



**ALLEGAN COUNTY  
ANNUAL FINANCIAL REPORT  
YEAR ENDED DECEMBER 31, 2023**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners  
Allegan County, Michigan

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Allegan County, Michigan (the "County"), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Allegan County Road Commission, which represents 89.5%, 92.8%, and 92.9% of the assets and deferred outflows of resources, net position, and revenues of the aggregate discretely presented component units, respectively, as of December 31, 2023, and the respective changes in financial position thereof for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for the Allegan County Road Commission, are based solely on the report of the other auditors. Also, we did not audit the financial statements of the Allegan County Medical Care Community, which represents 33.7% of the assets and deferred outflows of resources, 29.8% of the net position, and 84.3% of the revenues of the business-type activities. Those statements, also, were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Allegan County Medical Care Community is based solely on the report of the other auditors.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements

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

### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County’s ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County’s basic financial statements. The combining and individual fund financial statements and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2024, on our consideration of the County’s internal control over financial reporting and on our

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

A handwritten signature in cursive script that reads "Gabridge & Company".

Gabridge & Company, PLC  
Grand Rapids, Michigan  
June 28, 2024

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**



**Allegan County**  
**Management's Discussion and Analysis**  
**December 31, 2023**

As management of Allegan County, Michigan (the "County" or "government") we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2023. We encourage readers to consider the information presented here in conjunction with the accompanying basic financial statements.

**Financial Highlights**

- The assets and deferred outflows of resources of the County, as presented in the government-wide financial statements, exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$95,180,897 (*net position*), an increase of \$12,744,569 from the prior year. Of this amount, \$44,704,012 *unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the County's governmental funds (this includes the general fund, special revenue, capital projects, and debt service funds) reported combined ending fund balances of \$50,605,072, an increase of \$10,602,184 in comparison with the prior year. Of the fund balance amount, \$9,850,178 is available for spending at the government's discretion (*unassigned fund balance*).
- Total fund balance for the general fund was \$19,476,775, an increase of \$2,194,684. At the end of the year, the unassigned portion of the fund balance in the general fund was \$9,850,178, or approximately 21.8% of total general fund expenses and transfers out for the current year.
- The County's investment in capital assets was \$41,641,564 at the end of the current year, compared to \$42,153,988 at the end of the prior year.
- The County's total debt equaled \$18,617,103 (excluding the component units) at the close of this year, a decrease of \$2,052,979 from the prior year.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements which contain 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, liabilities, and deferred inflows, with the difference between them 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 County'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 result in cash flows in future fiscal periods (e.g., depreciation of capital assets 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 general government services (administration, clerk, and treasurer), public safety (sheriff, road patrol, marine safety), legislative, judicial (courts), public works, health and welfare (health and child care), community and economic development, and recreation and cultural. The business-type activities of the County include the Medical Care Community (which provides long-term skilled nursing care), the delinquent tax revolving fund, and the jail commissary fund.

The government-wide financial statements include not only the County itself (known as the *primary government*), but also a legally separate drain commission and road commission, for which the County is financially accountable. Financial information for these *component units* are reported separately from the financial information presented for the primary government itself. The Medical Care Community, although also legally separate, functions for all practical purposes as a department of the County, and therefore has been included as an integral part of the primary government.

**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 the funds of the County are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental Funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. Governmental fund financial statements focus on a *short-term view of spendable resources and the balance of those spendable resources* 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 *government funds* with similar information presented for *government 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 fund balance sheet and the governmental fund 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 several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, unfunded accrued liability, and the American Rescue Plan Act 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 schedules have been provided for the general fund and each major special revenue funds to demonstrate budget compliance.

**Proprietary Funds.** The County maintains two different types of proprietary funds, known as *enterprise funds* and *internal service funds*. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses three enterprise funds to account for its business-type activities. *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 insurance, employee benefits, workers' compensation, and accident administrative expenses. 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 property tax fund and the Medical Care Community, which are considered to be major funds of the County, along with the nonmajor jail commissary fund. Conversely, the internal service fund is combined into a single, aggregated presentation in the proprietary fund financial statements.

**Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the County's own programs. The County's fiduciary balances are reported in a statement of fiduciary net position. The accounting used for fiduciary funds is similar to 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 benefits to its employees and demonstrating the County's compliance with its budgets.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on pensions.

## Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$95,180,897 at the close of the most recent fiscal year. The following schedule shows the County's elements of net position, for the two most recent years, by category:

### Alleghen County's Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
<b>ASSETS</b>						
<i>Current Assets</i>						
Cash and pooled investments	\$ 71,854,140	\$ 64,442,144	\$ 11,004,799	\$ 11,649,678	\$ 82,858,939	\$ 76,091,822
Accounts receivable	3,610,125	3,085,817	771,460	566,612	4,381,585	3,652,429
Leases receivable	142,842	231,693	-	-	142,842	231,693
Property taxes receivable	5,718,044	4,517,060	4,370,061	3,980,923	10,088,105	8,497,983
Due from other governments	3,168,035	3,532,833	1,717,560	1,684,783	4,885,595	5,217,616
Inventory	25,307	23,316	-	-	25,307	23,316
Prepays	1,482,356	793,659	-	-	1,482,356	793,659
<b>Total Current Assets</b>	<b>86,000,849</b>	<b>76,626,522</b>	<b>17,863,880</b>	<b>17,881,996</b>	<b>103,864,729</b>	<b>94,508,518</b>
<i>Noncurrent Assets</i>						
Leases receivable, long-term	1,594,075	1,256,803	-	-	1,594,075	1,256,803
Capital assets not being depreciated	1,249,063	1,471,111	-	-	1,249,063	1,471,111
Capital assets being depreciated, net	38,580,226	38,950,580	1,812,275	1,732,297	40,392,501	40,682,877
Advance to component unit	1,812,040	1,667,040	-	-	1,812,040	1,667,040
Net pension asset	-	-	-	20,980	-	20,980
<b>Total Assets</b>	<b>129,236,253</b>	<b>119,972,056</b>	<b>19,676,155</b>	<b>19,635,273</b>	<b>148,912,408</b>	<b>139,607,329</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Pension related	6,505,933	8,128,631	161,865	6,084	6,667,798	8,134,715
<b>Total Deferred Outflows of Resources</b>	<b>6,505,933</b>	<b>8,128,631</b>	<b>161,865</b>	<b>6,084</b>	<b>6,667,798</b>	<b>8,134,715</b>
<b>LIABILITIES</b>						
<i>Current Liabilities</i>						
Accounts payable	2,686,766	2,196,945	512,227	1,055,308	3,198,993	3,252,253
Accrued and other liabilities	3,439,365	2,818,995	161,997	139,224	3,601,362	2,958,219
Due to other governments	255,296	543,307	-	-	255,296	543,307
Unearned revenue	18,765,969	23,018,013	-	26,974	18,765,969	23,044,987
Accrued interest	97,995	121,765	-	-	97,995	121,765
Current portion of long-term debt	2,381,332	2,102,271	-	-	2,381,332	2,102,271
<b>Total Current Liabilities</b>	<b>27,626,723</b>	<b>30,801,296</b>	<b>674,224</b>	<b>1,221,506</b>	<b>28,300,947</b>	<b>32,022,802</b>
<i>Noncurrent Liabilities</i>						
Long-term debt	16,235,771	18,567,811	-	-	16,235,771	18,567,811
Compensated absences	1,744,170	1,661,493	156,852	107,774	1,901,022	1,769,267
Net pension liability	7,530,108	1,880,486	356,154	-	7,886,262	1,880,486
<b>Total Liabilities</b>	<b>53,136,772</b>	<b>52,911,086</b>	<b>1,187,230</b>	<b>1,329,280</b>	<b>54,324,002</b>	<b>54,240,366</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Revenues intended to finance a subsequent year	3,129,223	4,524,108	-	-	3,129,223	4,524,108
Deferred lease and settlement revenues	2,946,084	1,370,696	-	-	2,946,084	1,370,696
Pension	-	5,007,549	-	162,997	-	5,170,546
<b>Total Deferred Inflows of Resources</b>	<b>6,075,307</b>	<b>10,902,353</b>	<b>-</b>	<b>162,997</b>	<b>6,075,307</b>	<b>11,065,350</b>
<b>NET POSITION</b>						
Net investment in capital assets	30,919,805	29,918,964	1,812,275	1,732,297	32,732,080	31,651,261
Restricted	17,744,805	14,409,284	-	-	17,744,805	14,409,284
Unrestricted	27,865,497	19,959,000	16,838,515	16,416,783	44,704,012	36,375,783
<b>Total Net Position</b>	<b>\$ 76,530,107</b>	<b>\$ 64,287,248</b>	<b>\$ 18,650,790</b>	<b>\$ 18,149,080</b>	<b>\$ 95,180,897</b>	<b>\$ 82,436,328</b>

A significant portion of the County's net position (\$32,732,080, or 34.4%) represents its investment in capital assets (e.g., land and improvements, buildings and improvements, machinery,

and equipment); less any related debt used to acquire those assets that is still outstanding. The County uses capital assets to provide services to citizens; consequently, these assets are not cash and not available for future spending. Although the County's investment in 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, the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the County's net position (\$17,744,805, or 18.6%) represents resources that are subject to external restrictions on how they may be used. The County's unrestricted net position is \$44,704,012 (or 47.0%) which may be used to meet the County's ongoing obligations to citizens and creditors. At the end of the fiscal year, the County is able to report positive balances in all three net position categories (net investment in capital assets, restricted, and unrestricted) both for the government as a whole, as well as for its separate governmental and business-type activities.

Cash and pooled investments increased by \$6,767,117 mostly due to operating results and increasing reserves to pay down pension liabilities. Unearned revenue decreased by \$4,279,018 largely from the spending of ARPA funds. Net pension liability increased by \$6,005,776 due to performance of pension assets as of December 31, 2022, the measurement date of the liability, due to this the related deferred inflows of resources decreased by \$5,170,546.

The County's total net position increased by \$12,744,569 during the fiscal year. Governmental and business-type activities both accounted for this increase.

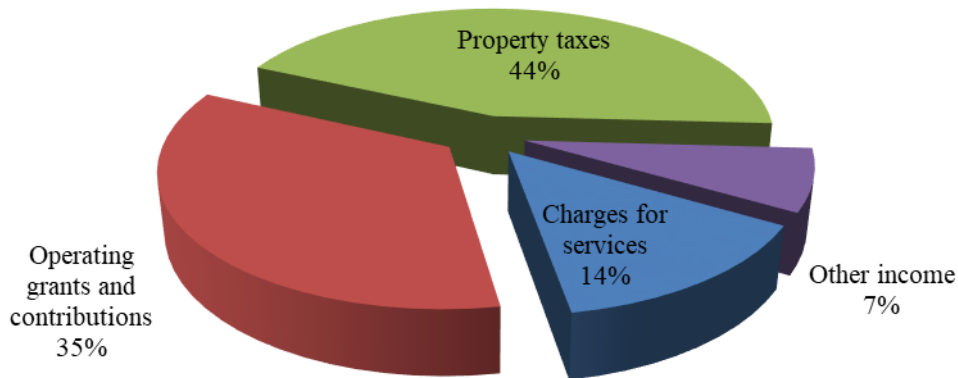
#### Allegan County's Changes in Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
<b>Revenues</b>						
<b>Program Revenues</b>						
Charges for services	\$ 11,798,741	\$ 11,430,577	\$ 6,095,663	\$ 5,445,577	\$ 17,894,404	\$ 16,876,154
Operating grants and contributions	29,124,228	19,872,795	711,591	2,621,553	29,835,819	22,494,348
Capital grants and contributions	1,374,077	24,795	-	-	1,374,077	24,795
<b>Total Program Revenues</b>	<b>42,297,046</b>	<b>31,328,167</b>	<b>6,807,254</b>	<b>8,067,130</b>	<b>49,104,300</b>	<b>39,395,297</b>
<b>General Revenues</b>						
Property taxes	37,187,821	33,226,744	1,775,302	1,421,518	38,963,123	34,648,262
Unrestricted intergovernmental revenues	2,938,488	2,799,087	-	-	2,938,488	2,799,087
Investment income	1,974,362	75,233	198,032	(28,002)	2,172,394	47,231
<b>Total General Revenues</b>	<b>42,100,671</b>	<b>36,101,064</b>	<b>1,973,334</b>	<b>1,393,516</b>	<b>44,074,005</b>	<b>37,494,580</b>
<b>Total Revenues</b>	<b>84,397,717</b>	<b>67,429,231</b>	<b>8,780,588</b>	<b>9,460,646</b>	<b>93,178,305</b>	<b>76,889,877</b>
<b>Expenses</b>						
Judicial	12,501,967	9,187,379	-	-	12,501,967	9,187,379
General government	14,296,600	16,162,129	-	-	14,296,600	16,162,129
Public safety	22,471,163	20,700,116	-	-	22,471,163	20,700,116
Public works	7,753,873	1,130,831	-	-	7,753,873	1,130,831
Health and welfare	13,786,434	13,275,824	-	-	13,786,434	13,275,824
Community and economic development	990,923	130,667	-	-	990,923	130,667
Recreation and culture	602,490	599,327	-	-	602,490	599,327
Interest on long-term debt	614,216	673,060	-	-	614,216	673,060
Delinquent property tax	-	-	213,211	298,961	213,211	298,961
Medical Care Community	-	-	7,202,859	6,842,773	7,202,859	6,842,773
<b>Total Expenses</b>	<b>73,017,666</b>	<b>61,859,333</b>	<b>7,416,070</b>	<b>7,141,734</b>	<b>80,433,736</b>	<b>69,001,067</b>
<b>Changes in Net Position Before Transfers</b>	<b>11,380,051</b>	<b>5,569,898</b>	<b>1,364,518</b>	<b>2,318,912</b>	<b>12,744,569</b>	<b>7,888,810</b>
Transfers, net	862,808	884,683	(862,808)	(884,683)	-	-
<b>Change in Net Position</b>	<b>12,242,859</b>	<b>6,454,581</b>	<b>501,710</b>	<b>1,434,229</b>	<b>12,744,569</b>	<b>7,888,810</b>
<i>Net Position at the Beginning of Period</i>	<i>64,287,248</i>	<i>57,832,667</i>	<i>18,149,080</i>	<i>16,714,851</i>	<i>82,436,328</i>	<i>74,547,518</i>
<b>Net Position at the End of Period</b>	<b>\$ 76,530,107</b>	<b>\$ 64,287,248</b>	<b>\$ 18,650,790</b>	<b>\$ 18,149,080</b>	<b>\$ 95,180,897</b>	<b>\$ 82,436,328</b>

**Governmental Activities.** Net position of governmental activities showed an overall increase of \$12,242,859 during the year. The County had an increase in property tax revenue due to an increase in their taxable value of approximately 10.0%. Intergovernmental revenues increased due to use of the ARPA funds, along with other grants. Investment income also increased by \$1,899,129 due to the current rate market. Total expenses increased \$11,158,333, due to the change in the net pension liability coupled with the increase being funded with the ARPA dollars.

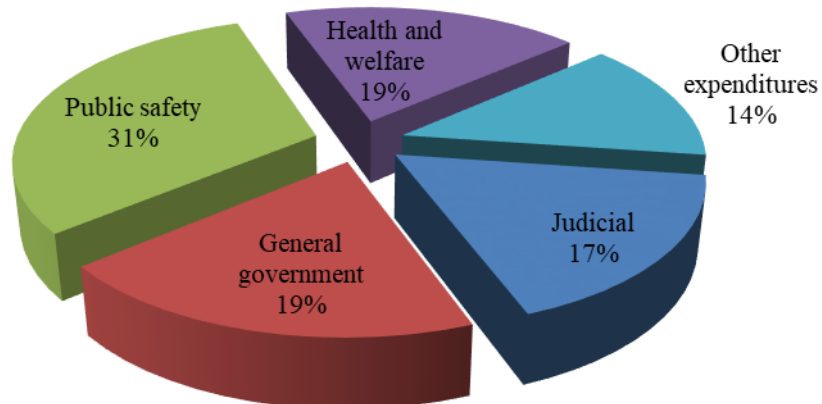
The following chart summarizes the revenue sources for the governmental activities of the County for the most recent fiscal year-end:

### Governmental Activities Revenues



The following chart summarizes the expenses for the governmental activities of the County for the most recent fiscal year-end:

### Governmental Activities Expenses



## **Business-type Activities.**

The business-type activities of the County increased the County's net position by \$501,710. The key elements of the revenue and expense activity for the current year are as follows:

- The delinquent property tax fund had income before transfers of \$1,115,304. There were transfers out of the fund totaling \$957,000 that went to multiple special revenue funds and the general fund.
- The medical care community fund experienced an increase of net position of \$341,805.
- The nonmajor jail commissary fund had an increase of net position of \$1,601 for an ending net position of \$211,228.

## **Financial Analysis of the County's Funds**

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

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

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$50,605,072 an increase of \$10,602,184 in comparison with the prior year. Some of the key factors that led to the increase of fund balance are listed below. Of the fund balance amount, \$9,850,178, or 19.5% of total fund balances, constitutes unassigned fund balance, which is available for spending at the government's discretion. Fund balance that was restricted for particular purposes was \$15,532,697, or 30.7%, of the total fund balance. Committed fund balance, which is committed for a particular purpose, was \$19,460,966, or 38.5% of total fund balance. Assigned fund balance, which is assigned for a particular purpose, was \$3,318,883, or 6.6% of total fund balance. Nonspendable fund balance, which is nonspendable in form primarily for prepaid expenses, inventory, and advances to other funds and component units, was \$2,442,348, or 4.7% of total fund balance.

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 \$9,850,178, while total fund balance was \$19,476,775. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to general fund expenditures. Unassigned fund balance represents 21.8% of total general fund expenditures and transfers out for the current year.

General fund balance increased by \$2,194,684, from \$17,282,091 in the prior year to \$19,476,775 in the current year. The County consolidates certain funds into the general fund for external financial reporting purposes. A combining schedule is provided as supplementary information to

show the various components. The increase in fund balance is explained in an earlier section of this report.

The unfunded accrued liability fund at fiscal year-end had a fund balance of \$10,060,524, which is an increase of \$5,225,247 from the prior year's fund balance. The primary cause of this increase is transfers from other funds of \$4,658,134 and state grants of \$567,113.

The American rescue plan act (ARPA) fund at fiscal year-end had a fund balance of \$1,190,628, which was an increase of \$1,040,337 compared to the prior year. The primary reason for the increase was interest income of \$1,040,339 generated from the unspent ARPA funds held in the fund.

Nonmajor governmental funds increased total governmental fund balance by \$2,141,916 during the year for an ending combined fund balance of \$19,877,145.

***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 property tax fund, the Medical Care Community, and the jail commissary fund at the end of the year amounted to \$12,883,751, \$3,743,536, and \$211,228, respectively. Factors concerning the finances of these funds have already been addressed in the discussion of the County's business-type activities.

### **General Fund Budgetary Highlights**

***Original budget compared to final budget.*** During the year there was no need for any significant amendments to increase either the original estimated revenues or original budgeted appropriations. However, there was a need to make an amendment to reallocate appropriations among departments when it became clearer which departments would actually be charged for certain expenditures. Generally, the movement of the appropriations between departments was *not* significant.



**Final budget compared to actual results.** The County had the following budget exceptions in the general fund:

<b>Function / Department</b>	<b>Final Budget</b>	<b>Actual Amount</b>	<b>Negative Variance</b>
<b>General Government</b>			
Administration department	\$ 509,255	\$ 512,157	\$ (2,902)
Finance department	485,332	505,261	(19,929)
Records management	109,609	114,820	(5,211)
Courthouse	329,347	400,499	(71,152)
Information technology	2,044,351	2,329,191	(284,840)
<b>Public Safety</b>			
Emergency management	135,290	166,392	(31,102)
Livestock claims	2,050	2,607	(557)
<b>Health and Welfare</b>			
Veterans services	159,178	166,732	(7,554)
<b>Community and Economic Development</b>			
Economic development	55,500	55,525	(25)
<b>Debt Service</b>			
	-	52,832	(52,832)

### **Capital Asset and Debt Administration**

**Capital assets.** A capital asset is an asset with a cost that exceeds \$5,000 and a useful life that is greater than two years. Included in the cost of a capital asset are items such as labor, freight, and any other costs associated with bringing the asset into full operation. Assets are depreciated using the straight-line method over the course of their useful lives.

The County's investment in capital assets (net of accumulated depreciation) as of year-end for its governmental and business-type activities amounted to \$39,829,289 and \$1,812,275, respectively. These capital assets include land and improvements, buildings and improvements, equipment, furniture, and vehicles, and infrastructure.

The net decrease in the primary government's investment in capital assets for the current fiscal year was \$512,424, due to depreciation expense being greater than capital asset additions.

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

**Long-term debt.** At the end of the current year, the County had total long-term debt outstanding, exclusive of compensated absences, of \$18,617,103, a decrease of \$2,052,979 from the prior year. This balance incorporates all governmental and business-type bonds backed by the full faith and credit of the county. The County has an "AA" rating for both general obligation bonds and tax anticipation notes from Standard & Poor's Rating Services.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation (i.e., State Equalized Value). The current debt limitation for the County is significantly higher than the County's total outstanding general obligation debt, resulting in the County maintaining significant available debt capacity.

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

### **Economic Factors and Next Year's Budgets**

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

Property tax revenue is forecasted to continue to increase near the rate of inflation. Property tax revenues will continue to be relied upon to support general fund expenditures.

Pension costs will continue to rise in the near-term as a result of actuarial assumption changes implemented by the Municipal Employees Retirement System Board.

Allegan County will continue to pass balanced operational budgets and continue to develop its five-year budget / planning document. This planning document and recently developed 15-year capital plan includes dedicated funding sources and will help position Allegan County for future growth with a stable foundation.

### **Contacting the County's Financial Management**

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

Allegan County Financial Services  
3283 122<sup>nd</sup> Avenue  
Allegan, Michigan 49010  
Phone (269) 673-0228

Additional information can be found at our website at [www.allegancounty.org](http://www.allegancounty.org).

## **BASIC FINANCIAL STATEMENTS**

**Allegan County**  
**Statement of Net Position**  
**December 31, 2023**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
<i>Current Assets</i>				
Cash and pooled investments	\$ 71,854,140	\$ 11,004,799	\$ 82,858,939	\$ 14,677,762
Accounts receivable	3,610,125	771,460	4,381,585	3,471,696
Special assessments receivable	--	--	--	1,684,395
Leases receivable	142,842	--	142,842	642,521
Property taxes receivable	5,718,044	4,370,061	10,088,105	4,599,684
Due from other units of government	3,168,035	1,717,560	4,885,595	1,030,883
Inventory	25,307	--	25,307	2,018,335
Prepays	1,482,356	--	1,482,356	161,860
<b>Total Current Assets</b>	<b>86,000,849</b>	<b>17,863,880</b>	<b>103,864,729</b>	<b>28,287,136</b>
<i>Noncurrent Assets</i>				
Capital assets not being depreciated	1,249,063	--	1,249,063	114,085,250
Capital assets being depreciated, net	38,580,226	1,812,275	40,392,501	163,548,832
Special assessments receivable, long-term	--	--	--	4,258,465
Leases receivable, long-term	1,594,075	--	1,594,075	3,458,283
Advance to component unit	1,812,040	--	1,812,040	--
Net OPEB asset	--	--	--	392,826
<b>Total Assets</b>	<b>129,236,253</b>	<b>19,676,155</b>	<b>148,912,408</b>	<b>314,030,792</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charges on bond refunding	--	--	--	29,987
Pension related	6,505,933	161,865	6,667,798	6,242,273
<b>Total Deferred Outflows of Resources</b>	<b>6,505,933</b>	<b>161,865</b>	<b>6,667,798</b>	<b>6,272,260</b>
<b>LIABILITIES</b>				
<i>Current Liabilities</i>				
Accounts payable	2,686,766	512,227	3,198,993	408,592
Accrued payroll	590,075	--	590,075	--
Bonds payable	214,063	--	214,063	--
Accrued liabilities	2,635,227	161,997	2,797,224	112,196
Due to other units of government	255,296	--	255,296	3,856,407
Unearned revenue	18,765,969	--	18,765,969	--
Accrued interest	97,995	--	97,995	130,885
Current portion of long-term debt	2,381,332	--	2,381,332	1,913,637
<b>Total Current Liabilities</b>	<b>27,626,723</b>	<b>674,224</b>	<b>28,300,947</b>	<b>6,421,717</b>
<i>Noncurrent Liabilities</i>				
Long-term debt	16,235,771	--	16,235,771	13,258,137
Advance from primary government	--	--	--	1,812,040
Compensated absences	1,744,170	156,852	1,901,022	505,621
Net pension liability	7,530,108	356,154	7,886,262	4,234,706
<b>Total Liabilities</b>	<b>53,136,772</b>	<b>1,187,230</b>	<b>54,324,002</b>	<b>26,232,221</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Revenues intended to finance a subsequent year	3,129,223	--	3,129,223	4,784,651
Deferred leases revenue	1,598,601	--	1,598,601	--
Deferred settlement revenue	1,347,483	--	1,347,483	--
<b>Total Deferred Inflows of Resources</b>	<b>6,075,307</b>	<b>--</b>	<b>6,075,307</b>	<b>4,784,651</b>
<b>NET POSITION</b>				
Net investment in capital assets	30,919,805	1,812,275	32,732,080	265,093,464
Restricted for various functions (note 11)	17,744,805	--	17,744,805	3,427,527
<i>Unrestricted</i>	27,865,497	16,838,515	44,704,012	20,765,189
<b>Total Net Position</b>	<b>\$ 76,530,107</b>	<b>\$ 18,650,790</b>	<b>\$ 95,180,897</b>	<b>\$ 289,286,180</b>

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

**Allegan County**  
**Statement of Activities**  
**For the Year Ended December 31, 2023**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
<b>Primary Government</b>								
<b>Governmental Activities:</b>								
Judicial	\$ 12,501,967	\$ 2,288,805	\$ 6,165,179	\$ --	\$ (4,047,983)	\$ --	\$ (4,047,983)	\$ --
General government	14,296,600	3,412,371	2,108,926	--	(8,775,303)	--	(8,775,303)	--
Public safety	22,471,163	1,429,014	6,715,313	--	(14,326,836)	--	(14,326,836)	--
Public works	7,757,373	1,517,693	5,690,877	1,374,077	825,274	--	825,274	--
Health and welfare	13,786,434	1,411,741	8,443,933	--	(3,930,760)	--	(3,930,760)	--
Community and economic development	990,923	1,594,851	--	--	603,928	--	603,928	--
Recreation and cultural	602,490	147,766	--	--	(454,724)	--	(454,724)	--
Interest on long-term debt	614,216	--	--	--	(614,216)	--	(614,216)	--
<b>Total Governmental Activities</b>	<b>73,021,166</b>	<b>11,802,241</b>	<b>29,124,228</b>	<b>1,374,077</b>	<b>(30,720,620)</b>	<b>--</b>	<b>(30,720,620)</b>	<b>--</b>
<b>Business-type Activities:</b>								
Delinquent Property Tax	213,211	1,157,651	--	--	--	944,440	944,440	--
Allegan County Medical Care Community	7,202,859	4,886,411	711,591	--	--	(1,604,857)	(1,604,857)	--
Jail Commissary - Nonmajor	--	51,601	--	--	--	51,601	51,601	--
<b>Total Business-type Activities</b>	<b>7,416,070</b>	<b>6,095,663</b>	<b>711,591</b>	<b>--</b>	<b>--</b>	<b>(608,816)</b>	<b>(608,816)</b>	<b>--</b>
<b>Total Primary Government</b>	<b>\$ 80,437,236</b>	<b>\$ 17,897,904</b>	<b>\$ 29,835,819</b>	<b>\$ 1,374,077</b>	<b>(30,720,620)</b>	<b>(608,816)</b>	<b>(31,329,436)</b>	<b>--</b>
<b>Component Units</b>								
Allegan County Road Commission	\$ 24,195,829	\$ 373,679	\$ 22,222,759	\$ 12,289,378	--	--	--	10,689,987
Allegan County Drains	2,227,779	994,490	116,121	1,831,363	--	--	--	714,195
Brownfield Redevelopment Authority	--	--	--	--	--	--	--	--
<b>Total Component Units</b>	<b>\$ 26,423,608</b>	<b>\$ 1,368,169</b>	<b>\$ 22,338,880</b>	<b>\$ 14,120,741</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>11,404,182</b>
<b>General Purpose Revenues and Transfers:</b>								
<b>Revenues</b>								
Property taxes					37,187,821	1,775,302	38,963,123	4,312,187
Unrestricted state sources					2,582,263	--	2,582,263	--
Unrestricted local sources					356,225	--	356,225	--
Investment income					1,974,362	198,032	2,172,394	819,313
<b>Transfers</b>					862,808	(862,808)	--	--
<b>Total General Revenues and Transfers</b>					<b>42,963,479</b>	<b>1,110,526</b>	<b>44,074,005</b>	<b>5,131,500</b>
<b>Change in Net Position</b>					<b>12,242,859</b>	<b>501,710</b>	<b>12,744,569</b>	<b>16,535,682</b>
<i>Net Position at Beginning of Period</i>					64,287,248	18,149,080	82,436,328	272,750,498
<b>Net Position at End of Period</b>					<b>\$ 76,530,107</b>	<b>\$ 18,650,790</b>	<b>\$ 95,180,897</b>	<b>\$ 289,286,180</b>

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

**Allegan County  
Balance Sheet  
Governmental Funds  
December 31, 2023**

	General	Special Revenue		Other Governmental Funds	Total Governmental Funds
		259 Unfunded Accrued Liability	299 American Rescue Plan Act - ARPA		
<b>ASSETS</b>					
Cash and pooled investments	\$ 18,371,339	\$ 10,060,524	\$ 19,529,626	\$ 19,962,244	\$ 67,923,733
Accounts receivable	487,056	--	--	3,119,750	3,606,806
Leases receivable	1,736,917	--	--	--	1,736,917
Property taxes receivable	2,689,060	--	--	3,028,984	5,718,044
Due from other units of government	1,234,689	--	--	1,933,346	3,168,035
Inventory	--	--	--	25,307	25,307
Prepays	361,409	--	--	243,592	605,001
Due from other funds	11,000	--	--	--	11,000
Advance to component unit	1,812,040	--	--	--	1,812,040
<b>Total Assets</b>	<b>\$ 26,703,510</b>	<b>\$ 10,060,524</b>	<b>\$ 19,529,626</b>	<b>\$ 28,313,223</b>	<b>\$ 84,606,883</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 385,764	\$ --	\$ 29,271	\$ 2,265,468	\$ 2,680,503
Accrued payroll	590,075	--	--	--	590,075
Bonds payable	214,063	--	--	--	214,063
Accrued liabilities	973,992	--	--	369,302	1,343,294
Due to other units of government	--	--	--	255,296	255,296
Unearned revenue	--	--	18,309,727	456,242	18,765,969
Due to other funds	--	--	--	11,000	11,000
<b>Total Liabilities</b>	<b>2,163,894</b>	<b>--</b>	<b>18,338,998</b>	<b>3,357,308</b>	<b>23,860,200</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	2,116,757	--	--	1,949,547	4,066,304
Revenues intended to finance a subsequent year	--	--	--	3,129,223	3,129,223
Deferred leases revenue	1,598,601	--	--	--	1,598,601
Deferred settlement revenue	1,347,483	--	--	--	1,347,483
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>7,226,735</b>	<b>--</b>	<b>18,338,998</b>	<b>8,436,078</b>	<b>34,001,811</b>
<b>FUND BALANCE</b>					
Nonspendable	2,173,449	--	--	268,899	2,442,348
Restricted	--	--	--	15,532,697	15,532,697
Committed	5,324,893	10,060,524	--	4,075,549	19,460,966
Assigned	2,128,255	--	1,190,628	--	3,318,883
Unassigned	9,850,178	--	--	--	9,850,178
<b>Total Fund Balance</b>	<b>19,476,775</b>	<b>10,060,524</b>	<b>1,190,628</b>	<b>19,877,145</b>	<b>50,605,072</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$ 26,703,510</b>	<b>\$ 10,060,524</b>	<b>\$ 19,529,626</b>	<b>\$ 28,313,223</b>	<b>\$ 84,606,883</b>

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

**Allegan County**  
**Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position**  
**December 31, 2023**

Total Fund Balance - Governmental Funds	\$	50,605,072
Net position of internal service funds that are treated as proprietary in the fund level statements are treated as governmental in the entity-wide statements.		3,512,885
General government capital assets of \$92,663,653, net of accumulated depreciation of \$52,834,364, are not financial resources and, accordingly, are not reported in the funds.		39,829,289
Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for current-period expenditures. Those asset (such as property taxes, state grants, and loans receivable not collected in 60 days of year end) are offset by deferred inflows of resources in the governmental funds, and thus are not included in fund balance.		4,066,304
Compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.		(1,744,170)
In the statement of net position, interest is accrued on outstanding bonds and installment purchase agreements, whereas in the governmental funds, the interest expenditure is reported when due.		(97,995)
Net pension liability and related deferrals are not due and payable in the current period and are not reported in the funds.		(1,024,175)
Certain liabilities, including bonds payable and installment purchase agreements, are not due and payable in the current period and, therefore, are not reported in the funds.		(18,617,103)
<b>Total Net Position - Governmental Activities</b>	<b>\$</b>	<b><u>76,530,107</u></b>

**Allegan County**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended December 31, 2023**

	<u>Special Revenue</u>				<u>Total Governmental Funds</u>
	<u>General</u>	<u>259 Unfunded Accrued Liability</u>	<u>299 American Rescue Plan Act - ARPA</u>	<u>Other Governmental Funds</u>	
<b>Revenues</b>					
Taxes	\$ 33,899,411	\$ --	\$ --	\$ 3,027,061	\$ 36,926,472
Licenses and permits	53,076	--	--	987,222	1,040,298
Intergovernmental revenues - federal	121,168	--	4,422,599	4,015,366	8,559,133
Intergovernmental revenues - state	3,157,638	567,113	--	12,485,387	16,210,138
Intergovernmental revenues - local	--	--	--	2,172,650	2,172,650
Charges for services	4,442,537	--	--	6,210,774	10,653,311
Fines and forfeitures	6,500	--	--	39,401	45,901
Interest and rentals	810,960	--	1,040,339	364,612	2,215,911
Other revenues	2,807,091	--	--	849,661	3,656,752
<b>Total Revenues</b>	<u>45,298,381</u>	<u>567,113</u>	<u>5,462,938</u>	<u>30,152,134</u>	<u>81,480,566</u>
<b>Expenditures</b>					
Judicial	6,597,671	--	--	6,207,160	12,804,831
General government	10,121,484	--	--	69,357	10,190,841
Public safety	13,254,863	--	--	5,685,943	18,940,806
Public works	107,022	--	4,422,601	4,523,965	9,053,588
Health and welfare	716,170	--	--	12,692,169	13,408,339
Recreation and cultural	--	--	--	485,125	485,125
Community and economic development	936,387	--	--	54,536	990,923
Other	753,980	--	--	--	753,980
Capital outlay	--	--	--	2,432,222	2,432,222
Debt service - principal	34,183	--	--	2,378,243	2,412,426
Debt service - interest	18,649	--	--	619,337	637,986
<b>Total Expenditures</b>	<u>32,540,409</u>	<u>--</u>	<u>4,422,601</u>	<u>35,148,057</u>	<u>72,111,067</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>12,757,972</u>	<u>567,113</u>	<u>1,040,337</u>	<u>(4,995,923)</u>	<u>9,369,499</u>
<b>Other Financing Sources (Uses)</b>					
Inception of SBITA	381,377	--	--	--	381,377
Transfers in	1,618,319	4,658,134	--	10,388,802	16,665,255
Transfers out	(12,562,984)	--	--	(3,250,963)	(15,813,947)
<b>Net Other Financing Sources (Uses)</b>	<u>(10,563,288)</u>	<u>4,658,134</u>	<u>--</u>	<u>7,137,839</u>	<u>1,232,685</u>
<b>Net Change in Fund Balance</b>	<u>2,194,684</u>	<u>5,225,247</u>	<u>1,040,337</u>	<u>2,141,916</u>	<u>10,602,184</u>
<i>Fund Balance at Beginning of Period</i>	17,282,091	4,835,277	150,291	17,735,229	40,002,888
<b>Fund Balance at End of Period</b>	<u>\$ 19,476,775</u>	<u>\$ 10,060,524</u>	<u>\$ 1,190,628</u>	<u>\$ 19,877,145</u>	<u>\$ 50,605,072</u>

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



**Allegan County**  
**Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance with Statement of Activities**  
**For the Year Ended December 31, 2023**

Total Net Change in Fund Balances - Governmental Funds	\$	10,602,184
Changes in net position of internal service funds that are treated as enterprise fund changes in net position in the fund level statements are treated as governmental fund changes in net position in the entity-wide statements.		(416,156)
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. This is the amount by which capital outlay of \$3,743,648 is exceeded by depreciation expense of \$4,275,290 and net disposals of capital assets of \$60,760.		(592,402)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds; they are deferred into the following year.		2,919,932
The repayment of principal of long-term debt consumes the current financial resources of governmental funds and is recorded as an expenditure; however, the repayment of long-term debt, and the amortization of premiums and discounts, reduces long-term liabilities on the statement of net position.		2,052,979
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the funds.		23,770
Change to compensated absences are not shown in the fund financial statements. The net effect of the current year increase in compensated absences is to decrease net position.		(82,677)
Changes to the net pension liability and related deferrals are not shown in the fund financial statements. The net effect of the current year increase is to decrease net position.		(2,264,771)
<b>Changes in Net Position - Governmental Activities</b>	<b>\$</b>	<b><u>12,242,859</u></b>

**Allegan County  
Statement of Net Position  
Proprietary Funds  
December 31, 2023**

	<b>Business-type Activities - Enterprise Funds</b>				
	<b>516/520/521/527- 529/619- 622/628/629 Delinquent Property Tax</b>	<b>Allegan County Medical Care Community</b>	<b>595 Jail Commissary - Nonmajor</b>	<b>Total Enterprise Funds</b>	<b>Governmental Activities Internal Service Funds</b>
<b>ASSETS</b>					
<i>Current Assets</i>					
Cash and pooled investments	\$ 10,061,390	\$ 737,722	\$ 205,687	\$ 11,004,799	\$ 3,930,407
Accounts receivable	--	765,919	5,541	771,460	3,319
Property taxes receivable	2,873,728	1,496,333	--	4,370,061	--
Due from other units of government	--	1,717,560	--	1,717,560	--
Prepays	--	--	--	--	877,355
<b>Total Current Assets</b>	<b>12,935,118</b>	<b>4,717,534</b>	<b>211,228</b>	<b>17,863,880</b>	<b>4,811,081</b>
<i>Noncurrent Assets</i>					
Capital assets being depreciated, net	--	1,812,275	--	1,812,275	--
<b>Total Assets</b>	<b>12,935,118</b>	<b>6,529,809</b>	<b>211,228</b>	<b>19,676,155</b>	<b>4,811,081</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension related	--	161,865	--	161,865	--
<b>Total Deferred Outflows of Resources</b>	<b>--</b>	<b>161,865</b>	<b>--</b>	<b>161,865</b>	<b>--</b>
<b>LIABILITIES</b>					
<i>Current Liabilities</i>					
Accounts payable	49,917	462,310	--	512,227	6,263
Accrued liabilities	1,450	160,547	--	161,997	1,291,933
<b>Total Current Liabilities</b>	<b>51,367</b>	<b>622,857</b>	<b>--</b>	<b>674,224</b>	<b>1,298,196</b>
<i>Noncurrent Liabilities</i>					
Compensated absences	--	156,852	--	156,852	--
Net pension liability	--	356,154	--	356,154	--
<b>Total Liabilities</b>	<b>51,367</b>	<b>1,135,863</b>	<b>--</b>	<b>1,187,230</b>	<b>1,298,196</b>
<b>NET POSITION</b>					
Net investment in capital assets	--	1,812,275	--	1,812,275	--
<i>Unrestricted</i>	12,883,751	3,743,536	211,228	16,838,515	3,512,885
<b>Total Net Position</b>	<b>\$ 12,883,751</b>	<b>\$ 5,555,811</b>	<b>\$ 211,228</b>	<b>\$ 18,650,790</b>	<b>\$ 3,512,885</b>

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

**Allegan County**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended December 31, 2023**

**Business-type Activities - Enterprise Funds**

	<b>516/520/521/527- 529/619- 622/628/629 Delinquent Property Tax</b>	<b>Allegan County Medical Care Community</b>	<b>595 Jail Commissary - Nonmajor</b>	<b>Total Enterprise Funds</b>	<b>Governmental Activities Internal Service Funds</b>
<b>Operating Revenues</b>					
Interest and penalties on taxes	\$ 635,404	\$ --	\$ --	\$ 635,404	\$ --
Charges for services	508,810	4,902,761	51,601	5,463,172	6,088,915
Other revenues	13,437	--	--	13,437	299,357
Quality assurance supplement	--	442,460	--	442,460	--
<b>Total Operating Revenues</b>	<b>1,157,651</b>	<b>5,345,221</b>	<b>51,601</b>	<b>6,554,473</b>	<b>6,388,272</b>
<b>Operating Expenses</b>					
Administrative expense	213,211	--	--	213,211	22,863
Medical services expense	--	7,202,609	--	7,202,609	--
Insurance and employee benefits expense	--	--	--	--	6,793,784
<b>Total Operating Expenses</b>	<b>213,211</b>	<b>7,202,609</b>	<b>--</b>	<b>7,415,820</b>	<b>6,816,647</b>
<b>Operating Income (Loss)</b>	<b>944,440</b>	<b>(1,857,388)</b>	<b>51,601</b>	<b>(861,347)</b>	<b>(428,375)</b>
<b>Non-Operating Revenues (Expenses)</b>					
Loss on sale of property	--	(16,350)	--	(16,350)	--
Property taxes	--	1,775,302	--	1,775,302	--
Investment income	170,864	27,168	--	198,032	719
Contributions and donations	--	269,131	--	269,131	--
Other expense	--	(250)	--	(250)	--
<b>Net Non-Operating Revenues (Expenses)</b>	<b>170,864</b>	<b>2,055,001</b>	<b>--</b>	<b>2,225,865</b>	<b>719</b>
<b>Income Before Transfers</b>	<b>1,115,304</b>	<b>197,613</b>	<b>51,601</b>	<b>1,364,518</b>	<b>(427,656)</b>
Transfers in	--	144,192	--	144,192	11,500
Transfers out	(957,000)	--	(50,000)	(1,007,000)	--
<b>Change In Net Position</b>	<b>158,304</b>	<b>341,805</b>	<b>1,601</b>	<b>501,710</b>	<b>(416,156)</b>
<i>Net Position at Beginning of Period</i>	12,725,447	5,214,006	209,627	18,149,080	3,929,041
<b>Net Position at End of Period</b>	<b>\$ 12,883,751</b>	<b>\$ 5,555,811</b>	<b>\$ 211,228</b>	<b>\$ 18,650,790</b>	<b>\$ 3,512,885</b>

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

**Allegan County**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2023**

	<b>Business-type Activities</b>				<b>Governmental Activities - Internal Service Funds</b>
	<b>Enterprise Funds</b>				
	<b>516/520/521/527- 529/619- 622/628/629 Delinquent Property Tax</b>	<b>Allegan County Medical Care Community</b>	<b>595 Jail Commissary - Nonmajor</b>	<b>Total Enterprise Funds</b>	
<b>Cash Flows from Operating Activities</b>					
Cash received from interfund services provided	\$ -	\$ -	\$ -	\$ -	\$ 6,387,923
Cash received from users	508,810	-	54,735	563,545	-
Cash received from residents and third-party payors	-	4,057,310	-	4,057,310	-
Cash received from quality assurance supplement	-	316,469	-	316,469	-
Cash received from other operating receipts	13,437	20,709	-	34,146	-
Cash received from quality measures initiative	-	56,967	-	56,967	-
Cash received from interest and penalties on delinquent taxes	466,715	-	-	466,715	-
Cash payments for fleet management	-	-	-	-	(23,566)
Cash payments for insurance and employee benefits	-	-	-	-	(6,617,871)
Cash payments to employees and suppliers	(176,498)	(6,504,256)	-	(6,680,754)	-
Cash payments for quality assurance provider tax / quality measures	-	(338,157)	-	(338,157)	-
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>812,464</b>	<b>(2,390,958)</b>	<b>54,735</b>	<b>(1,523,759)</b>	<b>(253,514)</b>
<b>Cash Flows from Non-capital Financing Activities</b>					
Transfer from other funds	-	144,192	-	144,192	11,500
Transfers to other funds	(957,000)	-	(50,000)	(1,007,000)	-
Tax revenue	-	1,554,853	-	1,554,853	-
Contributions and donations	-	236,354	-	236,354	-
<b>Net Cash Provided (Used) by Non-capital Financing Activities</b>	<b>(957,000)</b>	<b>1,935,399</b>	<b>(50,000)</b>	<b>978,399</b>	<b>11,500</b>
<b>Cash Flows from Capital and Related Financing Activities</b>					
Acquisition and construction of capital assets	-	(247,551)	-	(247,551)	-
<b>Net Cash Used by Capital and Related Financing Activities</b>	<b>-</b>	<b>(247,551)</b>	<b>-</b>	<b>(247,551)</b>	<b>-</b>
<b>Cash Flows from Investing Activities</b>					
Investment income	170,864	27,168	-	198,032	719
<b>Net Cash Provided by Investing Activities</b>	<b>170,864</b>	<b>27,168</b>	<b>-</b>	<b>198,032</b>	<b>719</b>
Net Increase (Decrease) in Cash and Pooled Investments	26,328	(675,942)	4,735	(644,879)	(241,295)
Cash and Pooled Investments - Beginning of Year	10,035,062	1,413,664	200,952	11,649,678	4,171,702
<b>Cash and Pooled Investments - End of Year</b>	<b>\$ 10,061,390</b>	<b>\$ 737,722</b>	<b>\$ 205,687</b>	<b>\$ 11,004,799</b>	<b>\$ 3,930,407</b>

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

**Allegan County**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2023**

	<b>Business-type Activities</b>				<b>Governmental Activities - Internal Service Funds</b>
	<b>Enterprise Funds</b>				
	<b>516/520/521/527- 529/619- 622/628/629 Delinquent Property Tax</b>	<b>Allegan County Medical Care Community</b>	<b>595 Jail Commissary - Nonmajor</b>	<b>Total Enterprise Funds</b>	
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</b>					
Operating income (loss)	\$ 944,440	\$ (1,857,388)	\$ 51,601	\$ (861,347)	\$ (428,375)
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</b>					
Depreciation expense	-	151,224	-	151,224	-
Provision for bad debts	-	85,285	-	85,285	-
<b>Changes in Assets, Deferrals, and Liabilities</b>					
Accounts receivable	-	(979,051)	3,134	(975,917)	(349)
Property taxes receivable	(168,689)	-	-	(168,689)	-
Prepays	-	-	-	-	(329,009)
Accounts payable	37,567	105,136	-	142,703	5,743
Accrued liabilities	(854)	72,454	-	71,600	498,476
Net pension liability and related deferreds	-	31,382	-	31,382	-
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 812,464</b>	<b>\$ (2,390,958)</b>	<b>\$ 54,735</b>	<b>\$ (1,523,759)</b>	<b>\$ (253,514)</b>

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

**Allegan County**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**December 31, 2023**

	<b>Custodial Funds</b>		
	<b>701 Trust and Agency</b>	<b>721 Library Penal Fine</b>	<b>Total Custodial Funds</b>
<b>ASSETS</b>			
Cash and pooled investments	\$ 1,263,998	\$ 50	\$ 1,264,048
<i>Total Assets</i>	1,263,998	50	1,264,048
<b>LIABILITIES</b>			
Due to other units of government	1,048,430	--	1,048,430
Undistributed collections	198,729	50	198,779
Bonds and other payables	16,839	--	16,839
<i>Total Liabilities</i>	1,263,998	50	1,264,048
<b>NET POSITION</b>			
<i>Total Net Position</i>	\$ --	\$ --	\$ --

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

**Allegan County**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended December 31, 2023**

	<b>Custodial Funds</b>		
	<b>701 Trust and Agency</b>	<b>721 Library Penal Fine</b>	<b>Total Custodial Funds</b>
<b>Additions</b>			
Taxes collected for other governments	\$ 57,223,417	\$ --	\$ 57,223,417
Library penal fine collections	--	543,649	543,649
Court collections	2,380,685	--	2,380,685
County clerk/register of deeds collections	174,786	--	174,786
Treasurer collections	5,480,639	--	5,480,639
<b>Total Additions</b>	<b>65,259,527</b>	<b>543,649</b>	<b>65,803,176</b>
<b>Deductions</b>			
Payments of property taxes to other governments	57,223,417	\$ --	57,223,417
Library penal fine distributions	--	543,649	543,649
Court distributions	2,380,685	--	2,380,685
County clerk/register of deeds distributions	174,786	--	174,786
Treasurer distributions	5,480,639	--	5,480,639
<b>Total Deductions</b>	<b>65,259,527</b>	<b>543,649</b>	<b>65,803,176</b>
<b>Change in Net Position</b>	<b>--</b>	<b>--</b>	<b>--</b>
<i>Net Position at Beginning of Period</i>	<i>--</i>	<i>--</i>	<i>--</i>
<b>Net Position at End of Period</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>

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

**Allegan County**  
**Combining Statement of Net Position**  
**Component Units**  
**December 31, 2023**

	<u>Allegan County Drains</u>	<u>243 Brownfield Redevelopment Authority</u>	<u>Allegan County Road Commission</u>	<u>Total Component Units</u>
<b>ASSETS</b>				
<i>Current Assets</i>				
Cash and pooled investments	\$ 3,183,602	\$ 2,258	\$ 11,491,902	\$ 14,677,762
Accounts receivable	--	--	3,471,696	3,471,696
Special assessments receivable	1,684,395	--	--	1,684,395
Leases receivable	642,521	--	--	642,521
Property taxes receivable	--	--	4,599,684	4,599,684
Due from other units of government	--	--	1,030,883	1,030,883
Inventory	--	--	2,018,335	2,018,335
Prepays	--	--	161,860	161,860
<b>Total Current Assets</b>	<b>5,510,518</b>	<b>2,258</b>	<b>22,774,360</b>	<b>28,287,136</b>
<i>Noncurrent Assets</i>				
Capital assets not being depreciated	2,197,165	1,478,921	110,409,164	114,085,250
Capital assets being depreciated, net	16,662,444	--	146,886,388	163,548,832
Special assessments receivable, long-term	4,258,465	--	--	4,258,465
Leases receivable, long-term	3,458,283	--	--	3,458,283
Net OPEB asset	--	--	392,826	392,826
<b>Total Assets</b>	<b>32,086,875</b>	<b>1,481,179</b>	<b>280,462,738</b>	<b>314,030,792</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charges on bond refunding	29,987	--	--	29,987
Pension related	--	--	6,242,273	6,242,273
<b>Total Deferred Outflows of Resources</b>	<b>29,987</b>	<b>--</b>	<b>6,242,273</b>	<b>6,272,260</b>
<b>LIABILITIES</b>				
<i>Current Liabilities</i>				
Accounts payable	134,457	--	274,135	408,592
Accrued liabilities	1,334	--	110,862	112,196
Due to other units of government	--	--	3,856,407	3,856,407
Accrued interest	130,885	--	--	130,885
Current portion of long-term debt	1,514,692	--	398,945	1,913,637
<b>Total Current Liabilities</b>	<b>1,781,368</b>	<b>--</b>	<b>4,640,349</b>	<b>6,421,717</b>
<i>Noncurrent Liabilities</i>				
Long-term debt	9,153,242	--	4,104,895	13,258,137
Advance from primary government	250,000	1,562,040	--	1,812,040
Compensated absences	--	--	505,621	505,621
Net pension liability	--	--	4,234,706	4,234,706
<b>Total Liabilities</b>	<b>11,184,610</b>	<b>1,562,040</b>	<b>13,485,571</b>	<b>26,232,221</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Revenues intended to finance a subsequent year	--	--	4,784,651	4,784,651
<b>Total Deferred Inflows of Resources</b>	<b>--</b>	<b>--</b>	<b>4,784,651</b>	<b>4,784,651</b>
<b>NET POSITION</b>				
Net investment in capital assets	12,301,752	--	252,791,712	265,093,464
<i>Restricted for:</i>				
Debt service	3,427,527	--	--	3,427,527
<i>Unrestricted</i>	5,202,973	(80,861)	15,643,077	20,765,189
<b>Total Net Position</b>	<b>\$ 20,932,252</b>	<b>\$ (80,861)</b>	<b>\$ 268,434,789</b>	<b>\$ 289,286,180</b>

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



**Allegan County**  
**Combining Statement of Activities**  
**Component Units**  
**For the Year Ended December 31, 2023**

	<u>Allegan County Drains</u>	<u>243 Brownfield Redevelopment Authority</u>	<u>Allegan County Road Commission</u>	<u>Total Component Units</u>
<b>Expenses</b>				
Interest expense	\$ 335,919	\$ --	\$ 144,886	\$ 480,805
Road commission	--	--	24,050,943	24,050,943
Drains/public works	1,891,860	--	--	1,891,860
<b>Total Expenses</b>	<u>2,227,779</u>	<u>--</u>	<u>24,195,829</u>	<u>26,423,608</u>
<b>Program Revenues</b>				
Charges for services	994,490	--	373,679	1,368,169
Operating grants and contributions	116,121	--	22,222,759	22,338,880
Capital grants and contributions	1,831,363	--	12,289,378	14,120,741
<b>Total Program Revenues</b>	<u>2,941,974</u>	<u>--</u>	<u>34,885,816</u>	<u>37,827,790</u>
<b>Net Program Revenues (Expenses)</b>	<u>714,195</u>	<u>--</u>	<u>10,689,987</u>	<u>11,404,182</u>
<b>General Revenue</b>				
Property taxes	--	--	4,312,187	4,312,187
Investment income	117,952	--	701,361	819,313
<b>Total General Revenues</b>	<u>117,952</u>	<u>--</u>	<u>5,013,548</u>	<u>5,131,500</u>
<b>Change in Net Position</b>	<u>832,147</u>	<u>--</u>	<u>15,703,535</u>	<u>16,535,682</u>
<i>Net Position at Beginning of Period</i>	20,100,105	(80,861)	252,731,254	272,750,498
<b>Net Position at End of Period</b>	<u>\$ 20,932,252</u>	<u>\$ (80,861)</u>	<u>\$ 268,434,789</u>	<u>\$ 289,286,180</u>

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

## **NOTES TO THE FINANCIAL STATEMENTS**

# Allegan County

## Notes to the Financial Statements

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### **Note 1 - Summary of Significant Accounting Policies**

Allegan County, Michigan (the “County” or “government”) was organized in 1835 and covers an area of 829 square miles divided into 24 townships, 3 villages, and 6 cities. The County seat is located in the City of Allegan. The County operates under an elected Board of County Commissioners (five members) and provides services to its more than 120,000 residents in many areas including law enforcement, administration of justice, community enrichment and development, and human services.

The financial statements of the County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental 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***

The accompanying financial statements present the County (the primary 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 County’s operations, so data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the County.

The financial statements for *Allegan County Medical Care Community* (the “Community”), an enterprise fund, are presented for the fiscal year ending December 31, 2023. The Community is a not-for-profit, 70-bed, long-term care Community owned and operated by the County. It is governed by the Allegan County Department of Human Services Board. This board consists of three members, two of whom are appointed by the County Board of Commissioners and one of whom is appointed by the Michigan governor. Furthermore, the County Board of Commissioners approves the Community’s revenue and expenses as a line item in the County budget. The fund is audited individually, and complete financial statements may be obtained from the Community’s administrative office. Accordingly, the County has elected to omit substantially all note disclosures related to the Community in these financial statements. Complete financial statements of the Community can be obtained from its administrative offices at:

Allegan County Medical Care Community  
3265 122<sup>nd</sup> Ave.,  
Allegan, MI 49010

#### ***Blended Component Unit***

*Allegan County Building Authority (the “Building Authority”)*

The governing board is appointed by the Allegan County Board of Commissioners. The Building Authority’s purpose is to finance and construct the County’s public buildings. The Building

## Allegan County

### Notes to the Financial Statements

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Authority is included as a capital projects and debt service fund in the financial statements. A separate report is not prepared for the Building Authority.

#### ***Discretely Presented Component Units***

##### *Drain Commission/Department of Public Works*

Pursuant to Act 185, Public Acts of 1957, the County entered into a program of water supply and sanitary sewer facility construction. The Allegan County Drain Commissioner was appointed as County agent by the Allegan County Board of Commissioners. The County appoints the voting majority to this organization's governing body. These factors result in the Drain Commission/Department of Public Works being reported as a component unit of the County. The County agent manages water supply and sanitary sewer system construction projects that are financed through bonding by the County. Pursuant to the Drain Code of 1956, the Drain Commissioner has the responsibility to administer the State Drain Code. The Allegan County Drain Commissioner is responsible for planning, developing, and maintaining surface water drainage systems within the County. The Drain Commissioner as a County agent may issue debt or levy a tax as authorized by the Drain Code without approval of the County Board of Commissioners. A separate report is not prepared for the Drain Commission/Department of Public Works.

##### *Allegan County Brownfield Redevelopment Authority (the "Brownfield Authority")*

The Brownfield Authority was established in January 2007 under Public Act 381 of 1996 (as amended by Public Act 145 of 2000) for the purpose of identifying and facilitating improvement of environmentally distressed areas, in order to promote revitalization within the County. The Authority is governed by a 9-member Board. All applications for projects must be approved by the County Board of Commissioners.

##### *Allegan County Road Commission (the "Road Commission")*

The Road Commission, which is established pursuant to the County Road Law (MCL 224.1), is governed by a three-member Board of County Road Commissioners appointed by the County Board of Commissioners. The Road Commission may not issue debt or levy a tax without the approval of the County Board of Commissioners. The Road Commission's taxes are levied under the taxing authority of the County, as approved by the County electors, and are included as part of the County's total tax levy and reported in the County Road Commission Fund. The County has elected to omit substantially all note disclosures related to the Road Commission in these financial statements given that the Road Commission is audited separately from the County. Complete financial statements of the Road Commission component unit can be obtained from its administrative offices at:

Allegan County Road Commission  
1308 Lincoln Road, M-89  
Allegan, Michigan 49010

## Allegan County

### Notes to the Financial Statements

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#### ***Government-wide and Fund Financial Statements***

The government-wide financial statements (e.g., 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 legally separate 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. Indirect expenses are charged based upon a County-wide cost allocation plan which allocates costs based upon the number of full-time equivalents, number of transactions, and other pertinent information. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

#### ***Measurement Focus, Basis of Accounting, and Financial Statement Presentation***

The government-wide financial statements are reported using the *economic resources* measurement focus and the *accrual basis* of accounting, as are the proprietary fund and fiduciary fund financial statements. The fiduciary fund financial statements use the economic resources measurement focus. Revenues are recorded when earned and expenses are recorded when 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. After March 1 of the year for which they were levied, the delinquent tax revolving fund pays the County for any outstanding real property taxes as of that date. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 180 days of the end of the current fiscal period, within 60 days for property taxes, or within one year for reimbursement-based grants. Grant revenues are considered to be available when all

## Allegan County

### Notes to the Financial Statements

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eligibility requirements imposed by the provider have been met. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures and compensated absences are recorded only when payment is due.

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

The County reports the following major governmental funds:

*General fund* - This fund is the County's primary operating fund. It accounts for all financial resources of the general government, except those accounted for and reported in another fund.

*Unfunded accrued liability fund* - This fund is used to account for paying down the County's pension liability.

*American Rescue Plan Act fund* - This fund is used to account for the American Rescue Plan Act of 2021 resources collected and expended.

The County reports the following major enterprise funds:

*Delinquent property tax fund* - This fund is used to pay each local governmental unit, including the County itself, the respective amount of real property taxes not collected as of March 1 of each year. Financing is provided by subsequent collection of delinquent property taxes by the County Treasurer.

*Allegan County Medical Care Community fund* - This fund accounts for the operations of the Allegan County Medical Care Community, which provides long-term health care to residents of the County.

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 for capital outlays, including the acquisition or construction of capital facilities and other capital items.

## Allegan County

### Notes to the Financial Statements

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*Internal service funds* account for insurance coverage provided to County departments on a cost reimbursement basis.

*Custodial funds* are used to account for assets held on behalf of outside parties, including other governments. The library penal fines fund is used to account for the collection of penal fines and distribution to libraries (including an allocation to the County law library).

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 where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the funds. Elimination of these charges would distort 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 are interest and penalties on delinquent taxes and charges for services provided. The principal operating revenues of the County's internal service funds are charges to County departments for insurance coverage. Operating expenses for the enterprise funds consist of the costs of services, administrative expenses, and depreciation on capital assets. Operating expenses for the internal service funds include the cost of services (including claims) and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

### **Assets, Deferred Outflows/Inflows of Resources, Liabilities, and Equity**

#### ***Cash and Pooled Investments***

The County maintains a cash and investment pool that is available for use by select funds. Each funds allocation of this pool is reported on the fund and government-wide statements as cash and pooled investments. For purpose of the statement of cash flows, the County considers all assets held in the cash and investment pools to be cash equivalents because the investments are not identifiable to specific funds and the assets can be withdrawn at any time, similar to a demand deposit account.

#### ***Restricted Cash and Cash Equivalents***

Restricted cash is related to patient trust funds and capital campaign dollars for the Medical Care Community. The restricted cash is offset by a "due to patients" liability account, reported as a component of "accounts payable" in the accompanying statement of net position.

## Allegan County

### Notes to the Financial Statements

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#### ***Investments***

Statutes authorize the County to invest in the following:

- Bonds, securities, and other direct obligations and repurchase agreements of the United States or an agency or instrumentality of the United States.
- Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a qualified financial institution.
- Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and which matures not more than 270 days after the day of purchase.
- Bankers' acceptances of United States banks.
- Obligations of the State of Michigan and its political subdivisions that, at the time of purchase are rated as investment grade by at least one standard rating service.
- Mutual funds registered under the Investment Company Act of 1940 with the authority to purchase only investment vehicles which are legal for direct investment by a public corporation.
- External investment pools as authorized by Public Act 20 as amended through December 31, 1997.

Interest income on cash deposits and investments is allocated only to those funds required by the State to earn income on interest-bearing accounts. Income is allocated based on the cash balance of each fund in comparison to the cash balance of the County as a whole. All interest income remaining after the allocation has been made is credited to the general fund.

Investments are carried at fair value.

#### ***Current Taxes Receivable***

Property taxes are levied on the 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 taxable values to the lesser of 5% or the rate of inflation with taxable value reverting to 50% of true cash value when the property is sold. Property taxes receivable in governmental funds represent amounts due from taxpayers on the July 1 and December 1 tax levies in the general fund and other governmental funds, respectively.



## Allegan County

### Notes to the Financial Statements

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#### ***Delinquent Taxes Receivable***

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

#### ***Accounts Receivable and Due from Other Units of Government***

All trade and property tax receivables are shown net of an allowance for uncollectibles, as applicable. Amounts due from other governments include amounts due from grantors for specific programs and capital projects. Program grants and capital grants for capital assets are recorded as receivables and revenues at the time reimbursable project costs are incurred. Revenues received in advance of project costs being incurred are recorded as unearned revenue.

#### ***Leases and Special Assessments Receivable***

The Drain Commission/Department of Public Works component unit has leases and special assessments receivable recorded in the amount of \$4,100,804 and \$5,942,860, respectively, and governmental activities reports leases receivable of \$1,736,917. Leases receivable represent amounts owed to the County by other local units of government for the retirement of bonds payable issued to finance construction of water/sewer infrastructure or amounts owed to the County for the right to use County assets. Special assessments are levied on properties within a drainage district that are deemed to receive the primary benefit of the maintenance/construction. The amounts generally correspond to related bonds and notes payable issued to finance the project and may be assessed over one year or multiple years. Of the leases and special assessment receivables, \$642,521 and \$1,684,395, respectively, are expected to be collected within one year while the remaining balances are long-term. Governmental activities reports an additional \$142,842 of leases receivable within one year. Lease and special assessments receivable are recorded with an offsetting credit to deferred inflows of resources on the fund statements as the balances do not represent expendable available financial resources.

#### ***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, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County only has two items that qualify for reporting in this category, pension related deferred outflows and a deferred charge on bond refunding. The government-wide statements and proprietary funds report

## Allegan County

### Notes to the Financial Statements

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deferred outflows from the net difference between projected and actual investment earnings of the pension plan, differences between expected and actual experience, changes in assumptions, and County contributions made after the measurement date of the net pension liability.

The Drain Commission/Department of Public Works component unit refunded certain bonds payable in order to secure lower interest rates and reduce future debt service payments. The difference between the carrying amount of the refunded debt and the amount placed in escrow for purposes of paying the remaining balance of refunded debt is reported as a loss on advance refunding. This amount is being amortized using the straight-line method over the life of the related bonds. Amortization expense for the year ending December 31, 2023, was \$12,711.

#### ***Due To/Due From***

During the course of operations, numerous transactions occur between individual funds and/or between the primary government and component units for goods provided or services rendered. These receivables and payables are classified as “due from other funds/component units” or “due to other funds/component units” on the fund balance sheets.

#### ***Advances to Other Funds***

Noncurrent portions of long-term interfund loans receivable in governmental funds are reported as advances and are offset by a fund balance reserve account which indicates that they do not constitute expendable available financial resources and therefore are not available for appropriation.

#### ***Inventory and Prepaids***

Health department inventory is valued at cost, determined by the first-in, first-out (FIFO) method.

Payments made to vendors for services that will benefit periods beyond a fund’s fiscal year-end 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 column in the government-wide financial statements. The capitalization threshold for drain infrastructure is \$25,000. Capital assets other than infrastructure assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their acquisition value on the date received. The amount reported for infrastructure includes only assets added since December 31, 2000.

## Allegan County

### Notes to the Financial Statements

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The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Depreciation on the capital assets (including infrastructure) is computed using the straight-line method, as follows:

	<u>Years</u>
Land improvements	20
Buildings and improvements	30 - 50
Machinery, equipment, and furniture	5 - 10
Infrastructure	8 - 50

Right to use intangible assets (financed with lease obligations) are amortized with capital assets over the life of the underlying lease liability.

#### *Compensated Absences*

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

#### *Long-term Obligations*

In the government-wide financial statements and proprietary fund type statements, the 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 (which approximates the effective interest 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 uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

#### *Pensions*

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Municipal Employees Retirement System (“MERS”) of Michigan and additions to/deductions from MERS’ fiduciary net position have been determined on the same basis as they

## Allegan County

### Notes to the Financial Statements

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are reported by MERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### ***Deferred Inflows of Resources***

Property taxes (excluding those for the general fund and soldiers' relief allocation, which are subject to a different timeline) are levied and attach as an enforceable lien of property on December 1. Property taxes are payable through February 14. Although the County's 2023 ad valorem tax (excluding the portion for general operations and soldiers' relief) is levied and collectible on December 1, 2023, it is the County's policy to recognize revenues from the December 1 tax levy in the subsequent year when the proceeds of this levy are budgeted and made available for the financing of the County's operations. Therefore, the entire amount of the December 1, 2023, levy has been reported as deferred inflows of resources at year-end. The County, similarly, defers a portion of its leases receivable into future reporting periods.

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

The County also reports deferred inflows of resources related to pensions for changes in assumptions as well as the net difference between projected and actual investment earnings of the pension plan.

#### ***Fund Balance Policies***

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes.

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. Nonspendable fund balance would be equal to inventory, prepaid items, and the nonspendable portion of endowments.

*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. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The *committed fund balance* classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The County Board of Commissioners is the highest level of decision-making authority for the government that can, by adoption of a resolution prior to the end of the fiscal year, commit

## Allegan County

### Notes to the Financial Statements

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fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the *assigned fund balance* classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. The County Board of Commissioners may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. *Unassigned fund balance* is the residual classification for the County's general fund and includes all spendable amounts not contained in the other classifications and is therefore available to be spent as determined by the County Board of Commissioners.

#### ***Fund Balance Flow Assumption***

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

#### ***Net Position***

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

#### ***Net Position Flow Assumption***

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

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

## Allegan County

### Notes to the Financial Statements

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#### ***Interfund Transactions***

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

#### ***Use of Estimates***

The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

The County utilizes various investment instruments which are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

#### **Note 2 - Stewardship, Compliance, and Accountability**

##### ***Budgetary Information***

A budget is adopted by the Board of Commissioners in accordance with Michigan Public Act 621 of 1978, the Uniform Budgeting and Accounting Act, for the general and special revenue funds. The Board amends the budget as necessary during the year. The budget is adopted on the modified accrual basis of accounting consistent with the actual financial statements for these funds. The budget is adopted at the activity level and control is exercised at the activity level for the general fund and special revenue funds. The County Administrator is authorized to transfer budget amounts for line items within activities without formal Board approval. The Board must approve any amendments at the activity level (department) for the general fund and other budgeted funds. All budget appropriations lapse at the end of each fiscal. All budgetary presentations include original and amended budgets.

##### ***Excess of Expenditures over Budget***

Public Act 621 of 1978, as amended, requires the adoption of a balanced budget for general and special revenue funds, as well as budget amendments as needed to prevent actual expenditures from exceeding those provided for in the budget. The approved budgets of the County for all budgetary funds were adopted at the department (activity) level.

## Allegan County

### Notes to the Financial Statements

The County had the following expenditures in excess of the appropriated amounts during the year ended December 31, 2023:

<b>Fund / Function / Department</b>	<b>Final Budget</b>	<b>Actual Amount</b>	<b>Negative Variance</b>
<b>General Fund</b>			
<b>General Government</b>			
Administration department	\$ 509,255	\$ 512,157	\$ (2,902)
Finance department	485,332	505,261	(19,929)
Records management	109,609	114,820	(5,211)
Courthouse	329,347	400,499	(71,152)
Information technology	2,044,351	2,329,191	(284,840)
<b>Public Safety</b>			
Emergency management	135,290	166,392	(31,102)
Livestock claims	2,050	2,607	(557)
<b>Health and Welfare</b>			
Veterans services	159,178	166,732	(7,554)
<b>Community and Economic Development</b>			
Economic development	55,500	55,525	(25)
<b>Debt Service</b>	-	52,832	(52,832)

#### **Deficit Net Position**

As of December 31, 2023, the County's Brownfield Redevelopment Authority, a discretely-presented component unit, had a deficit net position of (\$80,861). For the year ended December 31, 2023, current assets of the fund exceeded current liabilities.

## Allegan County

### Notes to the Financial Statements

#### Note 3 - Deposits and Investments

Following is a reconciliation of deposit and investment balances as of December 31, 2023:

	<b>Primary Government</b>	<b>Component Units</b>	<b>Total</b>
<b>Statement of Net Position</b>			
Cash and pooled investments	\$ 82,858,939	\$ 14,677,762	\$ 97,536,701
<b>Statement of Fiduciary Net Position</b>			
Cash and pooled investments	1,264,048	-	1,264,048
<b><i>Total Cash and Investments</i></b>	<b>\$ 84,122,987</b>	<b>\$ 14,677,762</b>	<b>\$ 98,800,749</b>
Less Units Separately Audited			
Allegan County Road Commission	-	(11,491,902)	(11,491,902)
Allegan County Medical Care Community	(737,722)	-	(737,722)
<b><i>Total Cash and Investments</i></b>	<b>\$ 83,385,265</b>	<b>\$ 3,185,860</b>	<b>\$ 86,571,125</b>
<b>Deposits and Investments</b>			
Checking and savings accounts			\$ 23,989,806
Investments			62,553,119
Cash on hand			28,200
<b><i>Total Deposits and Investments</i></b>			<b>\$ 86,571,125</b>

*Custodial Credit Risk – Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the County’s deposits may not be returned. State law does not require, and the County does not have a policy for deposit custodial credit risk. As of year-end, \$23,489,806 of the County’s bank balance of \$23,989,806 was exposed to custodial credit risk because it was uninsured and uncollateralized.

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



## Allegan County

### Notes to the Financial Statements

*Custodial Credit Risk - Investments.* Following is a summary of the County's investments as of December 31, 2023:

Money market accounts	\$ 41,479,682
Michigan CLASS	5,126,869
Asset backed securities	976,340
Certificate of deposits	6,297,906
Municipal bonds	8,672,322
<b><i>Total Investments</i></b>	<b><u>\$ 62,553,119</u></b>

Investments are exposed to custodial credit risk if the securities are uninsured, unregistered or held by a counterparty or its agency but not in the government's name. In accordance with the County's investment policy, all 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.* State law limits investments to specific government securities, certificates of deposits and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers' acceptances of specific financial institutions, qualified mutual funds and qualified external investment pools as identified in the list of authorized investments in the summary of significant accounting policies. The County's investment policy does not have specific limits in excess of state law on investment credit risk.

Credit risk ratings, where applicable, are summarized as follows:

S&P AAA	\$ 30,939,933
S&P AA+	3,441,072
S&P AA	3,720,990
S&P AA-	1,970,728
Unavailable/not rated	22,480,396
<b><i>Total Investments</i></b>	<b><u>\$ 62,553,119</u></b>

*Interest Rate Risk.* State law limits the allowable investments and the maturities of some of the allowable investments as identified in the summary of significant accounting policies. The County's investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

## Allegan County

### Notes to the Financial Statements

Maturity dates for investments held at year-end are summarized as follows:

No maturity	\$ 46,606,552
Less than 1 year	9,057,393
Due within 1-5 years	<u>6,889,174</u>
<b>Total Investments</b>	<b><u>\$ 62,553,119</u></b>

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

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

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

	Level 1	Level 2	Level 3	Carried at Net Asset Value	Total
Asset backed securities	\$ -	\$ 976,340	\$ -	\$ -	\$ 976,340
Municipal bonds	8,672,322	-	-	-	8,672,322
Money Market Funds	25,085,736	-	-	-	25,085,736
Michigan CLASS	-	-	-	5,126,869	5,126,869
<b>Totals</b>	<b><u>\$ 33,758,058</u></b>	<b><u>\$ 976,340</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 5,126,869</u></b>	<b>39,861,267</b>
<b>Investment accounts not subject to fair value disclosure requirements:</b>					
				Money market accounts	16,393,946
				Certificates of deposit	<u>6,297,906</u>
				<b>Total Investments</b>	<b><u>\$ 62,553,119</u></b>

The County holds shares in the Michigan CLASS government investment pool whereby the fair value of the investment is measured on a recurring basis using net asset value per share (or its equivalent) of the investment pool as a practical expedient.

At year-end, the net asset value of the County's investment in the Michigan CLASS government investment pool was \$5,126,869. The investment pool had no unfunded commitments, specific redemption frequency or redemption notice period required. The Michigan CLASS government investment pool invests in U.S. treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rated 'A-1' or better) collateralized bank deposits, repurchase agreements (collateralized at 102% by Treasuries and agencies), and approved money-market funds. The program seeks to provide safety, liquidity, convenience, and competitive rates of return, and is designed to meet the needs of Michigan public sector investors. It purchases

## Allegan County

### Notes to the Financial Statements

securities that are legally permissible under state statutes and are available for investment by Michigan counties, cities, townships, school districts, authorities, and other public agencies.

#### Note 4 - Leases Receivable

The County is reporting total lease receivables of \$1,736,917 and deferred lease revenues of \$1,598,601 as of December 31, 2023. For fiscal year 2023, the County reported lease revenue of \$100,821 and interest revenue of \$69,818 related to lease payments received.

The county is involved in agreements as a lessor that qualify as long-term lease agreements. Below is a summary of these agreements. These agreements qualify as a long-term lease agreement as the County will not surrender control of the assets at the end of the term and the noncancelable term of the agreements surpasses one year. Total terms remaining are 9 and 10 years.

The leases receivable maturity schedule was as follows:

<b>Year Ending</b>	<b>Governmental Activities</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
<b>December 31,</b>			
2024	\$ 142,842	\$ 81,772	\$ 224,614
2025	151,865	74,586	226,451
2026	161,374	66,950	228,324
2027	171,440	58,838	230,278
2028	182,066	50,217	232,283
2029 - 2033	927,330	105,693	1,033,023
<b>Totals</b>	<b>\$ 1,736,917</b>	<b>\$ 438,056</b>	<b>\$ 2,174,973</b>

## Allegan County

### Notes to the Financial Statements

#### Note 5 - Interfund Receivables, Payables, Advances, and Transfers

The composition of interfund balances as of December 31, 2023 was as follows:

	<b>Receivable</b>	<b>Payable</b>
General fund	\$ 11,000	\$ -
Nonmajor governmental funds	-	11,000
<b>Totals</b>	<b>\$ 11,000</b>	<b>\$ 11,000</b>

These balances resulted from the time lag between the dates that: 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made.

The composition of long-term interfund advances as of December 31, 2023 was as follows:

	<b>Receivable</b>	<b>Payable</b>
General fund	\$ 1,812,040	\$ -
Brownfield Redevelopment Authority	-	1,562,040
Allegan County Drains	-	250,000
<b>Totals</b>	<b>\$ 1,812,040</b>	<b>\$ 1,812,040</b>

The long-term interfund advance to the Brownfield Development Authority, a discretely-presented component unit, was to finance capital improvements and building expansion. The long-term interfund advance to the Allegan County Drains, a discretely-presented component unit, was to finance drain improvements.

For the year ended December 31, 2023 interfund transfers consisted of the following:

<b>Fund</b>	<b>Transfers In</b>	<b>Transfers Out</b>
General fund	\$ 1,618,319	\$(12,562,984)
259 Unfunded Accrued Liability	4,658,134	-
Nonmajor governmental funds	10,388,802	(3,250,963)
516-629 Delinquent Property Tax	-	(957,000)
Allegan County Medical Care Community	144,192	-
595 Jail Commissary - Nonmajor	-	(50,000)
677 Self-Insurance	11,500	-
<b>Totals</b>	<b>\$ 16,820,947</b>	<b>\$(16,820,947)</b>

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

## Allegan County

### Notes to the Financial Statements

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

#### Note 6 - Capital Assets

##### Primary Government / Governmental Activities

Capital asset activity for the governmental activities for the year ended December 31, 2023 was as follows:

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 759,162	\$ -	\$ -	\$ 759,162
Construction in process	711,949	470,456	(692,504)	489,901
<i>Subtotal</i>	<u>1,471,111</u>	<u>470,456</u>	<u>(692,504)</u>	<u>1,249,063</u>
Capital assets being depreciated:				
Land improvements	3,776,710	86,230	(10,096)	3,852,844
Buildings and improvements	54,462,927	786,021	(169,803)	55,079,145
Equipment and furniture	27,401,341	2,702,314	(527,982)	29,575,673
Infrastructure	1,684,896	-	(25,652)	1,659,244
Intangible right to use, leased assets	856,553	-	-	856,553
Intangible right to use, SBITA	-	391,131	-	391,131
<i>Subtotal</i>	<u>88,182,427</u>	<u>3,965,696</u>	<u>(733,533)</u>	<u>91,414,590</u>
Less accumulated depreciation/amortization for:				
Land improvements	(2,880,949)	(119,998)	6,997	(2,993,950)
Buildings and improvements	(27,043,106)	(2,039,699)	129,284	(28,953,521)
Equipment and furniture	(18,326,626)	(1,977,064)	527,982	(19,775,708)
Infrastructure	(938,398)	(54,119)	8,510	(984,007)
Intangible right to use, leased assets	(42,768)	(42,768)	-	(85,536)
Intangible right to use, SBITA	-	(41,642)	-	(41,642)
<i>Subtotal</i>	<u>(49,231,847)</u>	<u>(4,275,290)</u>	<u>672,773</u>	<u>(52,834,364)</u>
Capital assets being depreciated/amortized, net	<u>38,950,580</u>	<u>(309,594)</u>	<u>(60,760)</u>	<u>38,580,226</u>
<b>Capital assets, net</b>	<u><b>\$ 40,421,691</b></u>	<u><b>\$ 160,862</b></u>	<u><b>\$ (753,264)</b></u>	<u><b>\$ 39,829,289</b></u>

Depreciation expense was charged to functions/programs of governmental activities as follows:

#### Governmental Activities:

Judicial	\$ 80,582
General government	1,177,039
Public safety	2,559,897
Health and welfare	362,264
Recreation and culture	95,508
<b>Total depreciation expense</b>	<u><b>\$ 4,275,290</b></u>

## Allegan County

### Notes to the Financial Statements

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The County implemented Governmental Accounting Standards Board Statement No. 96, Subscription-Based Information Technology Arrangements, in fiscal year 2023. The City has one software arrangement that requires recognition under GASBS No. 96. The software amortization expense is included on the Statement of Revenues, Expenses and Changes in Fund Net Position related to the County's intangible asset of one software system, which is included in the above table as Intangible Right-to-Use Assets. The County now recognizes a subscription-based information technology arrangements (SBITA) liability and an intangible right-to-use asset for the bodycam software in the general government function of governmental activities.

The bodycam software arrangement is a five-year agreement, initiated in fiscal year 2022 with an annual payment of \$53,480. The County has imputed an interest rate of 4.89% to determine the present value of the intangible right-to-use asset and SBITA liability. There is an option to extend this arrangement and there is no option to purchase the software.

The Intangible Right-to-Use Assets, other than the SBITA described above, amortization is presented as amortization expense on the Statement of Revenues, Expenses and Changes in Fund Net Position related to the County's intangible asset of assets purchased under lease agreements, which is included in the above table as Intangible Right-to-Use Assets. With the implementation of Governmental Accounting Standards Board Statement No. 87, Leases, a lease meeting the criteria of this Statement requires the lessee to recognize a lease liability and an intangible right to use asset.

Capital asset information for the Allegan County Medical Care Community can be found in its separately audited annual financial report, as indicated in Note 1 of these notes to the financial statements.

## Allegan County

### Notes to the Financial Statements

#### Discretely-Presented Component Units

Capital assets activity for the discretely-presented component units for the year ended December 31, 2023 was as follows:

<u>Allegan County Drains</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 853,800	\$ -	\$ -	\$ 853,800
Construction in process	1,524,210	559,360	(740,205)	1,343,365
<i>Subtotal</i>	<u>2,378,010</u>	<u>559,360</u>	<u>(740,205)</u>	<u>2,197,165</u>
Capital assets being depreciated:				
Machinery and equipment	76,125	-	-	76,125
Infrastructure	23,184,204	1,581,294	-	24,765,498
<i>Subtotal</i>	<u>23,260,329</u>	<u>1,581,294</u>	<u>-</u>	<u>24,841,623</u>
Less accumulated depreciation for:				
Machinery and equipment	(73,080)	(3,045)	-	(76,125)
Infrastructure	(6,893,770)	(1,209,284)	-	(8,103,054)
<i>Subtotal</i>	<u>(6,966,850)</u>	<u>(1,212,329)</u>	<u>-</u>	<u>(8,179,179)</u>
Capital assets being depreciated, net	<u>16,293,479</u>	<u>368,965</u>	<u>-</u>	<u>16,662,444</u>
<b>Capital assets, net</b>	<u>\$ 18,671,489</u>	<u>\$ 928,325</u>	<u>\$ (740,205)</u>	<u>\$ 18,859,609</u>

<u>Brownfield Redevelopment Authority</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ -	\$ 1,478,921	\$ -	\$ 1,478,921
Construction in process	1,474,592		(1,474,592)	-
<i>Subtotal</i>	<u>\$ 1,474,592</u>	<u>\$ 1,478,921</u>	<u>\$ (1,474,592)</u>	<u>\$ 1,478,921</u>

Depreciation expense of \$1,212,329 was charged to the public works/drains function of the Allegan County Drains.

Capital asset information for the Allegan County Road Commission can be found in its separately audited annual financial report, as indicated in Note 1 of these notes to the financial statements.

#### Note 7 - Long-term Obligations

##### Primary Government

*General and Pension Obligation Bonds.* The government issues general obligation bonds to provide funds to construct major capital facilities, refund previously issued bonds, and to fund pension obligations. Such bonds are generally repaid from voter-approved property tax levies, interfund transfers, and contributions from local municipalities. The County has pledged its full faith and credit for payment on the general obligation bonds. Also, under the terms of certain bond

## Allegan County

### Notes to the Financial Statements

agreements, local units have pledged their full faith and credit to pay the County each year such amounts.

*Lease Liabilities.* The County has recorded intangible right-to-use leases in the governmental activities' capital assets. Due to the implementation of GASB Statement No. 87, the leases for central dispatch equipment met the criteria of a lease; thus, requiring it to be recorded by the County. These assets will be amortized over the leases terms since it is shorter than the useful life and the County is not taking ownership of the equipment. There are no residual value guarantees in the lease provisions. The leases will end in 2057.

*SBITA Liabilities* – The County has recorded an intangible right-to-use software arrangement in the governmental activities' capital assets. Due to the implementation of GASB Statement No. 96, this arrangement for bodycam software (general government) met the criteria of a SBITA; thus, requiring it to be recorded by the County as an intangible asset and a SBITA liability. This asset will be amortized over the arrangement terms since the related software will be replaced at the end of the arrangement term and replaced with upgraded software. There are no residual value guarantees in the arrangement provisions. The bodycam software arrangement will end in 2027, with an option to renew for an additional five years.

Long-term debt information for the Allegan County Medical Care Community, which consists of the sole long-term debt activity for business-type activities, can be found in their separately audited annual financial reports, as indicated in Note 1 of these notes to the financial statements.

The primary government's long-term obligations activity for the year ended December 31, 2023 was as follows:

<b>Governmental Activities</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
General obligation bonds	\$ 8,825,000	\$ -	\$700,000	\$ 8,125,000	\$775,000
Pension obligation bonds	9,345,000	-	785,000	8,560,000	810,000
Installment purchase agreement (Direct Placement)	1,620,481	-	887,109	733,372	733,372
Net premium/discount	57,246	-	6,134	51,112	-
Lease liabilities	822,355	-	21,930	800,425	26,458
SBITA liabilities	-	381,377	34,183	347,194	36,502
<i>Subtotal</i>	<u>20,670,082</u>	<u>381,377</u>	<u>2,434,356</u>	<u>18,617,103</u>	<u>2,381,332</u>
<b>Compensated Absences</b>	1,661,493	82,677	-	1,744,170	-
<b>Total Long-term Obligations</b>	<u>\$ 22,331,575</u>	<u>\$ 464,054</u>	<u>\$ 2,434,356</u>	<u>\$ 20,361,273</u>	<u>\$ 2,381,332</u>

Compensated absences in the governmental activities are liquidated by the general fund. The County has designated a portion of its general fund to fund future sick and vacation liabilities.



## Allegan County

### Notes to the Financial Statements

Annual debt service requirements to maturity for the primary government's long-term debt (including lease and SBITA liabilities but excluding compensated absences), are as follows:

<b>Year Ended December 31,</b>	<b>Governmental Activities</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	\$ 2,381,332	\$ 607,596	\$ 2,988,927
2025	1,706,352	544,407	2,250,759
2026	1,789,610	486,050	2,275,660
2027	1,935,913	436,184	2,372,097
2028	1,971,614	353,960	2,325,574
2029-2033	8,391,822	712,152	9,103,974
2034-2038	55,855	88,042	143,897
2039-2043	63,274	74,246	137,520
2044-2048	80,754	56,766	137,520
2049-2053	103,073	34,447	137,520
2054-2057	86,394	7,578	93,972
<b>Totals</b>	<b>\$ 18,565,991</b>	<b>\$ 3,401,427</b>	<b>\$ 21,967,418</b>

Significant details regarding the governmental activities' outstanding long-term debt are presented below:

#### **Governmental Activities**

\$13,500,000 2012 Capital Improvement Bonds, due in annual installments of \$350,000 to \$1,000,000 plus interest ranging from 2.00 to 4.00%, payable semi-annually, through May 1, 2032.	\$ 8,125,000
\$15,060,000 2014 Pension Obligation Bonds, due in annual installments of \$680,000 to \$1,110,000 plus interest ranging from 0.30 to 4.00%, payable semi-annually, through May 1, 2032.	8,560,000
\$5,807,685 2017 Installment Purchase Agreement, due in annual installments of \$638,121, payable annually through July 1, 2026, with an interest rate of 1.75%.	733,372
Central dispatch lease obligation with Valley for use of equipment due in monthly installments ranging from \$301 to \$635 plus interest through June 2034 with interest at 4.89%.	60,860
Central dispatch lease obligation with Valley for use of land due in monthly installments ranging from \$149 to \$321 plus interest through August 2034 with interest at 4.89%.	30,760
Central dispatch lease obligation with Lee Township for cell usage due in one lump sum in January 2027.	52,885
Central dispatch lease obligation with Laketown for use of tower due in annual installments ranging from \$10,902 to \$26,969 plus interest through July 2033 with interest at 4.89%.	203,583
Parks and recreation lease obligation for right to use Ely Lake due in monthly installments ranging from \$409 to \$2,283 plus interest through May 2057 with interest at 4.89%.	452,337
SBITA obligation with Axon Enterprise to use bodycam software due in annual installments of \$53,480 including interest at 4.89% through March 2031	347,194
<b>Total Long-term Debt</b>	<b>\$ 18,565,991</b>

## Allegan County

### Notes to the Financial Statements

#### Discretely-Presented Component Units

*General Obligation Bonds, Drain Notes, and Other Debt.* The government issues general obligation bonds to provide funds to construct major capital facilities and refund previously issued bonds. Such bonds are generally repaid from voter-approved property tax levies, interfund transfers, and contributions from local municipalities. The County has pledged its full faith and credit for payment on the general obligation bonds, drain notes, and other debt. Also, under the terms of certain bond agreements, local units have pledged their full faith and credit to pay the County each year such amounts. The Drain notes were issued to finance the various construction funds for the purpose of paying costs in connection with various drainage district projects and are payable out of assessments to be made against the benefited properties.

Long-term debt information for the Allegan County Road Commission can be found in its separately audited annual financial report, as indicated in Note 1 of these notes to the financial statements.

The discretely-presented component unit's long-term debt activity for the year ended December 31, 2023 was as follows:

<b>Allegan County Drains</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
General obligation bonds	\$ 4,685,090	\$ -	\$ 605,000	\$ 4,080,090	\$ 620,000
Notes payable	6,538,857	957,000	905,359	6,590,498	894,896
Net premium/discount	(2,858)	204	-	(2,654)	(204)
<b>Total Long-term Debt</b>	<b>\$ 11,221,089</b>	<b>\$ 957,204</b>	<b>\$ 1,510,359</b>	<b>\$ 10,667,934</b>	<b>\$ 1,514,692</b>

Annual debt service requirements to maturity for the discretely-presented component unit's long-term debt are as follows:

<b>Year Ended December 31,</b>	<b>Allegan County Drains, Component Unit</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	\$ 1,514,896	\$ 286,828	\$ 1,801,724
2025	1,497,218	261,011	1,758,229
2026	1,035,918	224,114	1,260,032
2027	867,368	196,461	1,063,829
2028	816,468	171,779	988,247
2029-2033	3,555,724	510,953	4,066,677
2034-2038	1,087,000	137,288	1,224,288
2039-2043	295,996	14,389	310,385
<b>Totals</b>	<b>\$ 10,670,588</b>	<b>\$ 1,802,823</b>	<b>\$ 12,473,411</b>

## Allegan County

### Notes to the Financial Statements

Significant details regarding the discretely-presented component unit's outstanding long-term debt are presented below:

#### Allegan County Drains

\$181,500 2023 Boyd IC Drainage District Note Payable, due in annual installments of \$22,688 plus interest of 5.13%, payable annually, through June 1, 2031.	\$ 181,500
\$452,500 2023 Hidden Forest Drainage District Note Payable, due in annual installments of \$45,250, plus interest of 5.82%, payable annually, through June 1, 2033.	452,500
\$323,000 2023 Severens Drainage District Note Payable, due in annual installments of \$32,000 to \$33,000 plus interest of 4.44%, payable annually, through June 1, 2033.	323,000
\$241,300 2022 Buskirk Drainage District Note Payable, due in annual payments of \$24,130 plus interest of 1.98%, payable annually, through June 1, 2032.	217,170
\$85,000 2022 Trowbridge-Cheshire Drainage District Note Payable, due in annual payments of \$21,250 plus interest of 3.04%, payable annually, through June 1, 2026.	63,750
\$1,549,000 2017 Selkirk Lake Drain Note Payable, due in annual installments of \$77,000 to \$78,000 plus interest of 3.29%, payable semi-annually, through June 1, 2037.	1,087,000
\$1,358,000 2016 Cuddy Intercounty Drain Note Payable, due in annual installments of \$90,533 plus interest at 2.59%, payable semi-annually, through June 1, 2031.	496,000
\$1,195,000 2012 Village of Martin Water System No. 8 General Obligation Limited Tax Refunding Bonds, due in annual installments of \$35,000 to \$55,000 plus interest ranging from 2.00 to 4.00%, payable semi-annually, through May 1, 2040.	775,000
\$4,633,615 2012 Kalamazoo Lake Sewer and Water Authority Sewage Disposal System General Obligation Limited Tax Bonds (Clean Water Revolving Loan Program) Sewer Authority Bonds, due in annual installments of \$183,525 to \$295,000 plus interest at 2.50%, payable semi-annually, through April 1, 2033.	2,630,090
\$2,920,000 2013 Fillmore Township Water Supply an Sewage Disposal System No. 8 General Obligation Refunding Bonds, due in semi-annual installments of \$30,000 to \$335,000 plus interest ranging from 2.00 to 2.50%, payable semi-annually, through May 1, 2025.	675,000
Miscellaneous Drainage District Notes Payable, due in annual installments plus interest ranging from .70 to 4.95%, payable annually, through June 1, 2041.	3,769,578
<b>Total Long-term Debt</b>	<b>\$ 10,670,588</b>

## Allegan County

### Notes to the Financial Statements

#### Note 8 - Net Investment in Capital Assets

The composition of the County's net investment in capital assets as of December 31, 2023 was as follows:

	<b>Governmental Activities</b>	<b>Allegan County Drains</b>
<b>Capital assets:</b>		
Capital assets not being depreciated	\$ 1,249,063	\$ 2,197,165
Capital assets being depreciated	38,580,226	16,662,444
<i>Subtotal</i>	39,829,289	18,859,609
<b>Less long-term debt:</b>		
Total long-term debt	(17,418,372)	(10,670,588)
Premiums/discounts on long-term debt	(51,112)	2,654
<i>Subtotal</i>	(17,469,484)	(10,667,934)
<b>Add deferred charge on bond refunding:</b>	-	29,987
<b>Add unrelated long-term debt:</b>		
Pension obligation bonds	8,560,000	-
Other bonds payable*	-	4,080,090
<i>Subtotal</i>	8,560,000	4,080,090
<b>Net investment in capital assets</b>	<b>\$ 30,919,805</b>	<b>\$ 12,301,752</b>

\*Certain bonds payable in the Allegan County Drains component unit are issued to fund construction projects for other local units of government (for which principal and interest payments on the related-debt will be repaid by the other entities in their entirety). The assets constructed with the debt proceeds are not owned by the County and therefore have been excluded from the calculation of the net investment in capital assets.

Net investment in capital assets information for the Allegan County Medical Care Community, a business-type activity, and the Allegan County Road Commission, a discretely-presented component unit, can be found in their separately audited annual financial reports, as indicated in Note 1 of these notes to the financial statements.

# Allegan County

## Notes to the Financial Statements

### Note 9 - Employees' Retirement Systems

#### *Defined Benefit Plan*

##### *Plan Description*

The employer's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The employer participates in the Municipal Employees Retirement System (MERS) of Michigan. MERS is an agent multiple-employer, statewide public employee pension plan established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine-member Retirement Board. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the MERS website at [www.mersofmich.com](http://www.mersofmich.com).

##### *Benefits Provided*

Retirement benefits for employees are calculated as follows:

<u>Division</u>	<u>Benefit Multiplier</u>	<u>Benefit Maximum</u>	<u>Final Average Compensation (Years)</u>	<u>Normal Retirement Age</u>	<u>Unreduced Benefit (Age/Years of Service)</u>	<u>Reduced Benefit (Age/Years of Service)</u>	<u>Vesting (Years)</u>
01 - Tmstr Unit II - closed	2.00%	No Max	5	60	-	50/25 or 55/15	6
02 - POLC Rd Commd & Undersheriff - closed	2.50%/2.00%	80%/No Max	3	60	50/25	55/15	10
06 - Mtl Hlth Dept - closed	2.00%	No Max	5	60	-	50/25 or 55/15	6
08 - Court Salaried - closed	2.00%	No Max	5	60	-	50/25 or 55/15	6
09 - Asst Pros Atty - closed	2.50%	80%	5	60	50/25	55/15	6
10 - Genl. Non Union - closed	2.00%	No Max	5	60	-	50/25 or 55/15	6
12 - Court Hourly - closed	2.00%	No Max	5	60	-	50/25 or 55/15	6
15 - Tmstrs. Unit 1 - closed	2.00%	No Max	5	60	-	50/25 or 55/15	6
16 - County Admstr. - closed	2.00%	No Max	5	60	50/25	55/15	6
17 - Tmstr Unit 111 - closed	2.00%	No Max	5	60	-	50/25 or 55/15	6
20 - Polc Deputies - closed	2.50%	80%	3	60	50/25 or 55/15	-	10
21 - POLC Corr Comm - closed	2.50%	80%	5	60	55/25	50/25 or 55/15	10
22 - Captains & Undersheriff - closed	2.50%/2.00%	80%/No Max	3	60	50/25	55/15	10

##### *Employees Covered by Benefit Terms*

At the December 31, 2022 measurement date, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	256
Inactive plan members entitled to but not yet receiving benefits	48
Active plan members	33
<b><i>Total employees covered by MERS</i></b>	<b>337</b>

##### *Contributions*

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an

## Allegan County

### Notes to the Financial Statements

additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees.

For the year ended December 31, 2023, the County had the following required contribution rates:

<b>Division</b>	<b>Employee Contributions</b>	<b>Employer Contributions *</b>
01 - Tmstr Unit II - closed	4.00%	\$ 1,603
02 - POLC Rd Commd & Undersheriff - closed	8.00%	15,375
06 - Mtl Hlth Dept - closed	4.00%	-
08 - Court Salaried - closed	4.00%	2,370
09 - Asst Pros Atty - closed	10.79%	719
10 - Genl. Non Union - closed	4.00%	8,429
12 - Court Hourly - closed	4.00%	2,267
15 - Tmstrs. Unit 1 - closed	4.00%	-
16 - County Admnstr. - closed	4.00%	1,070
17 - Tmstr Unit 111 - closed	4.00%	2,931
20 - Polc Deputies - closed	8.00%	26,481
21 - POLC Corr Comm - closed	8.09%	2,647

\*Employer contributions are expressed as a fixed monthly amount for closed divisions as summarized in the table above for the plan as a whole.

#### ***Net Pension Liability***

The County's net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an annual actuarial valuation as of that date.

#### ***Actuarial Assumptions***

The total pension liability in the December 31, 2022 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

Mortality rates used were based on a version of Pub-2010 and fully generational MP-2019.

The actuarial assumptions used in valuation were based on the results of the most recent actuarial experience study of 2014-2018.

## Allegan County

### Notes to the Financial Statements

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

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

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Target Allocation Gross Rate of Return</b>	<b>Long-term Expected Gross Rate of Return</b>	<b>Inflation Assumption</b>	<b>Long-term Expected Real Rate of Return</b>
Global Equity	60.00%	7.00%	4.20%	2.50%	2.70%
Global Fixed Income	20.00%	4.50%	0.90%	2.50%	0.40%
Private Investments	20.00%	9.50%	1.90%	2.50%	1.40%
<b>Totals</b>	<b>100.00%</b>		<b>7.00%</b>		<b>4.50%</b>

#### ***Discount Rate***

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

## Allegan County

### Notes to the Financial Statements

#### ***Changes in Net Pension Liability***

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

<b>Changes in Net Pension Liability</b>	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability</b>	<b>Plan Net Position</b>	<b>Net Pension Liability</b>
<b>Balance at December 31, 2022</b>	\$ 75,513,859	\$ 73,654,353	\$ 1,859,506
Service cost	383,910	-	383,910
Interest on total pension liability	5,298,569	-	5,298,569
Differences between expected and actual experience	982,034	-	982,034
Contributions - employer	-	8,154,779	(8,154,779)
Contributions - employee	-	219,423	(219,423)
Net investment income	-	(7,603,087)	7,603,087
Benefit payments, including refunds	(5,187,574)	(5,187,574)	-
Administrative expenses	-	(133,358)	133,358
<i>Net changes</i>	1,476,939	(4,549,817)	6,026,756
<b>Balance at December 31, 2023</b>	\$ 76,990,798	\$ 69,104,536	\$ 7,886,262
	<b>Allocated to:</b>		
		Governmental Activities	\$ 7,530,108
		Business-type Activities	356,154
		<b>Total</b>	\$ 7,886,262

#### ***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 7.25%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1% higher (8.25%) than the current rate:

	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
	<b>(6.25%)</b>	<b>Discount Rate</b>	<b>(8.25%)</b>
	<b>(6.25%)</b>	<b>(7.25%)</b>	<b>(8.25%)</b>
Net pension liability (asset) of the County	\$ 16,641,843	\$ 7,886,262	\$ 561,796

Note: The current discount rate shown for GASB 68 purposes is higher than the MERS assumed rate of return. This is because for GASB purposes, the discount rate must be gross of administrative expenses, whereas for funding purposes, it is net of administrative expenses.

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

For the year ended December 31, 2023, the County recognized pension expense of \$3,031,963 while the Allegan County Medical Care Community recognized pension expense of \$79,860.



## Allegan County

### Notes to the Financial Statements

The County reported deferred outflows/inflows of resources related to pensions from the following sources:

<b>Source</b>	<b>Deferred Outflows of Resources</b>
Net difference between projected and actual earnings on pension plan investments	\$ 5,899,166
Employer contributions to the plan subsequent to the measurement date*	768,632
<b>Totals</b>	<b>\$ 6,667,798</b>
<b>Allocated to:</b>	
Governmental Activities	\$ 6,505,933
Business-type Activities	161,865
<b>Totals</b>	<b>\$ 6,667,798</b>

For the year ending December 31, 2023, there were no deferred inflows of resources related to pensions.

\* The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending December 31, 2024.

Amounts reported as deferred outflows/inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Years Ending December 31,</b>	<b>Amount</b>
2024	\$ 442,447
2025	1,116,095
2026	1,730,294
2027	2,610,330

#### ***Defined Contribution Plan***

The County's defined contribution plan is offered through MERS; benefit provisions and contribution requirements are established and may be amended by the Allegan County Board of Commissioners. The County makes contributions of 7% of each participants' salary and the employees contribute an additional 3% of their salary. Total contributions for the year were \$1,815,448 (\$264,387 employee and \$1,551,061 employer).

#### ***Section 457 Deferred Compensation Plan***

The County offers a supplemental retirement program in accordance with Section 457 of the Internal Revenue Code (IRC) that will provide for payments on retirement, as well as death benefits in the event of death prior to retirement. Inasmuch as the plan assets are held in trust for

## Allegan County

### Notes to the Financial Statements

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the exclusive benefit of participants and their beneficiaries, the amounts are not reported in the accompanying financial statements.

#### **Note 10 - Other Postemployment Benefits**

##### ***Primary Government***

In addition to the pension benefits described in Note 8, the County provides health insurance benefits to certain retirees. The benefit is equal to \$12/month for each year of service at the County, up to a maximum benefit of \$300/month. An alternative measurement method of the County's liability for these benefits in accordance with GASB Statements No. 74 and 75 has been performed. Inasmuch as the plan is only open to a small number of County employees, and participation in the voluntary program has historically been minimal, management has determined that the actuarially accrued liability would be immaterial to the financial statements taken as a whole.

#### **Note 11 - Fund Balances and Net Position - Governmental Activities**

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

# Allegan County

## Notes to the Financial Statements

	<b>General Fund</b>	<b>259 Unfunded Accrued Liability</b>	<b>299 American Rescue Plan Act - ARPA</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Nonspendable</b>					
Long-term advances	\$ 1,812,040	\$ -	\$ -	\$ -	\$ 1,812,040
Prepaid items and inventory	361,409	-	-	268,899	630,308
<i>Total Nonspendable</i>	<u>2,173,449</u>	<u>-</u>	<u>-</u>	<u>268,899</u>	<u>2,442,348</u>
<b>Restricted</b>					
E-911/dispatch services	-	-	-	6,233,101	6,233,101
Senior services	-	-	-	1,597,603	1,597,603
Indigent defense	-	-	-	194,039	194,039
Health/mental health	-	-	-	1,154,187	1,154,187
Friend of the court	-	-	-	1,623,106	1,623,106
Transportation	-	-	-	1,434,307	1,434,307
Register of deeds automation	-	-	-	946,400	946,400
Drug law enforcement	-	-	-	118,905	118,905
Sheriff	-	-	-	365,182	365,182
Housing assistance	-	-	-	135,829	135,829
State and federal grants	-	-	-	270,001	270,001
Parks and recreation	-	-	-	225,368	225,368
Debt service	-	-	-	193,493	193,493
Solid waste	-	-	-	373,102	373,102
Concealed pistol licenses	-	-	-	329,955	329,955
Opioid settlement	-	-	-	338,119	338,119
<i>Total Restricted</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,532,697</u>	<u>15,532,697</u>
<b>Committed</b>					
Budget stabilization	5,324,893	-	-	-	5,324,893
Child care	-	-	-	976,656	976,656
Animal shelters	-	-	-	41,359	41,359
Soldiers and sailors	-	-	-	104,094	104,094
Fitness center	-	-	-	68,569	68,569
Capital improvements	-	-	-	2,443,308	2,443,308
Debt service	-	-	-	271,845	271,845
Other purposes	-	10,060,524	-	169,718	10,230,242
<i>Total Committed</i>	<u>5,324,893</u>	<u>10,060,524</u>	<u>-</u>	<u>4,075,549</u>	<u>19,460,966</u>
<b>Assigned</b>					
Law library	105,202	-	-	-	105,202
Grant administration	24,130	-	-	-	24,130
Child care welfare	5,728	-	-	-	5,728
Technology	145,841	-	-	-	145,841
Budget	1,847,354	-	-	-	1,847,354
ARPA	-	-	1,190,628	-	1,190,628
<i>Total Assigned</i>	<u>2,128,255</u>	<u>-</u>	<u>1,190,628</u>	<u>-</u>	<u>3,318,883</u>
<b>Unassigned</b>	<u>9,850,178</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,850,178</u>
<b>Total Fund Balance</b>	<u>\$ 19,476,775</u>	<u>\$ 10,060,524</u>	<u>\$ 1,190,628</u>	<u>\$ 19,877,145</u>	<u>\$ 50,605,072</u>

## Allegan County

### Notes to the Financial Statements

Detailed information on restricted net position of the governmental activities for the year ended December 31, 2023, is as follows:

<b>Restricted</b>	
E-911/dispatch services	\$ 6,428,109
Senior services	1,606,182
Indigent defense	194,039
Health/mental health	1,199,943
Friend of the court	1,623,106
Transportation	1,446,529
Register of deeds automation	946,400
Drug law enforcement	118,905
Sheriff	365,182
Housing assistance	135,829
State and federal grants	270,001
Parks and recreation	225,368
Debt service	193,493
Solid waste	374,098
Concealed pistol licenses	329,955
Opioid settlement	2,287,666
<b>Total Restricted Net Position</b>	<b><u>\$ 17,744,805</u></b>

#### Note 12 - Tax Abatements

##### *Industrial Facilities Tax (IFT)*

Industrial property tax abatements are granted in the State of Michigan under Public Act 198, as amended, to promote economic development, creation of jobs, and new or improvement facilities. The industrial facilities tax (IFT) exemption must be approved by both the local unit (after a public hearing is held) and the State of Michigan. IFT exemptions can cover real and/or personal property. By State law, the exemption must be applied for no later than six months after commencement of the project, and must be accompanied by a written agreement between the taxpayer and the local unit. An exemption allows for taxation on IFT property at 50% of the local property tax millage rate for a period of 1 to 12 years. Accordingly, such agreements meet the criteria of "tax abatements" under GASB Statement No. 77. Property taxes abated by the County in 2023 amounted to \$304,318.

#### Note 13 - Contingent Liabilities

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

# Allegan County

## Notes to the Financial Statements

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

### Note 14 - Risk Management/Self-Insurance Programs

#### *Primary Government*

The County is exposed to risks of loss related to theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The government 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. Following is a summary of these 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 claims 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 (e.g., the self-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-insurance retention limits along with certain other member-specific costs. Liabilities are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated.

Changes in the claims liability for the years ended December 31, 2022 and 2023 were as follows:

<u>Year Ended</u> <u>December 31,</u>	<u>Beginning of</u> <u>Year Liability</u>	<u>Current Year</u> <u>Claims and</u> <u>Changes in</u> <u>Estimates</u>	<u>Net Claim</u> <u>Payments</u>	<u>End of Year</u> <u>Liability</u>
2022	\$ 225,947	\$ 1,149,028	\$ (726,687)	\$ 648,288
2023	648,288	785,489	(546,861)	886,916

## Allegan County

### Notes to the Financial Statements

There have been no significant reductions in insurance coverage from coverage in prior years and settlements have not exceeded insurance coverage for each of the past three years.

<b>Coverage</b>	<b>Self-insured Retention</b>
Liability	\$150,000
Property and crime	\$1,000 deductible per occurrence; 10% of next \$100,000

### ***Unemployment***

The County is self-insured for unemployment benefits, which is accounted for in the general fund. Unemployment claims are reimbursed annually to Michigan Employee Security Commission based on actual claims. The reserve for unemployment benefits is determined by management based on prior experience. Unemployment benefits are expended when paid. There was no end of year claims liability for unemployment.

### ***Workers' Compensation***

The government maintains a self-insurance program for workers' compensation coverage which is accounted for in the self-insurance internal service fund. The specific risk retention associated with the worker's compensation self-insurance activity is \$400,000 with a liability limit of \$1,000,000 provided to the County through excess insurance coverage. The program is administered by a third-party administrator who conducts safety inspections and provides claims review and processing services. Premiums are paid into the internal service fund by all other funds based on payrolls and job classifications and are available to pay claims, claim reserves, excess coverage, and administrative costs.

There have been no significant reductions in insurance coverage from coverage in prior years and settlements have not exceeded insurance coverage for each of the past three years.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Changes in the claims liability for the years ended December 31, 2022 and 2023 were as follows:

<b>Year Ended</b>	<b>Beginning of</b>	<b>Current Year</b>	<b>Net Claim</b>	<b>End of Year</b>
<b>December 31,</b>	<b>Year Liability</b>	<b>Claims and</b>	<b>Payments</b>	<b>Liability</b>
<b>December 31,</b>	<b>Year Liability</b>	<b>Changes in</b>	<b>Payments</b>	<b>Liability</b>
<b>December 31,</b>	<b>Year Liability</b>	<b>Estimates</b>	<b>Payments</b>	<b>Liability</b>
2022	\$ 87,020	\$ 77,511	\$ (23,595)	\$ 140,936
2023	140,936	383,392	(120,642)	403,686

### **Note 15 - Transportation Department Schedules**

*Cost Allocation Plans (CAP).* The financial statements of the County include several transit schedules as required by the Office of Passenger Transportation (OPT) of the Michigan

## Allegan County

### Notes to the Financial Statements

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Department of Transportation. The Allegan County Transportation Department has four approved cost allocation plans: 2006 Indirect County Service, the 2006 Job Access Reverse Commute program, the 2008 Specialized Service program, and the 2015 Building Lease. These cost allocation plans were adhered to in the preparation of the transit schedules.

*Nonfinancial Methodology* The methodology used for compiling mileage and hours on Schedule 4N (for NonUrban Regular Service and JARC) has been reviewed and the recording method was found to be adequate and reliable.

*Depreciation.* The Allegan County Transportation Department is recognized as a special revenue fund in the County's audited financial statements using the modified accrual basis of accounting. Accordingly, depreciation expense was not recognized in these financial statements for the Allegan County Transportation Department.

*Capital Used to Pay for Operating.* \$1,300,019 of expenses are subtracted out as ineligible because capital money was used to for operating expenses.

*Expenses Associated with PTMS Codes 406 & 407.* There were \$20,452 of expenses associated with 40620 Auxiliary Transportation Revenue and / or codes 40760 and 40799, and therefore, these expenses were deducted as ineligible for the year ended September 30, 2023.

*Retirement Benefits.* Pension costs incurred for Allegan County Transportation Department's portion of the Michigan Municipal Employees Retirement System were calculated pursuant to the MERS GASB 68 Implementation Guide (the "Guide"). The total pension expense recognized as calculated in step 6 of the Guide is \$17,825. The entire amount of \$17,825 was expensed in the general ledger and is reported in 50200 DB Pensions on the quarterly OAR reports as submitted to MDOT. Allegan County Transportation Department paid \$17,828 (as the fund is reported on the modified accrual basis of accounting), therefore, \$0 is subtracted out under 58020 Ineligible DB Pension for the year ended September 30, 2023.

*Explanation of Ineligible Expenses per the BPT's R&E Manual.* The Allegan County Transportation Department has determined and separated all ineligible expenses as required by OPT's R&E Manual. Ineligible expenses are classified appropriately according to the definition in the Local Public Transit Revenue and Expense Manual (R&E Manual). Audit costs are claimed as eligible given that they were only the portion allocable toward the federal single audit. The Allegan County Transportation Department did not incur expenses associated with local non-contractual income and therefore, no expenses are subtracted out as ineligible on OAR Schedule 4.

### **Note 16- Opioid Settlement**

#### *Janssen and Distributors Settlements*

The County is part of a \$21 billion nationwide settlement reached in July 2021 to resolve all Opioids litigation brought by states and local political subdivisions against the three largest pharmaceutical distributors: McKesson, Cardinal Health, and AmerisourceBergen (Distributors),

## Allegan County

### Notes to the Financial Statements

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and a \$5 billion nationwide settlement with manufacturer Janssen Pharmaceuticals, Inc. and its parent company Johnson & Johnson (Janssen).

#### *Pharmacy and Manufacturer Settlements*

In 2022, additional settlements with pharmacies and manufacturers were announced, including CVS, Walgreens, Walmart, Allergan, and Teva. Sign-on for participation in settlements with CVS, Walmart, Allergan, and Teva are completed in Michigan, with payments anticipated by end of calendar year, 2023. These four settlements are expected to bring in over \$450 million to Michigan and are structured like Janssen and Distributors settlements with a 50/50 state/local split.

The Walgreens settlement is just beginning to move forward in Michigan and will bring about \$313 million into the State. Funds from Walgreens represent awards from both a national settlement (50/50 state/local split; payments received over 15 years) and an additional settlement (for state government, only; payments received over 18 years).

The term of the settlements varies by entity; however, the County expects to receive 18 installments from the Distributors with the first installments commencing in 2023 and the remaining 16 installments expected to be made annually beginning in 2024. Additionally, the County expects to receive annual installments from Janssen and the pharmacy and manufacturer settlements with the first installments being paid in 2023 and the remaining installments expected to be made annually through 2037. The County is currently allocated approximately 0.19% of the total State of Michigan local unit settlement and the total amount of the settlement is expected to be \$2,674,863.

As a result of the payment terms issued to the Directing Administrator of the National Opioid Settlements, the receivable for the settlement agreements was recorded at the net present value, using a discount rate for payments to be received subsequent to 2023 of 3%. The net present value of the combined settlement payments to be received as of December 31, 2023 was \$1,949,547.

#### **Note 17 - Subsequent Events**

The County has evaluated subsequent events through June 28, 2024, the date the financial statements were available to be issued. Management is not aware of any subsequent events that would have an impact on the County's financial position.



**REQUIRED SUPPLEMENTARY INFORMATION**

**Allegan County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**General Fund**  
**For the Year Ended December 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative) Final to Actual</b>
<b>Revenues</b>				
Taxes	\$ 33,164,828	\$ 33,164,828	\$ 33,899,411	\$ 734,583
Licenses and permits	56,080	56,080	53,076	(3,004)
Intergovernmental revenues - federal	106,000	106,000	121,168	15,168
Intergovernmental revenues - state	2,430,731	2,580,903	3,157,638	576,735
Charges for services	4,741,005	4,902,658	4,442,537	(460,121)
Fines and forfeitures	6,500	6,500	6,500	--
Interest and rentals	257,400	257,400	810,960	553,560
Other revenues	2,778,234	2,842,034	2,807,091	(34,943)
<b>Total Revenues</b>	<u>43,540,778</u>	<u>43,916,403</u>	<u>45,298,381</u>	<u>1,381,978</u>
<b>Other Financing Sources</b>				
Inception of SBITA	--	--	381,377	381,377
Transfers in	145,970	1,297,286	1,618,319	321,033
<b>Total Revenues and Other Financing Sources</b>	<u>43,686,748</u>	<u>45,213,689</u>	<u>47,298,077</u>	<u>2,084,388</u>
<b>Expenditures</b>				
<b>Judicial</b>				
Circuit court	775,261	908,298	898,319	9,979
District court	1,830,252	1,858,977	1,855,309	3,668
Probate court	650,056	651,120	639,938	11,182
Family Court Judicial	754,153	761,221	755,167	6,054
Probation - district court	472,378	472,378	463,866	8,512
Family counseling services	24,127	17,125	9,000	8,125
Restitution	500,000	500,000	239,793	260,207
Prosecuting attorney	1,935,195	1,938,759	1,736,279	202,480
<b>Total Judicial</b>	<u>6,941,422</u>	<u>7,107,878</u>	<u>6,597,671</u>	<u>510,207</u>
<b>General Government</b>				
Board of commissioners	946,884	769,488	339,629	429,859
Administration Department	483,848	509,255	512,157	(2,902)
Elections	188,165	239,077	226,724	12,353
Finance department	478,246	485,332	505,261	(19,929)
Records management	106,873	109,609	114,820	(5,211)
Auditing services	56,000	56,000	50,000	6,000
Board of review	1,294	1,294	--	1,294
Clerk	786,247	795,512	777,953	17,559
Mail and copy services	245,216	247,922	231,266	16,656
Dumont lake complex	196,557	196,557	139,994	56,563
Equalization	586,815	607,874	606,980	894
Courthouse	329,347	329,347	400,499	(71,152)
Information technology	2,038,317	2,044,351	2,329,191	(284,840)
County survey and remonumentation	100,000	103,818	95,929	7,889
Treasurer	682,070	683,350	628,204	55,146
Land information services	193,081	193,081	149,764	43,317
Facilities management	3,117,613	3,138,254	3,013,113	125,141
<b>Total General Government</b>	<u>\$ 10,536,573</u>	<u>\$ 10,510,121</u>	<u>\$ 10,121,484</u>	<u>\$ 388,637</u>

Continued...

**Allegan County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**General Fund**  
**For the Year Ended December 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative) Final to Actual</b>
<b>Expenditures (continued from previous page)</b>				
<b>Public Safety</b>				
Sheriffs department	\$ 5,951,389	\$ 6,161,507	\$ 5,770,448	\$ 391,059
WEMET sheriffs department	114,508	119,480	117,192	2,288
Enforcement/secondary road patrol	374,233	386,969	335,478	51,491
Reserves	91,988	72,749	47,373	25,376
Detective bureau	914,359	985,127	902,771	82,356
Courthouse security	313,003	313,003	289,556	23,447
Marine law enforcement	123,330	259,071	234,532	24,539
Jail	4,075,871	4,110,871	3,825,172	285,699
Inmate programs	1,562,893	1,562,893	1,350,506	212,387
Emergency management	135,290	135,290	166,392	(31,102)
L.E.P.C	41,343	60,804	36,623	24,181
Animal shelter	185,841	185,841	176,213	9,628
Livestock claims	2,050	2,050	2,607	(557)
<b>Total Public Safety</b>	<u>13,886,098</u>	<u>14,355,655</u>	<u>13,254,863</u>	<u>1,100,792</u>
<b>Public Works</b>				
Department of public works	15,003	15,003	12,977	2,026
Drains - public benefit	140,000	140,000	94,045	45,955
<b>Total Public Works</b>	<u>155,003</u>	<u>155,003</u>	<u>107,022</u>	<u>47,981</u>
<b>Health and Welfare</b>				
Communicable diseases	7,500	7,500	787	6,713
Medical examiner	273,000	273,000	201,123	71,877
Veterans services	156,492	159,178	166,732	(7,554)
Mental Health	346,095	346,095	346,095	--
Child care welfare	3,011	3,011	1,433	1,578
<b>Total Health and Welfare</b>	<u>786,098</u>	<u>788,784</u>	<u>716,170</u>	<u>72,614</u>
<b>Community and Economic Development</b>				
Economic development	55,000	55,500	55,525	(25)
Plat board	405,005	461,905	434,594	27,311
Register of deeds	368,696	368,696	342,322	26,374
Cooperative extension	103,946	103,946	103,946	--
<b>Total Community and Economic Development</b>	<u>932,647</u>	<u>990,047</u>	<u>936,387</u>	<u>53,660</u>
<b>Other</b>				
Employees other fringe benefits	498,369	397,943	368,980	28,963
Insurance and bonds	385,000	385,000	385,000	--
<b>Total Other</b>	<u>883,369</u>	<u>782,943</u>	<u>753,980</u>	<u>28,963</u>
<b>Debt Service</b>				
<b>Total Expenditures</b>	<u>34,121,210</u>	<u>34,690,431</u>	<u>32,540,409</u>	<u>2,150,022</u>
<b>Other Financing Uses</b>				
Transfers out	9,748,975	13,466,218	12,562,984	903,234
<b>Total Expenditures and Other Financing Uses</b>	<u>43,870,185</u>	<u>48,156,649</u>	<u>45,103,393</u>	<u>3,053,256</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>				
	(183,437)	(2,942,960)	2,194,684	5,137,644
<b>Net Change in Fund Balance</b>	<u>(183,437)</u>	<u>(2,942,960)</u>	<u>2,194,684</u>	<u>5,137,644</u>
<i>Fund Balance at Beginning of Period</i>	17,282,091	17,282,091	17,282,091	--
<b>Fund Balance at End of Period</b>	<u>\$ 17,098,654</u>	<u>\$ 14,339,131</u>	<u>\$ 19,476,775</u>	<u>\$ 5,137,644</u>

Concluded.

**Allegan County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**259 Unfunded Accrued Liability**  
**For the Year Ended December 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative)</b>
				<b>Final to Actual</b>
<b>Revenues</b>				
Intergovernmental revenues - state	\$ 493,679	\$ 493,679	\$ 567,113	\$ 73,434
<i><b>Total Revenues</b></i>	<u>493,679</u>	<u>493,679</u>	<u>567,113</u>	<u>73,434</u>
<b>Other Financing Sources</b>				
Transfers in	<u>2,400,000</u>	<u>4,658,135</u>	<u>4,658,134</u>	<u>(1)</u>
<i><b>Total Revenues and Other Financing Sources</b></i>	<u>2,893,679</u>	<u>5,151,814</u>	<u>5,225,247</u>	<u>73,433</u>
<b>Expenditures</b>				
<i><b>Total Expenditures</b></i>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<i><b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures</b></i>	<u>2,893,679</u>	<u>5,151,814</u>	<u>5,225,247</u>	<u>73,433</u>
<i><b>Net Change in Fund Balance</b></i>	<u><b>2,893,679</b></u>	<u><b>5,151,814</b></u>	<u><b>5,225,247</b></u>	<u><b>73,433</b></u>
<i>Fund Balance at Beginning of Period</i>	4,835,277	4,835,277	4,835,277	--
<i><b>Fund Balance at End of Period</b></i>	<u><b>\$ 7,728,956</b></u>	<u><b>\$ 9,987,091</b></u>	<u><b>\$ 10,060,524</b></u>	<u><b>\$ 73,433</b></u>

**Allegan County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**299 American Rescue Plan Act - ARPA**  
**For the Year Ended December 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative)</b>
				<b>Final to Actual</b>
<b>Revenues</b>				
Intergovernmental revenues - federal	\$ 22,900,000	\$ 22,900,000	\$ 4,422,599	\$ (18,477,401)
Interest and rentals	--	--	1,040,339	1,040,339
<b>Total Revenues</b>	<u>22,900,000</u>	<u>22,900,000</u>	<u>5,462,938</u>	<u>(17,437,062)</u>
<b>Expenditures</b>				
Public works	22,900,000	22,900,000	4,422,601	18,477,399
<b>Total Expenditures</b>	<u>22,900,000</u>	<u>22,900,000</u>	<u>4,422,601</u>	<u>18,477,399</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	--	--	1,040,337	1,040,337
<b>Net Change in Fund Balance</b>	--	--	<b>1,040,337</b>	<b>1,040,337</b>
<i>Fund Balance at Beginning of Period</i>	150,291	150,291	150,291	--
<b>Fund Balance at End of Period</b>	<u>\$ 150,291</u>	<u>\$ 150,291</u>	<u>\$ 1,190,628</u>	<u>\$ 1,040,337</u>

**Allegan County**  
**Required Supplementary Information**  
**Schedule of Changes in Net Pension Liability (Asset) and Related Ratios**  
**Last Nine Plan Years \***

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Total Pension Liability</b>									
Service cost	\$ 383,910	\$ 397,012	\$ 387,131	\$ 547,472	\$ 563,239	\$ 566,872	\$ 575,360	\$ 630,413	\$ 630,185
Interest on total pension liability	5,298,569	5,287,415	5,061,448	5,302,851	5,176,056	5,158,817	5,101,578	4,873,458	4,758,873
Differences between expected and actual experience	982,034	248,542	(149,467)	632,920	355,330	(1,088,250)	(633,978)	331,814	-
Changes in assumptions **	-	2,687,085	2,581,598	2,424,842	-	-	-	3,070,911	-
Changes in benefits	-	-	-	(3,824,839)	-	-	-	-	-
Benefit payments, including refunds	(5,187,574)	(4,979,744)	(4,823,184)	(4,558,315)	(4,445,235)	(4,395,034)	(4,251,411)	(4,111,028)	(3,889,485)
Other changes	-	-	-	-	-	2,160,970	-	(351)	-
<b>Net Change in Pension Liability</b>	<u>1,476,939</u>	<u>3,640,310</u>	<u>3,057,526</u>	<u>524,931</u>	<u>1,649,390</u>	<u>2,403,375</u>	<u>791,549</u>	<u>4,795,217</u>	<u>1,499,573</u>
<i>Total Pension Liability - Beginning</i>	<u>75,513,859</u>	<u>71,873,549</u>	<u>68,816,023</u>	<u>68,291,092</u>	<u>66,641,702</u>	<u>64,238,327</u>	<u>63,446,778</u>	<u>58,651,561</u>	<u>57,151,988</u>
<b>Total Pension Liability - Ending (a)</b>	<u>\$ 76,990,798</u>	<u>\$ 75,513,859</u>	<u>\$ 71,873,549</u>	<u>\$ 68,816,023</u>	<u>\$ 68,291,092</u>	<u>\$ 66,641,702</u>	<u>\$ 64,238,327</u>	<u>\$ 63,446,778</u>	<u>\$ 58,651,561</u>
<b>Plan Fiduciary Net Position</b>									
Contributions - employer	\$ 8,154,779	\$ 829,944	\$ 556,320	\$ 587,231	\$ 392,628	\$ 6,727,018	\$ 368,383	\$ 338,220	\$ 19,657,679
Contributions - employee	219,423	240,036	253,603	297,326	281,627	281,302	314,894	323,859	331,471
Net investment income (loss)	(7,603,087)	9,426,334	7,820,652	8,042,589	(2,507,442)	7,736,509	6,026,562	(846,351)	2,512,269
Benefit payments, including refunds	(5,187,574)	(4,979,744)	(4,823,184)	(4,558,315)	(4,445,235)	(4,395,034)	(4,251,411)	(4,111,028)	(3,889,485)
Administrative expenses	(133,358)	(108,138)	(127,206)	(138,479)	(127,060)	(298,081)	(119,106)	(125,827)	(92,867)
Other changes/transfers	-	-	-	-	(79,216)	176,601	-	-	655,392
<b>Net Change in Plan Fiduciary Net Position</b>	<u>(4,549,817)</u>	<u>5,408,432</u>	<u>3,680,185</u>	<u>4,230,352</u>	<u>(6,484,698)</u>	<u>10,228,315</u>	<u>2,339,322</u>	<u>(4,421,127)</u>	<u>19,174,459</u>
<i>Plan Fiduciary Net Position - Beginning</i>	<u>73,654,353</u>	<u>68,245,921</u>	<u>64,565,736</u>	<u>60,335,384</u>	<u>66,820,082</u>	<u>56,591,767</u>	<u>54,252,445</u>	<u>58,673,572</u>	<u>39,499,113</u>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>\$ 69,104,536</u>	<u>\$ 73,654,353</u>	<u>\$ 68,245,921</u>	<u>\$ 64,565,736</u>	<u>\$ 60,335,384</u>	<u>\$ 66,820,082</u>	<u>\$ 56,591,767</u>	<u>\$ 54,252,445</u>	<u>\$ 58,673,572</u>
<b>Net Pension Liability (Asset) - Ending (a) - (b)</b>	\$ 7,886,262	\$ 1,859,506	\$ 3,627,628	\$ 4,250,287	\$ 7,955,708	\$ (178,380)	\$ 7,646,560	\$ 9,194,333	\$ (22,011)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	89.8%	97.5%	95.0%	93.8%	88.4%	100.3%	88.1%	85.5%	100.0%
Covered Payroll	\$ 2,879,961	\$ 3,177,470	\$ 3,228,732	\$ 3,726,380	\$ 3,854,768	\$ 3,936,371	\$ 4,073,529	4,606,328	4,648,412
Net Pension Liability (Asset) as a Percentage of Covered Payroll	273.8%	58.5%	112.4%	114.1%	206.4%	-4.5%	187.7%	199.6%	-0.5%

*Notes to the Schedule:*

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

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

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

2019 valuation - The investment rate of return assumption was reduced from 8.00% to 7.60%, the wage inflation assumption was reduced from 3.75% to 3.00%. Change in total pension liability during 2019 net of POLC contract amendments.

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

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

2022 valuation - The investment rate of return assumption was reduced from 7.25% to 7.00%.

**Allegan County  
Required Supplementary Information  
Schedule of Contributions  
Last Ten Calendar Years**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially Determined Contribution	\$ 767,192	\$ 1,114,924	\$ 829,944	\$ 556,320	\$ 583,429	\$ 392,628	\$ 910,448	\$ 378,583	\$ 338,220	\$ 1,822,367
Contributions in Relation to the Actuarially Determined Contribution	767,192	8,154,778	829,944	556,320	591,556	392,628	6,727,018	378,583	338,220	20,313,070
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ (7,039,854)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (8,127)</u>	<u>\$ -</u>	<u>\$ (5,816,570)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (18,490,703)</u>
Covered Payroll	\$ 2,931,466	\$ 2,879,961	\$ 3,177,470	\$ 3,228,732	\$ 3,726,380	\$ 3,854,768	\$ 3,936,371	\$ 4,073,529	\$ 4,606,328	\$ 4,648,412
Contributions as a Percentage of Covered Payroll	26.2%	283.2%	26.1%	17.2%	15.9%	10.2%	170.9%	9.3%	7.3%	0.0%

Notes to the Schedule:

**Valuation Date:** December 31, 2022

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

**Methods and Assumptions Used to Determine Contribution Rates**

Actuarial cost method	Entry-age normal
Amortization method	Level percentage of pay, closed
Remaining amortization period	1 - 10 Years, division specific
Asset valuation method	5 year smoothed
Inflation	2.50%
Salary increases	3.00%, including inflation
Investment rate of return	7.00%
Retirement age	Experience-Based Tables of Rates that are Specific to the Type of Eligibility Condition
Mortality	Rates Used were Based on the Pub-2010 Group Annuity Mortality Table of a 50% Male and 50% Female Blend

## **OTHER SUPPLEMENTARY INFORMATION**



**Allegan County**  
**General Fund Combining Balance Sheet**  
**All Funds Treated as General**  
**December 31, 2023**

	<u>101 General</u>	<u>102 Budget Stabilization Fund</u>	<u>252 Sick &amp; Vacation Liability</u>	<u>269 Law Library</u>	<u>211 Grant Administration</u>
<b>ASSETS</b>					
Cash and pooled investments	\$ 10,313,775	\$ 5,324,893	\$ 1,198,004	\$ 105,361	\$ 24,130
Accounts receivable	470,241	--	--	--	--
Leases receivable	1,736,917	--	--	--	--
Property taxes receivable	2,689,060	--	--	--	--
Due from other units of government	1,234,689	--	--	--	--
Prepays	361,409	--	--	--	--
Due from other funds	11,000	--	--	--	--
Advance to component unit	1,812,040	--	--	--	--
<b>Total Assets</b>	<b>\$ 18,629,131</b>	<b>\$ 5,324,893</b>	<b>\$ 1,198,004</b>	<b>\$ 105,361</b>	<b>\$ 24,130</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 385,605	\$ --	\$ --	\$ 159	\$ --
Accrued payroll	590,075	--	--	--	--
Bonds payable	--	--	--	--	--
Accrued liabilities	750	--	--	--	--
<b>Total Liabilities</b>	<b>976,430</b>	<b>--</b>	<b>--</b>	<b>159</b>	<b>--</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	2,116,757	--	--	--	--
Deferred leases revenue	1,598,601	--	--	--	--
Deferred settlement revenue	1,347,483	--	--	--	--
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>6,039,271</b>	<b>--</b>	<b>--</b>	<b>159</b>	<b>--</b>
<b>FUND BALANCE</b>					
Nonspendable	2,173,449	--	--	--	--
Committed	--	5,324,893	--	--	--
Assigned	1,847,354	--	--	105,202	24,130
Unassigned	8,569,057	--	1,198,004	--	--
<b>Total Fund Balance</b>	<b>12,589,860</b>	<b>5,324,893</b>	<b>1,198,004</b>	<b>105,202</b>	<b>24,130</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$ 18,629,131</b>	<b>\$ 5,324,893</b>	<b>\$ 1,198,004</b>	<b>\$ 105,361</b>	<b>\$ 24,130</b>

Continued...

**Allegan County  
General Fund Combining Balance Sheet  
All Funds Treated as General  
December 31, 2023**

	<b>290 Child Care Welfare</b>	<b>273 Technology Fund</b>	<b>108 GASB 84 Fund</b>	<b>Total General Funds</b>
<b>ASSETS</b>				
Cash and pooled investments	\$ 5,728	\$ 130,519	\$ 1,268,929	\$ 18,371,339
Accounts receivable	--	16,815	--	487,056
Leases receivable	--	--	--	1,736,917
Property taxes receivable	--	--	--	2,689,060
Due from other units of government	--	--	--	1,234,689
Prepays	--	--	--	361,409
Due from other funds	--	--	--	11,000
Advance to component unit	--	--	--	1,812,040
<b>Total Assets</b>	<b>\$ 5,728</b>	<b>\$ 147,334</b>	<b>\$ 1,268,929</b>	<b>\$ 26,703,510</b>
<b>LIABILITIES</b>				
Accounts payable	\$ --	\$ --	\$ --	\$ 385,764
Accrued payroll	--	--	--	590,075
Bonds payable	--	--	214,063	214,063
Accrued liabilities	--	1,493	971,749	973,992
<b>Total Liabilities</b>	<b>--</b>	<b>1,493</b>	<b>1,185,812</b>	<b>2,163,894</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue	--	--	--	2,116,757
Deferred leases revenue	--	--	--	1,598,601
Deferred settlement revenue	--	--	--	1,347,483
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>--</b>	<b>1,493</b>	<b>1,185,812</b>	<b>7,226,735</b>
<b>FUND BALANCE</b>				
Nonspendable	--	--	--	2,173,449
Committed	--	--	--	5,324,893
Assigned	5,728	145,841	--	2,128,255
Unassigned	--	--	83,117	9,850,178
<b>Total Fund Balance</b>	<b>5,728</b>	<b>145,841</b>	<b>83,117</b>	<b>19,476,775</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$ 5,728</b>	<b>\$ 147,334</b>	<b>\$ 1,268,929</b>	<b>\$ 26,703,510</b>

Concluded.

**Allegan County**  
**General Fund Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**All Funds Treated as General**  
**For the Year Ended December 31, 2023**

	<u>101 General</u>	<u>102 Budget Stabilization Fund</u>	<u>252 Sick &amp; Vacation Liability</u>	<u>269 Law Library</u>	<u>211 Grant Administration</u>
<b>Revenues</b>					
Taxes	\$ 33,899,411	\$ --	\$ --	\$ --	\$ --
Licenses and permits	53,076	--	--	--	--
Intergovernmental revenues - federal	121,168	--	--	--	--
Intergovernmental revenues - state	3,157,638	--	--	--	--
Charges for services	4,215,134	--	--	--	--
Fines and forfeitures	--	--	--	6,500	--
Interest and rentals	808,565	--	--	1,970	425
Other revenues	2,715,001	--	--	--	--
<b>Total Revenues</b>	<u>44,969,993</u>	<u>--</u>	<u>--</u>	<u>8,470</u>	<u>425</u>
<b>Expenditures</b>					
Judicial	6,325,522	--	--	32,356	--
General government	10,071,864	--	--	--	--
Public safety	13,254,863	--	--	--	--
Public works	107,022	--	--	--	--
Health and welfare	714,737	--	--	--	--
Community and economic development	936,387	--	--	--	--
Other	753,979	--	1	--	--
Debt service - principal	34,183	--	--	--	--
Debt service - interest	18,649	--	--	--	--
<b>Total Expenditures</b>	<u>32,217,206</u>	<u>--</u>	<u>1</u>	<u>32,356</u>	<u>--</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>12,752,787</u>	<u>--</u>	<u>(1)</u>	<u>(23,886)</u>	<u>425</u>
<b>Other Financing Sources (Uses)</b>					
Inception of SBITA	381,377	--	--	--	--
Transfers in	1,667,894	343,373	407,175	24,770	--
Transfers out	(12,965,639)	--	(463,488)	--	--
<b>Net Other Financing Sources (Uses)</b>	<u>(10,916,368)</u>	<u>343,373</u>	<u>(56,313)</u>	<u>24,770</u>	<u>--</u>
<b>Net Change in Fund Balance</b>	<b>1,836,419</b>	<b>343,373</b>	<b>(56,314)</b>	<b>884</b>	<b>425</b>
<b>Fund Balance at Beginning of Period</b>	<u>10,753,441</u>	<u>4,981,520</u>	<u>1,254,318</u>	<u>104,318</u>	<u>23,705</u>
<b>Fund Balance at End of Period</b>	<u>\$ 12,589,860</u>	<u>\$ 5,324,893</u>	<u>\$ 1,198,004</u>	<u>\$ 105,202</u>	<u>\$ 24,130</u>

Continued...

**Allegan County**  
**General Fund Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**All Funds Treated as General**  
**For the Year Ended December 31, 2023**

	<u>290 Child Care Welfare</u>	<u>273 Technology Fund</u>	<u>108 GASB 84 Fund</u>	<u>Elimination</u>	<u>Total General Funds</u>
<b>Revenues</b>					
Taxes	\$ --	\$ --	\$ --	\$ --	\$ 33,899,411
Licenses and permits	--	--	--	--	53,076
Intergovernmental revenues - federal	--	--	--	--	121,168
Intergovernmental revenues - state	--	--	--	--	3,157,638
Charges for services	--	--	227,403	--	4,442,537
Fines and forfeitures	--	--	--	--	6,500
Interest and rentals	--	--	--	--	810,960
Other revenues	--	92,090	--	--	2,807,091
<b>Total Revenues</b>	<u>--</u>	<u>92,090</u>	<u>227,403</u>	<u>--</u>	<u>45,298,381</u>
<b>Expenditures</b>					
Judicial	--	--	239,793	--	6,597,671
General government	--	49,620	--	--	10,121,484
Public safety	--	--	--	--	13,254,863
Public works	--	--	--	--	107,022
Health and welfare	1,433	--	--	--	716,170
Community and economic development	--	--	--	--	936,387
Other	--	--	--	--	753,980
Debt service - principal	--	--	--	--	34,183
Debt service - interest	--	--	--	--	18,649
<b>Total Expenditures</b>	<u>1,433</u>	<u>49,620</u>	<u>239,793</u>	<u>--</u>	<u>32,540,409</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(1,433)</u>	<u>42,470</u>	<u>(12,390)</u>	<u>--</u>	<u>12,757,972</u>
<b>Other Financing Sources (Uses)</b>					
Inception of SBITA	--	--	--	--	381,377
Transfers in	--	41,250	--	(866,143)	1,618,319
Transfers out	--	--	--	866,143	(12,562,984)
<b>Net Other Financing Sources (Uses)</b>	<u>--</u>	<u>41,250</u>	<u>--</u>	<u>--</u>	<u>(10,563,288)</u>
<b>Net Change in Fund Balance</b>	<u>(1,433)</u>	<u>83,720</u>	<u>(12,390)</u>	<u>--</u>	<u>2,194,684</u>
<b>Fund Balance at Beginning of Period</b>	<u>7,161</u>	<u>62,121</u>	<u>95,507</u>	<u>--</u>	<u>17,282,091</u>
<b>Fund Balance at End of Period</b>	<u>\$ 5,728</u>	<u>\$ 145,841</u>	<u>\$ 83,117</u>	<u>\$ --</u>	<u>\$ 19,476,775</u>

Concluded.

**Allegan County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2023**

	<b>Special Revenue</b>					
	<b>208 Parks &amp; Recreation Fund</b>	<b>213/261/496 Central Dispatch E911 Fund</b>	<b>215/216 Friend of the Court</b>	<b>288 Transportation</b>	<b>104 Local Revenue Sharing</b>	<b>298 Senior Millage</b>
<b>ASSETS</b>						
Cash and pooled investments	\$ 240,172	\$ 5,518,077	\$ 1,342,722	\$ 1,437,579	\$ 32,400	\$ 1,826,366
Accounts receivable	--	930,271	--	29,820	87,552	7,356
Property taxes receivable	--	--	--	--	--	3,028,984
Due from other units of government	--	84,307	318,709	96,039	--	67,374
Inventory	--	--	--	--	--	--
Prepays	--	195,008	--	12,222	--	8,579
<i>Total Assets</i>	<b>\$ 240,172</b>	<b>\$ 6,727,663</b>	<b>\$ 1,661,431</b>	<b>\$ 1,575,660</b>	<b>\$ 119,952</b>	<b>\$ 4,938,659</b>
<b>LIABILITIES</b>						
Accounts payable	\$ 10,373	\$ 260,160	\$ 3,790	\$ 121,649	\$ --	\$ 198,510
Accrued liabilities	4,431	39,394	33,985	7,482	--	4,744
Due to other units of government	--	--	550	--	--	--
Unearned revenue	--	--	--	--	--	--
Due to other funds	--	--	--	--	--	--
<i>Total Liabilities</i>	<b>14,804</b>	<b>299,554</b>	<b>38,325</b>	<b>129,131</b>	<b>--</b>	<b>203,254</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue	--	--	--	--	--	--
Revenues intended to finance a subsequent year	--	--	--	--	--	3,129,223
<i>Total Liabilities and Deferred Inflows of Resources</i>	<b>14,804</b>	<b>299,554</b>	<b>38,325</b>	<b>129,131</b>	<b>--</b>	<b>3,332,477</b>
<b>FUND BALANCE</b>						
Nonspendable	--	195,008	--	12,222	--	8,579
Restricted	225,368	6,233,101	1,623,106	1,434,307	--	1,597,603
Committed	--	--	--	--	119,952	--
Unassigned	--	--	--	--	--	--
<i>Total Fund Balance</i>	<b>225,368</b>	<b>6,428,109</b>	<b>1,623,106</b>	<b>1,446,529</b>	<b>119,952</b>	<b>1,606,182</b>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</i>	<b>\$ 240,172</b>	<b>\$ 6,727,663</b>	<b>\$ 1,661,431</b>	<b>\$ 1,575,660</b>	<b>\$ 119,952</b>	<b>\$ 4,938,659</b>

Continued...

**Allegan County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2023**

	<b>Special Revenue</b>					
	<b>221 Health</b>	<b>254 Animal Shelter</b>	<b>256 Register of Deeds Automation</b>	<b>265/272 Drug Law Enforcement</b>	<b>293 Soldiers Relief</b>	<b>264/266 Law Enforcement Training</b>
<b>ASSETS</b>						
Cash and pooled investments	\$ 2,260,533	\$ 56,132	\$ 947,697	\$ 118,905	\$ 107,840	\$ 59,244
Accounts receivable	--	--	--	--	298	2,100
Property taxes receivable	--	--	--	--	--	--
Due from other units of government	166,525	--	--	--	2,785	--
Inventory	25,307	--	--	--	--	--
Prepays	20,449	--	--	--	--	--
<b>Total Assets</b>	<b>\$ 2,472,814</b>	<b>\$ 56,132</b>	<b>\$ 947,697</b>	<b>\$ 118,905</b>	<b>\$ 110,923</b>	<b>\$ 61,344</b>
<b>LIABILITIES</b>						
Accounts payable	\$ 673,755	\$ 3,755	\$ 1,297	\$ --	\$ 997	\$ 1,270
Accrued liabilities	64,501	11,018	--	--	983	--
Due to other units of government	254,746	--	--	--	--	--
Unearned revenue	279,869	--	--	--	4,849	--
Due to other funds	--	--	--	--	--	--
<b>Total Liabilities</b>	<b>1,272,871</b>	<b>14,773</b>	<b>1,297</b>	<b>--</b>	<b>6,829</b>	<b>1,270</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue	--	--	--	--	--	--
Revenues intended to finance a subsequent year	--	--	--	--	--	--
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>1,272,871</b>	<b>14,773</b>	<b>1,297</b>	<b>--</b>	<b>6,829</b>	<b>1,270</b>
<b>FUND BALANCE</b>						
Nonspendable	45,756	--	--	--	--	--
Restricted	1,154,187	--	946,400	118,905	--	60,074
Committed	--	41,359	--	--	104,094	--
Unassigned	--	--	--	--	--	--
<b>Total Fund Balance</b>	<b>1,199,943</b>	<b>41,359</b>	<b>946,400</b>	<b>118,905</b>	<b>104,094</b>	<b>60,074</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$ 2,472,814</b>	<b>\$ 56,132</b>	<b>\$ 947,697</b>	<b>\$ 118,905</b>	<b>\$ 110,923</b>	<b>\$ 61,344</b>

Continued...

**Allegan County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2023**

	<b>Special Revenue</b>					
	<b>277 Housing Assistance</b>	<b>279/280 State and Federal Grants</b>	<b>286/287 Law Enforcement Road Patrol</b>	<b>214 Social Welfare</b>	<b>292 Child Care Probate</b>	<b>218 Farmland Preservation</b>
<b>ASSETS</b>						
Cash and pooled investments	\$ 141,797	\$ 310,551	\$ 190,598	\$ 29,955	\$ 171,136	\$ 238
Accounts receivable	--	1,389	--	--	--	--
Property taxes receivable	--	--	--	--	--	--
Due from other units of government	--	84,336	98,331	--	973,059	--
Inventory	--	--	--	--	--	--
Prepays	--	--	--	--	--	--
<i>Total Assets</i>	<b>\$ 141,797</b>	<b>\$ 396,276</b>	<b>\$ 288,929</b>	<b>\$ 29,955</b>	<b>\$ 1,144,195</b>	<b>\$ 238</b>
<b>LIABILITIES</b>						
Accounts payable	\$ 5,968	\$ 6,436	\$ 5,615	\$ --	\$ 64,952	\$ --
Accrued liabilities	--	8,839	52,890	--	102,587	--
Due to other units of government	--	--	--	--	--	--
Unearned revenue	--	100,000	--	--	--	--
Due to other funds	--	11,000	--	--	--	--
<i>Total Liabilities</i>	<b>5,968</b>	<b>126,275</b>	<b>58,505</b>	<b>--</b>	<b>167,539</b>	<b>--</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue	--	--	--	--	--	--
Revenues intended to finance a subsequent year	--	--	--	--	--	--
<i>Total Liabilities and Deferred Inflows of Resources</i>	<b>5,968</b>	<b>126,275</b>	<b>58,505</b>	<b>--</b>	<b>167,539</b>	<b>--</b>
<b>FUND BALANCE</b>						
Nonspendable	--	--	--	--	--	--
Restricted	135,829	270,001	230,424	--	--	--
Committed	--	--	--	29,955	976,656	238
Unassigned	--	--	--	--	--	--
<i>Total Fund Balance</i>	<b>135,829</b>	<b>270,001</b>	<b>230,424</b>	<b>29,955</b>	<b>976,656</b>	<b>238</b>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</i>	<b>\$ 141,797</b>	<b>\$ 396,276</b>	<b>\$ 288,929</b>	<b>\$ 29,955</b>	<b>\$ 1,144,195</b>	<b>\$ 238</b>

Continued...

**Allegan County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2023**

	<b>Special Revenue</b>					
	<b>296 Fitness Center</b>	<b>263 Concealed Pistol Licensing</b>	<b>245 Multi Agency Collaborative Committee</b>	<b>226 Solid Waste</b>	<b>260 Indigent Defense</b>	<b>284 Opioid Settlement</b>
<b>ASSETS</b>						
Cash and pooled investments	\$ 68,794	\$ 331,388	\$ 25,335	\$ 463,043	\$ 843,564	\$ 338,119
Accounts receivable	--	--	--	--	--	1,949,547
Property taxes receivable	--	--	--	--	--	--
Due from other units of government	--	--	--	41,881	--	--
Inventory	--	--	--	--	--	--
Prepays	--	--	--	996	--	--
<b>Total Assets</b>	<b>\$ 68,794</b>	<b>\$ 331,388</b>	<b>\$ 25,335</b>	<b>\$ 505,920</b>	<b>\$ 843,564</b>	<b>\$ 2,287,666</b>
<b>LIABILITIES</b>						
Accounts payable	\$ 225	\$ 300	\$ 5,762	\$ 60,298	\$ 612,210	\$ --
Accrued liabilities	--	1,133	--	--	37,315	--
Due to other units of government	--	--	--	--	--	--
Unearned revenue	--	--	--	71,524	--	--
Due to other funds	--	--	--	--	--	--
<b>Total Liabilities</b>	<b>225</b>	<b>1,433</b>	<b>5,762</b>	<b>131,822</b>	<b>649,525</b>	<b>--</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue	--	--	--	--	--	1,949,547
Revenues intended to finance a subsequent year	--	--	--	--	--	--
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>225</b>	<b>1,433</b>	<b>5,762</b>	<b>131,822</b>	<b>649,525</b>	<b>1,949,547</b>
<b>FUND BALANCE</b>						
Nonspendable	--	--	--	996	--	--
Restricted	--	329,955	--	373,102	194,039	338,119
Committed	68,569	--	19,573	--	--	--
Unassigned	--	--	--	--	--	--
<b>Total Fund Balance</b>	<b>68,569</b>	<b>329,955</b>	<b>19,573</b>	<b>374,098</b>	<b>194,039</b>	<b>338,119</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$ 68,794</b>	<b>\$ 331,388</b>	<b>\$ 25,335</b>	<b>\$ 505,920</b>	<b>\$ 843,564</b>	<b>\$ 2,287,666</b>

Continued...



**Allegan County  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2023**

	Special Revenue		Debt Service			Capital Projects		Total Nonmajor Governmental Funds
	257 Palisades Emergency Planning	367 Radio Debt	368 Pension Defined Benefit Debt	366 Jail Construction Bonds	492 Youth Home CIP	401 Public Improvement Fund		
<b>ASSETS</b>								
Cash and pooled investments	\$ 74,684	\$ 271,845	\$ 193,492	\$ 1	\$ 1,236,737	\$ 1,323,300	\$ 19,962,244	
Accounts receivable	--	--	--	--	--	111,417	3,119,750	
Property taxes receivable	--	--	--	--	--	--	3,028,984	
Due from other units of government	--	--	--	--	--	--	1,933,346	
Inventory	--	--	--	--	--	--	25,307	
Prepays	--	--	--	--	--	6,338	243,592	
<b>Total Assets</b>	<b>\$ 74,684</b>	<b>\$ 271,845</b>	<b>\$ 193,492</b>	<b>\$ 1</b>	<b>\$ 1,236,737</b>	<b>\$ 1,441,055</b>	<b>\$ 28,313,223</b>	
<b>LIABILITIES</b>								
Accounts payable	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 228,146	\$ 2,265,468	
Accrued liabilities	--	--	--	--	--	--	369,302	
Due to other units of government	--	--	--	--	--	--	255,296	
Unearned revenue	--	--	--	--	--	--	456,242	
Due to other funds	--	--	--	--	--	--	11,000	
<b>Total Liabilities</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>228,146</b>	<b>3,357,308</b>	
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Unavailable revenue	--	--	--	--	--	--	1,949,547	
Revenues intended to finance a subsequent year	--	--	--	--	--	--	3,129,223	
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>228,146</b>	<b>8,436,078</b>	
<b>FUND BALANCE</b>								
Nonspendable	--	--	--	--	--	6,338	268,899	
Restricted	74,684	--	193,492	1	--	--	15,532,697	
Committed	--	271,845	--	--	1,236,737	1,206,571	4,075,549	
Unassigned	--	--	--	--	--	--	--	
<b>Total Fund Balance</b>	<b>74,684</b>	<b>271,845</b>	<b>193,492</b>	<b>1</b>	<b>1,236,737</b>	<b>1,212,909</b>	<b>19,877,145</b>	
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$ 74,684</b>	<b>\$ 271,845</b>	<b>\$ 193,492</b>	<b>\$ 1</b>	<b>\$ 1,236,737</b>	<b>\$ 1,441,055</b>	<b>\$ 28,313,223</b>	

Concluded.

**Allegan County**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2023**

	<b>Special Revenue</b>					
	<b>208 Parks &amp; Recreation Fund</b>	<b>213/261/496 Central Dispatch E911 Fund</b>	<b>215/216 Friend of the Court</b>	<b>288 Transportation</b>	<b>104 Local Revenue Sharing</b>	<b>298 Senior Millage</b>
<b>Revenues</b>						
Taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 2,898,901
Licenses and permits	--	--	--	--	--	--
Intergovernmental revenues - federal	--	--	1,162,893	1,580,099	--	--
Intergovernmental revenues - state	--	--	130,067	1,062,256	--	187,487
Intergovernmental revenues - local	--	--	--	--	356,225	--
Charges for services	131,144	4,033,877	92,688	325,276	--	--
Fines and forfeitures	--	--	--	--	--	--
Interest and rentals	21,502	106,783	24,230	36,574	--	49,687
Other revenues	--	3,948	9,106	--	--	1,686
<b>Total Revenues</b>	<b>152,646</b>	<b>4,144,608</b>	<b>1,418,984</b>	<b>3,004,205</b>	<b>356,225</b>	<b>3,137,761</b>
<b>Expenditures</b>						
Judicial	--	--	1,787,694	--	--	--
General government	--	--	--	--	--	--
Public safety	--	2,792,251	--	--	--	--
Public works	--	--	--	3,405,325	--	--
Health and welfare	--	--	--	--	--	2,856,108
Recreation and cultural	485,125	--	--	--	--	--
Community and economic development	--	--	--	--	--	--
Capital outlay	--	--	--	--	--	--
Debt service - principal	--	--	--	--	--	--
Debt service - interest	--	--	--	--	--	--
<b>Total Expenditures</b>	<b>485,125</b>	<b>2,792,251</b>	<b>1,787,694</b>	<b>3,405,325</b>	<b>--</b>	<b>2,856,108</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(332,479)</b>	<b>1,352,357</b>	<b>(368,710)</b>	<b>(401,120)</b>	<b>356,225</b>	<b>281,653</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	361,554	--	637,026	830,154	--	--
Transfers out	(46,279)	(909,585)	(65,243)	--	(450,102)	--
<b>Net Other Financing Sources (Uses)</b>	<b>315,275</b>	<b>(909,585)</b>	<b>571,783</b>	<b>830,154</b>	<b>(450,102)</b>	<b>--</b>
<b>Net Change in Fund Balance</b>	<b>(17,204)</b>	<b>442,772</b>	<b>203,073</b>	<b>429,034</b>	<b>(93,877)</b>	<b>281,653</b>
<i>Fund Balance at Beginning of Period</i>	242,572	5,985,337	1,420,033	1,017,495	213,829	1,324,529
<b>Fund Balance at End of Period</b>	<b>\$ 225,368</b>	<b>\$ 6,428,109</b>	<b>\$ 1,623,106</b>	<b>\$ 1,446,529</b>	<b>\$ 119,952</b>	<b>\$ 1,606,182</b>

Continued...

**Allegan County**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2023**

	<b>Special Revenue</b>					
	<b>221 Health</b>	<b>254 Animal Shelter</b>	<b>256 Register of Deeds Automation</b>	<b>265/272 Drug Law Enforcement</b>	<b>293 Soldiers Relief</b>	<b>264/266 Law Enforcement Training</b>
<b>Revenues</b>						
Taxes	\$ --	\$ --	\$ --	\$ --	\$ 128,160	\$ --
Licenses and permits	917,569	--	--	--	--	--
Intergovernmental revenues - federal	1,026,737	--	--	--	--	--
Intergovernmental revenues - state	1,454,451	--	--	--	116,352	23,585
Intergovernmental revenues - local	--	650	--	--	--	--
Charges for services	120,468	2,040	94,975	--	--	20,439
Fines and forfeitures	--	--	--	39,401	--	--
Interest and rentals	48,407	--	16,253	2,247	1,032	1,073
Other revenues	220,049	401	--	--	--	--
<b>Total Revenues</b>	<b>3,787,681</b>	<b>3,091</b>	<b>111,228</b>	<b>41,648</b>	<b>245,544</b>	<b>45,097</b>
<b>Expenditures</b>						
Judicial	--	--	--	--	--	--
General government	--	--	--	--	--	--
Public safety	--	135,744	--	34,036	--	54,676
Public works	--	--	--	--	--	--
Health and welfare	4,219,829	--	--	--	233,071	--
Recreation and cultural	--	--	--	--	--	--
Community and economic development	--	--	48,538	--	--	--
Capital outlay	--	--	--	--	--	--
Debt service - principal	--	--	--	--	--	--
Debt service - interest	--	--	--	--	--	--
<b>Total Expenditures</b>	<b>4,219,829</b>	<b>135,744</b>	<b>48,538</b>	<b>34,036</b>	<b>233,071</b>	<b>54,676</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(432,148)</b>	<b>(132,653)</b>	<b>62,690</b>	<b>7,612</b>	<b>12,473</b>	<b>(9,579)</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	1,082,987	132,654	--	--	--	--
Transfers out	(1,194,997)	--	--	--	--	--
<b>Net Other Financing Sources (Uses)</b>	<b>(112,010)</b>	<b>132,654</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Net Change in Fund Balance</b>	<b>(544,158)</b>	<b>1</b>	<b>62,690</b>	<b>7,612</b>	<b>12,473</b>	<b>(9,579)</b>
<i>Fund Balance at Beginning of Period</i>	1,744,101	41,358	883,710	111,293	91,621	69,653
<b>Fund Balance at End of Period</b>	<b>\$ 1,199,943</b>	<b>\$ 41,359</b>	<b>\$ 946,400</b>	<b>\$ 118,905</b>	<b>\$ 104,094</b>	<b>\$ 60,074</b>

Continued...

**Allegan County**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2023**

	<b>Special Revenue</b>					
	<b>277 Housing Assistance</b>	<b>279/280 State and Federal Grants</b>	<b>286/287 Law Enforcement Road Patrol</b>	<b>214 Social Welfare</b>	<b>292 Child Care Probate</b>	<b>218 Farmland Preservation</b>
<b>Revenues</b>						
Taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Licenses and permits	--	--	--	--	--	--
Intergovernmental revenues - federal	--	168,136	--	--	77,501	--
Intergovernmental revenues - state	--	581,967	--	--	2,924,743	--
Intergovernmental revenues - local	--	--	1,486,675	--	--	--
Charges for services	--	24,376	--	--	246,701	--
Fines and forfeitures	--	--	--	--	--	--
Interest and rentals	2,501	--	--	--	--	--
Other revenues	--	14,228	--	--	357	--
<b>Total Revenues</b>	<b>2,501</b>	<b>788,707</b>	<b>1,486,675</b>	<b>--</b>	<b>3,249,302</b>	<b>--</b>
<b>Expenditures</b>						
Judicial	--	--	--	--	--	--
General government	--	--	--	--	--	--
Public safety	--	794,285	1,874,951	--	--	--
Public works	--	--	--	--	--	--
Health and welfare	--	--	--	--	5,376,453	--
Recreation and cultural	--	--	--	--	--	--
Community and economic development	5,998	--	--	--	--	--
Capital outlay	--	--	--	--	--	--
Debt service - principal	--	--	--	--	--	--
Debt service - interest	--	--	--	--	--	--
<b>Total Expenditures</b>	<b>5,998</b>	<b>794,285</b>	<b>1,874,951</b>	<b>--</b>	<b>5,376,453</b>	<b>--</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(3,497)</b>	<b>(5,578)</b>	<b>(388,276)</b>	<b>--</b>	<b>(2,127,151)</b>	<b>--</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	--	28,301	399,816	--	2,871,342	--
Transfers out	--	--	--	--	(584,757)	--
<b>Net Other Financing Sources (Uses)</b>	<b>--</b>	<b>28,301</b>	<b>399,816</b>	<b>--</b>	<b>2,286,585</b>	<b>--</b>
<b>Net Change in Fund Balance</b>	<b>(3,497)</b>	<b>22,723</b>	<b>11,540</b>	<b>--</b>	<b>159,434</b>	<b>--</b>
<b>Fund Balance at Beginning of Period</b>	<b>139,326</b>	<b>247,278</b>	<b>218,884</b>	<b>29,955</b>	<b>817,222</b>	<b>238</b>
<b>Fund Balance at End of Period</b>	<b>\$ 135,829</b>	<b>\$ 270,001</b>	<b>\$ 230,424</b>	<b>\$ 29,955</b>	<b>\$ 976,656</b>	<b>\$ 238</b>

Continued...

**Allegan County**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2023**

	<b>Special Revenue</b>					
	<b>296 Fitness Center</b>	<b>263 Concealed Pistol Licensing</b>	<b>245 Multi Agency Collaborative Committee</b>	<b>226 Solid Waste</b>	<b>260 Indigent Defense</b>	<b>284 Opioid Settlement</b>
<b>Revenues</b>						
Taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Licenses and permits	--	69,653	--	--	--	--
Intergovernmental revenues - federal	--	--	--	--	--	--
Intergovernmental revenues - state	--	--	--	--	3,989,329	--
Intergovernmental revenues - local	--	--	--	--	309,099	--
Charges for services	1,539	--	--	1,117,251	--	--
Fines and forfeitures	--	--	--	--	--	--
Interest and rentals	--	--	--	14,953	9,499	4,645
Other revenues	--	--	--	56,074	--	333,474
<b>Total Revenues</b>	<b>1,539</b>	<b>69,653</b>	<b>--</b>	<b>1,188,278</b>	<b>4,307,927</b>	<b>338,119</b>
<b>Expenditures</b>						
Judicial	--	--	--	--	4,419,466	--
General government	1,207	68,150	--	--	--	--
Public safety	--	--	--	--	--	--
Public works	--	--	--	1,118,640	--	--
Health and welfare	--	--	6,708	--	--	--
Recreation and cultural	--	--	--	--	--	--
Community and economic development	--	--	--	--	--	--
Capital outlay	--	--	--	--	--	--
Debt service - principal	--	--	--	--	--	--
Debt service - interest	--	--	--	--	--	--
<b>Total Expenditures</b>	<b>1,207</b>	<b>68,150</b>	<b>6,708</b>	<b>1,118,640</b>	<b>4,419,466</b>	<b>--</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>332</b>	<b>1,503</b>	<b>(6,708)</b>	<b>69,638</b>	<b>(111,539)</b>	<b>338,119</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	--	--	7,467	--	236,039	--
Transfers out	--	--	--	--	--	--
<b>Net Other Financing Sources (Uses)</b>	<b>--</b>	<b>--</b>	<b>7,467</b>	<b>--</b>	<b>236,039</b>	<b>--</b>
<b>Net Change in Fund Balance</b>	<b>332</b>	<b>1,503</b>	<b>759</b>	<b>69,638</b>	<b>124,500</b>	<b>338,119</b>
<i>Fund Balance at Beginning of Period</i>	68,237	328,452	18,814	304,460	69,539	--
<b>Fund Balance at End of Period</b>	<b>\$ 68,569</b>	<b>\$ 329,955</b>	<b>\$ 19,573</b>	<b>\$ 374,098</b>	<b>\$ 194,039</b>	<b>\$ 338,119</b>

Continued...

**Allegan County**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2023**

	Special Revenue	Debt Service			Capital Projects		Total Nonmajor Governmental Funds
	257 Palisades Emergency Planning	367 Radio Debt	368 Pension Defined Benefit Debt	366 Jail Construction Bonds	492 Youth Home CIP	401 Public Improvement Fund	
<b>Revenues</b>							
Taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 3,027,061
Licenses and permits	--	--	--	--	--	--	987,222
Intergovernmental revenues - federal	--	--	--	--	--	--	4,015,366
Intergovernmental revenues - state	--	--	--	--	--	2,015,150	12,485,387
Intergovernmental revenues - local	20,001	--	--	--	--	--	2,172,650
Charges for services	--	--	--	--	--	--	6,210,774
Fines and forfeitures	--	--	--	--	--	--	39,401
Interest and rentals	--	--	--	--	--	25,226	364,612
Other revenues	--	--	--	--	--	210,338	849,661
<b>Total Revenues</b>	<b>20,001</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>2,250,714</b>	<b>30,152,134</b>
<b>Expenditures</b>							
Judicial	--	--	--	--	--	--	6,207,160
General government	--	--	--	--	--	--	69,357
Public safety	--	--	--	--	--	--	5,685,943
Public works	--	--	--	--	--	--	4,523,965
Health and welfare	--	--	--	--	--	--	12,692,169
Recreation and cultural	--	--	--	--	--	--	485,125
Community and economic development	--	--	--	--	--	--	54,536
Capital outlay	--	--	--	--	46,043	2,386,179	2,432,222
Debt service - principal	--	893,243	785,000	700,000	--	--	2,378,243
Debt service - interest	--	16,342	345,995	257,000	--	--	619,337
<b>Total Expenditures</b>	<b>--</b>	<b>909,585</b>	<b>1,130,995</b>	<b>957,000</b>	<b>46,043</b>	<b>2,386,179</b>	<b>35,148,057</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>20,001</b>	<b>(909,585)</b>	<b>(1,130,995)</b>	<b>(957,000)</b>	<b>(46,043)</b>	<b>(135,465)</b>	<b>(4,995,923)</b>
<b>Other Financing Sources (Uses)</b>							
Transfers in	--	909,585	1,226,840	957,000	523,210	184,827	10,388,802
Transfers out	--	--	--	--	--	--	(3,250,963)
<b>Net Other Financing Sources (Uses)</b>	<b>--</b>	<b>909,585</b>	<b>1,226,840</b>	<b>957,000</b>	<b>523,210</b>	<b>184,827</b>	<b>7,137,839</b>
<b>Net Change in Fund Balance</b>	<b>20,001</b>	<b>--</b>	<b>95,845</b>	<b>--</b>	<b>477,167</b>	<b>49,362</b>	<b>2,141,916</b>
<i>Fund Balance at Beginning of Period</i>	54,683	271,845	97,647	1	759,570	1,163,547	17,735,229
<b>Fund Balance at End of Period</b>	<b>\$ 74,684</b>	<b>\$ 271,845</b>	<b>\$ 193,492</b>	<b>\$ 1</b>	<b>\$ 1,236,737</b>	<b>\$ 1,212,909</b>	<b>\$ 19,877,145</b>

Concluded.

**Allegan County**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**December 31, 2023**

	<b>Internal Service</b>		
	<b>677 Self- Insurance</b>	<b>661 Fleet Management</b>	<b>Total Internal Service Funds</b>
<b>ASSETS</b>			
<i>Current Assets</i>			
Cash and pooled investments	\$ 3,930,129	\$ 278	\$ 3,930,407
Accounts receivable	3,319	--	3,319
Prepays	877,355	--	877,355
<b>Total Assets</b>	<b>4,810,803</b>	<b>278</b>	<b>4,811,081</b>
<b>LIABILITIES</b>			
<i>Current Liabilities</i>			
Accounts payable	6,263	--	6,263
Accrued liabilities	1,291,853	80	1,291,933
<b>Total Liabilities</b>	<b>1,298,116</b>	<b>80</b>	<b>1,298,196</b>
<b>NET POSITION</b>			
<i>Unrestricted</i>	3,512,687	198	3,512,885
<b>Total Net Position</b>	<b>\$ 3,512,687</b>	<b>\$ 198</b>	<b>\$ 3,512,885</b>

**Allegan County**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Internal Service Funds**  
**For the Year Ended December 31, 2023**

	<b>Internal Service</b>		
	<b>677 Self- Insurance</b>	<b>661 Fleet Management</b>	<b>Total Internal Service Funds</b>
<b>Operating Revenues</b>			
Charges for services	\$ 6,088,915	\$ --	\$ 6,088,915
Other revenues	287,928	11,429	299,357
<b><i>Total Operating Revenues</i></b>	<b>6,376,843</b>	<b>11,429</b>	<b>6,388,272</b>
<b>Operating Expenses</b>			
Administrative expense	--	22,863	22,863
Insurance and employee benefits expense	6,793,784	--	6,793,784
<b><i>Total Operating Expenses</i></b>	<b>6,793,784</b>	<b>22,863</b>	<b>6,816,647</b>
<b><i>Operating Income (Loss)</i></b>	<b>(416,941)</b>	<b>(11,434)</b>	<b>(428,375)</b>
<b>Non-Operating Revenues (Expenses)</b>			
Investment income	719	--	719
<b><i>Net Non-Operating Revenues (Expenses)</i></b>	<b>719</b>	<b>--</b>	<b>719</b>
<b><i>Income Before Transfers</i></b>	<b>(416,222)</b>	<b>(11,434)</b>	<b>(427,656)</b>
Transfers in	--	11,500	11,500
<b><i>Change In Net Position</i></b>	<b>(416,222)</b>	<b>66</b>	<b>(416,156)</b>
<i>Net Position at Beginning of Period</i>	3,928,909	132	3,929,041
<b><i>Net Position at End of Period</i></b>	<b>\$ 3,512,687</b>	<b>\$ 198</b>	<b>\$ 3,512,885</b>



**Allegan County**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended December 31, 2023**

	<u>Internal Service</u>		
	<u>677 Self- Insurance</u>	<u>661 Fleet Management</u>	<u>Total Internal Service Funds</u>
<b>Cash Flows from Operating Activities</b>			
Cash received from interfund services provided	\$ 6,376,494	\$ 11,429	\$ 6,387,923
Cash payments for fleet management	-	(23,566)	(23,566)
Cash payments for insurance and employee benefits	(6,617,871)	-	(6,617,871)
<b><i>Net Cash Used by Operating Activities</i></b>	<u>(241,377)</u>	<u>(12,137)</u>	<u>(253,514)</u>
<b>Cash Flows from Non-capital Financing Activities</b>			
Transfer from other funds	-	11,500	11,500
<b><i>Net Cash Provided by Non-capital Financing Activities</i></b>	<u>-</u>	<u>11,500</u>	<u>11,500</u>
<b>Cash Flows from Investing Activities</b>			
Investment income	719	-	719
<b><i>Net Cash Provided by Investing Activities</i></b>	<u>719</u>	<u>-</u>	<u>719</u>
<b><i>Net Decrease in Cash and Pooled Investments</i></b>	(240,658)	(637)	(241,295)
<b><i>Cash and Pooled Investments - Beginning of Year</i></b>	4,170,787	915	4,171,702
<b><i>Cash and Pooled Investments - End of Year</i></b>	<u>\$ 3,930,129</u>	<u>\$ 278</u>	<u>\$ 3,930,407</u>
<b>Reconciliation of Operating Loss to</b>			
<b>Net Cash Used in Operating Activities</b>			
Operating loss	\$ (416,941)	\$ (11,434)	\$ (428,375)
<b>Adjustments to Reconcile Operating Loss to</b>			
<b>Net Cash Used in Operating Activities</b>			
<b>Changes in Assets and Liabilities</b>			
Accounts receivable	(349)	-	(349)
Prepays	(329,009)	-	(329,009)
Accounts payable	6,263	(520)	5,743
Accrued liabilities	498,659	(183)	498,476
<b><i>Net Cash Used by Operating Activities</i></b>	<u>\$ (241,377)</u>	<u>\$ (12,137)</u>	<u>\$ (253,514)</u>

**ALLEGAN COUNTY TRANSPORTATION FUND SCHEDULES**

**Allegan County Transportation  
Local Revenue  
Schedule 1  
For the Year Ended December 31, 2023**

	<b>1/1/2023</b>	<b>10/1/2023</b>	
	<b>to</b>	<b>to</b>	
	<b>9/30/2023</b>	<b>12/31/2023</b>	<b>Total</b>
	<hr/>	<hr/>	<hr/>
<b>Nonurban - Regular Service</b>			
Farebox revenues	\$ 100,660	\$ 24,297	\$ 124,957
Local service contracts	135,610	61,869	197,479
Rental of bldgs. or other property (leased space)	14,367	4,725	19,092
Interest income	-	17,482	17,482
Transfer in from County	622,616	207,538	830,154
	<hr/>	<hr/>	<hr/>
Total nonurban regular service	873,253	315,911	1,189,164
	<hr/>	<hr/>	<hr/>
<b>Job Access Reverse Commute</b>			
Farebox revenues	2,166	674	2,840
	<hr/>	<hr/>	<hr/>
<b>Total Local Revenue</b>	<b>\$ 875,419</b>	<b>\$ 316,585</b>	<b>\$ 1,192,004</b>
	<hr/>	<hr/>	<hr/>

**Allegan County Transportation  
Local Revenue  
Schedule 1A  
For the Year Ended September 30, 2023**

	<b>10/1/2022 to 12/31/2022</b>	<b>1/1/2023 to 9/30/2023</b>	<b>Total</b>
<b>Nonurban - Regular Service</b>			
Farebox revenues	\$ 24,335	\$ 100,660	\$ 124,995
Local service contracts	49,398	135,610	185,008
Rental of bldgs. or other property (leased space)	5,219	14,367	19,586
Gains from the sale of capital assets	11,144	-	11,144
Transfer in from County	182,500	622,616	805,116
	<u>272,596</u>	<u>873,253</u>	<u>1,145,849</u>
<b>Job Access Reverse Commute</b>			
Farebox revenues	<u>636</u>	<u>2,166</u>	<u>2,802</u>
<b>Total Local Revenue</b>	<u>\$ 273,232</u>	<u>\$ 875,419</u>	<u>\$ 1,148,651</u>

**Allegan County Transportation  
Expenditures of Federal and State Awards  
Schedule 2  
For the Year Ended December 31, 2023**

<u>Federal and State Grantor / Pass-Through Grantor / Program Title</u>	<u>Assistance Listing Number</u>	<u>Grant No./ Authorization Number</u>	<u>Program Award Amount</u>	<u>Current Year's Expenditures</u>		
				<u>Total</u>	<u>Federal</u>	<u>State</u>
<b>U.S. Department of Transportation</b>						
Passed Through Michigan Department of Transportation						
Operating assistance - section 5311						
Operating assistance - American Rescue Plan Act (2023)	20.509	2022-0004/P10	\$ 650,412	\$ 471,871	\$ 471,871	\$ -
Operating assistance - Job Access Reverse Commute (2023) (50%)	20.516	2022-0004/P8	51,150	38,363	38,363	-
Operating assistance - Job Access Reverse Commute (2024) (50%)	20.516	2022-0004/P16	51,150	12,787	12,787	-
Capital grants						
Capital grant - section 5310 - New Freedom (2023) (80%)	20.513	2022-0004/P5	50,000	35,056	35,056	-
Capital grant - section 5310 - New Freedom (2024) (80%)	20.513	2022-0004/P14	50,000	16,310	16,310	-
Capital grant - section 5311 (2019) (80%)	20.509	2017-0003/P20-R1	244,800	228,000	228,000	-
Capital grant - section 5311 (2020) (80%)	20.509	2017-0003/P27	304,000	304,000	304,000	-
Capital grant - section 5311 - Highway Infrastructure Program (2022)	20.509	2022-0004/P6	56,000	53,154	53,154	-
Capital grant - section 5339 (2020) (80%)	20.526	2017-0003/P25	62,050	62,050	62,050	-
Capital grant - section 5339 (2022) (80%)	20.526	2022-0004/P9	461,022	349,491	349,491	-
Rural Transit Assistance Program (RTAP)	20.509	195-741	10,000	9,017	9,017	-
<b>Total Federal assistance</b>			<u>1,990,584</u>	<u>1,580,099</u>	<u>1,580,099</u>	<u>-</u>
<b>Michigan Department of Transportation</b>						
Operating assistance - Act 51						
Local bus operating assistance - Act 51 (2019)	N/A	FY2019	1,388	1,388	-	1,388
Local bus operating assistance - Act 51 (2022)	N/A	FY2022	43,260	43,260	-	43,260
Local bus operating assistance - Act 51 (2023)	N/A	FY2023	632,081	416,568	-	416,568
Local bus operating assistance - Act 51 (2024)	N/A	FY2024	768,513	223,875	-	223,875
Operating assistance - Job Access Reverse Commute (2023) (50%)	N/A	2022-0004/P8	51,150	38,363	-	38,363
Operating assistance - Job Access Reverse Commute (2024) (50%)	N/A	2022-0004/P16	51,150	12,786	-	12,786
Capital grants						
Capital grant - section 5310 - New Freedom (2023) (20%)	N/A	2022-0004/P5	12,500	8,764	-	8,764
Capital grant - section 5310 - New Freedom (2024) (20%)	N/A	2022-0004/P14	12,500	4,078	-	4,078
Capital grant - section 5311 (2019) (20%)	N/A	2017-0003/P20-R1	57,000	57,000	-	57,000
Capital grant - section 5311 (2020) (20%)	N/A	2017-0003/P27	76,000	76,000	-	76,000
Capital grant - section 5339 (2020) (20%)	N/A	2017-0003/P25	15,513	15,513	-	15,513
Capital grant - section 5339 (2022) (20%)	N/A	2022-0004/P9	115,256	87,373	-	87,373
Capital grant - (2019)	N/A	2017-0003/P21/R1	77,288	77,288	-	77,288
<b>Total State assistance</b>			<u>1,913,599</u>	<u>1,062,256</u>	<u>-</u>	<u>1,062,256</u>
<b>Total State and Federal assistance</b>			<u>\$ 3,904,183</u>	<u>\$ 2,642,355</u>	<u>\$ 1,580,099</u>	<u>\$ 1,062,256</u>

**Allegan County Transportation  
Federal and State Awards  
Operating Revenue Only  
Schedule 2A  
For the Year Ended December 31, 2023**

	<b>1/1/2023 to 9/30/2023</b>	<b>10/1/2023 to 12/31/2023</b>	<b>Total</b>
<b>Federal Transit Administration</b>			
Operating assistance - American Rescue Plan Act	\$ 498,358	\$ (26,487)	\$ 471,871
Job Access Reverse Commute (U.S. DOT 50%)	38,363	12,787	51,150
Rural Transit Assistance Program (RTAP)	9,015	2	9,017
Total Federal Transit Administration	<u>545,736</u>	<u>(13,698)</u>	<u>532,038</u>
<b>Michigan Department of Transportation</b>			
Local bus operating assistance - Act 51	475,620	209,471	685,091
Operating assistance - Job Access Reverse Commute (MDOT 50%)	38,363	12,786	51,149
Total Michigan Department of Transportation	<u>513,983</u>	<u>222,257</u>	<u>736,240</u>
<b>Total Operating Revenue - Federal and State</b>	<u>\$ 1,059,719</u>	<u>\$ 208,559</u>	<u>\$ 1,268,278</u>

**Allegan County Transportation  
Federal and State Awards  
Operating Revenue Only  
Schedule 2B  
For the Year Ended September 30, 2023**

	<b>10/1/2022 to 12/31/2022</b>	<b>1/1/2023 to 9/30/2023</b>	<b>Total</b>
<b>Federal Transit Administration</b>			
Operating assistance - American Rescue Plan Act	\$ 146,240	\$ 498,358	\$ 644,598
Job Access Reverse Commute (U.S. DOT 50%)	12,787	38,363	51,150
Rural Transit Assistance Program (RTAP)	527	9,015	9,542
Total Federal Transit Administration	<u>159,554</u>	<u>545,736</u>	<u>705,290</u>
<b>Michigan Department of Transportation</b>			
Local bus operating assistance - Act 51	156,213	475,620	631,833
Operating assistance - Job Access Reverse Commute (MDOT 50%)	12,787	38,363	51,150
Total Michigan Department of Transportation	<u>169,000</u>	<u>513,983</u>	<u>682,983</u>
<b>Total Operating Revenue - Federal and State</b>	<u>\$ 328,554</u>	<u>\$ 1,059,719</u>	<u>\$ 1,388,273</u>

**Allegan County Transportation  
Operating and Contract Expenses  
Schedule 3  
For the Year Ended December 31, 2023**

	<u>Nonurban</u>	<u>Job Access Reverse Commute</u>	<u>New Freedom</u>	<u>Total</u>
<b>Expenses</b>				
Labor	\$ 1,076,720	\$ 59,155	\$ 46,134	\$ 1,182,009
Fringe benefits	190,710	10,470	16,380	217,560
Services	50,883	2,828	-	53,711
Materials and supplies	1,556,584	13,842	-	1,570,426
Utilities	44,996	2,496	-	47,492
Insurance	198,380	10,952	387	209,719
Miscellaneous	22,065	580	-	22,645
Operating leases and rentals	87,767	4,856	9,140	101,763
<b>Total Expenses</b>	<u>3,228,105</u>	<u>105,179</u>	<u>72,041</u>	<u>3,405,325</u>
<b>Less: Ineligible Expenses</b>	<u>(1,334,781)</u>	<u>(4,780)</u>	<u>(72,041)</u>	<u>(1,411,602)</u>
<b>Total Eligible Expenses</b>	<u>\$ 1,893,324</u>	<u>\$ 100,399</u>	<u>\$ -</u>	<u>\$ 1,993,723</u>



**Allegan County Transportation**  
**Operating and Contract Expenses Split Between a December 31 and September 30 Year End**  
**Schedule 3A**  
**For the Year Ended December 31, 2023**

	Nonurban			Job Access Reverse Commute			New Freedom		
	1/1/2023 to 9/30/2023	10/1/2023 to 12/31/2023	Total	1/1/2023 to 9/30/2023	10/1/2023 to 12/31/2023	Total	1/1/2023 to 9/30/2023	10/1/2023 to 12/31/2023	Total
	<b>Expenses</b>								
Labor	\$ 774,317	\$ 302,403	\$ 1,076,720	\$ 44,281	\$ 14,874	\$ 59,155	\$ 33,714	\$ 12,420	\$ 46,134
Fringe benefits	130,128	60,582	190,710	7,519	2,951	10,470	10,795	5,585	16,380
Services	39,882	11,001	50,883	2,266	562	2,828	-	-	-
Materials and supplies	1,457,070	99,514	1,556,584	10,568	3,274	13,842	-	-	-
Utilities	32,145	12,851	44,996	1,946	550	2,496	-	-	-
Insurance	145,800	52,580	198,380	8,266	2,686	10,952	290	97	387
Miscellaneous	14,840	7,225	22,065	360	220	580	-	-	-
Operating leases and rentals	65,738	22,029	87,767	3,729	1,127	4,856	6,855	2,285	9,140
<b>Total Expenses</b>	<u>2,659,920</u>	<u>568,185</u>	<u>3,228,105</u>	<u>78,935</u>	<u>26,244</u>	<u>105,179</u>	<u>51,654</u>	<u>20,387</u>	<u>72,041</u>
<b>Less: Ineligible Expenses</b>									
Labor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (33,714)	\$ (12,420)	\$ (46,134)
Fringe benefits	-	-	-	-	-	-	(10,795)	(5,585)	(16,380)
Materials and supplies	(1,300,019)	(1,944)	(1,301,963)	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	(290)	(97)	(387)
Miscellaneous	(266)	-	(266)	-	-	-	-	-	-
Operating leases and rentals	(19,587)	-	(19,587)	-	-	-	(6,855)	(2,285)	(9,140)
Other ineligible expenses	(11,835)	(1,130)	(12,965)	(2,134)	(2,646)	(4,780)	-	-	-
<b>Total Ineligible Expenses</b>	<u>(1,331,707)</u>	<u>(3,074)</u>	<u>(1,334,781)</u>	<u>(2,134)</u>	<u>(2,646)</u>	<u>(4,780)</u>	<u>(51,654)</u>	<u>(20,387)</u>	<u>(72,041)</u>
<b>Total Eligible Expenses</b>	<u>\$ 1,328,213</u>	<u>\$ 565,111</u>	<u>\$ 1,893,324</u>	<u>\$ 76,801</u>	<u>\$ 23,598</u>	<u>\$ 100,399</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Allegheny County Transportation  
Operating and Contract Expenses by Program  
Schedule 3B  
For the Year Ended September 30, 2023**

	Nonurban			Job Access Reverse Commute			New Freedom		
	10/1/2022 to 12/31/2022	1/1/2023 to 9/30/2023	Total	10/1/2022 to 12/31/2022	1/1/2023 to 9/30/2023	Total	10/1/2022 to 12/31/2022	1/1/2023 to 9/30/2023	Total
<b>Expenses</b>									
Labor	\$ 223,695	\$ 774,317	\$ 998,012	\$ 13,474	\$ 44,281	\$ 57,755	\$ 11,844	\$ 33,714	\$ 45,558
Fringe benefits	45,381	130,128	175,509	2,698	7,519	10,217	4,650	10,795	15,445
Services	13,408	39,882	53,290	853	2,266	3,119	-	-	-
Materials and supplies	91,462	1,457,070	1,548,532	3,902	10,568	14,470	-	-	-
Utilities	14,345	32,145	46,490	778	1,946	2,724	-	-	-
Insurance	47,164	145,800	192,964	2,994	8,266	11,260	83	290	373
Miscellaneous	2,868	14,840	17,708	160	360	520	-	-	-
Operating leases and rentals	21,635	65,738	87,373	1,376	3,729	5,105	2,103	6,855	8,958
<b>Total Expenses</b>	<u>459,958</u>	<u>2,659,920</u>	<u>3,119,878</u>	<u>26,235</u>	<u>78,935</u>	<u>105,170</u>	<u>18,680</u>	<u>51,654</u>	<u>70,334</u>
<b>Less: Ineligible Expenses</b>									
Labor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (11,844)	\$ (33,714)	\$ (45,558)
Fringe benefits	-	-	-	-	-	-	(4,650)	(10,795)	(15,445)
Materials and supplies	(865)	(1,300,019)	(1,300,884)	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	(83)	(290)	(373)
Miscellaneous	-	(266)	(266)	-	-	-	-	-	-
Operating leases and rentals	-	(19,587)	(19,587)	-	-	-	(2,103)	(6,855)	(8,958)
Other ineligible expenses	(1,170)	(11,835)	(13,005)	(668)	(2,134)	(2,802)	-	-	-
<b>Total Ineligible Expenses</b>	<u>(2,035)</u>	<u>(1,331,707)</u>	<u>(1,333,742)</u>	<u>(668)</u>	<u>(2,134)</u>	<u>(2,802)</u>	<u>(18,680)</u>	<u>(51,654)</u>	<u>(70,334)</u>
<b>Total Eligible Expenses</b>	<u>\$ 457,923</u>	<u>\$ 1,328,213</u>	<u>\$ 1,786,136</u>	<u>\$ 25,567</u>	<u>\$ 76,801</u>	<u>\$ 102,368</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Allegan County Transportation  
Schedule of Nonurban Regular Service Revenue  
Schedule 4R (Nonurban)  
For the Year Ended September 30, 2023**

<u>Code</u>	<u>Description</u>	<u>Amount</u>
<b>401 :</b>	<b>Farebox revenue</b>	
40100	Passenger fares	\$ 124,995
<b>407 :</b>	<b>Non-transportation revenue</b>	
40720	Rental of bldgs. or other property (leased space)	19,586
40760	Gains from the sale of capital assets	11,144
<b>409 :</b>	<b>Local revenue</b>	
40910	Local operating assistance	805,116
40950	Local service contracts	185,008
<b>411 :</b>	<b>State formula and contracts</b>	
41101	State operating assistance	631,833
<b>413 :</b>	<b>Federal contracts</b>	
41301	Operating assistance - American Rescue Plan Act	644,598
41398	Rural Transit Assistance Program (RTAP)	9,542
	<b><i>Total Nonurban Regular Service Revenue</i></b>	<b><u>\$ 2,431,822</u></b>

**Allegan County Transportation  
Schedule of Nonurban Regular Service Expense  
Schedule 4E (Nonurban)  
For the Year Ended September 30, 2023**

<u>Code</u>	<u>Description</u>	<u>Amount</u>
<b>501 :</b>	<b>Labor</b>	
50101	Operators' salaries and wages	\$ 562,588
50102	Other salaries and wages	261,256
50103	Dispatchers' salaries and wages	174,168
<b>502 :</b>	<b>Fringe benefits</b>	
50200	Fringe benefits	175,509
<b>503 :</b>	<b>Services</b>	
50302	Advertising fees	5,712
50399	Other services	47,578
<b>504 :</b>	<b>Materials and supplies</b>	
50401	Fuel and lubricants	204,482
50402	Tires and tubes	10,664
50404	Major purchases	1,300,578
50499	Other materials and supplies	32,808
<b>505 :</b>	<b>Utilities</b>	
50500	Utilities	46,490
<b>506 :</b>	<b>Insurance</b>	
50603	Liability insurance	93,853
50699	Other insurance	99,111
<b>509 :</b>	<b>Miscellaneous expense</b>	
50902	Travel, meetings and training	14,745
50903	Association dues and subscriptions	2,805
50999	Other miscellaneous	3,658
<b>512 :</b>	<b>Operating leases and rentals</b>	
51200	Operating leases and rentals	87,373
<b>550 :</b>	<b>Ineligible expenses</b>	
55008	Other ineligible expenses	(3,500)
55009	Ineligible percent of association dues	(266)
<b>560 :</b>	<b>Ineligible expenses</b>	
56001	Ineligible expenses associated with sale of maintenance service	(865)
56004	Ineligible expenses associated with rentals or lease	(19,587)
<b>574 :</b>	<b>Ineligible expenses</b>	
57402	Ineligible RTAP	(9,505)
<b>576 :</b>	<b>Ineligible expenses</b>	
57604	Other ineligible operating expense paid by capital contract	<u>(1,300,019)</u>
	<b>Total Expenses</b>	<u>3,123,378</u>
	<b>Total Ineligible Expenses</b>	<u>(1,333,742)</u>
	<b>Total Eligible Expenses</b>	<u>\$ 1,789,636</u>

**Allegan County Transportation**  
**Schedule of Nonurban Regular Service Nonfinancial Data (Unaudited)**  
**Public Service**  
**Schedule 4N (Nonurban)**  
**For the Year Ended September 30, 2023**

<u>Code</u>	<u>Description</u>	<u>Amount</u>
610	Vehicle hours	25,267
611	Vehicle miles	557,762
615	Passengers - regular	8,988
616	Passengers - elderly	7,667
617	Passengers - persons w/ disabilities	8,289
618	Passengers - elderly persons w/ disabilities	5,989
622	Total demand-response unlinked passengers trips	30,933
625	Days operated	312
	<b><i>Total passengers</i></b>	<b><u>30,933</u></b>

**Vehicle Information**

655	Total demand-response vehicles	26
656	Demand-response vehicle w/ lifts	26
658	Total transit vehicles	26
	<b>Total vehicles</b>	<b>26</b>

**Miscellaneous Information**

660	Diesel/gasoline gallons consumed	67,884
661	Total transit agency employees (full-time equivalents)	22
662	Total revenue vehicle operators (full-time equivalents)	12
801	Property Damage ONL (PDO) accidents with damage equal to or greater than \$2,000 but less than \$25,000	8
802	PDO accidents with damage equal to or greater than \$25,000	1
803	Injuries	1
820	Evacuations for Safety Reasons	1

**Allegan County Transportation**  
**Schedule of Job Access Reverse Commute Service Revenue**  
**Public Service**  
**Schedule 4R (JARC)**  
**For the Year Ended September 30, 2023**

<u>Code</u>	<u>Description</u>	<u>Amount</u>
<b>401 :</b>	<b>Farebox revenue</b>	
40100	Passenger fares	\$ 2,802
<b>411 :</b>	<b>State formula and contracts</b>	
41199	Other MDOT/OPT contracts and reimbursements	51,150
<b>413 :</b>	<b>Federal contracts</b>	
41399	Other federal transit contracts and reimbursements	51,150
	<b><i>Total Job Access Reverse Commute Service Revenue</i></b>	<b><u>\$ 105,102</u></b>

**Allegan County Transportation  
Schedule of Job Access Reverse Commute Service Expense  
Schedule 4E (JARC)  
For the Year Ended September 30, 2023**

<b>Code</b>	<b>Description</b>	<b>Amount</b>
<b>501 :</b>	<b>Labor</b>	
50101	Operators' salaries and wages	\$ 32,582
50102	Other salaries and wages	15,094
50103	Dispatchers' salaries and wages	10,062
<b>502 :</b>	<b>Fringe benefits</b>	
50200	Fringe benefits	10,215
<b>503 :</b>	<b>Services</b>	
50302	Advertising fees	324
50399	Other services	2,794
<b>504 :</b>	<b>Materials and supplies</b>	
50401	Fuel and lubricants	11,883
50402	Tires and tubes	633
50404	Major purchases	36
50499	Other materials and supplies	1,914
<b>505 :</b>	<b>Utilities</b>	
50500	Utilities	2,724
<b>506 :</b>	<b>Insurance</b>	
50603	Liability insurance	5,480
50699	Other insurance	5,777
<b>509 :</b>	<b>Miscellaneous expense</b>	
50902	Travel, meetings and training	359
50903	Association dues and subscriptions	168
<b>512 :</b>	<b>Operating leases and rentals</b>	
51200	Operating leases and rentals	5,104
<b>550 :</b>	<b>Ineligible expenses</b>	
55000	Ineligible JARC and NF Fares	(2,802)
	<b>Total Expenses</b>	<u>105,148</u>
	<b>Total Ineligible Expenses</b>	<u>(2,802)</u>
	<b>Total Eligible Expenses</b>	<u>\$ 102,346</u>

**Allegan County Transportation**  
**Schedule of Job Access Reverse Commute Nonfinancial Data (Unaudited)**  
**Public Service**  
**Schedule 4N (JARC)**  
**For the Year Ended September 30, 2023**

<u>Code</u>	<u>Description</u>	<u>Amount</u>
610	Vehicle hours	1,469
611	Vehicle miles	33,046
615	Passengers - regular	1,151
617	Passengers - persons w/ disabilities	443
618	Passengers - elderly persons w/ disabilities	58
622	Total demand-response unlinked passengers trips	1,652
625	Days operated	256
	<b><i>Total passengers</i></b>	<b><u>1,652</u></b>

**Vehicle Information**

655	Total demand-response vehicles	2
656	Demand-response vehicle w/ lifts	2
658	Total transit vehicles	2
	<b>Total vehicles</b>	<b>2</b>

**Miscellaneous Information**

660	Diesel/gasoline gallons consumed	3,534
661	Total transit agency employees (full-time equivalents)	2
662	Total revenue vehicle operators (full-time equivalents)	2



**Allegan County Transportation  
Schedule of New Freedom Revenue  
Schedule 4R (New Freedom)  
For the Year Ended September 30, 2023**

<u>Code</u>	<u>Description</u>	<u>Amount</u>
<b>411 :</b>	<b>Federal contracts</b>	
41114	Other capital contract reimbursement for operating expenses	\$ 50,000
<b>413 :</b>	<b>State formula and contracts</b>	
41314	Other capital contract reimbursement for operating expenses	12,500
	<b><i>Total New Freedom Revenue</i></b>	<b><u>\$ 62,500</u></b>

**Allegan County Transportation  
Schedule of New Freedom Expense  
Schedule 4E (New Freedom)  
For the Year Ended September 30, 2023**

<u>Code</u>	<u>Description</u>	<u>Amount</u>
<b>501 :</b>	<b>Labor</b>	
50102	Other salaries and wages	\$ 45,558
<b>502 :</b>	<b>Fringe benefits</b>	
50200	Fringe benefits	15,445
<b>506 :</b>	<b>Insurance</b>	
50603	Liability insurance	373
<b>512 :</b>	<b>Operating leases and rentals</b>	
51200	Operating leases and rentals	8,958
<b>550 :</b>	<b>Ineligible expenses</b>	
55000	Ineligible JARC and NF Fares	<u>(70,334)</u>
	<b>Total Expenses</b>	<u>70,334</u>
	<b>Total Ineligible Expenses</b>	<u>(70,334)</u>
	<b>Total Eligible Expenses</b>	<u>\$ -</u>

**Allegan County Transportation  
Operating Assistance Calculation  
Schedule 5  
For the Year Ended September 30, 2023**

	<b>Nonurban</b>
Total Expenses	\$ 3,119,878
Less Ineligible Expenses:	
Other ineligible expenses	(3,500)
Ineligible percent of association dues	(266)
Ineligible expenses associated with sale of maintenance service	(865)
Ineligible expenses associated with rentals or lease	(19,587)
Ineligible RTAP	(9,505)
Other ineligible operating expense paid by capital contract	(1,300,019)
Total Ineligible Expenses	\$ (1,333,742)
<b>Total State Eligible Expenses</b>	<b>\$ 1,786,136</b>

Eligible Expense for State Reimbursement	\$ 1,786,136
x Reimbursement Percentage	0.353743
State Operating Assistance	\$ 631,833

Eligible Expenses for Federal Reimbursement	\$ 1,786,136
x Reimbursement Percentage (OP/ARPA)	0.36000
Operating Assistance - OP/ARPA 2023	\$ 643,009
Federal Operating Assistance (Capped at the Authorization Amount)	\$ 644,598

**Allegan County Transportation  
Mileage / Hourly Data (Unaudited)\*  
Non Financial Data Summary  
For the Year Ended September 30, 2023**

		<u>Nonurban Transportation</u>	<u>JARC Transportation</u>	<u>Total Transportation</u>
<b><u>Mileage</u></b>				
First Quarter	10/22 - 12/22	127,996	7,924	135,920
Second Quarter	1/23 - 3/23	135,126	8,397	143,523
Third Quarter	4/23 - 6/23	144,101	8,430	152,531
Fourth Quarter	7/23 - 9/23	<u>151,271</u>	<u>8,295</u>	<u>159,566</u>
<b><i>Total Operation</i></b>		<u>558,494</u>	<u>33,046</u>	<u>591,540</u>
<b><u>Hours</u></b>				
First Quarter	10/22 - 12/22	5,530	352	5,882
Second Quarter	1/23 - 3/23	5,999	373	6,372
Third Quarter	4/23 - 6/23	6,691	375	7,066
Fourth Quarter	7/23 - 9/23	<u>7,080</u>	<u>369</u>	<u>7,449</u>
<b><i>Total Operation</i></b>		<u>25,300</u>	<u>1,469</u>	<u>26,769</u>
<b><i>Percentage of Total Hours</i></b>		94.5%	5.5%	100.0%

\*The methodology used for compiling mileage and hours has been reviewed and found to be an adequate and reliable method for recording vehicle mileage and hours of service.

**ALLEGAN COUNTY DRAINS  
BASIC FINANCIAL STATEMENTS**

**Allegan County Drains  
Statement of Net Position  
December 31, 2023**

**ASSETS**

*Current Assets*

Cash and pooled investments	\$ 3,183,602
Special assessments receivable	1,684,395
Leases receivable	642,521
<b>Total Current Assets</b>	<b>5,510,518</b>

*Noncurrent Assets*

Capital assets not being depreciated	2,197,165
Capital assets being depreciated, net	16,662,444
Special assessments receivable, long-term	4,258,465
Leases receivable, long-term	3,458,283
<b>Total Assets</b>	<b>32,086,875</b>

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred charges on bond refunding	29,987
<b>Total Deferred Outflows of Resources</b>	<b>29,987</b>

**LIABILITIES**

*Current Liabilities*

Accounts payable	134,457
Accrued liabilities	1,334
Accrued interest	130,885
Current portion of long-term debt	1,514,692
<b>Total Current Liabilities</b>	<b>1,781,368</b>

*Noncurrent Liabilities*

Long-term debt	9,153,242
Advance from primary government	250,000
<b>Total Liabilities</b>	<b>11,184,610</b>

**NET POSITION**

Net investment in capital assets	12,301,752
<i>Restricted for:</i>	
Debt Service	3,427,527
<i>Unrestricted</i>	5,202,973
<b>Total Net Position</b>	<b>\$ 20,932,252</b>

**Allegan County Drains  
Statement of Activities  
For the Year Ended December 31, 2023**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>			<b>Net (Expense) Revenue</b>
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	
Drains/public works	\$ 1,891,860	\$ 994,490	\$ 116,121	\$ 1,831,363	\$ 1,050,114
Interest on long-term debt	335,919	--	--	--	(335,919)
<b>Total</b>	<b>\$ 2,227,779</b>	<b>\$ 994,490</b>	<b>\$ 116,121</b>	<b>\$ 1,831,363</b>	<b>714,195</b>

**General Purpose Revenues:**

Investment income	117,952
<b>Total General Revenues</b>	<b>117,952</b>
<b>Change in Net Position</b>	<b>832,147</b>
<i>Net Position at Beginning of Period</i>	20,100,105
<b>Net Position at End of Period</b>	<b>\$ 20,932,252</b>

**Allegan County Drains  
Balance Sheet  
Governmental Funds  
December 31, 2023**

	General	Debt Service			Capital Projects	Total Governmental Funds
		379 - Fillmore Water and Sewer No.9	372 - Kalamazoo Lake Sewer/Water	365 - Martin Village Refunding	802 - Revolving Drain	
<b>ASSETS</b>						
Cash and pooled investments	\$ 2,887,395	\$ 1,010	\$ --	\$ 797	\$ 212,856	\$ 3,102,058
Special assessments receivable	5,942,860	--	--	--	--	5,942,860
Leases receivable	--	676,094	2,645,794	778,916	--	4,100,804
Due from other funds	--	--	--	--	37,144	37,144
<i>Total Assets</i>	<b>\$ 8,830,255</b>	<b>\$ 677,104</b>	<b>\$ 2,645,794</b>	<b>\$ 779,713</b>	<b>\$ 250,000</b>	<b>\$ 13,182,866</b>
<b>LIABILITIES</b>						
Accounts payable	\$ 134,118	\$ --	\$ --	\$ --	\$ --	\$ 134,118
Due to other funds	37,144	--	--	--	--	37,144
Advance from primary government	--	--	--	--	250,000	250,000
<i>Total Liabilities</i>	171,262	--	--	--	250,000	421,262
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue	5,942,860	676,094	2,645,794	778,916	--	10,043,664
<i>Total Liabilities and Deferred Inflows of Resources</i>	6,114,122	676,094	2,645,794	778,916	250,000	10,464,926
<b>FUND BALANCE</b>						
Restricted	--	1,010	--	797	--	1,807
Unassigned	2,716,133	--	--	--	--	2,716,133
<i>Total Fund Balance</i>	2,716,133	1,010	--	797	--	2,717,940
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</i>	<b>\$ 8,830,255</b>	<b>\$ 677,104</b>	<b>\$ 2,645,794</b>	<b>\$ 779,713</b>	<b>\$ 250,000</b>	<b>\$ 13,182,866</b>



**Allegan County Drains**  
**Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position**  
**December 31, 2023**

Total Fund Balance - Governmental Funds	\$	2,717,940
Net position of internal service funds that are treated as proprietary in the fund level statements are treated as governmental in the entity-wide statements.		79,871
In the statement of activities, interest is accrued on outstanding debt, whereas in governmental funds, the interest expenditure is reported when due.		(130,885)
General government capital assets of \$27,038,788, net of accumulated depreciation of \$8,179,179, are not financial resources and, accordingly, are not reported in the funds.		18,859,609
Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for current-period expenditures. Those asset (such as property taxes, special assessments receivables, and leases receivable not collected in 60 days of year end) are offset by deferred inflows of resources in the governmental funds, and thus are not included in fund balance.		10,043,664
Long-term liabilities, including the current portion of long-term debt, are not payable in the current period and, therefore, are not reported in the funds.		(10,637,947)
<b>Total Net Position - Governmental Activities</b>	<b>\$</b>	<b><u>20,932,252</u></b>

**Allegan County Drains**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended December 31, 2023**

	General	Debt Service			Capital Projects	Total Governmental Funds
		379 - Fillmore Water and Sewer No.9	372 - Kalamazoo Lake Sewer/Water	365 - Martin Village Refunding	802 - Revolving Drain	
<b>Revenues</b>						
Special assessments	\$ 1,682,723	\$ --	\$ --	\$ --	\$ --	\$ 1,682,723
Intergovernmental - local	--	355,475	298,627	69,713	--	723,815
Interest income	116,499	--	--	--	--	116,499
Other revenues	917,352	--	--	--	--	917,352
<b>Total Revenues</b>	<b>2,716,574</b>	<b>355,475</b>	<b>298,627</b>	<b>69,713</b>	<b>--</b>	<b>3,440,389</b>
<b>Expenditures</b>						
Drains/public works	2,001,352	--	--	--	--	2,001,352
Debt service - principal	905,359	335,000	230,000	40,000	--	1,510,359
Debt service - interest	199,864	20,456	68,627	29,866	--	318,813
<b>Total Expenditures</b>	<b>3,106,575</b>	<b>355,456</b>	<b>298,627</b>	<b>69,866</b>	<b>--</b>	<b>3,830,524</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(390,001)</b>	<b>19</b>	<b>--</b>	<b>(153)</b>	<b>--</b>	<b>(390,135)</b>
<b>Other Financing Sources</b>						
Issuance of long-term debt	957,000	--	--	--	--	957,000
<b>Net Other Financing Sources</b>	<b>957,000</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>957,000</b>
<b>Net Change in Fund Balance</b>	<b>566,999</b>	<b>19</b>	<b>--</b>	<b>(153)</b>	<b>--</b>	<b>566,865</b>
<i>Fund Balance at Beginning of Period</i>	2,149,134	991	--	950	--	2,151,075
<b>Fund Balance at End of Period</b>	<b>\$ 2,716,133</b>	<b>\$ 1,010</b>	<b>\$ --</b>	<b>\$ 797</b>	<b>\$ --</b>	<b>\$ 2,717,940</b>

**Allegan County Drains**  
**Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance with Statement of Activities**  
**For the Year Ended December 31, 2023**

Total Net Change in Fund Balances - Governmental Funds	\$	566,865
Changes in net position of internal service funds that are treated as enterprise fund changes in net position in the fund level statements are treated as governmental fund changes in net position in the entity-wide statements.		(3,082)
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. This is the amount by which capital outlay of \$1,400,449 exceeds depreciation expense of \$1,209,284.		191,165
Proceeds from the issuance of notes payable are reported as other financing sources in the fund statements, but reported as liabilities in the statement of net position.		(957,000)
The repayment of principal of long-term debt consumes the current financial resources of governmental funds and is recorded as an expenditure; however, the repayment of long-term debt reduces long-term liabilities on the statement of net position.		1,497,444
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds; they are deferred into the following year.		(459,054)
Changes to accrued interest are not shown in the fund financial statements. This amount is the decrease in accrued interest net against the amortization of bond premium for the year. The net effect of the current year decrease is to increase net position.		(4,191)
<b>Changes in Net Position - Governmental Activities</b>	<b>\$</b>	<b><u>832,147</u></b>

**Allegan County Drains  
Combining Statement of Net Position  
Internal Service Fund  
December 31, 2023**

	<b>Internal Service</b>
	<b>639 - Drain Equipment</b>
<b>ASSETS</b>	
<i>Current Assets</i>	
Cash and pooled investments	\$ 81,544
<b>Total Assets</b>	<b>81,544</b>
<b>LIABILITIES</b>	
<i>Current Liabilities</i>	
Accounts payable	339
Accrued liabilities	1,334
<b>Total Liabilities</b>	<b>1,673</b>
<b>NET POSITION</b>	
<i>Unrestricted</i>	79,871
<b>Total Net Position</b>	<b>\$ 79,871</b>

**Allegan County Drains**  
**Combining Statement of Revenues, Expenses, and Change in Net Position**  
**Internal Service Fund**  
**For the Year Ended December 31, 2023**

	<b>Internal Service</b>
	<b>639 - Drain Equipment</b>
<b>Operating Revenues</b>	
Charges for services	\$ 77,138
<b><i>Total Operating Revenues</i></b>	<b>77,138</b>
<b>Operating Expenses</b>	
Drains/public works	78,628
Depreciation expense	3,045
<b><i>Total Operating Expenses</i></b>	<b>81,673</b>
<b><i>Operating Income (Loss)</i></b>	<b>(4,535)</b>
<b>Non-Operating Revenues (Expenses)</b>	
Investment income	1,453
<b><i>Net Non-Operating Revenues (Expenses)</i></b>	<b>1,453</b>
<b><i>Change In Net Position</i></b>	<b>(3,082)</b>
<i>Net Position at Beginning of Period</i>	82,953
<b><i>Net Position at End of Period</i></b>	<b>\$ 79,871</b>

**Allegan County Drains  
Statement of Cash Flows  
Internal Service Fund  
For the Year Ended December 31, 2023**

	<b>Internal Service</b>
	<b>639 - Drain Equipment</b>
<b>Cash Flows from Operating Activities</b>	
Cash received from interfund charges	\$ 77,138
Cash payments to employees and suppliers for goods and services	(79,712)
<b><i>Net Cash Used in Operating Activities</i></b>	<b><i>(2,574)</i></b>
 <b>Cash Flows from Investing Activities</b>	
Investment income	1,453
<b><i>Net Cash Provided by Investing Activities</i></b>	<b><i>1,453</i></b>
 <b><i>Net Decrease in Cash and Pooled Investments</i></b>	<b><i>(1,121)</i></b>
<b><i>Cash and Pooled Investments - Beginning of Year</i></b>	<b><i>82,665</i></b>
<b><i>Cash and Pooled Investments - End of Year</i></b>	<b><i>\$ 81,544</i></b>
 <b>Reconciliation of Operating Loss to</b>	
<b>Net Cash Used in Operating Activities</b>	
Operating loss	\$ (4,535)
<b>Adjustments to Reconcile Operating Loss to</b>	
<b>Net Cash Used in Operating Activities</b>	
Depreciation	3,045
<b>Changes in Assets and Liabilities</b>	
Accounts payable	(515)
Accrued liabilities	(569)
<b><i>Net Cash Used in Operating Activities</i></b>	<b><i>\$ (2,574)</i></b>

June 28, 2024

To the Board of Commissioners  
Allegan County, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Allegan County, Michigan (the "County") for the year ended December 31, 2023. Our report includes a reference to other auditors. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 8, 2024. Professional standards also require that we communicate to you the following information related to our audit.

#### Significant Audit Matters

##### *Qualitative Aspects of Accounting Practices*

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

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

- Management's estimate of the useful lives of depreciable capital assets is based on the length of time it is believed that those assets will provide some economic benefit in the future.
- Management's estimate of the accrued compensated absences is based on current hourly rates and policies regarding payment of sick and vacation banks.
- Management's assumptions used to calculate the actuarial report and the net present value of defined benefit pension benefits.
- Management's estimate of insurance claims incurred but not yet reported is based on information provided by the entity's third parties administrators and subsequent claims activity.

We evaluated the key factors and assumptions used to develop the useful lives in determining that it is reasonable in relation to the financial statements taken as a whole and in relation to the applicable opinion units.

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

#### *Difficulties Encountered in Performing the Audit*

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

#### *Corrected and Uncorrected Misstatements*

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

#### *Disagreements with Management*

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

#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated June 28, 2024.

#### *Management Consultations with Other Independent Accountants*

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

#### *Other Audit Findings or Issues*

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



Other Matters

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

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

Restriction on Use

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

Very truly yours,

A handwritten signature in cursive script that reads "Gabridge & Company". The signature is written in dark ink and is positioned above the printed name of the company.

Gabridge & Company, PLC  
Grand Rapids, MI