



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

## TABLE OF CONTENTS

Page

---

### **SINGLE AUDIT ACT COMPLIANCE**

---

Independent Auditor's Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	1
Schedule of Expenditures of Federal Awards	2
Notes to the Schedule of Expenditures of Federal Awards	4
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 <i>Government Auditing Standards</i>	6
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	8
Schedule of Findings and Questioned Costs	10

**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>
<b>U.S. Department of Agriculture</b>				
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
<b>Total U.S. Department of Agriculture (and Child Nutrition Cluster)</b>				<b>26,325</b>
<b>U.S. Department of Health and Human Services</b>				
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
<b>Total U.S. Department of Health and Human Services</b>				<b>1,689,989</b>
<b>U.S. Department of Homeland Security</b>				
* 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
<b>Total U.S. Department of Homeland Security</b>				<b>\$ 57,012</b>

**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>
<b>U.S. Department of Housing &amp; Urban Development</b>				
* CDBG - CARES	14.228	MEDC	MSC 220048-CV1	\$ 129,252
<b>Total U.S. Department of Housing &amp; Urban Development</b>				<b><u>129,252</u></b>
<b>U.S. Department of Justice</b>				
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
<b>Total U.S. Department of Justice</b>				<b><u>213,717</u></b>
<b>U.S. Department of Transportation</b>				
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
<b>Total Transit Services Programs Cluster</b>				<b><u>100,526</u></b>
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
<b>Total Highway Safety Cluster</b>				<b><u>63,163</u></b>
<b>Total U.S. Department of Transportation</b>				<b><u>872,650</u></b>
<b>U.S. Department of Treasury</b>				
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
<b>Total U.S. Department of Treasury</b>				<b><u>2,240,864</u></b>
<b>U.S. Environmental Protection Agency</b>				
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
<b>Total U.S. Environmental Protection Agency</b>				<b><u>12,266</u></b>
<b>Executive Office of the President</b>				
High Intensity Drug Trafficking Areas Program (HIDTA)	95.001	KT	N/A	4,326
<b>Total Executive Office of the President</b>				<b><u>4,326</u></b>
<b>Total Expenditures of Federal Awards</b>				<b><u>\$ 5,246,402</u></b>

## 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:

<b>Pass-through Agency</b>	
<b>Abbreviation</b>	<b>Pass-through Agency Name</b>
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". The signature is written in dark ink and is positioned above the printed name of the firm.

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**

<b>SECTION I - SUMMARY OF AUDITOR'S RESULTS</b>
---

**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
--	------------

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
--	----

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

<b>SECTION II - FINANCIAL STATEMENT FINDINGS</b>
--

No matters were reported.

<b>SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS</b>
--

No matters were reported.

<b>SECTION IV - SUMMARY OF PRIOR AUDIT FINDINGS</b>
---

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