,700	3,829	129	-	-	-
(1,300)	(2,454)	(1,154)	-	30,875	30,875
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(1,300)	(2,454)	(1,154)	-	30,875	30,875
13,459	13,459	-	54,177	54,177	-
$ 12,159	$ 11,005	$ (1,154)	$ 54,177	$ 85,052	$ 30,875

continued...

COUNTY OF BARRY, MICHIGAN

Schedule of Revenues, Expenditures

and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2013

	Drug Law Enforcement		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues			
Taxes	$ -	$ -	$ -
Intergovernmental	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	120	120
Interest and rentals	-	-	-
Other revenues	-	-	-
Total revenues	-	120	120
Expenditures			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Capital outlay	-	-	-
Total expenditures	-	-	-
Revenues over (under) expenditures	-	120	120
Other financing sources (uses)			
Proceeds on sale of capital assets	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net changes in fund balances	-	120	120
Fund balances, beginning of year	-	-	-
Fund balances, end of year	$ -	$ 120	$ 120

Special Investigation			Crime Victims' Rights Week		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	47,826	48,448	622
-	-	-	-	-	-
600	480	(120)	-	-	-
18	6	(12)	-	-	-
-	-	-	-	-	-
618	486	(132)	47,826	48,448	622
-	-	-	51,365	50,636	(729)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	51,365	50,636	(729)
618	486	(132)	(3,539)	(2,188)	1,351
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
618	486	(132)	(3,539)	(2,188)	1,351
7,255	7,255	-	31,101	31,101	-
$ 7,873	$ 7,741	$ (132)	$ 27,562	$ 28,913	$ 1,351

continued...

COUNTY OF BARRY, MICHIGAN

Schedule of Revenues, Expenditures

and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2013

	Law Library		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues			
Taxes	$ -	$ -	$ -
Intergovernmental	6,500	6,500	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest and rentals	-	-	-
Other revenues	-	-	-
Total revenues	6,500	6,500	-
Expenditures			
Current:			
General government	21,592	19,091	(2,501)
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Capital outlay	-	-	-
Total expenditures	21,592	19,091	(2,501)
Revenues over (under) expenditures	(15,092)	(12,591)	2,501
Other financing sources (uses)			
Proceeds on sale of capital assets	-	-	-
Transfers in	11,500	11,500	-
Transfers out	-	-	-
Total other financing sources (uses)	11,500	11,500	-
Net changes in fund balances	(3,592)	(1,091)	2,501
Fund balances, beginning of year	11,567	11,567	-
Fund balances, end of year	$ 7,975	$ 10,476	$ 2,501

CDBG Housing			Middleville Police Services		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
$ -	$ -	$ -	$ -	$ -	$ -
181,701	179,864	(1,837)	281,750	267,361	(14,389)
10,000	4,924	(5,076)	-	-	-
-	-	-	-	-	-
-	1	1	-	-	-
-	-	-	-	-	-
191,701	184,789	(6,912)	281,750	267,361	(14,389)
-	-	-	-	-	-
-	-	-	281,750	272,541	(9,209)
-	-	-	-	-	-
191,701	184,434	(7,267)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
191,701	184,434	(7,267)	281,750	272,541	(9,209)
-	355	355	-	(5,180)	(5,180)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	355	355	-	(5,180)	(5,180)
7,134	7,134	-	11,276	11,276	-
$ 7,134	$ 7,489	$ 355	$ 11,276	$ 6,096	$ (5,180)

continued...

COUNTY OF BARRY, MICHIGAN

Schedule of Revenues, Expenditures

and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2013

	MSHDA Home Grant		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues			
Taxes	$ -	$ -	$ -
Intergovernmental	74,556	58,458	(16,098)
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest and rentals	-	-	-
Other revenues	-	-	-
Total revenues	74,556	58,458	(16,098)
Expenditures			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	74,556	58,458	(16,098)
Recreation and cultural	-	-	-
Capital outlay	-	-	-
Total expenditures	74,556	58,458	(16,098)
Revenues over (under) expenditures	-	-	-
Other financing sources (uses)			
Proceeds on sale of capital assets	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net changes in fund balances	-	-	-
Fund balances, beginning of year	-	-	-
Fund balances, end of year	$ -	$ -	$ -

Community Corrections			Adult Drug Court		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
$ -	$ -	$ -	$ -	$ -	$ -
97,038	78,947	(18,091)	80,000	95,299	15,299
-	-	-	13,000	22,142	9,142
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
97,038	78,947	(18,091)	93,000	117,441	24,441
-	-	-	166,626	126,528	(40,098)
97,038	77,975	(19,063)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
97,038	77,975	(19,063)	166,626	126,528	(40,098)
-	972	972	(73,626)	(9,087)	64,539
-	-	-	-	-	-
-	-	-	78,400	78,400	-
-	-	-	-	-	-
-	-	-	78,400	78,400	-
-	972	972	4,774	69,313	64,539
5,845	5,845	-	118,337	118,337	-
$ 5,845	$ 6,817	$ 972	$ 123,111	$ 187,650	$ 64,539

continued...

COUNTY OF BARRY, MICHIGAN

Schedule of Revenues, Expenditures

and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2013

	Juvenile Drug Court		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues			
Taxes	$ -	$ -	$ -
Intergovernmental	104,337	131,090	26,753
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest and rentals	-	-	-
Other revenues	-	-	-
Total revenues	104,337	131,090	26,753
Expenditures			
Current:			
General government	155,760	97,756	(58,004)
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Capital outlay	-	-	-
Total expenditures	155,760	97,756	(58,004)
Revenues over (under) expenditures	(51,423)	33,334	84,757
Other financing sources (uses)			
Proceeds on sale of capital assets	-	-	-
Transfers in	42,338	42,338	-
Transfers out	-	-	-
Total other financing sources (uses)	42,338	42,338	-
Net changes in fund balances	(9,085)	75,672	84,757
Fund balances, beginning of year	468,905	468,905	-
Fund balances, end of year	$ 459,820	$ 544,577	$ 84,757

Michigan Justice Training			56B Sobriety Court		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
$ -	$ -	$ -	$ -	$ -	$ -
6,500	5,416	(1,084)	60,000	58,010	(1,990)
-	-	-	-	4,175	4,175
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
6,500	5,416	(1,084)	60,000	62,185	2,185
-	-	-	60,000	57,905	(2,095)
6,500	5,574	(926)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
6,500	5,574	(926)	60,000	57,905	(2,095)
-	(158)	(158)	-	4,280	4,280
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	(158)	(158)	-	4,280	4,280
13,847	13,847	-	-	-	-
$ 13,847	$ 13,689	$ (158)	$ -	$ 4,280	$ 4,280

continued...

COUNTY OF BARRY, MICHIGAN

Schedule of Revenues, Expenditures

and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2013

	Social Welfare		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues			
Taxes	$ -	$ -	$ -
Intergovernmental	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest and rentals	-	93	93
Other revenues	-	-	-
Total revenues	-	93	93
Expenditures			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	98,330	97,005	(1,325)
Recreation and cultural	-	-	-
Capital outlay	-	-	-
Total expenditures	98,330	97,005	(1,325)
Revenues over (under) expenditures	(98,330)	(96,912)	1,418
Other financing sources (uses)			
Proceeds on sale of capital assets	-	-	-
Transfers in	8,330	8,330	-
Transfers out	-	-	-
Total other financing sources (uses)	8,330	8,330	-
Net changes in fund balances	(90,000)	(88,582)	1,418
Fund balances, beginning of year	179,866	179,866	-
Fund balances, end of year	$ 89,866	$ 91,284	$ 1,418

Child Care			Veterans' Trust		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
$ -	$ -	$ -	$ -	$ -	$ -
471,814	484,914	13,100	-	3,308	3,308
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
471,814	484,914	13,100	-	3,308	3,308
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,107,905	972,437	(135,468)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,107,905	972,437	(135,468)	-	-	-
(636,091)	(487,523)	148,568	-	3,308	3,308
-	-	-	-	-	-
470,587	470,587	-	-	-	-
-	-	-	-	-	-
470,587	470,587	-	-	-	-
(165,504)	(16,936)	148,568	-	3,308	3,308
2,101,250	2,101,250	-	1,135	1,135	-
$ 1,935,746	$ 2,084,314	$ 148,568	$ 1,135	$ 4,443	$ 3,308

continued...

COUNTY OF BARRY, MICHIGAN

Schedule of Revenues, Expenditures

and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2013

	Swift and Sure Program		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues			
Taxes	$ -	$ -	$ -
Intergovernmental	194,034	124,611	(69,423)
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Other revenues	-	-	-
	-	-	-
Total revenues	194,034	124,611	(69,423)
Expenditures			
Current:			
General government	196,527	124,594	(71,933)
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Capital outlay	-	-	-
Total expenditures	196,527	124,594	(71,933)
Revenues over (under) expenditures	(2,493)	17	2,510
Other financing sources (uses)			
Proceeds on sale of capital assets	-	-	-
Transfers in	2,500	2,500	-
Transfers out	-	-	-
Total other financing sources (uses)	2,500	2,500	-
Net changes in fund balances	7	2,517	2,510
Fund balances, beginning of year	715	715	-
Fund balances, end of year	$ 722	$ 3,232	$ 2,510

Diverted Felons			Bench Warrant		
Final Budget	Actual	Actual Over (Under) Final Budget	Final Budget	Actual	Actual Over (Under) Final Budget
$ -	$ -	$ -	$ -	$ -	$ -
110,000	117,365	7,365	1,100	-	(1,100)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
13,584	8,632	(4,952)	-	-	-
123,584	125,997	2,413	1,100	-	(1,100)
115,000	203,274	88,274	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
145,853	-	(145,853)	-	-	-
260,853	203,274	(57,579)	-	-	-
(137,269)	(77,277)	59,992	1,100	-	(1,100)
-	-	-	-	-	-
-	-	-	-	-	-
(76,560)	(76,560)	-	-	-	-
(76,560)	(76,560)	-	-	-	-
(213,829)	(153,837)	59,992	1,100	-	(1,100)
366,807	366,807	-	1,360	1,360	-
$ 152,978	$ 212,970	$ 59,992	$ 2,460	$ 1,360	$ (1,100)

continued...

COUNTY OF BARRY, MICHIGAN

Schedule of Revenues, Expenditures

and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2013

	Total		
	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues			
Taxes	$ 410,500	$ 415,615	$ 5,115
Intergovernmental	2,416,972	2,492,552	75,580
Charges for services	310,710	281,310	(29,400)
Fines and forfeitures	600	600	-
Interest and rentals	980	974	(6)
Other revenues	38,882	55,962	17,080
Total revenues	3,178,644	3,247,013	68,369
Expenditures			
Current:			
General government	1,833,370	1,656,951	(176,419)
Public safety	405,616	374,042	(31,574)
Public works	81,400	43,715	(37,685)
Health and welfare	1,579,052	1,410,792	(168,260)
Recreation and cultural	608,775	598,687	(10,088)
Capital outlay	230,133	40,772	(189,361)
Total expenditures	4,738,346	4,124,959	(613,387)
Revenues over (under) expenditures	(1,559,702)	(877,946)	681,756
Other financing sources (uses)			
Proceeds on sale of capital assets	7,600	13,673	6,073
Transfers in	1,036,855	960,592	(76,263)
Transfers out	(88,021)	(88,021)	-
Total other financing sources (uses)	956,434	886,244	(70,190)
Net changes in fund balances	(603,268)	8,298	611,566
Fund balances, beginning of year	4,555,199	4,555,199	-
Fund balances, end of year	$ 3,951,931	$ 4,563,497	$ 611,566

concluded

COUNTY OF BARRY, MICHIGAN

Combining Balance Sheet

Nonmajor Debt Service Funds
December 31, 2013

	Building Authority			
	Friend of the Court Renovation	Courts and Law	Thornapple Manor 2012 Bonds	Total
Assets				
Cash and cash equivalents	$ 18,113	$ -	$ 3,885	$ 21,998
Restricted cash and cash equivalents	-	67,983	-	67,983
Total assets	$ 18,113	$ 67,983	$ 3,885	$ 89,981
Liabilities				
Negative equity in pooled cash and cash equivalents	$ -	$ 45,957	$ -	$ 45,957
Fund balances				
Committed	18,113	22,026	3,885	44,024
Total liabilities and fund balances	$ 18,113	$ 67,983	$ 3,885	$ 89,981

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances - Nonmajor Debt Service Funds
For the Year Ended December 31, 2013

	Building Authority			
	Friend of the Court Renovation	Courts and Law	Thornapple Manor 2012 Bonds	Total
Revenues				
Interest	$ -	$ 101	$ -	$ 101
Other revenues	-	-	4,385	4,385
Total revenues	-	101	4,385	4,486
Expenditures				
Debt service:				
Principal	50,000	-	-	50,000
Interest expense	31,388	-	500	31,888
Total expenditures	81,388	-	500	81,888
Revenues over (under) expenditures	(81,388)	101	3,885	(77,402)
Other financing sources				
Transfers in	82,713	-	-	82,713
Net changes in fund balances	1,325	101	3,885	5,311
Fund balances, beginning of year	16,788	21,925	-	38,713
Fund balances, end of year	$ 18,113	$ 22,026	$ 3,885	$ 44,024

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COUNTY OF BARRY, MICHIGAN

Combining Balance Sheet

Nonmajor Capital Projects Funds
December 31, 2013

	McKeown McKeown Bridge Construction	Building Authority Thornapple Manor	Total
Assets			
Cash and cash equivalents	$ 8,721	$ 332	$ 9,053
Liabilities			
Accounts payable	$ -	$ -	$ -
Fund balances			
Restricted	8,721	332	9,053
Total liabilities and fund balances	$ 8,721	$ 332	$ 9,053

COUNTY OF BARRY, MICHIGAN

Combining Statement of Revenues, Expenditures

and Changes in Fund Balances - Nonmajor Capital Projects Funds
For the Year Ended December 31, 2013

	McKeown McKeown Bridge Construction	Building Authority Thornapple Manor	Total
Revenue			
Interest revenue	$ -	$ 1,122	$ 1,122
Expenditures			
Capital outlay	-	843,776	843,776
Net changes in fund balances	-	(842,654)	(842,654)
Fund balances, beginning of year	8,721	842,986	851,707
Fund balances, end of year	$ 8,721	$ 332	$ 9,053

COUNTY OF BARRY, MICHIGAN

Combining Statement of Net Position

Nonmajor Enterprise Funds
December 31, 2013

	2009 Delinquent Tax Revolving	2010 Delinquent Tax Revolving	2011 Delinquent Tax Revolving
Assets			
Current assets:			
Cash and cash equivalents	$ -	$ -	80
Investments	-	-	284,113
Accounts receivable	-	-	-
Delinquent taxes receivable	-	-	386,704
Due from other governments	-	-	-
Other assets	-	-	-
Total current assets	-	-	670,897
Noncurrent assets:			
Capital assets being depreciated, net	-	-	-
Total assets	-	-	670,897
Liabilities			
Current liabilities:			
Accounts payable	-	-	-
Accrued liabilities	-	-	-
Due to other governments	-	-	1,272
Total current liabilities	-	-	1,272
Noncurrent liabilities:			
Net other postemployment benefits obligation	-	-	-
Total liabilities	-	-	1,272
Net position			
Investment in capital assets	-	-	-
Restricted for property tax foreclosures	-	-	-
Unrestricted	-	-	669,625
Total net position	$ -	$ -	$ 669,625

Foreclosure	Transit	Jail Commissary	Total
$ 639,377	$ 2,292,971	$ 102,555	$ 3,034,983
-	-	-	284,113
-	8,015	-	8,015
-	-	-	386,704
-	113,899	-	113,899
-	40,267	-	40,267
639,377	2,455,152	102,555	3,867,981
-	1,007,763	-	1,007,763
639,377	3,462,915	102,555	4,875,744
-	18,915	2,749	21,664
-	16,435	-	16,435
-	-	-	1,272
-	35,350	2,749	39,371
-	12,088	-	12,088
-	47,438	2,749	51,459
-	1,007,763	-	1,007,763
287,241	-	-	287,241
352,136	2,407,714	99,806	3,529,281
$ 639,377	$ 3,415,477	$ 99,806	$ 4,824,285

COUNTY OF BARRY, MICHIGAN

Combining Statement of Revenues, Expenses
and Changes in Fund Net Position - Nonmajor Enterprise Funds
For the Year Ended December 31, 2013

	2009 Delinquent Tax Revolving	2010 Delinquent Tax Revolving	2011 Delinquent Tax Revolving
Operating revenues			
Charges for services	$ 1,004	$ 37,058	$ 69,067
Interest and penalties on delinquent taxes	(1,536)	1,040	153,817
Total operating revenues	(532)	38,098	222,884
Operating expense			
Operations	1,295	10,403	24,123
Depreciation	-	-	-
Total operating expense	1,295	10,403	24,123
Operating income (loss)	(1,827)	27,695	198,761
Nonoperating revenues			
Taxes	-	-	-
Intergovernmental revenues	-	-	-
Interest revenue	236	337	158
Total nonoperating revenues	236	337	158
Income (loss) before transfers	(1,591)	28,032	198,919
Transfers			
Transfers in	8,429	106,681	-
Transfers out	(811,265)	(834,344)	-
Total transfers	(802,836)	(727,663)	-
Change in net position	(804,427)	(699,631)	198,919
Net position, beginning of year	804,427	699,631	470,706
Net position, end of year	$ -	$ -	$ 669,625

Foreclosure	Transit	Jail Commissary	Total
$ 162,955	$ 198,194	$ 131,541	$ 599,819
-	-	-	153,321
162,955	198,194	131,541	753,140
610	1,098,719	86,960	1,222,110
-	172,409	-	172,409
610	1,271,128	86,960	1,394,519
162,345	(1,072,934)	44,581	(641,379)
-	457,160	-	457,160
-	689,916	-	689,916
1,123	4,214	-	6,068
1,123	1,151,290	-	1,153,144
163,468	78,356	44,581	511,765
-	-	-	115,110
(17,936)	-	-	(1,663,545)
(17,936)	-	-	(1,548,435)
145,532	78,356	44,581	(1,036,670)
493,845	3,337,121	55,225	5,860,955
$ 639,377	$ 3,415,477	$ 99,806	$ 4,824,285

COUNTY OF BARRY, MICHIGAN

Combining Statement of Cash Flows

Nonmajor Enterprise Funds
For the Year Ended December 31, 2013

	2009 Delinquent Tax Revolving	2010 Delinquent Tax Revolving	2011 Delinquent Tax Revolving
Cash flows from operating activities			
Cash received from customers and users	$ 32,995	$ 439,036	$ 1,771,973
Cash payments to suppliers for goods and services	(1,295)	(10,403)	(24,123)
Cash payments to employees for services	-	-	-
Net cash provided by (used in) operating activities	31,700	428,633	1,747,850
Cash flows from noncapital financing activities			
Transfers in	8,429	106,681	-
Transfers out	(811,265)	(834,344)	-
Taxes	-	-	-
Intergovernmental grants and contributions	-	-	-
Payments on long-term advances from other funds	-	-	(1,649,518)
Net cash provided by (used in) noncapital financing activities	(802,836)	(727,663)	(1,649,518)
Cash flows from capital and related financing activities			
Intergovernmental capital grants	-	-	-
Purchases of capital assets	-	-	-
Net cash provided by (used in) capital and related financing activities	-	-	-
Cash flows from investing activities			
Sale of investments	770,900	298,733	1,572,000
Purchase of investments	-	-	(1,670,410)
Interest received	236	337	158
Net cash provided by (used in) investing activities	771,136	299,070	(98,252)
Net increase (decrease) in cash and cash equivalents	-	40	80
Cash and cash equivalents, beginning of year	-	(40)	-
Cash and cash equivalents, end of year	$ -	$ -	$ 80

Foreclosure	Transit	Jail Commissary	Total
$ 162,955	$ 198,166	$ 131,541	$ 2,736,666
(610)	(558,051)	(84,988)	(679,470)
-	(581,503)	-	(581,503)
162,345	(941,388)	46,553	1,475,693
-	-	-	115,110
(17,936)	-	-	(1,663,545)
-	457,160	-	457,160
-	630,949	-	630,949
-	-	-	(1,649,518)
(17,936)	1,088,109	-	(2,109,844)
-	107,900	-	107,900
-	(62,020)	-	(62,020)
-	45,880	-	45,880
489,759	-	-	3,131,392
-	-	-	(1,670,410)
1,123	4,214	-	6,068
490,882	4,214	-	1,467,050
635,291	196,815	46,553	878,779
4,086	2,096,156	56,002	2,156,204
$ 639,377	$ 2,292,971	$ 102,555	$ 3,034,983

continued...

COUNTY OF BARRY, MICHIGAN

Combining Statement of Cash Flows

Nonmajor Enterprise Funds
For the Year Ended December 31, 2013

	2009 Delinquent Tax Revolving	2010 Delinquent Tax Revolving	2011 Delinquent Tax Revolving
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income (loss)	$ (1,827)	$ 27,695	$ 198,761
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation expense	-	-	-
Changes in:			
Accounts receivable	-	-	-
Taxes receivable	33,527	405,530	1,571,170
Other assets	-	-	-
Accounts payable	-	-	-
Accrued liabilities	-	-	-
Due to other governments	-	(4,592)	(22,081)
Net other postemployment benefits obligation	-	-	-
Net cash provided by (used in) operating activities	$ 31,700	$ 428,633	$ 1,747,850

Foreclosure	Transit	Jail Commissary	Total
$ 162,345	$ (1,072,934)	$ 44,581	$ (641,379)
-	172,409	-	172,409
-	(28)	-	(28)
-	-	-	2,010,227
-	(40,267)	-	(40,267)
-	(17,030)	1,972	(15,058)
-	4,374	-	4,374
-	-	-	(26,673)
-	12,088	-	12,088
$ 162,345	$ (941,388)	$ 46,553	$ 1,475,693

concluded

COUNTY OF BARRY, MICHIGAN

Combining Statement of Net Position

Internal Service Funds
December 31, 2013

	Data Processing	Telephone	Vehicle
Assets			
Current assets:			
Cash and cash equivalents	$ 1,182,789	$ 58,109	$ 962,884
Investments	-	-	-
Total current assets	1,182,789	58,109	962,884
Noncurrent assets:			
Capital assets being depreciated, net	186,373	-	450,210
Total assets	1,369,162	58,109	1,413,094
Liabilities			
Accounts payable	5,430	125	19,745
Accrued liabilities	-	-	-
Total liabilities (all current)	5,430	125	19,745
Net position			
Investment in capital assets	186,373	-	450,210
Unrestricted	1,177,359	57,984	943,139
Total net position	$ 1,363,732	$ 57,984	$ 1,393,349

Workers' Compensation	Health Insurance	Disability	Fringe Benefits	Life Insurance	Retirement
$ 201,765	$ 387,758	$ 106,600	$ 343,908	$ 2,671	$ 325,502
-	-	-	516,810	-	-
201,765	387,758	106,600	860,718	2,671	325,502
-	-	-	-	-	-
201,765	387,758	106,600	860,718	2,671	325,502
850	-	-	-	-	114,907
191,858	-	4,330	-	-	-
192,708	-	4,330	-	-	114,907
-	-	-	-	-	-
9,057	387,758	102,270	860,718	2,671	210,595
$ 9,057	$ 387,758	$ 102,270	$ 860,718	$ 2,671	$ 210,595

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COUNTY OF BARRY, MICHIGAN

Combining Statement of Net Position

Internal Service Funds
December 31, 2013

	Dental and Optical	Unemployment	Total
Assets			
Current assets:			
Cash and cash equivalents	$ 113,650	$ 56,160	$ 3,741,796
Investments	-	-	516,810
Total current assets	113,650	56,160	4,258,606
Noncurrent assets:			
Capital assets being depreciated, net	-	-	636,583
Total assets	113,650	56,160	4,895,189
Liabilities			
Accounts payable	-	10,741	151,798
Accrued liabilities	-	-	196,188
Total liabilities (all current)	-	10,741	347,986
Net position			
Investment in capital assets	-	-	636,583
Unrestricted	113,650	45,419	3,910,620
Total net position	$ 113,650	$ 45,419	$ 4,547,203

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COUNTY OF BARRY, MICHIGAN

Combining Statement of Revenues, Expenses
and Changes in Fund Net Position
Internal Service Funds
For the Year Ended December 31, 2013

	Data Processing	Telephone	Vehicle
Operating revenues			
Charges for services	$ -	$ 33,407	$ -
Other revenues	-	-	-
Total operating revenues	-	33,407	-
Operating expenses			
Operations	110,406	30,969	36,671
Depreciation	66,440	-	122,407
Other expenses	2,004	-	-
Total operating expenses	178,850	30,969	159,078
Operating income (loss)	(178,850)	2,438	(159,078)
Nonoperating revenues			
Intergovernmental revenues	-	-	19,635
Interest revenue	-	-	-
Loss on sale of capital assets	(35,209)	-	-
Total nonoperating revenues	(35,209)	-	19,635
Income (loss) before transfers	(214,059)	2,438	(139,443)
Transfers			
Transfers in	219,935	-	219,935
Change in net position	5,876	2,438	80,492
Net position, beginning of year	1,357,856	55,546	1,312,857
Net position, end of year	$ 1,363,732	$ 57,984	$ 1,393,349

Workers' Compensation	Health Insurance	Disability	Fringe Benefits	Life Insurance	Retirement
$ 123,290	$ 1,648,262	$ 94,946	$ 133,180	$ 17,327	$ 1,392,116
288	-	-	-	-	-
123,578	1,648,262	94,946	133,180	17,327	1,392,116
299,196	1,677,640	73,954	49,134	19,026	2,013,954
-	-	-	-	-	-
-	-	-	-	-	-
299,196	1,677,640	73,954	49,134	19,026	2,013,954
(175,618)	(29,378)	20,992	84,046	(1,699)	(621,838)
-	-	-	-	-	-
-	-	-	(54,565)	-	-
-	-	-	-	-	-
-	-	-	(54,565)	-	-
(175,618)	(29,378)	20,992	29,481	(1,699)	(621,838)
-	-	-	-	-	681,205
(175,618)	(29,378)	20,992	29,481	(1,699)	59,367
184,675	417,136	81,278	831,237	4,370	151,228
$ 9,057	$ 387,758	$ 102,270	$ 860,718	$ 2,671	$ 210,595

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COUNTY OF BARRY, MICHIGAN

Combining Statement of Revenues, Expenses
and Changes in Fund Net Position
Internal Service Funds
For the Year Ended December 31, 2013

	Dental and Optical	Unemployment	Total
Operating revenues			
Charges for services	$ 58,265	$ 46,987	$ 3,547,780
Other revenues	-	-	288
Total operating revenues	58,265	46,987	3,548,068
Operating expenses			
Operations	52,913	10,740	4,374,603
Depreciation	-	-	188,847
Other expenses	-	-	2,004
Total operating expenses	52,913	10,740	4,565,454
Operating income (loss)	5,352	36,247	(1,017,386)
Nonoperating revenues			
Intergovernmental revenues	-	-	19,635
Interest revenue	-	-	(54,565)
Loss on sale of capital assets	-	-	(35,209)
Total nonoperating revenues	-	-	(70,139)
Income (loss) before transfers	5,352	36,247	(1,087,525)
Transfers			
Transfers in	-	-	1,121,075
Change in net position	5,352	36,247	33,550
Net position, beginning of year	108,298	9,172	4,513,653
Net position, end of year	$ 113,650	$ 45,419	$ 4,547,203

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COUNTY OF BARRY, MICHIGAN

Combining Statement of Cash Flows

Internal Service Funds
For the Year Ended December 31, 2013

	Data Processing	Telephone	Vehicle
Cash flows from operating activities			
Cash received from interfund services	$ -	$ 33,407	$ -
Cash payments to suppliers for goods and services	(118,485)	(30,844)	(72,737)
Cash payments to employees for services	-	-	-
Net cash provided by (used in) operating activities	(118,485)	2,563	(72,737)
Cash flows from non-capital financing activities			
Transfers in	219,935	-	219,935
Cash flows from capital and related financing activities			
Intergovernmental capital grants	-	-	19,635
Purchase of capital assets	(104,915)	-	(229,157)
Net cash used in capital and related financing activities	(104,915)	-	(209,522)
Net increase (decrease) in cash and cash equivalents	(3,465)	2,563	(62,324)
Cash and cash equivalents, beginning of year	1,186,254	55,546	1,025,208
Cash and cash equivalents, end of year	$ 1,182,789	$ 58,109	$ 962,884
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income (loss)	$ (178,850)	$ 2,438	$ (159,078)
Adjustments to reconcile operating income (loss) to net cash (used in) provided by operating activities:			
Depreciation expense	66,440	-	122,407
(Increase) decrease in:			
Accounts payable	(6,075)	125	(36,066)
Accrued liabilities	-	-	-
Net cash provided by (used in) operating activities	$ (118,485)	$ 2,563	$ (72,737)

Workers' Compensation	Health Insurance	Disability	Fringe Benefits	Life Insurance	Retirement
$ 123,578	$ 1,648,262	$ 94,946	$ 133,180	$ 17,327	$ 1,392,116
-	-	-	-	-	-
(106,488)	(1,677,640)	(69,624)	(49,134)	(19,026)	(2,000,021)
17,090	(29,378)	25,322	84,046	(1,699)	(607,905)
-	-	-	-	-	681,205
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
17,090	(29,378)	25,322	84,046	(1,699)	73,300
184,675	417,136	81,278	259,862	4,370	252,202
$ 201,765	$ 387,758	$ 106,600	$ 343,908	$ 2,671	$ 325,502
$ (175,618)	$ (29,378)	$ 20,992	$ 84,046	$ (1,699)	$ (621,838)
-	-	-	-	-	-
850	-	-	-	-	13,933
191,858	-	4,330	-	-	-
$ 17,090	$ (29,378)	$ 25,322	$ 84,046	$ (1,699)	$ (607,905)

continued...

COUNTY OF BARRY, MICHIGAN

Combining Statement of Cash Flows

Internal Service Funds
For the Year Ended December 31, 2013

	Dental and Optical	Unemployment	Total
Cash flows from operating activities			
Cash received from interfund services	$ 58,265	$ 46,987	$ 3,548,068
Cash payments to suppliers for goods and services	-	-	(222,066)
Cash payments to employees for services	(52,913)	(30,662)	(4,005,508)
Net cash provided by (used in) operating activities	5,352	16,325	(679,506)
Cash flows from non-capital financing activities			
Transfers in	-	-	1,121,075
Cash flows from capital and related financing activities			
Intergovernmental capital grants	-	-	19,635
Purchase of capital assets	-	-	(334,072)
Net cash used in capital and related financing activities	-	-	(314,437)
Net increase (decrease) in cash and cash equivalents	5,352	16,325	127,132
Cash and cash equivalents, beginning of year	108,298	39,835	3,614,664
Cash and cash equivalents, end of year	$ 113,650	$ 56,160	$ 3,741,796
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income (loss)	$ 5,352	$ 36,247	$ (1,017,386)
Adjustments to reconcile operating income (loss) to net cash (used in) provided by operating activities:			
Depreciation expense	-	-	188,847
(Increase) decrease in:			
Accounts payable	-	(19,922)	(47,155)
Accrued liabilities	-	-	196,188
Net cash provided by (used in) operating activities	$ 5,352	$ 16,325	$ (679,506)

concluded

COUNTY OF BARRY, MICHIGAN

Combining Statement of Fiduciary Assets and Liabilities

Agency Funds
December 31, 2013

	Trust and Agency	Library	Inmate Trust	Total
Assets				
Cash and cash equivalents	$ 583,785	$ -	$ 4,999	$ 588,784
Investments	-	79,402	-	79,402
Total assets	$ 583,785	$ 79,402	$ 4,999	$ 668,186
Liabilities				
Accounts payable	$ 382,630	$ -	$ 4,999	$ 387,629
Due to other governments	141,283	-	-	141,283
Undistributed receipts	59,872	79,402	-	139,274
Total liabilities	$ 583,785	$ 79,402	$ 4,999	$ 668,186

COUNTY OF BARRY, MICHIGAN

Combining Statement of Fiduciary Net Position

Private Purpose Trust Funds
December 31, 2013

	Cooperative Extension 4H	Norris Road Trees	Total
Assets			
Cash and cash equivalents	$ 41,206	$ 28,684	$ 69,890
Net position			
Restricted for private purposes	$ 41,206	$ 28,684	$ 69,890

COUNTY OF BARRY, MICHIGAN

Combining Statement of Changes in Fiduciary Net Position

Private Purpose Trust Funds
For the Year Ended December 31, 2013

	Cooperative Extension 4H	Norris Road Trees	Total
Additions			
Local contributions	$ 30,246	$ 23,970	$ 54,216
Deductions			
Services to beneficiaries	22,107	2,482	24,589
Change in net position	8,139	21,488	29,627
Net position, beginning of year	33,067	7,196	40,263
Net position, end of year	$ 41,206	$ 28,684	$ 69,890

COUNTY OF BARRY, MICHIGAN

Combining Balance Sheet

Drainage Districts Component Unit
December 31, 2013

	Debt Service	Capital Projects	
	Algonquin Lake Dam Project	Regular Drain	Gun Lake Weed Assessment
Assets			
Cash and cash equivalents	$ 9,979	$ -	$ 24,307
Investments	-	199,394	215,531
Special assessments receivable	265,535	1,218,532	495,462
Due from other funds	99,286	-	-
Total assets	$ 374,800	$ 1,417,926	$ 735,300
Liabilities			
Negative equity in pooled cash and cash equivalents	$ -	$ 2,015	$ -
Accounts payable	-	20,045	2,800
Due to other funds	-	99,286	-
Total liabilities	-	121,346	2,800
Deferred inflows of resources			
Resources not currently available	228,162	986,389	409,140
Fund balances			
Unrestricted	146,638	310,191	323,360
Total liabilities, deferred inflows of resources and fund balances	$ 374,800	$ 1,417,926	$ 735,300

Capital Projects		
Revolving Drain Maintenance	Algonquin Lake Drain Maintenance	Total
$ -	$ 5,850	$ 40,136
9,950	-	424,875
-	15,214	1,994,743
-	-	99,286
$ 9,950	$ 21,064	$ 2,559,040
$ 6,920	$ -	$ 8,935
-	-	22,845
-	-	99,286
6,920	-	131,066
-	7,571	1,631,262
3,030	13,493	796,712
$ 9,950	$ 21,064	$ 2,559,040

COUNTY OF BARRY, MICHIGAN

Reconciliation

Fund Balances for Governmental Funds
to Net Position of Governmental Activities
Drainage Districts Component Unit
December 31, 2013

Fund balances - total governmental funds	$ 796,712
Amounts reported for *governmental activities* in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources, and therefore not reported in the funds.	
Capital assets not being depreciated	67,351
Capital assets being depreciated, net	3,260,711
Certain assets, such as special assessments receivable, are not due and payable in the current period and therefore are not reported in the funds.	
Deferred special assessments receivable	1,631,262
Certain liabilities, such as notes payable, are not due and payable in the current period, and therefore are not reported in the funds.	
Notes payable	(1,359,400)
Accrued interest on long-term liabilities	(20,193)
Net position	$ 4,376,443

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COUNTY OF BARRY, MICHIGAN

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Drainage Districts Component Unit
For the Year Ended December 31, 2013

	Debt Service	Capital Projects	
	Algonquin Lake Dam Project	Regular Drain	Gun Lake Weed Assessment
Revenues			
Special assessments	$ 64,457	$ 591,486	$ 101,548
Interest	-	341	883
Other revenues	-	2,350	-
Total revenues	64,457	594,177	102,431
Expenditures			
Current:			
Public works	467	502,869	120,366
Debt service:			
Principal	129,000	106,000	-
Interest	6,235	31,577	-
Total expenditures	135,702	640,446	120,366
Revenues over (under) expenditures	(71,245)	(46,269)	(17,935)
Other financing sources (uses)			
Issuance of long-term debt	-	300,000	-
Transfers in	-	1	-
Transfers out	(9,152)	(3,889)	-
Total other financing sources (uses)	(9,152)	296,112	-
Net changes in fund balances	(80,397)	249,843	(17,935)
Fund balances, beginning of year	227,035	60,348	341,295
Fund balances, end of year	$ 146,638	$ 310,191	$ 323,360

Capital Projects		
Revolving Drain Maintenance	Algonquin Lake Drain Maintenance	Total
$ -	$ 8,116	$ 765,607
51	-	1,275
-	-	2,350
51	8,116	769,232
1,885	3,775	629,362
-	-	235,000
-	-	37,812
1,885	3,775	902,174
(1,834)	4,341	(132,942)
-	-	300,000
3,889	9,152	13,042
(1)	-	(13,042)
3,888	9,152	300,000
2,054	13,493	167,058
976	-	629,654
$ 3,030	$ 13,493	$ 796,712

Reconciliation

Net Changes in Fund Balances of Governmental Funds
to Change in Net Position of Governmental Activities
Drainage District Component Unit
For the Year Ended December 31, 2013

Net change in fund balances - total governmental funds	$	167,058
Amounts reported for *governmental activities* in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Acquisition/construction of capital assets		347,891
Depreciation expense		(75,988)
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long term-liabilities.		
Principal payments on long-term liabilities		235,000
Issuance of long-term debt		(300,000)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, but rather are deferred to the following fiscal year.		
Change in deferred special assessments receivable		523,185
Some expenses recorded in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds.		
Change in accrued interest on notes payable		(1,112)
Change in net position	$	896,034

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Combining Balance Sheet

Board of Public Works Component Unit
December 31, 2013

	Debt Service			
	Fawn Lake Sewer Debt	Southwest Barry/Fair Lake Sewer	1999 Middleville Sewer	2003 Middleville Sewer
Assets				
Cash and cash equivalents	$ 375	$ -	$ 347	$ 3,747
Leases receivable	328,417	-	379,472	221,393
Due from other governments	-	-	-	-
Total assets	$ 328,792	$ -	$ 379,819	$ 225,140
Liabilities				
Negative equity in pooled cash cash equivalents	$ -	$ -	$ -	$ -
Deferred inflows of resources				
Resources not currently available	328,417	-	379,472	221,393
Fund balances				
Unrestricted	375	-	347	3,747
Total liabilities, deferred inflows of resources and fund balances	$ 328,792	$ -	$ 379,819	$ 225,140

Debt Service						
Yankee Springs Debt	Yankee Springs Arsenic Debt	Middleville Sewer Debt 2006A	Middleville Sewer Debt 2006B	Leach and Middle Lake Sewer Debt	Finkbeiner Crane Debt	Total
$ 566	$ 3,455	$ 5	$ 7	$ -	$ 17,775	$ 26,277
395,739	331,753	779,117	135,717	2,316,453	918,871	5,806,932
-	-	-	-	489	-	489
$ 396,305	$ 335,208	$ 779,122	$ 135,724	$ 2,316,942	$ 936,646	$ 5,833,698
$ -	$ -	$ -	$ -	$ 423	$ -	$ 423
395,739	331,753	779,117	135,717	2,316,453	918,871	5,806,932
566	3,455	5	7	66	17,775	26,343
$ 396,305	$ 335,208	$ 779,122	$ 135,724	$ 2,316,942	$ 936,646	$ 5,833,698

Reconciliation

Fund Balances for Governmental Funds
to Net Position of Governmental Activities
Board of Public Works Component Unit
December 31, 2013

Fund balances - total governmental funds	$	26,343
Amounts reported for *governmental activities* in the statement of net position are different because:		
Long-term receivables are not available to pay for current period expenditures and therefore are reported as deferred inflows of resources in the fund statements.		
Deferred leases receivable		5,806,932
Certain liabilities, such as bonds payable, are not due and payable in the current period, and therefore are not reported in the funds.		
Bonds payable		(5,790,346)
Deferred loss on advance refunding		32,006
Accrued interest on long-term liabilities		(34,361)
Net position	$	40,574

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Combining Statement of Revenues, Expenditures

and Changes in Fund Balances
Board of Public Works Component Unit
For the Year Ended December 31, 2013

	Debt Service			
	Fawn Lake Sewer Debt	Southwest Barry/Fair Lake Sewer	1999 Middleville Sewer	2003 Middleville Sewer
Revenues				
Intergovernmental	$ 39,505	$ -	$ 96,675	$ 210,825
Interest	6	-	67	138
Total revenues	39,511	-	96,742	210,963
Expenditures				
Current:				
Public works	321	38	-	250
Debt service:				
Principal	25,000	-	75,000	195,000
Interest	14,184	-	21,675	15,575
Bond issuance costs	-	-	-	-
Total expenditures	39,505	38	96,675	210,825
Revenues over (under) expenditures	6	(38)	67	138
Other financing sources				
Issuance of long-term debt	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balances	6	(38)	67	138
Fund balances, beginning of year	369	38	280	3,609
Fund balances, end of year	$ 375	$ -	$ 347	$ 3,747

Debt Service						
Yankee Springs Debt	Yankee Springs Arsenic Debt	Middleville Sewer Debt 2006A	Middleville Sewer Debt 2006B	Leach and Middle Lake Sewer Debt	Finkbeiner Crane Debt	Total
$ 40,582	$ 27,438	$ 61,341	$ 13,081	$ 174,548	$ 122,100	$ 786,095
28	22	10	7	35	-	313
40,610	27,460	61,351	13,088	174,583	122,100	786,408
-	-	5,526	1,449	-	-	7,584
30,000	20,000	45,000	10,000	115,000	50,000	565,000
10,582	7,438	16,341	3,081	59,548	71,372	219,796
-	-	-	-	-	27,155	27,155
40,582	27,438	66,867	14,530	174,548	148,527	819,535
28	22	(5,516)	(1,442)	35	(26,427)	(33,127)
-	-	-	-	-	885,000	885,000
-	-	-	-	-	(857,845)	(857,845)
-	-	-	-	-	27,155	27,155
28	22	(5,516)	(1,442)	35	728	(5,972)
538	3,433	5,521	1,449	31	17,047	32,315
$ 566	$ 3,455	$ 5	$ 7	$ 66	$ 17,775	$ 26,343

Reconciliation

Net Changes in Fund Balances of Governmental Funds
to Change in Net Position of Governmental Activities
Board of Public Works Component Unit
For the Year Ended December 31, 2013

Net changes in fund balances - total governmental funds	$	(5,972)
Amounts reported for *governmental activities* in the statement of activities are different because:		
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long term-liabilities.		
Principal payments on long-term liabilities		565,000
Issuance of long-term debt		(885,000)
Payment to refunded bond escrow agent		857,845
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, but rather are reported as deferred inflows of resources until they are collected or available to finance current obligations.		
Change in deferred leases receivable		(538,447)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the		
Change in accrued interest on bonds payable		32,719
Amortization of deferred loss on advance refunding		(839)
Change in net position	$	25,306

COUNTY OF BARRY, MICHIGAN

Balance Sheet

Economic Development Board Component Unit
December 31, 2013

Assets	
Cash and cash equivalents	$ -
Liabilities	
Accounts payable	$ -
Fund balance	
Restricted	-
Total liabilities and fund balance	$ -

COUNTY OF BARRY, MICHIGAN

Statement of Revenues, Expenditures
and Changes in Fund Balance
Economic Development Board Component Unit
For the Year Ended December 31, 2013

Revenues		
Intergovernmental	$	63,394
Expenditures		
Current - community and economic development		63,394
Net changes in fund balance		-
Fund balance, beginning of year		-
Fund balance, end of year	$	-

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COUNTY OF BARRY, MICHIGAN

Balance Sheet

Airport Commission Component Unit
December 31, 2013

Assets		
Cash and cash equivalents	$	173,687
Accounts receivable		45,194
Due from other governments		2,100
Inventories		31,382
Total assets	$	252,363
Liabilities		
Accounts payable	$	7,952
Fund balance		
Nonspendable		31,382
Restricted		213,029
Total fund balance		244,411
Total liabilities and fund balance	$	252,363

COUNTY OF BARRY, MICHIGAN

Reconciliation

Fund Balance for Governmental Fund
to Net Position of Governmental Activities
Airport Commission Component Unit
December 31, 2013

Fund balance - total governmental fund	$	244,411
Amounts reported for *governmental activities* in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources, and therefore not reported in the funds.		
Capital assets not being depreciated		767,846
Capital assets being depreciated, net		2,189,626
Net position	$	3,201,883

COUNTY OF BARRY, MICHIGAN

Statement of Revenues, Expenditures
and Change in Fund Balance
Airport Commission Component Unit
For the Year Ended December 31, 2013

Revenues		
Intergovernmental	$	90,388
Charges for services		272,201
Donations		117,711
Total revenues		480,300
Expenditures		
Current - public works		229,036
Capital outlay		150,917
Total expenditures		379,953
Net change in fund balance		100,347
Fund balance, beginning of year		144,064
Fund balance, end of year	$	244,411

Reconciliation

Net Change in Fund Balance of Governmental Fund
to Change in Net Position of Governmental Activities
Airport Commission Component Unit
For the Year Ended December 31, 2013

Net change in fund balance - total governmental fund	$	100,347
Amounts reported for *governmental activities* in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Acquisition/construction of capital assets		150,917
Donated capital assets		575,371
Depreciation expense		(98,080)
Change in net position	$	727,905

County of Barry, Michigan

Year Ended December 31, 2013

Single Audit Act Compliance

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COUNTY OF BARRY, MICHIGAN

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INDEPENDENT AUDITORS' REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133

June 4, 2014

Honorable members of the Board of Commissioners
of the County of Barry, Michigan
Hastings, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the ***County of Barry, Michigan*** (the "County"), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated June 4, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2013

Federal Agency / Cluster / Program Title	CFDA Number	Passed Through	Pass-through / Grantor Number	Federal Expenditures
U.S. Department of Agriculture				
Food Donation Program:				
FY 2013	10.565	RIII-B	13BCCOA1	$ 22,883
FY 2014	10.565	RIII-B	14BCCOA1	11,807
				34,690
National Forest Revenue	10.665	MDNR	-n/a-	10
Total U.S. Department of Agriculture				34,700
U.S. Department of Housing and Urban Development				
Community Development Block Grant	14.228	MSHDA	MSC-2011-0769-HOA	169,767
Community Development Block Grant	14.228	MSHDA	MSC-2012-0769-HOA	5,000
				174,767
Home Investment Partnerships Program (HOME)	14.239	MSHDA	M-2010-0769-0	57,608
Total U.S. Department of Housing and Urban Development				232,375
U.S. Department of Justice				
Edward Byrne Memorial Justice Assistance Grant Program Cluster:				
FY 2013 Adult Felony Drug Court	16.738	MSCAO	SCAO-2013	76,636
FY 2014 Adult Felony Drug Court	16.738	MSCAO	SCAO-2014	18,663
FY 2013 Juvenile Drug Court	16.738	MSCAO	SCAO-2013-003	39,146
FY 2014 Juvenile Drug Court	16.738	MSCAO	SCAO-2014-003	18,051
FY 2013 Southwest Enforcement Team	16.738	MSP	2013-DJ-BX-0109	2,357
Total U.S. Department of Justice				154,853
U.S. Department of Transportation				
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grant:				
FY 2013	20.601	MSP	AL-13-01	25,830
FY 2014	20.601	MSP	AL-14-05	32,180
Total U.S. Department of Transportation				58,010
U.S. Department of Health and Human Services				
Aging cluster:				
Title III-B Special Programs for the Aging, Grants for Supportive Services and Senior Centers:				
FY 2013	93.044	RIII-B	13BCCOA1	15,227
FY 2014	93.044	RIII-B	14BCCOA1	2,090
Title III-C Special Programs for the Aging, Nutrition Services:				
FY 2013 Nutrition Congregate	93.045	RIII-B	13BCCOA1	54,698
FY 2014 Nutrition Congregate	93.045	RIII-B	14BCCOA1	19,028
FY 2013 Nutrition Home Delivered Meals	93.045	RIII-B	13BCCOA1	21,233
FY 2014 Nutrition Home Delivered Meals	93.045	RIII-B	14BCCOA1	7,485
				119,761

continued...

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2013

Federal Agency / Cluster / Program Title	CFDA Number	Passed Through	Pass-through / Grantor Number	Federal Expenditures
U.S. Department of Health and Human Services (concluded)				
Title III-E/National Family Caregiver Support:				
FY 2013	93.052	RIII-B	SFSC-04-10001-5	$ 3,050
FY 2014	93.052	RIII-B	SFSC-04-11001-5	2,587
				5,637
Promoting Safe and Stable Families:				
FY 2013	93.556	MDHS	WRAP-13-08001	1,163
FY 2014	93.556	MDHS	WRAP-14-08001	714
				1,877
Child Support Enforcement:				
FY 2013 Friend of the Court	93.563	MDHS	CS/FOC-13-08001	417,298
FY 2014 Title IV-D Program	93.563	MDHS	CS/COM-14-08003	147,427
Incentive Payments	93.563	MDHS	-n/a-	84,402
FY 2013 Prosecuting Attorney	93.563	MDHS	CS/PA-13-08002	27,604
				676,731
Access and Visitation Grant	93.597	MSCAO	-n/a-	550
Title IV-E - Foster Care	93.658	MDHS	PROFC 11-08001	1,596
Total U.S. Department of Health and Human Services				806,152
U.S. Department of Homeland Security				
Emergency Management Performance Grant:				
FY 2013	97.042	MSP	EMW-2013-EP-00026-S01	24,279
FY 2014	97.042	MSP	EMW-2014-EP-00026-S01	7,393
				31,672
Homeland Security Grant Program:				
State Homeland Security Program - Training FY 2011	97.067	COVB	EMW-2011-SS-00103	42,627
State Homeland Security Program - Planning FY 2011	97.067	COVB	EMW-2011-SS-00103	213,856
Non-cash assistance:				
FY 2009	97.067	COVB	2009-SS-T9-0060	84,040
FY 2010	97.067	COVB	2010-SS-T0-0009	204,106
				544,629
Total U.S. Department of Homeland Security				576,301
Total Expenditures of Federal Awards				$ 1,862,391

concluded

See notes to schedule of expenditures of federal awards.

COUNTY OF BARRY, MICHIGAN

Notes to Schedule of Expenditures of Federal Awards

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the County of Barry, Michigan (the "County") under programs of the federal government for the year ended December 31, 2013. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* Because the schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position or cash flows of the County.

The County's reporting entity is defined in Note 1 of the County's Annual Financial Report. The County's financial statements include the operations of the Barry County Road Commission and the Barry County Transit discretely-presented component units, which received federal awards that are not included in the Schedule for the year ended December 31, 2013, as these entities were separately audited.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting, which is described in Note 1 to the County's financial statements. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments,* 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.

3. OTHER FEDERAL REVENUE

The County is an indirect beneficiary of federal funds that are expended directly by the Michigan Department of Transportation. These expenditures (which totaled $432,473 for the year ended December 31, 2013 through MDOT Contract No. FM-08-01-C28) are not reported on the Schedule, as they are included in the single audit for the State of Michigan.

4. PASS-THROUGH AGENCIES

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

Pass-through Agency Abbreviation	Pass-through Agency Name
COVB	County of Van Buren, Michigan
MDHS	Michigan Department of Human Services
MSHDA	Michigan State Housing Development Authority
MDNR	Michigan Department of Natural Resources
MSCAO	Michigan State Court Administrative Office
MSP	Michigan State Police
RIII-B	Region 3B Area Agency on Aging

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

June 4, 2014

Honorable members of the
Board of Commissioners
of the County of Barry
Hastings, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the ***County of Barry, Michigan*** (the "County"), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 4, 2014. Our report includes a reference to other auditors who audited the financial statements of the Barry County Road Commission, the Barry County Medical Care Facility (Thornapple Manor), and the Barry County Transit, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The audits of the Barry County Road Commission and the Barry County Medical Care Facility (Thornapple Manor) were not performed in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2013-FS-01 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2013-FS-02 to be a significant deficiency.

Compliance and Other Matters

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

County of Barry, Michigan's Response to Findings

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

Purpose of this Report

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

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

June 4, 2014

Honorable members of the
Board of Commissioners
of the County of Barry
Hastings, Michigan

Report on Compliance for Each Major Federal Program

We have audited the compliance of the ***County of Barry, Michigan*** (the "County") with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2013. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The County's basic financial statements include the operations of the Barry County Road Commission and the Barry County Transit, which received $300,512 and $198,355 in federal awards, respectively, and which are not included in the schedule for the year ended December 31, 2013. Our audit, described below, did not include the operations of the Barry County Transit or the Barry County Road Commission because these entities arranged for separate financial statement audits and did not meet the criteria for a single audit in accordance with A-133.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Independent Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2013-SA-01. Our opinion on each major federal program is not modified with respect to this matter.

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

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2013-SA-02 and -03 that we consider to be significant deficiencies.

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

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Rehmann Robson LLC

COUNTY OF BARRY, MICHIGAN

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2013

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:	Unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?	X yes	___ no
Significant deficiency(ies) identified?	X yes	___ none reported
Noncompliance material to financial statements noted?	___ yes	X no

Federal Awards

Internal control over major programs:		
Material weakness(es) identified?	___ yes	X no
Significant deficiency(ies) identified?	X yes	___ none reported
Type of auditors' report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section 510(a)?	X yes	___ no

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
14.228	Community Development Block Grant
93.563	Child Support Enforcement
97.067	Homeland Security Grant Program

Dollar threshold used to distinguish between Type A and Type B programs:	$ 300,000	
Auditee qualified as low-risk auditee?	___ yes	X no

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2013

SECTION II – FINANCIAL STATEMENT FINDINGS

2013-FS-01 – Internal Controls over Preparation of the Schedule of Expenditures of Federal Awards

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

Criteria. OMB Circular A-133, §___.300, requires that a recipient of federal awards subject to a single audit "identify, in its accounts, all Federal awards received and expended and the federal programs under which they were received. Federal program and award identification shall include, as applicable, the CFDA title and number, award number and year, name of the federal agency, and name of the pass-through entity." In addition, the County is required to "prepare appropriate financial statements, including the Schedule of Expenditures of Federal Awards in accordance with §___.310."

Condition. Management was able to provide us with an initial Schedule of Expenditures of Federal Awards in a timely manner. However, we noted several errors in the Schedule, which collectively were material to the Schedule as a whole. These errors were primarily related to the omission of certain federal awards, incorrect award numbers, and errors in year-end accruals.

Cause. This condition was primarily caused by the decentralized nature of County operations and certain grants being administered by individuals not aware of the importance of communicating award information to the County's contracted accountants.

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

Recommendation. We recommend that the County develop a centralized process for tracking federal grants awarded, identifying applicable compliance requirements, and ensuring that the applicable grant manager(s) are provided the necessary training and resources in order to administer the award in accordance with the provisions of the OMB Circular A-133 Compliance Supplement and the grant agreement. We recommend that the County consider offering basic federal awards compliance training to all department heads. A clear understanding at the department level of reporting requirements will be key in eliminating this deficiency.

View of Responsible Officials. The County will provide in-house training for department heads emphasizing the importance of timely reports and inclusion of all cash/non-cash grants received to ensure all awards are reported.

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2013

SECTION II – FINANCIAL STATEMENT FINDINGS

2013-FS-02 – Internal Controls over Accrued Sick and Vacation Time

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

Criteria. The County has certain balance sheet accounts that are adjusted and balanced only at year-end for external reporting purposes. Some of these balances are long-term in nature and not reported in the County's fund financial statements. Even through these amounts are not recorded in the general ledger, the information necessary for properly reporting these items must be provided by management for inclusion in the audited financial statements. Management is responsible for establishing effective internal controls to ensure accuracy of this data.

Condition. The schedule of accrued sick and vacation time is prepared by one individual and is not subject to any independent review or approval. We noted a variety of errors in the initial schedule, primarily related to modifications to the original system-generated report.

Cause. This condition appears to be caused by the lack of a reconciliation process to the system-generated accrual reports and a misunderstanding of the appropriate data to include in the schedule.

Effect. The net effect of the errors noted was significant, but not material to the financial statements. Necessary corrections were made to the original data and amounts are presented in the audited financial statements at the appropriate amounts.

Recommendation. We recommend that the County subject all year-end schedules that are used in financial reporting to an independent review and approval process by an individual with a high level of understanding regarding financial reporting requirements. This review should be documented and retained as evidence of the control.

View of Responsible Officials. Management will update and reevaluate its existing procedures for review of this report to ensure the accuracy of the year-end amounts.

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2013

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2013-SA-01 – Grant Draws in Excess of Immediate Cash Needs

Finding Type. Immaterial Noncompliance (Cash Management).

Program. Community Development Block Grant; U.S. Department of Housing and Urban Development; CFDA Number 14.228; Passed through the Michigan State Housing Development Authority; Award Numbers MSC–2011–0769–HOA and MSC–2012–0769–HOA.

Criteria. In accordance with 2 CFR section 215.22, funds should be disbursed before requesting reimbursement from the grantor or pass-through grantor agency.

Condition. During the audit, we reviewed three reimbursement requests from the current year, covering a variety of disbursements. We noted four instances on two separate draws in which funds were requested in advance of disbursement to vendors/contractors. The dollar amounts were not significant to the federal program. In three instances, the cash disbursement was made within a one week period and prior to the actual receipt of grant funds. In one instance, the disbursement was not made to the vendor until 47 days after reimbursement was requested.

Cause. The County has contracted with a third-party to prepare its cash draw requests. These reports are prepared based on project invoices and expected payment dates. The third-party does not have general ledger access and is not involved in the cash disbursement process.

Effect. As a result of this condition, the County was, at times, in possession of federal funds in excess of its immediate cash needs.

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

Recommendation. We recommend that the individual requesting reimbursement under this program ensure that actual disbursement of funds has been made prior to drawing funds.

View of Responsible Officials. Management and its third party contractor have already implemented a revised process in which cash draws are held until cash disbursement to vendors and contractors has been confirmed.

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2013

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2013-SA-02 – Internal Controls over Reporting and Cash Management

Finding Type. Significant Deficiency in Internal Control over Compliance (Cash Management / Reporting).

Program. Child Support Enforcement Program; U.S. Department of Health and Human Services; CFDA Number 93.563; Passed through the Michigan Department of Human Services; Award Numbers CS/FOC-13-08001, CS/PA-13-08002 and CS/COM-14-08001.

Criteria. Recipients of federal awards are required to report various financial information to the grantor or pass-through agency, as specified in the grant agreement and/or the OMB Circular A-133 Compliance Supplement. Additionally, in accordance with 2 CFR section 215.22, funds should be disbursed before requesting reimbursement from the grantor. For this particular award, monthly financial status reports are submitted to the pass-through grantor agency. These reports serve as the mechanism for cash reimbursement. Accordingly, the County should have internal controls over the accumulation of financial data in these reports.

Condition. The County's monthly reports under the Child Support Enforcement Program were completed and submitted, as required. These reports are prepared by a third-party contractor based on information manually typed into a spreadsheet by the Clerk's office. After the report has been drafted by the third party, it is provided to the Friend of the Court office for submission to DHS. The accuracy of the original data is not reviewed and reconciled to the general ledger, nor is the draft report compared to the source data for accuracy.

Cause. The County receives the reports from the third-party prior to submission. These reports are initiated and certified by County personnel, however the reports are not independently reviewed or reconciled to the general ledger.

Effect. As a result of this condition, the lack of an established review processes exposed the County to the risk that significant errors in financial reports could be submitted to the pass-through grantor and not be detected internally.

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

Recommendation. We recommend that all grant reports be subjected to independent review and approval by the County prior to submission in order to ensure that reported amounts agree to the original data provided to the third party and that such data is reconciled to the general ledger. Even though the actual data is submitted to the pass-through grantor through a secure website, we encourage the individual performing this review to sign and date a printed copy of the report as evidence of the review, and file it internally along with any supporting documentation used to substantiate the amounts.

View of Responsible Officials. Management will update its existing procedures to include a review and approval process of the grant report prior to submission.

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2013

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2013-SA-03 – Internal Controls over Reporting and Cash Management

Finding Type. Significant Deficiency in Internal Control over Compliance (Cash Management / Reporting).

Program. Homeland Security Grant Program; U.S. Department of Homeland Security; CFDA Number 97.067; Passed through the County of Van Buren; Award Numbers 2009-SS-T9-0060, 2010-SS-T0-0009, and EMW-2011-SS-00103.

Criteria. Recipients of federal awards are required to report various financial information to the grantor or pass-through agency, as specified in the grant agreement and/or the OMB Circular A-133 Compliance Supplement. Additionally, in accordance with 2 CFR section 215.22, funds should be disbursed before requesting reimbursement from the grantor. For this particular award, periodic financial status reports are submitted to the pass-through grantor agency. These reports serve as the mechanism for cash reimbursement. Accordingly, the County should have internal controls over the accumulation of financial data in these reports.

Condition. The County's monthly reports under the Homeland Security Grant Program were completed and submitted, as required. However, such reports were not prepared based on the general ledger nor were they subject to review and approval by to submission. The County incurred costs during the year that were not drawn until after year-end. These were not consistently provided to the accountants for recording of the related receivable. Finally, the individuals responsible for maintaining the accounting records and schedule of expenditures of federal awards were not provided with sufficient information on the various awards in order to properly identify and segregate these revenues and expenditures in the trial balance.

Cause. This condition was caused by assigning the responsibility for preparing and submitting grant reports to an individual without access to the general ledger.

Effect. As a result of this condition, the lack of an established review processes exposed the County to the risk that significant errors in financial reports could be submitted to the pass-through grantor and not be detected internally.

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

Recommendation. We recommend that all grant reports be subjected to independent review and approval by the County prior to submission in order to ensure that reported amounts agree to the underlying accounting records. We encourage the individual performing this review to sign and date a printed copy of the report as evidence of the review, and file it internally along with any supporting documentation used to substantiate the amounts.

View of Responsible Officials. The County will provide in-house training for department heads emphasizing the importance of timely reports and inclusion of all cash/non-cash grants received to ensure all awards are reported.

Summary Schedule of Prior Audit Findings

For the Year Ended December 31, 2013

Finding 2012-FS-01 – Material Audit Adjustments

The audit identified the need for certain material adjustments (which were approved and posted by management) to adjust the County's general ledger to the appropriate balances. The specific adjustments necessary in 2012 were not repeated in the current year. While a variety of adjustments were necessary in the current year, none of them were quantitatively material to the financial statements. This finding has not been repeated.

Finding 2012-FS-02 – Independent Review of General Journal Entries

The County contracted with a local accounting firm to assist in various accounting functions, which included periodic review of general journal entries. This review was limited to a random selection of entries made in certain, selected months and did not include selections from throughout the entire year. In addition, the entries reviewed were selected from the County's monthly journal entry folders instead of a system generated report, which also limited the population. During the year, the County implemented a process whereby all general journal entries are reviewed and approved by another County employee. On a periodic basis, a sample of entries is reviewed by the contracted accountants for appropriateness and compliance with the County's policies and procedures. Corrective action is deemed sufficient and this matter has not been repeated.

Finding 2012-FS-03 – Internal Controls over Preparation of the Schedule of Expenditures of Federal Awards

A number of adjustments were required to the original Schedule of Expenditures of Federal Awards provided by the County in order to agree to the underlying accounting records. Similar adjustments were necessary in the current year which were quantitatively material to the financial statements. This matter has been repeated as finding 2013-FS-01.

Finding 2012-SA-01 – Errors in Financial Reports
CFDA # 93.563 - Child Support Enforcement Program

The County has hired a third-party to assist in preparation of Child Support Enforcement Program reports. The audit identified errors in the reports submitted in the prior year. While no such errors were noted in the current year, a review process over these reports has not yet been implemented. Accordingly, this finding has been repeated as finding 2013-SA-02.

Rehmann

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INDEPENDENT AUDITORS' COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

June 4, 2014

Board of Commissioners
County of Barry
Hastings, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the ***County of Barry, Michigan*** (the "County") for the year ended December 31, 2013, and have issued our report thereon dated June 4, 2014. Professional standards require that we provide you with the following information related to our audit. Our report includes a reference to other auditors who audited the financial statements of the Barry County Road Commission, the Barry County Medical Care Facility (Thornapple Manor), and the Barry County Transit, as described in our report on the County's financial statements. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility Under Auditing Standards Generally Accepted in the United States of America and OMB Circular A-133

As stated in our engagement letter dated January 21, 2014, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also, in accordance with OMB Circular A-133, we examined, on a test basis, evidence about the County's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* applicable to each of its major federal programs for the purpose of expressing an opinion on the County's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on the County's compliance with those requirements.

Other Information in Documents Containing Audited Financial Statements

Our responsibility for the supplementary information accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole. We made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter and our meeting about planning matters on February 4, 2014.

Significant Results of the Audit

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. 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 was not changed during the year. We noted no transactions entered into by the County during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred, other than the restatement described in Note 16 to the financial statements.

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 financial statements were:

- Management's estimate of the useful lives of depreciable capital assets is based on the length of time it is believed that those assets will provide some economic benefit in the future.

- Management's estimate of the accrued compensated absences is based on current hourly rates and policies regarding payment of sick and vacation banks.

- Management's estimate of the insurance claims incurred but not reported is based on information provided by the entity's third party administrators and subsequent claims activity.

- The assumptions used in the actuarial valuations of the pension and other postemployment benefits plans are based on historical trends and industry standards.

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

The financial statements may be affected by unusual transactions, including nonrecurring transactions. The following significant unusual accounting transactions occurred during the year:

- During 2013, significant amounts of the County's Michigan Transportation Fund bonds were in-substance defeased through the issuance of advance refunding bonds. In accordance with GASB Statement No. 23, *Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Activities*, the difference between the amount placed in escrow to repay the refunded bonds and the carrying amount of the refunded bonds is being deferred and amortized as a component of interest expense over the remaining life of the refunded bonds.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Attachment B to this letter summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to each opinion unit's financial statements taken as a whole. A quantitatively material adjustment was proposed to record a liability for incurred-but-not-reported claims related to a single workers' compensation incident. None of the remaining misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Upcoming Changes in Accounting Standards

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

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the attached management representation letter dated June 4, 2014.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

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

Very truly yours,

Rehmann Robson LLC

COUNTY OF BARRY, MICHIGAN

Attachment A - Comments and Recommendations

For the December 31, 2013 Audit

During our audit, we became aware of certain other matters that are opportunities for strengthening internal control and/or improving operating efficiency. This memorandum summarizes our comments and recommendations regarding those matters. Our consideration of the County's internal control over financial reporting is described in our report, dated June 4, 2014, issued in accordance with *Government Auditing Standards*. This memorandum does not affect that report or our report dated June 4, 2014, on the financial statements of the County of Barry, Michigan.

Trust and Agency Fund Liabilities (Repeat Comment)

The County holds various balances in a fiduciary capacity in its agency funds. Such amounts should generally be supported by subsidiary ledgers which indicate the individuals or cases for which the funds are held. The County has made significant progress in reconciling these balances, many of which required reviewing records from many years ago. Certain amounts have been identified as unsupported and have remained unchanged for several years. Management has indicated that it intends to escheat these funds to the State of Michigan. We encourage the County to continue with this process and continue to monitor agency fund liabilities to ensure they are being reconciled regularly.

Restricted Funding for Register of Deeds Automation

The County receives funding restricted by the State of Michigan for upgrading technology in the Register of Deeds office. Public Act 236, Section 2568 specifies allowable uses of such funds. We reviewed a sample of 10 disbursements from the register of deeds automation fund. We noted two instances in which the County utilized these restricted register of deeds funds to send an employee to a national conference. The full amount of the airfare, lodging and conference sessions were charged to the register of deeds automation fund, but only certain portions of the conference related to technology upgrades. While the total dollar amounts were not material, we recommend that the individuals charged with reviewing such expenditures for allowability ensure that uses of restricted revenues are allowable and appropriate.

Best Practices for Group Audit Standards

Certain funds of the County are administratively separate and arrange for a separate financial statement audit. This situation is fairly common, especially in County governments. While this situation is allowable, it creates an additional layer of complexity when financial transactions between the funds are accounted for by different departments and audited by different firms. The County's reporting entity includes the financial activity of the Medical Care Facility (Thornapple Manor), Road Commission, and Transit Authority, each of which has arranged for a separate financial statement audit. We noted certain instances in which transactions within the reporting entity were accounted for inconsistently. This resulted in the need for a variety of changes to the County's audited financial statements related to capital assets, long-term debt and the related deferred bond costs, and pension and other postemployment benefit plans. It is essential that regular communication take place between management of these entities in order to account for transactions consistently and coordinate the implementation of new accounting standards. We encourage the County to develop a process for sharing of financial information throughout the year. Finally, these entities should provide the County with drafts of their reports prior to final issuance to allow for review and comment.

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COUNTY OF BARRY, MICHIGAN

Attachment B - Schedule of Adjustments Passed (SOAP)

For the December 31, 2013 Audit

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

	Effect of Passed Adjustment - Over(Under)Statement				
	Assets	Liabilities	Beginning Equity	Revenues	Expenses/ Expenditures
General fund					
Errors in current and prior year grant accruals:					
Title IV-E	$ (251)	$ -	$ (267)	$ (3,193)	$ (3,209)
EPMG	-	-	7,714	-	7,714
Marine safety	-	-	-	8,520	8,520
Title IV-D prosecuting attorney	-	-	(1,109)	-	(1,109)
Total general fund	$ (251)	$ -	$ 6,338	$ 5,327	$ 11,916
Misstatement as a percentage of total expenditures	0.00%	0.00%	0.05%	0.04%	0.10%
Commission on aging fund					
Variance in grants receivable in current and prior years	$ 1,291	$ -	$ 2,616	$ 1,291	$ 2,616
Misstatement as a percentage of total expenditures	0.08%	0.00%	0.17%	0.08%	0.17%
Nonmajor governmental funds					
Effect of not recording a receivable for State GFGP funds under the Title IV-D program for the quarter ending December 31, 2012 (corrected in 2013)	$ -	$ -	$ (14,649)	$ 14,649	$ -
Misstatement as a percentage of total expenditures	0.00%	0.00%	-0.29%	0.29%	0.00%
Governmental activities					
Cumulative effect of items noted above	$ 1,040	$ -	$ (5,695)	$ 21,267	$ 14,532
Effect of not recording accrued sick and vacation for parks and commission on aging employees in the prior year (corrected in 2013)	-	-	115,429	-	115,429

continued…

COUNTY OF BARRY, MICHIGAN

Attachment B - Schedule of Adjustments Passed (SOAP)

For the December 31, 2013 Audit

	Effect of Passed Adjustment - Over(Under)Statement				
	Assets	Liabilities	Beginning Equity	Revenues	Expenses/ Expenditures
Governmental activities (concluded)					
Error in calculating the amount of employer contributions to the retiree healthcare plan in the prior year resulting in overstatement of net pension asset (corrected in 2013)	$ -	$ -	$ 32,532	$ -	$ 32,532
Total governmental activities	$ 1,040	$ -	$ 142,266	$ 21,267	$ 162,493
Misstatement as a percentage of total assets and deferred outflows of resources	0.00%	0.00%	0.39%	0.06%	0.44%
Nonmajor enterprise funds / business-type activities					
Effect of removing the receivable foreclosed properties prior to receiving payment in 2013 (corrected in 2013)	$ -	$ -	$ (17,102)	$ 17,102	$ -
Misstatement as a percentage of total assets and deferred outflows of resources					
Nonmajor enterprise funds	0.00%	0.00%	-0.35%	0.35%	0.00%
Business-type activities	0.00%	0.00%	-0.04%	0.04%	0.00%
Component units					
Understatement of special assessments receivable in the Drain Commission in the prior year (corrected in 2013)	$ -	$ -	$ (103,636)	$ 103,636	$ -
Effect of recording an asset donated to the Airport Commission in 2011 in the current year (corrected in 2013)	-	-	(114,768)	117,711	2,943
Total component units	$ -	$ -	$ (218,404)	$ 221,347	$ 2,943
Misstatement as a percentage of total assets and deferred outflows of resources	0.00%	0.00%	-0.42%	0.43%	0.01%

concluded

COUNTY OF BARRY, MICHIGAN

Attachment C – Upcoming Changes in Accounting Standards

For the December 31, 2013 Audit

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

GASB 67 ■ Financial Reporting for Pension Plans
Effective 06/15/2014 (your FY 2014)

This standard establishes the requirements for pension plans administered by trusts to report on their operations, including setting new uniform requirements for actuarial valuations of the total pension liability, and reporting various 10-year trend data as required supplementary information. The financial statements of pension plans will not change substantially as a result of GASB 67, though the additional note disclosures and required supplementary information will be significant. Additionally, actuarial valuations conducted in accordance with GASB 67 will have to match the government's fiscal year, or be rolled forward to that date by the actuary.

Because the County does not maintain its own pension trust fund, we do not expect GASB 67 to have any significant impact on the County at this time.

GASB 68 ■ Accounting and Financial Reporting for Pensions
Effective 06/15/2015 (your FY 2015)

This standard establishes new requirements for governments to report a "net pension liability" for the unfunded portion of its pension plan. Governments that maintain their own pension plans (either single employer or agent multiple-employer) will report a liability for the difference between the total pension liability calculated in accordance with GASB 67 and the amount held in the pension trust fund. Governments that participate in a cost sharing plan will report a liability for their "proportionate share" of the net pension liability of the entire system.

Historically, governments have only been required to report a net pension obligation to the extent that they have not met the annual required contribution (ARC) in any given year. Upon implementation of this standard, governments will be required to report a net pension liability based on the current funded status of their pension plans. This liability would be limited to the government-wide financial statements and proprietary funds. Changes in this liability from year to year will largely be reflected on the income statement, though certain amounts will be deferred and amortized over varying periods.

Attachment C – Upcoming Changes in Accounting Standards

For the December 31, 2013 Audit

GASB 68 also requires more extensive note disclosures and required supplementary information, including 10 years of historical information. The methods used to determine the discount rate (the assumed rate of return on plan assets held in trust) are mandated and must be disclosed, along with what the impact would be on the net pension liability if that rate changed by 1% in either direction. Other new disclosure requirements include details of the changes in the components of the net pension liability, comparisons of actual employer contributions to actuarially determined contributions, and ratios to put the net pension liability in context. For single-employer and agent multiple-employer plans, the information for these statements will come from the annual actuarial valuation. For cost sharing plans, this information will be derived from the financial reports of the plan itself, multiplied by the government's proportionate share of plan.

GASB 67 and 68 are only applicable to pension plans. However, the GASB has announced its intent to issue similar standards for other postemployment benefits (e.g., retiree healthcare) on a two year delay from these standards.

GASB 69 ■ Government Combinations and Disposals of Government Operations
Effective 12/15/2014 (your FY 2014)

This standard provides detailed requirements for the accounting and disclosure of various types of government combinations, such as mergers, acquisitions, and transfers of operations. The guidance available previously was limited to nongovernmental entities, and therefore did not provide practical examples for situations common in government-specific combinations and disposals. The accounting and disclosure requirements for these events vary based on whether a significant payment is made, the continuation or termination of services, and the legal structure of the new or continuing entity.

Given the infrequent nature of these types of events, we do not expect this standard to have any impact on the County at this time.

GASB 70 ■ Nonexchange Financial Guarantees
Effective 06/15/2014 (your FY 2014)

This standard addresses the accounting and disclosure of situations in which one government offers a financial guarantee on behalf of another government, not-for-profit organization, private entity, or individual without directly receiving equal or approximately equal value in exchange (a nonexchange transaction). A government that extends a nonexchange financial guarantee will be required to recognize a liability when qualitative factors and/or historical data indicate that it is "more likely than not" that the government will be required to make a payment on the guarantee. It further requires governments to disclose any outstanding financial guarantees in the notes to the financial statements.

We do not expect GASB 70 to have any significant impact on the County at this time.

COUNTY OF BARRY, MICHIGAN

Attachment C – Upcoming Changes in Accounting Standards

For the December 31, 2013 Audit

GASB 71 ■ Pension Transition for Contributions Made Subsequent to the Measurement Date
Effective with the Implementation of GASB 68

This standard is an amendment to GASB 68, and seeks to clarify certain implementation issues related to amounts that are deferred and amortized at the time GASB 68 is first adopted. It applies to situations in which the measurement date of an actuarial valuation differs from the government's fiscal year.

2 CFR 200 ■ Uniform Guidance for Federal Awards
Cost Principles Effective 12/26/2014; Single Audit Requirements Effective 12/26/2015 (your FY 2016)

The Office of Management and Budget (OMB) has consolidated seven separate circulars (including administrative requirements, cost principles, and audit requirements) into a single federal regulation. The new Uniform Guidance covers all aspects of federal grants from pre-award through the single audit. While much of the guidance was simply reorganized and recodified, there were also several substantive changes to the single audit thresholds. A single audit will now only be required if total expenditures of federal awards exceed $750,000 (up from $500,000). The OMB has indicated that further changes to the single audit will be announced in 2015.

In addition, the Uniform Guidance now explicitly requires grant recipients to have sound internal controls that are consistent with the COSO framework and documented procedures for grant administration. Rehmann is available to assist grant recipients in developing/documenting these policies and procedures in compliance with the new requirements.

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BARRY COUNTY

Michael C. Brown
County Administrator

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

June 4, 2014

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

This representation letter is provided in connection with your audit of the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the ***County of Barry, Michigan*** (the "County"), as of and for the year ended December 31, 2013, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, and the respective budgetary comparison for the general fund and each major special revenue fund of the County in conformity with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

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

We confirm that, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of June 4, 2014:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated January 21, 2014, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP. We have reviewed, approved, and taken responsibility for the financial statements and related notes.
2. We have reviewed and approved the various adjusting journal entries that were proposed by you for recording in our books and records and reflected in the financial statements.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions used by us in making accounting estimates are reasonable.
6. Related party relationships and transactions, if any, have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP. For the purposes of this letter, related parties mean members of the governing body; board members; administrative officials; immediate families of administrative officials, board members, and members of the governing body; and any companies affiliated with or owned by such individuals.
7. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.

8. The effects of uncorrected misstatements summarized in the attached schedule and aggregated by you during the current engagement are immaterial, both individually and in the aggregate, to the applicable opinion units and to the financial statements as a whole.
9. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
10. With regard to items reported at fair value:
    a. The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
    b. The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
    c. The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP.
    d. There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
11. All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
12. All funds and activities are properly classified.
13. All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
14. All components of net position and fund balance classifications have been properly reported.
15. All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
16. All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
17. All interfund and intra-entity transactions and balances have been properly classified and reported.
18. Special items and extraordinary items, if any, have been properly classified and reported.
19. Deposit and investment risks have been properly and fully disclosed.
20. Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
21. All required supplementary information is measured and presented within the prescribed guidelines.
22. We believe that the actuarial assumptions and methods used to measure pension and other postemployment benefit liabilities and costs for financial accounting purposes are appropriate in the circumstances.

Information Provided

23. We have provided you with:
    a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
    b. Additional information that you have requested from us for the purpose of the audit; and
    c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

24. All transactions have been recorded in the accounting records and are reflected in the financial statements.
25. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
26. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
    a. Management;
    b. Employees who have significant roles in internal control; or
    c. Others where the fraud could have a material effect on the financial statements.
27. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
28. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements and we have not consulted legal counsel concerning litigation or claims.
29. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
30. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
31. The government has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
32. We have disclosed to you all guarantees, whether written or oral, under which the government is contingently liable.
33. We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
34. There are no:
    a. Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
    b. Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.
    c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62.
35. The government has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
36. We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
37. We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB-62. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.

Supplementary Information in Relation to the Financial Statements as a Whole

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

Required Supplementary Information

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

OMB Circular A-133

40. With respect to federal awards, we represent the following to you:
    a. We are responsible for understanding and complying with and have complied with the requirements of Circular A-133.
    b. We are responsible for the preparation and presentation of the schedule of expenditures of federal awards in accordance with Circular A-133.
    c. We believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with Circular A-133.
    d. The methods of measurement or presentation have not changed from those used in the prior period.
    e. We believe the significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.
    f. We are responsible for including the auditor's report on the schedule of expenditures of federal awards in any document that contains the schedule and that indicates that the auditor has reported on such information.
    g. When the schedule of expenditures of federal awards is not presented with the audited financial statements, management will make the audited financial statements readily available to the intended users of the schedule of expenditures of federal awards no later than the date of issuance by the entity of the schedule of expenditures of federal awards and the auditor's report thereon.

h. We have, in accordance with Circular A-133, identified in the schedule of expenditures of federal awards, expenditures made during the audit period for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, food commodities, direct appropriations, and other assistance.
i. We are responsible for complying with the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal programs and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major federal program; and we have complied, in all material respects, with these requirements.
j. We have provided to you our interpretations of any compliance requirements that have varying interpretations.
k. We are responsible for establishing and maintaining effective internal control over compliance requirements applicable to federal programs that provide reasonable assurance that we are managing our federal awards in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on our federal programs. Also, no changes have been made in the internal control system to the date of this letter that might significantly affect internal control, including any corrective action taken with regard to significant deficiencies, including material weaknesses, reported in the schedule of findings and questioned costs.
l. We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relating to federal programs.
m. We have received no requests from a federal agency to audit one or more specific programs as a major program.
n. We have identified and disclosed to you all amounts questioned and any known noncompliance with the requirements of federal awards, including the results of other audits or program reviews. We also know of no instances of noncompliance occurring subsequent to the end of the period audited.
o. We have charged costs to federal awards in accordance with applicable cost principles, including amounts claimed or used for matching determined in accordance with relevant guidelines in the U.S. Office of Management and Budget Circular A-87, *Cost Principles for State, Local, and Tribal Governments*, and the U.S. Office of Management and Budget's, *Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*.
p. We have made available to you all documentation related to the compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
q. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared (and are prepared on a basis consistent with the schedule of expenditures of federal awards).
r. The copies of federal program financial reports provided to you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
s. We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by Circular A-133, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
t. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.

u. We are responsible for and have accurately completed the appropriate sections of the Data Collection Form as required by Circular A-133, and we are responsible for preparing and implementing a correction action plan for each audit finding.
v. We have disclosed all contracts or other agreements with service organizations and disclosed to you all communications from these service organizations relating to noncompliance at the organizations.
w. We have reviewed, approved, and taken responsibility for the financial statements and related notes.
x. We have disclosed to you the nature of any subsequent events that provide additional evidence with respect to conditions that existed at the end of the reporting period that affect noncompliance during the reporting period.

Michael Brown, County Administrator

Sue Vandecar, County Treasurer