



**ALLEGAN COUNTY
ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2021**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Allegan County, Michigan

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Allegan County, Michigan (the "County"), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Allegan County Road Commission, which represents 88.5%, 92.3%, and 91.5%, respectively, of the assets and deferred outflows, net position, and revenues of the aggregate discretely presented component units as of December 31, 2021, and the respective changes in financial position thereof for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for the Allegan County Road Commission, are based solely on the report of the other auditors. Also, we did not audit the financial statements of the Allegan County Medical Care Community, which represents 27.2% of the assets and deferred outflows of resources, 22.2% of the net position, and 85.4% 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing

an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual general fund, nonmajor governmental funds, internal service funds, transportation fund, and Allegan County Drains (discretely presented component unit) financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual general fund, nonmajor governmental

funds, internal service funds, transportation fund, and Allegan County Drains (discretely presented component unit) financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Gabridge & Company

Gabridge & Company, PLC
Grand Rapids, Michigan
June 29, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

Allegan County
Management's Discussion and Analysis
December 31, 2021

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, 2021. 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 \$74,547,518 (*net position*), an increase of \$1,573,525 from the prior year. Of this amount, \$31,155,193 (*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 \$39,798,056, an increase of \$3,400,809 in comparison with the prior year. Of the fund balance amount, \$11,425,168 is available for spending at the government's discretion (*unassigned fund balance*).
- Total fund balance for the general fund was \$18,679,422, an increase of \$4,078,685. At the end of the year, the unassigned portion of the fund balance in the general fund was \$11,425,168, or approximately 34.2% of total general fund expenses and transfers out for the current year.
- The County's investment in capital assets was \$42,201,383 at the end of the current year, compared to \$43,211,319 at the end of the prior year.
- The County's total debt equaled \$22,180,164 (excluding the component units) at the close of this year, a decrease of \$2,192,634 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 American Rescue Plan Act fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The County adopts an annual appropriated budget for its general fund and special revenue funds. Budgetary comparison schedules have been provided for the general fund and each major special revenue funds to demonstrate budget compliance.

Proprietary Funds. The County maintains two different types of proprietary funds, known as *enterprise funds* and *internal service funds*. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses three enterprise funds to account for its business-type activities. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for insurance, employee benefits, workers' compensation, and accident administrative expenses. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the delinquent property tax fund and the Medical Care Community, which are considered to be major funds of the County, along with the nonmajor 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 \$74,547,518 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	
	2021	2020	2021	2020	2021	2020
ASSETS						
<i>Current Assets</i>						
Cash and pooled investments	\$ 56,796,950	\$ 41,468,851	\$ 11,325,345	\$ 9,984,221	\$ 68,122,295	\$ 51,453,072
Accounts receivable	1,294,643	1,224,737	766,430	1,417,011	2,061,073	2,641,748
Property taxes receivable	3,867,327	3,722,722	3,852,199	4,144,519	7,719,526	7,867,241
Due from other governments	2,694,909	3,120,193	147,441	467,489	2,842,350	3,587,682
Inventory	24,292	29,991	-	-	24,292	29,991
Prepays	1,048,978	954,122	12,554	22,758	1,061,532	976,880
Total Current Assets	65,727,099	50,520,616	16,103,969	16,035,998	81,831,068	66,556,614
<i>Noncurrent Assets</i>						
Capital assets not being depreciated	2,839,814	1,247,080	-	-	2,839,814	1,247,080
Capital assets being depreciated, net	37,530,400	40,074,170	1,831,169	1,890,069	39,361,569	41,964,239
Advance to component unit	1,102,040	250,000	-	-	1,102,040	250,000
Total Assets	107,199,353	92,091,866	17,935,138	17,926,067	125,134,491	110,017,933
DEFERRED OUTFLOWS OF RESOURCES						
Pension	822,036	2,350,973	1,860	60,527	823,896	2,411,500
Total Deferred Outflows of Resources	822,036	2,350,973	1,860	60,527	823,896	2,411,500
LIABILITIES						
<i>Current Liabilities</i>						
Accounts payable	3,002,192	1,807,587	794,401	948,304	3,796,593	2,755,891
Accrued liabilities	3,085,002	2,839,264	118,004	109,212	3,203,006	2,948,476
Due to other governments	444,850	209,360	225	1,157	445,075	210,517
Unearned revenue	11,642,700	467,924	-	-	11,642,700	467,924
Accrued interest	134,492	146,338	-	-	134,492	146,338
Current portion of long-term debt	2,045,102	1,915,038	-	-	2,045,102	1,915,038
Total Current Liabilities	20,354,338	7,385,511	912,630	1,058,673	21,266,968	8,444,184
<i>Noncurrent Liabilities</i>						
Long-term debt	20,135,062	22,457,760	-	-	20,135,062	22,457,760
Compensated absences	1,600,786	1,691,413	139,460	76,263	1,740,246	1,767,676
Net pension liability	3,534,354	4,155,490	93,274	94,797	3,627,628	4,250,287
Internal balances	-	(390,000)	-	390,000	-	-
Total Liabilities	45,624,540	35,300,174	1,145,364	1,619,733	46,769,904	36,919,907
DEFERRED INFLOWS OF RESOURCES						
Revenues intended to finance a subsequent year	2,606,530	2,507,963	-	-	2,606,530	2,507,963
Pension	1,957,652	-	76,783	27,570	2,034,435	27,570
Total Deferred Inflows of Resources	4,564,182	2,507,963	76,783	27,570	4,640,965	2,535,533
NET POSITION						
Net investment in capital assets	29,078,055	27,793,452	1,831,169	1,890,069	30,909,224	29,683,521
Restricted	12,483,101	12,080,010	-	-	12,483,101	12,080,010
Unrestricted	16,271,511	16,761,240	14,883,682	14,449,222	31,155,193	31,210,462
Total Net Position	\$ 57,832,667	\$ 56,634,702	\$ 16,714,851	\$ 16,339,291	\$ 74,547,518	\$ 72,973,993

A significant portion of the County's net position (\$30,909,224, or 41.5%) 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 (\$12,483,101, or 16.7%) represents resources that are subject to external restrictions on how they may be used. The County's unrestricted net position is \$31,155,193 (or 41.8%) 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 \$16,669,223 largely due to American Rescue Plan Act (ARPA) funds, along with the current year increase in fund balance in the general fund. Unearned revenues also increased significantly due to the ARPA funds not having been spent as of fiscal year end. Pension related deferred inflows increased by \$2,006,865 due to continued gains on investment over the actuarial expectations.

The County's total net position increased by \$1,573,525 during the fiscal year. Governmental and business-type activities both accounted for this increase.

Allegan County's Changes in Net Position

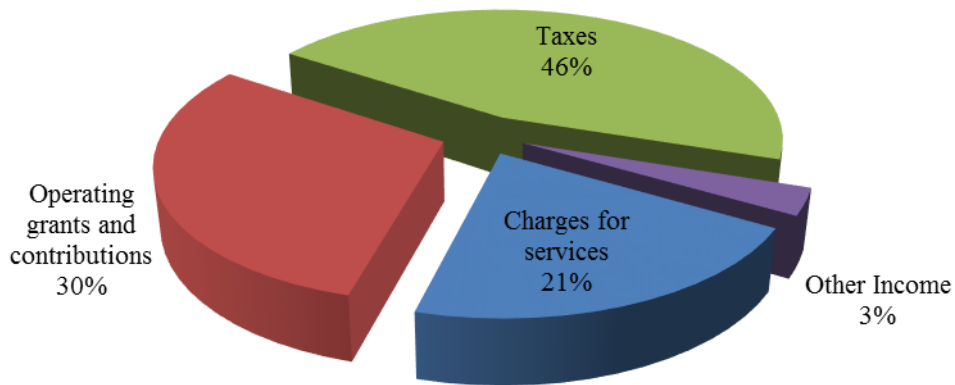
	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Revenue						
Program Revenues						
Charges for services	\$ 12,488,320	\$ 11,320,890	\$ 5,907,018	\$ 7,305,562	\$ 18,395,338	\$ 18,626,452
Operating grants and contributions	18,142,634	19,015,315	1,531,217	1,779,874	19,673,851	20,795,189
Capital grants and contributions	66,382	647,783	-	-	66,382	647,783
Total Program Revenues	30,697,336	30,983,988	7,438,235	9,085,436	38,135,571	40,069,424
General Revenues						
Taxes	27,472,680	26,191,710	1,340,919	1,300,177	28,813,599	27,491,887
Unrestricted intergovernmental revenues	1,839,723	2,042,545	-	-	1,839,723	2,042,545
Interest income	11,895	273,210	2,159	64,293	14,054	337,503
Total General Revenues	29,324,298	28,507,465	1,343,078	1,364,470	30,667,376	29,871,935
Total Revenues	60,021,634	59,491,453	8,781,313	10,449,906	68,802,947	69,941,359
Expenses						
Legislative	265,600	352,887	-	-	265,600	352,887
Judicial	8,904,616	8,060,693	-	-	8,904,616	8,060,693
General government	14,131,192	13,087,620	-	-	14,131,192	13,087,620
Public safety	20,298,594	17,440,636	-	-	20,298,594	17,440,636
Health and welfare	12,687,418	11,584,595	-	-	12,687,418	11,584,595
Recreation and culture	477,518	343,003	-	-	477,518	343,003
Public works	1,802,751	1,014,778	-	-	1,802,751	1,014,778
Community and economic development	325,904	233,246	-	-	325,904	233,246
Other expenses	-	408,668	-	-	-	408,668
Interest on long-term debt	734,634	781,379	-	-	734,634	781,379
Delinquent property tax	-	-	176,857	243,379	176,857	243,379
Medical Care Community	-	-	7,424,338	8,226,069	7,424,338	8,226,069
Total Expenses	59,628,227	53,307,505	7,601,195	8,469,448	67,229,422	61,776,953
Changes in Net Position Before Transfers	393,407	6,183,948	1,180,118	1,980,458	1,573,525	8,164,406
Transfers, net*	804,558	771,968	(804,558)	(771,968)	-	-
Change in Net Position	1,197,965	6,955,916	375,560	1,208,490	1,573,525	8,164,406
<i>Net Position at the Beginning of Period</i>	<i>56,634,702</i>	<i>49,678,786</i>	<i>16,339,291</i>	<i>15,130,801</i>	<i>72,973,993</i>	<i>64,809,587</i>
Net Position at the End of Period	\$ 57,832,667	\$ 56,634,702	\$ 16,714,851	\$ 16,339,291	\$ 74,547,518	\$ 72,973,993

Governmental Activities. Net position of governmental activities showed an overall increase of \$1,197,965 during the year. The County had an increase of charges for services due to services being provided for the full fiscal year. In the prior year services were shut down for a time due to

the COVID-19 pandemic. 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 increased \$5,452,469, due in most part to the current year results of the change in net pension liability and related deferred outflows and inflows.

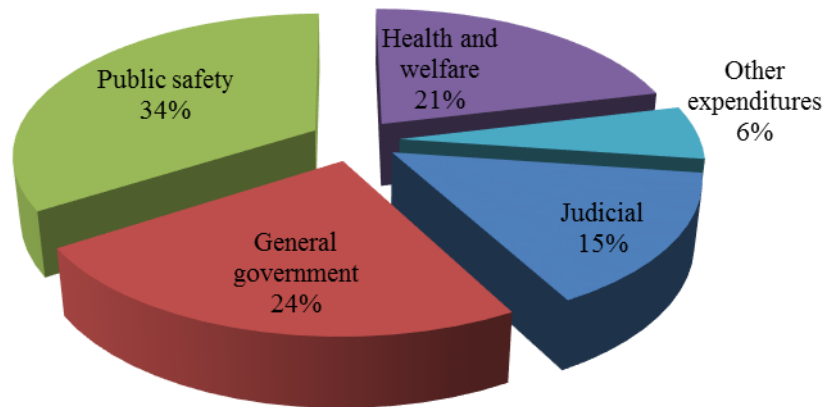
The following chart summarizes the revenue sources for the governmental activities of the County for the most recent fiscal year-end:

Governmental Activities Revenues



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

Governmental Activities Expenses



Business-type activities.

The business-type activities of the County increased the County's net position by \$375,560. The key elements of the revenue and expense activity for the current year are as follows:

- The delinquent property tax fund had income before transfers of \$1,047,815. There were transfers out of the fund totaling \$898,750 that went to multiple special revenue funds and the general fund.
- The medical care community fund experienced an increase of net position of \$219,555.

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 \$39,798,056 an increase of \$3,400,809 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, \$11,425,168, or 28.7%, constitutes unassigned fund balance, which is available for spending at the government's discretion. Fund balance that was restricted for particular purposes was \$12,336,964, or 31.0%, of the total fund balance. Committed fund balance, which is committed for a particular purpose, was \$13,420,303, or 33.7% of total fund balance. Assigned fund balance, which is assigned for a particular purpose, was \$1,136,721, or 2.9% 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 \$1,478,900, or 3.7% 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 \$11,425,168, while total fund balance was \$18,679,422. 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 34.2% of total general fund expenditures and transfers out for the current year.

General fund balance increased by \$4,078,685, from \$14,600,737 in the prior year to \$18,679,422 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 \$430,478, bringing its total fund balance to \$5,997,517.

The senior millage fund increased its fund balance by \$276,895, bringing its total fund balance to \$1,117,922. The increase is attributable to an increase in tax revenues and decreased expenditures.

The American rescue plan act (ARPA) fund was created this year. At fiscal year-end it has a fund balance of \$2,407.

Nonmajor governmental funds decreased total governmental fund balance by \$1,387,656 during the year for an ending combined fund balance of \$14,000,788.

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 \$12,798,811, \$1,879,100, and \$205,771, 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			
Treasurer	\$ 582,068	\$ 606,912	\$ (24,844)
Sick and Vacation	193,303	253,497	(60,194)
Accounting department	442,479	450,839	(8,360)
Mail and copy services	192,321	227,076	(34,755)
Dumont Lake complex	47,388	56,657	(9,269)
Economic Development	50,000	53,332	(3,332)

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 \$40,370,214 and \$1,831,169, 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 \$1,009,936, due to depreciation expense being greater than capital asset additions.

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

Long-term debt. At the end of the current year, the County had total long-term debt outstanding, exclusive of compensated absences, of \$22,180,164, a decrease of \$2,192,634 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, 2021

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
<i>Current Assets</i>				
Cash and pooled investments	\$ 56,796,950	\$ 11,325,345	\$ 68,122,295	\$ 13,960,537
Accounts receivable	1,294,643	766,430	2,061,073	3,086,534
Special assessments receivable	--	--	--	1,732,013
Leases receivable	--	--	--	619,357
Property taxes receivable	3,867,327	3,852,199	7,719,526	3,923,791
Due from other governments	2,694,909	147,441	2,842,350	3,084,241
Inventory	24,292	--	24,292	1,942,819
Prepays	1,048,978	12,554	1,061,532	145,536
Total Current Assets	65,727,099	16,103,969	81,831,068	28,494,828
<i>Noncurrent Assets</i>				
Capital assets not being depreciated	2,839,814	--	2,839,814	107,188,255
Capital assets being depreciated, net	37,530,400	1,831,169	39,361,569	147,373,038
Special assessments receivable, long-term	--	--	--	4,682,992
Leases receivable, long-term	--	--	--	4,072,329
Advance to component unit	1,102,040	--	1,102,040	--
Net OPEB asset	--	--	--	165,528
Total Assets	107,199,353	17,935,138	125,134,491	291,976,970
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on bond refunding	--	--	--	55,409
Pension	822,036	1,860	823,896	3,666,755
Total Deferred Outflows of Resources	822,036	1,860	823,896	3,722,164
LIABILITIES				
<i>Current Liabilities</i>				
Accounts payable	3,002,192	794,401	3,796,593	481,123
Bonds payable	837,300	--	837,300	--
Accrued liabilities	2,247,702	118,004	2,365,706	186,427
Due to other governments	444,850	225	445,075	2,200
Due to primary government	--	--	--	6,327,218
Unearned revenue	11,642,700	--	11,642,700	--
Accrued interest	134,492	--	134,492	140,619
Current portion of long-term debt	2,045,102	--	2,045,102	1,976,274
Total Current Liabilities	20,354,338	912,630	21,266,968	9,113,861
<i>Noncurrent Liabilities</i>				
Long-term debt	20,135,062	--	20,135,062	15,705,750
Advance from primary government	--	--	--	1,102,040
Compensated absences	1,600,786	139,460	1,740,246	468,471
Net pension liability	3,534,354	93,274	3,627,628	4,752,749
Total Liabilities	45,624,540	1,145,364	46,769,904	31,142,871
DEFERRED INFLOWS OF RESOURCES				
Revenues intended to finance a subsequent year	2,606,530	76,783	2,683,313	4,155,383
Pension	1,957,652	--	1,957,652	806,703
Total Deferred Inflows of Resources	4,564,182	76,783	4,640,965	4,962,086
NET POSITION				
Net investment in capital assets	29,078,055	1,831,169	30,909,224	242,209,768
<i>Restricted for:</i>				
Various functions (Note 10)	12,483,101	--	12,483,101	5,304,314
<i>Unrestricted</i>	16,271,511	14,883,682	31,155,193	12,080,095
Total Net Position	\$ 57,832,667	\$ 16,714,851	\$ 74,547,518	\$ 259,594,177

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, 2021

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	\$ 8,904,616	\$ 2,027,446	\$ 2,741,046	\$ --	\$ (4,136,124)	\$ --	\$ (4,136,124)	\$ --
General government	14,131,192	6,933,139	3,571,915	66,382	(3,559,756)	--	(3,559,756)	--
Public safety	20,298,594	895,153	6,326,833	--	(13,076,608)	--	(13,076,608)	--
Public works	1,802,751	957,521	114,651	--	(730,579)	--	(730,579)	--
Health and welfare	12,687,418	1,470,920	5,145,046	--	(6,071,452)	--	(6,071,452)	--
Recreation and cultural	477,518	153,996	242,473	--	(81,049)	--	(81,049)	--
Community and economic development	325,904	50,145	--	--	(275,759)	--	(275,759)	--
Interest on long-term debt	734,634	--	--	--	(734,634)	--	(734,634)	--
Legislative	265,600	--	670	--	(264,930)	--	(264,930)	--
Total Governmental Activities	59,628,227	12,488,320	18,142,634	66,382	(28,930,891)	--	(28,930,891)	--
Business-type Activities:								
6160-6210 Delinquent Property Tax	176,857	1,222,513	--	--	--	1,045,656	1,045,656	--
Allegan County Medical Care Community	7,424,338	4,627,565	1,531,217	--	--	(1,265,556)	(1,265,556)	--
5950 Jail Commissary - Nonmajor	--	56,940	--	--	--	56,940	56,940	--
Total Business-type Activities	7,601,195	5,907,018	1,531,217	--	--	(162,960)	(162,960)	--
Total Primary Government	\$ 67,229,422	\$ 18,395,338	\$ 19,673,851	\$ 66,382	(28,930,891)	(162,960)	(29,093,851)	--
Component Units								
Allegan County Road Commission	\$ 22,314,495	\$ 165,234	\$ 18,198,690	\$ 9,967,236	--	--	--	6,016,665
Allegan County Drains	2,397,982	1,177,787	142,829	1,694,518	--	--	--	617,152
2430 Brownfield Redevelopment Authority	63,850	--	--	--	--	--	--	(63,850)
Total Component Units	\$ 24,776,327	\$ 1,343,021	\$ 18,341,519	\$ 11,661,754	--	--	--	6,569,967
General Purpose Revenues and Transfers:								
Revenues								
					1,468,556	--	1,468,556	--
					371,167	--	371,167	--
					11,895	2,159	14,054	12,822
					27,472,680	1,340,919	28,813,599	4,024,321
Transfers								
					804,558	(804,558)	--	--
Total General Revenues and Transfers					30,128,856	538,520	30,667,376	4,037,143
Change in Net Position					1,197,965	375,560	1,573,525	10,607,110
<i>Net Position at Beginning of Period (restated, note 18)</i>					56,634,702	16,339,291	72,973,993	248,987,067
Net Position at End of Period					\$ 57,832,667	\$ 16,714,851	\$ 74,547,518	\$ 259,594,177

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

**Allegan County
Balance Sheet
Governmental Funds
December 31, 2021**

	General	Special Revenue			Other Governmental Funds	Total Governmental Funds
		2110/2113/2118 Central Dispatch E911 Fund	2950 Senior Millage	2990 American Rescue Plan Act - ARPA		
ASSETS						
Cash and pooled investments	\$ 18,654,695	\$ 5,303,770	\$ 1,338,517	\$ 11,470,332	\$ 15,008,608	\$ 51,775,922
Accounts receivable	280,343	885,363	7,426	--	118,439	1,291,571
Property taxes receivable	1,385,801	--	2,481,526	--	--	3,867,327
Due from other governments	734,768	92,027	72,855	--	1,795,259	2,694,909
Inventory	--	--	--	--	24,292	24,292
Prepays	209,724	86,699	7,620	--	48,525	352,568
Due from other funds	28,500	--	--	--	--	28,500
Advance to component unit	1,102,040	--	--	--	--	1,102,040
Total Assets	\$ 22,395,871	\$ 6,367,859	\$ 3,907,944	\$ 11,470,332	\$ 16,995,123	\$ 61,137,129
LIABILITIES						
Accounts payable	\$ 625,499	\$ 289,253	\$ 177,868	\$ 6,102	\$ 1,886,129	\$ 2,984,851
Bonds payable	837,300	--	--	--	--	837,300
Accrued liabilities	1,295,204	81,089	5,624	--	474,224	1,856,141
Due to other governments	--	--	--	--	444,850	444,850
Unearned revenue	20,245	--	--	11,461,823	160,632	11,642,700
Due to other funds	--	--	--	--	28,500	28,500
Total Liabilities	2,778,248	370,342	183,492	11,467,925	2,994,335	17,794,342
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues	938,201	--	--	--	--	938,201
Revenues intended to finance a subsequent year	--	--	2,606,530	--	--	2,606,530
Total Liabilities and Deferred Inflows of Resources	3,716,449	370,342	2,790,022	11,467,925	2,994,335	21,339,073
FUND BALANCE						
Nonspendable	1,311,764	86,699	7,620	--	72,817	1,478,900
Restricted	--	5,910,818	1,110,302	2,407	5,313,437	12,336,964
Committed	4,805,769	--	--	--	8,614,534	13,420,303
Assigned	1,136,721	--	--	--	--	1,136,721
Unassigned	11,425,168	--	--	--	--	11,425,168
Total Fund Balance	18,679,422	5,997,517	1,117,922	2,407	14,000,788	39,798,056
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 22,395,871	\$ 6,367,859	\$ 3,907,944	\$ 11,470,332	\$ 16,995,123	\$ 61,137,129

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, 2021

Total Fund Balance - Governmental Funds	\$	39,798,056
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.		5,311,608
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.		40,370,214
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.		938,201
Compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.		(1,600,786)
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.		(134,492)
Net pension liability and related deferrals are not due and payable in the current period and are not reported in the funds.		(4,669,970)
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.		(22,180,164)
Total Net Position - Governmental Activities	\$	<u>57,832,667</u>

Allegan County
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2021

	Special Revenue					Total Governmental Funds
	General	2110/2113/2118 Central Dispatch E911 Fund	2950 Senior Millage	2990 American Rescue Plan Act - ARPA	Other Governmental Funds	
Revenues						
Taxes	\$ 24,768,057	\$ --	\$ 2,545,659	\$ --	\$ 109,633	\$ 27,423,349
Licenses and permits	335,629	--	--	--	1,099,157	1,434,786
Intergovernmental revenues - federal	132,617	--	--	6,102	3,099,503	3,238,222
Intergovernmental revenues - state	2,806,979	--	185,012	--	8,277,760	11,269,751
Intergovernmental revenues - local	--	--	--	--	1,648,408	1,648,408
Charges for services	5,331,903	3,854,757	--	--	1,832,799	11,019,459
Fines and forfeitures	137,240	--	--	--	61,840	199,080
Interest and rentals	306,358	1,066	431	2,407	140,109	450,371
Other revenues	3,008,951	716	4,498	--	274,338	3,288,503
Total Revenues	36,827,734	3,856,539	2,735,600	8,509	16,543,547	59,971,929
Expenditures						
Legislative	265,600	--	--	--	--	265,600
Judicial	4,127,944	--	--	--	4,633,738	8,761,682
General government	10,046,834	--	--	6,102	1,658,412	11,711,348
Public safety	11,600,104	2,496,476	--	--	1,995,198	16,091,778
Public works	114,554	--	--	--	960,821	1,075,375
Health and welfare	687,469	--	2,458,705	--	9,170,343	12,316,517
Recreation and cultural	--	--	--	--	405,098	405,098
Community and economic development	234,858	--	--	--	91,046	325,904
Other	557,144	--	--	--	--	557,144
Capital outlay	--	--	--	--	2,926,118	2,926,118
Debt service - principal	--	--	--	--	2,186,501	2,186,501
Debt service - interest	--	--	--	--	752,613	752,613
Total Expenditures	27,634,507	2,496,476	2,458,705	6,102	24,779,888	57,375,678
Excess of Revenues Over (Under) Expenditures	9,193,227	1,360,063	276,895	2,407	(8,236,341)	2,596,251
Other Financing Sources (Uses)						
Transfers in	656,277	--	--	--	8,490,010	9,146,287
Transfers out	(5,770,819)	(929,585)	--	--	(1,641,325)	(8,341,729)
Net Other Financing Sources (Uses)	(5,114,542)	(929,585)	--	--	6,848,685	804,558
Net Change in Fund Balance	4,078,685	430,478	276,895	2,407	(1,387,656)	3,400,809
<i>Fund Balance at Beginning of Period</i>	14,600,737	5,567,039	841,027	--	15,388,444	36,397,247
Fund Balance at End of Period	\$ 18,679,422	\$ 5,997,517	\$ 1,117,922	\$ 2,407	\$ 14,000,788	\$ 39,798,056

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, 2021

Total Net Change in Fund Balances - Governmental Funds	\$	3,400,809
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.		(730,793)
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.		(951,036)
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.		49,331
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.		2,186,501
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.		17,979
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.		90,627
Changes to the net pension liability and related deferrals are not shown in the fund financial statements. The net effect of the current year increase is to decrease net position.		(2,865,453)
Changes in Net Position - Governmental Activities	\$	<u>1,197,965</u>

Allegan County
Statement of Net Position
Proprietary Funds
December 31, 2021

	Business-type Activities - Enterprise Funds				Governmental Activities Internal Service Funds
	6160-6210 Delinquent Property Tax	Allegan County Medical Care Community	5950 Jail Commisary - Nonmajor	Total Enterprise Funds	
ASSETS					
<i>Current Assets</i>					
Cash and pooled investments	\$ 10,258,275	\$ 872,168	\$ 194,902	\$ 11,325,345	\$ 5,021,028
Accounts receivable	--	755,561	10,869	766,430	3,072
Property taxes receivable	2,581,981	1,270,218	--	3,852,199	--
Due from other governments	--	147,441	--	147,441	--
Prepays	12,554	--	--	12,554	696,410
Total Current Assets	12,852,810	3,045,388	205,771	16,103,969	5,720,510
<i>Noncurrent Assets</i>					
Capital assets being depreciated, net	--	1,831,169	--	1,831,169	--
Total Assets	12,852,810	4,876,557	205,771	17,935,138	5,720,510
DEFERRED OUTFLOWS OF RESOURCES					
Pension	--	1,860	--	1,860	--
Total Deferred Outflows of Resources	--	1,860	--	1,860	--
LIABILITIES					
<i>Current Liabilities</i>					
Accounts payable	51,578	742,823	--	794,401	17,341
Accrued liabilities	2,196	115,808	--	118,004	391,561
Due to other governments	225	--	--	225	--
Total Current Liabilities	53,999	858,631	--	912,630	408,902
<i>Noncurrent Liabilities</i>					
Compensated absences	--	139,460	--	139,460	--
Net pension liability	--	93,274	--	93,274	--
Total Liabilities	53,999	1,091,365	--	1,145,364	408,902
DEFERRED INFLOWS OF RESOURCES					
Pension	--	76,783	--	76,783	--
Total Deferred Inflows of Resources	--	76,783	--	76,783	--
NET POSITION					
Net investment in capital assets	--	1,831,169	--	1,831,169	--
<i>Unrestricted</i>	12,798,811	1,879,100	205,771	14,883,682	5,311,608
Total Net Position	\$ 12,798,811	\$ 3,710,269	\$ 205,771	\$ 16,714,851	\$ 5,311,608

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, 2021

	Business-type Activities - Enterprise Funds				Governmental
	6160-6210 Delinquent Property Tax	Allegan County Medical Care Community	5950 Jail Commisary - Nonmajor	Total Enterprise Funds	Activities Internal Service Funds
Operating Revenues					
Interest and penalties on taxes	\$ 653,736	\$ --	\$ --	\$ 653,736	\$ --
Charges for services	338,868	4,568,078	56,940	4,963,886	4,708,901
Fines and forfeitures	215,415	--	--	215,415	--
Other revenues	14,494	59,487	--	73,981	366,624
Quality assurance supplement	--	642,398	--	642,398	--
Total Operating Revenues	1,222,513	5,269,963	56,940	6,549,416	5,075,525
Operating Expenses					
Administrative expense	176,857	--	--	176,857	29,978
Medical services expense	--	7,424,088	--	7,424,088	--
Insurance and employee benefits expense	--	--	--	--	5,776,340
Total Operating Expenses	176,857	7,424,088	--	7,600,945	5,806,318
Operating Income (Loss)	1,045,656	(2,154,125)	56,940	(1,051,529)	(730,793)
Non-Operating Revenues (Expenses)					
Property taxes	--	1,340,919	--	1,340,919	--
Interest income	2,159	--	--	2,159	--
Contributions and donations	--	888,819	--	888,819	--
Interest expense	--	(250)	--	(250)	--
Net Non-Operating Revenues (Expenses)	2,159	2,229,488	--	2,231,647	--
Income Before Contributions and Transfers	1,047,815	75,363	56,940	1,180,118	(730,793)
Transfers in	--	144,192	--	144,192	--
Transfers out	(898,750)	--	(50,000)	(948,750)	--
Change In Net Position	149,065	219,555	6,940	375,560	(730,793)
<i>Net Position at Beginning of Period</i>	12,649,746	3,490,714	198,831	16,339,291	6,042,401
Net Position at End of Period	\$ 12,798,811	\$ 3,710,269	\$ 205,771	\$ 16,714,851	\$ 5,311,608

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, 2021

	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	\$ -	\$ -	\$ -	\$ -	\$ 5,028,663
Cash received from users	554,283	-	52,575	606,858	-
Cash received from residents and third-party payors	-	4,926,042	-	4,926,042	-
Cash received from quality assurance supplement	-	852,502	-	852,502	-
Cash received from other operating receipts	14,494	59,487	-	73,981	-
Cash received from quality measures initiative	-	90,171	-	90,171	-
Cash received from interest and penalties on delinquent taxes	965,123	-	-	965,123	-
Cash payments to employees and suppliers	(146,549)	(6,923,867)	-	(7,070,416)	-
Cash payments for quality assurance provider tax	-	(292,941)	-	(292,941)	-
Cash payments for quality measures initiative	-	(62,157)	-	(62,157)	-
Cash payments for fleet management	-	-	-	-	(20,823)
Cash payments for insurance and employee benefits	-	-	-	-	(5,710,138)
Net Cash Provided by (Used in) Operating Activities	<u>1,387,351</u>	<u>(1,350,763)</u>	<u>52,575</u>	<u>89,163</u>	<u>(702,298)</u>
Cash Flows from Non-capital Financing Activities					
Transfer from other funds	-	144,192	-	144,192	-
Transfers to other funds	(898,750)	-	(50,000)	(948,750)	-
Tax revenue	-	1,321,852	-	1,321,852	-
Net change in interfund balances and advances	-	(390,000)	-	(390,000)	-
Contributions and donations	-	1,208,867	-	1,208,867	-
Net Cash Provided by (Used in) Non-capital Financing Activities	<u>(898,750)</u>	<u>2,284,911</u>	<u>(50,000)</u>	<u>1,386,161</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities					
Acquisition and construction of capital assets	-	(86,109)	-	(86,109)	-
Interest payments on long-term debt	-	(250)	-	(250)	-
Net Cash Used in Capital and Related Financing Activities	<u>-</u>	<u>(86,359)</u>	<u>-</u>	<u>(86,359)</u>	<u>-</u>
Cash Flows from Investing Activities					
Interest received on investments	2,159	-	-	2,159	-
Net Cash Provided by Investing Activities	<u>2,159</u>	<u>-</u>	<u>-</u>	<u>2,159</u>	<u>-</u>
Net Increase (Decrease) in Cash and Pooled Investments	490,760	847,789	2,575	1,341,124	(702,298)
Cash and Pooled Investments - Beginning of Year	9,767,515	24,379	192,327	9,984,221	5,723,326
Cash and Pooled Investments - End of Year	<u>\$ 10,258,275</u>	<u>\$ 872,168</u>	<u>\$ 194,902</u>	<u>\$ 11,325,345</u>	<u>\$ 5,021,028</u>
Reconciliation of Operating Income (Loss) to					
Net Cash Provided by (Used in) Operating Activities					
Operating income (loss)	\$ 1,045,656	\$ (2,154,125)	\$ 56,940	\$ (1,051,529)	\$ (730,793)
Adjustments to Reconcile Operating Income (Loss) to					
Net Cash Provided by (Used in) Operating Activities					
Depreciation expense	-	145,010	-	145,010	-
Provision for bad debts	-	270,924	-	270,924	-
Changes in Assets, Deferrals, and Liabilities					
Accounts receivable	-	387,315	(4,365)	382,950	(28)
Property taxes receivable	311,387	-	-	311,387	-
Prepays	10,204	-	-	10,204	(46,834)
Accounts payable	22,576	(179,773)	-	(157,197)	9,155
Accrued liabilities	(1,540)	73,529	-	71,989	66,202
Due to other governments	(932)	-	-	(932)	-
Net pension liability and related deferreds	-	106,357	-	106,357	-
Net Cash Provided by (Used in) Operating Activities	<u>\$ 1,387,351</u>	<u>\$ (1,350,763)</u>	<u>\$ 52,575</u>	<u>\$ 89,163</u>	<u>\$ (702,298)</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, 2021

	Custodial Funds		Total Custodial Funds
	7010 Trust and Agency	7210 Library Penal Fine	
ASSETS			
Cash and pooled investments	\$ 1,106,267	\$ 131	\$ 1,106,398
<i>Total Assets</i>	1,106,267	131	1,106,398
LIABILITIES			
Due to other governments	918,989	--	918,989
Undistributed collections	183,866	131	183,997
Bonds and other payables	3,412	--	3,412
<i>Total Liabilities</i>	\$ 1,106,267	\$ 131	\$ 1,106,398

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, 2021

	Custodial Funds		Total Custodial Funds
	7010 Trust and Agency	7210 Library Penal Fine	
Additions			
Taxes collected for other governments	\$ 33,766,606	\$ --	\$ 33,766,606
Library penal fine collections	--	522,076	522,076
Court collections	1,569,547	--	1,569,547
County clerk/register of deeds collections	852,293	--	852,293
Treasurer collections	11,708,235	--	11,708,235
Total Additions	47,896,681	522,076	48,418,757
Deductions			
Payments of property taxes to other governments	33,766,606	--	33,766,606
Library penal fine distributions	--	522,076	522,076
Court distributions	1,569,547	--	1,569,547
County clerk/register of deeds distributions	852,293	--	852,293
Treasurer distributions	11,708,235	--	11,708,235
Total Deductions	47,896,681	522,076	48,418,757
Change in Net Position	--	--	--
<i>Net Position at Beginning of Period</i>	<i>--</i>	<i>--</i>	<i>--</i>
Net Position at End of Period	\$ --	\$ --	\$ --

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, 2021

	<u>Allegan County Drains</u>	<u>2430 Brownfield Redevelopment Authority</u>	<u>Allegan County Road Commission</u>	<u>Total Component Units</u>
ASSETS				
<i>Current Assets</i>				
Cash and pooled investments	\$ 2,856,632	\$ 95,933	\$ 11,007,972	\$ 13,960,537
Accounts receivable	--	--	3,086,534	3,086,534
Special assessments receivable	1,732,013	--	--	1,732,013
Leases receivable	619,357	--	--	619,357
Property taxes receivable	--	--	3,923,791	3,923,791
Due from other governments	3,439	--	3,080,802	3,084,241
Inventory	--	--	1,942,819	1,942,819
Prepays	--	--	145,536	145,536
Total Current Assets	5,211,441	95,933	23,187,454	28,494,828
<i>Noncurrent Assets</i>				
Capital assets not being depreciated	2,267,825	783,005	104,137,425	107,188,255
Capital assets being depreciated, net	16,917,742	--	130,455,296	147,373,038
Special assessments receivable, long-term	4,682,992	--	--	4,682,992
Leases receivable, long-term	4,072,329	--	--	4,072,329
Net OPEB Asset	--	--	165,528	165,528
Total Assets	33,152,329	878,938	257,945,703	291,976,970
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on bond refunding	55,409	--	--	55,409
Pension	--	--	3,666,755	3,666,755
Total Deferred Outflows of Resources	55,409	--	3,666,755	3,722,164
LIABILITIES				
<i>Current Liabilities</i>				
Accounts payable	263,851	90,748	126,524	481,123
Accrued liabilities	1,513	--	184,914	186,427
Due to other governments	--	--	2,200	2,200
Due to Primary Government	--	--	6,327,218	6,327,218
Accrued interest	140,619	--	--	140,619
Current portion of long-term debt	1,671,379	--	304,895	1,976,274
Total Current Liabilities	2,077,362	90,748	6,945,751	9,113,861
<i>Noncurrent Liabilities</i>				
Long-term debt	10,897,015	--	4,808,735	15,705,750
Advance from primary government	250,000	852,040	--	1,102,040
Compensated absences	--	--	468,471	468,471
Net pension liability	--	--	4,752,749	4,752,749
Total Liabilities	13,224,377	942,788	16,975,706	31,142,871
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	--	--	4,155,383	4,155,383
Pension	--	--	806,703	806,703
Total Deferred Inflows of Resources	--	--	4,962,086	4,962,086
NET POSITION				
Net investment in capital assets	11,947,672	783,005	229,479,091	242,209,768
<i>Restricted for:</i>				
Debt service	5,304,314	--	--	5,304,314
<i>Unrestricted (Deficit)</i>	2,731,375	(846,855)	10,195,575	12,080,095
Total Net Position	\$ 19,983,361	\$ (63,850)	\$ 239,674,666	\$ 259,594,177

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, 2021

	<u>Allegan County Drains</u>	<u>2430 Brownfield Redevelopment Authority</u>	<u>Allegan County Road Commission</u>	<u>Total Component Units</u>
Expenses				
Capital outlay	\$ --	\$ 63,850	\$ --	\$ 63,850
Interest expense	356,647	--	163,185	519,832
Road commission	--	--	22,151,310	22,151,310
Drains/public works	2,041,335	--	--	2,041,335
Total Expenses	<u>2,397,982</u>	<u>63,850</u>	<u>22,314,495</u>	<u>24,776,327</u>
Program Revenues				
Charges for services	1,177,787	--	165,234	1,343,021
Operating grants and contributions	142,829	--	18,198,690	18,341,519
Capital grants and contributions	1,694,518	--	9,967,236	11,661,754
Total Program Revenues	<u>3,015,134</u>	<u>--</u>	<u>28,331,160</u>	<u>31,346,294</u>
Net Program Revenues (Expenses)	<u>617,152</u>	<u>(63,850)</u>	<u>6,016,665</u>	<u>6,569,967</u>
General Revenue				
Property taxes	--	--	4,024,321	4,024,321
Interest income	7,291	--	5,531	12,822
Total General Revenues	<u>7,291</u>	<u>--</u>	<u>4,029,852</u>	<u>4,037,143</u>
Change in Net Position	<u>624,443</u>	<u>(63,850)</u>	<u>10,046,517</u>	<u>10,607,110</u>
<i>Net Position at Beginning of Period (restated, note 18)</i>	19,358,918	--	229,628,149	248,987,067
Net Position (Deficit) at End of Period	<u>\$ 19,983,361</u>	<u>\$ (63,850)</u>	<u>\$ 239,674,666</u>	<u>\$ 259,594,177</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 120,000 residents in many areas including law enforcement, administration of justice, community enrichment and development, and human services.

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

Reporting Entity

The accompanying financial statements present the County (the primary government) and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the County’s operations, so data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the County.

The financial statements for *Allegan County Medical Care Community* (the “Community”), an enterprise fund, are presented for the fiscal year ending December 31, 2021. 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.

Allegan County

Notes to the 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. Revenues are recorded when earned and expenses are recorded when liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. After March 1 of the year for which they were levied, the delinquent tax revolving fund pays the County for any outstanding real property taxes as of that date. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources* measurement focus and the *modified accrual basis* of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 180 days of the end of the current fiscal period, within 60 days for property taxes, or within one year for reimbursement-based grants. Grant revenues are considered to be available when all

Allegan County

Notes to the Financial Statements

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.

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

The County reports the following major enterprise funds:

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

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

Additionally, the County reports the following fund types:

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

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

Allegan County

Notes to the Financial Statements

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

Allegan County

Notes to the Financial Statements

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.
- 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.

Allegan County

Notes to the Financial Statements

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.

Leases and Special Assessments Receivable

The Drain Commission/Department of Public Works component unit has leases and special assessments receivable recorded in the amount of \$4,691,686 and \$6,415,005, 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, \$619,357 and \$1,732,013, respectively, are expected to be collected within one year while the remaining balances are long-

Allegan County

Notes to the Financial Statements

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, 2021, 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 2021 ad valorem tax (excluding the portion for general operations and soldiers' relief) is levied and collectible on December 1, 2021, 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, 2021, 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 as well as the net difference between projected and actual investment earnings of the pension plan.

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

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

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

Unassigned fund balance is the residual classification for the County's general fund and includes all spendable amounts not contained in the other classifications and is therefore available to be spent as determined by the County Board of Commissioners.

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, 2021, the County had the following budget exceptions:

	Final Budget	Actual Amount	Negative Variance
General Fund			
Treasurer	\$ 582,068	\$ 606,912	\$ (24,844)
Sick and Vacation	193,303	253,497	(60,194)
Accounting department	442,479	450,839	(8,360)
Mail and copy services	192,321	227,076	(34,755)
Dumont Lake complex	47,388	56,657	(9,269)
Economic Development	50,000	53,332	(3,332)

Note 3 - Deposits and Investments

Deposits and investments consisted of the following on December 31, 2021:

	Primary Government	Component Units	Total
Statement of Net Position			
Cash and pooled investments	\$ 68,122,295	\$ 13,960,537	\$ 82,082,832
Statement of Fiduciary Net Position			
Cash and pooled investments	1,106,398	-	1,106,398
Total Cash and Investments	\$ 69,228,693	\$ 13,960,537	\$ 83,189,230
Less Units Separately Audited			
Allegan County Road Commission	-	(11,007,972)	(11,007,972)
Allegan County Medical Care Community	(872,168)	-	(872,168)
Total Cash and Investments	\$ 68,356,525	\$ 2,952,565	\$ 71,309,090
Deposits and Investments			
Checking and savings accounts			\$ 21,573,355
Investments			49,707,760
Cash on hand			27,975
Total Deposits and Investments			\$ 71,309,090

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 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

Allegan County

Notes to the Financial Statements

utilizing outside sources to obtain the ratings. As of year-end, \$16,318,355 of the bank balance of \$16,818,355 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, 2021, 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	\$ 15,881,568
Michigan CLASS	16,699,468
Asset backed securities	1,076,278
Certificate of deposits	9,845,207
Municipal bonds	6,205,239
	<u>\$ 49,707,760</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	\$ 37,756,219
Less than 1 year	4,500,569
Due within 1-5 years	6,693,803
Due more than 5 years	757,169
	<u>\$ 49,707,760</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 “statutory authority” below. The investment policy does not have specific limits in excess of state law on investment credit risk.

Allegan County

Notes to the Financial Statements

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

S&P AAA	\$ 16,699,468
S&P AA+	3,234,278
S&P AA	2,371,811
S&P AA-	1,153,973
S&P SP-1+	521,455
N/A or not rated	25,726,775
	\$ 49,707,760

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, 2021:

	Level 1	Level 2	Level 3	Total
Asset backed securities	\$ -	\$ 1,076,278	\$ -	\$ 1,076,278
Municipal bonds	6,205,239	-	-	6,205,239
Michigan CLASS	-	16,699,468	-	16,699,468
	\$ 6,205,239	\$ 17,775,746	\$ -	23,980,985

Investment accounts not subject to fair value disclosure requirements:

Money market accounts	15,881,568
Certificates of deposit	9,845,207
Total Investments	\$ 49,707,760

Note 4 - Interfund Receivables and Payables

The amounts of interfund balances as of December 31, 2021 represent loans for cash flow purposes and are as follows:

	Due from Other Funds	Due to Other Funds
General fund	\$ 28,500	\$ -
Nonmajor governmental funds	-	28,500
	\$ 28,500	\$ 28,500

Allegan County

Notes to the Financial Statements

As of December 31, 2021, the general fund had an advance to the brownfield redevelopment authority in the amount of \$852,040 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, 2021 interfund transfers consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
General fund	\$ 656,277	\$ (5,770,819)
2110/2113/2118 central dispatch E911 fund	-	(929,585)
2600 indigent defense fund	-	-
Nonmajor governmental funds	8,490,010	(1,641,325)
6160-6209 delinquent property tax	-	(898,750)
Allegan County Medical Care Community	144,192	-
5950 jail commissary - nonmajor	-	(50,000)
	<u>\$ 9,290,479</u>	<u>\$ (9,290,479)</u>

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

Allegan County

Notes to the Financial Statements

Note 5 - Capital Assets

Capital asset activity for the year ended December 31, 2021 was as follows:

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance
Capital assets not being depreciated:				
Land	\$ 759,162	\$ -	\$ -	\$ 759,162
Construction in process	487,918	1,822,709	(229,975)	2,080,652
<i>Subtotal</i>	<u>1,247,080</u>	<u>1,822,709</u>	<u>(229,975)</u>	<u>2,839,814</u>
Capital assets being depreciated:				
Land improvements	3,411,107	290,153	-	3,701,260
Buildings and improvements	51,838,263	5,356	-	51,843,619
Equipment and furniture	25,531,374	1,143,651	(448,557)	26,226,468
Infrastructure	1,684,896	-	-	1,684,896
<i>Subtotal</i>	<u>82,465,640</u>	<u>1,439,160</u>	<u>(448,557)</u>	<u>83,456,243</u>
Less accumulated depreciation for:				
Land improvements	(2,646,965)	(113,408)	-	(2,760,373)
Buildings and improvements	(23,088,284)	(1,966,953)	-	(25,055,237)
Equipment and furniture	(15,826,061)	(1,839,181)	439,288	(17,225,954)
Infrastructure	(830,160)	(54,119)	-	(884,279)
<i>Subtotal</i>	<u>(42,391,470)</u>	<u>(3,973,661)</u>	<u>439,288</u>	<u>(45,925,843)</u>
Capital assets being depreciated, net	40,074,170	(2,534,501)	(9,269)	37,530,400
Capital assets, net	<u>\$ 41,321,250</u>	<u>\$ (711,792)</u>	<u>\$ (239,244)</u>	<u>\$ 40,370,214</u>

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

Governmental Activities:	
Judicial	\$ 68,845
General government	1,022,768
Public safety	2,496,231
Health and welfare	308,499
Recreation and culture	77,318
Total depreciation expense	<u>\$ 3,973,661</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	733,712	769,392	(89,079)	1,414,025
<i>Subtotal</i>	<u>1,587,512</u>	<u>769,392</u>	<u>(89,079)</u>	<u>2,267,825</u>
Capital assets being depreciated:				
Machinery and equipment	76,125	-	-	76,125
Infrastructure	21,076,359	1,555,187	-	22,631,546
<i>Subtotal</i>	<u>21,152,484</u>	<u>1,555,187</u>	<u>-</u>	<u>22,707,671</u>
Less accumulated depreciation for:				
Machinery and equipment	(51,303)	(12,489)	-	(63,792)
Infrastructure	(4,599,633)	(1,126,504)	-	(5,726,137)
<i>Subtotal</i>	<u>(4,650,936)</u>	<u>(1,138,993)</u>	<u>-</u>	<u>(5,789,929)</u>
Capital assets being depreciated, net	16,501,548	416,194	-	16,917,742
Capital assets, net	<u>\$ 18,089,060</u>	<u>\$ 1,185,586</u>	<u>\$ (89,079)</u>	<u>\$ 19,185,567</u>

Depreciation expense of \$1,138,993 was charged to the public works/drains function of the Allegan County Drains.

Additionally, the Brownfield Redevelopment Authority (discretely presented component unit) has \$783,005 of construction in progress as of December 31, 2021.

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	Deductions	Ending Balance	Due Within One Year
General obligation bonds	\$ 10,125,000	\$ 600,000	\$ 9,525,000	\$ 700,000
Pension obligation bonds	10,845,000	740,000	10,105,000	760,000
Installment purchase agreement (Direct Placement)	3,333,284	846,501	2,486,783	585,102
Net premium/discount	69,514	6,133	63,381	-
Compensated Absences	<u>1,691,413</u>	<u>90,627</u>	<u>1,600,786</u>	<u>-</u>
Total Long-term Obligations	<u>\$ 26,064,211</u>	<u>\$ 2,283,261</u>	<u>\$ 23,780,950</u>	<u>\$ 2,045,102</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	\$ 9,694,790	\$ -	\$ (979,200)	\$ 8,715,590	\$ 1,054,200
Notes payable	2,087,722	2,250,000	(484,286)	3,853,436	617,179
Net premium/discount	8,928	204	(9,764)	(632)	-
Total Long-term Obligations	\$ 11,791,440	\$ 2,250,204	\$ (1,473,250)	\$ 12,568,394	\$ 1,671,379

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.	\$ 9,525,000
\$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.	10,105,000
\$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%.	2,486,783
Total Long-term Debt	\$ 22,116,783

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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.	\$ 1,241,000
\$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.	620,000
\$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.	855,000
\$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.	65,900
\$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.	3,085,090
\$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.	1,335,000
\$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.	85,400
\$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.	63,200
Miscellaneous Drainage District Notes, due in annual installments plus interest ranging from .70 to 4.95%, payable annually, through June 1, 2041.	5,218,436
Total Long-term Debt	\$ 12,569,026

The annual requirements to maturity on the long-term installment debt outstanding on December 31, 2021 are as follows:

Year Ended December 31,	Governmental Activities			Drain Commission, Component Unit		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 2,045,102	\$ 700,910	\$ 2,746,012	\$ 1,671,379	\$ 322,028	\$ 1,993,407
2023	2,080,341	645,026	2,725,367	1,464,979	283,087	1,748,066
2024	2,190,759	584,793	2,775,552	1,369,578	246,760	1,616,338
2025	2,256,360	525,236	2,781,596	1,350,900	211,860	1,562,760
2026	1,804,220	458,600	2,262,820	889,600	181,350	1,070,950
2027 - 2031	9,630,000	1,259,288	10,889,288	3,357,500	616,938	3,974,438
2032 - 2036	2,110,001	38,450	2,148,451	1,832,090	233,514	2,065,604
2037 - 2040	-	-	-	633,000	44,985	677,985
Total	\$ 22,116,783	\$ 4,212,303	\$ 26,329,086	\$ 12,569,026	\$ 2,140,522	\$ 14,709,548

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, 2021 was as follows:

	Governmental Activities	Drain Commission
Capital assets:		
Capital assets not being depreciated	\$ 3,622,819	\$ 2,267,825
Capital assets being depreciated	37,530,400	16,917,742
<i>Subtotal</i>	41,153,219	19,185,567
Less long-term debt:		
Total long-term debt	(22,116,783)	(12,569,026)
Premiums/discounts on long-term debt	(63,381)	632
<i>Subtotal</i>	(22,180,164)	(12,568,394)
Add deferred charge on bond refunding:	-	55,409
Add unrelated long-term debt:		
Pension obligation bonds	10,105,000	-
Other bonds payable*	-	5,275,090
<i>Subtotal</i>	10,105,000	5,275,090
Net investment in capital assets	\$ 29,078,055	\$ 11,947,672

*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:

Division	Benefit Multiplier	Benefit Maximum	Final Average Compensation (Years)	Normal Retirement Age	Unreduced Benefit (Age/Years of Service)	Reduced Benefit (Age/Years of Service)	Vesting (Years)
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, 2020 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	76
Active plan members	41
<i>Total employees covered by MERS</i>	375

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, 2021, the County had the following required contribution rates:

<u>Division</u>	<u>Employee Contributions</u>	<u>Employer Contributions</u>
01 - Tmstr Unit II - closed	4.00%	\$ 2,357
02 - POLC Rd Commd & Undersheriff - closed	8.00%	12,695
06 - Mtl Hlth Dept - closed	4.00%	-
08 - Court Salaried - closed	4.00%	6,462
09 - Asst Pros Atty - closed	10.79%	946
10 - Genl. Non Union - closed	4.00%	7,949
12 - Court Hourly - closed	4.00%	3,183
15 - Tmstrs. Unit 1 - closed	4.00%	3,253
16 - County Admnstr. - closed	4.00%	902
17 - Tmstr Unit 111 - closed	4.00%	3,352
20 - Polc Deputies - closed	8.00%	25,664
21 - POLC Corr Comm - closed	8.00%	1,598

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, 2020, 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, 2020 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 a version of Pub-2010 and fully generational MP-2019.

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

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

Allegan County

Notes to the Financial Statements

the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Target Allocation Gross Rate of Return	Long-term Expected Gross Rate of Return	Inflation Assumption	Long-term Expected Real Rate of Return
Global equity	60.00%	7.45%	4.47%	2.50%	2.97%
Global fixed income	20.00%	4.90%	0.98%	2.50%	0.48%
Private investments	20.00%	9.50%	1.90%	2.50%	1.40%
	<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 7.6%. The current discount rate shown for GASB 68 purposes is higher than the MERS assumed rate of return. This is because, for GASB 68 purposes, the discount rate must be gross of administrative expenses, whereas for funding purposes, it is net of administrative expenses. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Allegan County

Notes to the Financial Statements

Changes in Net Pension Liability

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

Changes in Net Pension Liability	Increase (Decrease)		Net Pension Liability
	Total Pension Liability	Plan Net Position	
Balance at December 31, 2019	\$ 68,816,023	\$ 64,565,736	\$ 4,250,287
Service cost	387,131	-	387,131
Interest	5,061,448	-	5,061,448
Differences between expected and actual experience	(149,467)	-	(149,467)
Changes in assumptions	2,581,598	-	2,581,598
Contributions - employer	-	556,320	(556,320)
Contributions - employee	-	253,603	(253,603)
Net investment loss	-	7,820,652	(7,820,652)
Benefit payments, including refunds	(4,823,184)	(4,823,184)	-
Administrative expenses	-	(127,206)	127,206
<i>Net changes</i>	3,057,526	3,680,185	(622,659)
Balance at December 31, 2020	\$ 71,873,549	\$ 68,245,921	\$ 3,627,628
	Allocated to:		
		Governmental Activities	\$ 3,534,354
		Business-type Activities	93,274
			\$ 3,627,628

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 (6.60%)	Current Discount Rate (7.60%)	1% Increase (8.60%)
	Net pension liability (asset) of the County	\$ 11,694,763	\$ 3,627,628

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, 2021, the County recognized pension expense of \$2,865,452 while the Allegan County Medical Care Community recognized pension expense of \$115,649.

Allegan County

Notes to the Financial Statements

The 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	\$ -	\$ 1,894,654
Differences between expected and actual experience	-	(13,785)
Employer contributions to the plan subsequent to the measurement date*	823,896	-
Total	\$ 823,896	\$ 1,880,869
Allocated to:		
Governmental Activities	\$ 822,036	\$ 1,957,652
Business-type Activities	1,860	(76,783)
	\$ 823,896	\$ 1,880,869

* 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
2022	\$ (331,994)
2023	235,467
2024	(1,208,178)
2025	(576,164)

Payable to the Pension Plan. On December 31, 2021, the County reported a payable of \$63,869 for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2021.

Defined Contribution Plan

The County's defined contribution plan is offered through MERS; benefit provisions and contribution requirements are established and may be amended by the Allegan County Board of Commissioners. The County makes contributions of 7% of each participants' salary and the employees contribute an additional 3% of their salary. Total contributions for the year were \$2,098,618 (\$706,963 employee and \$1,391,655 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

Allegan County

Notes to the Financial Statements

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 18 Central General Fund	2110/2113/21 18 Central Dispatch E911 Fund	2950 Senior Millage	2990 American Rescue Plan Act - ARPA	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable						
Long-term advances	\$ 1,102,040	\$ -	\$ -	\$ -	\$ 24,292	\$ 1,126,332
Prepaid items and inventory	209,724	86,699	7,620	-	48,525	352,568
<i>Total Nonspendable</i>	<u>1,311,764</u>	<u>86,699</u>	<u>7,620</u>	<u>-</u>	<u>72,817</u>	<u>1,478,900</u>
Restricted						
E-911/dispatch services	-	5,910,818	-	-	-	5,910,818
Senior services	-	-	1,110,302	-	-	1,110,302
ARPA	-	-	-	2,407	-	2,407
Indigent defense	-	-	-	-	69,349	69,349
Health/mental health	-	-	-	-	1,145,958	1,145,958
Friend of the court	-	-	-	-	1,292,446	1,292,446
Transportation	-	-	-	-	259,037	259,037
Register of deeds automation	-	-	-	-	813,512	813,512
Drug law enforcement	-	-	-	-	102,243	102,243
Sheriff	-	-	-	-	459,768	459,768
Housing assistance	-	-	-	-	133,371	133,371
State and federal grants	-	-	-	-	278,451	278,451
Parks and recreation	-	-	-	-	230,983	230,983
Debt service	-	-	-	-	573	573
Solid Waste	-	-	-	-	207,210	207,210
Concealed pistol licenses	-	-	-	-	320,536	320,536
<i>Total Restricted</i>	<u>-</u>	<u>5,910,818</u>	<u>1,110,302</u>	<u>2,407</u>	<u>5,313,437</u>	<u>12,336,964</u>
Committed						
Budget stabilization	4,805,769	-	-	-	-	4,805,769
Child care	-	-	-	-	490,937	490,937
Health/mental health	-	-	-	-	-	-
Animal shelters	-	-	-	-	40,449	40,449
Soldiers and sailors	-	-	-	-	84,748	84,748
Fitness center	-	-	-	-	75,468	75,468
Capital improvements	-	-	-	-	699,799	699,799
Public improvements	-	-	-	-	690,434	690,434
Debt service	-	-	-	-	271,844	271,844
Other purposes	-	-	-	-	6,260,855	6,260,855
<i>Total Committed</i>	<u>4,805,769</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,614,534</u>	<u>13,420,303</u>
Assigned						
Law library	106,090	-	-	-	-	106,090
Grant administration	23,771	-	-	-	-	23,771
Child care welfare	8,425	-	-	-	-	8,425
Technology	19,526	-	-	-	-	19,526
Budget	978,909	-	-	-	-	978,909
<i>Total Assigned</i>	<u>1,136,721</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,136,721</u>
Unassigned						
	<u>11,425,168</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,425,168</u>
Total Fund Balance	<u>\$ 18,679,422</u>	<u>\$ 5,997,517</u>	<u>\$ 1,117,922</u>	<u>\$ 2,407</u>	<u>\$ 14,000,788</u>	<u>\$ 39,798,056</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
2021	216,559	760,214	(750,826)	225,947

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.

Allegan County

Notes to the Financial Statements

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

Unemployment

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

Workers' Compensation

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

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

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Changes in the claims liability for the years ended December 31 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	\$ 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
2021	103,038	146,068	(206,935)	42,171

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

Allegan County

Notes to the Financial Statements

that the outcome of any pending actions will not have a material effect on the County's financial position or results of operations.

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. \$444,835 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 \$15,868 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, 2021.

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 \$15,766. The entire amount of \$15,766 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 \$15,766 (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, 2021.

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.

Allegan County

Notes to the Financial Statements

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 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 \$3,242,566 at year-end. Future lease revenues for these facility leases are as follows:

Fiscal Year Ended	
December 31,	Amount
2022	\$ 394,283
2023	394,283
Total	\$ 788,566

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, 2021 amounted to \$141,272.

Note 17 - Subsequent Events / COVID-19

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. Further, the County is in the process of determining the eligible expenditures and projects to be undertaken in the upcoming years in order to utilize the County's ARPA funds.

Allegan County

Notes to the Financial Statements

Note 18 - Restatement

The Allegan County Road Commission had to restate net position for infrastructure that was unrecorded previously as follows:

	County Road Commission
Beginning net position as of December 31, 2020, as reported	\$ 228,401,536
Unrecorded Infrastructure	1,226,613
Beginning net position as of December 31, 2020, as restated	<u>\$ 229,628,149</u>

REQUIRED SUPPLEMENTARY INFORMATION

Allegan County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
General Fund
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative) Final to Actual
Revenues				
Taxes	\$ 24,656,612	\$ 24,656,612	\$ 24,768,057	\$ 111,445
Licenses and permits	67,101	67,101	335,629	268,528
Intergovernmental revenues - federal	56,000	56,000	132,617	76,617
Intergovernmental revenues - state	2,363,576	2,347,257	2,806,979	459,722
Charges for services	3,668,202	4,168,202	5,331,903	1,163,701
Fines and forfeitures	141,500	141,500	137,240	(4,260)
Interest and rentals	491,744	491,744	306,358	(185,386)
Other revenues	2,367,466	2,373,396	3,008,951	635,555
Total Revenues	33,812,201	34,301,812	36,827,734	2,525,922
Other Financing Sources				
Transfers in	310,039	1,323,703	656,277	(667,426)
Total Revenues and Other Financing Sources	34,122,240	35,625,515	37,484,011	1,858,496
Expenditures				
Legislative - Board of commissioners	280,276	280,276	269,200	11,076
Judicial				
Circuit court	695,306	695,306	649,335	45,971
District court	1,561,363	1,563,346	1,519,900	43,446
Jury board	6,806	6,806	2,679	4,127
Probate court	476,458	476,458	476,339	119
Probate court - juvenile	731,476	731,476	724,412	7,064
Guardian/conservators	43,500	43,500	6,499	37,001
Probation - circuit court	7,480	7,480	4,267	3,213
Probation - district court	537,217	537,512	449,057	88,455
Family counseling services	15,125	15,125	16,500	(1,375)
Restitution	--	500,000	278,956	221,044
Total Judicial	4,074,731	4,577,009	4,127,944	449,065
General Government				
Administration Department	347,713	367,321	321,921	45,400
Elections	219,900	219,900	164,414	55,486
Accounting department	436,458	442,479	450,839	(8,360)
Auditing services	56,000	56,000	52,500	3,500
Clerk	708,406	710,210	621,542	88,668
Equalization	586,515	586,515	457,556	128,959
Personnel department	458,783	461,691	426,122	35,569
Prosecuting attorney	1,539,022	1,543,581	1,500,277	43,304
Register of deeds	339,184	339,184	321,365	17,819
Treasurer	575,176	582,068	606,912	(24,844)
Sick and vacation	193,303	193,303	253,497	(60,194)
Cooperative extension	98,939	98,939	98,939	--
Network system	1,598,271	1,607,301	1,561,738	45,563
Technology	71,153	71,153	34,998	36,155
Drain commissioner	399,934	400,032	336,489	63,543
Records management	96,365	96,365	95,478	887
Other general government	516,270	516,270	--	516,270
Animal Control	33,219	33,219	21,898	11,321
Courthouse	324,855	324,855	307,390	17,465
Central dispatch building	149,588	149,588	104,831	44,757
Human services building	272,974	272,974	239,185	33,789
Medical care community building	297,800	297,800	256,765	41,035
General facilities management	703,468	705,155	704,563	592
Mail and copy services	192,321	192,321	227,076	(34,755)
ACC Building	13,000	13,000	--	13,000
CMH Clinic	18,000	18,000	10,772	7,228
Sheriff/jail building	649,613	651,674	631,447	20,227
County services building	148,352	148,352	128,633	19,719
Dumont Lake complex	47,388	47,388	56,657	(9,269)
Youth home building	78,500	78,500	49,430	29,070
Total General Government	\$ 11,170,470	\$ 11,225,138	\$ 10,043,234	\$ 1,181,904

Continued...

Allegheny County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
General Fund
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
				<u>Final to Actual</u>
Expenditures (Continued from previous page)				
Public safety				
Sheriff	\$ 5,139,373	\$ 5,396,019	\$ 5,227,035	\$ 168,984
WEMET - sheriff	119,043	119,043	88,773	30,270
Secondary road patrol program	343,203	360,508	349,479	11,029
Sheriff services	79,554	79,554	42,663	36,891
Detective bureau	711,398	745,043	713,547	31,496
Courthouse security	550,460	267,737	234,611	33,126
Marine law enforcement	144,234	112,046	107,273	4,773
Jail	4,568,399	4,605,003	4,236,657	368,346
Inmate programs	357,553	359,497	340,379	19,118
Emergency management	128,087	133,167	123,205	9,962
L.E.P.C.	37,437	37,437	33,087	4,350
Animal shelter	125,645	128,472	103,395	25,077
Livestock claims	2,050	2,050	--	2,050
Total public safety	<u>12,306,436</u>	<u>12,345,576</u>	<u>11,600,104</u>	<u>745,472</u>
Public works				
Department of public works	12,896	12,896	11,838	1,058
Drains - public benefits	117,000	117,000	31,057	85,943
Monumentation program	95,000	73,681	71,659	2,022
Total public works	<u>224,896</u>	<u>203,577</u>	<u>114,554</u>	<u>89,023</u>
Health and welfare				
Communicable diseases	7,500	7,500	360	7,140
Medical examiner	226,250	226,250	225,657	593
Mental Health	346,095	346,095	346,095	--
Child care welfare	2,213	2,213	1,300	913
Veterans' services	123,007	123,007	114,057	8,950
Total health and welfare	<u>705,065</u>	<u>705,065</u>	<u>687,469</u>	<u>17,596</u>
Community and economic development				
Economic development	50,000	50,000	53,332	(3,332)
Land information systems	200,749	200,749	181,526	19,223
Total community and economic development	<u>250,749</u>	<u>250,749</u>	<u>234,858</u>	<u>15,891</u>
Other				
Employees' other fringe benefits	317,943	317,943	172,144	145,799
Insurance and bonds	385,000	385,000	385,000	--
Total Other	<u>702,943</u>	<u>702,943</u>	<u>557,144</u>	<u>145,799</u>
Total Expenditures	<u>29,715,566</u>	<u>30,290,333</u>	<u>27,634,507</u>	<u>2,655,826</u>
Other Financing Uses				
Transfers out	5,799,603	6,844,522	5,770,819	1,073,703
Total Expenditures and Other Financing Uses	<u>35,515,169</u>	<u>37,134,855</u>	<u>33,405,326</u>	<u>3,729,529</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses				
	<u>(1,392,929)</u>	<u>(1,509,340)</u>	<u>4,078,685</u>	<u>5,588,025</u>
Net Change in Fund Balance	<u>(1,392,929)</u>	<u>(1,509,340)</u>	<u>4,078,685</u>	<u>5,588,025</u>
<i>Fund Balance at Beginning of Period</i>	14,600,737	14,600,737	14,600,737	--
Fund Balance at End of Period	<u>\$ 13,207,808</u>	<u>\$ 13,091,397</u>	<u>\$ 18,679,422</u>	<u>\$ 5,588,025</u>

Concluded.

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, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Positive (Negative) Final to Actual
Revenues				
Charges for services	\$ 3,645,457	\$ 3,645,457	\$ 3,854,757	\$ 209,300
Interest and rentals	28,000	28,000	1,066	(26,934)
Other revenues	--	--	716	716
<i>Total Revenues</i>	<u>3,673,457</u>	<u>3,673,457</u>	<u>3,856,539</u>	<u>183,082</u>
Expenditures				
Public safety	3,924,465	3,924,465	2,496,476	1,427,989
<i>Total Expenditures</i>	<u>3,924,465</u>	<u>3,924,465</u>	<u>2,496,476</u>	<u>1,427,989</u>
Other Financing Uses				
Transfers out	929,585	929,585	929,585	--
<i>Total Expenditures and Other Financing Uses</i>	<u>4,854,050</u>	<u>4,854,050</u>	<u>3,426,061</u>	<u>1,427,989</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Uses	<u>(1,180,593)</u>	<u>(1,180,593)</u>	<u>430,478</u>	<u>1,611,071</u>
<i>Net Change in Fund Balance</i>	<u>(1,180,593)</u>	<u>(1,180,593)</u>	<u>430,478</u>	<u>1,611,071</u>
<i>Fund Balance at Beginning of Period</i>	<u>5,567,039</u>	<u>5,567,039</u>	<u>5,567,039</u>	<u>--</u>
<i>Fund Balance at End of Period</i>	<u>\$ 4,386,446</u>	<u>\$ 4,386,446</u>	<u>\$ 5,997,517</u>	<u>\$ 1,611,071</u>

Allegan County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
2950 Senior Millage
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Positive (Negative) Final to Actual
Revenues				
Taxes	\$ 2,540,963	\$ 2,540,963	\$ 2,545,659	\$ 4,696
Intergovernmental revenues - state	130,000	130,000	185,012	55,012
Interest and rentals	14,500	14,500	431	(14,069)
Other revenues	1,000	1,000	4,498	3,498
Total Revenues	<u>2,686,463</u>	<u>2,686,463</u>	<u>2,735,600</u>	<u>49,137</u>
Expenditures				
Health and welfare	2,926,097	2,926,097	2,458,705	467,392
Total Expenditures	<u>2,926,097</u>	<u>2,926,097</u>	<u>2,458,705</u>	<u>467,392</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(239,634)</u>	<u>(239,634)</u>	<u>276,895</u>	<u>516,529</u>
Net Change in Fund Balance	<u>(239,634)</u>	<u>(239,634)</u>	<u>276,895</u>	<u>516,529</u>
<i>Fund Balance at Beginning of Period</i>	841,027	841,027	841,027	--
Fund Balance at End of Period	<u>\$ 601,393</u>	<u>\$ 601,393</u>	<u>\$ 1,117,922</u>	<u>\$ 516,529</u>

Allegan County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
2990 American Rescue Plan Act - ARPA
For the Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Positive (Negative) Final to Actual
Revenues				
Intergovernmental revenues - federal	\$ --	\$ 10,000	\$ 6,102	\$ (3,898)
Interest and rentals	--	--	2,407	2,407
Total Revenues	--	10,000	8,509	(1,491)
Expenditures				
General government	--	10,000	6,102	3,898
Total Expenditures	--	10,000	6,102	3,898
Excess (Deficiency) of Revenues				
Over Expenditures	--	--	2,407	2,407
Net Change in Fund Balance	--	--	2,407	2,407
<i>Fund Balance at Beginning of Period</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>
Fund Balance at End of Period	\$ --	\$ --	\$ 2,407	\$ 2,407

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

	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability							
Service cost	\$ 387,131	\$ 547,472	\$ 563,239	\$ 566,872	\$ 575,360	\$ 630,413	\$ 630,185
Interest	5,061,448	5,302,851	5,176,056	5,158,817	5,101,578	4,873,458	4,758,873
Differences between expected and actual experience	(149,467)	632,920	355,330	(1,088,250)	(633,978)	331,814	-
Changes in assumptions **	2,581,598	2,424,842	-	-	-	3,070,911	-
Changes in benefits	-	(3,824,839)	-	-	-	-	-
Benefit payments, including refunds	(4,823,184)	(4,558,315)	(4,445,235)	(4,395,034)	(4,251,411)	(4,111,028)	(3,889,485)
Other changes	-	-	-	2,160,970	-	(351)	-
Net Change in Pension Liability	3,057,526	524,931	1,649,390	2,403,375	791,549	4,795,217	1,499,573
<i>Total Pension Liability - Beginning</i>	<i>68,816,023</i>	<i>68,291,092</i>	<i>66,641,702</i>	<i>64,238,327</i>	<i>63,446,778</i>	<i>58,651,561</i>	<i>57,151,988</i>
Total Pension Liability - Ending (a)	\$ 71,873,549	\$ 68,816,023	\$ 68,291,092	\$ 66,641,702	\$ 64,238,327	\$ 63,446,778	\$ 58,651,561
Plan Fiduciary Net Position							
Contributions - employer	\$ 556,320	\$ 587,231	\$ 392,628	\$ 6,727,018	\$ 368,383	\$ 338,220	\$ 19,657,679
Contributions - employee	253,603	297,326	281,627	281,302	314,894	323,859	331,471
Net investment income (loss)	7,820,652	8,042,589	(2,507,442)	7,736,509	6,026,562	(846,351)	2,512,269
Benefit payments, including refunds	(4,823,184)	(4,558,315)	(4,445,235)	(4,395,034)	(4,251,411)	(4,111,028)	(3,889,485)
Administrative expenses	(127,206)	(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	3,680,185	4,230,352	(6,484,698)	10,228,315	2,339,322	(4,421,127)	19,174,459
<i>Plan Fiduciary Net Position - Beginning</i>	<i>64,565,736</i>	<i>60,335,384</i>	<i>66,820,082</i>	<i>56,591,767</i>	<i>54,252,445</i>	<i>58,673,572</i>	<i>39,499,113</i>
Plan Fiduciary Net Position - Ending (b)	\$ 68,245,921	\$ 64,565,736	\$ 60,335,384	\$ 66,820,082	\$ 56,591,767	\$ 54,252,445	\$ 58,673,572
Net Pension Liability (Asset) - Ending (a) - (b)	\$ 3,627,628	\$ 4,250,287	\$ 7,955,708	\$ (178,380)	\$ 7,646,560	\$ 9,194,333	\$ (22,011)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	95.0%	93.8%	88.4%	100.3%	88.1%	85.5%	100.0%
Covered Payroll	\$ 3,524,412	\$ 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	102.9%	114.1%	206.4%	-4.5%	187.7%	199.6%	-0.5%

Notes to Schedule:

* Built prospectively upon implementation on GASB Statement No.68. An additional year will be added each year until ten years are presented.

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

2015 valuation - The investment rate of return assumption was reduced from 8.25% to 8.0%, the wage inflation assumption was reduced from 4.50% to 3.75%, inflation rates changed from 3.0-4.0% to 3.25%, and the mortality

2019 valuation - The investment rate of return assumption was reduced from 8.00% to 7.60%, the wage inflation assumption was reduced from 3.75% to 3.00%.

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

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

Allegheny County
Required Supplementary Information
Schedule of Contributions
Last Eight Calendar Years *

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially Determined Contribution	\$ 876,420	\$ 546,480	\$ 583,429	\$ 392,628	\$ 910,448	\$ 378,583	\$ 338,220	\$ 1,822,367
Contributions in Relation to the Actuarially Determined Contribution	876,420	546,480	591,556	392,628	6,727,018	378,583	338,220	20,313,070
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (8,127)</u>	<u>\$ -</u>	<u>\$ (5,816,570)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (18,490,703)</u>
Covered Payroll	\$ 3,524,412	\$ 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	24.9%	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	Rates Used were Based on the Pub-2010 Group Annuity Mortality Table of a 50% Male and 50% Female Blend

* Built prospectively upon implementation on GASB Statement No.68. An additional year will be added each year until ten years are presented.

OTHER SUPPLEMENTARY INFORMATION

**Allegan County
General Fund Combining Balance Sheet
All Funds Treated as General
December 31, 2021**

	1010 General	2570 Budget Stabilization Fund	2580 Sick & Vacation Liability	2690 Law Library	2710 Grant Administration	2922 Child Care Welfare	2895 Technology Fund	1084 GASB 84 Fund	Total General Funds
ASSETS									
Cash and pooled investments	\$ 11,158,180	\$ 4,805,769	\$ 1,362,715	\$ 108,768	\$ 23,771	\$ 8,822	\$ 13,465	\$ 1,173,205	\$ 18,654,695
Accounts receivable	271,093	--	--	--	--	--	9,250	--	280,343
Property taxes receivable	1,385,801	--	--	--	--	--	--	--	1,385,801
Due from other governments	734,768	--	--	--	--	--	--	--	734,768
Prepays	209,724	--	--	--	--	--	--	--	209,724
Due from other funds	28,500	--	--	--	--	--	--	--	28,500
Advance to component unit	1,102,040	--	--	--	--	--	--	--	1,102,040
Total Assets	\$ 14,890,106	\$ 4,805,769	\$ 1,362,715	\$ 108,768	\$ 23,771	\$ 8,822	\$ 22,715	\$ 1,173,205	\$ 22,395,871
LIABILITIES									
Accounts payable	\$ 622,801	\$ --	\$ --	\$ 2,678	\$ --	\$ 20	\$ --	\$ --	\$ 625,499
Bonds payable	--	--	--	--	--	--	--	837,300	837,300
Accrued liabilities	955,733	--	--	--	--	377	3,189	335,905	1,295,204
Unearned revenue	20,245	--	--	--	--	--	--	--	20,245
Total Liabilities	1,598,779	--	--	2,678	--	397	3,189	1,173,205	2,778,248
DEFERRED INFLOWS OF RESOURCES									
Aggregated deferred inflows	938,201	--	--	--	--	--	--	--	938,201
Total Liabilities and Deferred Inflows of Resources	2,536,980	--	--	2,678	--	397	3,189	1,173,205	3,716,449
FUND BALANCE									
Nonspendable	1,311,764	--	--	--	--	--	--	--	1,311,764
Committed	--	4,805,769	--	--	--	--	--	--	4,805,769
Assigned	978,909	--	--	106,090	23,771	8,425	19,526	--	1,136,721
Unassigned	10,062,453	--	1,362,715	--	--	--	--	--	11,425,168
Total Fund Balance	12,353,126	4,805,769	1,362,715	106,090	23,771	8,425	19,526	--	18,679,422
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 14,890,106	\$ 4,805,769	\$ 1,362,715	\$ 108,768	\$ 23,771	\$ 8,822	\$ 22,715	\$ 1,173,205	\$ 22,395,871

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, 2021

	1010 General	2570 Budget Stabilization Fund	2580 Sick & Vacation Liability	2690 Law Library	2710 Grant Administration	2922 Child Care Welfare	Elimination *	2895 Technology Fund	1084 GASB 84 Fund	Total General Funds
Revenues										
Taxes	\$ 24,768,057	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 24,768,057
Licenses and permits	335,629	--	--	--	--	--	--	--	--	335,629
Intergovernmental revenues - federal	132,617	--	--	--	--	--	--	--	--	132,617
Intergovernmental revenues - state	2,806,979	--	--	--	--	--	--	--	--	2,806,979
Charges for services	5,077,971	--	--	--	--	--	--	--	253,932	5,331,903
Fines and forfeitures	130,740	--	--	6,500	--	--	--	--	--	137,240
Interest and rentals	306,331	--	--	22	5	--	--	--	--	306,358
Other revenues	2,971,951	--	--	--	--	--	--	37,000	--	3,008,951
Total Revenues	36,530,275	--	--	6,522	5	--	--	37,000	253,932	36,827,734
Expenditures										
Legislative	265,600	--	--	--	--	--	--	--	--	265,600
Judicial	3,820,131	--	--	28,857	--	--	--	--	278,956	4,127,944
General government	10,011,836	--	--	--	--	--	--	34,998	--	10,046,834
Public safety	11,600,104	--	--	--	--	--	--	--	--	11,600,104
Public works	114,554	--	--	--	--	--	--	--	--	114,554
Health and welfare	686,169	--	--	--	--	1,300	--	--	--	687,469
Community and economic development	234,858	--	--	--	--	--	--	--	--	234,858
Other	557,144	--	--	--	--	--	--	--	--	557,144
Total Expenditures	27,290,396	--	--	28,857	--	1,300	--	34,998	278,956	27,634,507
Excess of Revenues Over (Under) Expenditures	9,239,879	--	--	(22,335)	5	(1,300)	--	2,002	(25,024)	9,193,227
Other Financing Sources (Uses)										
Transfers in	953,720	146,862	512,924	30,000	--	--	(1,004,752)	17,523	--	656,277
Transfers out	(6,446,873)	--	(328,698)	--	--	--	1,004,752	--	--	(5,770,819)
Net Other Financing Sources (Uses)	(5,493,153)	146,862	184,226	30,000	--	--	--	17,523	--	(5,114,542)
Net Change in Fund Balance	3,746,726	146,862	184,226	7,665	5	(1,300)	--	19,525	(25,024)	4,078,685
<i>Fund Balance at Beginning of Period</i>	8,606,400	4,658,907	1,178,489	98,425	23,766	9,725	--	1	25,024	14,600,737
Fund Balance at End of Period	\$ 12,353,126	\$ 4,805,769	\$ 1,362,715	\$ 106,090	\$ 23,771	\$ 8,425	\$ --	\$ 19,526	\$ --	\$ 18,679,422

**Allegan County
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2021**

	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	\$ 1,647,705	\$ 43,007	\$ 813,512	\$ 102,495	\$ 90,738	\$ 87,150
Accounts receivable	--	--	--	--	309	1,766
Due from other governments	164,557	--	--	--	2,999	--
Inventory	24,292	--	--	--	--	--
Prepays	5,647	6,631	7,292	--	--	--
Total Assets	\$ 1,842,201	\$ 49,638	\$ 820,804	\$ 102,495	\$ 94,046	\$ 88,916
LIABILITIES						
Accounts payable	\$ 102,570	\$ 2,558	\$ --	\$ 252	\$ 7,921	\$ 5,665
Accrued liabilities	94,592	--	--	--	1,377	--
Due to other governments	444,850	--	--	--	--	--
Unearned revenue	24,292	--	--	--	--	--
Due to other funds	--	--	--	--	--	--
Total Liabilities	666,304	2,558	--	252	9,298	5,665
FUND BALANCE						
Nonspendable	29,939	6,631	7,292	--	--	--
Restricted	1,145,958	--	813,512	102,243	--	83,251
Committed	--	40,449	--	--	84,748	--
Unassigned	--	--	--	--	--	--
Total Fund Balance	1,175,897	47,080	820,804	102,243	84,748	83,251
Total Liabilities and Fund Balance	\$ 1,842,201	\$ 49,638	\$ 820,804	\$ 102,495	\$ 94,046	\$ 88,916

Continued...

**Allegan County
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2021**

	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	\$ 134,621	\$ 41,391	\$ 403,208	\$ 29,955	\$ 14,986	\$ 238
Accounts receivable	--	4,710	--	--	--	--
Due from other governments	--	287,542	12,005	--	738,629	--
Inventory	--	--	--	--	--	--
Prepays	--	--	--	--	--	--
Total Assets	\$ 134,621	\$ 333,643	\$ 415,213	\$ 29,955	\$ 753,615	\$ 238
LIABILITIES						
Accounts payable	\$ 1,250	\$ 13,898	\$ 1,947	\$ --	\$ 90,362	\$ --
Accrued liabilities	--	12,794	75,799	--	172,316	--
Due to other governments	--	--	--	--	--	--
Unearned revenue	--	--	--	--	--	--
Due to other funds	--	28,500	--	--	--	--
Total Liabilities	1,250	55,192	77,746	--	262,678	--
FUND BALANCE						
Nonspendable	--	--	--	--	--	--
Restricted	133,371	278,451	337,467	--	--	--
Committed	--	--	--	29,955	490,937	238
Unassigned	--	--	--	--	--	--
Total Fund Balance	133,371	278,451	337,467	29,955	490,937	238
Total Liabilities and Fund Balance	\$ 134,621	\$ 333,643	\$ 415,213	\$ 29,955	\$ 753,615	\$ 238

Continued...

**Allegan County
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2021**

	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	\$ 75,468	\$ --	\$ 321,937	\$ 240,363	\$ 1,105,352	\$ 65,383
Accounts receivable	--	--	--	--	--	29,640
Due from other governments	--	--	--	--	241,167	277,864
Inventory	--	--	--	--	--	--
Prepays	--	--	--	--	--	13,500
Total Assets	\$ 75,468	\$ --	\$ 321,937	\$ 240,363	\$ 1,346,519	\$ 386,387
LIABILITIES						
Accounts payable	\$ --	\$ --	\$ --	\$ 1,197	\$ 1,110	\$ 96,037
Accrued liabilities	--	--	1,401	8,183	52,963	17,813
Due to other governments	--	--	--	--	--	--
Unearned revenue	--	--	--	--	--	--
Due to other funds	--	--	--	--	--	--
Total Liabilities	--	--	1,401	9,380	54,073	113,850
FUND BALANCE						
Nonspendable	--	--	--	--	--	13,500
Restricted	--	--	320,536	230,983	1,292,446	259,037
Committed	75,468	--	--	--	--	--
Unassigned	--	--	--	--	--	--
Total Fund Balance	75,468	--	320,536	230,983	1,292,446	272,537
Total Liabilities and Fund Balance	\$ 75,468	\$ --	\$ 321,937	\$ 240,363	\$ 1,346,519	\$ 386,387

Continued...

**Allegan County
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2021**

	Special Revenue					
	2470 Local Revenue Sharing	2630 Palisades Emergency Planning	2590 Unfunded Accrued Liability	Agency Collaborative Committee	2211 Solid Waste	2600 Indigent Defense
ASSETS						
Cash and pooled investments	\$ 167,718	\$ 48,355	\$ 5,962,867	\$ 18,587	\$ 280,521	\$ 534,420
Accounts receivable	82,014	--	--	--	--	--
Due from other governments	--	--	--	--	70,496	--
Inventory	--	--	--	--	--	--
Prepays	--	1,087	--	--	--	--
Total Assets	\$ 249,732	\$ 49,442	\$ 5,962,867	\$ 18,587	\$ 351,017	\$ 534,420
LIABILITIES						
Accounts payable	\$ --	\$ 9,305	\$ --	\$ 524	\$ 7,467	\$ 428,085
Accrued liabilities	--	--	--	--	--	36,986
Due to other governments	--	--	--	--	--	--
Unearned revenue	--	--	--	--	136,340	--
Due to other funds	--	--	--	--	--	--
Total Liabilities	--	9,305	--	524	143,807	465,071
FUND BALANCE						
Nonspendable	--	1,087	--	--	--	--
Restricted	--	39,050	--	--	207,210	69,349
Committed	249,732	--	5,962,867	18,063	--	--
Unassigned	--	--	--	--	--	--
Total Fund Balance	249,732	40,137	5,962,867	18,063	207,210	69,349
Total Liabilities and Fund Balance	\$ 249,732	\$ 49,442	\$ 5,962,867	\$ 18,587	\$ 351,017	\$ 534,420

Continued...

**Allegan County
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2021**

	Debt Service			Capital Projects			Total Nonmajor Governmental Funds
	3601 Jail Construction Bonds	3603 Radio Debt	3602 Pension Defined Benefit Debt	2465 Youth Home CIP	2450/2455/2456 Public Improvement	2460 CIP Building Capital	
ASSETS							
Cash and pooled investments	\$ 1	\$ 271,844	\$ 572	\$ 699,799	\$ 1,806,415	\$ --	\$ 15,008,608
Accounts receivable	--	--	--	--	--	--	118,439
Due from other governments	--	--	--	--	--	--	1,795,259
Inventory	--	--	--	--	--	--	24,292
Prepays	--	--	--	--	14,368	--	48,525
Total Assets	\$ 1	\$ 271,844	\$ 572	\$ 699,799	\$ 1,820,783	\$ --	\$ 16,995,123
LIABILITIES							
Accounts payable	\$ --	\$ --	\$ --	\$ --	\$ 1,115,981	\$ --	\$ 1,886,129
Accrued liabilities	--	--	--	--	--	--	474,224
Due to other governments	--	--	--	--	--	--	444,850
Unearned revenue	--	--	--	--	--	--	160,632
Due to other funds	--	--	--	--	--	--	28,500
Total Liabilities	--	--	--	--	1,115,981	--	2,994,335
FUND BALANCE							
Nonspendable	--	--	--	--	14,368	--	72,817
Restricted	1	--	572	--	--	--	5,313,437
Committed	--	271,844	--	699,799	690,434	--	8,614,534
Unassigned	--	--	--	--	--	--	--
Total Fund Balance	1	271,844	572	699,799	704,802	--	14,000,788
Total Liabilities and Fund Balance	\$ 1	\$ 271,844	\$ 572	\$ 699,799	\$ 1,820,783	\$ --	\$ 16,995,123

Concluded.

Allegan County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2021

	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	\$ --	\$ --	\$ --	\$ --	\$ 109,633	\$ --
Licenses and permits	1,017,567	--	--	--	--	--
Intergovernmental revenues - federal	1,097,409	--	--	--	--	--
Intergovernmental revenues - state	1,258,048	--	--	--	7,806	7,872
Intergovernmental revenues - local	--	--	--	--	--	--
Charges for services	181,412	--	154,715	--	--	20,346
Fines and forfeitures	--	--	--	--	--	--
Interest and rentals	(3,489)	11	159	22	3	21
Other revenues	92,808	1,031	--	--	--	--
Total Revenues	3,643,755	1,042	154,874	22	117,442	28,239
Expenditures						
Judicial	--	--	--	--	--	--
General government	--	--	47,684	--	--	--
Public safety	--	--	--	--	--	59,038
Public works	--	--	--	--	--	--
Health and welfare	4,039,804	92,966	--	--	123,094	--
Recreation and cultural	--	--	--	--	--	--
Community and economic development	--	--	--	--	--	--
Capital outlay	--	--	--	--	--	--
Debt service - principal	--	--	--	--	--	--
Debt service - interest	--	--	--	--	--	--
Total Expenditures	4,039,804	92,966	47,684	--	123,094	59,038
Excess of Revenues Over (Under) Expenditures	(396,049)	(91,924)	107,190	22	(5,652)	(30,799)
Other Financing Sources (Uses)						
Transfers in	916,899	77,250	--	--	--	--
Transfers out	(641,506)	--	--	--	--	--
Net Other Financing Sources (Uses)	275,393	77,250	--	--	--	--
Net Change in Fund Balance	(120,656)	(14,674)	107,190	22	(5,652)	(30,799)
<i>Fund Balance at Beginning of Period</i>	1,296,553	61,754	713,614	102,221	90,400	114,050
Fund Balance at End of Period	\$ 1,175,897	\$ 47,080	\$ 820,804	\$ 102,243	\$ 84,748	\$ 83,251

Continued...

Allegan County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2021

	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	--	388,908	--	--	35,671	--
Intergovernmental revenues - state	--	540,138	--	--	2,370,348	--
Intergovernmental revenues - local	--	--	976,046	--	--	--
Charges for services	50,145	25,179	--	--	175,519	--
Fines and forfeitures	--	--	--	--	--	--
Interest and rentals	34	--	--	--	--	--
Other revenues	--	16,431	--	--	2,793	--
Total Revenues	<u>50,179</u>	<u>970,656</u>	<u>976,046</u>	<u>--</u>	<u>2,584,331</u>	<u>--</u>
Expenditures						
Judicial	--	299,529	--	--	--	--
General government	--	70,477	--	--	--	--
Public safety	--	637,927	1,277,981	--	--	--
Public works	--	--	--	--	--	--
Health and welfare	--	--	--	--	4,910,155	--
Recreation and cultural	--	--	--	--	--	--
Community and economic development	91,046	--	--	--	--	--
Capital outlay	--	--	--	--	--	--
Debt service - principal	--	--	--	--	--	--
Debt service - interest	--	--	--	--	--	--
Total Expenditures	<u>91,046</u>	<u>1,007,933</u>	<u>1,277,981</u>	<u>--</u>	<u>4,910,155</u>	<u>--</u>
Excess of Revenues Over (Under) Expenditures	<u>(40,867)</u>	<u>(37,277)</u>	<u>(301,935)</u>	<u>--</u>	<u>(2,325,824)</u>	<u>--</u>
Other Financing Sources (Uses)						
Transfers in	--	12,007	311,255	--	2,600,757	--
Transfers out	--	--	(178,257)	--	(129,939)	--
Net Other Financing Sources (Uses)	<u>--</u>	<u>12,007</u>	<u>132,998</u>	<u>--</u>	<u>2,470,818</u>	<u>--</u>
Net Change in Fund Balance	<u>(40,867)</u>	<u>(25,270)</u>	<u>(168,937)</u>	<u>--</u>	<u>144,994</u>	<u>--</u>
<i>Fund Balance at Beginning of Period</i>	174,238	303,721	506,404	29,955	345,943	238
Fund Balance at End of Period	<u>\$ 133,371</u>	<u>\$ 278,451</u>	<u>\$ 337,467</u>	<u>\$ 29,955</u>	<u>\$ 490,937</u>	<u>\$ 238</u>

Continued...

Allegan County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2021

	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	--	--	81,590	--	--	--
Intergovernmental revenues - federal	--	--	--	--	970,426	607,089
Intergovernmental revenues - state	--	--	--	--	121,441	683,848
Intergovernmental revenues - local	--	--	--	--	--	--
Charges for services	--	--	--	33,162	32,415	246,602
Fines and forfeitures	--	--	--	--	61,840	--
Interest and rentals	--	--	--	120,878	211	17,898
Other revenues	--	--	--	--	11,235	9,775
Total Revenues	--	--	81,590	154,040	1,197,568	1,565,212
Expenditures						
Judicial	--	--	--	--	1,494,077	--
General government	95	--	46,038	--	--	1,470,445
Public safety	--	--	--	--	--	--
Public works	--	--	--	--	--	--
Health and welfare	--	--	--	--	--	--
Recreation and cultural	--	--	--	405,098	--	--
Community and economic development	--	--	--	--	--	--
Capital outlay	--	--	--	--	--	--
Debt service - principal	--	--	--	--	--	--
Debt service - interest	--	--	--	--	--	--
Total Expenditures	95	--	46,038	405,098	1,494,077	1,470,445
Excess of Revenues Over (Under) Expenditures	(95)	--	35,552	(251,058)	(296,509)	94,767
Other Financing Sources (Uses)						
Transfers in	--	--	--	330,252	490,845	--
Transfers out	--	(296,026)	--	(10,000)	(35,292)	--
Net Other Financing Sources (Uses)	--	(296,026)	--	320,252	455,553	--
Net Change in Fund Balance	(95)	(296,026)	35,552	69,194	159,044	94,767
<i>Fund Balance at Beginning of Period</i>	75,563	296,026	284,984	161,789	1,133,402	177,770
Fund Balance at End of Period	\$ 75,468	\$ --	\$ 320,536	\$ 230,983	\$ 1,292,446	\$ 272,537

Continued...

Allegan County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2021

	Special Revenue					
	2470 Local Revenue Sharing	2630 Palisades Emergency Planning	2590 Unfunded Accrued Liability	2400 Multi Agency Collaborative	2211 Solid Waste	2600 Indigent Defense
Revenues						
Taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Licenses and permits	--	--	--	--	--	--
Intergovernmental revenues - federal	--	--	--	--	--	--
Intergovernmental revenues - state	--	--	966,346	--	--	922,392
Intergovernmental revenues - local	371,167	--	--	--	--	301,195
Charges for services	--	--	--	--	913,304	--
Fines and forfeitures	--	--	--	--	--	--
Interest and rentals	15	--	--	--	3,975	--
Other revenues	--	20,000	--	--	44,217	--
Total Revenues	<u>371,182</u>	<u>20,000</u>	<u>966,346</u>	<u>--</u>	<u>961,496</u>	<u>1,223,587</u>
Expenditures						
Judicial	--	--	--	--	--	2,840,132
General government	--	--	--	--	--	--
Public safety	--	20,252	--	--	--	--
Public works	--	--	--	--	960,821	--
Health and welfare	--	--	--	4,324	--	--
Recreation and cultural	--	--	--	--	--	--
Community and economic development	--	--	--	--	--	--
Capital outlay	--	--	--	--	--	--
Debt service - principal	--	--	--	--	--	--
Debt service - interest	--	--	--	--	--	--
Total Expenditures	<u>--</u>	<u>20,252</u>	<u>--</u>	<u>4,324</u>	<u>960,821</u>	<u>2,840,132</u>
Excess of Revenues Over (Under) Expenditures	<u>371,182</u>	<u>(252)</u>	<u>966,346</u>	<u>(4,324)</u>	<u>675</u>	<u>(1,616,545)</u>
Other Financing Sources (Uses)						
Transfers in	--	--	178,257	7,139	--	239,358
Transfers out	(335,252)	(723)	--	--	--	--
Net Other Financing Sources (Uses)	<u>(335,252)</u>	<u>(723)</u>	<u>178,257</u>	<u>7,139</u>	<u>--</u>	<u>239,358</u>
Net Change in Fund Balance	35,930	(975)	1,144,603	2,815	675	(1,377,187)
<i>Fund Balance at Beginning of Period</i>	213,802	41,112	4,818,264	15,248	206,535	1,446,536
Fund Balance at End of Period	<u>\$ 249,732</u>	<u>\$ 40,137</u>	<u>\$ 5,962,867</u>	<u>\$ 18,063</u>	<u>\$ 207,210</u>	<u>\$ 69,349</u>

Continued...

Allegan County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2021

	Debt Service			Capital Projects			Total Nonmajor Governmental Funds
	3601 Jail Construction Bonds	3603 Radio Debt	3602 Pension Defined Benefit Debt	2465 Youth Home CIP	2450/2455/2456 Public Improvement	2460 CIP Building Capital	
Revenues							
Taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 109,633
Licenses and permits	--	--	--	--	--	--	1,099,157
Intergovernmental revenues - federal	--	--	--	--	--	--	3,099,503
Intergovernmental revenues - state	--	--	--	--	1,399,521	--	8,277,760
Intergovernmental revenues - local	--	--	--	--	--	--	1,648,408
Charges for services	--	--	--	--	--	--	1,832,799
Fines and forfeitures	--	--	--	--	--	--	61,840
Interest and rentals	--	--	--	--	369	2	140,109
Other revenues	--	--	--	--	76,048	--	274,338
Total Revenues	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,475,938</u>	<u>2</u>	<u>16,543,547</u>
Expenditures							
Judicial	--	--	--	--	--	--	4,633,738
General government	--	--	--	--	23,673	--	1,658,412
Public safety	--	--	--	--	--	--	1,995,198
Public works	--	--	--	--	--	--	960,821
Health and welfare	--	--	--	--	--	--	9,170,343
Recreation and cultural	--	--	--	--	--	--	405,098
Community and economic development	--	--	--	--	--	--	91,046
Capital outlay	--	--	--	9,541	2,916,577	--	2,926,118
Debt service - principal	600,000	846,501	740,000	--	--	--	2,186,501
Debt service - interest	298,750	63,083	390,780	--	--	--	752,613
Total Expenditures	<u>898,750</u>	<u>909,584</u>	<u>1,130,780</u>	<u>9,541</u>	<u>2,940,250</u>	<u>--</u>	<u>24,779,888</u>
Excess of Revenues Over (Under) Expenditures	<u>(898,750)</u>	<u>(909,584)</u>	<u>(1,130,780)</u>	<u>(9,541)</u>	<u>(1,464,312)</u>	<u>2</u>	<u>(8,236,341)</u>
Other Financing Sources (Uses)							
Transfers in	898,750	909,585	1,128,909	68,391	320,356	--	8,490,010
Transfers out	--	--	--	--	--	(14,330)	(1,641,325)
Net Other Financing Sources (Uses)	<u>898,750</u>	<u>909,585</u>	<u>1,128,909</u>	<u>68,391</u>	<u>320,356</u>	<u>(14,330)</u>	<u>6,848,685</u>
Net Change in Fund Balance	<u>--</u>	<u>1</u>	<u>(1,871)</u>	<u>58,850</u>	<u>(1,143,956)</u>	<u>(14,328)</u>	<u>(1,387,656)</u>
Fund Balance at Beginning of Period	<u>1</u>	<u>271,843</u>	<u>2,443</u>	<u>640,949</u>	<u>1,848,758</u>	<u>14,328</u>	<u>15,388,444</u>
Fund Balance at End of Period	<u>\$ 1</u>	<u>\$ 271,844</u>	<u>\$ 572</u>	<u>\$ 699,799</u>	<u>\$ 704,802</u>	<u>\$ --</u>	<u>\$ 14,000,788</u>

Concluded.

Allegan County
Combining Statement of Net Position
Internal Service Funds
December 31, 2021

	Internal Service		
	6770 Self- Insurance	6612 Fleet Management	Total Internal Service Funds
ASSETS			
<i>Current Assets</i>			
Cash and pooled investments	\$ 5,014,336	\$ 6,692	\$ 5,021,028
Accounts receivable	3,072	--	3,072
Prepays	696,410	--	696,410
Total Assets	5,713,818	6,692	5,720,510
LIABILITIES			
<i>Current Liabilities</i>			
Accounts payable	11,094	6,247	17,341
Accrued liabilities	391,506	55	391,561
Total Liabilities	402,600	6,302	408,902
NET POSITION			
<i>Unrestricted</i>	5,311,218	390	5,311,608
Total Net Position	\$ 5,311,218	\$ 390	\$ 5,311,608

Allegan County
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended December 31, 2021

	<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	\$ 4,708,901	\$ --	\$ 4,708,901
Other revenues	336,272	30,352	366,624
<i>Total Operating Revenues</i>	<u>5,045,173</u>	<u>30,352</u>	<u>5,075,525</u>
Operating Expenses			
Administrative expense	--	29,978	29,978
Insurance and employee benefits expense	5,776,340	--	5,776,340
<i>Total Operating Expenses</i>	<u>5,776,340</u>	<u>29,978</u>	<u>5,806,318</u>
<i>Operating Income (Loss)</i>	<u>(731,167)</u>	<u>374</u>	<u>(730,793)</u>
<i>Change In Net Position</i>	<u>(731,167)</u>	<u>374</u>	<u>(730,793)</u>
<i>Net Position at Beginning of Period</i>	6,042,385	16	6,042,401
<i>Net Position at End of Period</i>	<u>\$ 5,311,218</u>	<u>\$ 390</u>	<u>\$ 5,311,608</u>

Allegan County
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2021

	<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	\$ 5,045,145	\$ 30,352	\$ 5,075,497
Cash payments for fleet management	-	(23,832)	(23,832)
Cash payments for insurance and employee benefits	(5,754,018)	55	(5,753,963)
<i>Net Cash Provided by (Used in) Operating Activities</i>	<u>(708,873)</u>	<u>6,575</u>	<u>(702,298)</u>
 <i>Net Increase (Decrease) in Cash and Pooled Investments</i>	(708,873)	6,575	(702,298)
<i>Cash and Pooled Investments - Beginning of Year</i>	5,723,209	117	5,723,326
<i>Cash and Pooled Investments - End of Year</i>	<u>\$ 5,014,336</u>	<u>\$ 6,692</u>	<u>\$ 5,021,028</u>
 Reconciliation of Operating Income (Loss) to			
Net Cash Provided by (Used in) Operating Activities			
Operating Income (Loss)	\$ (731,167)	\$ 374	\$ (730,793)
Adjustments to Reconcile Operating Income (Loss) to			
Net Cash Provided by (Used in) Operating Activities			
Changes in Assets and Liabilities			
Accounts receivable	(28)	-	(28)
Prepays	(46,834)	-	(46,834)
Accounts payable	3,009	6,146	9,155
Accrued liabilities	66,147	55	66,202
<i>Net Cash Provided by (Used in) Operating Activities</i>	<u>\$ (708,873)</u>	<u>\$ 6,575</u>	<u>\$ (702,298)</u>

ALLEGAN COUNTY TRANSPORTATION FUND SCHEDULES

**Allegan County Transportation
Local Revenues
Schedule 1
For the Year Ended December 31, 2021**

	1/1/2021 to 9/30/2021	10/1/2021 to 12/31/2021	Total
Nonurban regular service			
Farebox revenues	\$ 46,007	\$ 26,541	\$ 72,548
Local Service Contracts	100,684	47,982	148,666
Rental of Bldgs (Leased Space)	13,271	4,627	17,898
Sale of capital assets	9,775	-	9,775
Total nonurban regular service	<u>169,737</u>	<u>79,150</u>	<u>248,887</u>
Job access reverse commute			
Farebox revenues	<u>2,066</u>	<u>693</u>	<u>2,759</u>
Specialized services			
Farebox revenues	2,874	-	2,874
Contract Support	<u>18,750</u>	<u>-</u>	<u>18,750</u>
Total specialized services	<u>21,624</u>	<u>-</u>	<u>21,624</u>
Total local revenue	<u>\$ 193,427</u>	<u>\$ 79,843</u>	<u>\$ 273,270</u>

**Allegan County Transportation
Local Revenues
Schedule 1A
For the Year Ended September 30, 2021**

	10/1/2020 to 12/31/2020	1/1/2021 to 9/30/2021	Total
Nonurban - regular service			
Farebox revenues	\$ 11,497	\$ 46,007	\$ 57,504
Local service contracts	8,876	100,684	109,560
Rental of bldgs (leased space)	2,597	13,271	15,868
Sale of capital assets	-	9,775	9,775
Total nonurban regular service	<u>22,970</u>	<u>169,737</u>	<u>192,707</u>
Job access reverse commute			
Farebox revenues	<u>687</u>	<u>2,066</u>	<u>2,753</u>
Specialized services			
Farebox revenues	442	2,874	3,316
Contract support	<u>12,500</u>	<u>18,750</u>	<u>31,250</u>
Total specialized services	<u>12,942</u>	<u>21,624</u>	<u>34,566</u>
Total local revenue	<u>\$ 36,599</u>	<u>\$ 193,427</u>	<u>\$ 230,026</u>

**Allegan County Transportation
Expenditures of Federal and State Awards
Schedule 2
For the Year Ended December 31, 2021**

Federal Grantor/Pass-through Grantor/ Program Title	Assistance Listing 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:								
2021 Operating Assistance - Section 5311	20.509	2017-0003/P28	\$ 352,108	\$ 270,667	\$ 270,667	\$ -	\$ 81,441	\$ -
2022 Operating Assistance - Section 5311	20.509	2022-0003/P4	699,071	145,170	145,170	-	-	553,901
2021 Operating Assistance - Cares FLEX	20.509	2017-0003/P29	84,799	84,799	84,799	-	-	-
FY18 Reconciliation Adjustment	20.509	2017-0003/P9	928	928	928	-	-	-
U.S. DOT Operating Grant - RTAP	20.509	FY2021	4,500	1,268	1,268	-	-	3,232
2021 Job Access Reverse Commute - Section 5311	20.516	2017-0003/P24	102,300	76,724	38,362	38,362	12,788	12,788
2022 Job Access Reverse Commute - Section 5311	20.516	2017-0003/P1	102,300	25,576	12,788	12,788	-	76,724
Capital Grant - Section 5311	20.509	2017-0003/P20	306,000	3,201	2,561	640	-	302,799
2021 Capital Grant - Section 5310 New Freedom	20.521	2017-0003/P26	62,500	46,921	37,538	9,383	15,578	1
2022 Capital Grant - Section 5310 New Freedom	20.521	2022-0004/P3	62,500	16,260	13,008	3,252	-	46,240
<u>Michigan Department of Transportation</u>								
2021 Operating assistance - Act 51	N/A	FY2021	383,377	275,340	-	275,340	91,782	16,255
2022 Operating assistance - Act 51	N/A	FY2022	611,436	152,859	-	152,859	-	458,577
FY19 Reconciliation Adjustment (LBO)	N/A	FY2019	(6,680)	(6,680)	-	(6,680)	(6,864)	6,864
FY20 Reconciliation Adjustment (LBO)	N/A	FY2020	94,066	94,066	-	94,066	-	-
2021 Specialized Services	N/A	2017-0003/P19/R3	124,918	93,688	-	93,688	31,230	-
2022 Specialized Services	N/A	2022-0004/P2	40,600	10,150	-	10,150	-	30,450
Totals			\$ 3,559,574	\$ 1,290,937	\$ 607,089	\$ 683,848	\$ 225,955	\$ 2,042,682

**Allegan County Transportation
Federal and State Awards
Operating Revenue Only
Schedule 2A
For the Year Ended December 31, 2021**

	1/1/2021 to 9/30/2021	10/1/2021 to 12/31/2021	Total
Michigan Department of Transportation			
2022 Local Bus Operating (Act 51)	\$ -	\$ 152,859	\$ 152,859
2021 Local Bus Operating (Act 51)	275,340	-	275,340
2019 Reconciliation Adjustment	(6,680)	-	(6,680)
2020 Reconciliation Adjustment	-	94,066	94,066
	<u>268,660</u>	<u>246,925</u>	<u>515,585</u>
Job Access Reverse Commute 2022-0003/P1	-	12,788	12,788
Job Access Reverse Commute 2017-0003/P24	38,362	-	38,362
Specialized Services - Contract 2022-0003/P19/P2	-	10,150	10,150
Specialized Services - Contract 2017-0003/P19/R3	93,688	-	93,688
	<u>400,710</u>	<u>269,863</u>	<u>670,573</u>
Federal Transit Administration			
U.S. DOT Operating Grant - Section 5311:			
Contract 2017-0003/P28	270,667	-	270,667
Contract 2022-0003/P4	-	145,170	145,170
FY18 Reconciliation Adjustment	928	-	928
2021 Cares Act Flex (P29)	84,799	-	84,799
U.S. DOT operating grant - RTAP	918	350	1,268
U.S. DOT Job Access Reverse Commute:			
Contract 2022-0003/P1	-	12,788	12,788
Contract 2017-0003/P24	38,362	-	38,362
	<u>395,674</u>	<u>158,308</u>	<u>553,982</u>
Total revenues - state and federal	<u>\$ 796,384</u>	<u>\$ 428,171</u>	<u>\$ 1,224,555</u>

**Allegan County Transportation
Federal and State Awards
Operating Revenue Only
Schedule 2B
For the Year Ended September 30, 2021**

	10/1/2020 to 12/31/2020	1/1/2021 to 9/30/2021	Total
Michigan Department of Transportation			
2021 Operating assistance - act51	\$ -	\$ 275,340	\$ 275,340
2020 Operating assistance - act 51	91,782	-	91,782
2017 Final Audit LBO	7,737	-	7,737
2019 Reconciliation Adjustment	14,641	(6,680)	7,961
Total local bus operating	<u>114,160</u>	<u>268,660</u>	<u>382,820</u>
Job Access Reverse Commute - MDOT 50% Contract 2017-0003/P24	12,788	38,362	51,150
Specialized Services - Contract 2017-0003/P19/R3	<u>31,230</u>	<u>93,688</u>	<u>124,918</u>
Total Michigan Department of Transportation	<u>158,178</u>	<u>400,710</u>	<u>558,888</u>
Federal Transit Administration			
U.S. DOT Operating Grant - Section 5311 Contract 2017-0003/P28	81,441	270,667	352,108
FY17 reconciliation adjustment	13,166		13,166
FY18 Reconciliation adjustment	-	928	928
2021 Cares Act - FLEX (P29)	-	84,799	84,799
U.S. DOT Operating Grant - RTAP	-	918	918
Job Access Reverse Commute - U.S. DOT 50% Contract 2017-0003/P24	<u>12,788</u>	<u>38,362</u>	<u>51,150</u>
Total Federal Transit Administration	<u>107,395</u>	<u>395,674</u>	<u>503,069</u>
Total revenues - state and federal	<u>\$ 265,573</u>	<u>\$ 796,384</u>	<u>\$ 1,061,957</u>

**Allegan County Transportation
Operating and Contract Expenses
Schedule 3
For the Year Ended December 31, 2021**

	<u>Nonurban</u>	<u>Job Access Reverse Commute</u>	<u>Specialized Services</u>	<u>Total</u>
Labor	\$ 610,657	\$ 50,411	\$ 52,325	\$ 713,393
Fringe benefits	165,074	13,571	14,701	193,346
Services	34,878	3,341	14,650	52,869
Materials and supplies	137,588	11,835	12,270	161,693
Utilities	31,266	2,811	3,074	37,152
Casualty and liability costs	172,835	16,022	19,826	208,684
Miscellaneous	3,786	192	78	4,056
Leases and rentals	84,353	6,944	7,955	99,252
	<u>1,240,438</u>	<u>105,128</u>	<u>124,879</u>	<u>1,470,445</u>
Less: ineligible expenses	<u>(84,199)</u>	<u>(2,753)</u>	<u>-</u>	<u>(86,952)</u>
<i>Total eligible expenses</i>	<u>\$ 1,156,239</u>	<u>\$ 102,375</u>	<u>\$ 124,879</u>	<u>\$ 1,383,493</u>

**Allegan County Transportation
Operating and Contract Expenses Split Between a December 31 and September 30 Year End
Schedule 3A
For the Year Ended December 31, 2021**

	Nonurban			Job Access Reverse Commute			Specialized Services		
	1/1/2021 to 9/30/2021	10/1/2021 to 12/31/2021	Total	1/1/2021 to 9/30/2021	10/1/2021 to 12/31/2021	Total	1/1/2021 to 9/30/2021	10/1/2021 to 12/31/2021	Total
Labor	\$ 332,944	\$ 277,713	\$ 610,657	\$ 36,037	\$ 14,374	\$ 50,411	\$ 52,325	\$ -	\$ 52,325
Fringe benefits	114,537	50,537	165,074	10,201	3,370	13,571	14,701	-	14,701
Services	28,339	6,539	34,878	2,874	467	3,341	4,340	10,310	14,650
Materials and supplies	86,944	50,644	137,588	8,475	3,360	11,835	12,270	-	12,270
Utilities	21,367	9,899	31,266	2,104	707	2,811	3,074	-	3,074
Casualty and liability costs	139,944	32,891	172,835	13,676	2,346	16,022	19,826	-	19,826
Miscellaneous	1,721	2,065	3,786	69	123	192	78	-	78
Leases and rentals	61,060	23,293	84,353	5,424	1,520	6,944	7,955	-	7,955
Total transit programs	\$ 786,856	\$ 453,582	\$ 1,240,438	\$ 78,860	\$ 26,268	\$ 105,128	\$ 114,569	\$ 10,310	\$ 124,879

**Allegan County Transportation
Operating and Contract Expenses by Program
Schedule 3B
For the Year Ended September 30, 2021**

	Nonurban			Job Access Reverse Commute			Specialized Services		
	10/1/2020 to 12/31/2020	1/1/2021 to 9/30/2021	Total	10/1/2020 to 12/31/2020	1/1/2021 to 9/30/2021	Total	10/1/2020 to 12/31/2020	1/1/2021 to 9/30/2021	Total
Labor	\$ 149,811	\$ 332,944	\$ 482,755	\$ 12,598	\$ 36,037	\$ 48,635	\$ 17,241	\$ 52,325	\$ 69,566
Fringe benefits	44,865	114,537	159,402	3,646	10,201	13,847	4,990	14,701	19,691
Services	2,845	28,339	31,184	327	2,874	3,201	447	4,340	4,787
Materials and supplies	49,173	86,944	136,117	2,357	8,475	10,832	3,226	12,270	15,496
Utilities	6,623	21,367	27,990	760	2,104	2,864	1,040	3,074	4,114
Casualty and liability costs	40,804	139,944	180,748	4,658	13,676	18,334	6,375	19,826	26,201
Capital Outlay	381,339	-	381,339	-	-	-	-	-	-
Miscellaneous	840	1,721	2,561	96	69	165	132	78	210
Leases and rentals	20,143	61,060	81,203	2,312	5,424	7,736	3,164	7,955	11,119
Total Transit Programs	696,443	786,856	1,483,299	26,754	78,860	105,614	36,615	114,569	151,184
Less: ineligible expenditures									
Capital Outlay	(381,339)	-	(381,339)	-	-	-	-	-	-
Capital grant for operating	(63,496)	-	(63,496)	-	-	-	-	-	-
MPTA Dues	(292)	-	(292)	-	-	-	-	-	-
Building Lease	(15,868)	-	(15,868)	-	-	-	-	-	-
RTAP	(918)	-	(918)	-	-	-	-	-	-
Other Ineligible	-	-	-	(687)	(2,066)	(2,753)	-	-	-
Total Ineligible	(461,913)	-	(461,913)	(687)	(2,066)	(2,753)	-	-	-
Total transit programs (eligible)	\$ 1,392,886	\$ 786,856	\$ 1,021,386	\$ 26,067	\$ 76,794	\$ 102,861	\$ 36,615	\$ 114,569	\$ 151,184

**Allegan County Transportation
Schedule of Nonurban Regular Service Revenue
Schedule 4R (Nonurban)
For the Year Ended September 30, 2021**

<u>Code</u>	<u>Description</u>	<u>Amount</u>
401 :	Farebox revenue	
40100	Passenger fares	\$ 57,504
407 :	Local revenue	
40720	Rental of Bldgs or Other Property	15,868
407 :	Non-transportation revenue	
40760	Gains from the sale of capital assets (vehicles)	9,775
409	Local revenue	
40950	Local Service Contracts	109,560
411 :	State formula and contracts	
41101	State operating assistance	382,820
413 :	Federal contracts	
41301	Federal section 5311 (operating funds only) (18.0% of budgeted)	176,054
41301	Federal section 5311 (prior years)	14,094
41361	Federal CARES ACT (operating funds only) (18.0% of budgeted)	176,054
41361	Federal CARES ACT (Flex) (lesser of \$84,799 or 8.7% total eligible expenditures)	84,799
41398	RTAP	918
	<i>Total revenues</i>	<u>\$ 1,027,446</u>

**Allegan County Transportation
Schedule of Nonurban Regular Service Expense
Schedule 4E (Nonurban)
For the Year Ended September 30, 2021**

Code	Description	Operations	Maintenance	Gen. Admin.	Total
501 :	Labor				
50101	Operators' salaries and wages	\$ 242,511			\$ 242,511
50102	Other salaries and wages		41,327	108,602	149,929
50103	Dispatchers' salaries and wages	90,315			90,315
502 :	Fringe benefits				
50200	Other fringe benefits	93,468	22,829	43,105	159,402
503 :	Services				
50302	Advertising fees			435	435
50305	Audit costs			-	-
50399	Other services	2,358		28,391	30,749
504 :	Materials and supplies				
50401	Fuel and lubricants	87,016			87,016
50402	Tires and tubes		2,000		2,000
50404	Capital Outlay	381,339			381,339
50499	Other materials and supplies	29,233	17,868		47,101
505 :	Utilities				
50500	Utilities	13,995		13,995	27,990
506 :	Insurance				
50603	Liability insurance	76,088			76,088
50699	Other insurance	104,660			104,660
509 :	Miscellaneous expense				
50902	Travel, meetings and training			918	918
50903	Association dues and subscriptions			1,643	1,643
512 :	Operating leases and rentals				
51200	Operating leases and rentals			81,203	81,203
550 :	Ineligible expenses				
55009	Association dues and subscriptions (20.1% of MPTA)			(292)	(292)
560	Ineligible expenses				
56001	Ineligible Maintenance				-
560 :	Ineligible expenses				
56004	Expense associated with Rentals or Lease			(15,868)	(15,868)
574 :	Ineligible expenses				
57402	Ineligible RTAP			(918)	(918)
576 :	Ineligible expenses				
57603	Admin Expense paid by capital contract	(381,339)			(381,339)
57604	Operating expense paid by capital contract	(63,496)			(63,496)
	Total eligible expenses	\$ 1,120,983	\$ 84,024	\$ 278,292	\$ 1,483,299
				Total expenses	\$ 1,483,299
				Total ineligible expenses	461,913
				Total eligible expenses	\$ 1,021,386

Allegan County Transportation
Schedule of Nonurban Regular Service Nonfinancial Data (Unaudited)
Public Service
Schedule 4N (Nonurban)
For the Year Ended September 30, 2021

Code	Description	Weekday	Saturday	Sunday	Total
610	Vehicle hours	13,634	520	42	14,196
611	Vehicle miles	304,555	11,593	826	316,974
615	Passengers - regular	3,582	4	2	3,588
616	Passengers - elderly	4,668	107	10	4,785
617	Passengers - persons w/ disabilities	6,152	111	9	6,272
618	Passengers - elderly persons w/ disabilities	4,817	426	24	5,267
622	Total demand-response passengers	19,219	648	45	19,912
625	Days operated	245	52	4	301
Total passengers					19,912

Vehicle Information

650	Number of Personal Vehicles in Service	-
655	Total demand-response vehicles	20
656	Demand-response vehicle w/ lifts	20
658	Total transit vehicles	20
Total vehicles		20

Miscellaneous Information

659	LPG or CNG Gallons consumed	-
660	Diesel/gasoline gallons consumed	36,673
661	Total transit agency employees (FT equivalents)	20
662	Total revenue vehicle operators (FT equivalents)	17
665	Number of Volunteer Drivers	-
801	Property Damage Accidents over 1k but less than 25k	2
802	PDO accidents 25k or greater	-
803	Injuries caused by service	-
804	Fatalities	-
820	Evacuations for Safety Reasons	-

Allegan County Transportation
Schedule of Job Access Reverse Commute Service Revenue
Public Service
Schedule 4R (JARC)
For the Year Ended September 30, 2021

<u>Code</u>	<u>Description</u>	<u>Amount</u>
401 :	Farebox revenue	
40100	Passenger fares	\$ 2,753
411 :	State formula and contracts	
41199	Other state contracts and reimbursements	51,150
413 :	Federal contracts	
41399	Other federal transit contracts and reimbursements	51,150
	<i>Total revenues</i>	<u>\$ 105,053</u>

Allegan County Transportation
Schedule of Job Access Reverse Commute Service Expenses
Schedule 4E (JARC)
For the Year Ended September 30, 2021

Code	Description	Operations	Maintenance	Gen. Admin.	Total
501 :	Labor				
50101	Operators' salaries and wages	\$ 24,009	\$ -	\$ -	\$ 24,009
50102	Other salaries and wages	-	4,237	11,169	15,406
50103	Dispatchers' salaries and wages	9,220	-	-	9,220
502 :	Fringe benefits				
50200	Other fringe benefits	7,186	2,336	4,325	13,847
503 :	Services				
50302	Advertising fees	-	-	41	41
50399	Other services	239	-	2,921	3,160
504 :	Materials and supplies				
50401	Fuel and lubricants	8,686	-	-	8,686
50402	Tires and tubes	-	208	-	208
50499	Other materials and supplies	58	1,880	-	1,938
505 :	Utilities				
50500	Utilities	1,432		1,432	2,864
506 :	Insurance				
50603	Liability insurance	7,802	-	-	7,802
50699	Other insurance	10,532	-	-	10,532
509 :	Miscellaneous expense				
50903	Association dues and subscriptions	-	-	165	165
512 :	Operating leases and rentals				
51200	Operating leases and rentals	-	-	7,736	7,736
550 :	Ineligible expenses				
55000	Ineligible JARC and NF fares	(2,753)	-	-	(2,753)
	Total eligible expenses	\$ 69,164	\$ 8,661	\$ 27,789	\$ 105,614
				Total expenses	\$ 105,614
				Total ineligible expenses	(2,753)
				Total eligible expenses	\$ 102,861

Allegan County Transportation
Schedule of Job Access Reverse Commute Nonfinancial Data (Unaudited)
Public Service
Schedule 4N (JARC)
For the Year Ended September 30, 2021

Code	Description	Weekday	Saturday	Sunday	Total
610 :	Vehicle hours	1,441	-	-	1,441
611 :	Vehicle miles	32,466	-	-	32,466
615 :	Passengers - regular	1,131	-	-	1,131
616 :	Passengers - Elderly	-	-	-	-
617 :	Passengers - persons w/ disabilities	435	-	-	435
618 :	Elderly Passengers - persons w/ disabilities	56	-	-	56
622 :	Total demand-response passengers	1,622	-	-	1,622
625 :	Days operated	250	-	-	250
	Total passengers				1,622

Vehicle Information

650

655 :	Total demand-response vehicles				2
656 :	Demand-response vehicle w/ lifts				2
658 :	Total transit vehicles				2
	Total vehicles				2

Miscellaneous Information

659

660	Diesel/gasoline gallons consumed				3,737
661	Total transit agency employees (FT equivalents)				2
662	Total revenue vehicle operators (FT equivalents)				2
665	Number of Volunteer Drivers				-

**Allegan County Transportation
Schedule of Nonurban Specialized Service Revenue
Schedule 4R (Specialized Service)
For the Year Ended September 30, 2021**

<u>Code</u>	<u>Description</u>	<u>Amount</u>
401 :	Farebox revenue	
40100	Passenger fares	\$ 3,316
40200	Contract fares	31,250
411 :	State formula and contracts	
41199	Other state operating assistance	124,918
	<i>Total revenues</i>	<u>\$ 159,484</u>

Allegan County Transportation
Schedule of Nonurban Specialized Service Expense
Schedule 4E (Specialized Service)
For the Year Ended September 30, 2021

<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	\$ 34,342	\$ -	\$ -	\$ 34,342
50102	Other salaries and wages		6,094	15,903	21,997
50103	Dispatchers' salaries and wages	13,227	-	-	13,227
502 :	Fringe benefits				
50200	Other fringe benefits	10,287	3,366	6,038	19,691
503 :	Services				
50302	Advertising fees	-	-	54	54
50399	Other services	338	-	4,395	4,733
504 :	Materials and supplies				
50401	Fuel and lubricants	12,385	-	-	12,385
50402	Tires and tubes	-	275	-	275
50499	Other materials and supplies	78	2,758	-	2,836
505 :	Utilities				
50500	Utilities	2,057	-	2,057	4,114
506 :	Insurance				
50603	Liability insurance	11,237	-	-	11,237
50699	Other insurance	14,964	-	-	14,964
509 :	Miscellaneous expense				
50903	Association dues and subscriptions	-	-	210	210
512 :	Operating leases and rentals				
51200	Operating leases and rentals	-	-	11,119	11,119
	Total eligible expenses	\$ 98,915	\$ 12,493	\$ 39,776	\$ 151,184
				Total expenses	\$ 151,184
				Total ineligible expenses	-
				Total eligible expenses	\$ 151,184

Allegan County Transportation
Schedule of Specialized Services Nonfinancial Data (Unaudited)
Public Service
Schedule 4N (Specialized Service)
For the Year Ended September 30, 2021

<u>Code</u>	<u>Description</u>	<u>Agency</u>	<u>Volunteer</u>	<u>Total</u>
610	Vehicle hours	2,062	-	2,062
611	Vehicle miles	53,864		53,864
615	Passengers - regular	251	-	251
616	Passengers - elderly	303	-	303
617	Passengers - persons w/ disabilities	1,269	-	1,269
618	Passengers - elderly persons w/ disabilities	1,307	-	1,307
625	Days operated		-	-
	<i>Total passengers</i>			<u>3,130</u>

Vehicle Information

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

**Allegan County Transportation
Operating Assistance Calculation
Schedule 5
For the Year Ended September 30, 2021**

	<u>Nonurban</u>	
Total expenses	\$ 1,483,299	
Less ineligible expenses:		
Capital Outlay - Capital Grants	(381,339)	
Capital grants used for operating	(63,496)	
Association Dues	(292)	
Building Lease	(15,868)	
RTAP	(918)	
Total ineligible expenses	<u>(461,913)</u>	
Total state eligible expenses	1,021,386	
Eligible expenses for state reimbursement	1,021,386	
x Reimbursement percentage	<u>37.5350%</u>	
State operating assistance	<u>\$ 383,377</u>	
State operating assistance received		<u>\$ 367,122</u>
Amount due from state		<u>\$ 16,255</u>
Total federal eligible expenses	\$ 1,021,386	
Eligible expenses for federal reimbursement	1,021,386	
x Reimbursement percentage	36.0000%	
x Reimbursement percentage (Lesser of 8.7% of eligible expenditures or \$84,799)	<u>84,799</u>	
Federal operating assistance	<u>\$ 452,498</u>	
Federal operating assistance received		<u>\$ 436,907</u>
Amount due from federal		<u>\$ 15,591</u>

**Allegan County Transportation
Mileage / Hourly Data (Unaudited)
Non Financial Data Summary
For the Year Ended September 30, 2021**

		Nonurban Transportation	JARC Transportation	Specialized Services Transportation	Total Transportation
<u>Mileage</u>					
First Quarter	10/20 - 12/20	67,653	8,093	13,014	88,760
Second Quarter	1/21 - 3/21	72,149	7,789	14,706	94,644
Third Quarter	4/21 - 6/21	76,792	8,199	15,650	100,641
Fourth Quarter	7/21 - 9/21	100,380	8,385	10,494	119,259
<i>Total Operation</i>		316,974	32,466	53,864	403,304
<u>Hours</u>					
First Quarter	10/20 - 12/20	3,132	359	492	3,983
Second Quarter	1/21 - 3/21	3,351	346	512	4,209
Third Quarter	4/21 - 6/21	3,384	364	635	4,383
Fourth Quarter	7/21 - 9/21	4,329	372	423	5,124
<i>Total Operation</i>		14,196	1,441	2,062	17,699
<i>Percentage of total hours</i>		80.2%	8.1%	11.7%	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**

**Allegran County Drains
Statement of Net Position
December 31, 2021**

ASSETS

Current Assets

Cash and pooled investments	\$	2,856,632
Special assessments receivable		1,732,013
Leases receivable		619,357
Due from other governments		3,439
Total Current Assets		5,211,441

Noncurrent Assets

Capital assets not being depreciated		2,267,825
Capital assets being depreciated, net		16,917,742
Special assessments receivable, long-term		4,072,329
Leases receivable, long-term		4,682,992
Total Assets		33,152,329

DEFERRED OUTFLOWS OF RESOURCES

Deferred charge on bond refunding		55,409
Total Deferred Outflows of Resources		55,409

LIABILITIES

Current Liabilities

Accounts payable		263,851
Accrued liabilities		1,513
Accrued interest		140,619
Current portion of long-term debt		1,671,379
Total Current Liabilities		2,077,362

Noncurrent Liabilities

Long-term debt		10,897,015
Advance from primary government		250,000
Total Liabilities		13,224,377

NET POSITION

Net investment in capital assets		11,947,672
<i>Restricted for:</i>		
Debt Service		5,304,314
<i>Unrestricted</i>		2,731,375
Total Net Position	\$	19,983,361

**Allegan County Drains
Statement of Activities
For the Year Ended December 31, 2021**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Drains/public works	\$ 2,041,335	\$ 1,177,787	\$ 142,829	\$ 1,694,518	\$ 973,799
Interest on long-term debt	356,647	--	--	--	(356,647)
<i>Total drain activities</i>	<u>\$ 2,397,982</u>	<u>\$ 1,177,787</u>	<u>\$ 142,829</u>	<u>\$ 1,694,518</u>	<u>617,152</u>

General Purpose Revenues:

Interest earned on investments 7,291

Total General Revenues 7,291

Change in Net Position **624,443**

Net Position at Beginning of Period 19,358,918

Net Position at End of Period **\$ 19,983,361**

**Allegan County Drains
Balance Sheet
Governmental Funds
December 31, 2021**

	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	\$ 2,707,083	\$ 996	\$ --	\$ 69,286	\$ 969	\$ 2,778,334
Special assessments receivable	5,804,342	--	--	--	--	5,804,342
Leases receivable	--	1,339,441	3,103,669	--	859,239	5,302,349
Due from other funds	--	--	--	180,714	--	180,714
Total Assets	\$ 8,511,425	\$ 1,340,437	\$ 3,103,669	\$ 250,000	\$ 860,208	\$ 14,065,739
LIABILITIES						
Accounts payable	\$ 263,675	\$ --	\$ --	\$ --	\$ --	\$ 263,675
Due to other funds	180,714	--	--	--	--	180,714
Advance from primary government	--	--	--	250,000	--	250,000
Total Liabilities	444,389	--	--	250,000	--	694,389
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - special assessments	5,804,342	--	--	--	--	5,804,342
Unavailable revenue - leases receivable	--	1,339,441	3,103,669	--	859,239	5,302,349
Total Liabilities and Deferred Inflows of Resources	6,248,731	1,339,441	3,103,669	250,000	859,239	11,801,080
FUND BALANCE						
Restricted	--	996	--	--	969	1,965
Unassigned	2,262,694	--	--	--	--	2,262,694
Total Fund Balance	2,262,694	996	--	--	969	2,264,659
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 8,511,425	\$ 1,340,437	\$ 3,103,669	\$ 250,000	\$ 860,208	\$ 14,065,739

Allegan County Drains
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position
December 31, 2021

Total Fund Balance - Governmental Funds	\$	2,264,659
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.		92,381
In the Statement of Activities, interest is accrued on outstanding debt, whereas in governmental funds, the interest expenditure is reported when due.		(140,619)
General government capital assets of \$24,899,371, net of accumulated depreciation of \$5,726,137, are not financial resources and, accordingly, are not reported in the funds.		19,173,234
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.		(12,512,985)
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.		11,106,691
Total Net Position - Governmental Activities	\$	<u>19,983,361</u>

Allegan County Drains
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2021

	General	Debt Service		Capital Projects	Other	Total
		3672 - Fillmore Water and Sewer No.9	Lake Sewer/Water Debt No.18	6010 - Revolving Drain	Governmental Funds	Governmental Funds
Revenues						
Special assessments	\$ 1,732,065	\$ --	\$ --	\$ --	\$ --	\$ 1,732,065
Intergovernmental - local	--	287,875	299,877	--	72,288	660,040
Interest income	7,275	--	--	--	1	7,276
Other revenues	1,138,183	--	--	--	--	1,138,183
Total Revenues	2,877,523	287,875	299,877	--	72,289	3,537,564
Expenditures						
Drains/public works	3,102,498	--	--	--	384	3,102,882
Debt service - principal	948,486	255,000	220,000	--	40,000	1,463,486
Debt service - interest	195,677	32,875	79,877	--	32,288	340,717
Total Expenditures	4,246,661	287,875	299,877	--	72,672	4,907,085
Excess of Revenues Over (Under) Expenditures	(1,369,138)	--	--	--	(383)	(1,369,521)
Other Financing Sources (Uses)						
Issuance of long-term debt	2,250,000	--	--	--	--	2,250,000
Net Other Financing Sources (Uses)	2,250,000	--	--	--	--	2,250,000
Net Change in Fund Balance	880,862	--	--	--	(383)	880,479
<i>Fund Balance at Beginning of Period</i>	1,381,832	996	--	--	1,352	1,384,180
Fund Balance at End of Period	\$ 2,262,694	\$ 996	\$ --	\$ --	\$ 969	\$ 2,264,659

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, 2021

Total Net Change in Fund Balances - Governmental Funds	\$	880,479
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.		(7,830)
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.		(12,779)
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 \$2,235,500 exceeded depreciation expense of \$1,126,504.		1,108,996
Proceeds from the issuance of notes payable are reported as other financing sources in the fund statements, but reported as liabilities in the Statement of Net Position.		(2,250,000)
The repayment of principal of long-term debt consumes the current financial resources of governmental funds and is recorded as an expenditure; however, the repayment of long-term debt reduces long-term liabilities on the statement of net position.		1,460,335
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.		(554,758)
Changes in Net Position - Governmental Activities	\$	<u>624,443</u>

**Allegan County Drains
Statement of Net Position
Internal Service Fund
December 31, 2021**

ASSETS

Current Assets

Cash and pooled investments	\$	78,298
Due from other governments		3,439
<i>Total Current Assets</i>		81,737

Noncurrent Assets

Capital assets being depreciated, net		12,333
<i>Total Assets</i>		94,070

LIABILITIES

Current Liabilities

Accounts payable		176
Accrued liabilities		1,513
<i>Total Liabilities</i>		1,689

NET POSITION

Investment in capital assets		12,333
<i>Unrestricted</i>		80,048
<i>Total Net Position</i>	\$	92,381

Allegan County Drains
Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Fund
For the Year Ended December 31, 2021

Operating Revenues	
Charges for services	\$ 52,093
<i>Total Operating Revenues</i>	<u>52,093</u>
Operating Expenses	
Drains/public works	47,449
Depreciation expense	12,489
<i>Total Operating Expenses</i>	<u>59,938</u>
<i>Operating Income (Loss)</i>	<u>(7,845)</u>
Non-Operating Revenues (Expenses)	
Interest earned on investments	15
<i>Net Non-Operating Revenues (Expenses)</i>	<u>15</u>
<i>Change In Net Position</i>	<u>(7,830)</u>
<i>Net Position at Beginning of Period</i>	100,211
<i>Net Position at End of Period</i>	<u><u>\$ 92,381</u></u>

**Allegan County Drains
Statement of Cash Flows
Internal Service Fund
For the Year Ended December 31, 2021**

Cash Flows from Operating Activities	
Cash received from interfund charges	\$ 51,749
Cash payments to suppliers for goods and services	(2,879)
Cash payments to employees for services	(44,499)
<i>Net Cash Provided by Operating Activities</i>	4,371
 Cash Flows from Investing Activities	
Interest earned on investments	15
<i>Net Cash Provided by Investing Activities</i>	15
 <i>Net Increase in Cash and Pooled Investments</i>	 4,386
<i>Cash and Pooled Investments - Beginning of Year</i>	73,912
<i>Cash and Pooled Investments - End of Year</i>	\$ 78,298
 Reconciliation of Operating Loss to	
Net Cash Provided by Operating Activities	
Operating loss	\$ (7,845)
Adjustments to Reconcile Operating Loss to	
Net Cash Provided by Operating Activities	
Depreciation	12,489
Changes in Assets and Liabilities	
Due from other governments	(344)
Accounts payable	30
Accrued liabilities	41
<i>Net Cash Provided by Operating Activities</i>	\$ 4,371

**Allegan County Drains
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2021**

	<u>Debt Service</u>		<u>Total Nonmajor Governmental Funds</u>
	<u>3654 - Sewer No.13 Saugatuck</u>	<u>3671 Martin Village Refunding</u>	
ASSETS			
Cash and pooled investments	\$ --	\$ 969	\$ 969
Leases receivable	--	859,239	859,239
<i>Total Assets</i>	<u>\$ --</u>	<u>\$ 860,208</u>	<u>\$ 860,208</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - leases receivable	--	859,239	859,239
<i>Total Deferred Inflows of Resources</i>	<u>--</u>	<u>859,239</u>	<u>859,239</u>
FUND BALANCE			
Restricted	--	969	969
Unassigned	--	--	--
<i>Total Fund Balance</i>	<u>--</u>	<u>969</u>	<u>969</u>
<i>Deferred Inflows of Resources and Fund Balance</i>	<u>\$ --</u>	<u>\$ 860,208</u>	<u>\$ 860,208</u>

Allegan County Drains
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2021

	<u>Debt Service</u>		<u>Total Nonmajor Governmental Funds</u>
	<u>3654 - Sewer No.13 Saugatuck</u>	<u>3671 Martin Village Refunding</u>	
Revenues			
Intergovernmental - local	\$ --	\$ 72,288	\$ 72,288
Interest income	--	1	1
<i>Total Revenues</i>	<u>--</u>	<u>72,289</u>	<u>72,289</u>
Expenditures			
Drains/public works	384	--	384
Debt service - principal	--	40,000	40,000
Debt service - interest	--	32,288	32,288
<i>Total Expenditures</i>	<u>384</u>	<u>72,288</u>	<u>72,672</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(384)</u>	<u>1</u>	<u>(383)</u>
<i>Net Change in Fund Balance</i>	<u>(384)</u>	<u>1</u>	<u>(383)</u>
<i>Fund Balance at Beginning of Period</i>	384	968	1,352
<i>Fund Balance at End of Period</i>	<u>\$ --</u>	<u>\$ 969</u>	<u>\$ 969</u>

June 29, 2022

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, 2021. 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 February 4, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2021. 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 29, 2022.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

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

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

Restriction on Use

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

Very truly yours,

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

Gabridge & Company, PLC
Grand Rapids, MI