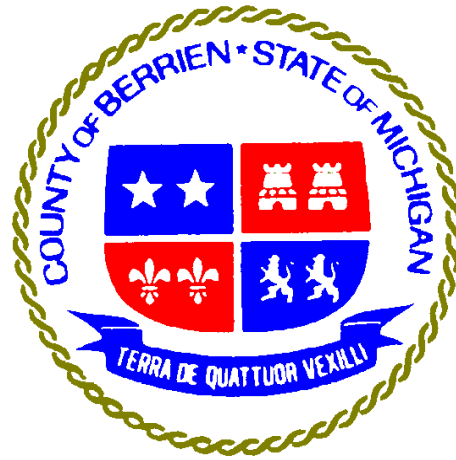


County of Berrien,
Michigan



Year Ended
December 31, 2017

Financial
Statements

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COUNTY OF BERRIEN, MICHIGAN

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1
Management's Discussion and Analysis	5
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position	18
Statement of Activities	19
Fund Financial Statements:	
Balance Sheet - Governmental Funds	22
Reconciliation of Fund Balances of Governmental Funds to Net Position of Governmental Activities	25
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	26
Reconciliation of Net Changes in Fund Balances of Governmental Funds to Change in Net Position of Governmental Activities	29
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual:	
General Fund	30
Road Fund	34
911 County Operational Fund	35
Drug Enforcement Public Safety Fund	36
Senior Citizen Fund	37
Statement of Net Position - Proprietary Funds	38
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	39
Statement of Cash Flows - Proprietary Funds	40
Statement of Fiduciary Net Position - Fiduciary Funds	42
Statement of Changes in Plan Net Position - Pension and Other Postemployment Benefits Trust Funds	43
Combining Statement of Net Position - Component Units	44
Combining Statement of Activities - Component Units	46
Notes to Financial Statements	49
Required Supplementary Information	
Defined Benefit Pension Plan:	
Schedule of Changes in the County's Net Pension Liability and Related Ratios	94
Schedule of the Net Pension Liability	95
Schedule of County Contributions	96
Other Postemployment Benefits Plan:	
Schedule of Funding Progress	97
Schedule of Employer Contributions	97

COUNTY OF BERRIEN, MICHIGAN

Table of Contents

	<u>Page</u>
Combining and Individual Fund Financial Statements and Schedules	
Nonmajor Governmental Funds:	
Combining Balance Sheet - Nonmajor Governmental Funds	100
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	101
Combining Balance Sheet - Nonmajor Special Revenue Funds	102
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds	110
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Nonmajor Special Revenue Funds	118
Combining Balance Sheet - Nonmajor Capital Projects Funds	140
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds	141
Nonmajor Enterprise Funds:	
Combining Statement of Net Position - Nonmajor Enterprise Funds	142
Combining Statement of Revenues, Expenses and Changes in Fund Net Position - Nonmajor Enterprise Funds	144
Combining Statement of Cash Flows - Nonmajor Enterprise Funds	146
Internal Service Funds:	
Combining Statement of Net Position - Internal Service Funds	150
Combining Statement of Revenues, Expenses and Changes in Fund Net Position - Internal Service Funds	151
Combining Statement of Cash Flows - Internal Service Funds	152
Agency Funds:	
Combining Statement of Fiduciary Assets and Liabilities - All Agency Funds	154
Combining Statement of Changes in Fiduciary Assets and Liabilities - All Agency Funds	156
Component Units:	
Statement of Net Position and Governmental Funds Balance Sheet - Drain Commission Component Unit	158
Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balances - Drain Commission Component Unit	162
Statement of Net Position - Economic Development Corporation Component Unit	166
Statement of Activities - Economic Development Corporation Component Unit	167
Combining Statement of Net Position - Economic Development Corporation Component Unit - Enterprise Funds	168
Combining Statement of Revenues, Expenses and Changes in Fund Net Position - Economic Development Corporation Component Unit - Enterprise Funds	169
Combining Statement of Cash Flows - Economic Development Corporation Component Unit - Enterprise Funds	170



INDEPENDENT AUDITORS' REPORT

June 27, 2018

 Board of Commissioners
 County of Berrien, Michigan
 St. Joseph, 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 Berrien, Michigan* (the "County") as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Independent Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Berrien Mental Health Authority, which represents the indicated percentage of total aggregate discretely presented component units assets and deferred outflows of resources, net position, and revenues:

	Percent of Total Assets and Deferred Outflows	Percent of Total Net Position	Percent of Total Revenues
Berrien Mental Health Authority	22.3%	11.0%	62.7%

In addition, we did not audit the financial statements of the Berrien County Road Commission, which represents 30.4% of the total revenues of total aggregate discretely presented component units. As described in Note 20, the Board of Commissioners passed a resolution to dissolve and assume all functions of the Road Commission effective September 28, 2017. As a result, the assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the Road Commission were eliminated at year end.

Those statements were audited by other auditors whose reports were furnished to us, and our opinion, insofar as it relates to the amounts included for the Berrien Mental Health Authority and the Berrien County Road Commission, 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 of material misstatement.

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

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Berrien, Michigan, as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the general fund and the major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Required Supplementary Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2018 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Rehmann Johnson LLC

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MANAGEMENT'S DISCUSSION AND ANALYSIS

COUNTY OF BERRIEN, MICHIGAN

Management's Discussion and Analysis

As management of the County of Berrien, Michigan (the "County"), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2017. We encourage readers to consider the information presented here in conjunction with the accompanying audited financial statements.

Financial Highlights

· Total net position	\$ 147,312,095
· Change in total net position	73,497,041
· Fund balances, governmental funds	47,406,936
· Change in fund balances, governmental funds	9,146,189
· Unassigned fund balance, general fund	20,720,969
· Change in fund balance, general fund	1,517,007
· Installment debt outstanding	30,861,964
· Change in installment debt	3,513,829

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic 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 difference 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., uncollected taxes and earned but unused vacation leave).

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

The government-wide financial statements include not only the County itself (known as the *primary government*), but also legally separate Drain Commission, Brownfield Redevelopment Authority, Economic Development Corporation, Land Bank Authority, and Mental Health Authority for which the County is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The 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.

COUNTY OF BERRIEN, MICHIGAN

Management's Discussion and Analysis

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 individual 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, road fund, 911 county operational fund, drug enforcement public safety fund and senior citizen 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 fund and special revenue funds. Budgetary comparison statements or schedules have been provided to demonstrate compliance with this budget.

Proprietary Funds. The County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for its delinquent tax revolving fund, delinquent tax foreclosure and personal property tax funds, drain working capital, and various public works projects funds. *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 risk management and employee benefit programs. 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 revolving, Benton Township water system fund and the Coloma City water system fund, which are considered to be major funds of the County. The County's internal service funds are presented in the proprietary fund financial statements in the Governmental Activities - Internal Service Funds column.

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 statement because the resources of those funds are *not available* to support the County's own programs. The accounting used for *fiduciary funds* is much like that used for proprietary funds.

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

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the County's progress in funding its obligation to provide pension and other postemployment benefits to its employees.

The combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise funds and internal service funds are presented immediately following the required supplementary information on pensions and other postemployment benefits.

COUNTY OF BERRIEN, MICHIGAN

Management's Discussion and Analysis

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$147,312,095 at the close of the most recent fiscal year. This is an increase of \$73,497,041 from the previous year.

During the course of 2017, the Berrien County Board of Commissioners, by majority vote of the members, passed a resolution transferring the powers, duties, and functions for the appointed Board of County Road Commissioners of Berrien County to the Berrien County Board of Commissioners. In compliance with Michigan Law, the County Board held the appropriate public hearings and determined it in the best interest of the citizens of Berrien County to dissolve the Berrien County Board of Road Commissioners. On September 28, 2017, by majority vote, the board was dissolved and functions absorbed into Berrien County government operations by establishing the Berrien County Road Department. Although the immediate financial impact to Berrien County has no effect overall, it did impact manner in which the information is reported. This impact results in an increase to primary government net position of \$78,547,782 on September 28, 2017 with a corresponding decrease in the net position of the separately reported Road Commission discretely presented component unit.

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 71,885,345	\$62,202,567	\$67,223,360	\$ 63,970,706	\$139,108,705	\$126,173,273
Capital assets, net	120,972,707	40,452,949	58,277	59,934	121,030,984	40,512,883
Total assets	<u>192,858,052</u>	<u>102,655,516</u>	<u>67,281,637</u>	<u>64,030,640</u>	<u>260,139,689</u>	<u>166,686,156</u>
Deferred outflows of resources	40,744,124	47,334,134	-	-	40,744,124	47,334,134
Long-term debt	4,174,432	2,427,107	29,548,983	27,317,652	33,723,415	29,744,759
Other liabilities	92,734,553	98,724,206	947,087	1,225,933	93,681,640	99,950,139
Total liabilities	<u>96,908,985</u>	<u>101,151,313</u>	<u>30,496,070</u>	<u>28,543,585</u>	<u>127,405,055</u>	<u>129,694,898</u>
Deferred inflows of resources	26,166,663	10,510,338	-	-	26,166,663	10,510,338
Net position:						
Net investment in capital assets	119,659,726	40,422,466	58,277	59,934	119,718,003	40,482,400
Restricted	17,326,529	6,892,371	-	-	17,326,529	6,892,371
Unrestricted (deficit)	(26,459,727)	(8,986,838)	36,727,290	35,427,121	10,267,563	26,440,283
Total net position	<u>\$110,526,528</u>	<u>\$38,327,999</u>	<u>\$36,785,567</u>	<u>\$ 35,487,055</u>	<u>\$ 147,312,095</u>	<u>\$ 73,815,054</u>

A portion of the County's net position, \$119,718,003 (81.3 percent) reflects its investment in capital assets (e.g., land, construction in progress, land improvements, building, 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's 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.

An additional portion of the County's net position of \$17,326,529 (11.8 percent) represents resources that are subject to external restrictions on how they may be used. The County may use the remaining balance of *unrestricted net position* of \$10,267,563 (7.0 percent) to meet its ongoing obligations to citizens and creditors.

COUNTY OF BERRIEN, MICHIGAN

Management's Discussion and Analysis

There was an increase of \$10,434,158 in restricted net position reported in connection with the County's governmental activities. This increase was a result of the Road Fund becoming part of primary government in the amount of \$8,400,669, an increase in functional activities of \$1,645,749, net of a reduction in state mandated programs and other items of \$387,740.

	Changes in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues						
Program revenues:						
Charges for services	\$ 14,481,832	\$14,061,913	\$ 5,657,072	\$ 4,941,433	\$ 20,138,904	\$ 19,003,346
Operating grants and contributions	32,427,616	27,709,828	11,284	135,663	32,438,900	27,845,491
General revenues:						
Property taxes	45,873,961	44,744,349	-	-	45,873,961	44,744,349
Grants and contributions not restricted to specific programs	190,935	248,405	-	-	190,935	248,405
Unrestricted investment earnings	32,180	38,353	-	-	32,180	38,353
Total revenues	93,006,524	86,802,848	5,668,356	5,077,096	98,674,880	91,879,944
Expenses						
Legislative	1,386,105	2,296,727	-	-	1,386,105	2,296,727
Judicial	13,675,352	13,976,626	-	-	13,675,352	13,976,626
General government	21,553,528	20,738,494	-	-	21,553,528	20,738,494
Public safety	31,159,720	30,259,136	-	-	31,159,720	30,259,136
Public works	4,262,649	699,285	-	-	4,262,649	699,285
Health and welfare	22,582,973	22,848,154	-	-	22,582,973	22,848,154
Recreation and cultural	2,062,684	2,803,371	-	-	2,062,684	2,803,371
Community development	2,767,792	1,490,749	-	-	2,767,792	1,490,749
Other governmental activities	758,199	770,691	-	-	758,199	770,691
Interest on long-term debt	7,159	-	-	-	7,159	-
Delinquent tax collections/forfeitures	-	-	1,262,813	3,180,666	1,262,813	3,180,666
Public works projects	-	-	2,246,647	1,630,852	2,246,647	1,630,852
Total expenses	100,216,161	95,883,233	3,509,460	4,811,518	103,725,621	100,694,751
Change in net position, before transfers and special item	(7,209,637)	(9,080,385)	2,158,896	265,578	(5,050,741)	(8,814,807)
Transfers	860,384	2,793,306	(860,384)	(2,793,306)	-	-
Special item	78,547,782	-	-	-	78,547,782	-
Change in net position	72,198,529	(6,287,079)	1,298,512	(2,527,728)	73,497,041	(8,814,807)
Net position:						
Beginning of year	38,327,999	44,615,078	35,487,055	38,014,783	73,815,054	82,629,861
End of year	\$110,526,528	\$38,327,999	\$36,785,567	\$ 35,487,055	\$ 147,312,095	\$ 73,815,054

COUNTY OF BERRIEN, MICHIGAN

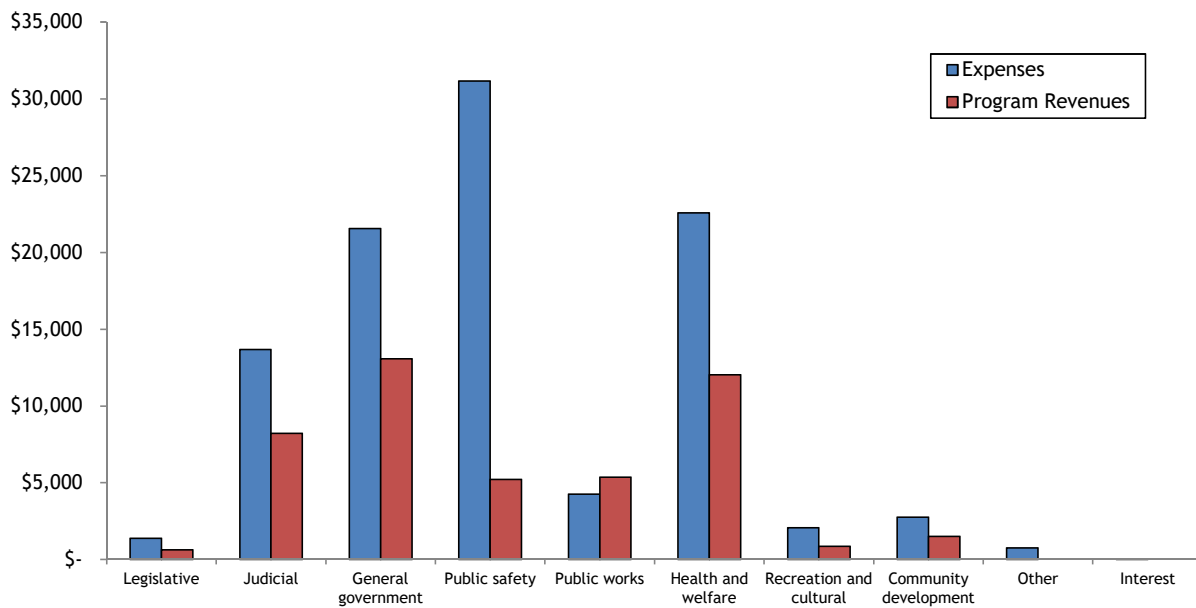
Management's Discussion and Analysis

The County's net position increased by \$73,497,041 during the current fiscal year. This increase was driven by a governmental activities increase of \$72,198,529 and an increase in business-type activities balances of \$1,298,512.

Governmental Activities. Governmental activities increased the County's net position by \$72,198,529. Key elements of this increase are as follows:

- Special item for transfer of operations from Road Commission to Road Department of \$78,547,782.
- Increased charges for services of \$419,919 (3.0 percent).
- Increased operating grants and contributions of \$4,717,788 (17.0 percent) driven by the addition of the Road Department in the amount of \$4,071,715.
- Increase in property taxes of \$1,129,612 (2.5 percent) driven by a small increase in taxable values.
- Increase in expenses of \$4,332,928 (4.5 percent) driven by addition of the Road Department in the amount of \$3,487,777 and net increases in other functional areas.
- Decrease in transfers from the tax revolving fund (business-type activity) of \$1,839,616 driven by a large capital project the previous year.

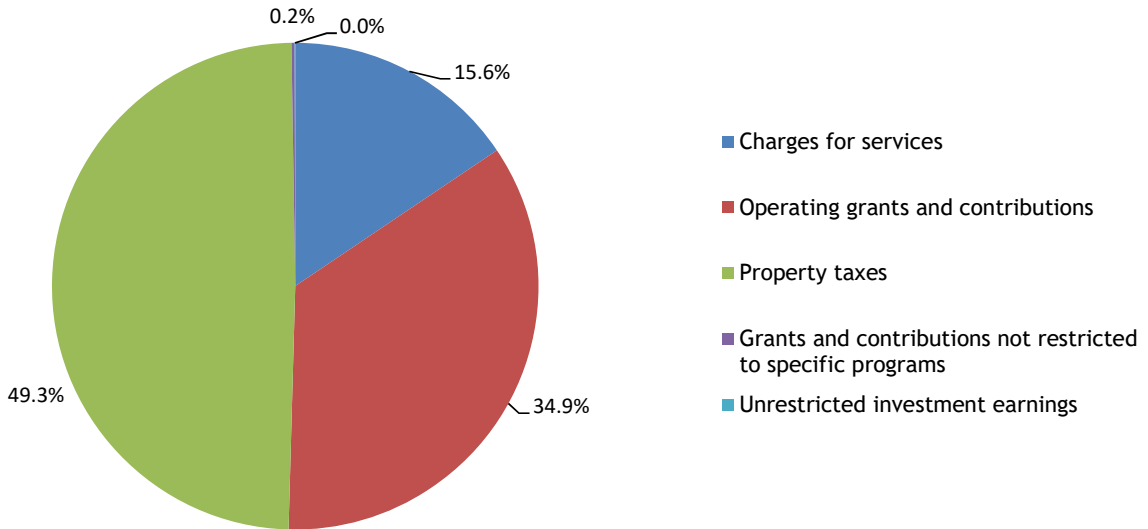
Expenses and Program Revenues - Governmental Activities (in thousands)



COUNTY OF BERRIEN, MICHIGAN

Management's Discussion and Analysis

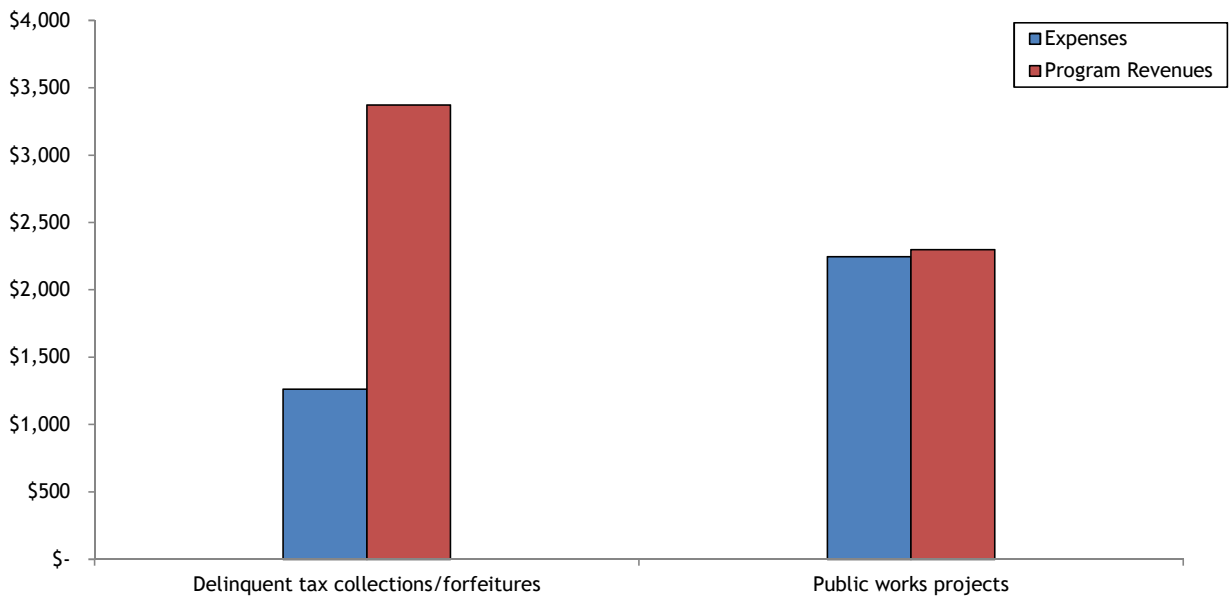
Revenues by Source - Governmental Activities



Business-type Activities. Business-type activities increased the County’s net position by \$1,298,512. Key elements of this increase are as follows:

- A \$1,932,922 decrease in transfers to governmental activities primarily for capital projects.
- Delinquent Tax Revolving Fund admin and interest revenue continuing to outpace expenditures for normal operations by \$1,812,176.

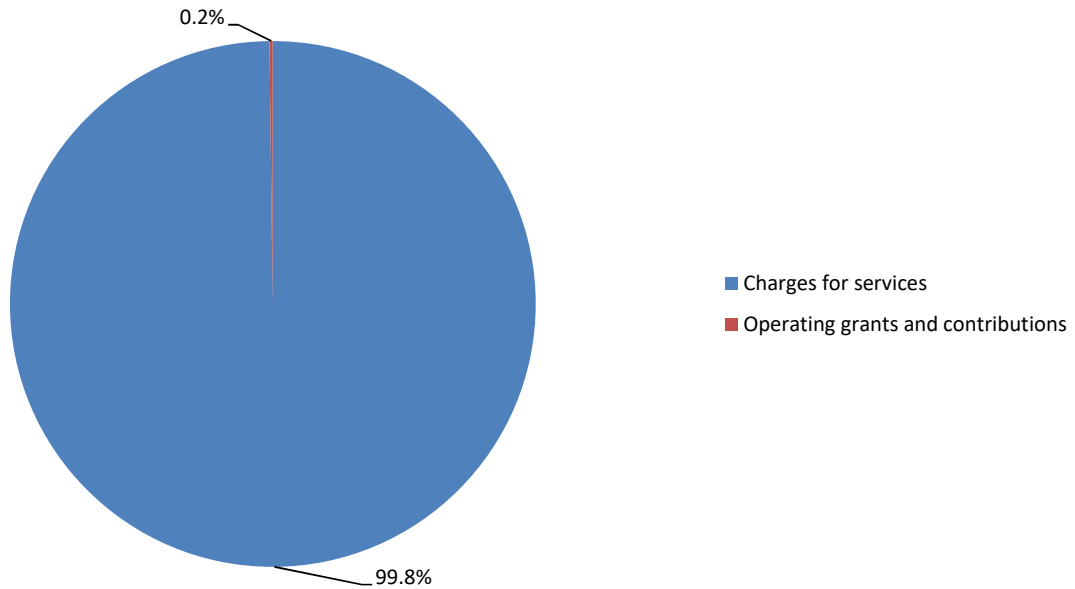
Expenses and Program Revenues - Business-type Activities (in thousands)



COUNTY OF BERRIEN, MICHIGAN

Management's Discussion and Analysis

Revenues by Source - Business-type Activities



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 \$47,406,936, an increase of \$9,146,189 in comparison with the prior year. Approximately half of the total amount (\$20,720,969 or 43.7 percent) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is not available for new spending because it has already been 1) classified as nonspendable for notes receivable, prepaid expenses, inventory and advances to other funds or component units (\$2,081,645), 2) restricted for various purposes (\$14,473,870) or 3) committed for various projects (\$10,130,452).

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 \$20,720,969, while total fund balance reached \$21,966,137. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures and transfers out. Unassigned fund balance represents 36.3 percent of total general fund expenditures and transfers out, while total fund balance represents 38.4 percent of that same amount.

The fund balance of the County's general fund increased by \$1,517,007 during the current fiscal year. Key factors in this increase are as follows:

- An increase in tax revenues of \$712,572, driven by current taxes real property taxes of \$678,393, created by an increase in taxable values, and small increases in delinquent property tax collections and payment in lieu of taxes totaling \$36,065.
- An increase in intergovernmental revenue of \$50,057 created by an increase in federal grants of \$69,487, state revenue sharing of \$35,900, state grants and reimbursements of \$21,508, partially offset by a decrease in state personal property reimbursement of \$62,169, and cobo hall revenue sharing of \$16,962.

COUNTY OF BERRIEN, MICHIGAN

Management's Discussion and Analysis

- An increase in charges for services of \$168,835 driven by an increase in register of deeds fees of \$537,328 and prosecutor fees of \$35,736, partially offset by judicial fees of \$200,374, public safety fees of \$100,658, drain commissioner fees of \$65,027 and other functional areas for a net decrease of \$38,170.
- An increase in interest revenue of \$67,177.
- A decrease in licenses and permits revenue of \$8,466.
- A decrease in fines and forfeitures of \$2,674.
- An increase in other revenues and reimbursements of \$302,110 driven by an increase in indirect cost and admin fees of \$655,080, insurance premium refund from the self-insurance pool of \$513,351, partially offset by a prior year refund from the State of Michigan of \$889,806.
- An increase in expenditures of \$2,054,450 (4.6 percent) of which \$1,181,182 is employee costs for salaries and fringe benefits, a \$685,000 repayment to the U.S. Department of Commerce's Economic Development Administration for disallowed costs on the Revolving Loan Fund Program grant, and \$188,268 increase in other non-personnel costs.
- An increase in interfund net transfers of \$353,194.
- An increase in proceeds from capital lease exceeding capital lease expenditures of \$181,136.

The fund balance of the roads fund increased by \$8,400,669, primarily due to operations transfer from the Road Commission, a component unit of government, to the Road Department in the amount of \$7,706,889, and revenues outpacing required expenditures for the October through December months of the year.

The fund balance of the 911 county operational fund increased by \$502,007, primarily due to tax collections and charges for services outpacing required expenditures for the year.

The fund balance of the drug enforcement public safety fund increased by \$160,800, primarily due to tax revenues outpacing appropriations for public safety activities for the year.

The fund balance of the senior citizen fund increased by \$2,937, primarily due to timing of receipts vs distribution of tax collections for the year.

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

Unrestricted net position of the delinquent tax revolving funds at the end of the year amounted to \$35,777,429. An increase of \$951,792 driven by normal operations of admin and interest revenue continuing to outpace expenditures by \$1,812,176, partially offset by transfers of funds for projects, governmental activities, of \$860,384.

General Fund Budgetary Highlights

The general fund budgeted no change in fund balance and the actual increase in fund balance was \$1,517,007. Budgetary variances are as follows:

- Tax revenues had a favorable budgetary variance of \$119,428, the majority of which is better than anticipated current tax collections of \$237,846, partially offset by less than anticipated delinquent tax collections of \$164,049.
- Intergovernmental revenue has a favorable budgetary variance of \$749,463 primarily created by a better than anticipated personal property reimbursement from the state of \$544,441, federal grant revenue of \$100,289, and state reimbursement for prisoner care of \$162,834.
- Charges for services had a favorable budgetary variance \$352,413. The variance is made up of registrar of deeds fees \$529,300, county clerk fees \$138,079, drain commissioner fees \$64,162, prosecutor fees \$51,457, public safety fees \$38,785, partially offset by judicial fees \$487,077, and all other functional areas for net favorable \$17,707.
- Other revenue had a favorable budget variance of \$827,545 created by a better than anticipated insurance refund \$113,351, indirect cost and administration reimbursement of \$686,829, and other reimbursements of \$42,297.
- Lower than projected licenses and permits of \$32,217 and fines and forfeitures of \$71,332.
- All other revenue categories net favorable \$22,682.
- Other financing sources unfavorable \$1,241,000 primarily due to lower than budgeted transfers in from other funds.

COUNTY OF BERRIEN, MICHIGAN

Management's Discussion and Analysis

- Expenditures had an overall favorable budgetary variance of \$790,025 which includes a \$685,000 repayment to the U.S. Department of Commerce's Economic Development Administration for disallowed costs on the Revolving Loan Fund Program grant. Almost all functional areas contributed to a favorable variance compared to the original budget of \$3,019,811.

The general fund amended budget had appropriations to other funds (transfers out) of \$10,728,033, which matched actual appropriations.

During the year, there was a \$2,229,786 increase in appropriations (transfers out) between the original and final amended budget because of an increase in available funds. The key factors in the increase of available funds were a \$615,000 decrease in other governmental activities related to the decrease in contingencies and lower than originally budgeted departmental expenditures of \$2,404,811.

Capital Asset and Debt Administration

Capital Assets. The County's capital assets for its governmental and business-type activities as of December 31, 2017 amounted to \$121,030,984 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, buildings, equipment, and infrastructure. The total increase in the County's investment in capital assets for the current fiscal year was 198.8 percent (a 199.1 percent increase for governmental activities and a 2.76 percent decrease for business-type activities). A major portion of the increase of \$80,518,101 is related to the transfer of the Road Commission discretely presented component unit to the Road Fund on September 28, 2017 of \$79,420,385.

Major capital asset events during the current fiscal year included the following:

- Jail intake renovations at a cost of \$747,056
- Jail heating and air conditioning upgrades at a cost of \$338,594.
- Upgrade desktop computers at a cost of \$253,693.
- Courthouse air conditioning upgrade at a cost of \$429,112.
- Courthouse building and equipment improvements and upgrades at a cost of \$198,337.
- Acquisition of law enforcement vehicles at a cost of \$308,757.
- Animal control road paving at a cost of \$197,420.
- Animal control building upgrades and vehicles at a cost of \$113,678.
- Improvements to juvenile center building and equipment at a cost of \$177,866.
- Administration center improvements at a cost of \$143,408.
- Replacement of pension accounting software at a cost of \$144,075.
- Electronic health records software for health department at a cost of \$139,732.
- Historic courthouse square building improvements at a cost of \$120,089.
- Improvements to south county courthouse and other buildings at a cost of \$114,654
- Acquisition of printing equipment at a cost of \$97,994.
- Road department infrastructure and equipment at a cost of \$1,305,736.
- Other building and grounds, equipment, software, and hardware at a cost of \$449,598.
- Disposal of assets with a net book value of \$20,110.
- Annual depreciation of assets in the amount of \$4,161,974

COUNTY OF BERRIEN, MICHIGAN

Management's Discussion and Analysis

	Capital Assets (net of depreciation)					
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 21,019,989	\$ 5,419,465	\$ -	\$ -	\$ 21,019,989	\$ 5,419,465
Construction in progress	1,223,740	624,012	6,694	-	1,230,434	624,012
Land improvements	2,365,437	2,165,659	-	-	2,365,437	2,165,659
Buildings	28,937,998	27,657,493	-	-	28,937,998	27,657,493
Equipment	6,804,551	4,586,320	51,583	59,934	6,856,134	4,646,254
Infrastructure	60,620,992	-	-	-	60,620,992	-
Total capital assets, net	\$120,972,707	\$40,452,949	\$ 58,277	\$ 59,934	\$ 121,030,984	\$ 40,512,883

The County conducts an annual inventory of its capital assets and an appraisal for insurance purposes using an outside service.

Additional information on the County's capital assets can be found in the notes to the financial statements.

Long-term Debt. At the end of the current fiscal year, the County had total debt outstanding of \$30,861,964 excluding compensated absences, which is fully backed by the full faith and credit of the government.

	Bonds and Notes					
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
General obligation bonds	\$ -	\$ -	\$27,798,924	\$ 27,419,924	\$ 27,798,924	\$ 27,419,924
General obligation limited tax notes	-	-	1,837,171	-	1,837,171	-
Notes payable	1,131,845	-	-	-	1,131,845	-
Installment purchase agreements	181,136	30,483	-	-	181,136	30,483
Unamortized bond discount	-	-	(95,887)	(102,272)	(95,887)	(102,272)
Unamortized bond premium	-	-	8,775	-	8,775	-
Total	\$ 1,312,981	\$ 30,483	\$29,548,983	\$ 27,317,652	\$ 30,861,964	\$ 27,348,135

The County's total installment debt increased by \$3,513,829 (12.8 percent) during the current fiscal year. The key factor in this increase was due to outstanding delinquent tax notes \$1,837,171 and the road fund notes of \$1,131,845.

The County maintains an "AA" rating from Standard & Poors for its general obligation debt. The Standard & Poors rating reflects the County's recent history of strong financial reserves and maintenance of a low overall debt burden.

State statutes limit the amount of general obligation debt a governmental entity may issue up to 10 percent of its total state equalized valuation. The current debt limitation for the County is \$949,214,024 which is significantly higher than the County's outstanding general obligation debt.

In May 2017, the County issued \$10,500,000 of general obligation limited tax notes to finance the Delinquent Tax Revolving Fund as part of its normal operating process and \$1,755,000 in Village of Michiana Water System No. 32 Improvement Project Bonds.

Additional information on the County's long-term debt can be found in the notes to the financial statements.

COUNTY OF BERRIEN, MICHIGAN

Management's Discussion and Analysis

Economic Factors and Next Year's Budget and Rates

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

- The average annual unemployment rate for the County for 2017 was 5.0 percent, which is approximately the same as a year ago. This is slightly worse than the State's average annual unemployment rate of 4.6 percent and national average of 4.4 percent for 2017. The average unemployment rate for the County for 2018 through April is 5.4 percent.
- Economic developments of a few years ago slowed taxable value growth. Over the last five years taxable values have increased at an average rate of 2.1 percent per year. The 2018 budget assumes taxable values increase from the 2017 taxable valuation by 2.5 percent.
- Interest rates remained somewhat stagnant over the past few years. The 2018 budget assumes a small decline in interest earned.
- Each year, the State of Michigan provides guidance on state revenue sharing the County is to receive during the year. The 2018 budget reflects this guidance.
- Defined benefit plan maintenance costs are a large cost to the County. The 2018 employer contribution percentages as determined by actuarial recommendations are down slightly from 2017 budget.
- Health insurance coverage for the County is self-funded. The County, as other governmental entities and the private sector, has experienced cost pressures over time. The employee's percentage share of health insurance cost remained the same 2018 from the 2017 budgeted level.

During the current fiscal year, unassigned fund balance in the general fund was \$20,720,969. The County has committed to maintaining a sufficient general fund balance to provide fiscal flexibility and to meet unforeseen emergencies. The County has adopted a balanced budget for 2018 without the need to appropriate any of this amount for spending. It is intended that this approach will avoid the need to raise taxes or charges during the 2018 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the County of Berrien's finances. Questions concerning any of the information provided in this report or requests for additional financial information may be addressed to the County of Berrien Administration Center, Financial Services Department, 701 Main Street, St. Joseph, Michigan 49085-1316.

BASIC FINANCIAL STATEMENTS

COUNTY OF BERRIEN, MICHIGAN

Statement of Net Position

December 31, 2017

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and cash equivalents	\$ 20,282,153	\$ 1,029,005	\$ 21,311,158	\$ 14,569,149
Investments	27,069,474	30,085,937	57,155,411	1,185,598
Restricted cash	2,993,785	-	2,993,785	546,901
Receivables, net	19,166,467	35,629,086	54,795,553	28,579,536
Internal balances	(450,000)	450,000	-	-
Prepaid items and other assets	1,764,783	29,332	1,794,115	469,595
Net other postemployment benefit asset	1,058,683	-	1,058,683	-
Capital assets not being depreciated	22,243,729	6,694	22,250,423	6,613,548
Capital assets being depreciated, net	98,728,978	51,583	98,780,561	18,590,114
Total assets	192,858,052	67,281,637	260,139,689	70,554,441
Deferred outflows of resources				
Deferred pension amounts	40,744,124	-	40,744,124	4,090,602
Deferred charge on refunding	-	-	-	137,942
Total deferred outflows of resources	40,744,124	-	40,744,124	4,228,544
Liabilities				
Accounts payable and accrued expenses	5,545,437	947,087	6,492,524	7,265,217
Unearned revenue	414,459	-	414,459	291,199
Notes payable	-	-	-	-
Long-term liabilities:				
Due within one year	3,158,234	1,594,838	4,753,072	3,135,891
Due in more than one year	1,016,198	27,954,145	28,970,343	21,332,370
Net pension liability	86,774,657	-	86,774,657	4,662,602
Total liabilities	96,908,985	30,496,070	127,405,055	36,687,279
Deferred inflows of resources				
Taxes levied for a subsequent period	8,994,298	-	8,994,298	-
Deferred pension amounts	17,172,365	-	17,172,365	1,790,748
Total deferred inflows of resources	26,166,663	-	26,166,663	1,790,748
Net position				
Net investment in capital assets	119,659,726	58,277	119,718,003	7,018,859
Restricted for:				
Judicial	114,678	-	114,678	-
Public works	9,358,168	-	9,358,168	-
Public safety	3,651,360	-	3,651,360	-
Health and welfare	2,444,012	-	2,444,012	-
Recreation and cultural	322,335	-	322,335	-
State mandated programs and other purposes	1,432,445	-	1,432,445	24,897,794
Debt service	3,531	-	3,531	-
Unrestricted (deficit)	(26,459,727)	36,727,290	10,267,563	4,388,305
Total net position	\$ 110,526,528	\$ 36,785,567	\$ 147,312,095	\$ 36,304,958

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

COUNTY OF BERRIEN, MICHIGAN

Statement of Activities

For the Year Ended December 31, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government					
Governmental activities:					
Legislative	\$ 1,386,105	\$ 1,762	\$ 630,080	\$ -	\$ (754,263)
Judicial	13,675,352	3,955,208	4,268,024	-	(5,452,120)
General government	21,553,528	3,782,988	9,285,633	-	(8,484,907)
Public safety	31,159,720	3,751,867	1,476,275	-	(25,931,578)
Public works	4,262,649	1,283,625	4,072,335	-	1,093,311
Health and welfare	22,582,973	553,760	11,481,260	-	(10,547,953)
Recreation and cultural	2,062,684	656,230	201,953	-	(1,204,501)
Community development	2,767,792	496,392	1,012,056	-	(1,259,344)
Other governmental activities	758,199	-	-	-	(758,199)
Interest on long-term debt	7,159	-	-	-	(7,159)
Total governmental activities	100,216,161	14,481,832	32,427,616	-	(53,306,713)
Business-type activities:					
Delinquent tax collections/forfeitures	1,262,813	3,370,711	493	-	2,108,391
Public works projects	2,246,647	2,286,361	10,791	-	50,505
Total business-type activities	3,509,460	5,657,072	11,284	-	2,158,896
Total primary government	\$ 103,725,621	\$ 20,138,904	\$ 32,438,900	\$ -	\$ (51,147,817)
Component units					
Road commission	\$ 19,661,172	\$ 435,168	\$ 22,350,171	\$ -	\$ 3,124,167
Drain commission	3,192,523	2,650	91,253	4,031,827	933,207
Brownfield redevelopment authority	1,770,537	6,062	62,330	-	(1,702,145)
Economic development corporation	47,829	-	10,805	-	(37,024)
Land bank authority	122,844	9,411	73,075	-	(40,358)
Mental health authority	48,059,721	39,056,036	7,967,538	-	(1,036,147)
Total component units	\$ 72,854,626	\$ 39,509,327	\$ 30,555,172	\$ 4,031,827	\$ 1,241,700

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COUNTY OF BERRIEN, MICHIGAN

Statement of Activities

For the Year Ended December 31, 2017

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Changes in net position				
Net (expenses) revenues	\$ (53,306,713)	\$ 2,158,896	\$ (51,147,817)	\$ 1,241,700
General revenues:				
Property taxes	45,873,961	-	45,873,961	932,587
Grants and contributions not restricted to specific programs	190,935	-	190,935	3,408
Unrestricted investment earnings	32,180	-	32,180	-
Transfers - internal activities	860,384	(860,384)	-	-
Total general revenues and transfers	46,957,460	(860,384)	46,097,076	935,995
Net change in net position before special item	(6,349,253)	1,298,512	(5,050,741)	2,177,695
Special item - transfer of operations	78,547,782	-	78,547,782	(78,547,782)
Change in net position	72,198,529	1,298,512	73,497,041	(76,370,087)
Net position, beginning of year	38,327,999	35,487,055	73,815,054	112,675,045
Net position, end of year	\$ 110,526,528	\$ 36,785,567	\$ 147,312,095	\$ 36,304,958

concluded

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

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COUNTY OF BERRIEN, MICHIGAN

Balance Sheet
 Governmental Funds
 December 31, 2017

	General (1010)	Road (2010)	911 County Operational (2610)	Drug Enforcement Public Safety (2175/2640)
Assets				
Cash and cash equivalents	\$ 1,122,150	\$ 4,342,750	\$ -	\$ 310,704
Investments	18,953,102	1,506,577	3,149,394	250,462
Receivables:				
Accounts	11,276	6,065	-	-
Taxes - current	2,032,311	-	3,269,964	2,543,577
Due from other governments	816,769	3,520,309	-	139,815
Notes	-	-	-	-
Interfund receivable	913,045	-	-	-
Prepaid items	168	19,234	-	-
Inventory	-	683,750	-	-
Advances to component units	1,245,000	-	-	-
Total assets	\$ 25,093,821	\$ 10,078,685	\$ 6,419,358	\$ 3,244,558
Liabilities				
Accounts payable	\$ 299,935	\$ 293,537	\$ 3,648	\$ 19,137
Accrued liabilities	721,986	150,825	84,009	6,471
Due to other governments	-	270,090	-	-
Interfund payable	-	-	8,755	-
Advances from other funds	450,000	-	-	-
Unearned revenue	-	6,065	-	323
Total liabilities	1,471,921	720,517	96,412	25,931
Deferred inflows of resources				
Unavailable revenue - property taxes	1,655,763	-	-	-
Taxes levied for a subsequent period	-	-	3,372,531	2,623,348
Unavailable revenue - project costs	-	957,499	-	-
Total deferred inflows of resources	1,655,763	957,499	3,372,531	2,623,348
Fund balances				
Nonspendable	1,245,168	702,984	-	-
Restricted	-	7,697,685	2,950,415	595,279
Committed	-	-	-	-
Unassigned	20,720,969	-	-	-
Total fund balances	21,966,137	8,400,669	2,950,415	595,279
Total liabilities, deferred inflows of resources and fund balances	\$ 25,093,821	\$ 10,078,685	\$ 6,419,358	\$ 3,244,558

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

Senior Citizen (2700)	Nonmajor Governmental Funds	Total
\$ 91,989	\$ 12,133,228	\$ 18,000,821
-	819,692	24,679,227
-	105,674	123,015
2,180,328	726,935	10,753,115
-	2,438,444	6,915,337
-	130,000	130,000
-	-	913,045
-	3,493	22,895
-	-	683,750
-	-	1,245,000
<u>\$ 2,272,317</u>	<u>\$ 16,357,466</u>	<u>\$ 63,466,205</u>
\$ -	\$ 824,596	\$ 1,440,853
-	364,837	1,328,128
-	113,474	383,564
-	425,950	434,705
-	-	450,000
-	408,071	414,459
-	2,136,928	4,451,709
-	-	1,655,763
2,248,702	749,717	8,994,298
-	-	957,499
<u>2,248,702</u>	<u>749,717</u>	<u>11,607,560</u>
-	133,493	2,081,645
23,615	3,206,876	14,473,870
-	10,130,452	10,130,452
-	-	20,720,969
<u>23,615</u>	<u>13,470,821</u>	<u>47,406,936</u>
<u>\$ 2,272,317</u>	<u>\$ 16,357,466</u>	<u>\$ 63,466,205</u>

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COUNTY OF BERRIEN, MICHIGAN

Reconciliation

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

Fund balances - total governmental funds	\$ 47,406,936
Amounts reported for <i>governmental activities</i> 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	22,243,729
Capital assets being depreciated, net	98,728,978
Other long-term assets are not available to pay for current-period expenditures and therefore are not recorded in the funds.	
Unavailable property taxes	1,655,763
Unavailable project reimbursements	957,499
Governmental funds report expenditures equal to amounts contributed to defined benefit other postemployment benefit plans (OPEB). However, in the statement of activities, net OPEB costs are equal to the actuarially determined net OPEB costs. Differences between actuarially determined net OPEB costs and annual contributions are accumulated and reported as a net OPEB asset or obligation.	
Contributions made in excess of net OPEB cost	1,058,683
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 the internal service funds are included in governmental activities in the statement of net position.	
Net position of governmental activities accounted for in internal service funds	5,852,270
Certain liabilities, such as bonds payable, are not due and payable in the current period, and therefore are not reported in the funds.	
Installment purchase agreement	(181,136)
Compensated absences	(2,861,451)
Notes payable	(1,131,845)
Certain pension-related amounts, such as the net pension liability and deferred amounts are not due and payable in the current period or do not represent current financial resources and therefore are not reported in the funds.	
Net pension liability	(86,774,657)
Deferred outflows related to the net pension liability	40,744,124
Deferred inflows related to the net pension liability	(17,172,365)
Net position of governmental activities	<u>\$ 110,526,528</u>

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

COUNTY OF BERRIEN, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended December 31, 2017

	General (1010)	Road (2010)	911 County Operational (2610)	Drug Enforcement Public Safety (2175/2640)
Revenues				
Property taxes	\$ 36,666,434	\$ -	\$ 3,366,627	\$ 2,623,861
Licenses and permits	199,933	-	-	-
Intergovernmental revenue	7,498,015	4,071,715	62,784	718,765
Charges for services	7,073,864	84,682	1,009,823	1,549
Fines and forfeitures	438,668	-	-	-
Interest revenue	148,382	-	10,958	4,447
Other revenue	4,273,892	25,160	1,000	38,143
Total revenues	56,299,188	4,181,557	4,451,192	3,386,765
Expenditures				
Current:				
Legislative	1,010,319	-	-	-
Judicial	8,030,902	-	-	868,866
General government	16,930,213	-	-	-
Public safety	17,366,246	-	3,949,185	2,643
Public works	475,819	3,430,818	-	-
Health and welfare	663,710	-	-	-
Recreation and cultural	-	-	-	-
Community development	1,143,503	-	-	-
Other governmental activities	745,542	-	-	-
Debt service:				
Principal	59,858	49,800	-	-
Interest	-	7,159	-	-
Total expenditures	46,426,112	3,487,777	3,949,185	871,509
Revenues over (under) expenditures	9,873,076	693,780	502,007	2,515,256
Other financing sources (uses)				
Issuance of long-term debt	240,994	-	-	-
Transfers in	2,130,970	-	-	219,073
Transfers out	(10,728,033)	-	-	(2,573,529)
Total other financing sources (uses)	(8,356,069)	-	-	(2,354,456)
Net change in fund balances before special item	1,517,007	693,780	502,007	160,800
Special item - transfer of operations	-	7,706,889	-	-
Net change in fund balances	1,517,007	8,400,669	502,007	160,800
Fund balances, beginning of year	20,449,130	-	2,448,408	434,479
Fund balances, end of year	\$ 21,966,137	\$ 8,400,669	\$ 2,950,415	\$ 595,279

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

Senior Citizen (2700)	Nonmajor Governmental Funds	Total
\$ 2,247,486	\$ 821,370	\$ 45,725,778
-	380,403	580,336
41,856	11,586,220	23,979,355
-	4,501,914	12,671,832
-	5,691	444,359
-	2,890	166,677
-	4,151,792	8,489,987
<u>2,289,342</u>	<u>21,450,280</u>	<u>92,058,324</u>
-	2,121	1,012,440
-	3,248,432	12,148,200
-	2,623,329	19,553,542
-	6,534,981	27,853,055
-	305,960	4,212,597
2,286,405	18,881,266	21,831,381
-	1,737,619	1,737,619
-	1,335,223	2,478,726
-	-	745,542
-	30,483	140,141
-	-	7,159
<u>2,286,405</u>	<u>34,699,414</u>	<u>91,720,402</u>
<u>2,937</u>	<u>(13,249,134)</u>	<u>337,922</u>
-	-	240,994
-	14,060,411	16,410,454
-	(2,248,508)	(15,550,070)
-	11,811,903	1,101,378
2,937	(1,437,231)	1,439,300
-	-	7,706,889
2,937	(1,437,231)	9,146,189
20,678	14,908,052	38,260,747
<u>\$ 23,615</u>	<u>\$ 13,470,821</u>	<u>\$ 47,406,936</u>

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COUNTY OF BERRIEN, MICHIGAN

Reconciliation

Net Changes in Fund Balances of Governmental Funds
to Change in Net Position of Governmental Activities
For the Year Ended December 31, 2017

Net change in fund balances - total governmental funds	\$ 9,146,189
Amounts reported for <i>governmental activities</i> 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	5,273,106
Depreciation expense	(4,153,623)
Loss on disposal of capital assets	(20,110)
Revenues in the statement of activities that do not provide current resources are not reported as revenues in the funds.	
Change in unavailable property taxes	148,183
Change in unavailable project reimbursements	800,017
Governmental funds report expenditures equal to amounts contributed to defined benefit other postemployment benefit (OPEB) plans. However, in the statement of activities, net OPEB costs are equal to actuarially determined net OPEB costs.	
Excess contributions over net OPEB cost	499,068
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 in the statement of net position.	
Principal payments on long-term liabilities	140,141
Issuance of long-term debt	(240,994)
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.	
Net pension liability and related deferred amounts	(8,267,175)
Change in accrued compensated absences	(388,641)
Certain items were transferred to the County as part of the dissolution of the Road Commission.	
These transfers are not recorded in the governmental funds.	70,840,893
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 loss of the internal service funds are reported with governmental activities.	
Net operating loss from governmental activities accounted for internal service funds	(1,578,525)
Change in net position of governmental activities	<u>\$ 72,198,529</u>

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

COUNTY OF BERRIEN, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund

For the Year Ended December 31, 2017

	Original Budget	Amended Budget	Actual	Over (Under) Budget
Revenues				
Property taxes	\$ 36,547,006	\$ 36,547,006	\$ 36,666,434	\$ 119,428
Licenses and permits	232,150	232,150	199,933	(32,217)
Intergovernmental revenue	6,748,552	6,748,552	7,498,015	749,463
Charges for services	6,721,451	6,721,451	7,073,864	352,413
Fines and forfeitures	510,000	510,000	438,668	(71,332)
Interest revenue	125,700	125,700	148,382	22,682
Other revenue	3,446,347	3,446,347	4,273,892	827,545
Total revenues	54,331,206	54,331,206	56,299,188	1,967,982
Expenditures				
Legislative:				
Board of Commissioners	643,571	606,596	599,084	(7,512)
Appropriations to outside agencies	410,724	411,236	411,235	(1)
Total legislative	1,054,295	1,017,832	1,010,319	(7,513)
Judicial:				
Circuit court	306,026	343,067	340,406	(2,661)
District court	2,285,855	2,151,577	2,138,138	(13,439)
Probate court	332,952	302,499	292,450	(10,049)
Jury board	32,310	32,192	30,109	(2,083)
Family court intake	705,207	719,545	712,466	(7,079)
Tri-court cashiering unit	895,415	823,045	815,837	(7,208)
Trial court	2,349,050	2,128,543	2,075,605	(52,938)
District court probation	653,529	558,722	550,781	(7,941)
Adult probation	96,046	95,786	94,525	(1,261)
Juvenile probation	570,741	627,528	609,660	(17,868)
Probate court administration	382,749	384,601	370,925	(13,676)
Total judicial	8,609,880	8,167,105	8,030,902	(136,203)

continued...

COUNTY OF BERRIEN, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund

For the Year Ended December 31, 2017

	Original Budget	Amended Budget	Actual	Over (Under) Budget
Expenditures (continued)				
General government:				
Elections	\$ 133,601	\$ 105,652	\$ 85,919	\$ (19,733)
County Administrator	237,930	249,891	247,002	(2,889)
Clerk	1,106,001	1,099,318	1,085,783	(13,535)
Equalization	547,386	588,551	583,520	(5,031)
Personnel	391,778	404,858	404,808	(50)
Purchasing	67,694	4,413	4,413	-
Corporate counsel	152,193	160,667	157,050	(3,617)
Prosecutor	2,972,510	2,922,972	2,890,663	(32,309)
Register of deeds	349,840	333,810	330,829	(2,981)
Treasurer	393,495	386,131	383,350	(2,781)
Courthouse and grounds	1,509,202	1,391,778	1,352,296	(39,482)
Building authority	179	162	149	(13)
South county building	440,558	448,962	434,216	(14,746)
Other county property	181,312	130,220	102,693	(27,527)
Administration center	296,067	233,327	211,051	(22,276)
2100 complex	202,514	172,281	157,050	(15,231)
Training facility	17,270	15,389	9,529	(5,860)
Drain commissioner	293,857	387,823	354,656	(33,167)
Building security	727,850	661,589	655,394	(6,195)
Financial services	696,577	704,537	703,473	(1,064)
Napier building	282,380	237,163	191,127	(46,036)
Church street	133,163	114,303	109,047	(5,256)
Telephone switchboard-central	147,640	156,827	155,874	(953)
Printing and microfilming	321,487	407,903	375,588	(32,315)
Mailing services	387,311	338,477	328,126	(10,351)
Motor pool	361,024	343,343	334,659	(8,684)
Information systems	2,295,190	2,136,083	2,094,766	(41,317)
GIS/mapping	446,261	414,699	394,320	(20,379)
Automation upgrade	298,500	382,794	374,689	(8,105)
Survey and remonumentation	70,000	68,536	67,678	(858)
Copy center	5,384	5,500	5,499	(1)
Cooperative extension service	287,334	287,030	286,080	(950)
Records center	251,940	249,847	245,878	(3,969)
Indigent defense	1,923,887	1,834,586	1,813,038	(21,548)
Total general government	17,929,315	17,379,422	16,930,213	(449,209)

continued...

COUNTY OF BERRIEN, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund

For the Year Ended December 31, 2017

	Original Budget	Amended Budget	Actual	Over (Under) Budget
Expenditures (continued)				
Public safety:				
Sheriff's office and road patrol	\$ 5,289,488	\$ 5,230,329	\$ 5,200,393	\$ (29,936)
Jail inmate rehabilitation	26,508	28,157	28,157	-
Sheriff's department radios	66,000	50,356	48,083	(2,273)
Law enforcement training facility	7,900	7,900	6,324	(1,576)
Jail division	10,494,940	10,171,863	10,126,869	(44,994)
Jail maintenance	995,143	863,005	805,425	(57,580)
Emergency management	463,935	432,829	412,890	(19,939)
Animal control	721,868	755,541	738,105	(17,436)
Total public safety	<u>18,065,782</u>	<u>17,539,980</u>	<u>17,366,246</u>	<u>(173,734)</u>
Public works -				
Appropriations to outside agencies	<u>482,061</u>	<u>475,819</u>	<u>475,819</u>	<u>-</u>
Health and welfare:				
Contagious disease	33,300	49,155	31,638	(17,517)
Medical examiner	-	-	-	-
Veterans services	126,912	125,186	124,695	(491)
Veterans burial	10,000	10,000	6,900	(3,100)
Appropriations to outside agencies	500,000	500,478	500,477	(1)
Total health and welfare	<u>670,212</u>	<u>684,819</u>	<u>663,710</u>	<u>(21,109)</u>
Community development:				
Economic development	462,901	1,143,348	1,141,094	(2,254)
Plat board	2,405	2,411	2,409	(2)
Total community development	<u>465,306</u>	<u>1,145,759</u>	<u>1,143,503</u>	<u>(2,256)</u>
Other governmental activities:				
Contingencies	1,300,000	-	-	-
Insurance and surety bonds	819,072	745,542	745,542	-
Total other governmental activities	<u>2,119,072</u>	<u>745,542</u>	<u>745,542</u>	<u>-</u>
Principal	<u>50,000</u>	<u>59,859</u>	<u>59,858</u>	<u>(1)</u>
Total expenditures	<u>49,445,923</u>	<u>47,216,137</u>	<u>46,426,112</u>	<u>(790,025)</u>
Revenues over expenditures	<u>4,885,283</u>	<u>7,115,069</u>	<u>9,873,076</u>	<u>2,758,007</u>

continued...

COUNTY OF BERRIEN, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund

For the Year Ended December 31, 2017

	Original Budget	Amended Budget	Actual	Over (Under) Budget
Other financing sources (uses)				
Issuance of long-term debt	\$ 150,000	\$ 150,000	\$ 240,994	\$ 90,994
Transfers in	3,462,964	3,462,964	2,130,970	(1,331,994)
Transfers out	(8,498,247)	(10,728,033)	(10,728,033)	-
Total other financing uses	<u>(4,885,283)</u>	<u>(7,115,069)</u>	<u>(8,356,069)</u>	<u>(1,241,000)</u>
Net change in fund balance	-	-	1,517,007	1,517,007
Fund balance, beginning of year	<u>20,449,130</u>	<u>20,449,130</u>	<u>20,449,130</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 20,449,130</u></u>	<u><u>\$ 20,449,130</u></u>	<u><u>\$ 21,966,137</u></u>	<u><u>\$ 1,517,007</u></u>

concluded

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

COUNTY OF BERRIEN, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Road Fund

For the Period Ended December 31, 2017

	Original Budget *	Amended Budget *	Actual *	Over (Under) Budget
Revenues				
Intergovernmental revenue	\$ 17,700,000	\$ 17,700,000	\$ 4,071,715	\$ (13,628,285)
Charges for services	2,600,000	2,600,000	84,682	(2,515,318)
Other revenue	153,500	153,500	25,160	(128,340)
Total revenues	20,453,500	20,453,500	4,181,557	(16,271,943)
Expenditures				
Public works:				
Operations	6,847,500	6,847,500	1,425,725	(5,421,775)
Signs and signals	361,000	361,000	39,261	(321,739)
Engineering	544,000	544,000	108,753	(435,247)
Administrative	581,000	581,000	127,775	(453,225)
Non-departmental Projects	2,336,000 9,750,000	2,336,000 9,750,000	444,071 1,285,233	(1,891,929) (8,464,767)
Debt service:				
Principal	653,841	653,841	49,800	(604,041)
Interest	7,159	7,159	7,159	-
Total expenditures	21,080,500	21,080,500	3,487,777	(17,592,723)
Net change in fund balance before special item	(627,000)	(627,000)	693,780	1,320,780
Special item - transfer of operations	7,706,889	7,706,889	7,706,889	-
Net change in fund balance	7,079,889	7,079,889	8,400,669	1,320,780
Fund balance, beginning of period	-	-	-	-
Fund balance, end of period	\$ 7,079,889	\$ 7,079,889	\$ 8,400,669	\$ 1,320,780

* The Board of Commissioners passed a resolution to dissolve and assume all functions of the Road Commission effective September 28, 2017. The County adopted a budget for the new fund for an entire year; however, the actual activity only represents the period from September 29, 2017 through the end of the year.

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

COUNTY OF BERRIEN, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - 911 County Operational Fund

For the Year Ended December 31, 2017

	Original Budget	Amended Budget	Actual	Over (Under) Budget
Revenues				
Property taxes	\$ 3,266,533	\$ 3,266,533	\$ 3,366,627	\$ 100,094
Intergovernmental revenue	-	-	62,784	62,784
Charges for services	1,007,350	1,007,350	1,009,823	2,473
Interest revenue	-	-	10,958	10,958
Other revenue	63,000	63,000	1,000	(62,000)
Total revenues	4,336,883	4,336,883	4,451,192	114,309
Expenditures				
Public safety	4,261,736	4,298,285	3,949,185	(349,100)
Net change in fund balance	75,147	38,598	502,007	463,409
Fund balance, beginning of year	2,448,408	2,448,408	2,448,408	-
Fund balance, end of year	<u>\$ 2,523,555</u>	<u>\$ 2,487,006</u>	<u>\$ 2,950,415</u>	<u>\$ 463,409</u>

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

COUNTY OF BERRIEN, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Drug Enforcement Public Safety Fund

For the Year Ended December 31, 2017

	Original Budget	Amended Budget	Actual	Over (Under) Budget
Revenues				
Property taxes	\$ 2,627,024	\$ 2,627,024	\$ 2,623,861	\$ (3,163)
Intergovernmental revenue	1,141,492	1,158,848	718,765	(440,083)
Charges for services	2,600	2,600	1,549	(1,051)
Interest revenue	-	-	4,447	4,447
Other revenue	39,909	41,552	38,143	(3,409)
Total revenues	3,811,025	3,830,024	3,386,765	(443,259)
Expenditures				
Judicial	1,331,266	1,385,694	868,866	(516,828)
Public safety	16,165	16,165	2,643	(13,522)
Total expenditures	1,347,431	1,401,859	871,509	(530,350)
Revenues over expenditures	2,463,594	2,428,165	2,515,256	87,091
Other financing sources (uses)				
Transfers in	163,430	236,805	219,073	(17,732)
Transfers out	(2,627,024)	(2,617,900)	(2,573,529)	(44,371)
Total other financing sources (uses)	(2,463,594)	(2,381,095)	(2,354,456)	26,639
Net change in fund balance	-	47,070	160,800	113,730
Fund balance, beginning of year	434,479	434,479	434,479	-
Fund balance, end of year	\$ 434,479	\$ 481,549	\$ 595,279	\$ 113,730

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

COUNTY OF BERRIEN, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Senior Citizen Fund

For the Year Ended December 31, 2017

	Original Budget	Amended Budget	Actual	Over (Under) Budget
Revenues				
Property taxes	\$ 2,251,293	\$ 2,351,281	\$ 2,247,486	\$ (103,795)
Intergovernmental revenue	-	-	41,856	41,856
Total revenues	2,251,293	2,351,281	2,289,342	(61,939)
Expenditures				
Health and welfare	2,251,293	2,351,281	2,286,405	(64,876)
Net change in fund balance	-	-	2,937	2,937
Fund balance, beginning of year	20,678	20,678	20,678	-
Fund balance, end of year	\$ 20,678	\$ 20,678	\$ 23,615	\$ 2,937

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

COUNTY OF BERRIEN, MICHIGAN

Statement of Net Position

Proprietary Funds
December 31, 2017

	Business-type Activities - Enterprise Funds					Governmental Activities
	Delinquent Tax Revolving (5160)	Benton Township Water System No. 27 (5760)	Coloma City Water System No. 30 (5762)	Nonmajor Enterprise Funds	Total	Internal Service Funds
Assets						
Current assets:						
Cash and cash equivalents	\$ -	\$ -	\$ 990	\$ 1,506,355	\$ 1,507,345	\$ 1,802,992
Investments	29,948,895	-	-	137,042	30,085,937	2,390,247
Accounts receivable	187,375	-	-	17,361	204,736	-
Taxes receivable, delinquent	6,562,055	-	-	262,463	6,824,518	-
Interest receivable, net	890,903	-	-	-	890,903	-
Leases receivable, current	-	885,000	163,399	546,439	1,594,838	-
Prepaid items	-	-	-	-	-	1,058,138
Inventories	-	-	-	29,332	29,332	-
Total current assets	37,589,228	885,000	164,389	2,498,992	41,137,609	5,251,377
Noncurrent assets:						
Restricted cash	-	-	-	-	-	2,993,785
Advance to other funds	450,000	-	-	-	450,000	-
Notes receivable	470,000	-	-	-	470,000	-
Leases receivable, net of current portion	-	15,478,710	3,195,958	6,969,423	25,644,091	-
Capital assets not being depreciated	-	-	-	6,694	6,694	-
Capital assets being depreciated, net	-	-	-	51,583	51,583	-
Total noncurrent assets	920,000	15,478,710	3,195,958	7,027,700	26,622,368	2,993,785
Total assets	38,509,228	16,363,710	3,360,347	9,526,692	67,759,977	8,245,162
Liabilities						
Current liabilities:						
Accounts payable	-	-	-	42,159	42,159	-
Accrued expenses	917	112,081	21,185	78,946	213,129	2,392,892
Due to other governments	427,291	-	-	264,508	691,799	-
Interfund payable	466,420	-	-	11,920	478,340	-
Current portion of long-term debt	-	885,000	163,399	546,439	1,594,838	-
Total current liabilities	894,628	997,081	184,584	943,972	3,020,265	2,392,892
Noncurrent liabilities -						
Long-term debt, due in more than one year	1,837,171	15,366,629	3,175,763	7,574,582	27,954,145	-
Total liabilities	2,731,799	16,363,710	3,360,347	8,518,554	30,974,410	2,392,892
Net position						
Investment in capital assets	-	-	-	58,277	58,277	-
Unrestricted	35,777,429	-	-	949,861	36,727,290	5,852,270
Total net position	\$ 35,777,429	\$ -	\$ -	\$ 1,008,138	\$ 36,785,567	\$ 5,852,270

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

COUNTY OF BERRIEN, MICHIGAN

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

	Business-type Activities - Enterprise Funds				Governmental	
	Delinquent Tax Revolving (5160)	Benton Township Water System No. 27 (5760)	Coloma City Water System No. 30 (5762)	Nonmajor Enterprise Funds	Total	Internal Service Funds
Operating revenues						
Charges for services	\$ 1,813,508	\$ 687,765	\$ 178,446	\$ 2,822,942	\$ 5,502,661	\$ 14,352,199
Interest on taxes	150,290	-	-	-	150,290	-
Total operating revenues	1,963,798	687,765	178,446	2,822,942	5,652,951	14,352,199
Operating expenses						
Operation and maintenance	112,656	-	49,223	2,248,267	2,410,146	12,421,626
Benefits and claims	-	-	-	-	-	3,509,098
Depreciation	-	-	-	8,351	8,351	-
Total operating expenses	112,656	-	49,223	2,256,618	2,418,497	15,930,724
Operating income (loss)	1,851,142	687,765	129,223	566,324	3,234,454	(1,578,525)
Nonoperating revenues (expenses)						
Interest income	4,121	-	263	11,021	15,405	-
Interest and fiscal charges	(43,087)	(687,765)	(129,486)	(230,625)	(1,090,963)	-
Total nonoperating revenues (expenses)	(38,966)	(687,765)	(129,223)	(219,604)	(1,075,558)	-
Income (loss) before transfers	1,812,176	-	-	346,720	2,158,896	(1,578,525)
Transfers out	(860,384)	-	-	-	(860,384)	-
Change in net position	951,792	-	-	346,720	1,298,512	(1,578,525)
Net position, beginning of year	34,825,637	-	-	661,418	35,487,055	7,430,795
Net position, end of year	\$ 35,777,429	\$ -	\$ -	\$ 1,008,138	\$ 36,785,567	\$ 5,852,270

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

COUNTY OF BERRIEN, MICHIGAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2017

	Business-type Activities - Enterprise Funds					Governmental Activities
	Delinquent Tax Revolving (5160)	Benton Township Water System No. 27 (5760)	Coloma City Water System No. 30 (5762)	Nonmajor Enterprise Funds	Total	Internal Service Funds
Cash flows from operating activities						
Cash received from customers	\$ 14,761,141	\$ 692,681	\$ 178,446	\$ 2,851,643	\$ 18,483,911	\$ -
Cash received from interfund services provided	-	-	-	-	-	14,352,199
Cash payments to suppliers for goods and services	(112,656)	(4,448)	(138,704)	(2,169,646)	(2,425,454)	(16,561,931)
Cash payments for delinquent tax rolls	(11,389,663)	-	-	-	(11,389,663)	-
Cash payments to employees for services	-	-	-	(195,961)	(195,961)	-
Net cash provided by (used in) operating activities	3,258,822	688,233	39,742	486,036	4,472,833	(2,209,732)
Cash flows from noncapital financing activities						
Proceeds from issuance of long-term debt	10,500,000	-	-	1,763,775	12,263,775	-
Principal payments	(8,662,829)	(835,032)	(164,968)	(376,000)	(10,038,829)	-
Interest payments	(43,087)	(687,765)	(129,486)	(230,625)	(1,090,963)	-
Transfers out	(860,384)	-	-	-	(860,384)	-
Net cash provided by (used in) noncapital financing activities	933,700	(1,522,797)	(294,454)	1,157,150	273,599	-
Cash flows from investing activities						
Purchase of investments	(7,552,819)	-	-	-	(7,552,819)	-
Proceeds from sale of investments	-	-	-	3,772	3,772	3,330
Purchase of capital assets	-	-	-	(6,694)	(6,694)	-
Interest received	4,121	-	263	11,021	15,405	-
Issuance of leases receivable	-	-	-	(1,109,544)	(1,109,544)	-
Issuance of notes receivable	(470,000)	-	-	-	(470,000)	-
Amounts collected on leases receivable	-	834,564	115,567	375,637	1,325,768	-
Net cash provided by (used in) investing activities	(8,018,698)	834,564	115,830	(725,808)	(7,794,112)	3,330
Net change in cash and cash equivalents	(3,826,176)	-	(138,882)	917,378	(3,047,680)	(2,206,402)
Cash and cash equivalents, beginning of year	3,826,176	-	139,872	588,977	4,555,025	7,003,179
Cash and cash equivalents, end of year	\$ -	\$ -	\$ 990	\$ 1,506,355	\$ 1,507,345	\$ 4,796,777
Statement of net position classification of cash and investments						
Cash and cash equivalents	\$ -	\$ -	\$ 990	\$ 1,506,355	\$ 1,507,345	\$ 1,802,992
Restricted cash	-	-	-	-	-	2,993,785
Total	\$ -	\$ -	\$ 990	\$ 1,506,355	\$ 1,507,345	\$ 4,796,777

continued...

COUNTY OF BERRIEN, MICHIGAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2017

	Business-type Activities - Enterprise Funds					Governmental Activities
	Delinquent Tax Revolving (5160)	Benton Township Water System No. 27 (5760)	Coloma City Water System No. 30 (5762)	Nonmajor Enterprise Funds	Total	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	\$ 1,851,142	\$ 687,765	\$ 129,223	\$ 566,324	\$ 3,234,454	\$ (1,578,525)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	-	-	-	8,351	8,351	-
Amortization of bond discounts	-	4,916	992	477	6,385	-
Changes in:						
Accounts receivable	345,184	-	-	155,055	500,239	-
Taxes receivable, delinquent	160,368	-	-	34,788	195,156	-
Interest receivable	4,228	-	-	-	4,228	-
Prepaid items	-	-	-	-	-	(389,417)
Inventories	-	-	-	8,298	8,298	-
Interfund receivable	395,976	-	-	-	395,976	-
Accounts payable	-	-	(89,923)	(135,878)	(225,801)	-
Accrued expenses	917	(4,448)	(550)	9,724	5,643	(241,790)
Due to other governments	34,587	-	-	(93,275)	(58,688)	-
Interfund payable	466,420	-	-	(67,828)	398,592	-
Net cash provided by (used in) operating activities	\$ 3,258,822	\$ 688,233	\$ 39,742	\$ 486,036	\$ 4,472,833	\$ (2,209,732)

concluded

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

COUNTY OF BERRIEN, MICHIGAN

Statement of Fiduciary Net Position

Fiduciary Funds
December 31, 2017

	Pension and Other Postemployment Benefit Trust Funds	Agency Funds
Assets		
Cash and cash equivalents	\$ 895,860	\$ 3,180,511
Investments:		
Equity mutual funds	121,441,911	-
Fixed income mutual funds	60,982,769	-
Commodities mutual funds	6,441,078	-
Real estate mutual funds	19,022,505	-
Accounts receivable	14,626	-
Total assets	<u>208,798,749</u>	<u>\$ 3,180,511</u>
Liabilities		
Accounts payable	173,156	\$ -
Undistributed receipts	-	3,180,511
Total liabilities	<u>173,156</u>	<u>\$ 3,180,511</u>
Net position		
Restricted for pension and other postemployment benefits	<u>\$ 208,625,593</u>	

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

COUNTY OF BERRIEN, MICHIGAN

Statement of Changes in Plan Net Position

Pension and Other Postemployment Benefits Trust Funds
For the Year Ended December 31, 2017

Additions

Investment income (loss):

Net change in fair value of investments	\$ 27,263,664
Interest and dividends	559
Less investment expenses	<u>(625,361)</u>

Net investment income 26,638,862

Contributions:

Employer	11,977,892
Employees	<u>2,932,496</u>

Total contributions 14,910,388

Total additions 41,549,250

Deductions

Benefit payments	17,090,888
Contribution refunds	532,329
Administration	<u>86,025</u>

Total deductions 17,709,242

Change in net position 23,840,008

Net position, beginning of year 184,785,585

Net position, end of year \$ 208,625,593

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

COUNTY OF BERRIEN, MICHIGAN

Combining Statement of Net Position

Component Units
December 31, 2017

	Road Commission	Drain Commission	Brownfield Redevelopment Authority
Assets			
Cash and cash equivalents	\$ -	\$ 7,187,322	\$ 1,495,974
Investments	-	-	-
Restricted cash	-	-	-
Receivables, net	-	23,257,890	-
Prepaid items and other assets	-	126,929	-
Capital assets not being depreciated	-	6,485,548	-
Capital assets being depreciated, net	-	17,419,950	-
Total assets	-	54,477,639	1,495,974
Deferred outflows of resources			
Deferred pension amounts	-	-	-
Deferred charge on refunding	-	137,942	-
Total deferred outflows of resources	-	137,942	-
Liabilities			
Accounts payable and accrued expenses	-	1,162,432	400,000
Long-term liabilities:			
Due within one year	-	3,014,437	-
Due in more than one year	-	20,754,438	-
Net pension liability	-	-	-
Unearned revenue	-	-	-
Total liabilities	-	24,931,307	400,000
Deferred inflows of resources			
Deferred pension inflows	-	-	-
Net position			
Net investment in capital assets	-	5,882,454	-
Restricted for other purposes	-	23,801,820	1,095,974
Unrestricted	-	-	-
Total net position	\$ -	\$ 29,684,274	\$ 1,095,974

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



Economic Development Corporation	Land Bank Authority	Mental Health Authority	Total
\$ 85,389	\$ 89,450	\$ 5,711,014	\$ 14,569,149
1,185,598	-	-	1,185,598
-	-	546,901	546,901
613,997	-	4,707,649	28,579,536
-	-	342,666	469,595
-	-	128,000	6,613,548
-	-	1,170,164	18,590,114
<u>1,884,984</u>	<u>89,450</u>	<u>12,606,394</u>	<u>70,554,441</u>
-	-	4,090,602	4,090,602
-	-	-	137,942
-	-	4,090,602	4,228,544
400,548	45,000	5,257,237	7,265,217
-	-	121,454	3,135,891
-	-	577,932	21,332,370
-	-	4,662,602	4,662,602
-	-	291,199	291,199
<u>400,548</u>	<u>45,000</u>	<u>10,910,424</u>	<u>36,687,279</u>
-	-	1,790,748	1,790,748
-	-	1,136,405	7,018,859
-	-	-	24,897,794
<u>1,484,436</u>	<u>44,450</u>	<u>2,859,419</u>	<u>4,388,305</u>
<u>\$ 1,484,436</u>	<u>\$ 44,450</u>	<u>\$ 3,995,824</u>	<u>\$ 36,304,958</u>

COUNTY OF BERRIEN, MICHIGAN

Combining Statement of Activities

Component Units

For the Year Ended December 31, 2017

	Road Commission	Drain Commission	Brownfield Redevelopment Authority
Expenses			
Road commission	\$ 19,661,172	\$ -	\$ -
Drain commission	-	3,192,523	-
Brownfield redevelopment authority	-	-	1,770,537
Economic development corporation	-	-	-
Land bank authority	-	-	-
Mental health authority	-	-	-
Total expenses	<u>19,661,172</u>	<u>3,192,523</u>	<u>1,770,537</u>
Program revenues			
Charges for services	435,168	2,650	6,062
Operating grants and contributions	22,350,171	91,253	62,330
Capital grants and contributions	-	4,031,827	-
Total program revenues	<u>22,785,339</u>	<u>4,125,730</u>	<u>68,392</u>
Net (expenses) revenues	3,124,167	933,207	(1,702,145)
General revenues			
Property taxes	-	-	918,250
Other revenue	-	-	-
Total general revenues	-	-	918,250
Net change in net position before special item	3,124,167	933,207	(783,895)
Special item - transfer of operations	<u>(78,547,782)</u>	-	-
Change in net position	(75,423,615)	933,207	(783,895)
Net position, beginning of year	<u>75,423,615</u>	<u>28,751,067</u>	<u>1,879,869</u>
Net position, end of year	<u>\$ -</u>	<u>\$ 29,684,274</u>	<u>\$ 1,095,974</u>

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



Economic Development Corporation	Land Bank Authority	Mental Health Authority	Total
\$ -	\$ -	\$ -	\$ 19,661,172
-	-	-	3,192,523
-	-	-	1,770,537
47,829	-	-	47,829
-	122,844	-	122,844
-	-	48,059,721	48,059,721
<u>47,829</u>	<u>122,844</u>	<u>48,059,721</u>	<u>72,854,626</u>
-	9,411	39,056,036	39,509,327
10,805	73,075	7,967,538	30,555,172
-	-	-	4,031,827
<u>10,805</u>	<u>82,486</u>	<u>47,023,574</u>	<u>74,096,326</u>
(37,024)	(40,358)	(1,036,147)	1,241,700
-	14,337	-	932,587
-	3,408	-	3,408
-	17,745	-	935,995
(37,024)	(22,613)	(1,036,147)	2,177,695
-	-	-	(78,547,782)
(37,024)	(22,613)	(1,036,147)	(76,370,087)
<u>1,521,460</u>	<u>67,063</u>	<u>5,031,971</u>	<u>112,675,045</u>
<u>\$ 1,484,436</u>	<u>\$ 44,450</u>	<u>\$ 3,995,824</u>	<u>\$ 36,304,958</u>

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NOTES TO FINANCIAL STATEMENTS

COUNTY OF BERRIEN, MICHIGAN

Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Berrien, Michigan (the "County") was incorporated in 1829 and covers an area of approximately 585 square miles in southwest lower Michigan. The County operates under a 12-member elected Board of Commissioners and an appointed County Administrator.

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 government is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the government's operations and 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.

Blended Component Unit

Berrien County Building Authority (the "Building Authority") - The Berrien County Building Authority is governed by a five-member Board appointed by the Berrien County Board of Commissioners. Although legally separate from the County, the Building Authority is reported as if it were part of the primary government, because its sole purpose is to finance and construct the County's public buildings. The financial statements of the Building Authority funds have been consolidated with the County's related debt service funds and capital projects funds.

Discretely Presented Component Units

Berrien County Drain Commission (the "Drain Commission") - The Berrien County Drain Commission oversees all drainage districts established pursuant to the Michigan Drain Code of 1956, which 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 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 County Commissioners in October. The Drain Commission is financially accountable to the County and is disclosed as a component unit, accordingly. The Drain Commission has a December 31 year end.

Berrien County Brownfield Redevelopment Authority (the "Authority") - The Berrien County Brownfield Redevelopment Authority was created pursuant to the provisions of Public Act 381 of 1996, in order to revitalize environmentally distressed Brownfield redevelopment areas. Its five-member Board is appointed by the Berrien County Board of Commissioners. The Authority's budget must be approved by the Berrien County Board of Commissioners. The Authority has a December 31 year end.

COUNTY OF BERRIEN, MICHIGAN

Notes to Financial Statements

Berrien County Economic Development Corporation (the "EDC") - The Berrien County Economic Development Corporation, organized pursuant to State statutes, was created to provide means and methods for the encouragement and assistance of industrial and commercial enterprises in relocating, purchasing, constructing, improving or expanding within the County so as to provide needed services and facilities to the residents of the County. The governing body of the EDC is appointed by the County, and the EDC is financially accountable to the County and is disclosed as a component unit, accordingly. The EDC has a December 31 year end.

Berrien County Land Bank Authority - The Berrien County Land Bank Authority was created pursuant to the Michigan Land Bank Fast Track Act (Public Act 258). The governing body of the Land Bank Authority is appointed by the County, and is financially accountable to the County and is disclosed as a component unit, accordingly. The Land Bank Authority has a December 31 year end.

Berrien Mental Health Authority - The Berrien Mental Health Authority, established pursuant to State statutes, is governed by a 12-member board appointed by the Berrien County Board of Commissioners. The Mental Health Authority is financially accountable to the County and is disclosed as a component unit, accordingly. The Mental Health Authority has a September 30 year end.

Complete financial statements for the Brownfield Redevelopment Authority, Land Bank Authority, and Mental Health Authority may be obtained at the respective entities' administrative offices. The Drain Commission and Economic Development Corporation do not issue separate financial statements.

Berrien Mental Health Authority
1485 S. M-139
Benton Harbor, Michigan 49022

Berrien County Brownfield
Redevelopment Authority
701 Main Street
St. Joseph, Michigan 49085

Berrien County Land Bank Authority
701 Main Street
St. Joseph, Michigan 49085

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*.

COUNTY OF BERRIEN, MICHIGAN

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. Property taxes are recognized as revenues in the year for which they are levied. 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, as agency funds report 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, or within one year for reimbursement-based grants. 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, state revenue, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and such 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 accounts for all the financial resources of the general government, except those accounted for and reported in another fund.

The *road fund* accounts for the construction and maintenance of the County roads. Funding for these activities is received from the State of Michigan Department of Transportation and federal contributions.

The *911 county operational fund* accounts for the operations of the County's emergency 911 system funded through a special millage.

The *drug enforcement public safety fund* accounts for the operations of the County's drug enforcement system funded through a special millage and grants.

COUNTY OF BERRIEN, MICHIGAN

Notes to Financial Statements

The *senior citizen fund* accounts for the collection and distribution of a special millage that provides operating funds for senior centers contracted by the County to provide services to County senior citizens.

The County reports the following major proprietary funds:

The *delinquent tax revolving fund* accounts for the County's annual purchase of delinquent real property taxes from each of the local taxing units within the County and the ultimate collection from the property owners of the delinquent taxes with penalty and interest. The fund also accounts for the County's issuance of debt (to provide cash flow for the purchase of the taxes) and for the resulting debt service payments.

The *Benton Township Water System No. 27 fund* accounts for monies received under capital leases with a local governmental unit for the construction of, and subsequent debt retirement for, a water distribution system.

The *Coloma City Water System No. 30* accounts for monies received under capital leases with a local governmental unit for the construction of, and subsequent debt retirement for, a water distribution system.

Additionally, the County reports the following fund types:

Special revenue funds are used to 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 are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Capital projects funds are used to 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.

Enterprise funds are used to account for 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 to other departments or agencies of the government, or to other governments, on a cost-reimbursement basis, such as the County's self-insurance programs.

The *pension and other postemployment benefit (OPEB) trust funds* are accounted for in essentially the same manner as proprietary funds, using the same measurement focus and basis of accounting. The pension and OPEB trust funds account for the assets of the County's defined benefit pension and OPEB plans.

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

COUNTY OF BERRIEN, MICHIGAN

Notes to Financial Statements

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

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

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

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

Deposits and Investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are stated at fair value, which is determined as follows: a) short-term investments are reported at cost, which approximates fair value; b) securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates; c) investments that do not have established market values are reported at estimated fair value; and d) cash deposits are reported at carrying amount, which reasonably approximates fair value.

State statutes authorize the County to deposit in the accounts of federally insured banks, credit unions and savings and loan associations and to invest in obligations of the U.S. Treasury, certain commercial paper, repurchase agreements, bankers' acceptances and mutual funds composed of otherwise legal investments.

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 noncurrent 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."

Advances between funds are offset by nonspendable fund balance in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectibles, as applicable.

COUNTY OF BERRIEN, MICHIGAN

Notes to Financial Statements

Inventories, Prepaid Items and Other Assets

All inventories are valued at cost using the first-in/first-out (FIFO) method, except the road fund inventory that is valued using the weighted 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.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), 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 \$10,000 and an estimated useful life in excess of two years, except in the road fund where the cost threshold is \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition cost 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 and component units are depreciated over the useful life of the assets as follows:

	Depreciation Method	Useful Lives - Years
Primary government:		
Buildings	Straight-line	25-50
Public domain infrastructure	Straight-line	35
System infrastructure	Straight-line	35
Vehicles	Straight-line	3-20
Equipment	Straight-line	5-20
Road equipment	Sum of the years' digits	5-8
Infrastructure	Straight-line	5-50
Drain Commission:		
Buildings	Straight-line	30
Public domain infrastructure	Straight-line	35
System infrastructure	Straight-line	35
Vehicles	Straight-line	3-20
Equipment	Straight-line	5-10
Community Mental Health Authority:		
Buildings and improvements	Straight-line	15-25
Vehicles	Straight-line	4
Equipment	Straight-line	5

COUNTY OF BERRIEN, MICHIGAN

Notes to Financial Statements

Deferred Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to one or more future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized on a straight-line basis over the shorter of the life of the refunded or refunding debt. Additionally, the government reports deferred outflows of resources for contributions subsequent to the measurement date, change in expected and actual investment returns, assumptions, and benefits provided in its pension plans.

Compensated Absences

Eligible employees are permitted to accumulate earned but unused vacation benefits in varying amounts based on length of service and certain other established criteria. Amounts not expected to be liquidated with expendable available financial resources are accrued when incurred in the government-wide and proprietary fund financial statements. A liability is reported in governmental funds only if these amounts have matured, for example, as a result of employee resignations or 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.

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 other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures when incurred.

COUNTY OF BERRIEN, MICHIGAN

Notes to Financial Statements

Deferred Inflows of Resources

In addition to liabilities, the statement of net position and governmental funds balance sheet will sometime report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues, which arises only under a modified accrual basis of accounting, from property taxes, drain special assessments and unreceived project costs. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In addition, deferred inflows of resources are reported in the government-wide and governmental fund financial statements for property taxes levied during the year that were intended to finance future periods. The government also reports deferred pension inflows in the statement of net position. A deferred pension inflow results when there is a change in total pension liability due to benefit changes, differences between expected and actual experience, changes in actuarial assumptions, or differences between expected and actual investment returns. The amounts are deferred and amortized.

Fund Balances

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 Board of Commissioners (the government's highest level of decision-making authority). A formal resolution of the Board of Commissioners is required to establish, modify, or rescind a fund balance commitment. The County may report 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. The Board of Commissioners has delegated the authority to assign fund balance to the Finance Committee or its designee. The County has no assigned fund balance. 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, assigned, and finally unassigned fund balance.

COUNTY OF BERRIEN, MICHIGAN

Notes to Financial Statements

2. 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 department level. Management may make transfers of appropriations within funds. Transfers of appropriations between funds require the approval of the Board. The Board made several supplemental budgetary revisions throughout the year which were not considered material.

The annual budgeting process begins in July of each year. Department heads submit budget requests/recommendations to the responsible parent committee (i.e., Finance, Personnel, Administration) for approval. Once approved, the department heads are required to hold a budget hearing with the Finance Committee by the second Tuesday in September. The County Administrator tabulates a budget overview, including recommendations, for the Finance Committee to adjust and approve a final budget. Following truth in taxation hearings, the final budget is submitted to the Board of Commissioners for adoption. The Board has until December 31 to adopt the budget, although it normally targets mid-November for the general fund and for the special revenue funds.

3. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

State statutes provide that a local unit shall not incur expenditures in excess of the amounts appropriated. The approved budgets of the County were adopted on a department level basis for the general fund and the activity level for the special revenue funds.

The Authority did not incur any amounts in excess of appropriations.

COUNTY OF BERRIEN, MICHIGAN

Notes to Financial Statements

4. DEPOSITS AND INVESTMENTS

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

	Primary Government	Component Units	Totals
Statement of Net Position			
Cash and cash equivalents	\$ 21,311,158	\$ 14,569,149	\$ 35,880,307
Investments	57,155,411	1,185,598	58,341,009
Restricted cash	2,993,785	546,901	3,540,686
Statement of Fiduciary Net Position			
Cash and cash equivalents	4,076,371	-	4,076,371
Investments	207,888,263	-	207,888,263
Total	\$ 293,424,988	\$ 16,301,648	\$ 309,726,636

Deposits and investments

Bank deposits:

Checking/savings accounts	\$ 36,494,058
Certificates of deposit - due within one year	6,890,504
Certificates of deposit - due in one to five years	2,327,150
Investments in securities and mutual funds:	
Treasurer's investment pool	53,107,656
Pension and OPEB investments	207,888,263
Cash on deposit with agent	3,005,201
Cash on hand	13,804

Total \$ 309,726,636

Restricted cash of the primary government consists of the County's deposits with the Michigan Municipal Risk Management Authority.

Bank Deposits and Treasurer's Investment Pool

Custodial Credit Risk - Deposits. Deposits are exposed to custodial credit risk if they are not covered by depository insurance. At year-end, the carrying amount of the County's deposits was \$45,711,712. The combined bank balance of these deposits was \$50,436,960 of which \$45,614,213 was uninsured and uncollateralized.

In accordance with the County's investment policy and State law, all deposits are uncollateralized, held in the County's name, and evidenced by a safekeeping receipt. Also, due to the dollar amounts of cash deposits and the limits of FDIC insurance, the County believes it is impractical to insure all bank deposits. As a result, the County evaluates each financial institution and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

COUNTY OF BERRIEN, MICHIGAN

Notes to Financial Statements

Custodial Credit Risk - Investments. Following is a summary of the County’s investments as of December 31, 2017:

U.S. treasury notes	\$ 1,380,234
U.S. government agencies	5,774,843
Municipal bonds	494,075
Repurchase agreements (collateralized by U.S. government securities)	6,850,787
Money market and cash management funds	<u>38,607,717</u>
 Total	 <u>\$ 53,107,656</u>

Investments are exposed to custodial credit risk if the securities are uninsured, unregistered or held by a counterparty or its agent but not in the government’s name. In accordance with the County’s investment policy, all investments 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. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The County’s investment policy and State law require that commercial paper be rated in the top two ratings by at least two nationally recognized statistical rating organizations.

As of December 31, 2017, all of the County’s investments in securities of U.S. agencies were rated AA+ by Standard & Poor’s. The County’s investment in municipal bonds were rated AA1 by Moody’s. United States treasury securities are explicitly guaranteed by the U.S. government and not considered to have credit risk. The County’s money market funds were not rated.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. The County’s investment policy requires diversification by security type and institution, but does not place a fixed percentage limit for any one issuer.

At December 31, 2017, the County had greater than 5% of its total investment portfolio concentrated as follows:

Investment Type	Issuer	% of Portfolio
Federal Home Loan Bank	Various	6.86%
MBIA Investment Fund	MBIA	8.26%

Interest Rate Risk. Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of investments. The County’s investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

COUNTY OF BERRIEN, MICHIGAN

Notes to Financial Statements

As of December 31, 2017, all of the County's debt securities had the following maturities:

	< 1 year	1 - 5 years	6 - 10 years	Total
U.S. treasury notes	\$ 149,444	\$ 1,230,790	\$ -	\$ 1,380,234
U.S. government agencies	389,888	5,384,955	-	5,774,843
Municipal bonds	-	494,075	-	494,075
Repurchase agreements	6,850,787	-	-	6,850,787
	<u>\$ 7,390,119</u>	<u>\$ 7,109,820</u>	<u>\$ -</u>	<u>\$ 14,499,939</u>

Fair Value Measurements. The County categorizes the fair value measurements of its investments within the fair value hierarchy established by generally accepted accounting principles. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are inputs - other than quoted prices included within Level 1- that are observable for the asset or liability, either directly or indirectly. Finally, Level 3 inputs are unobservable and are based on estimates and assumptions. These levels are determined by the management's review of the type and substance of investments held by the County.

The County had the following recurring fair value measurements as of December 31, 2017:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value at December 31, 2017
Investments at fair value:				
U.S. treasury notes	\$ 1,380,234	\$ -	\$ -	\$ 1,380,234
U.S. government agencies	-	5,774,843	-	5,774,843
Municipal bonds	-	494,075	-	494,075
Repurchase agreements	-	6,850,787	-	6,850,787
Cash management/mutual funds	38,607,717	-	-	38,607,717
	<u>\$ 39,987,951</u>	<u>\$ 13,119,705</u>	<u>\$ -</u>	<u>\$ 53,107,656</u>

COUNTY OF BERRIEN, MICHIGAN

Notes to Financial Statements

Pension and Other Postemployment Benefit Trust Fund Investments

The Trusts' investments are primarily held in a bank administered trust fund. Following is a summary of the Trusts' investments as of December 31, 2017:

	Pension	Other Postemployment Benefit Trust Fund
Mutual funds at fair value, as determined by quoted market price:		
Equity funds:		
Russell Large Cap US Eq Fund	\$ 26,441,643	\$ -
Russell 1000 Index Fund Series 1	34,381,728	-
Russell Small Cap Fund	12,049,514	-
Russell International Fund	20,501,405	-
Russell Emerging Markets Fund	3,480,887	-
Russell global infrastructure fund	3,394,518	954,570
RIC U.S. Defensive Equity	-	12,122,185
RIC U.S. Small Cap Equity	-	2,682,703
RIC International developed markets	-	4,479,978
RIC Emerging Markets	-	952,780
Fixed income funds:		
Russell Quantitative Bond Fund	50,090,122	-
RIC Investment Grade Bond Fund	-	10,892,647
Commodities funds:		
Russell Commodities Fund	5,127,262	-
RIC Commodity Strategies Fund	-	1,313,816
Real estate fund:		
Russell Real Estate Equity Fund	13,757,482	861,774
Russell Real Estate Security Fund	3,448,289	954,960
	<u>\$ 172,672,850</u>	<u>\$ 35,215,413</u>
Total investments		

The Michigan Public Employees Retirement Systems' Investment Act, Public Act 314 of 1965, as amended, authorizes the System to invest in domestic and foreign stocks, government securities, corporate securities, mortgages, real estate and various other investment instruments, subject to certain limitations.

COUNTY OF BERRIEN, MICHIGAN

Notes to Financial Statements

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Trusts' investment policy emphasizes appropriate risk/return parameters and compliance with Public Act 314, and gives discretionary authority to its investment managers as opposed to establishing specific credit rating benchmarks. The Trust invests in mutual funds, which is comprised of various securities. The percentages below represent the percent of the mutual fund that is invested in securities with a particular rating. As of December 31, 2017, the Trusts' investments in debt securities were rated by Standard & Poor's as follows:

Rating	Percentage	
	Pension	Other Postemployment Benefit Trust Fund
AAA	65.4%	57.0%
AA	8.9%	7.9%
A	10.8%	11.6%
BBB	14.9%	21.1%
BB	0.0%	1.3%
B	0.0%	0.1%
CCC & below	0.0%	0.1%
not rated	0.0%	0.9%
	100.0%	100.0%

Custodial Credit Risk. For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty to a transaction, the Trust will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Trusts' investment policy requires that securities be held in trust by a third-party institution in the Trusts' name or its nominee custodian's name or in bearer form. Although uninsured and unregistered, the Trusts' investments are not exposed to custodial credit risk since the securities are held by the counterparty's trust department or agent in the Trusts' name. Short-term investments in money market funds and open-end mutual funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book form.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the Trusts' investment in a single issuer. At December 31, 2017, the Trusts' investment portfolio was not concentrated to a particular issuer due to the only investments being in shares of mutual funds.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Trusts' investment policy does not discuss the maximum maturity for any single fixed income security or the weighted average portfolio maturity.

COUNTY OF BERRIEN, MICHIGAN

Notes to Financial Statements

The Trust invests in mutual funds, which is comprised of various securities. The percentages below represent the percent of the mutual fund that is invested in securities with a particular maturity. As of December 31, 2017, maturities of the Trusts' debt securities, were as follows:

Maturity (Years)	Percentage	
	Pension	Other Postemployment Benefit Trust Fund
0 to 3	21.3%	18.1%
3 to 5	19.2%	20.1%
5 to 7	20.1%	24.7%
7 to 10	23.6%	18.9%
10 to 15	1.5%	3.0%
15 to 20	2.4%	3.2%
20 to 25	4.0%	3.6%
25+	7.9%	8.4%
	100.0%	100.0%

Fair Value Measurements - The System categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The System had the following recurring fair value measurements as of December 31, 2017:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value at December 31, 2017
Investments at fair value:				
Equity mutual funds	\$ 21,192,216	\$ 100,249,695	\$ -	\$ 121,441,911
Fixed income mutual funds	10,892,647	50,090,122	-	60,982,769
Commodities mutual funds	1,313,816	5,127,262	-	6,441,078
Real estate mutual funds	954,960	17,205,771	861,774	19,022,505
	\$ 34,353,639	\$ 172,672,850	\$ 861,774	\$ 207,888,263
Total investments at fair value	\$ 34,353,639	\$ 172,672,850	\$ 861,774	\$ 207,888,263

COUNTY OF BERRIEN, MICHIGAN

Notes to Financial Statements

5. RECEIVABLES

Receivables at year end consisted of the following:

	Governmental Activities	Business-type Activities
Accounts	\$ 123,015	\$ 204,736
Taxes (current)	10,753,115	-
Taxes (delinquent)	-	6,824,518
Interest	-	969,220
Due from other governments	6,915,337	-
Leases, current portion	-	1,594,838
Leases, long-term portion	-	25,644,091
Advances to component units (not due within one year)	1,245,000	-
Notes (not due within one year)	130,000	470,000
Less: allowance for uncollectible accounts	-	(78,317)
	<u>\$ 19,166,467</u>	<u>\$ 35,629,086</u>

Of the amounts reported for receivables above, delinquent taxes receivable in the amount of \$6,779,137, advances to component units in the amount of \$1,245,000, notes receivable in the amount of \$600,000, and leases receivable in the amount of \$25,644,091 are not expected to be collected within one year.

COUNTY OF BERRIEN, MICHIGAN

Notes to Financial Statements

6. CAPITAL ASSETS

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

Primary government

	Beginning Balance	Additions	Disposals	Transfers	Transfer of Operations*	Ending Balance
Governmental activities						
Capital assets not being depreciated:						
Land	\$ 5,419,465	\$ 390,475	\$ -	\$ -	\$ 15,210,049	\$ 21,019,989
Construction in progress	624,012	999,163	-	(399,435)	-	1,223,740
	<u>6,043,477</u>	<u>1,389,638</u>	<u>-</u>	<u>(399,435)</u>	<u>15,210,049</u>	<u>22,243,729</u>
Capital assets being depreciated:						
Land improvements	3,776,317	323,732	-	-	28,540	4,128,589
Buildings	45,977,155	1,385,405	-	305,570	2,832,495	50,500,625
Equipment	14,688,573	1,292,005	(367,102)	93,865	13,898,375	29,605,716
Infrastructure	-	882,326	-	-	124,021,179	124,903,505
	<u>64,442,045</u>	<u>3,883,468</u>	<u>(367,102)</u>	<u>399,435</u>	<u>140,780,589</u>	<u>209,138,435</u>
Less accumulated depreciation for:						
Land improvements	(1,610,658)	(131,565)	-	-	(20,929)	(1,763,152)
Buildings	(18,319,661)	(1,024,587)	-	-	(2,218,379)	(21,562,627)
Equipment	(10,102,254)	(1,626,430)	346,992	-	(11,419,473)	(22,801,165)
Infrastructure	-	(1,371,041)	-	-	(62,911,472)	(64,282,513)
	<u>(30,032,573)</u>	<u>(4,153,623)</u>	<u>346,992</u>	<u>-</u>	<u>(76,570,253)</u>	<u>(110,409,457)</u>
Total capital assets being depreciated, net	<u>34,409,472</u>	<u>(270,155)</u>	<u>(20,110)</u>	<u>399,435</u>	<u>64,210,336</u>	<u>98,728,978</u>
Governmental activities capital assets, net	<u>\$ 40,452,949</u>	<u>\$ 1,119,483</u>	<u>\$ (20,110)</u>	<u>\$ -</u>	<u>\$ 79,420,385</u>	<u>\$ 120,972,707</u>
Business-type activities						
Capital assets not being depreciated -						
Construction in progress	\$ -	\$ 6,694	\$ -	\$ -	\$ -	\$ 6,694
Capital assets being depreciated -						
Equipment	809,512	-	-	-	-	809,512
Less accumulated depreciation for -						
Equipment	(749,578)	(8,351)	-	-	-	(757,929)
Total capital assets being depreciated, net	<u>59,934</u>	<u>(8,351)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>51,583</u>
Business-type activities capital assets, net	<u>\$ 59,934</u>	<u>\$ (1,657)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,277</u>

* As described in Note 20, the Board of Commissioners passed a resolution to dissolve and assume all functions of the Road Commission effective September 28, 2017. Ownership of all capital assets was transferred to the County at that time.

COUNTY OF BERRIEN, MICHIGAN

Notes to Financial Statements

Discretely presented component units

Capital asset activity for the Road Commission component unit for the period ended September 28, 2017, was as follows:

	Beginning Balance	Additions	Disposals	Transfer of Operations*	Ending Balance
Component Unit - Road Commission					
Capital assets not being depreciated -					
Land	\$ 14,913,267	\$ 296,782	\$ -	\$ (15,210,049)	\$ -
Capital assets being depreciated:					
Land improvements	28,540	-	-	(28,540)	-
Buildings	2,815,208	17,287	-	(2,832,495)	-
Road equipment	12,400,521	1,170,000	(513,949)	(13,056,572)	-
Other equipment	841,346	20,677	(20,220)	(841,803)	-
Infrastructure	121,235,609	8,363,874	(5,578,304)	(124,021,179)	-
	<u>137,321,224</u>	<u>9,571,838</u>	<u>(6,112,473)</u>	<u>(140,780,589)</u>	<u>-</u>
Less accumulated depreciation for:					
Land improvements	(18,075)	(2,854)	-	20,929	-
Buildings	(2,151,066)	(67,313)	-	2,218,379	-
Road equipment	(10,499,027)	(719,126)	503,504	10,714,649	-
Other equipment	(688,643)	(36,401)	20,220	704,824	-
Infrastructure	(63,055,395)	(5,434,381)	5,578,304	62,911,472	-
	<u>(76,412,206)</u>	<u>(6,260,075)</u>	<u>6,102,028</u>	<u>76,570,253</u>	<u>-</u>
Total capital assets being depreciated, net	<u>60,909,018</u>	<u>3,311,763</u>	<u>(10,445)</u>	<u>(64,210,336)</u>	<u>-</u>
Road Commission capital assets, net	<u>\$ 75,822,285</u>	<u>\$ 3,608,545</u>	<u>\$ (10,445)</u>	<u>\$ (79,420,385)</u>	<u>\$ -</u>

Capital asset activity for the Drain Commission component unit for the year ended December 31, 2017, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Transfer of Operations*	Ending Balance
Component Unit - Drain Commission						
Capital assets not being depreciated -						
Construction in progress	\$ 5,783,379	\$ 1,062,263	\$ -	\$ (360,094)	\$ -	\$ 6,485,548
Capital assets being depreciated -						
Infrastructure	24,780,329	12,212	-	360,094	-	25,152,635
Less accumulated depreciation for -						
Infrastructure	(6,755,943)	(976,742)	-	-	-	(7,732,685)
Total capital assets being depreciated, net	<u>18,024,386</u>	<u>(964,530)</u>	<u>-</u>	<u>360,094</u>	<u>-</u>	<u>17,419,950</u>
Drain Commission capital assets, net	<u>\$ 23,807,765</u>	<u>\$ 97,733</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,905,498</u>

COUNTY OF BERRIEN, MICHIGAN

Notes to Financial Statements

Capital asset activity for the Mental Health Authority component unit for the year ended September 30, 2017, was as follows:

	Beginning Balance	Additions	Disposals	Transfer of Operations*	Ending Balance
Component Unit - Mental Health Authority					
Capital assets not being depreciated - Land	\$ 128,000	\$ -	\$ -	\$ -	\$ 128,000
Capital assets being depreciated:					
Buildings and improvements	1,066,947	-	-	-	1,066,947
Furniture, fixtures and equipment	3,817,518	61,876	-	-	3,879,394
Vehicles	378,782	-	-	-	378,782
	<u>5,263,247</u>	<u>61,876</u>	<u>-</u>	<u>-</u>	<u>5,325,123</u>
Less accumulated depreciation for:					
Buildings and improvements	(455,190)	(50,394)	-	-	(505,584)
Furniture, fixtures and equipment	(2,966,548)	(348,627)	-	-	(3,315,175)
Vehicles	(309,638)	(24,562)	-	-	(334,200)
	<u>(3,731,376)</u>	<u>(423,583)</u>	<u>-</u>	<u>-</u>	<u>(4,154,959)</u>
Total capital assets being depreciated, net	<u>1,531,871</u>	<u>(361,707)</u>	<u>-</u>	<u>-</u>	<u>1,170,164</u>
Mental Health Authority capital assets, net	<u>\$ 1,659,871</u>	<u>\$ (361,707)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,298,164</u>

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

Depreciation of governmental activities by function

Legislative	\$ 287,322
Judicial	50,359
General government	1,094,419
Public safety	708,959
Public works	1,608,479
Health and welfare	92,302
Recreation and cultural	122,969
Community development	188,814
	<u>\$ 4,153,623</u>

Depreciation of business-type activities by function

Public works projects	<u>\$ 8,351</u>
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Construction Commitments

The County has active construction projects as of December 31, 2017. The projects include infrastructure improvements for drains. At year end, the County's commitments with contractors are as follows:

	Construction Commitments
County capital projects	\$ 10,207,887
Drains	954,190

COUNTY OF BERRIEN, MICHIGAN

Notes to Financial Statements

7. ACCOUNTS PAYABLE

Accounts payable and accrued expenses in the government-wide financial statements are as follows:

	Governmental Activities	Business-type Activities
Accounts payable	\$ 1,440,853	\$ 42,159
Accrued and other liabilities	3,721,020	213,129
Due to other governments	383,564	691,799
	<u>\$ 5,545,437</u>	<u>\$ 947,087</u>

8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The general fund has made long-term advances to the Drain Commission, Economic Development Corporation, and Land Bank Authority component units in the amounts of \$800,000, \$400,000, and \$45,000, respectively, and \$450,000 was advanced by the delinquent tax revolving fund to the general fund to provide sufficient resources for these advances.

In addition, the delinquent tax revolving fund, the 911 special revenue fund, the nonmajor governmental funds and nonmajor enterprise funds with negative balances in the County's pooled cash accounts reported interfund payables of \$466,420, \$8,755, \$425,950 and \$11,920, respectively, which is equal to the interfund receivable of \$913,045 reported in the general fund.

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.

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

	Transfers in	Transfers out
General fund	\$ 2,130,970	\$ 10,728,033
Drug enforcement public safety fund	219,073	2,573,529
Nonmajor governmental funds	14,060,411	2,248,508
Delinquent tax revolving fund	-	860,384
	<u>\$ 16,410,454</u>	<u>\$ 16,410,454</u>

Transfers are used to: (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; (2) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

COUNTY OF BERRIEN, MICHIGAN

Notes to Financial Statements

9. LONG-TERM DEBT

Primary government

Notes payable. The County has issued notes payable to local townships and banks for financing the purchase of equipment and various projects. Notes payable outstanding at year end are as follows:

Bonds	Due	Annual Installments	Interest Rate	Amount
Watervilet Township (Hagar Shore)	2020	\$5,500 - \$25,000	0%	\$ 55,500
Chemical Bank Note	2022	\$206,870 - \$223,835	1.99%	<u>1,076,345</u>
Total notes payable				<u>\$ 1,131,845</u>

Annual debt service requirements to maturity for notes payable are as follows:

Year Ended December 31,	Principal	Interest	Total
2018	\$ 231,870	\$ 19,361	\$ 251,231
2019	235,987	15,203	251,190
2020	220,685	10,963	231,648
2021	219,468	6,638	226,106
2022	<u>223,835</u>	<u>2,227</u>	<u>226,062</u>
	<u>\$ 1,131,845</u>	<u>\$ 54,392</u>	<u>\$ 1,186,237</u>

Installment purchase agreements. During 2017, the County entered into two installment purchase agreements - one for the purchase of 275 computers due in annual installments of \$50,059 through 2019 with 3.5% interest and the other for a printer due in annual installments of \$19,599 through 2022 with 0% interest.

Annual debt service requirements to maturity for installment purchase agreements are as follows:

Year Ended December 31,	Principal	Interest	Total
2018	\$ 64,913	\$ 4,744	\$ 69,657
2019	67,226	2,431	69,657
2020	19,599	-	19,599
2021	19,599	-	19,599
2022	<u>9,799</u>	<u>-</u>	<u>9,799</u>
	<u>\$ 181,136</u>	<u>\$ 7,175</u>	<u>\$ 188,311</u>

General obligation bonds. The County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for business-type activities.

General obligation bonds are direct obligations and pledge the full faith and credit of the County. These bonds are typically issued as 10-20 year serial bonds with varying amounts of principal maturing each year.

COUNTY OF BERRIEN, MICHIGAN

Notes to Financial Statements

General obligation bonds currently outstanding are as follows:

Business-type Activities

Bonds	Due	Annual Installments	Interest Rate	Amount
1999 Coloma Township Sewer System No. 24	2019	\$50,000-\$125,000	5.00% - 5.70%	\$ 245,000
2001 Village of Berrien Springs/Oronoko Township Water/Sewer System No. 26	2020	\$15,000-\$35,000	4.60% - 5.65%	95,000
2010 Benton Charter Township Water System No. 27	2031	\$675,000 - \$1,435,000	2.00% - 4.50%	15,185,000
2010 Village of Berrien Springs Water and Sewer System No. 29	2031	\$100,000-\$260,000	1.45% - 6.00%	2,530,000
2010 New Buffalo Water Supply System Bonds	2030	\$61,000-\$100,000	2.50%	1,099,924
2011 Benton Charter Township Water Supply System Bonds System No. 27	2031	\$55,000-\$105,000	1.00% - 4.35%	1,135,000
2013 City of Coloma Water and Sewer System Bonds System No. 30	2033	\$155,000-\$265,000	2.00% - 4.75%	3,360,000
2015 Village of Berrien Springs/Oronoko Township Water/Sewer System No. 31	2054	\$40,600-\$54,500	3.00%	2,394,000
2017 Village of Michiana Township Water/Sewer System No. 32	2027	\$160,000-\$195,000	2.00% - 2.50%	<u>1,755,000</u>
Total business-type activities				<u>\$ 27,798,924</u>

Annual debt service requirements to maturity for business-type activities general obligation bonds are as follows:

Year Ended December 31,	Principal	Interest	Total
2018	\$ 1,601,000	\$ 1,064,967	\$ 2,665,967
2019	1,648,000	1,008,709	2,656,709
2020	1,568,000	950,826	2,518,826
2021	1,610,000	893,939	2,503,939
2022	1,645,000	835,398	2,480,398
2023-2027	9,304,000	3,167,942	12,471,942
2028-2032	8,437,924	1,143,168	9,581,092
2033-2037	565,000	246,894	811,894
2038-2042	350,000	192,600	542,600
2043-2047	402,000	137,100	539,100
2048-2052	468,000	73,020	541,020
2053-2054	200,000	8,940	208,940
	<u>\$ 27,798,924</u>	<u>\$ 9,723,503</u>	<u>\$ 37,522,427</u>

General obligation limited tax notes. The County issued \$10,500,000 for general obligation limited tax notes. The note carries an interest rate of 0.65% and is due June 15, 2019. The County paid a portion of these notes in advance during the year resulting in a balance of \$1,837,171 on December 31, 2017.

COUNTY OF BERRIEN, MICHIGAN

Notes to Financial Statements

Drain Commission Component Unit

Special assessment bonds. The Drain Commission is authorized by State statutes to issue special assessment bonds for the construction or major maintenance of drainage districts. Such bonds are repaid from special assessments paid by local property owners.

Special assessment bonds currently outstanding are as follows:

Bonds	Due	Annual Installments	Interest Rate	Amount
2008 Starr & Wellington Drainage District	2024	\$12,000-\$13,000	5.95%	\$ 85,000
2009 Close Drainage District Bonds	2019	\$120,000-\$165,000	2.50% - 4.00%	325,000
2010 Barnes and Hamilton Drain Bonds	2020	\$170,000-\$215,000	1.90% - 3.50%	620,000
2010 Hollywood Road Consolidated Drain	2030	\$100,000-\$190,000	2.50% - 4.75%	1,955,000
2017 Refunding Schwark Drain Bonds	2030	\$50,000-\$70,000	2.00% - 3.10%	780,000
2017 Refunding Lake Shore Drain Bonds	2030	\$140,000-\$280,000	0.85% - 4.00%	2,115,000
2012 Smith and Strong Drain Bonds	2032	\$30,000-\$55,000	1.00 - 4.05%	650,000
2012 Lakeside Drain Bonds	2032	\$25,000-\$40,000	0.90 - 4.65%	480,000
2012 Estates Drain Bonds	2032	\$30,000-\$55,000	4.00 - 5.00%	630,000
2012 Oak Hills Springs Drain Bonds	2037	\$30,000-45,000	3.20%	400,000
2013 Blue Jay Drain Bonds	2033	\$135,000-\$250,000	2.00 - 4.50%	3,030,000
2013 Hibbard Lake Drain Bonds	2033	\$50,000-\$90,000	2.00 - 4.00%	1,105,000
2015 North Royalton Drainage District	2035	\$248,000-\$285,000	2.00 - 3.63%	3,820,000
2017 Lighthouse Creek Drain	2037	\$60,000-\$150,000	2.00 - 3.00%	<u>2,125,000</u>
Total component unit - Drain Commission				<u>\$ 18,120,000</u>

COUNTY OF BERRIEN, MICHIGAN

Notes to Financial Statements

Annual debt service requirements to maturity for special assessment bonds are as follows:

Year Ended December 31,	Principal	Interest	Total
2018	\$ 1,222,000	\$ 583,027	\$ 1,805,027
2019	1,267,000	540,478	1,807,478
2020	1,137,000	506,556	1,643,556
2021	957,000	477,688	1,434,688
2022	992,000	450,921	1,442,921
2023-2027	5,460,000	1,779,659	7,239,659
2028-2032	5,280,000	782,594	6,062,594
2033-2037	1,805,000	103,294	1,908,294
	<u>\$ 18,120,000</u>	<u>\$ 5,224,217</u>	<u>\$ 23,344,217</u>

Advance Refunding

During the year, the Drain Commission defeased certain bonds by placing the proceeds of new bonds in an irrevocable trust for the purpose of generating resources for all future debt service payments on the refunded debt. As a result, the refunded bonds are considered to be defeased and the trust fund assets and related liabilities have been removed from the statement of net position.

The Drain Commission issued \$2,115,000 in refunding bonds during the year to advance refund \$2,850,000 of the 2010 Lake Shore Drain Bonds. In addition, the Drain Commission issued \$1,575,000 in refunding bonds to advance refund \$1,305,000 of the 2010 Schwark Drain Bonds. These refundings resulted in a savings of \$1,138,282 and \$833,077 over the next 13 years and an economic gain of \$239,679 and \$141,890, respectively.

The amount of defeased bonds outstanding at year end are \$2,850,000 of 2010 Lake Shore Drain Bonds and \$780,000 of Schwark Drain Bonds.

Drain notes. The Drain Commission issues drain notes to finance various drain capital projects. Interest rates vary from 1.63% to 4.99%, with repayment based on actual collections of special assessments, which are subject to collection over a period of three to ten years. Drain notes outstanding at December 31, 2017, amounted to \$5,607,889.

Brownfield Redevelopment Authority Component Unit

The Brownfield Redevelopment Authority paid off \$1,151,706 of general obligation bonds during the year which included \$200,000 in loan forgiveness from the federal government.

COUNTY OF BERRIEN, MICHIGAN

Notes to Financial Statements

Mental Health Authority Component Unit

Notes Payable. The Mental Health Authority has two loans outstanding for the real estate purchased. The Authority has pledged the real property purchased as collateral on these loans.

Note	Due	Annual Installments	Interest Rate	Amount
2005 Real Estate note	2020	\$8,338-\$13,332	3.83%	\$ 32,545
2007 Real Estate note	2022	\$9,481-\$34,320	4.99%	129,214
Total component unit - Mental Health Authority				<u>\$ 161,759</u>

Annual debt service requirements to maturity for these loans are as follows:

Year Ended September 30,	Principal	Interest	Total
2018	\$ 40,810	\$ 6,842	\$ 47,652
2019	42,762	4,890	47,652
2020	38,823	2,901	41,724
2021	33,120	1,200	34,320
2022	6,244	36	6,280
	<u>\$ 161,759</u>	<u>\$ 15,869</u>	<u>\$ 177,628</u>

Changes in long-term debt.

	Beginning Balance	Additions	Deductions	Transfer of Operations*	Ending Balance	Due Within One Year
Governmental Activities						
Notes payable	\$ -	\$ -	\$ (49,800)	\$ 1,181,645	\$ 1,131,845	\$ 231,870
Installment purchase agreements	30,483	240,994	(90,341)	-	181,136	64,913
Compensated absences	2,396,624	2,211,132	(1,822,491)	76,186	2,861,451	2,861,451
	<u>\$ 2,427,107</u>	<u>\$ 2,452,126</u>	<u>\$ (1,962,632)</u>	<u>\$ 1,257,831</u>	<u>\$ 4,174,432</u>	<u>\$ 3,158,234</u>
Business-type Activities						
General obligation bonds	\$ 27,419,924	\$ 1,755,000	\$ (1,376,000)	\$ -	\$ 27,798,924	\$ 1,601,000
General obligation limited tax notes	-	10,500,000	(8,662,829)	-	1,837,171	-
Unamortized bond discount	(102,272)	-	6,385	-	(95,887)	(6,601)
Unamortized bond premium	-	8,775	-	-	8,775	439
	<u>\$ 27,317,652</u>	<u>\$ 12,263,775</u>	<u>\$ (10,032,444)</u>	<u>\$ -</u>	<u>\$ 29,548,983</u>	<u>\$ 1,594,838</u>

COUNTY OF BERRIEN, MICHIGAN

Notes to Financial Statements

	Beginning Balance	Additions	Deductions	Transfer of Operations*	Ending Balance	Due Within One Year
Road Commission Component Unit						
General obligation notes payable						
	\$ 248,433	\$ 1,076,345	\$ (143,133)	\$ (1,181,645)	\$ -	\$ -
Compensated absences	86,300	-	(10,114)	(76,186)	-	-
	<u>\$ 334,733</u>	<u>\$ 1,076,345</u>	<u>\$ (153,247)</u>	<u>\$ (1,257,831)</u>	<u>\$ -</u>	<u>\$ -</u>
Drain Commission Component Unit						
Special assessment bonds payable						
	\$ 18,457,000	\$ 5,020,000	\$ (5,357,000)	\$ -	\$ 18,120,000	\$ 1,222,000
Drain notes payable	4,205,133	3,484,950	(2,082,194)	-	5,607,889	1,789,535
Unamortized bond discount	(108,881)	(6,953)	68,941	-	(46,893)	(3,224)
Unamortized bond premium	31,280	58,245	(1,646)	-	87,879	6,126
	<u>\$ 22,584,532</u>	<u>\$ 5,661,242</u>	<u>\$ (7,371,899)</u>	<u>\$ -</u>	<u>\$ 23,768,875</u>	<u>\$ 3,014,437</u>
Brownfield Redevelopment Authority Component Unit						
Loans payable						
	\$ 1,151,706	\$ -	\$ (1,151,706)	\$ -	\$ -	\$ -
Mental Health Authority Component Unit						
Notes payable						
	\$ 200,619	\$ -	\$ (38,860)	\$ -	\$ 161,759	\$ 40,810
Compensated absences	539,080	79,409	(80,862)	-	537,627	80,644
	<u>\$ 739,699</u>	<u>\$ 79,409</u>	<u>\$ (119,722)</u>	<u>\$ -</u>	<u>\$ 699,386</u>	<u>\$ 121,454</u>

For the governmental activities, compensated absences, the net pension liability and the net other postemployment benefit obligation are generally liquidated by the general fund.

* As described in Note 20, the Board of Commissioners passed a resolution to dissolve and assume all functions of the Road Commission effective September 28, 2017. The obligation for all long-term debt was transferred to the County at that time.

COUNTY OF BERRIEN, MICHIGAN

Notes to Financial Statements

10. NET INVESTMENT IN CAPITAL ASSETS

As of December 31, 2017, the net investment in capital assets was comprised of the following:

	Governmental activities	Business-type activities
Capital assets:		
Capital assets not being depreciated	\$ 22,243,729	\$ 6,694
Capital assets being depreciated, net	98,728,978	51,583
	<u>120,972,707</u>	<u>58,277</u>
Related debt:		
Notes payable	(1,131,845)	-
Installment purchase agreement	(181,136)	-
	<u>(1,312,981)</u>	<u>-</u>
Net investment in capital assets	<u>\$ 119,659,726</u>	<u>\$ 58,277</u>

COUNTY OF BERRIEN, MICHIGAN

Notes to Financial Statements

11. FUND BALANCE

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, 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	Road Fund	911 County Operational Fund	Drug Enforcement Public Safety Fund	Senior Citizen Fund	Nonmajor governmental funds	Total
Nonspendable:							
Prepaid items	\$ 168	\$ 19,234	\$ -	\$ -	\$ -	\$ 3,493	\$ 22,895
Inventories	-	683,750	-	-	-	-	683,750
Advance to component unit	1,245,000	-	-	-	-	-	1,245,000
Long-term notes receivable	-	-	-	-	-	130,000	130,000
Total nonspendable	1,245,168	702,984	-	-	-	133,493	2,081,645
Restricted:							
Judicial	-	-	-	-	-	114,678	114,678
General government	-	-	-	-	-	60,275	60,275
Public works	-	7,697,685	-	-	-	-	7,697,685
Public safety	-	-	2,950,415	595,279	-	102,173	3,647,867
Health and welfare	-	-	-	-	-	2,444,012	2,444,012
Recreation and cultural	-	-	-	-	23,615	168,720	192,335
Community development	-	-	-	-	-	313,487	313,487
Debt service	-	-	-	-	-	3,531	3,531
Total restricted	-	7,697,685	2,950,415	595,279	23,615	3,206,876	14,473,870
Committed:							
Judicial	-	-	-	-	-	152,161	152,161
General government	-	-	-	-	-	532,847	532,847
Public safety	-	-	-	-	-	1,555,129	1,555,129
Public works	-	-	-	-	-	355,133	355,133
Health and welfare	-	-	-	-	-	1,219,699	1,219,699
Recreation and cultural	-	-	-	-	-	522,064	522,064
Capital projects	-	-	-	-	-	5,793,419	5,793,419
Total committed	-	-	-	-	-	10,130,452	10,130,452
Unassigned	20,720,969	-	-	-	-	-	20,720,969
Total fund balances governmental funds	\$ 21,966,137	\$ 8,400,669	\$ 2,950,415	\$ 595,279	\$ 23,615	\$ 13,470,821	\$ 47,406,936

COUNTY OF BERRIEN, MICHIGAN

Notes to Financial Statements

12. RISK MANAGEMENT / SELF-INSURANCE PROGRAMS

The County manages its risk exposures and provides certain employee benefits through a combination of self-insurance programs, risk management pools, and commercial insurance and excess coverage policies. On risks which are commercially insured, settlements have not exceeded insurance coverage in any of the past three years. Following is a summary of the self-insurance programs and risk management pool participation.

Liability. The County participates in the Michigan Municipal Risk Management Authority (MMRMA) for general and automobile liability, motor vehicle physical damage and property damage coverages. The MMRMA provides risk management, underwriting, reinsurance and claim review and processing services for all member governments pursuant to its charter.

The County makes annual contributions to MMRMA based on actuarial studies using historical data and insurance industry statistics. These contributions are paid from an internal service fund (i.e., the property/liability insurance fund) using premiums paid into it by other funds of the government. 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.

Accordingly, the County records a restricted asset for its portion of the unexpended member retention fund. At December 31, 2017, the balance of the County's member retention fund was \$2,993,785.

Under most circumstances, the County's maximum loss retention per occurrence was as follows:

Type of Risk	Maximum Retention Per Occurrence
General and automobile liability	\$200,000 specific occurrence
Motor vehicle physical damage	\$15,000 per vehicle \$30,000 per occurrence
Property damage and crime	\$1,000 per occurrence plus 10% of the next \$100,000

COUNTY OF BERRIEN, MICHIGAN

Notes to Financial Statements

Changes in the balances of claims liabilities during the past two years, including provision for incurred but not reported (IBNR) claims, which are recorded in the property/liability insurance internal service fund, are as follows:

	2017	2016
Unpaid claims, beginning of year	\$ 1,772,122	\$ 1,027,711
Incurred claims (including change in IBNR provisions)	51,401	897,195
Claims payments	<u>(259,051)</u>	<u>(152,784)</u>
Unpaid claims, end of year	<u>\$ 1,564,472</u>	<u>\$ 1,772,122</u>

Workers' Compensation. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. An excess coverage insurance policy covers individual claims in excess of \$300,000 subject to an annual aggregate limit of \$5 million. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay outs and other economic and social factors.

Changes in the balances of claims liabilities during the past two years are as follows:

	2017	2016
Unpaid claims, beginning of year	\$ 174,360	\$ 13,098
Incurred claims	368,066	445,435
Claims payments	<u>(266,506)</u>	<u>(284,173)</u>
Unpaid claims, end of year	<u>\$ 275,920</u>	<u>\$ 174,360</u>

Health insurance. The County is self-insured for its employee health insurance. The plan is accounted for in the healthcare insurance internal service fund. The self-insured program is administered by a third-party administrator who provides claims review and processing services as well as illustrated premium rates, which are anticipated, over time, to approximate the actual cost of benefits. Premiums for the self-insured program are paid into the internal service fund by all other funds based on actual or illustrated rates. These premiums are available to pay claims and administrative costs.

	2017	2016
Unpaid claims, beginning of year	\$ 688,200	\$ 464,400
Incurred claims (including change in IBNR provisions)	2,572,965	2,080,016
Claims payments	<u>(2,708,665)</u>	<u>(1,856,216)</u>
Unpaid claims, end of year	<u>\$ 552,500</u>	<u>\$ 688,200</u>

COUNTY OF BERRIEN, MICHIGAN

Notes to Financial Statements

Unemployment. The County is self-insured for unemployment benefits, which is accounted for in the unemployment insurance internal service fund. The reserve for unemployment benefits is determined by management based on prior experience. Unemployment benefits are expensed when paid:

	2017	2016
Unpaid claims, beginning of year	\$ -	\$ -
Incurred claims	-	-
Claims payments	-	-
	<hr/>	<hr/>
Unpaid claims, end of year	<u>\$ -</u>	<u>\$ -</u>

Board errors and omissions. The County is also self-insured for Board errors and omissions, which is accounted for in the property/liability insurance internal service fund. No estimated claims liability was outstanding at December 31, 2017 or 2016, nor were the amount of claims paid or incurred during 2017 or 2016 of any consequence.

13. PROPERTY TAXES

Property taxes are levied on the assessed taxable value of the property as established by local units, accepted by the County and equalized under State statute at approximately 50% of the current estimated market value. In March 1994, Michigan voters approved Proposal A, which limits annual increases in assessed values to the lesser of 5% or the rate of inflation with assessed value reverting to 50% of true cash value when the property is sold.

The assessed and taxable value of real and personal property for the 2017 levy was \$7,647,512,234. The general operating tax rate for this levy was 4.7723 mills. The taxable value of real and personal property for the 2016 levy was \$7,458,387,643. The tax rates for this levy were 0.4500 mills, 0.3500 mills, 0.3000 mills, and .1000 mills assessed for 911 emergency services, public safety operations, senior center operations, and parks, respectively.

By agreement with various taxing authorities, the County purchases at face value the real property taxes returned delinquent each March 1 and records a corresponding delinquent taxes receivable.

COUNTY OF BERRIEN, MICHIGAN

Notes to Financial Statements

14. PENSION PLAN

General Information about the Pension Plan

Plan Description. The County administers the Berrien County Employees' Retirement System (the "Plan"), a single-employer defined benefit plan provided by authority section 12a of Act No. 156 of the Public Acts of 1851, which was adopted and established by the County in accordance with Michigan Compiled Laws Section 46.12a. The Plan is included as a pension trust fund in the County's financial statements and a stand alone report of the Plan has been issued. Employer and employee contributions and benefit provisions are authorized and may be amended by County Board resolution and benefits may vary pursuant to collective bargaining agreements. Substantially all employees are covered by the Plan. Upon retirement, the Plan pays a benefit percentage (depending on group), calculated using the percentage of final average compensation times years of credited service.

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 and mortality. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (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 that 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.

The Plan issues a publicly available financial report that can be obtained at <http://www.berriencounty.org/>.

Benefits Provided. Plan members may retire at age 55 or 60 with 5, 8, 10 or 25 years of credited service depending on which group the employee is in. Members are vested after completing 5, 8 or 10 years of credited service. Retirement options that provide for survivor benefits are available to members. The Plan also provides death and disability benefits. If a member leaves employment or dies before vesting, accumulated member contributions plus interest are refunded to the member or designated beneficiary.

Contributions. The contribution requirements of plan members and the County are established and may be amended by the County Board of Commissioners. Plan members are required to contribute 4.5% to 10.49% to the Plan, depending on their bargaining unit and hire date, with the County contributing additional amounts, as necessary, to provide assets sufficient to pay for member benefits.

COUNTY OF BERRIEN, MICHIGAN

Notes to Financial Statements

Bargaining Unit / Employee Group	Benefits Multiplier	Contribution Percentage
AFSCME (Probate):	2.00%	7.06%
Riverwood		
Union members	2.20 - 1.70%	4.50%
Non-union members	2.20%	5.00%
Courthouse elected	2.20 - 1.70%	4.50%
Courthouse appointed	2.20%	5.00%
General non-bargaining members	2.20%	5.00%
FOPLC civilian members	2.20%	6.89%
Teamster FOC members	2.20%	8.00%
Road commission	2.00%	6.00%
Sheriff POLC Command Unit	2.80%	10.49%
Police Officers Labor Council (POLC)	2.80%	8.00%

Employees Covered by Benefit Terms. At December 31, 2016, the date of the latest actuarial valuation:

	County	Mental Health Authority	Total
Retirees and beneficiaries receiving benefits	\$ 590	\$ 79	\$ 669
Inactive plan members not yet receiving benefits	54	11	65
Active plan members	689	172	861
Total	<u>\$ 1,333</u>	<u>\$ 262</u>	<u>\$ 1,595</u>

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

Actuarial Assumptions. The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions.

Inflation	3.25%
Salary increases	3.55% to 6.25% including inflation
Investment rate of return	7.50%, net of investment expense and including inflation

Assumption changes for the current year are related to changes in the single discount rate.

COUNTY OF BERRIEN, MICHIGAN

Notes to Financial Statements

Mortality tables were based on fully generational RP-2014 Healthy Annuitant Tables after adjustment to the base year 2006 for males and females with MP-2015 mortality improvement scales. The margin for future mortality improvement is included in the MP-2015 mortality improvement scales.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each asset class. These real ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. For each asset class that is included in the pension plan's target asset allocation as of December 31, 2016, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
U.S. large cap equities	35.00%	5.80%	2.03%
U.S. small cap equities	11.00%	7.60%	0.84%
International equities	12.00%	6.30%	0.76%
Core fixed income	35.00%	0.50%	0.18%
Global real estate	5.00%	3.90%	0.20%
Commodities	2.00%	3.90%	0.08%
	100.00%		4.09%
Inflation			3.25%
Risk adjustments			0.16%
Investment rate of return			7.50%

Discount Rate. The discount rate used to measure the total pension liability was 7.14%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be exhausted in the year 2064. Therefore, the discount rate represents the single equivalent rate resulting from discounting at the long-term expected rate of return until 2064, and discounting with the 20-year AA municipal bond index rate of 3.58% thereafter. This projection is done on a closed group basis, per GASB requirements. On an ongoing, open group basis, it is unlikely that the funds will be depleted because funding progress is frequently reviewed and adjustments are made to contribution levels.

COUNTY OF BERRIEN, MICHIGAN

Notes to Financial Statements

Changes in the Net Pension Liability. The components of the change in the net pension liability are summarized as follows:

	County	Mental Health Authority	Total
Total pension liability	\$ 219,450,822	\$ 26,052,523	\$ 245,503,345
Plan fiduciary net position	(132,676,165)	(21,389,921)	(154,066,086)
County's net pension liability	<u>\$ 86,774,657</u>	<u>\$ 4,662,602</u>	<u>\$ 91,437,259</u>

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2015	<u>\$ 256,866,133</u>	<u>\$ 146,001,123</u>	<u>\$ 110,865,010</u>
Changes for the year:			
Service cost	6,407,413	-	6,407,413
Interest	16,796,275	-	16,796,275
Differences between expected and actual experience	(7,472,589)	-	(7,472,589)
Changes in assumptions	(14,114,633)	-	(14,114,633)
Benefit changes	79,619	-	79,619
Employer contributions	-	6,668,570	(6,668,570)
Employee contributions	-	2,790,453	(2,790,453)
Net investment income	-	11,732,140	(11,732,140)
Benefit payments, including refunds of employee contributions	(13,058,873)	(13,058,873)	-
Administrative expense	-	(67,327)	67,327
Net changes	<u>(11,362,788)</u>	<u>8,064,963</u>	<u>(19,427,751)</u>
Balances at December 31, 2016	<u>\$ 245,503,345</u>	<u>\$ 154,066,086</u>	<u>\$ 91,437,259</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the County, calculated using the discount rate of 7.14%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1% lower (6.14%) or 1% higher (8.14%) than the current rate:

	1% Decrease (6.14%)	Current Discount Rate (7.14%)	1% Increase (8.14%)
County	\$ 113,245,332	\$ 86,774,657	\$ 64,615,653
Mental health authority	7,904,925	4,662,602	1,943,897
County's net pension liability	<u>\$ 121,150,257</u>	<u>\$ 91,437,259</u>	<u>\$ 66,559,550</u>

COUNTY OF BERRIEN, MICHIGAN

Notes to Financial Statements

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Plan financial statements.

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions. For the year ended December 31, 2017, the County and Mental Health Authority recognized pension expense of \$17,010,683 and \$1,570,530, respectively. At December 31, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Difference between expected and actual experience:			
County	\$ 771,637	\$ 6,697,402	\$ (5,925,765)
Mental health authority	154,143	950,216	(796,073)
	<u>925,780</u>	<u>7,647,618</u>	<u>(6,721,838)</u>
Changes in assumptions:			
County	27,300,433	10,474,963	16,825,470
Mental health authority	2,536,715	840,532	1,696,183
	<u>29,837,148</u>	<u>11,315,495</u>	<u>18,521,653</u>
Net difference between projected and actual earnings on pension plan investments:			
County	5,490,626	-	5,490,626
Mental health authority	908,750	-	908,750
	<u>6,399,376</u>	<u>-</u>	<u>6,399,376</u>
Employer contributions to the plan subsequent to the measurement date:			
County	7,181,428	-	7,181,428
Mental health authority	490,994	-	490,994
	<u>7,672,422</u>	<u>-</u>	<u>7,672,422</u>
Total	<u>\$ 44,834,726</u>	<u>\$ 18,963,113</u>	<u>\$ 25,871,613</u>

COUNTY OF BERRIEN, MICHIGAN

Notes to Financial Statements

This amount includes deferred outflows of resources resulting from contributions subsequent to the measurement date of December 31, 2016 that will be recognized as a reduction in the net pension liability for the year ended September 30, 2018 for the Mental Health Authority and the year ended December 31, 2018 for the County's primary government. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31,	County	Mental Health Authority
2018	\$ 6,408,892	\$ 559,851
2019	6,515,623	559,851
2020	4,778,207	653,182
2021	(344,955)	132,975
2022	(922,069)	(96,999)
Thereafter	(45,367)	-
Total	\$ 16,390,331	\$ 1,808,860

Payable to the pension plan. At December 31, 2017, the County did not have any outstanding contributions payable to the pension plan for the year then ended.

15. OTHER POSTEMPLOYMENT BENEFITS

General County

Plan description. The Berrien County Employees' Amended Retirement Plan (the "Plan") is a single-employer defined benefit healthcare plan administered by the County of Berrien. In addition to the retirement benefits described above, the Plan provides 50% of health insurance benefits to certain retirees and their beneficiaries, which are advance-funded on a discretionary basis.

The Plan issues a publicly available financial report that can be obtained at <http://www.berriencounty.org/>.

Basis of Accounting. The financial statements of the Plan are included in the County's financial statements as an other postemployment benefit trust fund and are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which they are due. The County's contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Methods Used to Value Investments. Investments are reported at fair value which is determined using selected bases as follows: short-term investments are reported at cost, which approximates fair value; securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates; investments for which quotations are not readily available are valued at their fair values as determined by the custodian under the direction of the Board, with the assistance of a valuation service; and cash deposits are reported at carrying amounts which reasonably approximates fair value.

COUNTY OF BERRIEN, MICHIGAN

Notes to Financial Statements

Funding Policy. The contribution requirements of Plan members and the County are established and may be amended by the County Board of Commissioners. Plan members are not required to contribute to the Plan.

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.

Annual OPEB Cost and Net OPEB Asset. The County’s annual other postemployment benefit (OPEB) cost and net OPEB asset to the Plan for the current year were as follows:

Annual required contribution	\$ 4,250,834
Interest on net OPEB asset	(82,741)
Adjustment to annual required contribution	<u>82,044</u>
Annual OPEB cost	4,250,137
Contributions made	<u>(4,250,834)</u>
Change in net OPEB asset	(697)
Net OPEB asset, beginning of year	<u>(1,057,986)</u>
Net OPEB asset, end of year	<u>\$ (1,058,683)</u>

The County’s annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB asset for the current and the two preceding years were as follows:

Three-Year Trend Information			
Years Ended December 31,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB (Asset)
2015	\$ 2,119,906	81%	\$ (828,599)
2016	2,861,004	108%	(1,057,986)
2017	4,250,137	100%	(1,058,683)

Funded status and funding progress. As of December 31, 2017, the date of the most recent actuarial valuation, the Plan was 49.7 percent funded. The actuarial accrued liability for benefits was \$70,407,341, and the actuarial value of assets was \$35,000,478, resulting in an unfunded actuarial accrued liability (UAAL) of \$35,406,863. The covered payroll (annual payroll of the active employees covered by the Plan) was \$29,730,309 and the ratio of the UAAL to the covered payroll was 119.1 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 benefit.

COUNTY OF BERRIEN, MICHIGAN

Notes to Financial Statements

Actuarial Methods and Assumptions. In the December 31, 2017 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions include: (a) a rate of return on investments of 7.5%; (b) projected salary increases of 3.25% attributable to inflation; (c) additional projected salary increases ranging from 3.55% to 6.25%, depending on age, attributable to seniority/merit; and (d) projected healthcare benefit increases of 3.25% 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 30 years on an open basis.

Road Commission

As described in Note 20, the Board of Commissioners passed a resolution to dissolve and assume all functions of the Road Commission effective September 28, 2017. Non-union members of the former Road Commission were transferred to the County's OPEB plan while union employees remained on a separate plan based on the terms of existing collective bargaining agreements. The separate plan is not pre-funded. The County has determined that the terms of the plan are such that no current employees are expected to retire and take benefits prior to the expiration of the contract on December 31, 2017, as the benefits provided by the plan can be obtained through the open market or Medicare at significantly better rates. As a result, the County has not reported any liability for this plan.

16. COMBINING FINANCIAL INFORMATION - PENSION AND OTHER POSTEMPLOYMENT TRUST FUNDS

Financial statements for individual pension and employee benefit plans:

	Pension and Other Postemployment Benefits Net Position		
	Pension	Other Postemployment Benefit Trust Fund	Totals
Assets			
Cash and cash equivalents	\$ 885,604	\$ 10,256	\$ 895,860
Investments:			
Equity mutual funds	100,249,695	21,192,216	121,441,911
Fixed income mutual funds	50,090,122	10,892,647	60,982,769
Commodities mutual funds	5,127,262	1,313,816	6,441,078
Real estate mutual funds	17,205,771	1,816,734	19,022,505
Accrued interest receivable	14,626	-	14,626
Total assets	173,573,080	35,225,669	208,798,749
Liabilities			
Accounts payable	173,156	-	173,156
Net position			
Restricted for pension and other postemployment benefits	\$ 173,399,924	\$ 35,225,669	\$ 208,625,593

COUNTY OF BERRIEN, MICHIGAN

Notes to Financial Statements

	Changes in Pension and Other Postemployment Benefits Net Position		
	Pension	Other Postemployment Benefit Trust Fund	Totals
Additions			
Investment income (loss):			
Net change in fair value of investments	\$ 23,193,359	\$ 4,070,305	\$ 27,263,664
Interest and dividends	550	9	559
Less investment expenses	(625,361)	-	(625,361)
Net investment income	<u>22,568,548</u>	<u>4,070,314</u>	<u>26,638,862</u>
Contributions:			
Employer	7,727,058	4,250,834	11,977,892
Employees	2,932,496	-	2,932,496
Total contributions	<u>10,659,554</u>	<u>4,250,834</u>	<u>14,910,388</u>
Total additions	<u>33,228,102</u>	<u>8,321,148</u>	<u>41,549,250</u>
Deductions			
Benefit payments	13,275,910	3,814,978	17,090,888
Contribution refunds	532,329	-	532,329
Administration	86,025	-	86,025
Total deductions	<u>13,894,264</u>	<u>3,814,978</u>	<u>17,709,242</u>
Change in net position	19,333,838	4,506,170	23,840,008
Net position, beginning of year	<u>154,066,086</u>	<u>30,719,499</u>	<u>184,785,585</u>
Net position, end of year	<u>\$ 173,399,924</u>	<u>\$ 35,225,669</u>	<u>\$ 208,625,593</u>

COUNTY OF BERRIEN, MICHIGAN

Notes to Financial Statements

17. TAX ABATEMENTS

The County received reduced property tax revenues during 2017 as a result of industrial facilities tax exemptions (IFT's) and brownfield redevelopment agreements entered into by cities, villages, townships, and authorities within the County.

The IFT's were entered into based upon the Plant Rehabilitation and Industrial Development Districts Act, (known as the Industrial Facilities Exemption), PA 198 of 1974, as amended. IFT's provide a tax incentive to manufacturers to enable renovation and expansion of aging facilities, assist in the building of new facilities, and to promote the establishment of high tech facilities. Properties qualifying for IFT status are taxed at 50% of the millage rate applicable to other real and personal property in the County. The abatements amounted to approximately \$197,000 in reduced County tax revenues for 2017.

Brownfield redevelopment agreements are intended to reimburse taxpayers that remediate environmental contamination on their properties. These agreements were entered into based upon the Brownfield Redevelopment Act, PA 381 of 1996, as amended. Under this act, a municipality may create a brownfield redevelopment authority to develop and implement brownfield projects. Tax increment financing may be used as a tool for property redevelopment. The abatements amounted to approximately \$268,000 in reduced County tax revenues for 2017.

18. CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by those agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds.

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the County's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the County.

COUNTY OF BERRIEN, MICHIGAN

Notes to Financial Statements

19. SPECIAL ITEM - TRANSFER OF OPERATIONS

The Board of Commissioners passed a resolution to dissolve and assume all functions of the Road Commission effective September 28, 2017. A summary of the carrying value of transferred operations as of September 28, 2017 is as follows:

	Road Fund	Government-wide Adjustments	Total Governmental Activities
Assets			
Current assets	\$ 9,792,873	\$ -	\$ 9,792,873
Capital assets, net	-	79,420,385	79,420,385
	<u>9,792,873</u>	<u>79,420,385</u>	<u>89,213,258</u>
Deferred outflows of resources	-	3,799,273	3,799,273
Liabilities			
Current liabilities	1,928,502	-	1,928,502
Long-term debt	-	1,257,831	1,257,831
Other liabilities	-	9,741,695	9,741,695
	<u>1,928,502</u>	<u>10,999,526</u>	<u>12,928,028</u>
Deferred inflows of resources	157,482	1,379,239	1,536,721
Fund balance/net position	<u>\$ 7,706,889</u>	<u>\$ 70,840,893</u>	<u>\$ 78,547,782</u>

20. SUBSEQUENT EVENTS

On February 21, 2018, Benton Charter Township issued Capital Improvement Project Bonds, Series 2018 with a face value of \$14,880,000 to advance refund \$15,185,000 of Benton Charter Township Improvement Project Bonds, Series 2010. The refunded bonds were backed by the full faith and credit of the County, while the new bonds are direct obligations of Benton Charter Township.

On May 29, 2018, the County issued General Obligation Limited Tax Notes, Series 2018 with a face value of \$11,000,000 to finance the purchase of delinquent property taxes receivable from each taxing unit in the County, which is part of the normal financing activities of the County.



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REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF BERRIEN, MICHIGAN

Defined Benefit Pension Plan Required Supplementary Information

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

	Fiscal Year Ended December 31,		
	2017	2016	2015
Total pension liability			
Service cost	\$ 6,407,413	\$ 4,694,759	\$ 4,669,602
Interest on total pension liability	16,796,275	15,655,309	15,305,513
Difference between expected and actual experience	(7,472,589)	694,777	(3,197,192)
Changes in assumptions	(14,114,633)	48,836,330	-
Benefit changes	79,619	(7,048)	112,917
Benefit payments and refunds	(13,058,873)	(12,703,945)	(12,357,966)
Net change in total pension liability	(11,362,788)	57,170,182	4,532,874
Total pension liability, beginning of year	256,866,133	199,695,951	195,163,077
Total pension liability, end of year	245,503,345	256,866,133	199,695,951
Plan fiduciary net position			
Employer contributions	6,668,570	7,235,958	7,172,058
Employee contributions	2,790,453	2,829,258	2,742,953
Pension plan net investment income (loss)	11,732,140	(2,091,339)	10,630,310
Benefit payments and refunds	(13,058,873)	(12,703,945)	(12,357,966)
Pension plan administrative expense	(67,327)	(66,733)	(20,738)
Net change in plan fiduciary net position	8,064,963	(4,796,801)	8,166,617
Plan fiduciary net position, beginning of year	146,001,123	150,797,924	142,631,307
Plan fiduciary net position, end of year	154,066,086	146,001,123	150,797,924
Net pension liability	\$ 91,437,259	\$ 110,865,010	\$ 48,898,027
Plan fiduciary net position as a percentage of total pension liability	62.76%	56.84%	75.51%
Covered payroll	\$ 44,052,971	\$ 43,865,207	\$ 41,465,482
Net pension liability as a percentage of covered payroll	207.56%	252.74%	117.92%

Notes to Schedule

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

Measurement date. The County's net pension liability is measured as of December 31 of the year preceding the County's fiscal year end.

Changes in assumptions - In 2016, amounts reported as changes in assumptions resulted from decreases in the inflation rate used to calculate the discount rate, decreases in the expected salary increases, change in the single discount rate, and changes in the mortality tables. In 2017, amounts reported as changes in assumptions resulted from changes in the single discount rate.

COUNTY OF BERRIEN, MICHIGAN

Defined Benefit Pension Plan Required Supplementary Information

Schedule of the Net Pension Liability

Fiscal Year Ended	Total Pension Liability	Plan Net Pension	Net Pension Liability	Plan Net Position as Percentage of Total Pension Liability	Covered Payroll	Net Pension Liability as Percentage of Covered Payroll
12/31/2015	\$ 199,695,951	\$ 150,797,924	\$48,898,027	75.51%	\$ 41,465,482	117.92%
12/31/2016	256,866,133	146,001,123	110,865,010	56.84%	43,865,207	252.74%
12/31/2017	245,503,345	154,066,086	91,437,259	62.76%	44,052,971	207.56%

Notes to Schedule

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

Measurement date. The County's net pension liability is measured as of December 31 of the year preceding the County's fiscal year end.

COUNTY OF BERRIEN, MICHIGAN

Defined Benefit Pension Plan Required Supplementary Information Schedule of County Contributions

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/2014	\$ 7,172,057	\$ 7,172,057	\$ -	\$ 41,465,482	17.3%
12/31/2015	7,235,958	7,235,958	-	43,865,207	16.5%
12/31/2016	6,668,570	6,668,570	-	44,052,971	15.1%
12/31/2017	7,727,058	7,727,058	-	45,802,966	16.9%

Notes to Schedule of Contributions

Notes Actuarially determined contribution rates are calculated as of December 31 that is 12 months prior to the beginning of the fiscal year for which the contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age normal
Amortization method	General county - level percent of payroll, closed
Remaining amortization period	20-year open in fiscal year 2016; 30-year closed period for 10 years, switching to a 20-year open period thereafter beginning with fiscal year 2017.
Asset valuation method	Market value with 5 year smoothing of gains and losses.
Inflation	3.50%
Salary increases	3.55-6.25% including inflation
Investment rate of return	7.50% net of pension plan investment expense, including inflation
Mortality rates	RP-2000 Mortality Table projected to 2010 set forward 2 years for males and 1 year for females. Estimated margins for future mortality improvements of 8% for males and 18% for females are provided in these tables.

COUNTY OF BERRIEN, MICHIGAN

Other Postemployment Benefits Plan

General County

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (B)	Unfunded AAL (UAAL) (A-B)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percent of Covered Payroll
* 12/31/2015	\$ 28,640,255	\$ 66,286,999	\$ (37,646,744)	43.21%	\$ 33,709,384	-111.68%
12/31/2016	31,919,969	68,944,128	(37,024,159)	46.30%	30,310,471	-122.15%
12/31/2017	35,000,478	70,407,341	(35,406,863)	49.71%	29,730,309	-119.09%

Schedule of Employer Contributions

Year Ended December 31	Annual Required Contributions	Percentage Contributed
2015	\$ 2,138,969	80.13%
2016	2,870,794	107.65%
2017	4,250,834	100.00%

* After changes in benefit provisions and actuarial assumptions. Assumption changes for the December 31, 2015, actuarial report include a decrease in the inflation rate used to calculate the discount rate, decrease in the expected salary increases, decrease in expected return on investments and a change in the mortality tables.

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

COUNTY OF BERRIEN, MICHIGAN

Combining Balance Sheet Nonmajor Governmental Funds December 31, 2017

	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Total Other Governmental Funds
		Building Authority (4500)		
Assets				
Cash and cash equivalents	\$ 6,004,326	\$ 3,531	\$ 6,125,371	\$ 12,133,228
Investments	819,692	-	-	819,692
Receivables:				
Accounts	105,674	-	-	105,674
Taxes - current	726,935	-	-	726,935
Due from other governments	2,438,444	-	-	2,438,444
Notes	130,000	-	-	130,000
Prepaid items	3,493	-	-	3,493
Total assets	\$ 10,228,564	\$ 3,531	\$ 6,125,371	\$ 16,357,466
Liabilities				
Accounts payable	\$ 492,644	\$ -	\$ 331,952	\$ 824,596
Accrued liabilities	364,837	-	-	364,837
Due to other governments	113,474	-	-	113,474
Interfund payable	425,950	-	-	425,950
Unearned revenue	408,071	-	-	408,071
Total liabilities	1,804,976	-	331,952	2,136,928
Deferred inflows of resources				
Taxes levied for a subsequent period	749,717	-	-	749,717
Fund balances				
Nonspendable	133,493	-	-	133,493
Restricted	3,203,345	3,531	-	3,206,876
Committed	4,337,033	-	5,793,419	10,130,452
Total fund balances	7,673,871	3,531	5,793,419	13,470,821
Total liabilities, deferred inflows of resources and fund balances	\$ 10,228,564	\$ 3,531	\$ 6,125,371	\$ 16,357,466

COUNTY OF BERRIEN, MICHIGAN

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

	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Total Other Governmental Funds
		Building Authority (4500)		
Revenues				
Property taxes	\$ 821,370	\$ -	\$ -	\$ 821,370
Licenses and permits	380,403	-	-	380,403
Intergovernmental revenue	11,586,220	-	-	11,586,220
Charges for services	4,501,914	-	-	4,501,914
Fines and forfeitures	5,691	-	-	5,691
Interest revenue	2,885	5	-	2,890
Other revenue	4,151,792	-	-	4,151,792
Total revenues	21,450,275	5	-	21,450,280
Expenditures				
Current:				
Legislative	-	-	2,121	2,121
Judicial	3,248,432	-	-	3,248,432
General government	1,050,498	-	1,572,831	2,623,329
Public safety	4,976,910	-	1,558,071	6,534,981
Public works	305,960	-	-	305,960
Health and welfare	18,621,473	-	259,793	18,881,266
Recreation and cultural	1,617,530	-	120,089	1,737,619
Community development	1,335,223	-	-	1,335,223
Debt service - Principal	30,483	-	-	30,483
Total expenditures	31,186,509	-	3,512,905	34,699,414
Revenues over (under) expenditures	(9,736,234)	5	(3,512,905)	(13,249,134)
Other financing sources (uses)				
Transfers in	10,912,153	-	3,148,258	14,060,411
Transfers out	(2,248,508)	-	-	(2,248,508)
Total other financing sources (uses)	8,663,645	-	3,148,258	11,811,903
Net change in fund balances	(1,072,589)	5	(364,647)	(1,437,231)
Fund balances, beginning of year	8,746,460	3,526	6,158,066	14,908,052
Fund balances, end of year	\$ 7,673,871	\$ 3,531	\$ 5,793,419	\$ 13,470,821

COUNTY OF BERRIEN, MICHIGAN

Combining Balance Sheet Nonmajor Special Revenue Funds December 31, 2017

	Parks and Recreation (2080)	Parks Environmental Affairs (2082)	Parks and Recreation Grant (2085)
Assets			
Cash and cash equivalents	\$ 475,996	\$ 37,536	\$ 18,770
Investments	-	-	-
Receivables:			
Accounts	-	-	-
Taxes - current	-	-	-
Due from other governments	-	-	-
Notes	-	-	-
Prepaid items	-	-	-
Total assets	\$ 475,996	\$ 37,536	\$ 18,770
Liabilities			
Accounts payable	\$ 10,083	\$ -	\$ 18,770
Accrued liabilities	11,797	1,903	-
Due to other governments	-	-	-
Interfund payable	-	-	-
Unearned revenue	-	-	-
Total liabilities	21,880	1,903	18,770
Deferred inflows of resources			
Taxes levied for a subsequent period	-	-	-
Fund balances			
Nonspendable	-	-	-
Restricted	-	-	-
Committed	454,116	35,633	-
Total fund balances	454,116	35,633	-
Total liabilities, deferred inflows of resources and fund balances	\$ 475,996	\$ 37,536	\$ 18,770

Parks Millage (2087)	Historical Association Loan Fund (2110)	Berrien Community Foundation (2130)	Friend of the Court (2150)	Family Counseling Services (2155)	Health Department (2210)
\$ 139,639	\$ 20,000	\$ 32,799	\$ -	\$ 123,554	\$ 826,365
-	-	-	-	-	-
-	-	-	-	-	2,750
726,935	-	-	-	-	-
-	-	-	418,459	-	-
-	130,000	-	-	-	-
-	-	-	-	-	-
<u>\$ 866,574</u>	<u>\$ 150,000</u>	<u>\$ 32,799</u>	<u>\$ 418,459</u>	<u>\$ 123,554</u>	<u>\$ 829,115</u>
\$ -	\$ -	\$ 484	\$ 921	\$ 8,876	\$ 4,072
-	-	-	50,404	-	53,453
-	-	-	5,313	-	-
-	-	-	268,080	-	-
-	-	-	-	-	-
-	-	484	324,718	8,876	57,525
<u>749,717</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	130,000	-	-	-	-
116,857	20,000	-	-	114,678	-
-	-	32,315	93,741	-	771,590
<u>116,857</u>	<u>150,000</u>	<u>32,315</u>	<u>93,741</u>	<u>114,678</u>	<u>771,590</u>
<u>\$ 866,574</u>	<u>\$ 150,000</u>	<u>\$ 32,799</u>	<u>\$ 418,459</u>	<u>\$ 123,554</u>	<u>\$ 829,115</u>

continued...

COUNTY OF BERRIEN, MICHIGAN

Combining Balance Sheet Nonmajor Special Revenue Funds December 31, 2017

	Health Department Grants (2215)	Berrien County Landfill Use (2270)	EDC Grants and Programs (2445)
Assets			
Cash and cash equivalents	\$ 532,373	\$ -	\$ -
Investments	-	375,016	-
Receivables:			
Accounts	1,725	-	-
Taxes - current	-	-	-
Due from other governments	224,928	-	112,164
Notes	-	-	-
Prepaid items	-	-	-
Total assets	\$ 759,026	\$ 375,016	\$ 112,164
Liabilities			
Accounts payable	\$ 19,980	\$ -	\$ 55,413
Accrued liabilities	50,519	-	-
Due to other governments	12,848	-	-
Interfund payable	-	113,325	44,545
Unearned revenue	227,570	-	-
Total liabilities	310,917	113,325	99,958
Deferred inflows of resources			
Taxes levied for a subsequent period	-	-	-
Fund balances			
Nonspendable	-	-	-
Restricted	-	-	12,206
Committed	448,109	261,691	-
Total fund balances	448,109	261,691	12,206
Total liabilities, deferred inflows of resources and fund balances	\$ 759,026	\$ 375,016	\$ 112,164

Register of Deeds Automation (2560)	Register of Deeds Tax Foreclosure Search Fund (2561)	Homestead Audit Administration (2590)	Law Enforcement Funds (various #s)	Concealed Pistol Licensing Fund (2630)	Public Safety Cigarette Tax (2665)
\$ 62,404	\$ 14,367	\$ 1,059	\$ 1,092,974	\$ 107,984	\$ 147,213
-	-	148,633	105,016	-	-
-	-	-	101,199	-	-
-	-	-	-	-	-
-	-	-	270,635	-	-
-	-	-	-	-	-
-	-	-	-	-	3,493
<u>\$ 62,404</u>	<u>\$ 14,367</u>	<u>\$ 149,692</u>	<u>\$ 1,569,824</u>	<u>\$ 107,984</u>	<u>\$ 150,706</u>
\$ 1,836	\$ 1,215	\$ 92	\$ 17,616	\$ -	\$ 125
293	152	1,442	104,219	448	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	396	-	74,656
<u>2,129</u>	<u>1,367</u>	<u>1,534</u>	<u>122,231</u>	<u>448</u>	<u>74,781</u>
-	-	-	-	-	-
-	-	-	-	-	3,493
60,275	-	-	-	-	72,432
-	13,000	148,158	1,447,593	107,536	-
<u>60,275</u>	<u>13,000</u>	<u>148,158</u>	<u>1,447,593</u>	<u>107,536</u>	<u>75,925</u>
<u>\$ 62,404</u>	<u>\$ 14,367</u>	<u>\$ 149,692</u>	<u>\$ 1,569,824</u>	<u>\$ 107,984</u>	<u>\$ 150,706</u>

continued...

COUNTY OF BERRIEN, MICHIGAN

Combining Balance Sheet Nonmajor Special Revenue Funds December 31, 2017

	Animal Control Grant and Program (2675)	County Law Library (2690)	Small Bus Program (2810)
Assets			
Cash and cash equivalents	\$ 30,641	\$ 58,688	\$ 247,650
Investments	-	-	191,027
Receivables:			
Accounts	-	-	-
Taxes - current	-	-	-
Due from other governments	-	-	89,938
Notes	-	-	-
Prepaid items	-	-	-
Total assets	\$ 30,641	\$ 58,688	\$ 528,615
Liabilities			
Accounts payable	\$ 900	\$ 268	\$ 80,030
Accrued liabilities	-	-	-
Due to other governments	-	-	95,313
Interfund payable	-	-	-
Unearned revenue	-	-	51,991
Total liabilities	900	268	227,334
Deferred inflows of resources			
Taxes levied for a subsequent period	-	-	-
Fund balances			
Nonspendable	-	-	-
Restricted	29,741	-	301,281
Committed	-	58,420	-
Total fund balances	29,741	58,420	301,281
Total liabilities, deferred inflows of resources and fund balances	\$ 30,641	\$ 58,688	\$ 528,615

Berrien Bus Grant and Program (2815)	Four Winds Casino Revenue Sharing (2851)	Campaign Finance Administration (2870)	Social Services (2900)	Child Care Probate (2920)	Child Care Social Services (2921)
\$ 53,458	\$ 364,432	\$ 7,257	\$ 116,282	\$ 563,940	\$ 802,854
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	1,185,650	136,670
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 53,458</u>	<u>\$ 364,432</u>	<u>\$ 7,257</u>	<u>\$ 116,282</u>	<u>\$ 1,749,590</u>	<u>\$ 939,524</u>
\$ -	\$ -	\$ -	\$ -	\$ 251,121	\$ 20,842
-	-	-	36	89,910	-
-	-	-	-	-	-
-	-	-	-	-	-
53,458	-	-	-	-	-
<u>53,458</u>	<u>-</u>	<u>-</u>	<u>36</u>	<u>341,031</u>	<u>20,842</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	116,246	1,408,559	918,682
-	364,432	7,257	-	-	-
-	364,432	7,257	116,246	1,408,559	918,682
<u>\$ 53,458</u>	<u>\$ 364,432</u>	<u>\$ 7,257</u>	<u>\$ 116,282</u>	<u>\$ 1,749,590</u>	<u>\$ 939,524</u>

continued...

COUNTY OF BERRIEN, MICHIGAN

Combining Balance Sheet Nonmajor Special Revenue Funds December 31, 2017

	Generous Juror Program (2925)	Soldiers and Sailors Relief (2930)	Veteran's Trust (2940)
Assets			
Cash and cash equivalents	\$ 31,863	\$ 525	\$ -
Investments	-	-	-
Receivables:			
Accounts	-	-	-
Taxes - current	-	-	-
Due from other governments	-	-	-
Notes	-	-	-
Prepaid items	-	-	-
Total assets	<u>\$ 31,863</u>	<u>\$ 525</u>	<u>\$ -</u>
Liabilities			
Accounts payable	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-
Due to other governments	-	-	-
Interfund payable	-	-	-
Unearned revenue	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources			
Taxes levied for a subsequent period	-	-	-
Fund balances			
Nonspendable	-	-	-
Restricted	31,863	525	-
Committed	-	-	-
Total fund balances	<u>31,863</u>	<u>525</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 31,863</u>	<u>\$ 525</u>	<u>\$ -</u>



Board of Public Works (2960)	Total
\$ 93,703	\$ 6,004,326
-	819,692
-	105,674
-	726,935
-	2,438,444
-	130,000
-	3,493
<u>\$ 93,703</u>	<u>\$ 10,228,564</u>
\$ -	\$ 492,644
261	364,837
-	113,474
-	425,950
-	408,071
<u>261</u>	<u>1,804,976</u>
-	749,717
-	133,493
-	3,203,345
<u>93,442</u>	<u>4,337,033</u>
<u>93,442</u>	<u>7,673,871</u>
<u>\$ 93,703</u>	<u>\$ 10,228,564</u>

concluded

COUNTY OF BERRIEN, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2017

	Parks and Recreation (2080)	Parks Environmental Affairs (2082)	Parks and Recreation Grant (2085)
Revenues			
Property taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenue	-	-	26,348
Charges for services	648,486	7,744	-
Fines and forfeitures	-	-	-
Interest revenue	-	-	-
Other revenue	131,420	-	25,000
Total revenues	779,906	7,744	51,348
Expenditures			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	1,302,980	233,900	80,650
Community development	-	-	-
Debt service - Principal	30,483	-	-
Total expenditures	1,333,463	233,900	80,650
Revenue over (under) expenditures	(553,557)	(226,156)	(29,302)
Other financing sources (uses)			
Transfers in	658,252	151,485	29,302
Transfers out	(67,259)	(88,000)	-
Total other financing sources (uses)	590,993	63,485	29,302
Net change in fund balances	37,436	(162,671)	-
Fund balances, beginning of year	416,680	198,304	-
Fund balances, end of year	\$ 454,116	\$ 35,633	\$ -

Parks Millage (2087)	Historical Association Loan Fund (2110)	Berrien Community Foundation (2130)	Friend of the Court (2150)	Family Counseling Services (2155)	Health Department (2210)
\$ 748,706	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	19,665	305,404
13,952	-	-	1,831,791	-	401,072
-	-	-	207,504	-	49,180
-	-	-	-	-	-
-	-	-	-	-	-
-	-	47,237	58,510	-	2,781,877
<u>762,658</u>	<u>-</u>	<u>47,237</u>	<u>2,097,805</u>	<u>19,665</u>	<u>3,537,533</u>
-	-	-	3,131,095	43,217	-
-	-	-	-	-	-
-	-	60,110	-	-	-
-	-	-	-	-	-
-	-	5,744	-	-	4,373,051
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	65,854	3,131,095	43,217	4,373,051
<u>762,658</u>	<u>-</u>	<u>(18,617)</u>	<u>(1,033,290)</u>	<u>(23,552)</u>	<u>(835,518)</u>
-	-	-	890,997	-	987,774
(658,252)	-	-	(24,799)	-	(97,692)
<u>(658,252)</u>	<u>-</u>	<u>-</u>	<u>866,198</u>	<u>-</u>	<u>890,082</u>
104,406	-	(18,617)	(167,092)	(23,552)	54,564
12,451	150,000	50,932	260,833	138,230	717,026
<u>\$ 116,857</u>	<u>\$ 150,000</u>	<u>\$ 32,315</u>	<u>\$ 93,741</u>	<u>\$ 114,678</u>	<u>\$ 771,590</u>

continued...

COUNTY OF BERRIEN, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2017

	Health Department Grants (2215)	Berrien County Landfill Use (2270)	EDC Grants and Programs (2445)
Revenues			
Property taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenue	3,659,115	-	322,932
Charges for services	195,889	389,687	-
Fines and forfeitures	-	-	-
Interest revenue	-	620	-
Other revenue	444,511	-	3,418
Total revenues	<u>4,299,515</u>	<u>390,307</u>	<u>326,350</u>
Expenditures			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Public works	-	292,357	-
Health and welfare	5,557,358	-	-
Recreation and cultural	-	-	-
Community development	-	-	327,282
Debt service - Principal	-	-	-
Total expenditures	<u>5,557,358</u>	<u>292,357</u>	<u>327,282</u>
Revenue over (under) expenditures	<u>(1,257,843)</u>	<u>97,950</u>	<u>(932)</u>
Other financing sources (uses)			
Transfers in	1,158,625	-	-
Transfers out	-	(151,485)	-
Total other financing sources (uses)	<u>1,158,625</u>	<u>(151,485)</u>	<u>-</u>
Net change in fund balances	(99,218)	(53,535)	(932)
Fund balances, beginning of year	<u>547,327</u>	<u>315,226</u>	<u>13,138</u>
Fund balances, end of year	<u>\$ 448,109</u>	<u>\$ 261,691</u>	<u>\$ 12,206</u>

Register of Deeds Automation (2560)	Register of Deeds Tax Foreclosure Search Fund (2561)	Homestead Audit Administration (2590)	Law Enforcement Funds (various #s)	Concealed Pistol Licensing Fund (2630)	Public Safety Cigarette Tax (2665)
\$ -	\$ -	\$ 72,664	\$ -	\$ -	\$ -
-	-	-	-	55,334	-
-	-	-	852,990	-	31,165
158,490	201,600	-	2,193,891	-	-
-	-	-	5,691	-	-
-	-	1,813	165	-	-
-	-	-	274,732	-	-
<u>158,490</u>	<u>201,600</u>	<u>74,477</u>	<u>3,327,469</u>	<u>55,334</u>	<u>31,165</u>
-	-	-	-	-	-
155,188	30,588	61,616	778,754	21,352	-
-	-	-	4,867,131	-	21,165
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>155,188</u>	<u>30,588</u>	<u>61,616</u>	<u>5,645,885</u>	<u>21,352</u>	<u>21,165</u>
<u>3,302</u>	<u>171,012</u>	<u>12,861</u>	<u>(2,318,416)</u>	<u>33,982</u>	<u>10,000</u>
-	-	-	2,057,802	-	-
-	(171,011)	(175,000)	(76,478)	-	-
-	(171,011)	(175,000)	1,981,324	-	-
3,302	1	(162,139)	(337,092)	33,982	10,000
56,973	12,999	310,297	1,784,685	73,554	65,925
<u>\$ 60,275</u>	<u>\$ 13,000</u>	<u>\$ 148,158</u>	<u>\$ 1,447,593</u>	<u>\$ 107,536</u>	<u>\$ 75,925</u>

continued...

COUNTY OF BERRIEN, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2017

	Animal Control Grant and Program (2675)	County Law Library (2690)	Small Bus Program (2810)
Revenues			
Property taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenue	-	-	489,353
Charges for services	-	-	439,742
Fines and forfeitures	-	-	-
Interest revenue	-	-	287
Other revenue	37,542	6,500	4,099
Total revenues	37,542	6,500	933,481
Expenditures			
Current:			
Judicial	-	74,120	-
General government	-	-	-
Public safety	28,504	-	-
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Community development	-	-	1,007,941
Debt service - Principal	-	-	-
Total expenditures	28,504	74,120	1,007,941
Revenue over (under) expenditures	9,038	(67,620)	(74,460)
Other financing sources (uses)			
Transfers in	-	83,510	-
Transfers out	-	-	-
Total other financing sources (uses)	-	83,510	-
Net change in fund balances	9,038	15,890	(74,460)
Fund balances, beginning of year	20,703	42,530	375,741
Fund balances, end of year	\$ 29,741	\$ 58,420	\$ 301,281

Berrien Bus Grant and Program (2815)	Four Winds Casino Sharing (2851)	Campaign Finance Administration (2870)	Social Services (2900)	Child Care Probate (2920)	Child Care Social Services (2921)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	3,621,442	336,060
-	-	175	-	287	-
-	-	-	-	-	-
-	-	-	-	-	-
-	122,079	-	190	170,578	35,943
-	122,079	175	190	3,792,307	372,003
-	-	-	-	-	-
-	-	3,000	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	17,015	7,974,358	689,653
-	-	-	-	-	-
-	-	-	-	-	-
-	-	3,000	17,015	7,974,358	689,653
-	122,079	(2,825)	(16,825)	(4,182,051)	(317,650)
-	-	-	-	-	-
-	-	-	21,977	4,522,721	349,708
-	(738,532)	-	-	-	-
-	(738,532)	-	21,977	4,522,721	349,708
-	(616,453)	(2,825)	5,152	340,670	32,058
-	980,885	10,082	111,094	1,067,889	886,624
\$ -	\$ 364,432	\$ 7,257	\$ 116,246	\$ 1,408,559	\$ 918,682

continued...

COUNTY OF BERRIEN, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2017

	Generous Juror Program (2925)	Soldiers and Sailors Relief (2930)	Veteran's Trust (2940)
Revenues			
Property taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenue	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest revenue	-	-	-
Other revenue	8,056	100	-
Total revenues	8,056	100	-
Expenditures			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	1,590	657	2,047
Recreation and cultural	-	-	-
Community development	-	-	-
Debt service - Principal	-	-	-
Total expenditures	1,590	657	2,047
Revenue over (under) expenditures	6,466	(557)	(2,047)
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	6,466	(557)	(2,047)
Fund balances, beginning of year	25,397	1,082	2,047
Fund balances, end of year	\$ 31,863	\$ 525	\$ -



Board of Public Works (2960)	Total
\$ -	\$ 821,370
-	380,403
-	11,586,220
9,239	4,501,914
-	5,691
-	2,885
-	4,151,792
<u>9,239</u>	<u>21,450,275</u>
-	3,248,432
-	1,050,498
-	4,976,910
13,603	305,960
-	18,621,473
-	1,617,530
-	1,335,223
-	30,483
<u>13,603</u>	<u>31,186,509</u>
<u>(4,364)</u>	<u>(9,736,234)</u>
-	10,912,153
-	(2,248,508)
-	8,663,645
(4,364)	(1,072,589)
<u>97,806</u>	<u>8,746,460</u>
<u>\$ 93,442</u>	<u>\$ 7,673,871</u>

concluded

COUNTY OF BERRIEN, MICHIGAN

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

	Parks and Recreation (2080)		
	Amended Budget	Actual	Over (Under) Budget
Revenues			
Property taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenue	-	-	-
Charges for services	660,755	648,486	(12,269)
Fines and forfeitures	-	-	-
Interest revenue	-	-	-
Other revenue	148,165	131,420	(16,745)
Total revenues	808,920	779,906	(29,014)
Expenditures			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	1,490,046	1,302,980	(187,066)
Community development	-	-	-
Debt service - Principal	30,484	30,483	(1)
Total expenditures	1,520,530	1,333,463	(187,067)
Revenues over (under) expenditures	(711,610)	(553,557)	158,053
Other financing sources (uses)			
Transfers in	745,624	658,252	(87,372)
Transfers out	(92,259)	(67,259)	(25,000)
Total other financing sources (uses)	653,365	590,993	(62,372)
Net change in fund balances	(58,245)	37,436	95,681
Fund balances, beginning of year	416,680	416,680	-
Fund balances, end of year	\$ 358,435	\$ 454,116	\$ 95,681

Parks Environmental Affairs (2082)			Parks and Recreation Grant (2085)		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	30,000	26,348	(3,652)
2,000	7,744	5,744	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	25,000	25,000	-
<u>2,000</u>	<u>7,744</u>	<u>5,744</u>	<u>55,000</u>	<u>51,348</u>	<u>(3,652)</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
257,646	233,900	(23,746)	109,302	80,650	(28,652)
-	-	-	-	-	-
-	-	-	-	-	-
<u>257,646</u>	<u>233,900</u>	<u>(23,746)</u>	<u>109,302</u>	<u>80,650</u>	<u>(28,652)</u>
<u>(255,646)</u>	<u>(226,156)</u>	<u>29,490</u>	<u>(54,302)</u>	<u>(29,302)</u>	<u>25,000</u>
350,000	151,485	(198,515)	54,302	29,302	(25,000)
<u>(88,000)</u>	<u>(88,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>262,000</u>	<u>63,485</u>	<u>(198,515)</u>	<u>54,302</u>	<u>29,302</u>	<u>(25,000)</u>
6,354	(162,671)	(169,025)	-	-	-
<u>198,304</u>	<u>198,304</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 204,658</u>	<u>\$ 35,633</u>	<u>\$ (169,025)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

continued...

COUNTY OF BERRIEN, MICHIGAN

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

	Parks Millage (2087)		
	Amended Budget	Actual	Over (Under) Budget
Revenues			
Property taxes	\$ 749,696	\$ 748,706	\$ (990)
Licenses and permits	-	-	-
Intergovernmental revenue	-	13,952	13,952
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest revenue	-	-	-
Other revenue	-	-	-
Total revenues	749,696	762,658	12,962
Expenditures			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	7,710	-	(7,710)
Community development	-	-	-
Debt service - Principal	-	-	-
Total expenditures	7,710	-	(7,710)
Revenues over (under) expenditures	741,986	762,658	20,672
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	(741,986)	(658,252)	(83,734)
Total other financing sources (uses)	(741,986)	(658,252)	83,734
Net change in fund balances	-	104,406	104,406
Fund balances, beginning of year	12,451	12,451	-
Fund balances, end of year	\$ 12,451	\$ 116,857	\$ 104,406

Historical Association Loan Fund (2110)			Berrien Community Foundation (2130)		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	86,780	47,237	(39,543)
-	-	-	86,780	47,237	(39,543)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	66,385	60,110	(6,275)
-	-	-	-	-	-
-	-	-	8,395	5,744	(2,651)
-	-	-	5,867	-	(5,867)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	80,647	65,854	(14,793)
-	-	-	6,133	(18,617)	(24,750)
-	-	-	-	-	-
-	-	-	(1,000)	-	(1,000)
-	-	-	(1,000)	-	1,000
-	-	-	5,133	(18,617)	(23,750)
150,000	150,000	-	50,932	50,932	-
\$ 150,000	\$ 150,000	\$ -	\$ 56,065	\$ 32,315	\$ (23,750)

continued...

COUNTY OF BERRIEN, MICHIGAN

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

	Friend of the Court (2150)		
	Amended Budget	Actual	Over (Under) Budget
Revenues			
Property taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenue	2,103,915	1,831,791	(272,124)
Charges for services	243,500	207,504	(35,996)
Fines and forfeitures	-	-	-
Interest revenue	-	-	-
Other revenue	60,000	58,510	(1,490)
Total revenues	2,407,415	2,097,805	(309,610)
Expenditures			
Current:			
Judicial	3,322,372	3,131,095	(191,277)
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Community development	-	-	-
Debt service - Principal	-	-	-
Total expenditures	3,322,372	3,131,095	(191,277)
Revenues over (under) expenditures	(914,957)	(1,033,290)	(118,333)
Other financing sources (uses)			
Transfers in	740,997	890,997	150,000
Transfers out	(26,000)	(24,799)	(1,201)
Total other financing sources (uses)	714,997	866,198	151,201
Net change in fund balances	(199,960)	(167,092)	32,868
Fund balances, beginning of year	260,833	260,833	-
Fund balances, end of year	\$ 60,873	\$ 93,741	\$ 32,868

Family Counseling Services (2155)			Health Department (2210)		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20,000	19,665	(335)	308,700	305,404	(3,296)
-	-	-	397,641	401,072	3,431
-	-	-	56,868	49,180	(7,688)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	3,067,534	2,781,877	(285,657)
<u>20,000</u>	<u>19,665</u>	<u>(335)</u>	<u>3,830,743</u>	<u>3,537,533</u>	<u>(293,210)</u>
60,000	43,217	(16,783)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	5,044,480	4,373,051	(671,429)
-	-	-	-	-	-
-	-	-	-	-	-
<u>60,000</u>	<u>43,217</u>	<u>(16,783)</u>	<u>5,044,480</u>	<u>4,373,051</u>	<u>(671,429)</u>
<u>(40,000)</u>	<u>(23,552)</u>	<u>16,448</u>	<u>(1,213,737)</u>	<u>(835,518)</u>	<u>378,219</u>
-	-	-	866,597	987,774	121,177
-	-	-	(211,748)	(97,692)	(114,056)
-	-	-	654,849	890,082	235,233
(40,000)	(23,552)	16,448	(558,888)	54,564	613,452
<u>138,230</u>	<u>138,230</u>	<u>-</u>	<u>717,026</u>	<u>717,026</u>	<u>-</u>
<u>\$ 98,230</u>	<u>\$ 114,678</u>	<u>\$ 16,448</u>	<u>\$ 158,138</u>	<u>\$ 771,590</u>	<u>\$ 613,452</u>

continued...

COUNTY OF BERRIEN, MICHIGAN

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

	Health Department Grants (2215)		
	Amended Budget	Actual	Over (Under) Budget
Revenues			
Property taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenue	3,700,504	3,659,115	(41,389)
Charges for services	315,103	195,889	(119,214)
Fines and forfeitures	-	-	-
Interest revenue	-	-	-
Other revenue	563,565	444,511	(119,054)
Total revenues	4,579,172	4,299,515	(279,657)
Expenditures			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	6,464,119	5,557,358	(906,761)
Recreation and cultural	-	-	-
Community development	-	-	-
Debt service - Principal	-	-	-
Total expenditures	6,464,119	5,557,358	(906,761)
Revenues over (under) expenditures	(1,884,947)	(1,257,843)	627,104
Other financing sources (uses)			
Transfers in	1,765,945	1,158,625	(607,320)
Transfers out	-	-	-
Total other financing sources (uses)	1,765,945	1,158,625	(607,320)
Net change in fund balances	(119,002)	(99,218)	19,784
Fund balances, beginning of year	547,327	547,327	-
Fund balances, end of year	\$ 428,325	\$ 448,109	\$ 19,784

Berrien County Landfill Use (2270)			EDC Grants and Programs (2445)		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	352,000	322,932	(29,068)
642,357	389,687	(252,670)	-	-	-
-	-	-	-	-	-
-	620	620	-	-	-
-	-	-	6,244	3,418	(2,826)
<u>642,357</u>	<u>390,307</u>	<u>(252,050)</u>	<u>358,244</u>	<u>326,350</u>	<u>(31,894)</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
292,357	292,357	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	358,244	327,282	(30,962)
-	-	-	-	-	-
<u>292,357</u>	<u>292,357</u>	<u>-</u>	<u>358,244</u>	<u>327,282</u>	<u>(30,962)</u>
<u>350,000</u>	<u>97,950</u>	<u>(252,050)</u>	<u>-</u>	<u>(932)</u>	<u>(932)</u>
-	-	-	-	-	-
(350,000)	(151,485)	(198,515)	-	-	-
<u>(350,000)</u>	<u>(151,485)</u>	<u>198,515</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	(53,535)	(53,535)	-	(932)	(932)
<u>315,226</u>	<u>315,226</u>	<u>-</u>	<u>13,138</u>	<u>13,138</u>	<u>-</u>
<u>\$ 315,226</u>	<u>\$ 261,691</u>	<u>\$ (53,535)</u>	<u>\$ 13,138</u>	<u>\$ 12,206</u>	<u>\$ (932)</u>

continued...

COUNTY OF BERRIEN, MICHIGAN

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

	Register of Deeds Automation (2560)		
	Amended Budget	Actual	Over (Under) Budget
Revenues			
Property taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenue	-	-	-
Charges for services	160,000	158,490	(1,510)
Fines and forfeitures	-	-	-
Interest revenue	-	-	-
Other revenue	-	-	-
Total revenues	<u>160,000</u>	<u>158,490</u>	<u>(1,510)</u>
Expenditures			
Current:			
Judicial	-	-	-
General government	203,840	155,188	(48,652)
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Community development	-	-	-
Debt service - Principal	-	-	-
Total expenditures	<u>203,840</u>	<u>155,188</u>	<u>(48,652)</u>
Revenues over (under) expenditures	<u>(43,840)</u>	<u>3,302</u>	<u>47,142</u>
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(43,840)</u>	<u>3,302</u>	<u>47,142</u>
Fund balances, beginning of year	<u>56,973</u>	<u>56,973</u>	<u>-</u>
Fund balances, end of year	<u>\$ 13,133</u>	<u>\$ 60,275</u>	<u>\$ 47,142</u>

Register of Deeds Tax Foreclosure Search Fund (2561)			Homestead Audit Administration (2590)		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ 91,050	\$ 72,664	\$ (18,386)
-	-	-	-	-	-
-	-	-	-	-	-
201,789	201,600	(189)	-	-	-
-	-	-	-	-	-
-	-	-	1,400	1,813	413
-	-	-	-	-	-
<u>201,789</u>	<u>201,600</u>	<u>(189)</u>	<u>92,450</u>	<u>74,477</u>	<u>(17,973)</u>
-	-	-	-	-	-
30,778	30,588	(190)	64,007	61,616	(2,391)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>30,778</u>	<u>30,588</u>	<u>(190)</u>	<u>64,007</u>	<u>61,616</u>	<u>(2,391)</u>
<u>171,011</u>	<u>171,012</u>	<u>1</u>	<u>28,443</u>	<u>12,861</u>	<u>(15,582)</u>
-	-	-	-	-	-
<u>(171,011)</u>	<u>(171,011)</u>	<u>-</u>	<u>(175,000)</u>	<u>(175,000)</u>	<u>-</u>
<u>(171,011)</u>	<u>(171,011)</u>	<u>-</u>	<u>(175,000)</u>	<u>(175,000)</u>	<u>-</u>
-	1	1	(146,557)	(162,139)	(15,582)
<u>12,999</u>	<u>12,999</u>	<u>-</u>	<u>310,297</u>	<u>310,297</u>	<u>-</u>
<u>\$ 12,999</u>	<u>\$ 13,000</u>	<u>\$ 1</u>	<u>\$ 163,740</u>	<u>\$ 148,158</u>	<u>\$ (15,582)</u>

continued...

COUNTY OF BERRIEN, MICHIGAN

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

	Law Enforcement Funds (various #s)		
	Amended Budget	Actual	Over (Under) Budget
Revenues			
Property taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenue	925,079	852,990	(72,089)
Charges for services	2,419,447	2,193,891	(225,556)
Fines and forfeitures	9,600	5,691	(3,909)
Interest revenue	-	165	165
Other revenue	264,898	274,732	9,834
Total revenues	3,619,024	3,327,469	(291,555)
Expenditures			
Current:			
Judicial	-	-	-
General government	836,361	778,754	(57,607)
Public safety	5,686,065	4,867,131	(818,934)
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Community development	-	-	-
Debt service - Principal	-	-	-
Total expenditures	6,522,426	5,645,885	(876,541)
Revenues over (under) expenditures	(2,903,402)	(2,318,416)	584,986
Other financing sources (uses)			
Transfers in	2,159,200	2,057,802	(101,398)
Transfers out	(93,751)	(76,478)	(17,273)
Total other financing sources (uses)	2,065,449	1,981,324	(84,125)
Net change in fund balances	(837,953)	(337,092)	500,861
Fund balances, beginning of year	1,784,685	1,784,685	-
Fund balances, end of year	\$ 946,732	\$ 1,447,593	\$ 500,861

Concealed Pistol Licensing (2630)			Public Safety Cigarette Tax (2665)		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
65,000	55,334	(9,666)	-	-	-
-	-	-	36,175	31,165	(5,010)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>65,000</u>	<u>55,334</u>	<u>(9,666)</u>	<u>36,175</u>	<u>31,165</u>	<u>(5,010)</u>
-	-	-	-	-	-
23,811	21,352	(2,459)	-	-	-
-	-	-	61,175	21,165	(40,010)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>23,811</u>	<u>21,352</u>	<u>(2,459)</u>	<u>61,175</u>	<u>21,165</u>	<u>(40,010)</u>
<u>41,189</u>	<u>33,982</u>	<u>(7,207)</u>	<u>(25,000)</u>	<u>10,000</u>	<u>35,000</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>41,189</u>	<u>33,982</u>	<u>(7,207)</u>	<u>(25,000)</u>	<u>10,000</u>	<u>35,000</u>
<u>73,554</u>	<u>73,554</u>	<u>-</u>	<u>65,925</u>	<u>65,925</u>	<u>-</u>
<u>\$ 114,743</u>	<u>\$ 107,536</u>	<u>\$ (7,207)</u>	<u>\$ 40,925</u>	<u>\$ 75,925</u>	<u>\$ 35,000</u>

continued...

COUNTY OF BERRIEN, MICHIGAN

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

	Animal Control Grant and Program (2675)		
	Amended Budget	Actual	Over (Under) Budget
Revenues			
Property taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenue	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest revenue	-	-	-
Other revenue	28,000	37,542	9,542
Total revenues	<u>28,000</u>	<u>37,542</u>	<u>9,542</u>
Expenditures			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	34,700	28,504	(6,196)
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Community development	-	-	-
Debt service - Principal	-	-	-
Total expenditures	<u>34,700</u>	<u>28,504</u>	<u>(6,196)</u>
Revenues over (under) expenditures	<u>(6,700)</u>	<u>9,038</u>	<u>15,738</u>
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(6,700)</u>	<u>9,038</u>	<u>15,738</u>
Fund balances, beginning of year	<u>20,703</u>	<u>20,703</u>	<u>-</u>
Fund balances, end of year	<u>\$ 14,003</u>	<u>\$ 29,741</u>	<u>\$ 15,738</u>

County Law Library (2690)			Small Bus Program (2810)		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	535,134	489,353	(45,781)
-	-	-	303,500	439,742	136,242
-	-	-	-	-	-
-	-	-	2,000	287	(1,713)
-	6,500	6,500	19,000	4,099	(14,901)
-	6,500	6,500	859,634	933,481	73,847
83,510	74,120	(9,390)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,060,379	1,007,941	(52,438)
-	-	-	-	-	-
83,510	74,120	(9,390)	1,060,379	1,007,941	(52,438)
(83,510)	(67,620)	15,890	(200,745)	(74,460)	126,285
83,510	83,510	-	-	-	-
-	-	-	-	-	-
83,510	83,510	-	-	-	-
-	15,890	15,890	(200,745)	(74,460)	126,285
42,530	42,530	-	375,741	375,741	-
\$ 42,530	\$ 58,420	\$ 15,890	\$ 174,996	\$ 301,281	\$ 126,285

continued...

COUNTY OF BERRIEN, MICHIGAN

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

	Berrien Bus Grant and Program (2815)		
	Amended Budget	Actual	Over (Under) Budget
Revenues			
Property taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenue	445,315	-	(445,315)
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest revenue	-	-	-
Other revenue	-	-	-
Total revenues	<u>445,315</u>	<u>-</u>	<u>(445,315)</u>
Expenditures			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Community development	445,315	-	(445,315)
Debt service - Principal	-	-	-
Total expenditures	<u>445,315</u>	<u>-</u>	<u>(445,315)</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-
Fund balances, beginning of year	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Four Winds Casino Revenue Sharing (2851)			Campaign Finance Administration (2870)		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	500	175	(325)
-	-	-	-	-	-
-	-	-	-	-	-
219,449	122,079	(97,370)	-	-	-
<u>219,449</u>	<u>122,079</u>	<u>(97,370)</u>	<u>500</u>	<u>175</u>	<u>(325)</u>
-	-	-	-	-	-
-	-	-	3,050	3,000	(50)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	3,050	3,000	(50)
219,449	122,079	(97,370)	(2,550)	(2,825)	(275)
-	-	-	-	-	-
(738,532)	(738,532)	-	-	-	-
(738,532)	(738,532)	-	-	-	-
(519,083)	(616,453)	(97,370)	(2,550)	(2,825)	(275)
980,885	980,885	-	10,082	10,082	-
<u>\$ 461,802</u>	<u>\$ 364,432</u>	<u>\$ (97,370)</u>	<u>\$ 7,532</u>	<u>\$ 7,257</u>	<u>\$ (275)</u>

continued...

COUNTY OF BERRIEN, MICHIGAN

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

	Social Services (2900)		
	Amended Budget	Actual	Over (Under) Budget
Revenues			
Property taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenue	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest revenue	-	-	-
Other revenue	232	190	(42)
Total revenues	232	190	(42)
Expenditures			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	22,209	17,015	(5,194)
Recreation and cultural	-	-	-
Community development	-	-	-
Debt service - Principal	-	-	-
Total expenditures	22,209	17,015	(5,194)
Revenues over (under) expenditures	(21,977)	(16,825)	5,152
Other financing sources (uses)			
Transfers in	21,977	21,977	-
Transfers out	-	-	-
Total other financing sources (uses)	21,977	21,977	-
Net change in fund balances	-	5,152	5,152
Fund balances, beginning of year	111,094	111,094	-
Fund balances, end of year	\$ 111,094	\$ 116,246	\$ 5,152

Child Care Probate (2920)			Child Care Social Services (2921)		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
4,269,821	3,621,442	(648,379)	649,707	336,060	(313,647)
160	287	127	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
173,750	170,578	(3,172)	45,200	35,943	(9,257)
<u>4,443,731</u>	<u>3,792,307</u>	<u>(651,424)</u>	<u>694,907</u>	<u>372,003</u>	<u>(322,904)</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
9,566,246	7,974,358	(1,591,888)	1,344,615	689,653	(654,962)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>9,566,246</u>	<u>7,974,358</u>	<u>(1,591,888)</u>	<u>1,344,615</u>	<u>689,653</u>	<u>(654,962)</u>
<u>(5,122,515)</u>	<u>(4,182,051)</u>	<u>940,464</u>	<u>(649,708)</u>	<u>(317,650)</u>	<u>332,058</u>
4,472,721	4,522,721	50,000	349,708	349,708	-
-	-	-	-	-	-
<u>4,472,721</u>	<u>4,522,721</u>	<u>50,000</u>	<u>349,708</u>	<u>349,708</u>	<u>-</u>
(649,794)	340,670	990,464	(300,000)	32,058	332,058
<u>1,067,889</u>	<u>1,067,889</u>	<u>-</u>	<u>886,624</u>	<u>886,624</u>	<u>-</u>
<u>\$ 418,095</u>	<u>\$ 1,408,559</u>	<u>\$ 990,464</u>	<u>\$ 586,624</u>	<u>\$ 918,682</u>	<u>\$ 332,058</u>

continued...

COUNTY OF BERRIEN, MICHIGAN

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

	Generous Juror Program (2925)		
	Amended Budget	Actual	Over (Under) Budget
Revenues			
Property taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenue	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest revenue	-	-	-
Other revenue	6,000	8,056	2,056
Total revenues	<u>6,000</u>	<u>8,056</u>	<u>2,056</u>
Expenditures			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Health and welfare	6,000	1,590	(4,410)
Recreation and cultural	-	-	-
Community development	-	-	-
Debt service - Principal	-	-	-
Total expenditures	<u>6,000</u>	<u>1,590</u>	<u>(4,410)</u>
Revenues over (under) expenditures	<u>-</u>	<u>6,466</u>	<u>6,466</u>
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	6,466	6,466
Fund balances, beginning of year	25,397	25,397	-
Fund balances, end of year	<u>\$ 25,397</u>	<u>\$ 31,863</u>	<u>\$ 6,466</u>

Soldiers and Sailors Relief (2930)			Veteran's Trust (2940)		
Amended Budget	Actual	Over (Under) Budget	Amended Budget	Actual	Over (Under) Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	34,789	-	(34,789)
-	-	-	-	-	-
-	-	-	-	-	-
-	100	100	-	-	-
-	100	100	34,789	-	(34,789)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
800	657	(143)	34,789	2,047	(32,742)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
800	657	(143)	34,789	2,047	(32,742)
(800)	(557)	243	-	(2,047)	(2,047)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(800)	(557)	243	-	(2,047)	(2,047)
1,082	1,082	-	2,047	2,047	-
\$ 282	\$ 525	\$ 243	\$ 2,047	\$ -	\$ (2,047)

continued...

COUNTY OF BERRIEN, MICHIGAN

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

	Board of Public Works (2960)		
	Amended Budget	Actual	Over (Under) Budget
Revenues			
Property taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenue	-	-	-
Charges for services	10,000	9,239	(761)
Fines and forfeitures	-	-	-
Interest revenue	-	-	-
Other revenue	-	-	-
Total revenues	10,000	9,239	(761)
Expenditures			
Current:			
Judicial	-	-	-
General government	-	-	-
Public safety	-	-	-
Public works	13,700	13,603	(97)
Health and welfare	-	-	-
Recreation and cultural	-	-	-
Community development	-	-	-
Debt service - Principal	-	-	-
Total expenditures	13,700	13,603	(97)
Revenues over (under) expenditures	(3,700)	(4,364)	(664)
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	(3,700)	(4,364)	(664)
Fund balances, beginning of year	97,806	97,806	-
Fund balances, end of year	\$ 94,106	\$ 93,442	\$ (664)



Total Nonmajor Special Revenue Funds		
Amended Budget	Actual	Over (Under) Budget
\$ 840,746	\$ 821,370	\$ (19,376)
393,700	380,403	(13,297)
13,480,080	11,586,220	(1,893,860)
5,015,979	4,501,914	(514,065)
9,600	5,691	(3,909)
3,400	2,885	(515)
<u>4,713,817</u>	<u>4,151,792</u>	<u>(562,025)</u>
<u>24,457,322</u>	<u>21,450,275</u>	<u>(3,007,047)</u>
3,465,882	3,248,432	(217,450)
1,161,847	1,050,498	(111,349)
5,848,325	4,976,910	(871,415)
306,057	305,960	(97)
22,491,653	18,621,473	(3,870,180)
1,870,571	1,617,530	(253,041)
1,863,938	1,335,223	(528,715)
<u>30,484</u>	<u>30,483</u>	<u>(1)</u>
<u>37,038,757</u>	<u>31,186,509</u>	<u>(5,852,248)</u>
<u>(12,581,435)</u>	<u>(9,736,234)</u>	<u>2,845,201</u>
11,610,581	10,912,153	(698,428)
<u>(2,689,287)</u>	<u>(2,248,508)</u>	<u>(440,779)</u>
<u>8,921,294</u>	<u>8,663,645</u>	<u>(257,649)</u>
(3,660,141)	(1,072,589)	2,587,552
<u>8,746,460</u>	<u>8,746,460</u>	<u>-</u>
<u>\$ 5,086,319</u>	<u>\$ 7,673,871</u>	<u>\$ 2,587,552</u>

concluded

COUNTY OF BERRIEN, MICHIGAN

Combining Balance Sheet

Nonmajor Capital Projects Funds

December 31, 2017

	Capital Improvement (2450) & (4010)	Vehicle / Equipment Replacement (4020)	Total
Assets			
Cash and cash equivalents	\$ 5,334,029	\$ 791,342	\$ 6,125,371
Liabilities			
Accounts payable	\$ 331,952	\$ -	\$ 331,952
Fund balances			
Committed	5,002,077	791,342	5,793,419
Total liabilities and fund balances	\$ 5,334,029	\$ 791,342	\$ 6,125,371

COUNTY OF BERRIEN, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Capital Projects Funds

For the Year Ended December 31, 2017

	Capital Improvement (2450) & (4010)	Vehicle / Equipment Replacement (4020)	Total
Expenditures			
Current:			
Legislative	\$ 2,121	\$ -	\$ 2,121
General government	1,539,363	33,468	1,572,831
Public safety	1,250,771	307,300	1,558,071
Health and welfare	253,488	6,305	259,793
Recreation and cultural	120,089	-	120,089
	<hr/>	<hr/>	<hr/>
Total expenditures	3,165,832	347,073	3,512,905
Other financing sources			
Transfers in	2,535,557	612,701	3,148,258
	<hr/>	<hr/>	<hr/>
Net change in fund balances	(630,275)	265,628	(364,647)
Fund balances, beginning of year	5,632,352	525,714	6,158,066
	<hr/>	<hr/>	<hr/>
Fund balances, end of year	<u>\$ 5,002,077</u>	<u>\$ 791,342</u>	<u>\$ 5,793,419</u>

COUNTY OF BERRIEN, MICHIGAN

Combining Statement of Net Position

Nonmajor Enterprise Funds
December 31, 2017

	Delinquent Tax Foreclosure (5180)	Delinquent Personal Property Tax (5190)	Drain Working Capital (6390)	Buchanan Township Sewer System No. 23 / Water System No. 21 (5753)
Assets				
Current assets:				
Cash and cash equivalents	\$ 414,481	\$ -	\$ 411,728	\$ 3
Investments	-	137,042	-	-
Accounts receivable	-	17,361	-	-
Taxes receivable, delinquent	-	262,463	-	-
Leases receivable, current	-	-	-	-
Inventories	-	-	29,332	-
Total current assets	<u>414,481</u>	<u>416,866</u>	<u>441,060</u>	<u>3</u>
Noncurrent assets:				
Leases receivable, net of current portion	-	-	-	-
Capital assets not being depreciated	-	-	6,694	-
Capital assets being depreciated, net	-	-	51,583	-
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>58,277</u>	<u>-</u>
Total assets	<u>414,481</u>	<u>416,866</u>	<u>499,337</u>	<u>3</u>
Liabilities				
Current liabilities:				
Accounts payable	39,706	-	2,453	-
Accrued expenses	3,255	707	-	-
Due to other governments	-	264,505	-	3
Interfund payable	-	11,920	-	-
Current portion of long-term debt	-	-	-	-
Total current liabilities	<u>42,961</u>	<u>277,132</u>	<u>2,453</u>	<u>3</u>
Long-term liabilities -				
Long-term debt, due in more than one year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>42,961</u>	<u>277,132</u>	<u>2,453</u>	<u>3</u>
Net position				
Investment in capital assets	-	-	58,277	-
Unrestricted	<u>371,520</u>	<u>139,734</u>	<u>438,607</u>	<u>-</u>
Total net position	<u>\$ 371,520</u>	<u>\$ 139,734</u>	<u>\$ 496,884</u>	<u>\$ -</u>

Coloma Township Sewer System No. 24 (5755)	Village of Berrien Springs / Oronoko Township Water / Sewer System No. 26 (5756)	New Buffalo City Water System No. 28 (5759)	Village of Berrien Springs Water / Sewer System No. 29 (5761)	Oronoko Township Water / Sewer System No. 31 (5763)	Village of Michiana Water / Sewer System No. 32 (5764)	Total
\$ 9	\$ 10,570	\$ 1,971	\$ 60	\$ 652	\$ 666,881	\$ 1,506,355
-	-	-	-	-	-	137,042
-	-	-	-	-	-	17,361
-	-	-	-	-	-	262,463
125,000	30,000	75,000	120,439	36,000	160,000	546,439
-	-	-	-	-	-	29,332
<u>125,009</u>	<u>40,570</u>	<u>76,971</u>	<u>120,499</u>	<u>36,652</u>	<u>826,881</u>	<u>2,498,992</u>
122,319	55,317	1,029,828	2,425,142	2,387,273	949,544	6,969,423
-	-	-	-	-	-	6,694
-	-	-	-	-	-	51,583
<u>122,319</u>	<u>55,317</u>	<u>1,029,828</u>	<u>2,425,142</u>	<u>2,387,273</u>	<u>949,544</u>	<u>7,027,700</u>
<u>247,328</u>	<u>95,887</u>	<u>1,106,799</u>	<u>2,545,641</u>	<u>2,423,925</u>	<u>1,776,425</u>	<u>9,526,692</u>
-	-	-	-	-	-	42,159
2,328	887	6,875	22,319	29,925	12,650	78,946
-	-	-	-	-	-	264,508
-	-	-	-	-	-	11,920
125,000	30,000	75,000	120,439	36,000	160,000	546,439
<u>127,328</u>	<u>30,887</u>	<u>81,875</u>	<u>142,758</u>	<u>65,925</u>	<u>172,650</u>	<u>943,972</u>
<u>120,000</u>	<u>65,000</u>	<u>1,024,924</u>	<u>2,402,883</u>	<u>2,358,000</u>	<u>1,603,775</u>	<u>7,574,582</u>
<u>247,328</u>	<u>95,887</u>	<u>1,106,799</u>	<u>2,545,641</u>	<u>2,423,925</u>	<u>1,776,425</u>	<u>8,518,554</u>
-	-	-	-	-	-	58,277
-	-	-	-	-	-	949,861
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,008,138</u>

COUNTY OF BERRIEN, MICHIGAN

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

Nonmajor Enterprise Funds

For the Year Ended December 31, 2017

	Delinquent Tax Foreclosure (5180)	Delinquent Personal Property Tax (5190)	Drain Working Capital (6390)	Buchanan Township Sewer System No. 23 / Water System No. 21 (5753)
Operating revenues				
Charges for services	\$ 1,373,651	\$ 29,141	\$ 89,773	\$ -
Operating expense				
Operation and maintenance	1,073,458	33,612	30,917	-
Depreciation	-	-	8,351	-
Total operating expense	1,073,458	33,612	39,268	-
Operating income (loss)	300,193	(4,471)	50,505	-
Nonoperating revenues (expenses)				
Interest income	-	493	-	-
Interest and fiscal charges	-	-	-	-
Total nonoperating revenues (expenses)	-	493	-	-
Change in net position	300,193	(3,978)	50,505	-
Net position, beginning of year	71,327	143,712	446,379	-
Net position, end of year	\$ 371,520	\$ 139,734	\$ 496,884	\$ -

Coloma Township Sewer System No. 24 (5755)	Village of Berrien Springs / Oronoko Township Water / Sewer System No. 26 (5756)	New Buffalo City Water System No. 28 (5759)	Village of Berrien Springs Water / Sewer System No. 29 (5761)	Oronoko Township Water / Sewer System No. 31 (5763)	Village of Michiana Water / Sewer System No. 32 (5764)	Total
\$ 17,083	\$ 4,890	\$ 28,375	\$ 79,842	\$ 77,493	\$ 1,122,694	\$ 2,822,942
-	-	-	-	5,049	1,105,231	2,248,267
-	-	-	-	-	-	8,351
-	-	-	-	5,049	1,105,231	2,256,618
17,083	4,890	28,375	79,842	72,444	17,463	566,324
7	1,732	436	10	6	8,337	11,021
(17,090)	(6,622)	(28,811)	(79,852)	(72,450)	(25,800)	(230,625)
(17,083)	(4,890)	(28,375)	(79,842)	(72,444)	(17,463)	(219,604)
-	-	-	-	-	-	346,720
-	-	-	-	-	-	661,418
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,008,138

COUNTY OF BERRIEN, MICHIGAN

Combining Statement of Cash Flows
 Nonmajor Enterprise Funds
 For the Year Ended December 31, 2017

	Delinquent Tax Foreclosure (5180)	Delinquent Personal Property Tax (5190)	Drain Working Capital (6390)	Buchanan Township Sewer System No. 23 / Water System No. 21 (5753)
Cash flows from operating activities				
Cash received from customers	\$ 1,373,651	\$ 29,141	\$ 89,773	\$ 1
Cash payments to suppliers for goods and services	(1,010,972)	(2,036)	(20,166)	(7,671)
Cash payments to employees for services	(164,591)	(31,370)	-	-
Net cash provided by (used in) operating activities	198,088	(4,265)	69,607	(7,670)
Cash flows from noncapital financing activities				
Proceeds from issuance of long-term debt	-	-	-	-
Principal payments	-	-	-	-
Interest payments	-	-	-	-
Net cash provided by (used in) noncapital financing activities	-	-	-	-
Cash flows from investing activities				
Proceeds from sale of investments	-	3,772	-	-
Purchase of capital assets	-	-	(6,694)	-
Interest received	-	493	-	-
Issuance of leases receivable	-	-	-	-
Amounts collected on leases receivable	-	-	-	-
Net cash provided by (used in) investing activities	-	4,265	(6,694)	-
Net change in cash and cash equivalents	198,088	-	62,913	(7,670)
Cash and cash equivalents, beginning of year	216,393	-	348,815	7,673
Cash and cash equivalents, end of year	\$ 414,481	\$ -	\$ 411,728	\$ 3

Coloma Township Sewer System No. 24 (5755)	Village of Berrien Springs / Oronoko Township Water / Sewer System No. 26 (5756)	New Buffalo City Water System No. 28 (5759)	Village of Berrien Springs Water / Sewer System No. 29 (5761)	Oronoko Township Water / Sewer System No. 31 (5763)	Village of Michiana Water / Sewer System No. 32 (5764)	Total
\$ 17,083 (1,187) -	\$ 4,890 (275) -	\$ 28,375 (437) -	\$ 79,842 (146) -	\$ 106,193 (34,175) -	\$ 1,122,694 (1,092,581) -	\$ 2,851,643 (2,169,646) (195,961)
15,896	4,615	27,938	79,696	72,018	30,113	486,036
-	-	-	-	-	1,763,775	1,763,775
(125,000)	(30,000)	(70,000)	(115,000)	(36,000)	-	(376,000)
(17,090)	(6,622)	(28,811)	(79,852)	(72,450)	(25,800)	(230,625)
(142,090)	(36,622)	(98,811)	(194,852)	(108,450)	1,737,975	1,157,150
-	-	-	-	-	-	3,772
-	-	-	-	-	-	(6,694)
7	1,732	436	10	6	8,337	11,021
-	-	-	-	-	(1,109,544)	(1,109,544)
126,194	32,007	70,873	115,156	31,407	-	375,637
126,201	33,739	71,309	115,166	31,413	(1,101,207)	(725,808)
7	1,732	436	10	(5,019)	666,881	917,378
2	8,838	1,535	50	5,671	-	588,977
\$ 9	\$ 10,570	\$ 1,971	\$ 60	\$ 652	\$ 666,881	\$ 1,506,355

continued...

COUNTY OF BERRIEN, MICHIGAN

Combining Statement of Cash Flows
 Nonmajor Enterprise Funds
 For the Year Ended December 31, 2017

	Delinquent Tax Foreclosure (5180)	Delinquent Personal Property Tax (5190)	Drain Working Capital (6390)	Buchanan Township Sewer System No. 23 / Water System No. 21 (5753)
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 300,193	\$ (4,471)	\$ 50,505	\$ -
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	-	-	8,351	-
Amortization of bond discounts	-	-	-	-
Changes in:				
Accounts receivable	-	126,355	-	-
Taxes receivable, delinquent	-	34,788	-	-
Inventories	-	-	8,298	-
Accounts payable	(101,984)	-	2,453	(7,671)
Accrued expenses	(121)	167	-	-
Due to other governments	-	(93,276)	-	1
Interfund payable	-	(67,828)	-	-
Net cash provided by (used in) operating activities	<u>\$ 198,088</u>	<u>\$ (4,265)</u>	<u>\$ 69,607</u>	<u>\$ (7,670)</u>

Coloma Township Sewer System No. 24 (5755)	Village of Berrien Springs / Oronoko Township Water / Sewer System No. 26 (5756)	New Buffalo City Water System No. 28 (5759)	Village of Berrien Springs Water / Sewer System No. 29 (5761)	Oronoko Township Water / Sewer System No. 31 (5763)	Oronoko Township Water / Sewer System No. 31 (5763)	Total
\$ 17,083	\$ 4,890	\$ 28,375	\$ 79,842	\$ 72,444	\$ 17,463	\$ 566,324
-	-	-	-	-	-	8,351
-	-	-	477	-	-	477
-	-	-	-	28,700	-	155,055
-	-	-	-	-	-	34,788
-	-	-	-	-	-	8,298
-	-	-	-	(28,676)	-	(135,878)
(1,187)	(275)	(437)	(623)	(450)	12,650	9,724
-	-	-	-	-	-	(93,275)
-	-	-	-	-	-	(67,828)
<u>\$ 15,896</u>	<u>\$ 4,615</u>	<u>\$ 27,938</u>	<u>\$ 79,696</u>	<u>\$ 72,018</u>	<u>\$ 30,113</u>	<u>\$ 486,036</u>

concluded

COUNTY OF BERRIEN, MICHIGAN

Combining Statement of Net Position

Internal Service Funds

December 31, 2017

	Property / Liability Insurance (6774)	Workers' Compensation Insurance (6771)	Healthcare Insurance (6772)	Unemployment Insurance (6773)	Total
Assets					
Current assets:					
Cash and cash equivalents	\$ 132,965	\$ 536,458	\$ 994,063	\$ 139,506	\$ 1,802,992
Investments	2,390,247	-	-	-	2,390,247
Prepaid items	-	-	1,058,138	-	1,058,138
Total current assets	<u>2,523,212</u>	<u>536,458</u>	<u>2,052,201</u>	<u>139,506</u>	<u>5,251,377</u>
Noncurrent assets -					
Restricted cash	2,993,785	-	-	-	2,993,785
Total assets	<u>5,516,997</u>	<u>536,458</u>	<u>2,052,201</u>	<u>139,506</u>	<u>8,245,162</u>
Liabilities					
Current liabilities -					
Accrued expenses	<u>1,564,472</u>	<u>275,920</u>	<u>552,500</u>	<u>-</u>	<u>2,392,892</u>
Net position					
Unrestricted	<u>\$ 3,952,525</u>	<u>\$ 260,538</u>	<u>\$ 1,499,701</u>	<u>\$ 139,506</u>	<u>\$ 5,852,270</u>

COUNTY OF BERRIEN, MICHIGAN

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

Internal Service Funds

For the Year Ended December 31, 2017

	Property / Liability Insurance (6774)	Workers' Compensation Insurance (6771)	Healthcare Insurance (6772)	Unemployment Insurance (6773)	Total
Operating revenues					
Charges for services	\$ 977,861	\$ 135,782	\$ 13,238,556	\$ -	\$ 14,352,199
Operating expenses					
Operation and maintenance	-	-	12,407,070	14,556	12,421,626
Benefits and claims	568,067	368,066	2,572,965	-	3,509,098
Total operating expenses	568,067	368,066	14,980,035	14,556	15,930,724
Change in net position	409,794	(232,284)	(1,741,479)	(14,556)	(1,578,525)
Net position, beginning of year	3,542,731	492,822	3,241,180	154,062	7,430,795
Net position, end of year	\$ 3,952,525	\$ 260,538	\$ 1,499,701	\$ 139,506	\$ 5,852,270

COUNTY OF BERRIEN, MICHIGAN

Combining Statement of Cash Flows
 Internal Service Funds
 For the Year Ended December 31, 2017

	Property / Liability Insurance (6774)	Workers' Compensation Insurance (6771)	Healthcare Insurance (6772)	Unemployment Insurance (6773)	Total
Cash flows from operating activities					
Cash received from interfund services provided	\$ 977,861	\$ 135,782	\$ 13,238,556	\$ -	\$ 14,352,199
Cash payments to suppliers for services	(775,717)	(266,506)	(15,505,152)	(14,556)	(16,561,931)
Net cash provided by (used in) operating activities	202,144	(130,724)	(2,266,596)	(14,556)	(2,209,732)
Cash flows from investing activities					
Proceeds from sale of investments	3,330	-	-	-	3,330
Net change in cash and cash equivalents	205,474	(130,724)	(2,266,596)	(14,556)	(2,206,402)
Cash and cash equivalents, beginning of year	2,921,276	667,182	3,260,659	154,062	7,003,179
Cash and cash equivalents, end of year	\$ 3,126,750	\$ 536,458	\$ 994,063	\$ 139,506	\$ 4,796,777
Statement of net position classification of cash and investments					
Cash and cash equivalents	\$ 132,965	\$ 536,458	\$ 994,063	\$ 139,506	\$ 1,802,992
Restricted cash	2,993,785	-	-	-	2,993,785
	\$ 3,126,750	\$ 536,458	\$ 994,063	\$ 139,506	\$ 4,796,777
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 409,794	\$ (232,284)	\$ (1,741,479)	\$ (14,556)	\$ (1,578,525)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities -					
Changes in:					
Prepaid items	-	-	(389,417)	-	(389,417)
Accrued expenses	(207,650)	101,560	(135,700)	-	(241,790)
Net cash provided by (used in) operating activities	\$ 202,144	\$ (130,724)	\$ (2,266,596)	\$ (14,556)	\$ (2,209,732)

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COUNTY OF BERRIEN, MICHIGAN

Combining Statement of Fiduciary Assets and Liabilities

All Agency Funds
December 31, 2017

	Trust and Agency (7010)	Court Orders Payable (7020)	Imprest Payroll (7040)	Library Trust (7210)
Assets				
Cash and cash equivalents	\$ 1,473,278	\$ 95,384	\$ 555,796	\$ 605,249
Liabilities				
Undistributed receipts	\$ 1,473,278	\$ 95,384	\$ 555,796	\$ 605,249



District Court Trust (7600)	Jail Inmate Trust (7640)	Total
<u>\$ 432,226</u>	<u>\$ 18,578</u>	<u>\$ 3,180,511</u>
<u>\$ 432,226</u>	<u>\$ 18,578</u>	<u>\$ 3,180,511</u>

COUNTY OF BERRIEN, MICHIGAN

Combining Statement of Changes in Fiduciary Assets and Liabilities

All Agency Funds

For the Year Ended December 31, 2017

	Beginning Balance	Additions	Deductions	Ending Balance
Trust and Agency Fund				
Assets				
Cash and cash equivalents	\$ 1,480,097	\$ 99,939,107	99,945,926	\$ 1,473,278
Liabilities				
Undistributed receipts	\$ 1,480,097	\$ 99,939,107	\$ 99,945,926	\$ 1,473,278
Court Orders Payable Fund				
Assets				
Cash and cash equivalents	\$ 92,574	\$ 551,855	\$ 549,045	\$ 95,384
Liabilities				
Undistributed receipts	\$ 92,574	\$ 551,855	\$ 549,045	\$ 95,384
Imprest Payroll Fund				
Assets				
Cash and cash equivalents	\$ 483,666	\$ 168,088,398	\$ 168,016,268	\$ 555,796
Liabilities				
Undistributed receipts	\$ 483,666	\$ 168,088,398	\$ 168,016,268	\$ 555,796
Library Trust Fund				
Assets				
Cash and cash equivalents	\$ 639,949	\$ 6,080,683	\$ 6,115,383	\$ 605,249
Liabilities				
Undistributed receipts	\$ 639,949	\$ 6,080,683	\$ 6,115,383	\$ 605,249

continued...

COUNTY OF BERRIEN, MICHIGAN

Combining Statement of Changes in Fiduciary Assets and Liabilities

All Agency Funds

For the Year Ended December 31, 2017

	Beginning Balance	Additions	Deductions	Ending Balance
District Court Trust Fund				
Assets				
Cash and cash equivalents	\$ 426,088	\$ 432,226	\$ 426,088	\$ 432,226
Liabilities				
Undistributed receipts	\$ 426,088	\$ 432,226	\$ 426,088	\$ 432,226
Jail Inmate Trust Fund				
Assets				
Cash and cash equivalents	\$ 10,553	\$ 18,578	\$ 10,553	\$ 18,578
Liabilities				
Undistributed receipts	\$ 10,553	\$ 18,578	\$ 10,553	\$ 18,578
Total - All Agency Funds				
Assets				
Cash and cash equivalents	\$ 3,132,927	\$ 275,110,847	\$ 275,063,263	\$ 3,180,511
Liabilities				
Undistributed receipts	\$ 3,132,927	\$ 275,110,847	\$ 275,063,263	\$ 3,180,511

concluded

COUNTY OF BERRIEN, MICHIGAN

Statement of Net Position and Governmental Funds Balance Sheet
 Drain Commission Component Unit
 December 31, 2017

	Capital Projects Funds			
	Drain (8010)	Drain Revolving (8020)	Hollywood Road Detention Bonds (8053)	Starr & Wellington Drain (8054)
Assets				
Cash and cash equivalents	\$ 3,538,967	\$ -	\$ -	\$ 39,797
Special assessments receivable	5,137,890	-	-	85,000
Due from other funds	76,852	891,799	-	-
Asset held for resale	-	-	-	-
Capital assets not being depreciated	-	-	-	-
Capital assets being depreciated, net	-	-	-	-
Total assets	\$ 8,753,709	\$ 891,799	\$ -	\$ 124,797
Deferred outflows of resources				
Deferred charge on refunding				
Liabilities				
Accounts payable	\$ 239,085	\$ -	\$ -	\$ -
Accrued expenses	-	-	-	-
Due to other funds	891,799	76,852	-	-
Advances from primary government	-	800,000	-	-
Long-term liabilities:				
Due within one year	-	-	-	-
Due in more than one year	-	-	-	-
Total liabilities	1,130,884	876,852	-	-
Deferred inflows of resources				
Unavailable revenue - special assessments	5,137,890	-	-	85,000
Fund balances				
Restricted	2,484,935	14,947	-	39,797
Total liabilities, deferred inflows of resources and fund balances	\$ 8,753,709	\$ 891,799	\$ -	\$ 124,797
Net position				
Net investment in capital assets				
Restricted				
Total net position				



Close Drain (8055)	Schwark Drain Drainage District (8056)	Hollywood Road Consolidated Drain (8057)	Barnes & Hamilton Drain Drainage District (8058)	Lakeshore Drain Drainage District (8059)	Smith & Strong Drain Drainage District (8060)
\$ 153,206	\$ 168,093	\$ 109,389	\$ 424,744	\$ 131,356	\$ 34,673
325,000	780,000	1,955,000	620,000	2,115,000	650,000
-	-	-	-	-	-
-	126,929	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 478,206</u>	<u>\$ 1,075,022</u>	<u>\$ 2,064,389</u>	<u>\$ 1,044,744</u>	<u>\$ 2,246,356</u>	<u>\$ 684,673</u>

\$ -	\$ 1,598	\$ -	\$ -	\$ -	\$ 125
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	1,598	-	-	-	125
325,000	780,000	1,955,000	620,000	2,115,000	650,000
153,206	293,424	109,389	424,744	131,356	34,548
<u>\$ 478,206</u>	<u>\$ 1,075,022</u>	<u>\$ 2,064,389</u>	<u>\$ 1,044,744</u>	<u>\$ 2,246,356</u>	<u>\$ 684,673</u>

continued...

COUNTY OF BERRIEN, MICHIGAN

Statement of Net Position and Governmental Funds Balance Sheet
 Drain Commission Component Unit
 December 31, 2017

	Lakeside Drain Drainage District (8061)	Estates Drain Drainage District (8062)	Oak Hill Springs Drain Drainage District (8063)	Blue Jay Drain Drainage District (8064)
Assets				
Cash and cash equivalents	\$ 35,775	\$ 109,077	\$ 163,953	\$ 31,568
Special assessments receivable	480,000	630,000	400,000	3,030,000
Due from other funds	-	-	-	-
Asset held for resale	-	-	-	-
Capital assets not being depreciated	-	-	-	-
Capital assets being depreciated, net	-	-	-	-
Total assets	\$ 515,775	\$ 739,077	\$ 563,953	\$ 3,061,568
Deferred outflows of resources				
Deferred charge on refunding				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued expenses	-	-	-	-
Due to other funds	-	-	-	-
Advances from primary government	-	-	-	-
Long-term liabilities:				
Due within one year	-	-	-	-
Due in more than one year	-	-	-	-
Total liabilities	-	-	-	-
Deferred inflows of resources				
Unavailable revenue - special assessments	480,000	630,000	400,000	3,030,000
Fund balances				
Restricted	35,775	109,077	163,953	31,568
Total liabilities, deferred inflows of resources and fund balances	\$ 515,775	\$ 739,077	\$ 563,953	\$ 3,061,568
Net position				
Net investment in capital assets				
Restricted				
Total net position				

Hibbard Lake Drain Drainage District (8065)	North Royalton Drain Drainage District (8066)	Lighthouse Creek Drain Drainage District (8067)	Total Capital Projects Funds	Adjustments	Statement of Net Position
\$ 107,522	\$ 646,440	\$ 1,492,762	\$ 7,187,322	\$ -	\$ 7,187,322
1,105,000	3,820,000	2,125,000	23,257,890	-	23,257,890
-	-	-	968,651	(968,651)	-
-	-	-	126,929	-	126,929
-	-	-	-	6,485,548	6,485,548
-	-	-	-	17,419,950	17,419,950
<u>\$ 1,212,522</u>	<u>\$ 4,466,440</u>	<u>\$ 3,617,762</u>	<u>\$ 31,540,792</u>	<u>22,936,847</u>	<u>54,477,639</u>
				<u>137,942</u>	<u>137,942</u>
\$ -	\$ 1,907	\$ 21,100	\$ 263,815	-	263,815
-	-	-	-	98,617	98,617
-	-	-	968,651	(968,651)	-
-	-	-	800,000	-	800,000
-	-	-	-	3,014,437	3,014,437
-	-	-	-	20,754,438	20,754,438
-	1,907	21,100	2,032,466	22,898,841	24,931,307
1,105,000	3,820,000	2,125,000	23,257,890	(23,257,890)	-
107,522	644,533	1,471,662	6,250,436	(6,250,436)	-
<u>\$ 1,212,522</u>	<u>\$ 4,466,440</u>	<u>\$ 3,617,762</u>	<u>\$ 31,540,792</u>		
				5,882,454	5,882,454
				23,801,820	23,801,820
				<u>\$ 29,684,274</u>	<u>\$ 29,684,274</u>

concluded

COUNTY OF BERRIEN, MICHIGAN

Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balances Drain Commission Component Unit For the Year Ended December 31, 2017

	Capital Projects Funds			
	Drain (8010)	Drain Revolving (8020)	Hollywood Road Detention Bonds (8053)	Starr & Wellington Drain (8054)
Expenditures / expenses				
Public works	\$ 1,825,719	\$ -	\$ -	\$ 66
Debt service:				
Principal	1,757,194	-	10,000	12,000
Interest	81,931	-	605	5,762
Total expenditures / expenses	3,664,844	-	10,605	17,828
Program revenues				
Charges for services	2,650	-	-	-
Operating grants and contributions	72,296	-	-	-
Interest revenue	113	-	26	4
Special assessments / capital grants and contributions	1,703,132	-	-	16,242
Total program revenues	1,778,191	-	26	16,246
Net (expense) revenue	(1,886,653)	-	(10,579)	(1,582)
Other financing sources (uses)				
Issuance of long-term debt	2,689,950	-	-	-
Bond premium	-	-	-	-
Bond discount	-	-	-	-
Payment to bond escrow agent	-	-	-	-
Transfers in	70,899	-	-	-
Transfers out	-	-	(861)	-
Total other financing sources (uses)	2,760,849	-	(861)	-
Change in fund balance / change in net position	874,196	-	(11,440)	(1,582)
Fund balances / net position, beginning of year	1,610,739	14,947	11,440	41,379
Fund balances / net position, end of year	\$ 2,484,935	\$ 14,947	\$ -	\$ 39,797

Close Drain (8055)	Schwark Drain Drainage District (8056)	Hollywood Road Consolidated Drain (8057)	Barnes & Hamilton Drain Drainage District (8058)	Lakeshore Drain Drainage District (8059)	Smith & Strong Drain Drainage District (8060)
\$ 185	\$ 72,370	\$ 6,890	\$ 60,609	\$ 65,348	\$ 1,754
155,000	395,000	115,000	195,000	165,000	30,000
15,906	13,826	85,719	24,418	32,313	22,575
<u>171,091</u>	<u>481,196</u>	<u>207,609</u>	<u>280,027</u>	<u>262,661</u>	<u>54,329</u>
-	-	-	-	-	-
1	-	-	-	200	-
176	1,121	141	478	2,756	399
<u>164,665</u>	<u>147,243</u>	<u>215,442</u>	<u>150,334</u>	<u>213,653</u>	<u>49,607</u>
<u>164,842</u>	<u>148,364</u>	<u>215,583</u>	<u>150,812</u>	<u>216,609</u>	<u>50,006</u>
<u>(6,249)</u>	<u>(332,832)</u>	<u>7,974</u>	<u>(129,215)</u>	<u>(46,052)</u>	<u>(4,323)</u>
-	1,575,000	-	-	2,115,000	-
-	13,695	-	-	44,550	-
-	-	-	-	-	-
-	(1,332,482)	-	-	(2,899,114)	-
-	-	861	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>256,213</u>	<u>861</u>	<u>-</u>	<u>(739,564)</u>	<u>-</u>
<u>(6,249)</u>	<u>(76,619)</u>	<u>8,835</u>	<u>(129,215)</u>	<u>(785,616)</u>	<u>(4,323)</u>
<u>159,455</u>	<u>370,043</u>	<u>100,554</u>	<u>553,959</u>	<u>916,972</u>	<u>38,871</u>
<u>\$ 153,206</u>	<u>\$ 293,424</u>	<u>\$ 109,389</u>	<u>\$ 424,744</u>	<u>\$ 131,356</u>	<u>\$ 34,548</u>

continued...

COUNTY OF BERRIEN, MICHIGAN

Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balances Drain Commission Component Unit For the Year Ended December 31, 2017

	Lakeside Drain Drainage District (8061)	Estates Drain Drainage District (8062)	Oak Hill Springs Drain Drainage District (8063)	Blue Jay Drain Drainage District (8064)
Expenditures / expenses				
Public works	\$ 280	\$ 11,800	\$ -	\$ -
Debt service:				
Principal	25,000	30,000	35,000	145,000
Interest	18,140	29,978	13,360	106,558
Total expenditures / expenses	43,420	71,778	48,360	251,558
Program revenues				
Charges for services	-	-	-	-
Operating grants and contributions	-	-	-	-
Interest revenue	341	959	1,296	665
Special assessments / capital grants and contributions	44,189	60,713	47,391	234,416
Total program revenues	44,530	61,672	48,687	235,081
Net (expense) revenue	1,110	(10,106)	327	(16,477)
Other financing sources (uses)				
Issuance of long-term debt	-	-	-	-
Bond premium	-	-	-	-
Bond discount	-	-	-	-
Payment to bond escrow agent	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Change in fund balance / change in net position	1,110	(10,106)	327	(16,477)
Fund balances / net position, beginning of year	34,665	119,183	163,626	48,045
Fund balances / net position, end of year	\$ 35,775	\$ 109,077	\$ 163,953	\$ 31,568

Hibbard Lake Drain Drainage District (8065)	North Royalton Drain Drainage District (8066)	Lighthouse Creek Drain Drainage District (8067)	Total Capital Projects Funds	Adjustments	Statement of Activities
\$ 65	\$ 45,152	\$ 580,852	\$ 2,671,090	\$ (97,737)	\$ 2,573,353
50,000	165,000	-	3,284,194	(3,284,194)	-
42,500	112,656	500	606,747	12,423	619,170
<u>92,565</u>	<u>322,808</u>	<u>581,352</u>	<u>6,562,031</u>	<u>(3,369,508)</u>	<u>3,192,523</u>
-	-	-	2,650	-	2,650
100	-	-	72,597	-	72,597
1,014	4,993	4,174	18,656	-	18,656
<u>95,211</u>	<u>292,140</u>	<u>1,692</u>	<u>3,436,070</u>	<u>595,757</u>	<u>4,031,827</u>
<u>96,325</u>	<u>297,133</u>	<u>5,866</u>	<u>3,529,973</u>	<u>595,757</u>	<u>4,125,730</u>
<u>3,760</u>	<u>(25,675)</u>	<u>(575,486)</u>	<u>(3,032,058)</u>	<u>3,965,265</u>	<u>933,207</u>
-	-	2,125,000	8,504,950	(8,504,950)	-
-	-	-	58,245	(58,245)	-
-	-	(6,953)	(6,953)	6,953	-
-	-	-	(4,231,596)	4,231,596	-
-	-	-	71,760	(71,760)	-
-	-	(70,899)	(71,760)	71,760	-
<u>-</u>	<u>-</u>	<u>2,047,148</u>	<u>4,324,646</u>	<u>(4,324,646)</u>	<u>-</u>
3,760	(25,675)	1,471,662	1,292,588	(359,381)	933,207
<u>103,762</u>	<u>670,208</u>	<u>-</u>	<u>4,957,848</u>	<u>23,793,219</u>	<u>28,751,067</u>
<u>\$ 107,522</u>	<u>\$ 644,533</u>	<u>\$ 1,471,662</u>	<u>\$ 6,250,436</u>	<u>\$ 23,433,838</u>	<u>\$ 29,684,274</u>

concluded

COUNTY OF BERRIEN, MICHIGAN

Statement of Net Position

Economic Development Corporation Component Unit
December 31, 2017

	Governmental Activities	Business-type Activities		
	Supplemental Services Special Revenue Fund (2440)	Enterprise Funds	Adjustments	Total
Assets				
Current assets:				
Cash and cash equivalents	\$ -	\$ 85,389	\$ -	\$ 85,389
Investments	220,475	965,123	-	1,185,598
Due from other funds	-	35,718	(35,718)	-
Total current assets	<u>220,475</u>	<u>1,086,230</u>	<u>(35,718)</u>	<u>1,270,987</u>
Noncurrent assets:				
Notes receivable	-	213,997	-	213,997
Advance to other component unit	-	400,000	-	400,000
Total noncurrent assets	<u>-</u>	<u>613,997</u>	<u>-</u>	<u>613,997</u>
Total assets	<u>220,475</u>	<u>1,700,227</u>	<u>(35,718)</u>	<u>1,884,984</u>
Liabilities				
Current liabilities:				
Accrued expenses	548	-	-	548
Due to other funds	35,718	-	(35,718)	-
Total current liabilities	<u>36,266</u>	<u>-</u>	<u>(35,718)</u>	<u>548</u>
Long-term liabilities -				
Advances from primary government	-	400,000	-	400,000
Total liabilities	<u>36,266</u>	<u>400,000</u>	<u>(35,718)</u>	<u>400,548</u>
Net position				
Unrestricted	<u>\$ 184,209</u>	<u>\$ 1,300,227</u>	<u>\$ -</u>	<u>\$ 1,484,436</u>

COUNTY OF BERRIEN, MICHIGAN

Statement of Activities

Economic Development Corporation Component Unit

For the Year Ended December 31, 2017

	Governmental Activities	Business-type Activities	
	Supplemental Services Special Revenue Fund (2440)	Enterprise Funds	Total
Expenses			
Economic development	\$ 47,829	\$ -	\$ 47,829
Program revenues			
Interest revenue	441	10,364	10,805
Change in net position	(47,388)	10,364	(37,024)
Net position, beginning of year	231,597	1,289,863	1,521,460
Net position, end of year	\$ 184,209	\$ 1,300,227	\$ 1,484,436

COUNTY OF BERRIEN, MICHIGAN

Combining Statement of Net Position
 Economic Development Corporation Component Unit
 Enterprise Funds
 December 31, 2017

	Small Cities Block Grant (5441)	Brownfield Redevelopmen Authority Loan Fund (2447)	Revolving Loan Fund (5442)	Total
Assets				
Current assets:				
Cash and cash equivalents	\$ 82,036	\$ -	\$ 3,353	\$ 85,389
Investments	965,123	-	-	965,123
Due from other funds	-	-	35,718	35,718
Total current assets	1,047,159	-	39,071	1,086,230
Noncurrent assets:				
Notes receivable	213,997	-	-	213,997
Advance to other component unit	-	400,000	-	400,000
Total noncurrent assets	213,997	400,000	-	613,997
Total assets	1,261,156	400,000	39,071	1,700,227
Liabilities				
Advances from primary government	-	400,000	-	400,000
Net position, unrestricted	\$ 1,261,156	\$ -	\$ 39,071	\$ 1,300,227

COUNTY OF BERRIEN, MICHIGAN

Combining Statement of Revenues, Expenses and Changes in Fund Net Position
 Economic Development Corporation Component Unit
 Enterprise Funds
 For the Year Ended December 31, 2017

	Small Cities Block Grant (5441)	Brownfield Redevelopmen Authority Loan Fund (2447)	Revolving Loan Fund (5442)	Total
Nonoperating revenues				
Interest revenue	\$ 10,364	\$ -	\$ -	\$ 10,364
Net position, beginning of year	1,250,792	-	39,071	1,289,863
Net position, end of year	<u>\$ 1,261,156</u>	<u>\$ -</u>	<u>\$ 39,071</u>	<u>\$ 1,300,227</u>

COUNTY OF BERRIEN, MICHIGAN

Combining Statement of Cash Flows
 Economic Development Corporation Component Unit
 Enterprise Funds
 For the Year Ended December 31, 2017

	Small Cities Block Grant (5441)	Brownfield Redevelopment Authority Loan Fund (2447)	Revolving Loan Fund (5442)	Total
Cash flows from operating activities				
Cash received on long-term leases receivable	\$ 33,480	\$ -	\$ -	\$ 33,480
Operating loan to another fund	-	-	(35,718)	(35,718)
Net cash provided by (used in) operating activities	<u>33,480</u>	<u>-</u>	<u>(35,718)</u>	<u>(2,238)</u>
Cash flows from investing activities				
Purchase of investments	(111)	-	-	(111)
Interest received	10,364	-	-	10,364
Net cash flows provided by investing activities	<u>10,253</u>	<u>-</u>	<u>-</u>	<u>10,253</u>
Net change in cash and cash equivalents	43,733	-	(35,718)	8,015
Cash and cash equivalents, beginning of year	38,303	-	39,071	77,374
Cash and cash equivalents, end of year	<u>\$ 82,036</u>	<u>\$ -</u>	<u>\$ 3,353</u>	<u>\$ 85,389</u>
Reconciliation of operating income to net cash provided by operating activities				
Operating income	\$ -	\$ -	\$ -	\$ -
Adjustments to reconcile operating income to net cash provided by operating activities -				
Changes in -				
Notes receivable	33,480	-	-	33,480
Due from other funds	-	-	(35,718)	(35,718)
Net cash provided by operating activities	<u>\$ 33,480</u>	<u>\$ -</u>	<u>\$ (35,718)</u>	<u>\$ (2,238)</u>