



**ALLEGAN COUNTY
ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2020**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Allegan County, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of ***Allegan County, Michigan*** (the "County"), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Independent Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Allegan County Road Commission which represents 88.7% of assets and deferred outflows of resources, 92.2% of net position, and 93.1 % of total revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports thereon were furnished to us, and our opinions, insofar as they relate to the amounts included for the Allegan County Road Commission is 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 28.4% of the assets and deferred outflows of resources, 21.4% of the net position, and 87.9% 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. 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 of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the 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, 2020, 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.

Change in Accounting Principle

As stated in Note 18 to the basic financial statements, the County adopted GASB Statement No. 84 *Fiduciary Activities* in 2020, which represents a change in its policy for reporting fiduciary activities. Accordingly, beginning net position of the fiduciary funds were restated. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

The combining and individual fund financial statements and schedules, except for the Nonurban Regular Service Nonfinancial Data, Job Access Reverse Commute Nonfinancial Data, the Specialized Services Nonfinancial Data, and the Mileage / Hourly Data schedules, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the

basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Nonurban Regular Service Nonfinancial Data, Job Access Reverse Commute Nonfinancial Data, the Specialized Services Nonfinancial Data, and the Mileage / Hourly Data schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2021, 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.



Gabridge & Company, PLC
Grand Rapids, Michigan
June 25, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

**Allegan County
Management's Discussion and Analysis
December 31, 2020**

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, 2020. 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 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 \$72,973,993 (*net position*), an increase of \$8,164,406 from the prior year. Of this amount, \$31,210,462 (*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 \$36,397,247, an increase of \$5,751,994 in comparison with the prior year. Of the fund balance amount, \$8,946,505 is available for spending at the government's discretion (*unassigned fund balance*).
- Total fund balance for the general fund was \$14,600,737, an increase of \$3,312,517. At the end of the year, the unassigned portion of the fund balance in the general fund was \$8,946,505, or approximately 26.7% of total general fund expenses and transfers out for the current year.
- The County's investment in capital assets was \$43,211,319 at the end of the current year, compared to \$44,009,619 at the end of the prior year.
- The County's total debt equaled \$24,372,798 (excluding the component units) at the close of this year, a decrease of \$2,112,745 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), 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 inmate 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, central dispatch E911 fund, senior millage fund, and the indigent defense 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 inmate 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 exceeded liabilities and deferred inflows by \$72,973,993 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.

Allegan County's Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
ASSETS						
<i>Current Assets</i>						
Cash and pooled investments	\$ 41,468,851	\$ 33,882,576	\$ 9,984,221	\$ 9,404,589	\$ 51,453,072	\$ 43,287,165
Accounts receivable	1,224,737	1,398,261	1,417,011	1,861,102	2,641,748	3,259,363
Property taxes receivable	3,722,722	3,539,269	4,144,519	3,280,898	7,867,241	6,820,167
Due from other governments	3,120,193	3,114,283	467,489	-	3,587,682	3,114,283
Inventory	29,991	18,673	-	-	29,991	18,673
Prepays	954,122	495,927	22,758	10,826	976,880	506,753
Total Current Assets	50,520,616	42,448,989	16,035,998	14,557,415	66,556,614	57,006,404
<i>Noncurrent Assets</i>						
Capital assets not being depreciated	1,247,080	1,261,202	-	-	1,247,080	1,261,202
Capital assets being depreciated, net	40,074,170	40,777,219	1,890,069	1,971,198	41,964,239	42,748,417
Advance to component unit	250,000	250,000	-	-	250,000	250,000
Total Assets	92,091,866	84,737,410	17,926,067	16,528,613	110,017,933	101,266,023
DEFERRED OUTFLOWS OF RESOURCES						
Pension	2,350,973	5,249,444	60,527	225,758	2,411,500	5,475,202
Total Deferred Outflows of Resources	2,350,973	5,249,444	60,527	225,758	2,411,500	5,475,202
LIABILITIES						
<i>Current Liabilities</i>						
Accounts payable	1,807,587	1,696,384	948,304	296,070	2,755,891	1,992,454
Accrued liabilities	2,839,264	1,121,960	109,212	280,691	2,948,476	1,402,651
Due to other governments	209,360	11,293	1,157	3,181	210,517	14,474
Unearned revenue	467,924	50,406	-	-	467,924	50,406
Accrued interest	146,338	157,274	-	-	146,338	157,274
Current portion of long-term debt	1,915,038	1,835,149	-	-	1,915,038	1,835,149
Total Current Liabilities	7,385,511	4,872,466	1,058,673	579,942	8,444,184	5,452,408
<i>Noncurrent Liabilities</i>						
Long-term debt	22,457,760	24,650,394	-	-	22,457,760	24,650,394
Compensated absences	1,691,413	1,335,044	76,263	83,882	1,767,676	1,418,926
Net pension liability	4,155,490	7,697,956	94,797	257,752	4,250,287	7,955,708
Internal balances	(390,000)	(657,698)	390,000	657,698	-	-
Total Liabilities	35,300,174	37,898,162	1,619,733	1,579,274	36,919,907	39,477,436
DEFERRED INFLOWS OF RESOURCES						
Revenues intended to finance a subsequent year	2,507,963	2,409,906	-	-	2,507,963	2,409,906
Pension	-	-	27,570	44,296	27,570	44,296
Total Deferred Inflows of Resources	2,507,963	2,409,906	27,570	44,296	2,535,533	2,454,202
NET POSITION						
Net investment in capital assets	27,793,452	27,117,878	1,890,069	1,827,000	29,683,521	28,944,878
Restricted	12,080,010	11,072,778	-	-	12,080,010	11,072,778
Unrestricted	16,761,240	11,488,130	14,449,222	13,303,801	31,210,462	24,791,931
Total Net Position	\$ 56,634,702	\$ 49,678,786	\$ 16,339,291	\$ 15,130,801	\$ 72,973,993	\$ 64,809,587

A significant portion of the County's net position (\$29,683,521, or 40.7%) 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 (\$12,080,010, or 16.6%) represents resources that are subject to external restrictions on how they may be used. The County's unrestricted net position is \$31,210,462 (or 42.7%) 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 \$8,165,907 largely due to the current year increase in net position of \$8,164,406. And another large portion related to the increase of accrued liabilities of \$1,717,304 due to the implementation of GASB 84, which reclassified some liabilities previously in the trust and agency fund as liabilities in the General fund. Unearned revenue also increased due to certain grants not being fully expended at the end of the current fiscal year.

The County's total net position increased by \$8,164,406 during the fiscal year. Governmental and business-type activities both accounted for this increase.

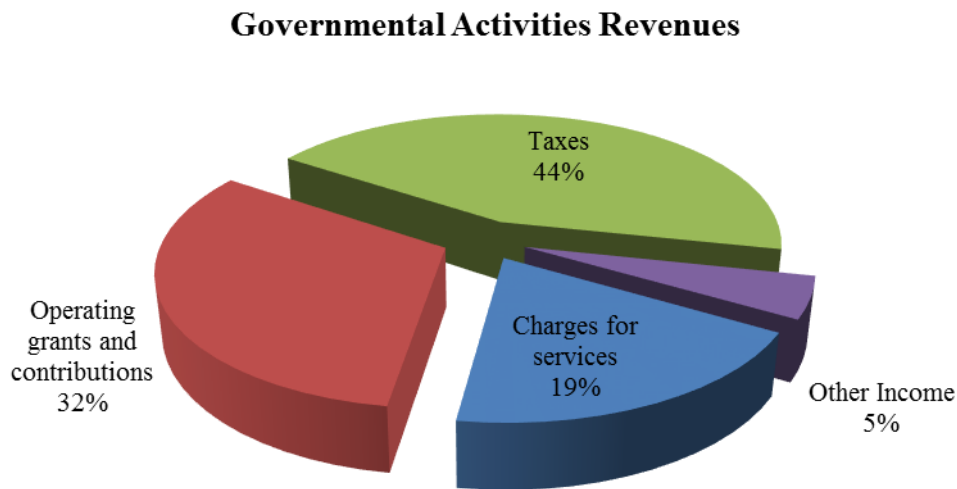
Allegan County's Changes in Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Revenue						
Program Revenues						
Charges for services	\$ 11,320,890	\$ 10,922,738	\$ 7,305,562	\$ 8,418,231	\$ 18,626,452	\$ 19,340,969
Operating grants and contributions	19,015,315	16,873,508	1,779,874	881,743	20,795,189	17,755,251
Capital grants and contributions	647,783	345,128	-	-	647,783	345,128
Total Program Revenues	30,983,988	28,141,374	9,085,436	9,299,974	40,069,424	37,441,348
General Revenues						
Taxes	26,191,710	25,258,727	1,300,177	-	27,491,887	25,258,727
Unrestricted intergovernmental revenues	2,042,545	2,714,754	-	-	2,042,545	2,714,754
Interest income	273,210	553,075	64,293	140,039	337,503	693,114
Total General Revenues	28,507,465	28,526,556	1,364,470	140,039	29,871,935	28,666,595
Total Revenues	59,491,453	56,667,930	10,449,906	9,440,013	69,941,359	66,107,943
Expenses						
Legislative	352,887	423,154	-	-	352,887	423,154
Judicial	8,060,693	7,320,213	-	-	8,060,693	7,320,213
General government	13,087,620	11,933,200	-	-	13,087,620	11,933,200
Public safety	17,440,636	19,325,570	-	-	17,440,636	19,325,570
Health and welfare	11,584,595	11,975,926	-	-	11,584,595	11,975,926
Recreation and culture	343,003	548,697	-	-	343,003	548,697
Public works	1,014,778	1,015,074	-	-	1,014,778	1,015,074
Community and economic development	233,246	235,159	-	-	233,246	235,159
Other expenses	408,668	412,030	-	-	408,668	412,030
Interest on long-term debt	781,379	822,960	-	-	781,379	822,960
Delinquent property tax	-	-	243,379	220,480	243,379	220,480
Medical Care Community	-	-	8,226,069	8,471,338	8,226,069	8,471,338
Total Expenses	53,307,505	54,011,983	8,469,448	8,691,818	61,776,953	62,703,801
Changes in Net Position Before Transfers	6,183,948	2,655,947	1,980,458	748,195	8,164,406	3,404,142
Transfers, net*	771,968	736,616	(771,968)	(736,616)	-	-
Change in Net Position	6,955,916	3,392,563	1,208,490	11,579	8,164,406	3,404,142
<i>Net Position at the Beginning of Period</i>	<i>49,678,786</i>	<i>46,286,223</i>	<i>15,130,801</i>	<i>15,119,222</i>	<i>64,809,587</i>	<i>61,405,445</i>
Net Position at the End of Period	\$ 56,634,702	\$ 49,678,786	\$ 16,339,291	\$ 15,130,801	\$ 72,973,993	\$ 64,809,587

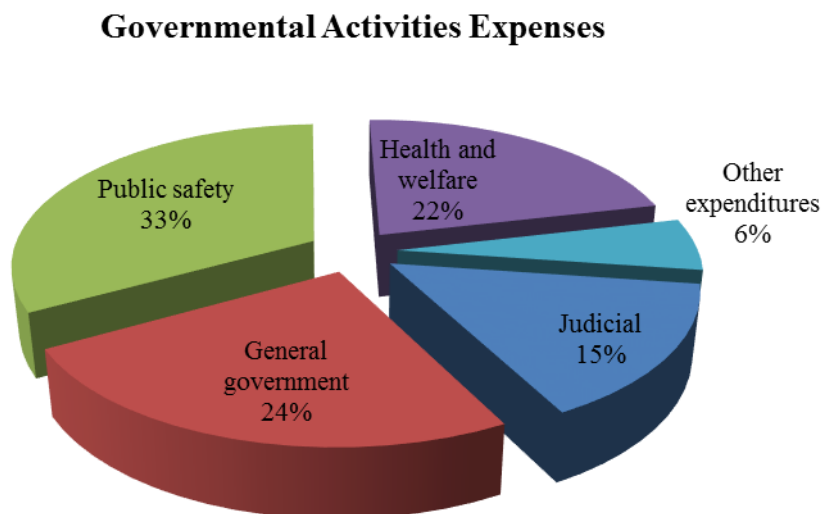
Governmental Activities. Net position of governmental activities showed an overall increase of \$6,955,916 during the year. The County had an increase of operating grants and contributions,

mostly related to CARES Act funding of \$2,240,864, which accounted for the increase in program revenues. Total revenue generated by the increase in the tax base was off set in the current year by the decrease in state revenue sharing through the CIP program, because of sales tax revenue projections at the state level decreasing due to the ongoing COVID-19 pandemic. Total expenditures decreased \$704,478, due in most part to the current year results of the change in net pension liability and related deferred outflows and inflows.

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



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



Business-type activities.

The business-type activities of the County increased the County's net position by \$1,208,490. 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 \$970,923. There were transfers out of the fund totaling \$866,250 that went to multiple special revenue funds and the general fund.
- The medical care community fund experienced an increase of net position of \$1,103,988. This was primarily a result of a newly passed tax levy for funding the operations.

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 \$36,397,247 an increase of \$5,751,994 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, \$8,946,505, or 26.7%, constitutes unassigned fund balance, which is available for spending at the government's discretion. Fund balance that was restricted for particular purposes was \$12,018,088, or 33.0%, of the total fund balance. Committed fund balance, which is committed for a particular purpose, was \$14,326,200, or 39.4% of total fund balance. Assigned fund balance, which is assigned for a particular purpose, was \$131,917, or 0.4% 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 \$974,537, or 2.7% 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 \$8,946,505, while total fund balance was \$14,600,737. 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 26.7% of total general fund expenditures and transfers out for the current year.

General fund balance increased by \$3,312,517, from \$11,288,220 in the prior year to \$14,600,737 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 central dispatch E911 fund experienced an increase of fund balance during the year of \$186,259, bringing its total fund balance to \$5,567,039. The smaller increase in fund balance, compared to prior years, is due to increased transfers out to other funds.

The senior millage fund increased its fund balance by \$75,566, bringing its total fund balance to \$841,027. The increase is attributable to a small increase in tax revenues and decreased expenditures.

The indigent defense fund experienced an increase of fund balance of \$243,722, bringing its total fund balance to \$1,446,536. This increase in fund balance is primarily a result of increased transfers in from other funds.

Nonmajor governmental funds increased total governmental fund balance by \$1,933,930 during the year for an ending combined fund balance of \$13,941,908.

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 \$12,649,746, \$1,600,645, and \$198,831, 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:

	Final Budget	Actual Amount	Negative Variance
General Fund			
Elections	\$ 169,139	\$ 239,945	\$ (70,806)
Restitution	250,000	252,540	(2,540)
Cooperative extension	97,144	99,384	(2,240)
Network system	1,503,814	1,506,158	(2,344)
Courthouse	316,904	348,320	(31,416)
General facilities management	685,274	700,774	(15,500)
Mail and copy services	193,021	201,451	(8,430)
Dumont Lake complex	47,201	59,460	(12,259)
Medical examiner	205,544	248,523	(42,979)

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 \$41,321,250 and \$1,890,069, respectively. These capital assets include land and improvements, buildings and improvements, equipment, furniture, and vehicles, and infrastructure.

The total decrease in the primary government's investment in capital assets for the current fiscal year was \$717,171, due to depreciation expense being significantly greater than capital asset additions. Significant capital asset additions during the year included a court reporting software, two new buses, and building projects.

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 \$24,372,798, a decrease of \$2,112,745 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 122nd Avenue
Allegan, Michigan 49010
Phone (269) 673-0228

Additional information can be found at our website at www.allegancounty.org.

BASIC FINANCIAL STATEMENTS

Allegan County
Statement of Net Position
December 31, 2020

	<u>Primary Government</u>			<u>Component Units</u>
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	
ASSETS				
<i>Current Assets</i>				
Cash and pooled investments	\$ 41,468,851	\$ 9,984,221	\$ 51,453,072	\$ 10,818,165
Accounts receivable	1,224,737	1,417,011	2,641,748	2,584,271
Special assessments receivable	--	--	--	1,732,013
Leases receivable	--	--	--	525,747
Property taxes receivable	3,722,722	4,144,519	7,867,241	3,836,567
Due from other governments	3,120,193	467,489	3,587,682	1,652,862
Inventory	29,991	--	29,991	1,636,217
Prepays	954,122	22,758	976,880	163,139
Total Current Assets	50,520,616	16,035,998	66,556,614	22,948,981
<i>Noncurrent Assets</i>				
Capital assets not being depreciated	1,247,080	--	1,247,080	102,810,561
Capital assets being depreciated, net	40,074,170	1,890,069	41,964,239	141,739,739
Special assessments receivable, long-term	--	--	--	4,109,876
Leases receivable, long-term	--	--	--	5,293,813
Advance to component unit	250,000	--	250,000	--
Net OPEB Asset	--	--	--	136,912
Total Assets	92,091,866	17,926,067	110,017,933	277,039,882
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on bond refunding	--	--	--	68,120
Pension	2,350,973	60,527	2,411,500	3,158,888
Total Deferred Outflows of Resources	2,350,973	60,527	2,411,500	3,227,008
LIABILITIES				
<i>Current Liabilities</i>				
Accounts payable	1,807,587	948,304	2,755,891	429,036
Bonds payable	687,652	--	687,652	--
Accrued liabilities	2,151,612	109,212	2,260,824	151,154
Due to other governments	--	--	--	607
Due to other governments	209,360	1,157	210,517	3,022,448
Unearned revenue	467,924	--	467,924	--
Accrued interest	146,338	--	146,338	127,840
Current portion of long-term debt	1,915,038	--	1,915,038	1,768,381
Total Current Liabilities	7,385,511	1,058,673	8,444,184	5,499,466
<i>Noncurrent Liabilities</i>				
Long-term debt	22,457,760	--	22,457,760	15,441,584
Advance from primary government	--	--	--	250,000
Compensated absences	1,691,413	76,263	1,767,676	494,529
Net pension liability	4,155,490	94,797	4,250,287	6,790,776
Internal balances	(390,000)	390,000	--	--
Total Liabilities	35,300,174	1,619,733	36,919,907	28,476,355
DEFERRED INFLOWS OF RESOURCES				
Pension	--	--	--	19,706
Revenues intended to finance a subsequent year	2,507,963	27,570	2,535,533	4,010,375
Total Deferred Inflows of Resources	2,507,963	27,570	2,535,533	4,030,081
NET POSITION				
Net investment in capital assets	27,793,452	1,890,069	29,683,521	233,198,545
<i>Restricted for:</i>				
Various Functions (Note 10)	12,080,010	--	12,080,010	5,821,908
<i>Unrestricted</i>	16,761,240	14,449,222	31,210,462	8,740,001
Total Net Position	\$ 56,634,702	\$ 16,339,291	\$ 72,973,993	\$ 247,760,454

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, 2020

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	
Primary Government								
Governmental Activities:								
Judicial	\$ 8,060,693	\$ 2,152,243	\$ 3,686,590	\$ --	\$ (2,221,860)	\$ --	\$ (2,221,860)	\$ --
General government	13,087,620	6,159,577	3,082,020	647,783	(3,198,240)	--	(3,198,240)	--
Public safety	17,440,636	688,976	5,223,888	--	(11,527,772)	--	(11,527,772)	--
Public works	1,014,778	904,130	136,991	--	26,343	--	26,343	--
Health and welfare	11,584,595	1,237,073	6,586,441	--	(3,761,081)	--	(3,761,081)	--
Recreation and cultural	343,003	125,764	299,385	--	82,146	--	82,146	--
Community and economic development	233,246	53,127	--	--	(180,119)	--	(180,119)	--
Other	408,668	--	--	--	(408,668)	--	(408,668)	--
Interest on long-term debt	781,379	--	--	--	(781,379)	--	(781,379)	--
Legislative	352,887	--	--	--	(352,887)	--	(352,887)	--
Total Governmental Activities	53,307,505	11,320,890	19,015,315	647,783	(22,323,517)	--	(22,323,517)	--
Business-type Activities:								
6160-6209 Delinquent Property Tax	243,379	1,150,009	--	--	--	906,630	906,630	--
Allegan County Medical Care Community	8,226,069	6,105,724	1,779,874	--	--	(340,471)	(340,471)	--
5950 Jail Commissary - Nonmajor	--	49,829	--	--	--	49,829	49,829	--
Total Business-type Activities	8,469,448	7,305,562	1,779,874	--	--	615,988	615,988	--
Total Primary Government	\$ 61,776,953	\$ 18,626,452	\$ 20,795,189	\$ 647,783	(22,323,517)	615,988	(21,707,529)	--
Component Units								
Allegan County Road Commission	\$ 21,022,877	\$ 173,032	\$ 16,358,969	\$ 9,720,015	--	--	--	5,229,139
Allegan County Drains	2,173,655	336,955	161,540	1,730,625	--	--	--	55,465
Total Component Units	\$ 23,196,532	\$ 509,987	\$ 16,520,509	\$ 11,450,640	--	--	--	5,284,604
General Purpose Revenues and Transfers:								
Revenues								
					1,778,200	--	1,778,200	--
					264,345	--	264,345	--
					273,210	64,293	337,503	152,490
					26,191,710	1,300,177	27,491,887	4,042,365
Transfers								
					771,968	(771,968)	--	--
					29,279,433	592,502	29,871,935	4,194,855
					6,955,916	1,208,490	8,164,406	9,479,459
					49,678,786	15,130,801	64,809,587	238,280,995
					\$ 56,634,702	\$ 16,339,291	\$ 72,973,993	\$ 247,760,454

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

**Allegan County
Balance Sheet
Governmental Funds
December 31, 2020**

	Special Revenue					Other Governmental Funds	Total Governmental Funds
	General	2110/2113/2118 Central Dispatch E911 Fund	2950 Senior Millage	2600 Indigent Defense			
ASSETS							
Cash and pooled investments	\$ 14,473,296	\$ 4,924,498	\$ 1,040,761	\$ 2,258,020	\$ 13,048,950	\$ 35,745,525	
Accounts receivable	287,435	857,683	5,580	--	70,995	1,221,693	
Property taxes receivable	1,311,275	--	2,411,447	--	--	3,722,722	
Due from other governments	590,682	92,157	77,906	--	2,359,448	3,120,193	
Inventory	--	--	--	--	29,991	29,991	
Prepays	223,408	26,571	11,089	--	43,478	304,546	
Due from other funds	329,080	--	--	--	--	329,080	
Advance to component unit	250,000	--	--	--	--	250,000	
Advance to other funds	390,000	--	--	--	--	390,000	
Total Assets	\$ 17,855,176	\$ 5,900,909	\$ 3,546,783	\$ 2,258,020	\$ 15,552,862	\$ 45,113,750	
LIABILITIES							
Accounts payable	\$ 363,526	\$ 259,795	\$ 192,686	\$ 393,529	\$ 589,865	\$ 1,799,401	
Accrued payroll	687,652	--	--	--	662	687,652	
Accrued liabilities	1,314,391	74,075	5,107	27,370	404,648	1,826,253	
Due to other governments	--	--	--	--	209,360	209,360	
Unearned revenue	--	--	--	390,585	77,339	467,924	
Due to other funds	--	--	--	--	329,080	329,080	
Total Liabilities	2,365,569	333,870	197,793	811,484	1,610,954	5,319,670	
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenues	888,870	--	--	--	--	888,870	
Revenues intended to finance a subsequent year	--	--	2,507,963	--	--	2,507,963	
Total Liabilities and Deferred Inflows of Resources	3,254,439	333,870	2,705,756	811,484	1,610,954	8,716,503	
FUND BALANCE							
Nonspendable	863,408	26,571	11,089	--	73,469	974,537	
Restricted	--	5,540,468	829,938	1,446,536	4,201,146	12,018,088	
Committed	4,658,907	--	--	--	9,667,293	14,326,200	
Assigned	131,917	--	--	--	--	131,917	
Unassigned	8,946,505	--	--	--	--	8,946,505	
Total Fund Balance	14,600,737	5,567,039	841,027	1,446,536	13,941,908	36,397,247	
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 17,855,176	\$ 5,900,909	\$ 3,546,783	\$ 2,258,020	\$ 15,552,862	\$ 45,113,750	

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, 2020

Total Fund Balance - Governmental Funds	\$	36,397,247
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.		6,042,401
General government capital assets of \$83,712,720, net of accumulated depreciation of \$42,391,470, are not financial resources and, accordingly, are not reported in the funds.		41,321,250
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.		888,870
Compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.		(1,691,413)
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.		(146,338)
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.		2,106,611
Net pension liability and related deferrals are not due and payable in the current period and are not reported in the funds.		(1,804,517)
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.		(26,479,409)
Total Net Position - Governmental Activities	\$	<u>56,634,702</u>

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

Allegan County
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2020

	<u>Special Revenue</u>					
	<u>General</u>	<u>2110/2113/2118 Central Dispatch E911 Fund</u>	<u>2950 Senior Millage</u>	<u>2600 Indigent Defense</u>	<u>Other Governmental Funds</u>	
Revenues						
Taxes	\$ 23,571,054	\$ --	\$ 2,439,714	\$ --	\$ 104,269	\$ 26,115,037
Licenses and permits	76,749	--	--	--	1,000,765	1,077,514
Intergovernmental revenues - federal	1,952,584	--	--	--	3,293,818	5,246,402
Intergovernmental revenues - state	2,695,760	--	174,459	1,792,761	6,312,468	10,975,448
Intergovernmental revenues - local	--	--	--	306,698	1,250,390	1,557,088
Charges for services	4,630,779	3,738,606	--	--	1,610,283	9,979,668
Fines and forfeitures	88,794	--	--	--	57,750	146,544
Interest and rentals	481,230	34,291	13,419	9,514	143,840	682,294
Other revenues	2,965,393	409	3,413	--	665,561	3,634,776
Total Revenues	<u>36,462,343</u>	<u>3,773,306</u>	<u>2,631,005</u>	<u>2,108,973</u>	<u>14,439,144</u>	<u>59,414,771</u>
Expenditures						
Legislative	352,887	--	--	--	--	352,887
Judicial	4,077,385	--	--	2,099,457	1,881,215	8,058,057
General government	9,415,744	--	--	--	1,719,609	11,135,353
Public safety	11,300,031	2,656,937	--	--	1,778,581	15,735,549
Public works	131,242	--	--	--	883,536	1,014,778
Health and welfare	706,136	--	2,555,439	--	8,243,808	11,505,383
Recreation and cultural	--	--	--	--	343,101	343,101
Community and economic development	233,126	--	--	--	120	233,246
Other	408,668	--	--	--	--	408,668
Capital outlay	--	--	--	--	2,742,663	2,742,663
Debt service - principal	--	--	--	--	2,106,611	2,106,611
Debt service - interest	--	--	--	--	798,449	798,449
Total Expenditures	<u>26,625,219</u>	<u>2,656,937</u>	<u>2,555,439</u>	<u>2,099,457</u>	<u>20,497,693</u>	<u>54,434,745</u>
Excess of Revenues Over (Under) Expenditures	<u>9,837,124</u>	<u>1,116,369</u>	<u>75,566</u>	<u>9,516</u>	<u>(6,058,549)</u>	<u>4,980,026</u>
Other Financing Sources (Uses)						
Transfers in	450,743	--	--	234,206	9,441,701	10,126,650
Transfers out	(6,975,350)	(930,110)	--	--	(1,449,222)	(9,354,682)
Net Other Financing Sources (Uses)	<u>(6,524,607)</u>	<u>(930,110)</u>	<u>--</u>	<u>234,206</u>	<u>7,992,479</u>	<u>771,968</u>
Net Change in Fund Balance	<u>3,312,517</u>	<u>186,259</u>	<u>75,566</u>	<u>243,722</u>	<u>1,933,930</u>	<u>5,751,994</u>
<i>Fund Balance at Beginning of Period</i>	11,288,220	5,380,780	765,461	1,202,814	12,007,978	30,645,253
Fund Balance at End of Period	<u>\$ 14,600,737</u>	<u>\$ 5,567,039</u>	<u>\$ 841,027</u>	<u>\$ 1,446,536</u>	<u>\$ 13,941,908</u>	<u>\$ 36,397,247</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, 2020

Total Net Change in Fund Balances - Governmental Funds	\$	5,751,994
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.		(566,887)
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 expenditures of \$3,068,005 is exceeded by depreciation expense of \$3,747,718 and net disposals of capital assets of \$37,458.		(717,171)
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.		76,673
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.		17,070
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.		(356,369)
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.		643,995
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.		2,106,611
Changes in Net Position - Governmental Activities	\$	<u>6,955,916</u>

Allegan County
Statement of Net Position
Proprietary Funds
December 31, 2020

	Business-type Activities - Enterprise Funds			Total Enterprise Funds	Governmental Activities Internal Service Funds
	6160-6209 Delinquent Property Tax	Allegan County Medical Care Community	5950 Jail Commisary - Nonmajor		
ASSETS					
<i>Current Assets</i>					
Cash and pooled investments	\$ 9,767,515	\$ 24,379	\$ 192,327	\$ 9,984,221	\$ 5,723,326
Accounts receivable	--	1,410,507	6,504	1,417,011	3,044
Property taxes receivable	2,893,368	1,251,151	--	4,144,519	--
Due from other governments	--	467,489	--	467,489	--
Prepays	22,758	--	--	22,758	649,576
Total Current Assets	12,683,641	3,153,526	198,831	16,035,998	6,375,946
<i>Noncurrent Assets</i>					
Capital assets being depreciated, net	--	1,890,069	--	1,890,069	--
Total Assets	12,683,641	5,043,595	198,831	17,926,067	6,375,946
DEFERRED OUTFLOWS OF RESOURCES					
Pension	--	60,527	--	60,527	--
Total Deferred Outflows of Resources	--	60,527	--	60,527	--
LIABILITIES					
<i>Current Liabilities</i>					
Accounts payable	29,002	919,302	--	948,304	8,186
Accrued liabilities	3,736	105,476	--	109,212	325,359
Due to other governments	1,157	--	--	1,157	--
Total Current Liabilities	33,895	1,024,778	--	1,058,673	333,545
<i>Noncurrent Liabilities</i>					
Compensated absences	--	76,263	--	76,263	--
Net pension liability	--	94,797	--	94,797	--
Advance from other funds	--	390,000	--	390,000	--
Total Liabilities	33,895	1,585,838	--	1,619,733	333,545
DEFERRED INFLOWS OF RESOURCES					
Pension	--	27,570	--	27,570	--
Total Deferred Inflows of Resources	--	27,570	--	27,570	--
NET POSITION					
Net investment in capital assets	--	1,890,069	--	1,890,069	--
<i>Unrestricted</i>	12,649,746	1,600,645	198,831	14,449,222	6,042,401
Total Net Position	\$ 12,649,746	\$ 3,490,714	\$ 198,831	\$ 16,339,291	\$ 6,042,401

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, 2020

	Business-type Activities - Enterprise Funds			Total Enterprise Funds	Governmental Activities Internal Service Funds
	6160-6209 Delinquent Property Tax	Allegan County Medical Care Community	5950 Jail Commisary - Nonmajor		
Operating Revenues					
Interest and penalties on taxes	\$ 698,355	\$ --	\$ --	\$ 698,355	\$ --
Charges for services	438,134	6,058,306	49,829	6,546,269	4,708,495
Other revenues	13,520	47,418	--	60,938	275,468
Quality assurance supplement	--	658,917	--	658,917	--
Total Operating Revenues	1,150,009	6,764,641	49,829	7,964,479	4,983,963
Operating Expenses					
Administrative expense	243,379	--	--	243,379	13,953
Medical services expense	--	8,225,820	--	8,225,820	--
Insurance and employee benefits expense	--	--	--	--	5,536,897
Total Operating Expenses	243,379	8,225,820	--	8,469,199	5,550,850
Operating Income (Loss)	906,630	(1,461,179)	49,829	(504,720)	(566,887)
Non-Operating Revenues (Expenses)					
Property Taxes	--	1,300,177	--	1,300,177	--
Interest income	64,293	--	--	64,293	--
Contributions and donations	--	1,120,957	--	1,120,957	--
Interest expense	--	(249)	--	(249)	--
Net Non-Operating Revenues (Expenses)	64,293	2,420,885	--	2,485,178	--
Income Before Contributions and Transfers	970,923	959,706	49,829	1,980,458	(566,887)
Transfers in	--	144,282	--	144,282	--
Transfers out	(866,250)	--	(50,000)	(916,250)	--
Change In Net Position	104,673	1,103,988	(171)	1,208,490	(566,887)
<i>Net Position at Beginning of Period</i>	<i>12,545,073</i>	<i>2,386,726</i>	<i>199,002</i>	<i>15,130,801</i>	<i>6,609,288</i>
Net Position at End of Period	\$ 12,649,746	\$ 3,490,714	\$ 198,831	\$ 16,339,291	\$ 6,042,401

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, 2020

	Business-type Activities Enterprise Funds				Governmental Activities
	6160-6209 Delinquent Property Tax	Allegan County Medical Care Community	5950 Jail Commissary - Nonmajor	Total Enterprise Funds	Internal Service Funds
Cash Flows from Operating Activities					
Cash received from interfund services provided	\$ -	\$ -	\$ -	\$ -	\$ 4,985,112
Cash received from users	518,247	-	52,303	570,550	-
Cash received from residents and third-party payors	-	6,945,354	-	6,945,354	-
Cash received from quality assurance supplement	-	438,692	-	438,692	-
Cash received from other operating receipts	13,520	47,418	-	60,938	-
Cash received from quality measures initiative	-	97,224	-	97,224	-
Cash received from interest and penalties on delinquent taxes	1,085,885	-	-	1,085,885	-
Cash payments to employees and suppliers	(249,961)	(7,617,777)	-	(7,867,738)	-
Cash payments for quality assurance provider tax	-	(348,031)	-	(348,031)	-
Cash payments for quality measures initiative	-	(66,412)	-	(66,412)	-
Cash payments for fleet management	-	-	-	-	(13,852)
Cash payments for insurance and employee benefits	-	-	-	-	(5,809,694)
Net Cash Provided by (Used in) Operating Activities	<u>1,367,691</u>	<u>(503,532)</u>	<u>52,303</u>	<u>916,462</u>	<u>(838,434)</u>
Cash Flows from Non-capital Financing Activities					
Transfer from other funds	-	144,282	-	144,282	-
Transfers to other funds	(866,250)	-	(50,000)	(916,250)	-
Tax revenue	-	49,026	-	49,026	-
Net change in interfund balances and advances	-	(267,698)	-	(267,698)	-
Contributions and donations	-	653,468	-	653,468	-
Net Cash Provided by (Used in) Non-capital Financing Activities	<u>(866,250)</u>	<u>579,078</u>	<u>(50,000)</u>	<u>(287,172)</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities					
Acquisition and construction of capital assets	-	(63,702)	-	(63,702)	-
Interest payments on long-term debt	-	(249)	-	(249)	-
Net Cash Used in Capital and Related Financing Activities	<u>-</u>	<u>(63,951)</u>	<u>-</u>	<u>(63,951)</u>	<u>-</u>
Cash Flows from Investing Activities					
Interest received on investments	64,293	-	-	64,293	-
Net Cash Provided by Investing Activities	<u>64,293</u>	<u>-</u>	<u>-</u>	<u>64,293</u>	<u>-</u>
Net Increase (Decrease) in Cash and Pooled Investments	565,734	11,595	2,303	579,632	(838,434)
Cash and Pooled Investments - Beginning of Year	9,201,781	12,784	190,024	9,404,589	6,561,760
Cash and Pooled Investments - End of Year	<u>\$ 9,767,515</u>	<u>\$ 24,379</u>	<u>\$ 192,327</u>	<u>\$ 9,984,221</u>	<u>\$ 5,723,326</u>
Reconciliation of Operating Income (Loss) to					
Net Cash Provided by (Used in) Operating Activities					
Operating income (loss)	\$ 906,630	\$ (1,461,179)	\$ 49,829	\$ (504,720)	\$ (566,887)
Adjustments to Reconcile Operating Income (Loss) to					
Net Cash Provided by (Used in) Operating Activities					
Depreciation expense	-	144,831	-	144,831	-
Provision for bad debts	-	126,141	-	126,141	-
Changes in Assets, Deferrals, and Liabilities					
Accounts receivable	80,113	637,906	2,474	720,493	1,149
Property taxes receivable	387,530	-	-	387,530	-
Prepays	(11,932)	-	-	(11,932)	(347,660)
Accounts payable	6,366	243,325	-	249,691	(11,863)
Accrued liabilities	1,008	(180,106)	-	(179,098)	86,827
Due to other governments	(2,024)	-	-	(2,024)	-
Net pension liability and related deferreds	-	(14,450)	-	(14,450)	-
Net Cash Provided by (Used in) Operating Activities	<u>\$ 1,367,691</u>	<u>\$ (503,532)</u>	<u>\$ 52,303</u>	<u>\$ 916,462</u>	<u>\$ (838,434)</u>

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, 2020

	Custodial Funds	
	7010 Trust and Agency	7210 Library Penal Fine
ASSETS		
Cash and pooled investments	\$ 1,391,240	\$ 400
<i>Total Assets</i>	1,391,240	400
LIABILITIES		
Due to other governments	1,233,859	--
Undistributed collections	153,969	400
Bonds and other payables	3,412	--
<i>Total Liabilities</i>	\$ 1,391,240	\$ 400

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, 2020

	<u>7010 Trust and Agency</u>	<u>7210 Library Penal Fine</u>
Additions		
Taxes collected for other governments	\$ 38,235,592	\$ --
Library penal fine collections	--	1,081,921
Court collections	2,229,969	--
County clerk/register of deeds collections	186,576	--
Treasurer collections	4,154,974	--
Total Additions	<u>44,807,111</u>	<u>1,081,921</u>
Deductions		
Payments of property taxes to other governments	38,235,592	--
Library penal fine distributions	--	1,081,921
Court distributions	2,229,969	--
County clerk/register of deeds distributions	186,576	--
Treasurer distributions	4,154,974	--
Total Deductions	<u>44,807,111</u>	<u>1,081,921</u>
Change in Net Position	--	--
<i>Net Position at Beginning of Period</i>	--	--
Net Position at End of Period	<u>\$ --</u>	<u>\$ --</u>

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, 2020

	Allegan County Drains	Allegan County Road Commission	Total Component Units
ASSETS			
<i>Current Assets</i>			
Cash and pooled investments	\$ 1,813,894	\$ 9,004,271	\$ 10,818,165
Accounts receivable	--	2,584,271	2,584,271
Special assessments receivable	1,732,013	--	1,732,013
Leases receivable	525,747	--	525,747
Property taxes receivable	--	3,836,567	3,836,567
Due from other governments	3,095	1,649,767	1,652,862
Inventory	--	1,636,217	1,636,217
Prepays	--	163,139	163,139
Total Current Assets	4,074,749	18,874,232	22,948,981
<i>Noncurrent Assets</i>			
Capital assets not being depreciated	1,587,512	101,223,049	102,810,561
Capital assets being depreciated, net	16,501,548	125,238,191	141,739,739
Special assessments receivable, long-term	4,109,876	--	4,109,876
Leases receivable, long-term	5,293,813	--	5,293,813
Net OPEB Asset	--	136,912	136,912
Total Assets	31,567,498	245,472,384	277,039,882
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on bond refunding	68,120	--	68,120
Pension	--	3,158,888	3,158,888
Total Deferred Outflows of Resources	68,120	3,158,888	3,227,008
LIABILITIES			
<i>Current Liabilities</i>			
Accounts payable	101,658	327,378	429,036
Accrued liabilities	5,762	145,392	151,154
Due to other governments	--	607	607
Due to Primary Government	--	3,022,448	3,022,448
Accrued interest	127,840	--	127,840
Current portion of long-term debt	1,463,486	304,895	1,768,381
Total Current Liabilities	1,698,746	3,800,720	5,499,466
<i>Noncurrent Liabilities</i>			
Long-term debt	10,327,954	5,113,630	15,441,584
Advance from primary government	250,000	--	250,000
Compensated absences	--	494,529	494,529
Net pension liability	--	6,790,776	6,790,776
Total Liabilities	12,276,700	16,199,655	28,476,355
DEFERRED INFLOWS OF RESOURCES			
Pension	--	19,706	19,706
Unavailable revenue - property taxes	--	4,010,375	4,010,375
Total Deferred Inflows of Resources	--	4,030,081	4,030,081
NET POSITION			
Net investment in capital assets	12,155,830	221,042,715	233,198,545
<i>Restricted for:</i>			
Debt service	5,821,908	--	5,821,908
<i>Unrestricted</i>	1,381,180	7,358,821	8,740,001
Total Net Position	\$ 19,358,918	\$ 228,401,536	\$ 247,760,454

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, 2020

	<u>Allegan County Drains</u>	<u>Allegan County Road Commission</u>	<u>Total Component Units</u>
Expenses			
Interest expense	\$ 267,262	\$ 171,636	\$ 438,898
Road commission	--	20,851,241	20,851,241
Drains/public works	1,906,393	--	1,906,393
Total Expenses	<u>2,173,655</u>	<u>21,022,877</u>	<u>23,196,532</u>
Program Revenues			
Charges for services	336,955	173,032	509,987
Operating grants and contributions	161,540	16,358,969	16,520,509
Capital grants and contributions	1,730,625	9,720,015	11,450,640
Total Program Revenues	<u>2,229,120</u>	<u>26,252,016</u>	<u>28,481,136</u>
Net Program Revenues (Expenses)	<u>55,465</u>	<u>5,229,139</u>	<u>5,284,604</u>
General Revenue			
Property Taxes	--	4,042,365	4,042,365
Interest income	26,075	126,415	152,490
Total General Revenues	<u>26,075</u>	<u>4,168,780</u>	<u>4,194,855</u>
Change in Net Position	81,540	9,397,919	9,479,459
<i>Net Position at Beginning of Period</i>	19,277,378	219,003,617	238,280,995
Net Position at End of Period	<u>\$ 19,358,918</u>	<u>\$ 228,401,536</u>	<u>\$ 247,760,454</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

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 (seven members) and provides services to its more than 105,000 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, 2020. 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 122nd 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

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

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

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. The Brownfield Authority had no financial activity, assets,

Allegan County

Notes to the Financial Statements

or liabilities on December 31, 2020. As such, financial information is not presented within these financial statements.

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, although the agency funds do not have a 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

Allegan County

Notes to the Financial Statements

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 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.

Central dispatch E911 fund – This fund is used to account for restricted revenues from surcharges on cell phone services and State funding under Public Act 32. These amounts are expended to construct, maintain, and operate emergency dispatching within the County.

Senior millage fund – This fund is used to account for a dedicated property tax millage and related expenditures for senior services.

Indigent defense fund – This fund is used to account for earmarked state grant revenue and mandated local share contributions to provide indigent defendants in criminal cases with effective assistance of counsel.

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.

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.

Allegan County

Notes to the Financial Statements

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.

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.

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

Budgets and Budgetary Accounting

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.

Allegan County

Notes to the Financial Statements

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 Finance Director 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.

Assets, Deferred Outflows, Liabilities, Deferred Inflows, 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.

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.

Allegan County

Notes to the Financial Statements

- 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.

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 Governments

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.

Allegan County

Notes to the Financial Statements

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 \$5,819,560 and \$5,841,889, respectively. 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. 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, \$525,747 and \$1,732,013, respectively, are expected to be collected within one year while the remaining balances are long-term. 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 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, 2020, 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.

Allegan County

Notes to the Financial Statements

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.

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.

No interest expense has been incurred or capitalized on capital assets reported in proprietary funds.

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

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

Allegan County

Notes to the Financial Statements

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 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 2020 ad valorem tax (excluding the portion for general operations and soldiers' relief) is levied and collectible on December 1, 2020, 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, 2020, levy has been reported as deferred inflows of resources at year-end.

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

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Notes to the Financial Statements

The County also reports deferred inflows of resources related to pensions for changes in assumptions.

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 to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

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

Fund Balance Flow 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.

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

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.

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 preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Note 2 - Stewardship and Budgetary Compliance

Budget Compliance

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

During the year ended December 31, 2020, the County had the following budget exceptions:

	Final Budget	Actual Amount	Negative Variance
General Fund			
Elections	\$ 169,139	\$ 239,945	\$ (70,806)
Restitution	250,000	252,540	(2,540)
Cooperative extension	97,144	99,384	(2,240)
Network system	1,503,814	1,506,158	(2,344)
Courthouse	316,904	348,320	(31,416)
General facilities management	685,274	700,774	(15,500)
Mail and copy services	193,021	201,451	(8,430)
Dumont Lake complex	47,201	59,460	(12,259)
Medical examiner	205,544	248,523	(42,979)
2110/2113/2118			
Central Dispatch E911 Fund			
Transfers out	909,585	930,110	(20,525)

Note 3 - Deposits and Investments

Deposits and investments consisted of the following on December 31, 2020:

	Primary Government	Component Units	Total
Statement of Net Position			
Cash and pooled investments	\$ 51,453,072	\$ 10,818,165	\$ 62,271,237
Statement of Fiduciary Net Position			
Cash and pooled investments	1,391,640	-	1,391,640
Total Cash and Investments	\$ 52,844,712	\$ 10,818,165	\$ 63,662,877
Less Units Separately Audited			
Allegan County Road Commission	-	(9,004,271)	(9,004,271)
Allegan County Medical Care Community	(24,379)	-	(24,379)
Total Cash and Investments	\$ 52,820,333	\$ 1,813,894	\$ 54,634,227
Deposits and Investments			
Checking and savings accounts			15,237,499
Investments			39,373,353
Cash on hand			23,375
Total Deposits and Investments			\$ 54,634,227

These deposits are in multiple financial institutions located in Michigan in varying amounts. State policy limits the Treasurer's investing options to financial institutions located in Michigan. All

Allegan County

Notes to the Financial Statements

accounts are in the name of the County and a specific fund or common account. They are recorded in the County records at cost. Interest is recorded when earned.

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’s investment policy does not have specific limits in excess of state law pertaining to custodial credit risk. The County does a quarterly internal rating of the banks it has deposits in excess of the FDIC limit with utilizing outside sources to obtain the ratings. As of year-end, \$12,305,522 of the bank balance of \$12,808,068 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Custodial Credit Risk – Investments. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State law does not require, and the County does not have a policy for investment custodial credit risk. As of December 31, 2020, none of the County’s investments were exposed to risk since the securities are held in the County’s name by the counterparty.

The County’s investments at year-end are summarized as follows:

Money market accounts	\$ 5,445,253
Michigan CLASS	18,692,582
Asset backed securities	1,102,943
Certificate of deposits	10,555,438
Municipal bonds	3,577,137
	<u>\$ 39,373,353</u>

Interest Rate Risk. State law limits the allowable investments and the maturities of some of the allowable investments as identified above. 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. The maturity dates for investments and Certificates of Deposits held at year-end are summarized as follows:

No maturity	\$ 27,229,898
Less than 1 year	7,695,596
Due within 1-5 years	3,663,556
Due more than 5 years	784,303
	<u>\$ 39,373,353</u>

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 the County’s specific financial institutions, qualified mutual funds, and qualified external investment pools as identified in

Allegan County

Notes to the Financial Statements

“statutory authority” below. The investment policy does not have specific limits in excess of state law on investment credit risk.

The credit risk ratings for investments held at year-end are summarized as follows:

S&P AAA	\$ 18,692,582
S&P AA+	1,083,672
S&P AA	2,599,619
S&P AA-	996,788
N/A or not rated	<u>16,000,692</u>
	<u>\$ 39,373,353</u>

Concentration of Credit Risk. State law limits allowable investments but does not limit concentration of credit risk. The County’s investment policy does not have specific limits in excess of State law on concentration of credit risk. All investments held at year-end are reported above.

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 has the following recurring fair value measurements as of December 31, 2020:

	Level 1	Level 2	Level 3	Total
Asset backed securities	\$ -	\$ 1,102,943	\$ -	\$ 1,102,943
Municipal bonds	3,577,137	-	-	3,577,137
Michigan CLASS	-	18,692,582	-	18,692,582
	<u>\$ 3,577,137</u>	<u>\$ 19,795,525</u>	<u>\$ -</u>	<u>23,372,662</u>

Investment accounts not subject to fair value disclosure requirements:

Money market accounts	5,445,253
Certificates of deposit	<u>10,555,438</u>
Total Investments	<u>\$ 39,373,353</u>

Allegan County

Notes to the Financial Statements

Note 4 - Interfund Receivables and Payables

The amounts of interfund balances as of December 31, 2020 represent loans for cash flow purposes and are as follows:

	Due from Other Funds	Due to Other Funds
General fund	\$ 329,080	\$ -
Nonmajor governmental funds	-	329,080
	\$ 329,080	\$ 329,080

As of December 31, 2020, the general fund had an advance to the medical care community in the amount of \$390,000 to finance capital improvements and building expansion. The general fund also had an advance to the drains commission, a discretely presented component unit, in the amount of \$250,000 to finance drain improvements.

For the year ended December 31, 2020 interfund transfers consisted of the following:

	Transfers In	Transfers Out
General fund	\$ 450,743	\$ (6,975,350)
2110/2113/2118 central dispatch E911 fund	-	(930,110)
2600 indigent defense fund	234,206	-
Nonmajor governmental funds	9,441,701	(1,449,222)
6160-6209 delinquent property tax	-	(866,250)
Allegan County Medical Care Community	144,282	-
5950 jail commissary - nonmajor	-	(50,000)
	\$ 10,270,932	\$(10,270,932)

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.

Allegan County

Notes to the Financial Statements

Note 5 - Capital Assets

Capital asset activity for the year ended December 31, 2020, was as follows:

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance
Capital assets not being depreciated:				
Land	\$ 759,162	\$ -	\$ -	\$ 759,162
Construction in process	502,040	376,670	(390,792)	487,918
<i>Subtotal</i>	<u>1,261,202</u>	<u>376,670</u>	<u>(390,792)</u>	<u>1,247,080</u>
Capital assets being depreciated:				
Land improvements	3,411,107	-	-	3,411,107
Buildings and improvements	50,706,595	1,238,616	(106,948)	51,838,263
Equipment and furniture	24,398,223	1,843,511	(710,360)	25,531,374
Infrastructure	1,816,276	-	(131,380)	1,684,896
<i>Subtotal</i>	<u>80,332,201</u>	<u>3,082,127</u>	<u>(948,688)</u>	<u>82,465,640</u>
Less accumulated depreciation for:				
Land improvements	(2,532,219)	(114,746)	-	(2,646,965)
Buildings and improvements	(21,235,330)	(1,938,869)	85,915	(23,088,284)
Equipment and furniture	(14,893,772)	(1,639,890)	707,601	(15,826,061)
Infrastructure	(893,661)	(54,213)	117,714	(830,160)
<i>Subtotal</i>	<u>(39,554,982)</u>	<u>(3,747,718)</u>	<u>911,230</u>	<u>(42,391,470)</u>
Capital assets being depreciated, net	<u>40,777,219</u>	<u>(665,591)</u>	<u>(37,458)</u>	<u>40,074,170</u>
Capital assets, net	<u>\$ 42,038,421</u>	<u>\$ (288,921)</u>	<u>\$ (428,250)</u>	<u>\$ 41,321,250</u>

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

Governmental Activities:	
Judicial	\$ 56,423
General government	936,751
Public safety	2,392,940
Health and welfare	296,264
Recreation and culture	65,340
Total depreciation expense	<u>\$ 3,747,718</u>

Allegan County

Notes to the Financial Statements

A summary of changes in the Drain Commission/Department of Public Works capital assets was as follows:

Allegan County Drains	Beginning Balance	Additions	Reductions	Ending Balance
Capital assets not being depreciated:				
Land	\$ 853,800	\$ -	\$ -	\$ 853,800
Construction in process	2,230,135	305,650	(1,802,073)	733,712
<i>Subtotal</i>	<u>3,083,935</u>	<u>305,650</u>	<u>(1,802,073)</u>	<u>1,587,512</u>
Capital assets being depreciated:				
Machinery and equipment	76,125	-	-	76,125
Infrastructure	19,170,015	1,906,344	-	21,076,359
<i>Subtotal</i>	<u>19,246,140</u>	<u>1,906,344</u>	<u>-</u>	<u>21,152,484</u>
Less accumulated depreciation for:				
Machinery and equipment	(38,814)	(12,489)	-	(51,303)
Infrastructure	(3,542,360)	(1,057,273)	-	(4,599,633)
<i>Subtotal</i>	<u>(3,581,174)</u>	<u>(1,069,762)</u>	<u>-</u>	<u>(4,650,936)</u>
Capital assets being depreciated, net	<u>15,664,966</u>	<u>836,582</u>	<u>-</u>	<u>16,501,548</u>
Capital assets, net	<u>\$ 18,748,901</u>	<u>\$ 1,142,232</u>	<u>\$ (1,802,073)</u>	<u>\$ 18,089,060</u>

Depreciation expense of \$1,069,762 was charged to the public works/drains function of the Allegan County Drains.

Note 6 - Long-term Obligations

The individual long-term debt and other long-term obligations of the County, and the changes therein, are summarized as follows:

Governmental Activities	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
General obligation bonds	\$ 10,675,000	\$ -	\$ (550,000)	\$ 10,125,000	\$ 600,000
Pension obligation bonds	11,565,000	-	(720,000)	10,845,000	740,000
Installment purchase agreement (Direct Placement)	4,169,895	-	(836,611)	3,333,284	575,038
Net premium/discount	75,648	-	(6,134)	69,514	-
Compensated Absences	<u>1,335,044</u>	<u>356,369</u>	<u>-</u>	<u>1,691,413</u>	<u>-</u>
Total Long-term Obligations	<u>\$ 27,820,587</u>	<u>\$ 356,369</u>	<u>\$ (2,112,745)</u>	<u>\$ 26,064,211</u>	<u>\$ 1,915,038</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

The individual long-term debt of the Allegan County Drains, a discretely-presented component unit, and the changes therein, are summarized as follows:

Allegan County Drains	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
General obligation bonds	\$ 11,326,391	\$ -	\$ (1,631,601)	\$ 9,694,790	\$ 979,200
Notes payable	2,600,633	-	(512,911)	2,087,722	484,286
Net premium/discount	18,488	204	(9,764)	8,928	-
Total Long-term Obligations	\$ 13,945,512	\$ 204	\$ (2,154,276)	\$ 11,791,440	\$ 1,463,486

The following is the description of the above long-term debt of the County and Allegan County Drains, a discretely-presented component unit:

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.	\$ 10,125,000
\$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.	10,845,000
\$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%.	3,333,284
Total Long-term Debt	\$ 24,303,284

Allegan County

Notes to the Financial Statements

Allegan County Drains

\$1,549,000 2017 Selkirk Lake Drain Bond Payable, due in annual installments of \$77,000 to \$78,000 plus interest of 3.29%, payable semi-annually, through June 1, 2037.	\$ 1,318,000
\$1,358,000 2016 Cuddy Intercounty Drain Bonds Payable, due in annual installments of \$90,533 plus interest at 2.59%, payable semi-annually, through June 1, 2031.	682,000
\$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.	895,000
\$659,000 2012 Moline Drainage District Bonds, due in annual installments of \$65,900 plus interest at 2.95%, payable semi-annually, through June 1, 2022.	131,800
\$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.	3,305,090
\$2,920,000 2013 Fillmore Township Water Supply and 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.	1,590,000
\$427,000 2013 Coffey Drain Drainage District bonds payable, due in annual installments of \$42,700 plus interest at 2.30%, payable annually through June 1, 2023.	128,100
\$316,000 2013 Golf Drainage District bonds payable, due in annual installments of \$31,600 plus interest at 2.30%, payable annually through June 1, 2023.	94,800
Miscellaneous Drainage District Notes, due in annual installments plus interest ranging from .70 to 4.95%, payable annually, through June 1, 2036.	3,637,722
Total Long-term Debt	\$ 11,782,512

The annual requirements to maturity on the long-term installment debt outstanding on December 31, 2020 are as follows:

Year Ended December 31,	Governmental Activities			Drains Commission, Component Unit		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 1,915,038	\$ 751,863	\$ 2,666,901	\$ 1,463,486	\$ 318,597	\$ 1,782,083
2022	2,045,102	700,910	2,746,012	1,524,379	280,840	1,805,219
2023	2,080,341	645,026	2,725,367	1,299,978	242,534	1,542,512
2024	2,190,759	584,793	2,775,552	1,204,579	208,577	1,413,156
2025	2,256,360	525,236	2,781,596	1,185,900	176,054	1,361,954
2026 - 2030	9,690,684	1,604,250	11,294,934	2,901,100	566,581	3,467,681
2031 - 2035	4,125,000	152,088	4,277,088	1,782,090	199,735	1,981,825
2036 - 2040	-	-	-	421,000	28,498	449,498
Total	\$ 24,303,284	\$ 4,964,166	\$ 29,267,450	\$ 11,782,512	\$ 2,021,416	\$ 13,803,928

Allegan County

Notes to the Financial Statements

Note 7 - Net Investment in Capital Assets

The composition of the net investment in capital assets as of December 31, 2020 was as follows:

	Governmental Activities	Drain Commission
Capital assets:		
Capital assets not being depreciated	\$ 1,247,080	\$ 1,587,512
Capital assets being depreciated	40,074,170	16,501,548
<i>Subtotal</i>	41,321,250	18,089,060
Less long-term debt:		
Total long-term debt	(24,303,284)	(11,782,512)
Premiums/discounts on long-term debt	(69,514)	(8,928)
<i>Subtotal</i>	(24,372,798)	(11,791,440)
Add deferred charge on bond refunding:	-	68,120
Add unrelated long-term debt:		
Pension obligation bonds	10,845,000	-
Other bonds payable*	-	5,790,090
<i>Subtotal</i>	10,845,000	5,790,090
Net investment in capital assets	\$ 27,793,452	\$ 12,155,830

*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.

Note 8 - Employees' Retirement Systems

Defined Benefit

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.

Allegan County

Notes to the Financial Statements

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 Admnstr. - 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, 2019 measurement date, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	258
Inactive plan members entitled to but not yet receiving benefits	83
Active plan members	45
Total employees covered by MERS	386

Contributions

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

Allegan County

Notes to the Financial Statements

For the year ended December 31, 2020, the County had the following required contribution rates:

Division	Employee Contributions	Employer Contributions
01 - Tmstr Unit II - closed	4.00%	\$ 4,148
02 - POLC Rd Commd & Undersheriff - closed	8.00%	4,404
06 - Mtl Hlth Dept - closed	4.00%	-
08 - Court Salaried - closed	4.00%	4,562
09 - Asst Pros Atty - closed	10.79%	1,949
10 - Genl. Non Union - closed	4.00%	2,845
12 - Court Hourly - closed	4.00%	1,195
15 - Tmstrs. Unit 1 - closed	4.00%	7,900
16 - County Admnstr. - closed	4.00%	1,315
17 - Tmstr Unit 111 - closed	4.00%	2,009
20 - Polc Deputies - closed	8.00%	9,780
21 - POLC Corr Comm - closed	8.00%	1,458

As all the divisions for the County are closed, the County makes monthly contributions for a set fixed amount rather than a percent of pay.

Net Pension Liability

The County's net pension liability was measured as of December 31, 2019, 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, 2019 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	7.35%, net of investment expense, including inflation

Mortality rates used were based on the RP-2014 Group Annuity Mortality Table of a 50% Male and 50% Female blend. The actuarial assumptions used in valuation were based on the results of the most recent actuarial experience study of 2009-2013.

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

Allegan County

Notes to the Financial Statements

class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Target Allocation Gross Rate of Return</u>	<u>Long-term Expected Gross Rate of Return</u>	<u>Inflation Assumption</u>	<u>Long-term Expected Real Rate of Return</u>
Global equity	60.00%	7.75%	4.65%	2.50%	3.15%
Global fixed income	20.00%	3.75%	0.75%	2.50%	0.25%
Private investments	20.00%	9.75%	1.95%	2.50%	1.45%
	<u>100.00%</u>		<u>7.35%</u>		<u>4.85%</u>

Discount Rate

The discount rate used to measure the total pension liability is 7.60%. 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. 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. The discount rate used to measure the total pension liability in the prior year was 8.00%.

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:

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at December 31, 2018	\$ 68,291,092	\$ 60,335,384	\$ 7,955,708
Service cost	547,472	-	547,472
Interest	5,302,851	-	5,302,851
Differences between expected and actual experience	632,920	-	632,920
Changes in assumptions	2,424,842	-	2,424,842
Changes in benefits	(3,824,839)	-	(3,824,839)
Contributions - employer	-	587,231	(587,231)
Contributions - employee	-	297,326	(297,326)
Net investment loss	-	8,042,589	(8,042,589)
Benefit payments, including refunds	(4,558,315)	(4,558,315)	-
Administrative expenses	-	(138,479)	138,479
Other changes/transfers	-	-	-
<i>Net changes</i>	<u>524,931</u>	<u>4,230,352</u>	<u>(3,705,421)</u>
Balance at December 31, 2019	\$ 68,816,023	\$ 64,565,736	\$ 4,250,287
	Allocated to:		
		Governmental Activities	\$ 4,155,490
		Business-type Activities	94,797
			\$ 4,250,287

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 7.60%, 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 (6.60%) or 1% higher (8.60%) than the current rate:

	1% Decrease	Current	1% Increase
	(6.60%)	Discount Rate	(8.60%)
	(7.60%)	(7.60%)	(8.60%)
Net pension liability (asset) of the County	<u>\$ 11,767,056</u>	<u>\$ 4,250,287</u>	<u>\$ (2,098,677)</u>

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, 2020, the County recognized pension expense of \$(148,088) while the Allegan County Medical Care Community recognized pension expense of \$33,538. The

Allegan County

Notes to the Financial Statements

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

Source	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 312,271	\$ -
Differences between expected and actual experience	371,931	27,570
Changes in assumptions	1,179,366	-
Employer contributions to the plan subsequent to the measurement date*	547,932	-
Total	<u>\$ 2,411,500</u>	<u>\$ 27,570</u>
Allocated to:		
Governmental Activities	\$ 2,350,973	\$ -
Business-type Activities	60,527	27,570
	<u>\$ 2,411,500</u>	<u>\$ 27,570</u>

* 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, 2021.

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

Years Ending December 31,	Amount
2021	\$ 1,412,681
2022	230,164
2023	865,846
2024	(672,693)

Payable to the Pension Plan. On December 31, 2020, the County reported a payable of \$64,675 for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2020.

Significant Changes to the Pension Valuation

At the February 28, 2019, board meeting, the MERS Retirement Board adjusted key economic assumptions. These assumptions, in particular the investment return assumption, have a significant effect on a plan's required contribution and funding level. Historically low interest rates, along with high equity market valuations, have led to reductions in projected returns for most asset classes. This has resulted in a Board adopted reduction in the investment rate of return assumption from 7.75% to 7.35%, effective with the December 31, 2019 valuation, first impacting 2021 contributions. The Board also changed the assumed rate of wage inflation from 3.75% to 3.00%, with the same effective date.

Allegan County

Notes to the Financial Statements

Further, the changes in the 2019 total pension liability are net of contract amendments to the POLC divisions.

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 4% of each participants' salary and will match up to 100% of employee contributions up to an additional 2% of salary (3% for non-bargaining employees). Total contributions for the year were \$1,865,702 (\$650,872 employee and \$1,214,830 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 the exclusive benefit of participants and their beneficiaries, the amounts are not reported in the accompanying financial statements.

Note 9 - 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.

Allegan County

Notes to the Financial Statements

Note 10 - Fund Balances - Governmental Funds

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 was as follows:

	2110/2113/21					
	General	18 Central Dispatch E911 Fund	2950 Senior Millage	2600 Indigent Defense	Nonmajor Governmental Funds	Total Governmental Funds
	Fund	Fund	Fund	Fund	Fund	Fund
Nonspendable						
Long-term advances	\$ 640,000	\$ -	\$ -	\$ -	\$ -	\$ 640,000
Prepaid items and inventory	223,408	26,571	11,089	-	66,177	327,245
<i>Total Nonspendable</i>	<u>863,408</u>	<u>26,571</u>	<u>11,089</u>	<u>-</u>	<u>66,177</u>	<u>967,245</u>
Restricted						
E-911/dispatch services	-	5,540,468	-	-	-	5,540,468
Senior services	-	-	829,938	-	-	829,938
Indigent defense	-	-	-	1,446,536	-	1,446,536
Health/mental health	-	-	-	-	303,124	303,124
Friend of the court	-	-	-	-	1,133,402	1,133,402
Transportation	-	-	-	-	164,270	164,270
Register of deeds automation	-	-	-	-	713,614	713,614
Drug law enforcement	-	-	-	-	102,221	102,221
Sheriff	-	-	-	-	661,566	661,566
Housing assistance	-	-	-	-	174,238	174,238
State and federal grants	-	-	-	-	300,251	300,251
Parks and recreation	-	-	-	-	161,789	161,789
Debt service	-	-	-	-	2,444	2,444
Solid Waste	-	-	-	-	206,535	206,535
Concealed pistol licenses	-	-	-	-	284,984	284,984
<i>Total Restricted</i>	<u>-</u>	<u>5,540,468</u>	<u>829,938</u>	<u>1,446,536</u>	<u>4,208,438</u>	<u>12,025,380</u>
Committed						
Budget stabilization	4,658,907	-	-	-	-	4,658,907
Child care	-	-	-	-	345,943	345,943
Health/mental health	-	-	-	-	944,222	944,222
Animal shelters	-	-	-	-	61,754	61,754
Soldiers and sailors	-	-	-	-	90,400	90,400
Fitness center	-	-	-	-	75,563	75,563
Capital improvements	-	-	-	-	655,277	655,277
Public improvements	-	-	-	-	1,848,758	1,848,758
Debt service	-	-	-	-	271,843	271,843
Other purposes	-	-	-	-	5,373,533	5,373,533
<i>Total Committed</i>	<u>4,658,907</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,667,293</u>	<u>14,326,200</u>
Assigned						
Law library	98,425	-	-	-	-	98,425
Grant administration	23,766	-	-	-	-	23,766
Child care welfare	9,725	-	-	-	-	9,725
Technology	1	-	-	-	-	1
<i>Total Assigned</i>	<u>131,917</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>131,917</u>
Unassigned						
	8,921,481	-	-	-	-	8,921,481
Total Fund Balance	<u>\$ 14,575,713</u>	<u>\$ 5,567,039</u>	<u>\$ 841,027</u>	<u>\$ 1,446,536</u>	<u>\$ 13,941,908</u>	<u>\$ 36,372,223</u>

Allegan County

Notes to the Financial Statements

Note 11 - 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, were as follows:

<u>Year Ended December 31,</u>	<u>Beginning of Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Net Claim Payments</u>	<u>End of Year Liability</u>
2018	\$ 179,085	\$ 478,234	\$ (540,022)	\$ 117,297
2019	117,297	600,433	(591,223)	126,507
2020	126,507	831,122	(741,070)	216,559

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.

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

Allegan County

Notes to the Financial Statements

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 were as follows:

Year Ended	Beginning of	Current Year	Net Claim	End of Year
December 31,	Year Liability	Claims and	Payments	Liability
		Changes in		
		Estimates		
2018	\$ 43,293	\$ 199,643	\$ (233,325)	\$ 9,611
2019	9,611	312,517	(211,420)	110,708
2020	110,708	205,210	(212,880)	103,038

Note 12 - Litigation

In the normal course of its activities, the County is a party to various legal actions and subject to certain asserted and unasserted claims and assessments. Although other actions have been brought, the County has not experienced any additional significant losses or costs. It is the County's opinion that the outcome of any pending actions will not have a material effect on the County's financial position or results of operations.

Allegan County

Notes to the Financial Statements

Note 13 - 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 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, JARC, and Specialized Service) 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. \$20,310 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 \$10,001 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, 2020.

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 \$14,775. The entire amount of \$14,775 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 \$14,775 (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, 2020.

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 14 - Contingencies

Amounts received or receivable under grant programs are subject to audit and adjustment by the grantor agencies, principally the Federal and State governments. Any disallowed claims, including

Allegan County

Notes to the Financial Statements

amounts already collected, may constitute a liability of the transit agency. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the transit agency expects such amounts, if any, to be immaterial.

Note 15 - Leases

The County is a lessor under an operating lease agreement for office space. The original cost of the leased assets constructed in 2002 is \$5,511,564 with accumulated depreciation of \$3,120,087 at year-end. Future lease revenues for these facility leases are as follows:

Fiscal Year Ended	
December 31,	Amount
2021	\$ 394,283
2022	394,283
2023	394,283
Total	\$ 1,182,849

Note 16 - Tax Abatements

Industrial property tax abatements are granted in the State of Michigan under Public Act 198, as amended, to promote economic development, creation of jobs, and new or improvement facilities. The industrial facilities tax (IFT) exemption must be approved by both the local unit (after a public hearing is held) and the State of Michigan. IFT exemptions can cover real and/or personal property. By State law, the exemption must be applied for no later than six months after commencement of the project and must be accompanied by a written agreement between the taxpayer and the local unit. An exemption allows for taxation on IFT property at 50% of the local property tax millage rate for a period of 1 to 12 years. Accordingly, such agreements meet the criteria of "tax abatements" under GASB Statement No. 77. Property taxes abated by the local units during the year ended December 31, 2020 amounted to \$141,714.

Note 17 - Subsequent Events

On March 11, 2020, the World Health Organization declared the outbreak of a respiratory disease caused by a new coronavirus a pandemic. First identified in late 2019 and now known as COVID-19, the outbreak has impacted millions of individuals in the United States and worldwide. In response, the United States federal government and individual state and local governments have implemented measures to combat the outbreak that have impacted health care business operations. During 2020, the County's operations were significantly impacted, as shelter-in-place orders and government mandates impacted census volumes. The County has moved to mitigate the impact by managing the workforce, actively managing cash balances, and implementing other cost reduction measures.

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Notes to the Financial Statements

Note 18 - Change in Accounting Principle

The County adopted the provisions of **GASB Statement No.84 *Fiduciary Activities*** in the current year. The beginning fund balance for the fund was immaterial and was included in current year activity. The adoption has created a new fund titled *1084 GASB 84 Fund* which is classified as part of the general fund.

REQUIRED SUPPLEMENTARY INFORMATION

Allegran County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Consolidated General Fund
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative) Final to Actual
Revenues				
Taxes	\$ 23,810,565	\$ 23,810,565	\$ 23,571,054	\$ (239,511)
Licenses and permits	67,101	67,101	76,749	9,648
Intergovernmental revenues - federal	56,000	56,000	1,952,584	1,896,584
Intergovernmental revenues - state	2,374,231	2,374,231	2,695,760	321,529
Charges for services	4,300,317	4,300,317	4,630,779	330,462
Fines and forfeitures	155,000	155,000	88,794	(66,206)
Interest and rentals	743,844	743,844	481,230	(262,614)
Other revenues	2,351,782	2,351,782	2,965,393	613,611
Total Revenues	33,858,840	33,858,840	36,462,343	2,603,503
Other Financing Sources				
Transfers in	342,950	499,505	450,743	(48,762)
Total Revenues and Other Financing Sources	34,201,790	34,358,345	36,913,086	2,554,741
Expenditures				
Legislative - Board of commissioners	468,226	468,226	352,887	115,339
Judicial				
Circuit court	679,639	679,639	657,648	21,991
District court	1,536,370	1,537,613	1,467,326	70,287
Jury board	6,862	6,862	2,960	3,902
Probate court	487,030	487,030	455,289	31,741
Probate court - juvenile	713,458	713,458	696,813	16,645
Guardian/conservators	40,000	40,000	12,780	27,220
Probation - circuit court	7,480	7,480	7,143	337
Probation - district court	527,987	527,987	512,886	15,101
Family counseling services	15,125	15,125	12,000	3,125
Restitution	250,000	250,000	252,540	(2,540)
Total Judicial	4,263,951	4,265,194	4,077,385	187,809
General Government				
Administration Department	366,681	382,269	331,969	50,300
Elections	169,139	169,139	239,945	(70,806)
Accounting department	420,907	420,907	414,080	6,827
Auditing services	55,000	55,000	51,000	4,000
Clerk	664,695	665,703	666,057	(354)
Equalization	530,214	530,214	421,673	108,541
Personnel department	451,332	451,332	420,534	30,798
Prosecuting attorney	1,465,537	1,469,823	1,411,369	58,454
Register of deeds	328,759	328,759	294,717	34,042
Treasurer	560,256	563,488	521,242	42,246
Cooperative extension	97,144	97,144	99,384	(2,240)
Network system	1,502,268	1,503,814	1,506,158	(2,344)
Technology	67,039	67,039	15,415	51,624
Drain commissioner	398,091	398,091	310,193	87,898
Records management	93,895	93,895	90,511	3,384
Other general government	516,270	516,270	--	516,270
Animal Control	33,219	33,219	28,293	4,926
Courthouse	316,904	316,904	348,320	(31,416)
Central dispatch building	149,401	149,401	96,272	53,129
Human services building	242,589	242,589	222,420	20,169
Medical care community building	297,800	297,800	217,423	80,377
General facilities management	682,159	685,274	700,774	(15,500)
Mail and copy services	191,718	193,021	201,451	(8,430)
ACC Building	13,000	13,000	9,428	3,572
CMH Clinic	18,000	18,000	13,351	4,649
Sheriff/jail building	646,756	647,860	563,921	83,939
County services building	163,545	163,545	118,059	45,486
Dumont Lake complex	47,201	47,201	59,460	(12,259)
Youth home building	78,500	78,500	42,325	36,175
Total General Government	10,568,019	10,599,201	9,415,744	1,183,457

Allegan County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Consolidated General Fund
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative) Final to Actual
Expenditures				
Public safety				
Sheriff	4,911,086	4,990,224	4,953,721	36,503
WEMET - sheriff	112,045	112,045	108,981	3,064
Secondary road patrol program	332,681	337,937	334,290	3,647
Sheriff services	76,771	76,771	38,297	38,474
Detective bureau	783,212	800,279	703,766	96,513
Courthouse security	266,871	266,871	205,085	61,786
Marine law enforcement	140,496	140,496	118,379	22,117
Jail	4,507,367	4,526,768	4,258,859	267,909
Inmate programs	356,750	356,750	324,557	32,193
Emergency management	123,817	127,085	120,187	6,898
L.E.P.C.	36,595	36,595	34,240	2,355
Animal shelter	105,513	105,513	99,669	5,844
Livestock claims	2,050	2,050	--	2,050
Total public safety	<u>11,755,254</u>	<u>11,879,384</u>	<u>11,300,031</u>	<u>579,353</u>
Public works				
Department of public works	12,493	12,493	11,331	1,162
Drains - public benefits	117,000	117,000	45,223	71,777
Monumentation program	95,000	95,000	74,688	20,312
Total public works	<u>224,493</u>	<u>224,493</u>	<u>131,242</u>	<u>93,251</u>
Health and welfare				
Communicable diseases	7,500	7,500	335	7,165
Medical examiner	205,544	205,544	248,523	(42,979)
Mental Health	346,095	346,095	346,095	--
Child care welfare	1,750	1,750	1,185	565
Veterans' services	127,665	127,665	109,998	17,667
Total health and welfare	<u>688,554</u>	<u>688,554</u>	<u>706,136</u>	<u>(17,582)</u>
Community and economic development				
Economic development	50,000	50,000	50,000	--
Land information systems	194,528	194,528	183,126	11,402
Total community and economic development	<u>244,528</u>	<u>244,528</u>	<u>233,126</u>	<u>11,402</u>
Other				
Employees' other fringe benefits	1,006,840	1,006,840	23,668	983,172
Insurance and bonds	385,000	385,000	385,000	--
Total other	<u>1,391,840</u>	<u>1,391,840</u>	<u>408,668</u>	<u>983,172</u>
Total Expenditures	<u>29,604,865</u>	<u>29,761,420</u>	<u>26,625,219</u>	<u>3,136,201</u>
Other Financing Uses				
Transfers out	4,598,675	7,128,790	6,975,350	153,440
Total Expenditures and Other Financing Uses	<u>34,203,540</u>	<u>36,890,210</u>	<u>33,600,569</u>	<u>3,289,641</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses				
	(1,750)	(2,531,865)	3,312,517	5,844,382
Net Change in Fund Balance	<u>(1,750)</u>	<u>(2,531,865)</u>	<u>3,312,517</u>	<u>5,844,382</u>
<i>Fund Balance at Beginning of Period</i>	11,288,220	11,288,220	11,288,220	--
Fund Balance at End of Period	<u>\$ 11,286,470</u>	<u>\$ 8,756,355</u>	<u>\$ 14,600,737</u>	<u>\$ 5,844,382</u>

Allegan County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
2110/2113/2118 Central Dispatch E911 Fund
For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Positive (Negative)
				<u>Final to Actual</u>
Revenues				
Charges for services	\$ 3,921,477	\$ 3,921,477	\$ 3,738,606	\$ (182,871)
Interest and rentals	28,000	28,000	34,291	6,291
Other revenues	--	--	409	409
Total Revenues	<u>3,949,477</u>	<u>3,949,477</u>	<u>3,773,306</u>	<u>(176,171)</u>
Expenditures				
Public safety	3,201,239	3,273,239	2,656,937	616,302
Total Expenditures	<u>3,201,239</u>	<u>3,273,239</u>	<u>2,656,937</u>	<u>616,302</u>
Other Financing Uses				
Transfers out	909,585	909,585	930,110	(20,525)
Total Expenditures and Other Financing Uses	<u>4,110,824</u>	<u>4,182,824</u>	<u>3,587,047</u>	<u>595,777</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>(161,347)</u>	<u>(233,347)</u>	<u>186,259</u>	<u>419,606</u>
Net Change in Fund Balance	<u>(161,347)</u>	<u>(233,347)</u>	<u>186,259</u>	<u>419,606</u>
Fund Balance at Beginning of Period	5,380,780	5,380,780	5,380,780	--
Fund Balance at End of Period	<u>\$ 5,219,433</u>	<u>\$ 5,147,433</u>	<u>\$ 5,567,039</u>	<u>\$ 419,606</u>

Allegan County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
2950 Senior Millage
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative) Final to Actual
Revenues				
Taxes	\$ 2,442,906	\$ 2,376,906	\$ 2,439,714	\$ 62,808
Intergovernmental revenues - state	130,000	130,000	174,459	44,459
Interest and rentals	14,500	14,500	13,419	(1,081)
Other revenues	1,000	1,000	3,413	2,413
Total Revenues	2,588,406	2,522,406	2,631,005	108,599
Expenditures				
Health and welfare	2,747,613	2,747,613	2,555,439	192,174
Total Expenditures	2,747,613	2,747,613	2,555,439	192,174
Excess (Deficiency) of Revenues				
Over Expenditures	(159,207)	(225,207)	75,566	300,773
Net Change in Fund Balance	(159,207)	(225,207)	75,566	300,773
<i>Fund Balance at Beginning of Period</i>	765,461	765,461	765,461	--
Fund Balance at End of Period	\$ 606,254	\$ 540,254	\$ 841,027	\$ 300,773

Allegan County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
2600 Indigent Defense
For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Positive (Negative) Final to Actual
Revenues				
Intergovernmental revenues - state	\$ 1,966,426	\$ 1,966,426	\$ 1,792,761	\$ (173,665)
Intergovernmental revenues - local	306,698	306,698	306,698	--
Interest and rentals	--	--	9,514	9,514
Total Revenues	<u>2,273,124</u>	<u>2,273,124</u>	<u>2,108,973</u>	<u>(164,151)</u>
Other Financing Sources				
Transfers in	<u>234,206</u>	<u>234,206</u>	<u>234,206</u>	<u>--</u>
Total Revenues and Other Financing Sources	<u>2,507,330</u>	<u>2,507,330</u>	<u>2,343,179</u>	<u>(164,151)</u>
Expenditures				
Indigent defense	<u>2,507,330</u>	<u>2,507,330</u>	<u>2,099,457</u>	<u>407,873</u>
Total Expenditures	<u>2,507,330</u>	<u>2,507,330</u>	<u>2,099,457</u>	<u>407,873</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures	<u>--</u>	<u>--</u>	<u>243,722</u>	<u>243,722</u>
Net Change in Fund Balance	<u>--</u>	<u>--</u>	<u>243,722</u>	<u>243,722</u>
<i>Fund Balance at Beginning of Period</i>	<u>1,202,814</u>	<u>1,202,814</u>	<u>1,202,814</u>	<u>--</u>
Fund Balance at End of Period	<u>\$ 1,202,814</u>	<u>\$ 1,202,814</u>	<u>\$ 1,446,536</u>	<u>\$ 243,722</u>

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability						
Service cost	\$ 547,472	\$ 563,239	\$ 566,872	\$ 575,360	\$ 630,413	\$ 630,185
Interest	5,302,851	5,176,056	5,158,817	5,101,578	4,873,458	4,758,873
Differences between expected and actual experience	632,920	355,330	(1,088,250)	(633,978)	331,814	-
Changes in assumptions	2,424,842	-	-	-	3,070,911	-
Changes in benefits	(3,824,839)	-	-	-	-	-
Benefit payments, including refunds	(4,558,315)	(4,445,235)	(4,395,034)	(4,251,411)	(4,111,028)	(3,889,485)
Other changes	-	-	2,160,970	-	(351)	-
Net Change in Pension Liability	<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>	68,291,092	66,641,702	64,238,327	63,446,778	58,651,561	57,151,988
Total Pension Liability - Ending (a)	<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>
Plan Fiduciary Net Position						
Contributions - employer	\$ 587,231	\$ 392,628	\$ 6,727,018	\$ 368,383	\$ 338,220	\$ 19,657,679
Contributions - employee	297,326	281,627	281,302	314,894	323,859	331,471
Net investment income (loss)	8,042,589	(2,507,442)	7,736,509	6,026,562	(846,351)	2,512,269
Benefit payments, including refunds	(4,558,315)	(4,445,235)	(4,395,034)	(4,251,411)	(4,111,028)	(3,889,485)
Administrative expenses	(138,479)	(127,060)	(298,081)	(119,106)	(125,827)	(92,867)
Other changes/transfers	-	(79,216)	176,601	-	-	655,392
Net Change in Plan Fiduciary Net Position	<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>	60,335,384	66,820,082	56,591,767	54,252,445	58,673,572	39,499,113
Plan Fiduciary Net Position - Ending (b)	<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>
Net Pension Liability (Asset) - Ending (a) - (b)	\$ 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	93.8%	88.4%	100.3%	88.1%	85.5%	100.0%
Covered Payroll	\$ 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	114.1%	206.4%	-4.5%	187.7%	199.6%	-0.5%

Change in total pension liability during 2019 net of POLC contract amendments

* Built prospectively upon implementation on GASB 68

Allegan County
Required Supplementary Information
Schedule of Contributions
Last Seven Calendar Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially Determined Contribution	\$ 546,480	\$ 583,429	\$ 392,628	\$ 910,448	\$ 378,583	\$ 338,220	\$ 1,822,367
Contributions in Relation to the Actuarially Determined Contribution	546,480	591,556	392,628	6,727,018	378,583	338,220	20,313,070
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ (8,127)</u>	<u>\$ -</u>	<u>\$ (5,816,570)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (18,490,703)</u>
Covered Payroll	\$ 3,689,370	\$ 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	14.8%	15.9%	10.2%	170.9%	9.3%	7.3%	0.0%

Notes

Valuation Date

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 - 13 Years, division specific
Asset valuation method	5 year smoothed
Inflation	2.50%
Salary increases	3.00%, including inflation
Investment rate of return	7.35%
Retirement Age	Experience-based tables of rates that are specific to the type of eligibility condition
Mortality	50% Male - 50% Female blend of the RP-2014 Group Annuity Mortality Table

OTHER SUPPLEMENTARY INFORMATION

Allegan County
General Fund Combining Balance Sheet
All Funds Treated as General
December 31, 2020

	1010 General	2570 Budget Stabilization Fund	2580 Sick & Vacation Liability	2690 Law Library	2710 Grant Administration	2922 Child Care Welfare	1084 GASB 84 Fund	2895 Technology Fund	Total General Funds
ASSETS									
Cash and pooled investments	\$ 7,372,104	\$ 4,658,907	\$ 1,178,489	\$ 103,337	\$ 23,766	\$ 9,725	\$ 1,126,967	\$ 1	\$ 14,473,296
Accounts receivable	287,435	--	--	--	--	--	--	--	287,435
Property taxes receivable	1,311,275	--	--	--	--	--	--	--	1,311,275
Due from other governments	590,682	--	--	--	--	--	--	--	590,682
Prepays	223,408	--	--	--	--	--	--	--	223,408
Due from other funds	329,080	--	--	--	--	--	--	--	329,080
Advance to component unit	250,000	--	--	--	--	--	--	--	250,000
Advance to other funds	390,000	--	--	--	--	--	--	--	390,000
Total Assets	\$ 10,753,984	\$ 4,658,907	\$ 1,178,489	\$ 103,337	\$ 23,766	\$ 9,725	\$ 1,126,967	\$ 1	\$ 17,855,176
LIABILITIES									
Accounts payable	\$ 358,614	\$ --	\$ --	\$ 4,912	\$ --	\$ --	\$ --	\$ --	\$ 363,526
Bonds payable	--	--	--	--	--	--	687,652	--	687,652
Accrued liabilities	900,100	--	--	--	--	--	414,291	--	1,314,391
Total Liabilities	1,258,714	--	--	4,912	--	--	1,101,943	--	2,365,569
DEFERRED INFLOWS OF RESOURCES									
Aggregated deferred inflows	888,870	--	--	--	--	--	--	--	888,870
Total Liabilities and Deferred Inflows of Resources	2,147,584	--	--	4,912	--	--	1,101,943	--	3,254,439
FUND BALANCE									
Nonspendable	863,408	--	--	--	--	--	--	--	863,408
Committed	--	4,658,907	--	--	--	--	--	--	4,658,907
Assigned	--	--	--	98,425	23,766	9,725	--	1	131,917
Unassigned	7,742,992	--	1,178,489	--	--	--	25,024	--	8,946,505
Total Fund Balance	8,606,400	4,658,907	1,178,489	98,425	23,766	9,725	25,024	1	14,600,737
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 10,753,984	\$ 4,658,907	\$ 1,178,489	\$ 103,337	\$ 23,766	\$ 9,725	\$ 1,126,967	\$ 1	\$ 17,855,176

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, 2020

	1010 General	2570 Budget Stabilization Fund	2580 Sick & Vacation Liability	2690 Law Library	2710 Grant Administration	2922 Child Care Welfare	1084 GASB 84 Fund	2895 Technology Fund	Elimination *	Total General Funds
Revenues										
Taxes	\$ 23,571,054	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 23,571,054
Licenses and permits	76,749	--	--	--	--	--	--	--	--	76,749
Intergovernmental revenues - federal	1,952,584	--	--	--	--	--	--	--	--	1,952,584
Intergovernmental revenues - state	2,695,760	--	--	--	--	--	--	--	--	2,695,760
Charges for services	4,353,215	--	--	--	--	--	277,564	--	--	4,353,215
Fines and forfeitures	82,294	--	--	6,500	--	--	--	--	--	88,794
Interest and rentals	480,350	--	--	713	167	--	--	--	--	481,230
Other revenues	2,965,393	--	--	--	--	--	--	--	--	2,965,393
Total Revenues	36,177,399	--	--	7,213	167	--	277,564	--	--	36,184,779
Expenditures										
Legislative	352,887	--	--	--	--	--	--	--	--	352,887
Judicial	3,793,540	--	--	31,305	--	--	252,540	--	--	3,824,845
General government	9,400,329	--	--	--	--	--	--	15,415	--	9,415,744
Public safety	11,300,031	--	--	--	--	--	--	--	--	11,300,031
Public works	131,242	--	--	--	--	--	--	--	--	131,242
Health and welfare	704,951	--	--	--	--	1,185	--	--	--	706,136
Community and economic development	233,126	--	--	--	--	--	--	--	--	233,126
Other	408,668	--	--	--	--	--	--	--	--	408,668
Total Expenditures	26,324,774	--	--	31,305	--	1,185	252,540	15,415	--	26,372,679
Excess of Revenues Over (Under) Expenditures	9,852,625	--	--	(24,092)	167	(1,185)	25,024	(15,415)	--	9,812,100
Other Financing Sources (Uses)										
Transfers in	607,298	752,411	159,969	30,000	--	--	--	15,416	(1,114,351)	450,743
Transfers out	(7,933,146)	--	(156,555)	--	--	--	--	--	1,114,351	(6,975,350)
Net Other Financing Sources (Uses)	(7,325,848)	752,411	3,414	30,000	--	--	--	15,416	--	(6,524,607)
Net Change in Fund Balance	2,526,777	752,411	3,414	5,908	167	(1,185)	25,024	1	--	3,287,493
<i>Fund Balance at Beginning of Period</i>	<i>6,079,623</i>	<i>3,906,496</i>	<i>1,175,075</i>	<i>92,517</i>	<i>23,599</i>	<i>10,910</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>11,288,220</i>
Fund Balance at End of Period	\$ 8,606,400	\$ 4,658,907	\$ 1,178,489	\$ 98,425	\$ 23,766	\$ 9,725	\$ 25,024	\$ 1	\$ --	\$ 14,575,713

**Allegan County
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2020**

	Special Revenue					
	2210 Health	2550 Animal Shelter	2560 Register of Deeds Automation	2650/2651 Drug Law Enforcement	2930 Soldiers Relief	2640/2660 Law Enforcement Training
ASSETS						
Cash and pooled investments	\$ 1,176,731	\$ 61,754	\$ 706,456	\$ 102,221	\$ 92,099	\$ 113,796
Accounts receivable	--	--	--	--	230	1,324
Due from other governments	449,110	--	--	--	3,263	--
Inventory	29,991	--	--	--	--	--
Prepays	19,216	--	7,292	--	--	--
Total Assets	\$ 1,675,048	\$ 61,754	\$ 713,748	\$ 102,221	\$ 95,592	\$ 115,120
LIABILITIES						
Accounts payable	\$ 25,423	\$ --	\$ 134	\$ --	\$ 3,753	\$ 1,070
Accrued liabilities	113,721	--	--	--	1,439	--
Due to other governments	209,360	--	--	--	--	--
Unearned revenue	29,991	--	--	--	--	--
Due to other funds	--	--	--	--	--	--
Total Liabilities	378,495	--	134	--	5,192	1,070
FUND BALANCE						
Nonspendable	49,207	--	7,292	--	--	--
Restricted	303,124	--	706,322	102,221	--	114,050
Committed	944,222	61,754	--	--	90,400	--
Unassigned	--	--	--	--	--	--
Total Fund Balance	1,296,553	61,754	713,614	102,221	90,400	114,050
Total Liabilities and Fund Balance	\$ 1,675,048	\$ 61,754	\$ 713,748	\$ 102,221	\$ 95,592	\$ 115,120

**Allegan County
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2020**

	Special Revenue					
	2771 Housing Assistance	2790/2791 State and Federal Grants	2801-2811 Law Enforcement Road Patrol	2900 Social Welfare	2921 Child Care Probate	2960 Farmland Preservation
ASSETS						
Cash and pooled investments	\$ 174,238	\$ --	\$ 476,563	\$ 29,955	\$ 700	\$ 238
Accounts receivable	--	4,289	--	--	--	--
Due from other governments	--	466,868	81,683	--	690,280	--
Inventory	--	--	--	--	--	--
Prepays	--	3,470	--	--	--	--
Total Assets	\$ 174,238	\$ 474,627	\$ 558,246	\$ 29,955	\$ 690,980	\$ 238
LIABILITIES						
Accounts payable	\$ --	\$ 122,122	\$ 548	\$ --	\$ 70,677	\$ --
Accrued liabilities	--	7,608	51,294	--	165,066	--
Due to other governments	--	--	--	--	--	--
Unearned revenue	--	--	--	--	--	--
Due to other funds	--	41,176	--	--	109,294	--
Total Liabilities	--	170,906	51,842	--	345,037	--
FUND BALANCE						
Nonspendable	--	3,470	--	--	--	--
Restricted	174,238	300,251	506,404	--	--	--
Committed	--	--	--	29,955	345,943	238
Unassigned	--	--	--	--	--	--
Total Fund Balance	174,238	303,721	506,404	29,955	345,943	238
Total Liabilities and Fund Balance	\$ 174,238	\$ 474,627	\$ 558,246	\$ 29,955	\$ 690,980	\$ 238

**Allegan County
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2020**

	Special Revenue					
	2961 Fitness Center	2475 Annual Projects	2635 Concealed Pistol Licensing	2080 Parks & Recreation Fund	2150/2151 Friend of the Court Fund	2300 Transportation
ASSETS						
Cash and pooled investments	\$ 75,563	\$ 296,026	\$ 285,646	\$ 165,824	\$ 994,359	\$ --
Accounts receivable	--	--	--	--	--	5,578
Due from other governments	--	--	--	--	189,988	422,711
Inventory	--	--	--	--	--	--
Prepays	--	--	--	--	--	13,500
Total Assets	\$ 75,563	\$ 296,026	\$ 285,646	\$ 165,824	\$ 1,184,347	\$ 441,789
LIABILITIES						
Accounts payable	\$ --	\$ --	\$ --	\$ 1,007	\$ 2,036	\$ 71,826
Accrued liabilities	--	--	662	3,028	48,909	13,583
Due to other governments	--	--	--	--	--	--
Unearned revenue	--	--	--	--	--	--
Due to other funds	--	--	--	--	--	178,610
Total Liabilities	--	--	662	4,035	50,945	264,019
FUND BALANCE						
Nonspendable	--	--	--	--	--	13,500
Restricted	--	--	284,984	161,789	1,133,402	164,270
Committed	75,563	296,026	--	--	--	--
Unassigned	--	--	--	--	--	--
Total Fund Balance	75,563	296,026	284,984	161,789	1,133,402	177,770
Total Liabilities and Fund Balance	\$ 75,563	\$ 296,026	\$ 285,646	\$ 165,824	\$ 1,184,347	\$ 441,789

**Allegan County
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2020**

	Special Revenue					Debt Service
	2470 Local Revenue Sharing	2630 Palisades Emergency Planning	2590 Unfunded Accrued Liability	Agency Collaborative Committee	2211 Solid Waste	3601 Jail Construction Bonds
ASSETS						
Cash and pooled investments	\$ 155,073	\$ 41,112	\$ 4,818,264	\$ 15,309	\$ 243,675	\$ 1
Accounts receivable	58,729	--	--	--	--	--
Due from other governments	--	--	--	--	55,545	--
Inventory	--	--	--	--	--	--
Prepays	--	--	--	--	--	--
Total Assets	\$ 213,802	\$ 41,112	\$ 4,818,264	\$ 15,309	\$ 299,220	\$ 1
LIABILITIES						
Accounts payable	\$ --	\$ --	\$ --	\$ 61	\$ 45,337	\$ --
Accrued liabilities	--	--	--	--	--	--
Due to other governments	--	--	--	--	--	--
Unearned revenue	--	--	--	--	47,348	--
Due to other funds	--	--	--	--	--	--
Total Liabilities	--	--	--	61	92,685	--
FUND BALANCE						
Nonspendable	--	--	--	--	--	--
Restricted	--	41,112	--	--	206,535	1
Committed	213,802	--	4,818,264	15,248	--	--
Unassigned	--	--	--	--	--	--
Total Fund Balance	213,802	41,112	4,818,264	15,248	206,535	1
Total Liabilities and Fund Balance	\$ 213,802	\$ 41,112	\$ 4,818,264	\$ 15,309	\$ 299,220	\$ 1

**Allegan County
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2020**

	<u>Debt Service</u>		<u>Capital Projects</u>		<u>Total Nonmajor Governmental Funds</u>	
	<u>3603 Radio Debt</u>	<u>3602 Pension Defined Benefit Debt</u>	<u>2465 Youth Home CIP</u>	<u>Public Improvement Fund</u>		<u>2460 CIP Building Capital</u>
ASSETS						
Cash and pooled investments	\$ 271,843	\$ 2,443	\$ 641,149	\$ 2,093,584	\$ 14,328	\$ 13,048,950
Accounts receivable	--	--	--	845	--	70,995
Due from other governments	--	--	--	--	--	2,359,448
Inventory	--	--	--	--	--	29,991
Prepays	--	--	--	--	--	43,478
Total Assets	\$ 271,843	\$ 2,443	\$ 641,149	\$ 2,094,429	\$ 14,328	\$ 15,552,862
LIABILITIES						
Accounts payable	\$ --	\$ --	\$ 200	\$ 245,671	\$ --	\$ 589,865
Accrued liabilities	--	--	--	--	--	405,310
Due to other governments	--	--	--	--	--	209,360
Unearned revenue	--	--	--	--	--	77,339
Due to other funds	--	--	--	--	--	329,080
Total Liabilities	--	--	200	245,671	--	1,610,954
FUND BALANCE						
Nonspendable	--	--	--	--	--	73,469
Restricted	--	2,443	--	--	--	4,201,146
Committed	271,843	--	640,949	1,848,758	14,328	9,667,293
Unassigned	--	--	--	--	--	--
Total Fund Balance	271,843	2,443	640,949	1,848,758	14,328	13,941,908
Total Liabilities and Fund Balance	\$ 271,843	\$ 2,443	\$ 641,149	\$ 2,094,429	\$ 14,328	\$ 15,552,862

Allegan County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2020

	Special Revenue					
	2210 Health	2550 Animal Shelter	2560 Register of Deeds Automation	2650/2651 Drug Law Enforcement	2930 Soldiers Relief	2640/2660 Law Enforcement Training
Revenues						
Taxes	\$ --	\$ --	\$ --	\$ --	\$ 104,269	\$ --
Licenses and permits	911,887	--	--	--	--	--
Intergovernmental revenues - federal	842,652	--	--	--	--	--
Intergovernmental revenues - state	945,331	--	--	--	7,289	8,051
Intergovernmental revenues - local	--	--	--	--	--	--
Charges for services	192,802	--	139,470	--	--	19,135
Fines and forfeitures	--	--	--	18	--	--
Interest and rentals	11,498	437	4,595	721	286	825
Other revenues	171,680	1,800	--	--	351	--
Total Revenues	<u>3,075,850</u>	<u>2,237</u>	<u>144,065</u>	<u>739</u>	<u>112,195</u>	<u>28,011</u>
Expenditures						
Judicial	--	--	--	--	--	--
General government	--	--	33,799	--	--	--
Public safety	--	--	--	--	--	39,652
Public works	--	--	--	--	--	--
Health and welfare	3,152,544	79,378	--	--	127,130	--
Recreation and cultural	--	--	--	--	--	--
Community and economic development	--	--	--	--	--	--
Capital outlay	--	--	--	--	--	--
Debt service - principal	--	--	--	--	--	--
Debt service - interest	--	--	--	--	--	--
Total Expenditures	<u>3,152,544</u>	<u>79,378</u>	<u>33,799</u>	<u>--</u>	<u>127,130</u>	<u>39,652</u>
Excess of Revenues Over (Under) Expenditures	<u>(76,694)</u>	<u>(77,141)</u>	<u>110,266</u>	<u>739</u>	<u>(14,935)</u>	<u>(11,641)</u>
Other Financing Sources (Uses)						
Transfers in	838,621	71,480	--	--	--	--
Transfers out	(403,059)	--	--	--	--	--
Net Other Financing Sources (Uses)	<u>435,562</u>	<u>71,480</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Change in Fund Balance	358,868	(5,661)	110,266	739	(14,935)	(11,641)
<i>Fund Balance at Beginning of Period</i>	937,685	67,415	603,348	101,482	105,335	125,691
Fund Balance at End of Period	\$ 1,296,553	\$ 61,754	\$ 713,614	\$ 102,221	\$ 90,400	\$ 114,050

Allegan County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2020

	Special Revenue					
	2771 Housing Assistance	2790/2791 State and Federal Grants	2801-2811 Law Enforcement Road Patrol	2900 Social Welfare	2921 Child Care Probate	2960 Farmland Preservation
Revenues						
Taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Licenses and permits	--	--	--	--	--	--
Intergovernmental revenues - federal	--	410,699	--	--	26,325	--
Intergovernmental revenues - state	--	548,333	--	--	2,335,450	--
Intergovernmental revenues - local	--	10,000	976,045	--	--	--
Charges for services	53,127	25,937	--	--	115,123	--
Fines and forfeitures	--	--	--	--	--	--
Interest and rentals	985	--	--	--	--	--
Other revenues	--	12,645	--	--	1,193	--
Total Revenues	<u>54,112</u>	<u>1,007,614</u>	<u>976,045</u>	<u>--</u>	<u>2,478,091</u>	<u>--</u>
Expenditures						
Judicial	--	327,972	--	--	--	--
General government	--	57,040	--	--	--	--
Public safety	--	638,314	1,087,062	--	--	--
Public works	--	--	--	--	--	--
Health and welfare	--	--	--	--	4,880,248	--
Recreation and cultural	--	--	--	--	--	--
Community and economic development	120	--	--	--	--	--
Capital outlay	--	--	--	--	--	--
Debt service - principal	--	--	--	--	--	--
Debt service - interest	--	--	--	--	--	--
Total Expenditures	<u>120</u>	<u>1,023,326</u>	<u>1,087,062</u>	<u>--</u>	<u>4,880,248</u>	<u>--</u>
Excess of Revenues Over (Under) Expenditures	<u>53,992</u>	<u>(15,712)</u>	<u>(111,017)</u>	<u>--</u>	<u>(2,402,157)</u>	<u>--</u>
Other Financing Sources (Uses)						
Transfers in	--	5,770	168,000	--	2,535,355	--
Transfers out	--	--	--	--	(459,244)	--
Net Other Financing Sources (Uses)	<u>--</u>	<u>5,770</u>	<u>168,000</u>	<u>--</u>	<u>2,076,111</u>	<u>--</u>
Net Change in Fund Balance	<u>53,992</u>	<u>(9,942)</u>	<u>56,983</u>	<u>--</u>	<u>(326,046)</u>	<u>--</u>
<i>Fund Balance at Beginning of Period</i>	120,246	313,663	449,421	29,955	671,989	238
Fund Balance at End of Period	<u>\$ 174,238</u>	<u>\$ 303,721</u>	<u>\$ 506,404</u>	<u>\$ 29,955</u>	<u>\$ 345,943</u>	<u>\$ 238</u>

Allegan County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2020

	Special Revenue					
	2961 Fitness Center	2475 Annual Projects	2635 Concealed Pistol Licensing	2080 Parks & Recreation Fund	2150/2151 Friend of the Court Fund	2300 Transportation
Revenues						
Taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Licenses and permits	--	--	88,878	--	--	--
Intergovernmental revenues - federal	--	--	--	--	1,020,705	809,487
Intergovernmental revenues - state	--	--	--	--	131,111	535,526
Intergovernmental revenues - local	--	--	--	--	--	--
Charges for services	500	--	--	35,311	29,340	159,735
Fines and forfeitures	--	--	--	--	57,732	--
Interest and rentals	--	--	--	91,350	5,938	10,676
Other revenues	--	--	--	--	11,211	11,680
Total Revenues	<u>500</u>	<u>--</u>	<u>88,878</u>	<u>126,661</u>	<u>1,256,037</u>	<u>1,527,104</u>
Expenditures						
Judicial	--	--	--	--	1,553,243	--
General government	288	--	3,705	--	--	1,603,308
Public safety	--	--	--	--	--	--
Public works	--	--	--	--	--	--
Health and welfare	--	--	--	--	--	--
Recreation and cultural	--	--	--	343,101	--	--
Community and economic development	--	--	--	--	--	--
Capital outlay	--	--	--	--	--	--
Debt service - principal	--	--	--	--	--	--
Debt service - interest	--	--	--	--	--	--
Total Expenditures	<u>288</u>	<u>--</u>	<u>3,705</u>	<u>343,101</u>	<u>1,553,243</u>	<u>1,603,308</u>
Excess of Revenues Over (Under) Expenditures	<u>212</u>	<u>--</u>	<u>85,173</u>	<u>(216,440)</u>	<u>(297,206)</u>	<u>(76,204)</u>
Other Financing Sources (Uses)						
Transfers in	--	--	--	294,347	557,342	--
Transfers out	--	--	--	--	(68,204)	--
Net Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>294,347</u>	<u>489,138</u>	<u>--</u>
Net Change in Fund Balance	212	--	85,173	77,907	191,932	(76,204)
<i>Fund Balance at Beginning of Period</i>	75,351	296,026	199,811	83,882	941,470	253,974
Fund Balance at End of Period	\$ 75,563	\$ 296,026	\$ 284,984	\$ 161,789	\$ 1,133,402	\$ 177,770

Allegan County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2020

	Special Revenue					Debt Service
	2470 Local Revenue Sharing	2630 Palisades Emergency Planning	2590 Unfunded Accrued Liability	Agency Collaborative Committee	2211 Solid Waste	3601 Jail Construction Bonds
Revenues						
Taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Licenses and permits	--	--	--	--	--	--
Intergovernmental revenues - federal	--	--	--	--	--	--
Intergovernmental revenues - state	--	--	23,177	--	--	--
Intergovernmental revenues - local	264,345	--	--	--	--	--
Charges for services	--	--	--	--	839,803	--
Fines and forfeitures	--	--	--	--	--	--
Interest and rentals	2,189	--	--	--	--	--
Other revenues	--	20,000	--	--	64,327	--
Total Revenues	<u>266,534</u>	<u>20,000</u>	<u>23,177</u>	<u>--</u>	<u>904,130</u>	<u>--</u>
Expenditures						
Judicial	--	--	--	--	--	--
General government	--	--	--	--	--	--
Public safety	--	13,553	--	--	--	--
Public works	--	--	--	--	883,536	--
Health and welfare	--	--	--	4,508	--	--
Recreation and cultural	--	--	--	--	--	--
Community and economic development	--	--	--	--	--	--
Capital outlay	--	--	--	--	--	--
Debt service - principal	--	--	--	--	--	550,000
Debt service - interest	--	--	--	--	--	316,250
Total Expenditures	<u>--</u>	<u>13,553</u>	<u>--</u>	<u>4,508</u>	<u>883,536</u>	<u>866,250</u>
Excess of Revenues Over (Under) Expenditures	<u>266,534</u>	<u>6,447</u>	<u>23,177</u>	<u>(4,508)</u>	<u>20,594</u>	<u>(866,250)</u>
Other Financing Sources (Uses)						
Transfers in	--	--	1,443,221	5,000	--	866,250
Transfers out	(513,945)	(4,770)	--	--	--	--
Net Other Financing Sources (Uses)	<u>(513,945)</u>	<u>(4,770)</u>	<u>1,443,221</u>	<u>5,000</u>	<u>--</u>	<u>866,250</u>
Net Change in Fund Balance	(247,411)	1,677	1,466,398	492	20,594	--
<i>Fund Balance at Beginning of Period</i>	461,213	39,435	3,351,866	14,756	185,941	1
Fund Balance at End of Period	\$ 213,802	\$ 41,112	\$ 4,818,264	\$ 15,248	\$ 206,535	\$ 1

Allegan County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2020

	Debt Service		Capital Projects			Total Nonmajor Governmental Funds
	3603 Radio Debt	3602 Pension Defined Benefit Debt	2465 Youth Home CIP	Public Improvement Fund	2460 CIP Building Capital	
Revenues						
Taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 104,269
Licenses and permits	--	--	--	--	--	1,000,765
Intergovernmental revenues - federal	--	--	--	183,950	--	3,293,818
Intergovernmental revenues - state	--	--	--	1,778,200	--	6,312,468
Intergovernmental revenues - local	--	--	--	--	--	1,250,390
Charges for services	--	--	--	--	--	1,610,283
Fines and forfeitures	--	--	--	--	--	57,750
Interest and rentals	--	--	--	11,858	2,482	143,840
Other revenues	--	--	--	370,674	--	665,561
Total Revenues	--	--	--	2,344,682	2,482	14,439,144
Expenditures						
Judicial	--	--	--	--	--	1,881,215
General government	--	--	--	21,469	--	1,719,609
Public safety	--	--	--	--	--	1,778,581
Public works	--	--	--	--	--	883,536
Health and welfare	--	--	--	--	--	8,243,808
Recreation and cultural	--	--	--	--	--	343,101
Community and economic development	--	--	--	--	--	120
Capital outlay	--	--	157,702	2,584,961	--	2,742,663
Debt service - principal	836,611	720,000	--	--	--	2,106,611
Debt service - interest	72,974	409,225	--	--	--	798,449
Total Expenditures	909,585	1,129,225	157,702	2,606,430	--	20,497,693
Excess of Revenues Over (Under) Expenditures	(909,585)	(1,129,225)	(157,702)	(261,748)	2,482	(6,058,549)
Other Financing Sources (Uses)						
Transfers in	909,585	1,129,434	397,698	219,598	--	9,441,701
Transfers out	--	--	--	--	--	(1,449,222)
Net Other Financing Sources (Uses)	909,585	1,129,434	397,698	219,598	--	7,992,479
Net Change in Fund Balance	--	209	239,996	(42,150)	2,482	1,933,930
<i>Fund Balance at Beginning of Period</i>	271,843	2,234	400,953	1,890,908	11,846	12,007,978
Fund Balance at End of Period	\$ 271,843	\$ 2,443	\$ 640,949	\$ 1,848,758	\$ 14,328	\$ 13,941,908

Allegan County
Combining Statement of Net Position
Internal Service Funds
December 31, 2020

	Internal Service		
	6770 Self- Insurance	6612 Fleet Management	Total Internal Service Funds
ASSETS			
<i>Current Assets</i>			
Cash and pooled investments	\$ 5,723,209	\$ 117	\$ 5,723,326
Accounts receivable	3,044	--	3,044
Prepays	649,576	--	649,576
Total Assets	6,375,829	117	6,375,946
LIABILITIES			
<i>Current Liabilities</i>			
Accounts payable	8,085	101	8,186
Accrued liabilities	325,359	--	325,359
Total Liabilities	333,444	101	333,545
NET POSITION			
<i>Unrestricted</i>	6,042,385	16	6,042,401
Total Net Position	\$ 6,042,385	\$ 16	\$ 6,042,401

Allegan County
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended December 31, 2020

	<u>Internal Service</u>		
	<u>6770 Self- Insurance</u>	<u>6612 Fleet Management</u>	<u>Total Internal Service Funds</u>
Operating Revenues			
Charges for services	\$ 4,708,495	\$ --	\$ 4,708,495
Other revenues	261,506	13,962	275,468
<i>Total Operating Revenues</i>	<u>4,970,001</u>	<u>13,962</u>	<u>4,983,963</u>
Operating Expenses			
Administrative expense	--	13,953	13,953
Insurance and employee benefits expense	5,536,897	--	5,536,897
<i>Total Operating Expenses</i>	<u>5,536,897</u>	<u>13,953</u>	<u>5,550,850</u>
<i>Operating Income (Loss)</i>	<u>(566,896)</u>	<u>9</u>	<u>(566,887)</u>
<i>Change In Net Position</i>	<u>(566,896)</u>	<u>9</u>	<u>(566,887)</u>
<i>Net Position at Beginning of Period</i>	6,609,281	7	6,609,288
<i>Net Position at End of Period</i>	<u>\$ 6,042,385</u>	<u>\$ 16</u>	<u>\$ 6,042,401</u>

Allegan County
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2020

	<u>Internal Service</u>		
	<u>6770 Self- Insurance</u>	<u>6612 Fleet Management</u>	<u>Total Internal Service Funds</u>
Cash Flows from Operating Activities			
Cash received from interfund charges	\$ 4,971,150	\$ 13,962	\$ 4,985,112
Cash payments for fleet management	-	(13,852)	(13,852)
Cash payments for insurance and employee benefits	(5,809,694)	-	(5,809,694)
Net Cash Provided by (Used in) Operating Activities	<u>(838,544)</u>	<u>110</u>	<u>(838,434)</u>
Net Increase (Decrease) in Cash and Pooled Investments	(838,544)	110	(838,434)
<i>Cash and Pooled Investments - Beginning of Year</i>	6,561,753	7	6,561,760
Cash and Pooled Investments - End of Year	<u>\$ 5,723,209</u>	<u>\$ 117</u>	<u>\$ 5,723,326</u>
Reconciliation of Operating Income (Loss) to			
Net Cash Provided by (Used in) Operating Activities			
Operating Income (Loss)	\$ (566,896)	\$ 9	\$ (566,887)
Adjustments to Reconcile Operating Income (Loss) to			
Net Cash Provided by (Used in) Operating Activities			
Changes in Assets and Liabilities			
Accounts receivable	1,149	-	1,149
Prepays	(347,660)	-	(347,660)
Accounts payable	(11,964)	101	(11,863)
Accrued liabilities	86,827	-	86,827
Net Cash Provided by (Used in) Operating Activities	<u>\$ (838,544)</u>	<u>\$ 110</u>	<u>\$ (838,434)</u>

ALLEGAN COUNTY TRANSPORTATION FUND SCHEDULES

**Allegan County Transportation
Local Revenues
Schedule 1
For the Year Ended December 31, 2020**

	1/1/2020 to 9/30/2020	10/1/2020 to 12/31/2020	Total
Nonurban regular service			
Farebox revenues	\$ 40,781	\$ 11,497	\$ 52,278
Local service contracts	63,519	8,876	72,395
Rental of bldgs (leased space)	8,079	2,597	10,676
Sale of capital assets	11,680	-	11,680
	<hr/>	<hr/>	<hr/>
Total nonurban regular service	124,059	22,970	147,029
	<hr/>	<hr/>	<hr/>
Job access reverse commute			
Farebox revenues	1,831	687	2,518
	<hr/>	<hr/>	<hr/>
Specialized services			
Farebox revenues	852	442	1,294
Contract support	18,750	12,500	31,250
	<hr/>	<hr/>	<hr/>
Total specialized services	19,602	12,942	32,544
	<hr/>	<hr/>	<hr/>
Total local revenue	\$ 145,492	\$ 36,599	\$ 182,091

**Allegan County Transportation
Local Revenues
Schedule 1A
For the Year Ended September 30, 2020**

	10/1/2019 to 12/31/2019	1/1/2020 to 9/30/2020	Total
Nonurban - regular service			
Farebox revenues	\$ 28,450	\$ 40,781	\$ 69,231
Local service contracts	57,107	63,519	120,626
Rental of bldgs (leased space)	1,623	8,079	9,702
Sale of capital assets	4,930	11,680	16,610
Interest income	479	-	479
	<u>92,589</u>	<u>124,059</u>	<u>216,648</u>
Job access reverse commute			
Farebox revenues	<u>569</u>	<u>1,831</u>	<u>2,400</u>
Specialized services			
Farebox revenues	633	852	1,485
Contract Support	<u>6,250</u>	<u>18,750</u>	<u>25,000</u>
	<u>6,883</u>	<u>19,602</u>	<u>26,485</u>
Total local revenue	<u>\$ 100,041</u>	<u>\$ 145,492</u>	<u>\$ 245,533</u>

**Allegan County Transportation
Expenditures of Federal and State Awards
Schedule 2
For the Year Ended December 31, 2020**

Federal grantor/Pass-through grantor/ Program Title	CFDA Number	State Number	Program or Award Amount	Current Year's Expenditures			Prior Year Expenditures	Award Remaining
				Total	Federal	State		
<u>U.S. Department of Transportation</u>								
Passed through the Michigan Department of Transportation:								
2020 operating assistance - section 5311	20.509	2017-0003/P23	\$ 206,264	\$ 292,667	\$ 292,667	\$ -	\$ 48,542	\$ (134,945)
2021 operating assistance - section 5311	20.509	2017-0003/P28	178,000	81,441	81,441	-	-	96,559
2021 operating assistance - section 5311	20.509	2017-0003/P29	84,799	-	-	-	-	84,799
FY17 reconciliation adjustment	20.509	2017-0003/P1	13,166	13,166	13,166	-	-	-
U.S. DOT operating grant - RTAP	20.509	FY2020	4,500	-	-	-	-	4,500
2020 job access reverse commute - section 5311	20.516	2017-0003/P18	51,150	38,359	38,359	-	12,788	3
2021 job access reverse commute - section 5311	20.516	2017-0003/P24	51,150	12,788	12,788	-	-	38,362
				-				
Capital grant - section 5339	20.526	2017-0003/P15	388,074	384,309	307,448	76,861	-	3,765
Capital grant - section 5311	20.509	2017-0003/P20	306,000	17,799	14,239	3,560	-	288,201
Capital grant - 100% state	N/A	2017-0003/P21	77,288	-	-	-	-	77,288
Capital grant - section 5339	20.526	2017-0003/P25	77,563	-	-	-	-	77,563
Capital grant - section 5311	20.509	2017-0003/P27	380,000	-	-	-	-	380,000
2020 Capital grant - section 5310 - new freedom	20.521	2017-0003/P22	62,500	46,146	36,917	9,229	12,902	3,452
2021 Capital grant - section 5310 - new freedom	20.521	2017-0003/P26	62,500	15,578	12,462	3,116	-	46,922
<u>Michigan Department of Transportation</u>								
2020 operating assistance - act 51	N/A	FY2020	363,972	212,317	-	212,317	90,993	60,662
2021 operating assistance - act 51	N/A	FY2021	367,128	91,782	-	91,782	-	275,346
FY16 reconciliation adjustment	N/A	FY2016	5,633	5,633	-	5,633	-	-
FY17 final audit LBO	N/A	FY2017	7,737	7,737	-	7,737	-	-
FY18 reconciliation adjustment	N/A	FY2018	(70,479)	(31,325)	-	(31,325)	(39,154)	-
FY19 prelim. reconciliation adjustment	N/A	FY2019	14,641	14,641	-	14,641	-	-
2020 specialized services	N/A	2017-0003/P19/R3	124,918	59,599	-	59,599	25,090	40,229
2021 specialized services	N/A	2017-0003/P19/R3	124,918	31,230	-	31,230	-	93,688
2020 job access reverse commute - section 5311	20.516	2017-0003/P18	51,150	38,358	-	38,358	12,788	4
2021 job access reverse commute - section 5311	20.516	2017-0003/P24	51,150	12,788	-	12,788	-	38,362
Totals			\$ 2,983,722	\$ 1,345,013	\$ 809,487	\$ 535,526	\$ 163,949	\$ 1,474,760

**Allegan County Transportation
Federal and State Awards
Operating Revenue Only
Schedule 2A
For the Year Ended December 31, 2020**

	<u>1/1/2020 to 9/30/2020</u>	<u>10/1/2020 to 12/31/2020</u>	<u>Total</u>
Michigan Department of Transportation			
2020 operating assistance - act 51	\$ -	\$ 91,782	\$ 91,782
2021 operating assistance - act 51	212,317	-	212,317
FY16 reconciliation adjustment	5,633	-	5,633
FY17 final audit LBO	-	7,737	7,737
FY18 reconciliation adjustment	(31,325)	-	(31,325)
FY19 prelim. reconciliation adjustment	-	14,641	14,641
	<u>186,625</u>	<u>114,160</u>	<u>300,785</u>
Total Local Bus Operating (Act 51)	<u>186,625</u>	<u>114,160</u>	<u>300,785</u>
Job access reverse commute 2017-0003/P24	-	12,788	12,788
Job access reverse commute 2017-0003/P18	38,358	-	38,358
Specialized services - contract 2017-0003/P19/R3	-	31,230	31,230
Specialized services - contract 2017-0003/P19/R3	59,599	-	59,599
	<u>284,582</u>	<u>158,178</u>	<u>442,760</u>
Federal Transit Administration			
U.S. DOT Operating Grant - Section 5311:			
Contract 2017-0003/P23	292,667	-	292,667
Contract 2017-0003/P28	-	81,441	81,441
FY17 reconciliation adjustment	-	13,166	13,166
U.S. DOT Job Access Reverse Commute:			
Contract 2017-0003/P24	-	12,788	12,788
Contract 2017-0003/P18	38,359	-	38,359
	<u>331,026</u>	<u>107,395</u>	<u>438,421</u>
Total Federal Transit Administration	<u>331,026</u>	<u>107,395</u>	<u>438,421</u>
Total revenues - state and federal	<u>\$ 615,608</u>	<u>\$ 265,573</u>	<u>\$ 881,181</u>

**Allegan County Transportation
Federal and State Awards
Operating Revenue Only
Schedule 2B
For the Year Ended September 30, 2020**

	10/1/2020 to 12/31/2019	1/1/2020 to 9/30/2020	Total
Michigan Department of Transportation			
Local bus operating (Act 51)	\$ 90,993	\$ 212,317	\$ 303,310
2016 reconciliation adjustment	-	5,633	5,633
2018 reconciliation adjustment	-	(31,325)	(31,325)
	<u>90,993</u>	<u>186,625</u>	<u>277,618</u>
Job access reverse commute - MDOT 50%			
Contract 2017-0003/P10	12,788	38,363	51,151
Specialized services - contract 2017-0003/P13	25,089	59,594	84,683
	<u>128,870</u>	<u>284,582</u>	<u>413,452</u>
Federal Transit Administration			
U.S. DOT operating grant - Section 5311			
Contract 2017-0003/P16	48,542	292,667	341,209
Job access reverse commute - U.S. DOT 50%			
Contract 2017-0003/P10	12,792	38,359	51,151
	<u>61,334</u>	<u>331,026</u>	<u>392,360</u>
Total revenues - state and federal	<u>\$ 190,204</u>	<u>\$ 615,608</u>	<u>\$ 805,812</u>

**Allegan County Transportation
Operating and Contract Expenses
Schedule 3
For the Year Ended December 31, 2020**

	<u>Nonurban</u>	<u>Job Access Reverse Commute</u>	<u>Specialized Services</u>	<u>Total</u>
Labor	\$ 462,376	\$ 48,374	\$ 53,258	\$ 564,008
Fringe benefits	140,153	14,484	15,897	170,534
Services	31,612	3,362	3,068	38,042
Materials and supplies	106,592	8,684	9,188	124,464
Utilities	25,529	3,109	3,584	32,222
Casualty and liability costs	151,324	17,472	19,318	188,114
Miscellaneous	1,667	190	251	2,108
Capital outlay	381,339	-	-	381,339
Leases and rentals	82,177	9,624	10,676	102,477
 Total transit programs	 <u>1,382,769</u>	 <u>105,299</u>	 <u>115,240</u>	 <u>1,603,308</u>
 Less: ineligible expenses				
Ineligible capital expenses	(401,649)	-	-	(401,649)
Ineligible expenses	(72,529)	(2,518)	-	(75,047)
 Total eligible expenses	 <u>\$ 908,591</u>	 <u>\$ 102,781</u>	 <u>\$ 115,240</u>	 <u>\$ 1,126,612</u>

Allegheny County Transportation
Operating and Contract Expenses Split Between a December 31 and September 30 Year End
Schedule 3A
For the Year Ended December 31, 2020

	Nonurban			Job Access Reverse Commute			Specialized Services		
	1/1/2020	10/1/2020	Total	1/1/2020	10/1/2020	Total	1/1/2020	10/1/2020	Total
	to	to		to	to		to	to	
9/30/2020	12/31/2020	9/30/2020	12/31/2020	9/30/2020	12/31/2020	9/30/2020	12/31/2020	Total	
Labor	\$ 312,565	\$ 149,811	\$ 462,376	\$ 35,776	\$ 12,598	\$ 48,374	\$ 36,017	\$ 17,241	\$ 53,258
Fringe benefits	95,288	44,865	140,153	10,838	3,646	14,484	10,907	4,990	15,897
Services	28,767	2,845	31,612	3,035	327	3,362	2,621	447	3,068
Materials and supplies	57,419	49,173	106,592	6,327	2,357	8,684	5,962	3,226	9,188
Utilities	18,906	6,623	25,529	2,349	760	3,109	2,544	1,040	3,584
Casualty and liability costs	110,520	40,804	151,324	12,814	4,658	17,472	12,943	6,375	19,318
Miscellaneous	827	840	1,667	94	96	190	119	132	251
Capital outlay	-	381,339	381,339	-	-	-	-	-	-
Leases and rentals	62,034	20,143	82,177	7,312	2,312	9,624	7,512	3,164	10,676
Total transit programs	\$ 686,326	\$ 696,443	\$ 1,382,769	\$ 78,545	\$ 26,754	\$ 105,299	\$ 78,625	\$ 36,615	\$ 115,240

**Allegan County Transportation
Operating and Contract Expenses by Program
Schedule 3B
For the Year Ended September 30, 2020**

	Nonurban			Job Access Reverse Commute			Specialized Services		
	10/1/2019 to 12/31/2019	1/1/2020 to 9/30/2020	Total	10/1/2019 to 12/31/2019	1/1/2020 to 9/30/2020	Total	10/1/2019 to 12/31/2019	1/1/2020 to 9/30/2020	Total
Labor	\$ 124,479	\$ 312,565	\$ 437,044	\$ 11,984	\$ 35,776	\$ 47,760	\$ 18,421	\$ 36,017	\$ 54,438
Fringe benefits	27,771	95,288	123,059	2,674	10,838	13,512	4,110	10,907	15,017
Services	5,931	28,767	34,698	571	3,035	3,606	878	2,621	3,499
Materials and supplies	29,323	57,419	86,742	2,823	6,327	9,150	4,339	5,962	10,301
Utilities	10,211	18,906	29,117	983	2,349	3,332	1,511	2,544	4,055
Casualty and liability costs	54,175	110,520	164,695	5,216	12,814	18,030	8,017	12,943	20,960
Miscellaneous	631	827	1,458	61	94	155	93	119	212
Leases and rentals	19,085	62,034	81,119	1,837	7,312	9,149	2,824	7,512	10,336
Total transit programs	\$ 271,606	\$ 686,326	\$ 957,932	\$ 26,149	\$ 78,545	\$ 104,694	\$ 40,193	\$ 78,625	\$ 118,818

Allegan County Transportation
Schedule of Nonurban Regular Service Revenue
Schedule 4R (Nonurban)
For the Year Ended September 30, 2020

Code	Description	Amount
401 :	Farebox revenue	
40100	Passenger fares	\$ 69,231
407 :	Non-transportation revenue	
40760	Gains from the sale of capital assets (vehicles)	16,610
407 :	Local revenue	
40720	Rental of Bldgs. or Other Property	9,702
409	Local revenue	
40950	Local Service Contracts	120,626
411 :	State formula and contracts	
41101	State operating assistance	277,618
413 :	Federal contracts	
41301	Federal section 5311 (operating funds only) (18.0% of budgeted)	178,070
41361	Federal CARES ACT (operating funds only) (18.0% of budgeted)	163,139
41400	Interest income	479
	Total revenues	<u>\$ 835,475</u>

**Allegan County Transportation
Schedule of Nonurban Regular Service Expense
Schedule 4E (Nonurban)
For the Year Ended September 30, 2020**

Code	Description	Operations	Maintenance	Gen. Admin.	Total
501 :	Labor				
50101	Operators' salaries and wages	\$ 190,211	\$ -	\$ -	\$ 190,211
50102	Other salaries and wages	-	39,813	125,173	164,986
50103	Dispatchers' salaries and wages	81,847	-	-	81,847
502 :	Fringe benefits				
50200	Other fringe benefits	55,674	21,417	45,968	123,059
503 :	Services				
50302	Advertising fees	-	-	1,852	1,852
50305	Audit costs	-	-	1,384	1,384
50399	Other services	1,551	-	29,911	31,462
504 :	Materials and supplies				
50401	Fuel and lubricants	63,266	-	-	63,266
50402	Tires and tubes	-	1,006	-	1,006
50499	Other materials and supplies	955	21,515	-	22,470
505 :	Utilities				
50500	Utilities	14,558	-	14,559	29,117
506 :	Insurance				
50603	Liability insurance	85,761	-	-	85,761
50699	Other insurance	78,934	-	-	78,934
509 :	Miscellaneous expense				
50903	Association dues and subscriptions	-	-	1,458	1,458
512 :	Operating leases and rentals				
51200	Operating leases and rentals	-	-	81,119	81,119
550 :	Ineligible expenses				
55009	Association dues and subscriptions (% of MPTA)	-	-	(130)	(130)
560 :	Ineligible expenses				
56004	Expense associated with rentals or lease	(10,001)	-	-	(10,001)
	Total eligible expenses	\$ 572,757	\$ 83,751	\$ 301,424	\$ 957,932
			Total expenses		\$ 957,932
			Total ineligible expenses		10,131
			Total eligible expenses		\$ 947,801

Allegheny County Transportation
Schedule of Nonurban Regular Service Nonfinancial Data (Unaudited)
Public Service
Schedule 4N (Nonurban)
For the Year Ended September 30, 2020

<u>Code</u>	<u>Description</u>	<u>Weekday</u>	<u>Saturday</u>	<u>Sunday</u>	<u>Total</u>
610	Vehicle hours	11,551	503	71	12,125
611	Vehicle miles	258,109	11,133	986	270,228
615	Passengers - regular	3,792	2	2	3,796
616	Passengers - elderly	4,048	116	6	4,170
617	Passengers - persons w/ disabilities	4,429	111	25	4,565
618	Passengers - elderly persons w/ disabilities	5,078	389	36	5,503
622	Total demand-response passengers	17,347	618	69	18,034
625	Days operated	255	51	12	318
	Total passengers				18,034
<u>Vehicle Information</u>					
655	Total demand-response vehicles				24
656	Demand-response vehicle w/ lifts				24
658	Total transit vehicles				24
	Total vehicles				24
<u>Miscellaneous Information</u>					
660	Diesel/gasoline gallons consumed				31,895
661	Total transit agency employees (FT equivalents)				18
662	Total revenue vehicle operators (FT equivalents)				15
663	Number of accidents				7

Allegan County Transportation
Schedule of Job Access Reverse Commute Service Revenue
Public Service
Schedule 4R (JARC)
For the Year Ended September 30, 2020

<u>Code</u>	<u>Description</u>	<u>Amount</u>
401 :	Farebox revenue	
40100	Passenger fares	\$ 2,400
411 :	State formula and contracts	
41199	Other state contracts and reimbursements	51,151
413 :	Federal contracts	
41399	Other federal transit contracts and reimbursements	51,151
		<hr/>
	Total revenues	<u>\$ 104,702</u>

Allegan County Transportation
Schedule of Job Access Reverse Commute Service Expenses
Schedule 4E (JARC)
For the Year Ended September 30, 2020

<u>Code</u>	<u>Description</u>	<u>Operations</u>	<u>Maintenance</u>	<u>Gen. Admin.</u>	<u>Total</u>
501 :	Labor				
50101	Operators' salaries and wages	\$ 20,264	\$ -	\$ -	\$ 20,264
50102	Other salaries and wages	-	4,517	13,900	18,417
50103	Dispatchers' salaries and wages	9,079	-	-	9,079
502 :	Fringe benefits				
50200	Other fringe benefits	6,097	2,418	4,997	13,512
503 :	Services				
50302	Advertising fees	-	-	177	177
50305	Audit costs	-	-	133	133
50399	Other services	167	-	3,129	3,296
504 :	Materials and supplies				
50401	Fuel and lubricants	6,659	-	-	6,659
50402	Tires and tubes	-	97	-	97
50499	Other materials and supplies	111	2,283	-	2,394
505 :	Utilities				
50500	Utilities	1,666	-	1,666	3,332
506 :	Insurance				
50603	Liability insurance	9,490	-	-	9,490
50699	Other insurance	8,540	-	-	8,540
509 :	Miscellaneous expense				
50903	Association dues and subscriptions	-	-	155	155
512 :	Operating leases and rentals				
51200	Operating leases and rentals	-	-	9,149	9,149
550 :	Ineligible expenses				
55000	Ineligible JARC and NF fares	(2,400)	-	-	(2,400)
	Total eligible expenses	\$ 62,073	\$ 9,315	\$ 33,306	\$ 104,694
			Total expenses		\$ 104,694
			Total ineligible expenses		(2,400)
			Total eligible expenses		\$ 102,294

Allegan County Transportation
Schedule of Job Access Reverse Commute Nonfinancial Data (Unaudited)
Public Service
Schedule 4N (JARC)
For the Year Ended September 30, 2020

<u>Code</u>	<u>Description</u>	<u>Weekday</u>	<u>Saturday</u>	<u>Sunday</u>	<u>Total</u>
610 :	Vehicle hours	1,309	-	-	1,309
611 :	Vehicle miles	28,640	-	-	28,640
615 :	Passengers - regular	963	-	-	963
617 :	Passengers - persons w/ disabilities	418	-	-	418
618 :	Elderly Passengers - persons w/ disabilities	57	-	-	57
622 :	Total demand-response passengers	1,438	-	-	1,438
625 :	Days operated	254	-	-	254
	Total passengers				1,438
<u>Vehicle Information</u>					
655 :	Total demand-response vehicles				2
656 :	Demand-response vehicle w/ lifts				2
658 :	Total transit vehicles				2
	Total vehicles				2
<u>Miscellaneous Information</u>					
660	Diesel/gasoline gallons consumed				3,461
661	Total transit agency employees (FT equivalents)				2
662	Total revenue vehicle operators (FT equivalents)				2

Allegan County Transportation
Schedule of Nonurban Specialized Service Revenue
Schedule 4R (Specialized Service)
For the Year Ended September 30, 2020

<u>Code</u>	<u>Description</u>	<u>Amount</u>
401 :	Farebox revenue	
40100	Passenger fares	\$ 1,485
40200	Contract fares	25,000
411 :	State formula and contracts	
41199	Other state operating assistance	84,683
	Total revenues	<u>\$ 111,168</u>

Allegan County Transportation
Schedule of Specialized Services Nonfinancial Data (Unaudited)
Public Service
Schedule 4N (Specialized Service)
For the Year Ended September 30, 2020

<u>Code</u>	<u>Description</u>	<u>Agency</u>	<u>Volunteer</u>	<u>Total</u>
610	Vehicle hours	1,489	-	1,489
611	Vehicle miles	49,102	-	49,102
616	Passengers - elderly	85	-	85
617	Passengers - persons w/ disabilities	320	-	320
618	Passengers - elderly persons w/ disabilities	1,080	-	1,080
	Total passengers			1,485
 <u>Vehicle Information</u>				
655	Total demand-response vehicles	2		
656	Demand-response vehicle w/ lifts	2		
658	Total transit vehicles	2		
	Total vehicles	2		

**Allegan County Transportation
Operating Assistance Calculation
Schedule 5
For the Year Ended September 30, 2020**

	<u>Nonurban</u>	
Total expenses	\$ 957,932	
Less ineligible expenses:		
Ineligible percentage of association dues for MPTA	(130)	
Other ineligible - expense associated with rentals or lease	(10,001)	
Total ineligible expenses	<u>(10,131)</u>	
Total state eligible expenses	947,801	
Eligible expenses for state reimbursement	947,801	
x Reimbursement percentage	<u>36.7916%</u>	
State operating assistance	<u>\$ 348,711</u>	
State operating assistance received		<u>\$ 303,310</u>
Amount due from state		<u>\$ 45,401</u>
Total federal eligible expenses	\$ 947,801	
Less additional federal expenses ineligible		
Audit costs	<u>(1,384)</u>	
Eligible expenses for federal reimbursement	946,417	
x Reimbursement percentage	<u>36.0000%</u>	
Federal operating assistance	<u>\$ 340,710</u>	
Federal operating assistance received		<u>\$ 341,209</u>
Amount due from federal		<u>\$ (499)</u>

**Allegan County Transportation
Mileage / Hourly Data (Unaudited)
Non Financial Data Summary
For the Year Ended September 30, 2020**

		<u>Nonurban Transportation</u>	<u>JARC Transportation</u>	<u>Specialized Services Transportation</u>	<u>Total Transportation</u>
<u>Mileage</u>					
First quarter	10/19 - 12/19	80,904	7,035	20,908	108,847
Second quarter	1/20 - 3/20	89,671	7,693	6,722	104,086
Third quarter	4/20 - 6/20	39,238	6,596	9,823	55,657
Fourth quarter	7/20 - 9/20	<u>60,415</u>	<u>7,316</u>	<u>11,649</u>	<u>79,380</u>
Total operation		<u>270,228</u>	<u>28,640</u>	<u>49,102</u>	<u>347,970</u>
<u>Hours</u>					
First quarter	10/19 - 12/19	3,636	350	538	4,524
Second quarter	1/20 - 3/20	3,738	341	196	4,275
Third quarter	4/20 - 6/20	1,957	293	326	2,576
Fourth quarter	7/20 - 9/20	<u>2,795</u>	<u>325</u>	<u>429</u>	<u>3,549</u>
Total operation		<u>12,126</u>	<u>1,309</u>	<u>1,489</u>	<u>14,924</u>
Percentage of total hours		81.3%	8.8%	10.0%	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, 2020**

	Governmental Activities
ASSETS	
<i>Current Assets</i>	
Cash and pooled investments	\$ 1,813,894
Special assessments receivable	1,732,013
Leases receivable	525,747
Due from other governments	3,095
<i>Total Current Assets</i>	4,074,749
<i>Noncurrent Assets</i>	
Capital assets not being depreciated	1,587,512
Capital assets being depreciated, net	16,501,548
Special assessments receivable, long-term	4,109,876
Leases receivable, long-term	5,293,813
<i>Total Assets</i>	31,567,498
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on bond refunding	68,120
<i>Total Deferred Outflows of Resources</i>	68,120
LIABILITIES	
<i>Current Liabilities</i>	
Accounts payable	101,658
Accrued liabilities	5,762
Accrued interest	127,840
Current portion of long-term debt	1,463,486
<i>Total Current Liabilities</i>	1,698,746
<i>Noncurrent Liabilities</i>	
Long-term debt	10,327,954
Advance from primary government	250,000
<i>Total Liabilities</i>	12,276,700
NET POSITION	
Net investment in capital assets	12,155,830
<i>Restricted for:</i>	
Debt Service	5,821,908
<i>Unrestricted</i>	1,381,180
<i>Total Net Position</i>	\$ 19,358,918

**Allegan County Drains
Statement of Activities
For the Year Ended December 31, 2020**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Drains/public works	\$ 1,906,393	\$ 336,955	\$ 161,540	\$ 1,730,625	\$ 322,727
Interest on long-term debt	267,262	--	--	--	(267,262)
Total Governmental Activities	\$ 2,173,655	\$ 336,955	\$ 161,540	\$ 1,730,625	55,465
General Purpose Revenues:					
					26,075
					26,075
					81,540
					19,277,378
					\$ 19,358,918

**Allegan County Drains
Balance Sheet
Governmental Funds
December 31, 2020**

	General	Debt Service		Capital Projects	Other Governmental Funds	Total Governmental Funds
		3672 - Fillmore Water and Sewer No.9	Lake Sewer/Water Debt No.18	6010 - Revolving Drain		
ASSETS						
Cash and pooled investments	\$ 1,629,716	\$ 996	\$ --	\$ 104,078	\$ 5,192	\$ 1,739,982
Special assessments receivable	5,841,889	--	--	--	--	5,841,889
Leases receivable	--	1,594,441	3,325,747	--	899,372	5,819,560
Due from other funds	--	--	--	145,922	--	145,922
<i>Total Assets</i>	\$ 7,471,605	\$ 1,595,437	\$ 3,325,747	\$ 250,000	\$ 904,564	\$ 13,547,353
LIABILITIES						
Accounts payable	\$ 97,672	\$ --	\$ --	\$ --	\$ 3,840	\$ 101,512
Accrued liabilities	4,290	--	--	--	--	4,290
Due to other funds	145,922	--	--	--	--	145,922
Advance from primary government	--	--	--	250,000	--	250,000
<i>Total Liabilities</i>	247,884	--	--	250,000	3,840	501,724
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - special assessments	5,841,889	--	--	--	--	5,841,889
Unavailable revenue - leases receivable	--	1,594,441	3,325,747	--	899,372	5,819,560
<i>Total Liabilities and Deferred Inflows of Resources</i>	6,089,773	1,594,441	3,325,747	250,000	903,212	12,163,173
FUND BALANCE						
Restricted	--	996	--	--	1,352	2,348
Unassigned	1,381,832	--	--	--	--	1,381,832
<i>Total Fund Balance</i>	1,381,832	996	--	--	1,352	1,384,180
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balance</i>	\$ 7,471,605	\$ 1,595,437	\$ 3,325,747	\$ 250,000	\$ 904,564	\$ 13,547,353

Allegan County Drains
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position
December 31, 2020

Total Fund Balance - Governmental Funds	\$	1,384,180
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.		100,211
In the Statement of Activities, interest is accrued on outstanding debt, whereas in governmental funds, the interest expenditure is reported when due.		(127,840)
General government capital assets of \$22,663,871, net of accumulated depreciation of \$4,599,633, are not financial resources and, accordingly, are not reported in the funds.		18,064,238
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.		(11,723,320)
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.		11,661,449
Total Net Position - Governmental Activities	\$	<u>19,358,918</u>

Allegan County Drains
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2020

	<u>Debt Service</u>		<u>Capital Projects</u>		<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General</u>	<u>3672 - Fillmore Water and Sewer No.9</u>	<u>Lake Sewer/Water Debt No.18</u>	<u>6010 - Revolving Drain</u>		
Revenues						
Special assessments	\$ 1,695,642	\$ --	\$ --	\$ --	\$ --	\$ 1,695,642
Intergovernmental - local	--	272,775	300,315	--	418,536	991,626
Interest income	25,442	7	--	--	134	25,583
Other revenues	336,955	--	--	--	--	336,955
Total Revenues	<u>2,058,039</u>	<u>272,782</u>	<u>300,315</u>	<u>--</u>	<u>418,670</u>	<u>3,049,806</u>
Expenditures						
Drains/public works	1,250,322	--	--	--	--	1,250,322
Debt service - principal	1,314,512	235,000	215,000	--	380,000	2,144,512
Debt service - interest	206,545	37,775	85,315	--	42,126	371,761
Total Expenditures	<u>2,771,379</u>	<u>272,775</u>	<u>300,315</u>	<u>--</u>	<u>422,126</u>	<u>3,766,595</u>
Excess of Revenues Over (Under) Expenditures	<u>(713,340)</u>	<u>7</u>	<u>--</u>	<u>--</u>	<u>(3,456)</u>	<u>(716,789)</u>
Net Change in Fund Balance	<u>(713,340)</u>	<u>7</u>	<u>--</u>	<u>--</u>	<u>(3,456)</u>	<u>(716,789)</u>
<i>Fund Balance at Beginning of Period</i>	2,095,172	989	--	--	4,808	2,100,969
Fund Balance at End of Period	<u>\$ 1,381,832</u>	<u>\$ 996</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,352</u>	<u>\$ 1,384,180</u>

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, 2020

Total Net Change in Fund Balances - Governmental Funds	\$ (716,789)
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.	(8,227)
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.	104,499
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 \$409,921 is exceeded by depreciation expense of \$1,057,273.	(647,352)
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.	2,144,512
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.	(795,103)
Changes in Net Position - Governmental Activities	\$ <u>81,540</u>

**Allegan County Drains
Statement of Net Position
Internal Service Fund
December 31, 2020**

ASSETS

Current Assets

Cash and pooled investments	\$	73,912
Due from other governments		3,095
<i>Total Current Assets</i>		<u>77,007</u>

Noncurrent Assets

Capital assets being depreciated, net		24,822
<i>Total Assets</i>		<u>101,829</u>

LIABILITIES

Current Liabilities

Accounts payable		146
Accrued liabilities		1,472
<i>Total Liabilities</i>		<u>1,618</u>

NET POSITION

Net investment in capital assets		24,822
<i>Unrestricted</i>		75,389
<i>Total Net Position</i>	\$	<u>100,211</u>

Allegan County Drains
Statement of Revenues, Expenses, and Change in Net Position
Internal Service Fund
For the Year Ended December 31, 2020

Operating Revenues	
Charges for services	\$ 82,746
<i>Total Operating Revenues</i>	<u>82,746</u>
Operating Expenses	
Drains/public works	78,976
Depreciation expense	12,489
<i>Total Operating Expenses</i>	<u>91,465</u>
<i>Operating Income (Loss)</i>	<u>(8,719)</u>
Non-Operating Revenues	
Interest earned on investments	492
<i>Total Non-Operating Revenues</i>	<u>492</u>
<i>Change In Net Position</i>	<u>(8,227)</u>
<i>Net Position at Beginning of Period</i>	108,438
<i>Net Position at End of Period</i>	<u>\$ 100,211</u>

**Allegan County Drains
Statement of Cash Flows
Internal Service Fund
For the Year Ended December 31, 2020**

Cash Flows from Operating Activities	
Cash received from interfund charges	\$ 92,406
Cash payments to suppliers for goods and services	(12,881)
Cash payments to employees for services	(67,006)
<i>Net Cash Provided by Operating Activities</i>	12,519
 Cash Flows from Investing Activities	
Interest earned on investments	492
<i>Net Cash Provided by Investing Activities</i>	492
 <i>Net Increase in Cash and Pooled Investments</i>	 13,011
<i>Cash and Pooled Investments - Beginning of Year</i>	60,901
<i>Cash and Pooled Investments - End of Year</i>	\$ 73,912
 Reconciliation of Operating Loss to	
Net Cash Provided by Operating Activities	
Operating loss	\$ (8,719)
Adjustments to Reconcile Operating Loss to	
Net Cash Provided by Operating Activities	
Depreciation	12,489
Changes in Assets and Liabilities	
Due from other governments	9,660
Accounts payable	(210)
Accrued liabilities	(701)
<i>Net Cash Provided by Operating Activities</i>	\$ 12,519

**Allegan County Drains
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2020**

	Debt Service					Total Nonmajor Governmental Funds
	3654 - Sewer No.13 Saugatuck	3669 - Otsego Water/Sewer Refunding	3670 - City of Wayland Refunding	3671 - Martin Village Refunding	8229 - Bear Swamp	
ASSETS						
Cash and pooled investments	\$ 384	\$ 2,423	\$ 1,417	\$ 968	\$ --	\$ 5,192
Leases receivable	--	--	--	899,372	--	899,372
<i>Total Assets</i>	<u>\$ 384</u>	<u>\$ 2,423</u>	<u>\$ 1,417</u>	<u>\$ 900,340</u>	<u>\$ --</u>	<u>\$ 904,564</u>
LIABILITIES						
Accounts payable	\$ --	\$ 2,423	\$ 1,417	\$ --	\$ --	\$ 3,840
<i>Total Liabilities</i>	--	2,423	1,417	--	--	3,840
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - leases receivable	--	--	--	899,372	--	899,372
<i>Total Liabilities and Deferred Inflows of Resources</i>	--	2,423	1,417	899,372	--	903,212
FUND BALANCE						
Restricted	384	--	--	968	--	1,352
Unassigned	--	--	--	--	--	--
<i>Total Fund Balance</i>	384	--	--	968	--	1,352
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balance</i>	<u>\$ 384</u>	<u>\$ 2,423</u>	<u>\$ 1,417</u>	<u>\$ 900,340</u>	<u>\$ --</u>	<u>\$ 904,564</u>

Allegan County Drains
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2020

	Debt Service					Total Nonmajor Governmental Funds
	3654 - Sewer No.13 Saugatuck	3669 - Otsego Water/Sewer Refunding	3670 - City of Wayland Refunding	3671 - Martin Village Refunding	8229 - Bear Swamp	
Revenues						
Intergovernmental - local	\$ --	\$ 105,440	\$ 239,708	\$ 73,388	\$ --	\$ 418,536
Interest income	--	81	12	41	--	134
Total Revenues	--	105,521	239,720	73,429	--	418,670
Expenditures						
Debt service - principal	--	105,000	235,000	40,000	--	380,000
Debt service - interest	--	2,613	6,125	33,388	--	42,126
Total Expenditures	--	107,613	241,125	73,388	--	422,126
Excess of Revenues Over (Under) Expenditures	--	(2,092)	(1,405)	41	--	(3,456)
Net Change in Fund Balance	--	(2,092)	(1,405)	41	--	(3,456)
<i>Fund Balance at Beginning of Period</i>	384	2,092	1,405	927	--	4,808
Fund Balance at End of Period	\$ 384	\$ --	\$ --	\$ 968	\$ --	\$ 1,352



**ALLEGAN COUNTY
SINGLE AUDIT ACT COMPLIANCE
YEAR ENDED DECEMBER 31, 2020**

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**INDEPENDENT AUDITOR'S REPORT ON THE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE**

June 25, 2021

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") as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated June 25, 2021, which contained unmodified opinions on those financial statements. Our report includes a reference to other auditors. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Gabridge & Company, PLC
Grand Rapids, MI

Allegan County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2020

<u>Federal Agency / Cluster / Program Title</u>	<u>CFDA Number</u>	<u>Passed Through</u>	<u>Pass-Through / Grantor Number</u>	<u>Federal Expenditures</u>
U.S. Department of Agriculture				
Food and Nutrition Service (Child Nutrition Cluster):				
** School Breakfast Program	10.553	MDE	03-000-8001	\$ 7,950
** National School Lunch Program	10.555	MDE	03-000-8001	16,100
Commodities (non-cash assistance)	10.555	MDE	03-000-8001	2,275
Total U.S. Department of Agriculture (and Child Nutrition Cluster)				26,325
U.S. Department of Health and Human Services				
Administration for Children and Families:				
Child Support Enforcement:				
* Friend of the Court Incentive Payments	93.563	MDHHS	CSCOM17-03003	157,269
* Cooperative Reimbursement Program	93.563	MDHHS	CSCOM17-03003	863,436
Centers for Disease Control and Prevention:				
Immunization:				
* Immunization Action Plan (IAP)	93.268	MDHHS	NH23IP922635	45,226
* Immunization Action Plan (IAP)	93.268	MDHHS	NH23IP922635	14,856
* Immunization Fixed Fees	93.268	MDHHS	NH23IP922635	2,100
* Vaccines (non-cash assistance)	93.268	MDHHS	N/A	36,588
HIV Prevention Project				
* HIV Prevention	93.940	MDHHS	NU62PS924530	9,577
* HIV Prevention	93.940	MDHHS	NU62PS924530	1,960
Public Health Emergency Preparedness (PHEP):				
HPP and PHEP Cooperative Agreements				
* Public Health Emergency Preparedness	93.069	MDHHS	NU90TP921906	18,863
* Public Health Emergency Preparedness	93.069	MDHHS	U3REP190584	50,487
* Public Health Emergency Preparedness	93.069	MDHHS	NU90TP922062	28,722
* Public Health Emergency Preparedness	93.069	MDHHS	U3REP190584	30,906
Public Health Emergency Response:				
Cooperative Agreement for Emergency Response Public Health Crisis Response				
* PHEP COVID-19 Response	93.354	MDHHS	NU90TP922074	136,848
Project Grants and Cooperative Agreements for Tuberculosis Control Program				
* Tuberculosis Control	93.116	MDHHS	NU52PS910173	(219)
* Tuberculosis Control	93.116	MDHHS	NU52PS910173	120
Centers for Medicare and Medicaid Services:				
Medical Assistance Program:				
* CSHCS - Outreach and Advocacy	93.778	MDHHS	2005MI5ADM	30,995
* CSHCS - Outreach and Advocacy	93.778	MDHHS	N/A	10,329
* Care Coordination Services - Fixed Fees (PCA 88080)	93.778	MDHHS	2005MI5ADM	1,625
* Care Coordination Services - Fixed Fees (PCA 88080)	93.778	MDHHS	N/A	50
* Care Coordination Services - Fixed Fees (PCA 88050)	93.778	MDHHS	2005MI5ADM	150
* CSHCS - Medicaid Outreach	93.778	MDHHS	2005MI5ADM	14,518
* Medicaid Outreach	93.778	MDHHS	2005MI5ADM	2,418
* Medicaid Outreach	93.778	MDHHS	2005MI5ADM	1,981
* Care Coordination Services - Fixed Fees (PCA 88040)	93.994	MDHHS	B04MC33846	660
* Care Coordination Services - Fixed Fees (PCA 88040)	93.994	MDHHS	N/A	180
* Care Coordination Services - Fixed Fees (PCA 88070)	93.994	MDHHS	B04MC33846	2,600
* Care Coordination Services - Fixed Fees (PCA 88070)	93.994	MDHHS	N/A	100
* CSHCS Medicaid Elevated Blood Lead Case Mgmt.	93.778	MDHHS	2005M15MAP	202
Health Resources and Services Administration:				
Maternal and Child Health Services Block Grant:				
* Enabling Services Children - MCH	93.994	MDHHS	B04MC33846	10,445
* Enabling Services Children - MCH	93.994	MDHHS	N/A	7,248
* Public Health Infrastructure - MCH	93.994	MDHHS	B04MC33846	5,254
* Public Health Infrastructure - MCH	93.994	MDHHS	N/A	4,698
COVID19				
Epidemiology and Laboratory Capacity (ELC)				
* ELC COVID-19 Contact Tracing Testing Coordination	93.323	MDHHS	NU50CK000510	99,121
* ELC COVID-19 Contact Tracing Testing Coordination	93.323	MDHHS	NU50CK000510	58,176
* ELC COVID-19 Infection Prevention	93.323	MDHHS	NU50CK000510	20,000
* ELC COVID-19 Infection Prevention	93.323	MDHHS	NU50CK000510	22,500
Total U.S. Department of Health and Human Services				1,689,989
U.S. Department of Homeland Security				
* Emergency Management Performance Program	97.042	MSP	EMC-2020-EP-00005	24,367
* Emergency Management Performance Program	97.042	MSP	N/A	9,296
Homeland Security Grant 2017 (non cash)	97.067	VBC	EMW-2017-SS-00013	4,744
Homeland Security Grant 2019 (non cash)	97.067	VBC	EMW-2019-SS-00021	4,296
PreDisaster Mitigation Grant	97.047	MSP	PDMC-PL-05-MI 2018-001	14,309
Total U.S. Department of Homeland Security				\$ 57,012

Allegan County
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2020

<u>Federal Agency / Cluster / Program Title</u>	<u>CFDA Number</u>	<u>Passed Through</u>	<u>Pass-Through / Grantor Number</u>	<u>Federal Expenditures</u>
U.S. Department of Housing & Urban Development				
* CDBG - CARES	14.228	MEDC	MSC 220048-CV1	\$ 129,252
Total U.S. Department of Housing & Urban Development				<u>129,252</u>
U.S. Department of Justice				
Bureau of Justice Assistance:				
* Coronavirus Emergency Supplemental Funding	16.034	MSP	CESF-0190-2020	133,178
* Edwin Byrne Memorial Justice Grant	16.738	SCAO	72157-SCAO-2020	43,278
* Edwin Byrne Memorial Justice Grant	16.738	SCAO	72159-SCAO-2021	14,153
* Southwest MI Enforcement Team	16.738	MSP	2019-MU-BX-0061	23,108
Total U.S. Department of Justice				<u>213,717</u>
U.S. Department of Transportation				
Federal Transit Administration:				
Formula Grants for Rural Areas:				
* Capital - Section 5339	20.526	MDOT	2017-0003/P15	307,448
* Capital - Section 5311	20.509	MDOT	2017-0003/P20	14,239
* Operating - Section 5311 Reg (2017)	20.509	MDOT	2017-0003/P1	13,166
* Operating - Section 5311 Reg	20.509	MDOT	2017-0003/P23	292,667
* Operating - Section 5311 Reg	20.509	MDOT	2017-0003/P28	81,441
<i>Transit Services Programs Cluster</i>				
* Operating - Section 5311 JARC	20.516	MDOT	2017-0003/P18	38,359
* Operating - Section 5311 JARC	20.516	MDOT	2017-0003/P24	12,788
* Capital - Section 5310 New Freedom	20.521	MDOT	2017-0003/P22	36,917
* Capital - Section 5310 New Freedom	20.521	MDOT	2017-0003/P26	12,462
Total Transit Services Programs Cluster				<u>100,526</u>
National Highway Traffic Safety Administration:				
<i>Highway Safety Cluster</i>				
* DWI Sobriety Court	20.601	OHSP	AL-20-05	35,790
* DWI Sobriety Court	20.601	OHSP	AL-21-05	9,306
* Highway Safety - OWI	20.600	OHSP	PT-20-29	9,173
* Highway Safety - OWI	20.600	OHSP	PT 21-29	8,722
* Highway Safety - Seatbelt	20.600	OHSP	PT 21-29	172
Total Highway Safety Cluster				<u>63,163</u>
Total U.S. Department of Transportation				<u>872,650</u>
U.S. Department of Treasury				
CARES Act:				
* Public Safety Public Health Payroll Reimbursement Program	21.019	MDT	03-0000	1,040,161
* Coronavirus Relief Local Government Grant	21.019	MDT	03-0000	855,652
* CRF (Coronavirus Relief Fund) Local Health Department Contact Tracing	21.019	MDT	SLT0040	79,800
* CRF (Coronavirus Relief Fund) Local Health Department Contact Tracing	21.019	MDT	SLT0040	49,400
* CRF (Coronavirus Relief Fund) Local Health Department Testing	21.019	MDT	SLT0040	16,069
* CRF (Coronavirus Relief Fund) Immunizations COVID Response	21.019	MDT	SLT0040	15,832
* CRF (Coronavirus Relief Fund) Mobile Clinic	21.019	MEBNSW	N/A	183,950
Total U.S. Department of Treasury				<u>2,240,864</u>
U.S. Environmental Protection Agency				
Office of Water:				
* State Drinking Water Revolving Loan - Standard/Operator Assistance	66.468	EGLE	FS975487-19	1,630
* State Drinking Water Revolving Loan - Local Assistance	66.468	EGLE	FS975487-18	300
* Public Water Supply Supervision - Revised Total Coliform Rule	66.468	EGLE	FS975487-18	5,336
* Beach Monitoring and Notification Program	66.472	EGLE	CU-00E99310	5,000
Total U.S. Environmental Protection Agency				<u>12,266</u>
Executive Office of the President				
High Intensity Drug Trafficking Areas Program (HIDTA)	95.001	KT	N/A	4,326
Total Executive Office of the President				<u>4,326</u>
Total Expenditures of Federal Awards				<u>\$ 5,246,402</u>

Allegan County

Notes to the Schedule of Expenditures of Federal Awards

NOTE 1 - BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal grant activity of Allegan County, Michigan (the “County”) under programs of the federal government for the year ended December 31, 2020. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

The County’s reporting entity is defined in Note 1 of the County’s financial statement audit report. The County’s financial statements include the operations of the Allegan County Road Commission as a discretely presented component unit, which received federal awards that are not included in the Schedule for the year ended December 31, 2020, as it was separately audited. The County’s financial statements also include the Allegan County Medical Care Community, an enterprise fund, which received federal awards that are not included in the Schedule for the year ended December 31, 2020, as it was separately audited.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting, which is described in Note 1 to the County’s financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

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

NOTE 3 - FISCAL REPORTING

Certain departments report on a different fiscal year than the County. Grants accounted for and reported on year-ends other than December 31, 2020, are denoted as such in the Schedule with an asterisk (*) for September 30 year-ends, or a double asterisk (**) for June 30 year-ends.

Allegan County

Notes to the Schedule of Expenditures of Federal Awards

NOTE 4 - PASS-THROUGH AGENCIES

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

Pass-through Agency	
Abbreviation	Pass-through Agency Name
MDE	Michigan Department of Education
MDHHS	Michigan Department of Health and Human Services
MSP	Michigan Department of State Police
VBC	County of Van Buren, Michigan
MEDC	Michigan Economic Development Corporation
SCAO	State Court Administrative Office
MDOT	Michigan Department of Transportation
OHSP	Michigan Office of Highway Safety Planning
MDT	Michigan Department of Treasury
MEBNSW	Match-E-Be-Nash-She-Wish Band of Pottawatomi Indians
EGLE	Environmental, Great Lakes & Energy - State of Michigan
KT	Kalamazoo Township, Michigan

NOTE 5 - RECONCILIATION TO FINANCIAL STATEMENTS

The County's governmental funds reported total *intergovernmental revenues – federal* of \$5,246,402 during the year ended December 31, 2020. This amount reconciles with the total federal expenditures from the Schedule.

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

To the Board of Commissioners
Allegan County, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Allegan County, Michigan (the "County"), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise County's basic financial statements, and have issued our report thereon dated June 25, 2021. Our report includes a reference to other auditors who audited the financial statements of the Allegan County Road Commission and the Allegan County Medical Care Community, as described in our report on the County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

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

Gabridge & Company, PLC
Grand Rapids, MI
June 25, 2021

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

To the Board of Commissioners
Allegan County, Michigan

Report on Compliance for Each Major Federal Program

We have audited Allegan County, Michigan's (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2020. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The County's basic financial statements include the operations of the Allegan County Road Commission and the Allegan County Medical Care Community, which received over \$750,000 in federal awards and which are not included in the schedule of expenditures of federal awards for the year ended December 31, 2020. Our audit, described below, did not include the operations of the Allegan County Road Commission or the Allegan County Medical Care Community, because each entity arranged for a separate financial statement audit and either did not meet the criteria for a single audit in accordance with the Uniform Guidance or met the criteria and had a single audit engagement performed in accordance with the Uniform Guidance.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

Report on Internal Control over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Gabridge & Company, PLC
Grand Rapids, MI
June 25, 2021

Allegan County
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2020

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued	Unmodified
Internal controls over financial reporting	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	No
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported

Type of auditor's report issued on compliance for major programs	Unmodified
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Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
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Identification of Major Programs

Name of Federal Program or Cluster	CFDA Number
Coronavirus Relief Fund	21.019
Dollar threshold used to distinguish between Type A and B programs?	\$ 750,000
Auditee qualified as a low-risk auditee?	Yes

SECTION II - FINANCIAL STATEMENT FINDINGS
--

No matters were reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
--

No matters were reported.

SECTION IV - SUMMARY OF PRIOR AUDIT FINDINGS

No findings or questioned costs in the prior year.

June 25, 2021

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, 2020. 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 March 25, 2021. 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, except as stated in Note 18 to the financial statements, the application of existing policies was not changed during 2020. 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 25, 2021.

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.

The Nonurban Regular Service Nonfinancial Data, Job Access Reverse Commute Nonfinancial Data, the Specialized Services Nonfinancial Data, and the Mileage / Hourly Data schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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,



Gabridge & Company, PLC
Grand Rapids, MI