



**ALLEGAN COUNTY
ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2024**

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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, 2024, 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, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Allegan County Road Commission, which represents 89.9%, 93.0%, and 91.7% of the assets and deferred outflows of resources, net position, and revenues of the aggregate discretely presented component units, respectively, as of December 31, 2024, 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 35.8% of the assets and deferred outflows of resources, 32.8% of the net position, and 84.3% of the revenues of the business-type activities. Those statements, also, were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Allegan County Medical Care Community is based solely on the report of the other auditors.

Basis for Opinions

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2025, on our consideration of the County’s internal control over financial reporting and on our

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

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

Gabridge & Company, PLC
Grand Rapids, Michigan
June 24, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

Allegan County
Management’s Discussion and Analysis
December 31, 2024

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, 2024. We encourage readers to consider the information presented here in conjunction with the accompanying basic financial statements.

Financial Highlights

- The assets and deferred outflows of resources of the County, as presented in the government-wide financial statements, exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$107,415,275 (*net position*), an increase of \$12,234,378 from the prior year. Of this amount, \$47,996,462 *unrestricted net position*) may be used to meet the government’s ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the County’s governmental funds (this includes the general fund, special revenue, capital projects, and debt service funds) reported combined ending fund balances of \$57,005,264, an increase of \$6,400,192 in comparison with the prior year. Of the fund balance amount, \$10,357,702 is available for spending at the government’s discretion (*unassigned fund balance*).
- Total fund balance for the general fund was \$18,343,215, a decrease of \$1,133,560. At the end of the year, the unassigned portion of the fund balance in the general fund was \$10,357,702, or approximately 19.8% of total general fund expenses and transfers out for the current year.
- The County’s investment in capital assets was \$46,902,443 at the end of the current year, compared to \$41,641,564 at the end of the prior year.
- The County’s total debt equaled \$16,925,419 (excluding the component units) at the close of this year, a decrease of \$1,691,684 from the prior year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County’s basic financial statements which contain three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the County’s finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the County's assets, deferred outflows, liabilities, and deferred inflows, with the difference between them reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., depreciation of capital assets and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government services (administration, clerk, and treasurer), public safety (sheriff, road patrol, marine safety), legislative, judicial (courts), public works, health and welfare (health and child care), community and economic development, and recreation and cultural. The business-type activities of the County include the Medical Care Community (which provides long-term skilled nursing care), the delinquent tax revolving fund, and the jail commissary fund.

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

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the County are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. Governmental fund financial statements focus on a *short-term view of spendable resources and the balance of those spendable resources* at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *government funds* with similar information presented for *government activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions.

Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, unfunded accrued liability, and the American Rescue Plan Act fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the delinquent property tax fund and the Medical Care Community, which are considered to be major funds of the County, along with the nonmajor jail commissary fund. Conversely, the internal service fund is combined into a single, aggregated presentation in the proprietary fund financial statements.

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

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

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

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$107,415,275 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:

Allegheny County's Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
ASSETS						
<i>Current Assets</i>						
Cash and pooled investments	\$ 75,860,397	\$ 71,854,140	\$ 10,023,720	\$ 11,004,799	\$ 85,884,117	\$ 82,858,939
Accounts receivable	3,498,530	3,610,125	2,045,953	771,460	5,544,483	4,381,585
Leases receivable	151,735	142,842	-	-	151,735	142,842
Property taxes receivable	6,172,296	5,718,044	5,162,520	4,370,061	11,334,816	10,088,105
Due from other governments	3,990,585	3,168,035	1,759,613	1,717,560	5,750,198	4,885,595
Inventory	23,366	25,307	-	-	23,366	25,307
Prepays	789,999	1,482,356	51,058	-	841,057	1,482,356
Total Current Assets	90,486,908	86,000,849	19,042,864	17,863,880	109,529,772	103,864,729
<i>Noncurrent Assets</i>						
Leases receivable, long-term	1,446,015	1,594,075	-	-	1,446,015	1,594,075
Capital assets not being depreciated	8,117,476	1,249,063	-	-	8,117,476	1,249,063
Capital assets being depreciated, net	36,946,835	38,580,226	1,838,132	1,812,275	38,784,967	40,392,501
Advance to component unit	1,809,782	1,812,040	-	-	1,809,782	1,812,040
Total Assets	138,807,016	129,236,253	20,880,996	19,676,155	159,688,012	148,912,408
DEFERRED OUTFLOWS OF RESOURCES						
Pension related	3,504,569	6,505,933	114,333	161,865	3,618,902	6,667,798
Total Deferred Outflows of Resources	3,504,569	6,505,933	114,333	161,865	3,618,902	6,667,798
LIABILITIES						
<i>Current Liabilities</i>						
Accounts payable	5,850,180	2,686,766	513,278	512,227	6,363,458	3,198,993
Accrued and other liabilities	3,144,955	3,439,365	322,613	161,997	3,467,568	3,601,362
Due to other governments	295,418	255,296	-	-	295,418	255,296
Unearned revenue	13,597,213	18,765,969	-	-	13,597,213	18,765,969
Accrued interest	83,912	97,995	-	-	83,912	97,995
Current portion of compensated absences	994,508	-	-	-	994,508	-
Current portion of long-term debt	1,842,883	2,381,332	-	-	1,842,883	2,381,332
Total Current Liabilities	25,809,069	27,626,723	835,891	674,224	26,644,960	28,300,947
<i>Noncurrent Liabilities</i>						
Long-term debt	15,082,536	16,235,771	-	-	15,082,536	16,235,771
Compensated absences	957,126	1,744,170	122,972	156,852	1,080,098	1,901,022
Net pension liability	6,479,934	7,530,108	267,910	356,154	6,747,844	7,886,262
Total Liabilities	48,328,665	53,136,772	1,226,773	1,187,230	49,555,438	54,324,002
DEFERRED INFLOWS OF RESOURCES						
Revenues intended to finance a subsequent year	6,164,523	3,129,223	-	-	6,164,523	3,129,223
Deferred lease and settlement revenues	-	2,946,084	-	-	-	2,946,084
Total Deferred Inflows of Resources	6,164,523	6,075,307	-	-	6,164,523	6,075,307
NET POSITION						
Net investment in capital assets	37,479,655	30,919,805	1,838,132	1,812,275	39,317,787	32,732,080
Restricted	20,101,026	17,744,805	-	-	20,101,026	17,744,805
Unrestricted	30,066,038	27,865,497	17,930,424	16,838,515	47,996,462	44,704,012
Total Net Position	\$ 87,646,719	\$ 76,530,107	\$ 19,768,556	\$ 18,650,790	\$ 107,415,275	\$ 95,180,897

A significant portion of the County's net position (\$39,317,787, or 36.6%) 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 (\$20,101,026, or 18.7%) represents resources that are subject to external restrictions on how they may be used. The County's unrestricted net position is \$47,996,462 (or 44.7%) which may be used to meet the County's ongoing obligations to citizens and creditors. At the end of the fiscal year, the County is able to report positive balances in all three net position categories (net investment in capital assets, restricted, and unrestricted) both for the government as a whole, as well as for its separate governmental and business-type activities.

Cash and pooled investments increased by \$3,025,17 mostly due to operating results and increasing reserves to pay down pension liabilities. Unearned revenue decreased by \$5,168,756 largely from the spending of ARPA funds. Net pension liability decreased by \$1,138,418 due to performance of pension assets as of December 31, 2023, the measurement date of the liability, due to this the related deferred inflows of resources decreased by \$3,001,364.

The County's total net position increased by \$12,234,378 during the fiscal year. Governmental and business-type activities both accounted for this increase.

Allegan County's Changes in Net Position

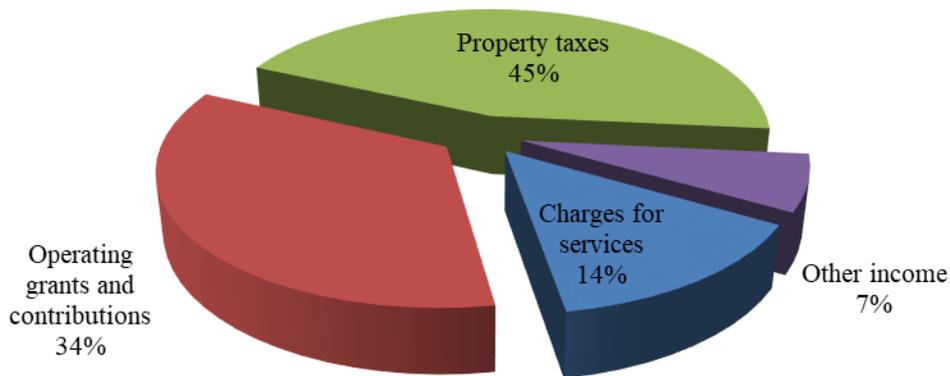
	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Revenues						
Program Revenues						
Charges for services	\$ 12,439,226	\$ 11,798,741	\$ 6,199,642	\$ 6,095,663	\$ 18,638,868	\$ 17,894,404
Operating grants and contributions	30,471,216	29,124,228	1,025,923	711,591	31,497,139	29,835,819
Capital grants and contributions	456,754	1,374,077	-	-	456,754	1,374,077
Total Program Revenues	43,367,196	42,297,046	7,225,565	6,807,254	50,592,761	49,104,300
General Revenues						
Property taxes	39,531,982	37,187,821	1,673,522	1,775,302	41,205,504	38,963,123
Unrestricted intergovernmental revenues	3,151,150	2,938,488	-	-	3,151,150	2,938,488
Investment income	2,392,798	1,974,362	267,055	198,032	2,659,853	2,172,394
Total General Revenues	45,075,930	42,100,671	1,940,577	1,973,334	47,016,507	44,074,005
Total Revenues	88,443,126	84,397,717	9,166,142	8,780,588	97,609,268	93,178,305
Expenses						
Judicial	6,403,228	12,501,967	-	-	6,403,228	12,501,967
General government	20,169,268	14,296,600	-	-	20,169,268	14,296,600
Public safety	24,160,859	22,471,163	-	-	24,160,859	22,471,163
Public works	10,839,087	7,753,873	-	-	10,839,087	7,753,873
Health and welfare	14,406,067	13,786,434	-	-	14,406,067	13,786,434
Community and economic development	1,001,299	990,923	-	-	1,001,299	990,923
Recreation and culture	619,637	602,490	-	-	619,637	602,490
Interest on long-term debt	641,190	614,216	-	-	641,190	614,216
Delinquent property tax	-	-	351,053	213,211	351,053	213,211
Medical Care Community	-	-	6,783,202	7,202,859	6,783,202	7,202,859
Total Expenses	78,240,635	73,017,666	7,134,255	7,416,070	85,374,890	80,433,736
Changes in Net Position Before Transfers	10,202,491	11,380,051	2,031,887	1,364,518	12,234,378	12,744,569
Transfers, net	914,121	862,808	(914,121)	(862,808)	-	-
Change in Net Position	11,116,612	12,242,859	1,117,766	501,710	12,234,378	12,744,569
<i>Net Position at the Beginning of Period</i>	<i>76,530,107</i>	<i>64,287,248</i>	<i>18,650,790</i>	<i>18,149,080</i>	<i>95,180,897</i>	<i>82,436,328</i>
Net Position at the End of Period	\$ 87,646,719	\$ 76,530,107	\$ 19,768,556	\$ 18,650,790	\$ 107,415,275	\$ 95,180,897

Governmental Activities. Net position of governmental activities showed an overall increase of \$11,116,612 during the year. The County had an increase in property tax revenue due to an increase

in their taxable value of approximately 10.0%. Intergovernmental revenues increased due to use of the ARPA funds, along with other grants. Investment income also increased by \$418,436 due to the current rate market. Total expenses increased \$4,941,154, due to the change in the net pension liability coupled with the increase being funded with the ARPA dollars.

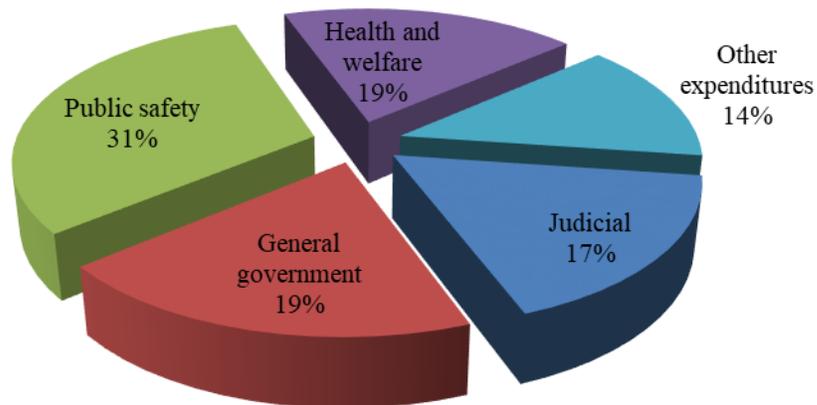
The following chart summarizes the revenue sources for the governmental activities of the County for the most recent fiscal year-end:

Governmental Activities Revenues



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

Governmental Activities Expenses



Business-type Activities.

The business-type activities of the County increased the County's net position by \$1,117,766. 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 \$1,181,703. There were transfers out of the fund totaling \$1,008,313 that went to multiple special revenue funds and the general fund.
- The medical care community fund experienced an increase of net position of \$934,951.
- The nonmajor jail commissary fund had an increase of net position of \$9,425 for an ending net position of \$220,653.

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 \$57,005,264 an increase of \$6,400,192 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, \$10,357,702, or 18.2% of total fund balances, constitutes unassigned fund balance, which is available for spending at the government's discretion. Fund balance that was restricted for particular purposes was \$17,865,102, or 31.3%, of the total fund balance. Committed fund balance, which is committed for a particular purpose, was \$24,078,540, or 42.2% of total fund balance. Assigned fund balance, which is assigned for a particular purpose, was \$2,670,578, or 4.7% of total fund balance. Nonspendable fund balance, which is nonspendable in form primarily for prepaid expenses, inventory, and advances to other funds and component units, was \$2,033,342, or 3.5% of total fund balance.

The general fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the general fund was \$9,850,178, while total fund balance was \$18,343,215. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to general fund expenditures. Unassigned fund balance represents 21.8% of total general fund expenditures and transfers out for the current year.

General fund balance decreased by \$1,133,560, from \$19,476,775 in the prior year to \$18,343,215 in the current year. The County consolidates certain funds into the general fund for external financial reporting purposes. A combining schedule is provided as supplementary information to

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

The unfunded accrued liability fund at fiscal year-end had a fund balance of \$12,887,415, which is an increase of \$2,826,891 from the prior year's fund balance. The primary cause of this increase is transfers from other funds of \$8,835,467 and state grants of \$1,106,776.

The American rescue plan act (ARPA) fund at fiscal year-end had a fund balance of \$2,337,070, which was an increase of \$1,146,442 compared to the prior year. The primary reason for the increase was interest income of \$1,146,441 generated from the unspent ARPA funds held in the fund.

Nonmajor governmental funds increased total governmental fund balance by \$3,560,419 during the year for an ending combined fund balance of \$23,437,564.

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 \$13,057,141, \$4,652,630, and \$220,653, 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:

Fund / Function / Department	Final Budget	Actual Amount	Negative Variance
General Fund			
General Government			
Information technology	\$ 2,218,459	\$ 2,771,250	\$ (552,791)
Transfers Out	16,956,103	17,946,133	(990,030)

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 \$45,064,311 and \$1,838,132, respectively. These capital assets include land and improvements, buildings and improvements, equipment, furniture, and vehicles, and infrastructure.

The net increase in the primary government's investment in capital assets for the current fiscal year was \$5,620,879, due to large capital asset additions in the current year.

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 \$16,925,419, a decrease of \$1,691,684 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, 2024**

	Primary Government		Total	Component Units
	Governmental Activities	Business-type Activities		
ASSETS				
<i>Current Assets</i>				
Cash and pooled investments	\$ 75,860,397	\$ 10,023,720	\$ 85,884,117	\$ 21,559,791
Accounts receivable	3,498,530	2,045,953	5,544,483	4,104,425
Special assessments receivable	--	--	--	1,483,633
Leases receivable	151,735	--	151,735	642,522
Property taxes receivable	6,172,296	5,162,520	11,334,816	5,187,703
Due from other governments	3,990,585	1,759,613	5,750,198	3,885,850
Inventory	23,366	--	23,366	1,850,441
Prepays	789,999	51,058	841,057	209,814
Total Current Assets	90,486,908	19,042,864	109,529,772	38,924,179
<i>Noncurrent Assets</i>				
Capital assets not being depreciated	8,117,476	--	8,117,476	120,070,379
Capital assets being depreciated, net	36,757,157	1,838,132	38,595,289	166,228,637
Special assessments receivable, long-term	--	--	--	4,057,703
Leases receivable, long-term	1,446,015	--	1,446,015	2,838,102
Advance to component unit	1,809,782	--	1,809,782	--
Net OPEB asset	--	--	--	480,857
Total Assets	138,617,338	20,880,996	159,498,334	332,599,857
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on bond refunding	--	--	--	17,276
Pension related	3,504,569	114,333	3,618,902	3,444,838
Total Deferred Outflows of Resources	3,504,569	114,333	3,618,902	3,462,114
LIABILITIES				
<i>Current Liabilities</i>				
Accounts payable	5,850,180	513,278	6,363,458	350,600
Accrued payroll	837,768	--	837,768	--
Bonds payable	133,905	--	133,905	--
Accrued liabilities	2,173,282	322,613	2,495,895	153,444
Due to other governments	295,418	--	295,418	7,072,437
Unearned revenue	13,597,213	--	13,597,213	--
Compensated absences, due within one year	994,508	--	994,508	--
Accrued interest	83,912	--	83,912	175,271
Current portion of long-term debt	1,842,883	--	1,842,883	2,005,034
Total Current Liabilities	25,809,069	835,891	26,644,960	9,756,786
<i>Noncurrent Liabilities</i>				
Long-term debt	15,082,536	--	15,082,536	12,685,503
Advance from primary government	--	--	--	1,809,783
Compensated absences	957,126	122,972	1,080,098	628,266
Net pension liability	6,479,934	267,910	6,747,844	729,648
Total Liabilities	48,328,665	1,226,773	49,555,438	25,609,986
DEFERRED INFLOWS OF RESOURCES				
Revenues intended to finance a subsequent year	3,371,187	--	3,371,187	5,421,016
Deferred leases revenue	1,427,853	--	1,427,853	--
Deferred settlement revenue	1,347,483	--	1,347,483	--
Total Deferred Inflows of Resources	6,146,523	--	6,146,523	5,421,016
NET POSITION				
Net investment in capital assets	--	1,838,132	1,838,132	273,606,923
Restricted for various functions (note 11)	20,101,026	--	20,101,026	3,482,612
<i>Unrestricted</i>	67,545,693	17,930,424	85,476,117	27,941,434
Total Net Position	\$ 87,646,719	\$ 19,768,556	\$ 107,415,275	\$ 305,030,969

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

**Allegheny County
Balance Sheet
Governmental Funds
December 31, 2024**

	General	Special Revenue		Other Governmental Funds	Total Governmental Funds
		259 Unfunded Accrued Liability	299 American Rescue Plan Act - ARPA		
ASSETS					
Cash and pooled investments	\$ 17,631,986	\$ 9,547,749	\$ 16,794,852	\$ 28,665,164	\$ 72,639,751
Accounts receivable	398,354	--	--	3,097,563	3,495,917
Leases receivable	1,597,750	--	--	--	1,597,750
Property taxes receivable	2,927,668	--	--	3,244,628	6,172,296
Due from other governments	1,612,027	179,666	--	2,198,892	3,990,585
Inventory	--	--	--	23,366	23,366
Prepays	120,376	--	--	79,818	200,194
Due from other funds	31,000	3,160,000	--	--	3,191,000
Advance to component unit	1,809,782	--	--	--	1,809,782
Total Assets	\$ 26,128,943	\$ 12,887,415	\$ 16,794,852	\$ 37,309,431	\$ 93,120,641
LIABILITIES					
Accounts payable	\$ 583,836	\$ --	\$ 2,824,466	\$ 2,419,803	\$ 5,828,105
Accrued payroll	832,079	--	--	5,689	837,768
Bonds payable	133,905	--	--	--	133,905
Accrued liabilities	1,100,223	--	--	482,683	1,582,906
Due to other governments	--	--	--	295,418	295,418
Unearned revenue	--	--	11,633,316	1,963,897	13,597,213
Due to other funds	--	--	--	3,191,000	3,191,000
Total Liabilities	2,650,043	--	14,457,782	8,358,490	25,466,315
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	2,360,349	--	--	2,142,190	4,502,539
Revenues intended to finance a subsequent year	--	--	--	3,371,187	3,371,187
Deferred leases revenue	1,427,853	--	--	--	1,427,853
Deferred settlement revenue	1,347,483	--	--	--	1,347,483
Total Liabilities and Deferred Inflows of Resources	7,785,728	--	14,457,782	13,871,867	36,115,377
FUND BALANCE					
Nonspendable	1,930,158	--	--	103,184	2,033,342
Restricted	--	--	--	17,865,102	17,865,102
Committed	5,721,847	12,887,415	--	5,469,278	24,078,540
Assigned	333,508	--	2,337,070	--	2,670,578
Unassigned	10,357,702	--	--	--	10,357,702
Total Fund Balance	18,343,215	12,887,415	2,337,070	23,437,564	57,005,264
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 26,128,943	\$ 12,887,415	\$ 16,794,852	\$ 37,309,431	\$ 93,120,641

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, 2024

Total Fund Balance - Governmental Funds	\$	57,005,264
Net position of internal service funds that are treated as proprietary in the fund level statements are treated as governmental in the entity-wide statements.		3,200,613
General government capital assets of \$101,787,795, net of accumulated depreciation of \$56,913,162, are not financial resources and, accordingly, are not reported in the funds.		44,874,633
Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for current-period expenditures. Those asset (such as property taxes, state grants, and loans receivable not collected in 60 days of year end) are offset by deferred inflows of resources in the governmental funds, and thus are not included in fund balance.		4,502,539
Compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.		(1,951,634)
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.		(83,912)
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.		(138,315)
Net pension liability and related deferrals are not due and payable in the current period and are not reported in the funds.		(2,975,365)
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.		(16,787,104)
Total Net Position - Governmental Activities	\$	<u>87,646,719</u>

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

Allegan County
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2024

	General	Special Revenue		Other Governmental Funds	Total Governmental Funds
		259 Unfunded Accrued Liability	299 American Rescue Plan Act - ARPA		
Revenues					
Taxes	\$ 36,856,553	\$ --	\$ --	\$ 3,305,267	\$ 40,161,820
Licenses and permits	50,180	--	--	995,666	1,045,846
Intergovernmental revenues - federal	114,599	--	6,676,411	2,938,752	9,729,762
Intergovernmental revenues - state	3,195,036	1,106,776	--	12,570,288	16,872,100
Intergovernmental revenues - local	--	--	--	2,158,942	2,158,942
Charges for services	5,014,345	--	--	6,413,872	11,428,217
Fines and forfeitures	6,500	--	--	61,609	68,109
Interest and rentals	1,166,077	--	1,146,441	383,013	2,695,531
Other revenues	2,950,609	--	--	895,037	3,845,646
Total Revenues	49,353,899	1,106,776	7,822,852	29,722,446	88,005,973
Expenditures					
Judicial	6,801,657	--	--	6,193,235	12,994,892
General government	11,196,102	--	--	123,205	11,319,307
Public safety	13,856,517	--	--	6,744,773	20,601,290
Public works	57,021	--	6,676,410	4,336,485	11,069,916
Health and welfare	744,249	--	--	13,428,413	14,172,662
Recreation and cultural	--	--	--	479,386	479,386
Community and economic development	998,041	--	--	3,258	1,001,299
Other	433,864	--	--	--	433,864
Capital outlay	--	--	--	8,081,149	8,081,149
Debt service - principal	120,591	--	--	2,417,993	2,538,584
Debt service - interest	45,684	--	--	615,723	661,407
Total Expenditures	34,253,726	--	6,676,410	42,423,620	83,353,756
Excess of Revenues Over (Under) Expenditures	15,100,173	1,106,776	1,146,442	(12,701,174)	4,652,217
Other Financing Sources (Uses)					
Inception of SBITA	570,386	--	--	282,648	853,034
Transfers in	1,142,014	8,835,467	--	18,072,393	28,049,874
Transfers out	(17,946,133)	(7,115,352)	--	(2,093,448)	(27,154,933)
Net Other Financing Sources (Uses)	(16,233,733)	1,720,115	--	16,261,593	1,747,975
Net Change in Fund Balance	(1,133,560)	2,826,891	1,146,442	3,560,419	6,400,192
<i>Fund Balance at Beginning of Period</i>	<i>19,476,775</i>	<i>10,060,524</i>	<i>1,190,628</i>	<i>19,877,145</i>	<i>50,605,072</i>
Fund Balance at End of Period	\$ 18,343,215	\$ 12,887,415	\$ 2,337,070	\$ 23,437,564	\$ 57,005,264

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, 2024

Total Net Change in Fund Balances - Governmental Funds	\$	6,400,192
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.		(312,272)
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 \$9,636,839 exceeds depreciation expense of \$4,588,182 and net disposals of capital assets of \$3,313.		5,045,344
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.		436,235
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.		1,691,684
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.		14,083
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.		(207,464)
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.		(1,951,190)
Changes in Net Position - Governmental Activities	\$	<u>11,116,612</u>

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

**Allegan County
Statement of Net Position
Proprietary Funds
December 31, 2024**

	Business-type Activities - Enterprise Funds				
	516/520/521/527- 529/619- 622/628/629 Delinquent Property Tax	Allegan County Medical Care Community	595 Jail Commissary - Nonmajor	Total Enterprise Funds	Governmental Activities Internal Service Funds
ASSETS					
<i>Current Assets</i>					
Cash and pooled investments	\$ 9,597,922	\$ 213,949	\$ 211,849	\$ 10,023,720	\$ 3,220,646
Accounts receivable	--	2,037,149	8,804	2,045,953	2,613
Property taxes receivable	3,659,195	1,503,325	--	5,162,520	--
Due from other governments	--	1,759,613	--	1,759,613	--
Prepays	--	51,058	--	51,058	589,805
Total Current Assets	13,257,117	5,565,094	220,653	19,042,864	3,813,064
<i>Noncurrent Assets</i>					
Capital assets being depreciated, net	--	1,838,132	--	1,838,132	--
Total Assets	13,257,117	7,403,226	220,653	20,880,996	3,813,064
DEFERRED OUTFLOWS OF RESOURCES					
Pension related	--	114,333	--	114,333	--
Total Deferred Outflows of Resources	--	114,333	--	114,333	--
LIABILITIES					
<i>Current Liabilities</i>					
Accounts payable	60,397	452,881	--	513,278	22,075
Accrued liabilities	139,579	183,034	--	322,613	590,376
Total Current Liabilities	199,976	635,915	--	835,891	612,451
<i>Noncurrent Liabilities</i>					
Compensated absences	--	122,972	--	122,972	--
Net pension liability	--	267,910	--	267,910	--
Total Liabilities	199,976	1,026,797	--	1,226,773	612,451
NET POSITION					
Net investment in capital assets	--	1,838,132	--	1,838,132	--
<i>Unrestricted</i>	13,057,141	4,652,630	220,653	17,930,424	3,200,613
Total Net Position	\$ 13,057,141	\$ 6,490,762	\$ 220,653	\$ 19,768,556	\$ 3,200,613

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, 2024

Business-type Activities - Enterprise Funds

	516/520/521/527- 529/619- 622/628/629 Delinquent Property Tax	Allegan County Medical Care Community	595 Jail Commissary - Nonmajor	Total Enterprise Funds	Governmental Activities Internal Service Funds
Operating Revenues					
Interest and penalties on taxes	\$ 766,633	\$ --	\$ --	\$ 766,633	\$ --
Charges for services	563,328	4,810,188	59,425	5,432,941	6,145,830
Other revenues	16,735	--	--	16,735	265,087
Quality assurance supplement	--	659,686	--	659,686	--
Total Operating Revenues	1,346,696	5,469,874	59,425	6,875,995	6,410,917
Operating Expenses					
Administrative expense	351,053	--	--	351,053	32,815
Medical services expense	--	6,782,952	--	6,782,952	--
Insurance and employee benefits expense	--	--	--	--	6,710,472
Total Operating Expenses	351,053	6,782,952	--	7,134,005	6,743,287
Operating Income (Loss)	995,643	(1,313,078)	59,425	(258,010)	(332,370)
Non-Operating Revenues (Expenses)					
Gain (loss) on sale of property	--	(16,667)	--	(16,667)	--
Property taxes	--	1,673,522	--	1,673,522	--
Interest income	186,060	80,995	--	267,055	918
Contributions and donations	--	366,237	--	366,237	--
Other expense	--	(250)	--	(250)	--
Net Non-Operating Revenues (Expenses)	186,060	2,103,837	--	2,289,897	918
Income Before Contributions and Transfers	1,181,703	790,759	59,425	2,031,887	(331,452)
Transfers in	--	144,192	--	144,192	19,180
Transfers out	(1,008,313)	--	(50,000)	(1,058,313)	--
Change In Net Position	173,390	934,951	9,425	1,117,766	(312,272)
<i>Net Position at Beginning of Period</i>	12,883,751	5,555,811	211,228	18,650,790	3,512,885
Net Position at End of Period	\$ 13,057,141	\$ 6,490,762	\$ 220,653	\$ 19,768,556	\$ 3,200,613

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, 2024**

	Business-type Activities Enterprise Funds			Total Enterprise Funds	Governmental Activities - Internal Service Funds
	516/520/521/527- 529/619- 622/628/629 Delinquent Property Tax	Allegan County Medical Care Community	595 Jail Commissary - Nonmajor		
Cash Flows from Operating Activities					
Cash received from interfund services provided	\$ -	\$ -	\$ -	\$ -	\$ 6,411,623
Cash received from users	563,328	-	56,162	619,490	-
Cash received from residents and third-party payors	-	3,658,187	-	3,658,187	-
Cash received from quality assurance supplement	-	328,527	-	328,527	-
Cash received from other operating receipts	16,735	18,903	-	35,638	-
Cash received from quality measures initiative	-	141,969	-	141,969	-
Cash received from interest and penalties on delinquent taxes	(18,834)	-	-	(18,834)	-
Cash payments for fleet management	-	-	-	-	(718,560)
Cash payments for insurance and employee benefits	-	-	-	-	(6,422,922)
Cash payments to employees and suppliers	(202,444)	(6,812,236)	-	(7,014,680)	-
Cash payments for quality assurance provider tax / quality measures	-	117,251	-	117,251	-
Net Cash Provided (Used) by Operating Activities	<u>358,785</u>	<u>(2,547,399)</u>	<u>56,162</u>	<u>(2,132,452)</u>	<u>(729,859)</u>
Cash Flows from Non-capital Financing Activities					
Transfer from other funds	-	144,192	-	144,192	19,180
Transfers to other funds	(1,008,313)	-	(50,000)	(1,058,313)	-
Tax revenue	-	1,666,530	-	1,666,530	-
Contributions and donations	-	324,184	-	324,184	-
Net Cash Provided (Used) by Non-capital Financing Activities	<u>(1,008,313)</u>	<u>2,134,906</u>	<u>(50,000)</u>	<u>1,126,593</u>	<u>19,180</u>
Cash Flows from Capital and Related Financing Activities					
Acquisition and construction of capital assets	-	(192,275)	-	(192,275)	-
Net Cash Used by Capital and Related Financing Activities	<u>-</u>	<u>(192,275)</u>	<u>-</u>	<u>(192,275)</u>	<u>-</u>
Cash Flows from Investing Activities					
Investment income	186,060	80,995	-	267,055	918
Net Cash Provided by Investing Activities	<u>186,060</u>	<u>80,995</u>	<u>-</u>	<u>267,055</u>	<u>918</u>
Net Increase (Decrease) in Cash and Pooled Investments	(463,468)	(523,773)	6,162	(981,079)	(709,761)
<i>Cash and Pooled Investments - Beginning of Year</i>	10,061,390	737,722	205,687	11,004,799	3,930,407
Cash and Pooled Investments - End of Year	<u>\$ 9,597,922</u>	<u>\$ 213,949</u>	<u>\$ 211,849</u>	<u>\$ 10,023,720</u>	<u>\$ 3,220,646</u>

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, 2024**

	Business-type Activities Enterprise Funds				Governmental Activities - Internal Service Funds
	516/520/521/527- 529/619- 622/628/629 Delinquent Property Tax	Allegan County Medical Care Community	595 Jail Commissary - Nonmajor	Total Enterprise Funds	
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities					
Operating income (loss)	\$ 995,643	\$ (1,313,078)	\$ 59,425	\$ (258,010)	\$ (332,370)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities					
Depreciation expense	-	149,751	-	149,751	-
Provision for bad debts	-	164,779	-	164,779	-
Changes in Assets, Deferrals, and Liabilities					
Accounts receivable	-	(1,436,009)	(3,263)	(1,439,272)	706
Property taxes receivable	(785,467)	-	-	(785,467)	-
Other assets	-	(51,058)	-	(51,058)	-
Prepays	-	-	-	-	287,550
Accounts payable	10,480	(9,432)	-	1,048	15,812
Accrued liabilities	138,129	(11,640)	-	126,489	(701,557)
Net pension liability and related deferreds	-	(40,712)	-	(40,712)	-
Net Cash Provided (Used) by Operating Activities	\$ 358,785	\$ (2,547,399)	\$ 56,162	\$ (2,132,452)	\$ (729,859)

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, 2024

	Custodial Funds		
	701 Trust and Agency	721 Library Penal Fine	Total Custodial Funds
ASSETS			
Cash and pooled investments	\$ 651,936	\$ 30	\$ 651,966
<i>Total Assets</i>	651,936	30	651,966
LIABILITIES			
Due to other units of government	483,669	--	483,669
Undistributed collections	149,791	30	149,821
Bonds and other payables	18,476	--	18,476
<i>Total Liabilities</i>	651,936	30	651,966
NET POSITION			
<i>Total Net Position</i>	\$ --	\$ --	\$ --

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

Allegan County
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2024

	Custodial Funds		
	701 Trust and Agency	721 Library Penal Fine	Total Custodial Funds
Additions			
Taxes collected for other governments	\$ 56,729,283	\$ --	\$ 56,729,283
Library penal fine collections	--	532,834	532,834
Court collections	2,347,688	--	2,347,688
County clerk/register of deeds collections	177,993	--	177,993
Treasurer collections	5,529,831	--	5,529,831
Total Additions	64,784,795	532,834	65,317,629
Deductions			
Payments of property taxes to other governments	56,729,283	\$ --	56,729,283
Library penal fine distributions	--	532,834	532,834
Court distributions	2,347,688	--	2,347,688
County clerk/register of deeds distributions	177,993	--	177,993
Treasurer distributions	5,529,831	--	5,529,831
Total Deductions	64,784,795	532,834	65,317,629
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, 2024

	Allegan County Drains	243 Brownfield Redevelopment Authority	Allegan County Road Commission	Total Component Units
ASSETS				
<i>Current Assets</i>				
Cash and pooled investments	\$ 5,337,922	\$ 1	\$ 16,221,868	\$ 21,559,791
Accounts receivable	--	--	4,104,425	4,104,425
Special assessments receivable	1,483,633	--	--	1,483,633
Leases receivable	642,522	--	--	642,522
Property taxes receivable	--	--	5,187,703	5,187,703
Due from other governments	--	--	3,885,850	3,885,850
Inventory	--	--	1,850,441	1,850,441
Prepays	--	--	209,814	209,814
Total Current Assets	7,464,077	1	31,460,101	38,924,179
<i>Noncurrent Assets</i>				
Capital assets not being depreciated	2,108,448	1,478,921	116,483,010	120,070,379
Capital assets being depreciated, net	16,112,603	--	150,116,034	166,228,637
Special assessments receivable, long-term	4,057,703	--	--	4,057,703
Leases receivable, long-term	2,838,102	--	--	2,838,102
Net OPEB asset	--	--	480,857	480,857
Total Assets	32,580,933	1,478,922	298,540,002	332,599,857
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on bond refunding	17,276	--	--	17,276
Pension related	--	--	3,444,838	3,444,838
Total Deferred Outflows of Resources	17,276	--	3,444,838	3,462,114
LIABILITIES				
<i>Current Liabilities</i>				
Accounts payable	245,112	--	105,488	350,600
Accrued liabilities	1,441	--	152,003	153,444
Due to other governments	--	--	7,072,437	7,072,437
Accrued interest	175,271	--	--	175,271
Current portion of long-term debt	1,610,984	--	394,050	2,005,034
Total Current Liabilities	2,032,808	--	7,723,978	9,756,786
<i>Noncurrent Liabilities</i>				
Long-term debt	8,930,608	--	3,754,895	12,685,503
Advance from primary government	250,000	1,559,783	--	1,809,783
Compensated absences	--	--	628,266	628,266
Net pension liability	--	--	729,648	729,648
Total Liabilities	11,213,416	1,559,783	12,836,787	25,609,986
DEFERRED INFLOWS OF RESOURCES				
Revenues intended to finance a subsequent year	--	--	5,421,016	5,421,016
Total Deferred Inflows of Resources	--	--	5,421,016	5,421,016
NET POSITION				
Net investment in capital assets	11,156,824	--	262,450,099	273,606,923
<i>Restricted for:</i>				
Debt service	3,482,612	--	--	3,482,612
<i>Unrestricted</i>	6,745,357	(80,861)	21,276,938	27,941,434
Total Net Position	\$ 21,384,793	\$ (80,861)	\$ 283,727,037	\$ 305,030,969

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, 2024

	<u>Allegan County Drains</u>	<u>243 Brownfield Redevelopment Authority</u>	<u>Allegan County Road Commission</u>	<u>Total Component Units</u>
Expenses				
Interest expense	\$ 380,831	\$ --	\$ 136,136	\$ 516,967
Road commission	--	--	25,373,531	25,373,531
Drains/public works	2,871,891	--	--	2,871,891
Total Expenses	<u>3,252,722</u>	<u>--</u>	<u>25,509,667</u>	<u>28,762,389</u>
Program Revenues				
Charges for services	2,031,834	--	320,335	2,352,169
Operating grants and contributions	104,038	--	22,131,245	22,235,283
Capital grants and contributions	1,430,476	--	12,427,349	13,857,825
Total Program Revenues	<u>3,566,348</u>	<u>--</u>	<u>34,878,929</u>	<u>38,445,277</u>
Net Program Revenues (Expenses)	<u>313,626</u>	<u>--</u>	<u>9,369,262</u>	<u>9,682,888</u>
General Revenue				
Property Taxes	--	--	4,940,809	4,940,809
Interest income	138,915	--	982,177	1,121,092
Total General Revenues	<u>138,915</u>	<u>--</u>	<u>5,922,986</u>	<u>6,061,901</u>
Change in Net Position	<u>452,541</u>	<u>--</u>	<u>15,292,248</u>	<u>15,744,789</u>
<i>Net Position at Beginning of Period</i>	20,932,252	(80,861)	268,434,789	289,286,180
Net Position at End of Period	<u>\$ 21,384,793</u>	<u>\$ (80,861)</u>	<u>\$ 283,727,037</u>	<u>\$ 305,030,969</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 (five members) and provides services to its more than 120,000 residents in many areas including law enforcement, administration of justice, community enrichment and development, and human services.

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

Reporting Entity

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

The financial statements for *Allegan County Medical Care Community* (the “Community”), an enterprise fund, are presented for the fiscal year ending December 31, 2024. 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

Allegan County

Notes to the Financial Statements

Discretely Presented Component Units

Drain Commission/Department of Public Works

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

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

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

Allegan County Road Commission (the "Road Commission")

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

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

Allegan County

Notes to the Financial Statements

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.

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

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

The County reports the following major enterprise funds:

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

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

Additionally, the County reports the following fund types:

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

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

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned for capital outlays, including the acquisition or construction of capital facilities and other capital items.

Allegan County

Notes to the Financial Statements

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

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

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the funds. Elimination of these charges would distort costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are interest and penalties on delinquent taxes and charges for services provided. The principal operating revenues of the County's internal service funds are charges to County departments for insurance coverage. Operating expenses for the enterprise funds consist of the costs of services, administrative expenses, and depreciation on capital assets. Operating expenses for the internal service funds include the cost of services (including claims) and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

Cash and Pooled Investments

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

Restricted Cash and Cash Equivalents

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

Allegan County

Notes to the Financial Statements

Investments

Statutes authorize the County to invest in the following:

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

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

Investments are carried at fair value.

Current Taxes Receivable

Property taxes are levied on the taxable value of the property as established by local units, accepted by the County and equalized under State statute at approximately 50% of the current estimated market value. In March 1994, Michigan voters approved Proposal A, which limits annual increases in taxable values to the lesser of 5% or the rate of inflation with taxable value reverting to 50% of true cash value when the property is sold. Property taxes receivable in governmental funds represent amounts due from taxpayers on the July 1 and December 1 tax levies in the general fund and other governmental funds, respectively.

Allegan County

Notes to the Financial Statements

Delinquent Taxes Receivable

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

Accounts Receivable and Due from Other Units of Government

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

Leases and Special Assessments Receivable

The Drain Commission/Department of Public Works component unit has leases and special assessments receivable recorded in the amount of \$3,480,624 and \$5,541,336, respectively, and governmental activities reports leases receivable of \$1,597,750. Leases receivable represent amounts owed to the County by other local units of government for the retirement of bonds payable issued to finance construction of water/sewer infrastructure or amounts owed to the County for the right to use County assets. Special assessments are levied on properties within a drainage district that are deemed to receive the primary benefit of the maintenance/construction. The amounts generally correspond to related bonds and notes payable issued to finance the project and may be assessed over one year or multiple years. Of the leases and special assessment receivables, \$642,522 and \$1,483,633, respectively, are expected to be collected within one year while the remaining balances are long-term. Governmental activities reports an additional \$151,735 of leases receivable within one year. Lease and special assessments receivable are recorded with an offsetting credit to deferred inflows of resources on the fund statements as the balances do not represent expendable available financial resources.

Deferred Outflows of Resources

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

Allegan County

Notes to the Financial Statements

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, 2024, was \$12,711.

Due To/Due From

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

Advances to Other Funds

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

Inventory and Prepaids

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

Payments made to vendors for services that will benefit periods beyond a fund’s fiscal year-end are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. The capitalization threshold for drain infrastructure is \$25,000. Capital assets other than infrastructure assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their acquisition value on the date received. The amount reported for infrastructure includes only assets added since December 31, 2000.

Allegan County

Notes to the Financial Statements

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

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

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

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

Compensated Absences

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

Long-term Obligations

In the government-wide financial statements and proprietary fund type statements, the long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method (which approximates the effective interest method). Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Pensions

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

Allegan County

Notes to the Financial Statements

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 2024 ad valorem tax (excluding the portion for general operations and soldiers' relief) is levied and collectible on December 1, 2024, 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, 2024, levy has been reported as deferred inflows of resources at year-end. The County, similarly, defers a portion of its leases receivable into future reporting periods.

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

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

Fund Balance Policies

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

Governmental funds report *nonspendable fund balance* for amounts that cannot be spent because they are either: a) not in spendable form or b) legally or contractually required to be maintained intact. Nonspendable fund balance would be equal to inventory, prepaid items, and the nonspendable portion of endowments.

Restricted fund balance is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws or regulations of other governments. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

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

Allegan County

Notes to the Financial Statements

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

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

Fund Balance Flow Assumption

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

Net Position

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

Net Position Flow Assumption

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

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

Allegan County

Notes to the Financial Statements

Interfund Transactions

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

Use of Estimates

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

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

Note 2 - Stewardship, Compliance, and Accountability

Budgetary Information

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

Excess of Expenditures over Budget

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

Allegan County

Notes to the Financial Statements

The County had the following expenditures in excess of the appropriated amounts during the year ended December 31, 2024:

<u>Fund / Function / Department</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Negative Variance</u>
General Fund			
General Government			
Information technology	\$ 2,218,459	\$ 2,771,250	\$ (552,791)
Transfers Out	16,956,103	17,946,133	(990,030)

Deficit Net Position

As of December 31, 2024, the County's Brownfield Redevelopment Authority, a discretely-presented component unit, had a deficit net position of (\$80,861). For the year ended December 31, 2024, current assets of the fund exceeded current liabilities.

Allegan County

Notes to the Financial Statements

Note 3 - Deposits and Investments

Following is a reconciliation of deposit and investment balances as of December 31, 2024:

	Primary Government	Component Units	Total
Statement of Net Position			
Cash and pooled investments	\$ 85,884,117	\$ 21,559,791	\$ 107,443,908
Statement of Fiduciary Net Position			
Cash and pooled investments	651,966	-	651,966
Total Cash and Pooled Investments	\$ 86,536,083	\$ 21,559,791	\$ 108,095,874
Less Units Separately Audited			
Allegan County Road Commission	-	(16,221,868)	(16,221,868)
Allegan County Medical Care Community	-	(213,949)	(213,949)
Total Cash and Pooled Investments	\$ 86,536,083	\$ 5,123,974	\$ 91,660,057
Deposits and Investments			
Checking and savings accounts			\$ 2,198,088
Investments			89,434,269
Cash on hand			27,700
Total Deposits and Investments			\$ 91,660,057

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the County’s deposits may not be returned. State law does not require, and the County does not have a policy for deposit custodial credit risk. As of year-end, \$33,217,701 of the County’s bank balance of \$33,717,701 was exposed to custodial credit risk because it was uninsured and uncollateralized.

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

Allegan County

Notes to the Financial Statements

Custodial Credit Risk - Investments. Following is a summary of the County's investments as of December 31, 2024:

Money market accounts	\$ 56,081,200
Michigan CLASS	18,396,556
Asset backed securities	496,235
Certificate of deposits	6,888,703
Municipal bonds	<u>7,571,575</u>
<i>Total Investments</i>	<u>\$ 89,434,269</u>

Investments are exposed to custodial credit risk if the securities are uninsured, unregistered or held by a counterparty or its agency but not in the government's name. In accordance with the County's investment policy, all investments are held in the name of the County and are evidenced by a safekeeping receipt confirmation, and thus not exposed to custodial credit risk.

Credit Risk. State law limits investments to specific government securities, certificates of deposits and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers' acceptances of specific financial institutions, qualified mutual funds and qualified external investment pools as identified in the list of authorized investments in the summary of significant accounting policies. The County's investment policy does not have specific limits in excess of state law on investment credit risk.

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

S&P AAA	\$ 56,178,119
S&P AA+	2,854,975
S&P AA	3,544,950
S&P AA-	1,133,258
Unavailable/not rated	<u>25,722,967</u>
<i>Total Investments</i>	<u>\$ 89,434,269</u>

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

Allegan County

Notes to the Financial Statements

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

No maturity	\$ 70,639,893
Less than 1 year	14,400,934
Due within 1-5 years	<u>4,393,442</u>
Total Investments	<u>\$ 89,434,269</u>

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

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

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

	Level 1	Level 2	Level 3	Carried at Net Asset Value	Total
Asset backed securities	\$ -	\$ 496,265	\$ -	\$ -	\$ 496,265
Municipal bonds	7,571,545	-	-	-	7,571,545
Money Market Funds	15,499,245	-	-	-	15,499,245
Michigan CLASS	-	-	-	18,396,556	18,396,556
Totals	\$ 23,070,790	\$ 496,265	\$ -	\$ 18,396,556	41,963,611

Investment accounts not subject to fair value disclosure requirements:

Money market accounts	40,581,955
Certificates of deposit	<u>6,888,703</u>
Total Investments	<u>\$ 89,434,269</u>

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

At year-end, the net asset value of the County's investment in the Michigan CLASS government investment pool was \$18,396,556. The investment pool had no unfunded commitments, specific redemption frequency or redemption notice period required. The Michigan CLASS government investment pool invests in U.S. treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rated 'A-1' or better) collateralized bank deposits, repurchase agreements (collateralized at 102% by Treasuries and agencies), and approved money-market funds. The program seeks to provide safety, liquidity, convenience, and competitive rates of return, and is designed to meet the needs of Michigan public sector investors. It purchases

Allegan County

Notes to the Financial Statements

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

Note 4 - Leases Receivable

The County is reporting total lease receivables of \$1,597,750 and deferred lease revenues of \$1,427,853 as of December 31, 2024. For fiscal year 2024, the County reported lease revenue of \$142,913 and interest revenue of \$81,598 related to lease payments received.

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

The leases receivable maturity schedule was as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2025	\$ 151,865	\$ 74,586	\$ 226,451
2026	161,374	66,950	228,324
2027	171,440	58,838	230,278
2028	182,066	50,217	232,283
2029	193,290	41,064	234,354
2030 - 2033	737,715	64,630	802,345
Totals	\$ 1,597,750	\$ 356,285	\$ 1,954,035

Allegan County

Notes to the Financial Statements

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

The composition of interfund balances as of December 31, 2024 was as follows:

	Receivable	Payable
General fund	\$ 31,000	\$ -
Unfunded Accrued Liability	3,160,000	-
Nonmajor governmental funds	-	3,191,000
<i>Totals</i>	\$ 3,191,000	\$ 3,191,000

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

The composition of long-term interfund advances as of December 31, 2024 was as follows:

	Receivable	Payable
General fund	\$ 1,809,782	\$ -
Brownfield Redevelopment Authority	-	1,559,782
Allegan County Drains	-	250,000
<i>Totals</i>	\$ 1,809,782	\$ 1,809,782

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

For the year ended December 31, 2024 interfund transfers consisted of the following:

Fund	Transfers In	Transfers Out
General fund	\$ 1,142,014	\$(17,946,133)
259 Unfunded Accrued Liability	8,835,467	(7,115,352)
Nonmajor governmental funds	18,072,393	(2,093,448)
516-629 Delinquent Property Tax	-	(1,008,313)
Allegan County Medical Care Community	144,192	-
595 Jail Commissary - Nonmajor	-	(50,000)
677 Self-Insurance	19,180	-
<i>Totals</i>	\$ 28,213,246	\$(28,213,246)

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

Allegan County

Notes to the Financial Statements

accounted for in other funds in accordance with budgetary authorizations. At year-end, the Board of Commissioners can authorize any surplus in the general fund (excluding those funds collapsed into the general fund for external reporting purposes) to be transferred.

Note 6 - Capital Assets

Primary Government / Governmental Activities

Capital asset activity for the governmental activities for the year ended December 31, 2024 was as follows:

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance
Capital assets not being depreciated:				
Land	\$ 759,162	\$ -	\$ -	\$ 759,162
Construction in process	489,901	6,912,924	(44,511)	7,358,314
<i>Subtotal</i>	<u>1,249,063</u>	<u>6,912,924</u>	<u>(44,511)</u>	<u>8,117,476</u>
Capital assets being depreciated:				
Land improvements	3,852,844	32,865	-	3,885,709
Buildings and improvements	55,079,145	631,793	-	55,710,938
Equipment and furniture	29,575,673	1,250,734	(512,697)	30,313,710
Infrastructure	1,659,244	-	-	1,659,244
Intangible right to use, leased assets	856,553	-	-	856,553
Intangible right to use, SBITA	391,131	853,034	-	1,244,165
<i>Subtotal</i>	<u>91,414,590</u>	<u>2,768,426</u>	<u>(512,697)</u>	<u>93,670,319</u>
Less accumulated depreciation/amortization for:				
Land improvements	(2,993,950)	(104,781)	-	(3,098,731)
Buildings and improvements	(28,953,521)	(2,057,989)	-	(31,011,510)
Equipment and furniture	(19,775,708)	(2,139,409)	509,384	(21,405,733)
Infrastructure	(984,007)	(53,557)	-	(1,037,564)
Intangible right to use, leased assets	(85,536)	(42,768)	-	(128,304)
Intangible right to use, SBITA	(41,642)	(189,678)	-	(231,320)
<i>Subtotal</i>	<u>(52,834,364)</u>	<u>(4,588,182)</u>	<u>509,384</u>	<u>(56,913,162)</u>
Capital assets being depreciated/amortized, net	38,580,226	(1,819,756)	(3,313)	36,757,157
Capital assets, net	<u>\$ 39,829,289</u>	<u>\$ 5,093,168</u>	<u>\$ (47,824)</u>	<u>\$ 44,874,633</u>

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

Governmental Activities:

Judicial	\$ 78,789
General government	1,350,294
Public safety	2,704,381
Health and welfare	368,419
Recreation and culture	86,299
Total depreciation expense	<u>\$ 4,588,182</u>

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Notes to the Financial Statements

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

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

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

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

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Notes to the Financial Statements

Discretely-Presented Component Units

Capital assets activity for the discretely-presented component units for the year ended December 31, 2024 was as follows:

<u>Allegan County Drains</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 853,800	\$ -	\$ -	\$ 853,800
Construction in process	1,343,365	364,758	(453,475)	1,254,648
<i>Subtotal</i>	<u>2,197,165</u>	<u>364,758</u>	<u>(453,475)</u>	<u>2,108,448</u>
Capital assets being depreciated:				
Machinery and equipment	76,125	-	-	76,125
Infrastructure	24,765,498	709,803	-	25,475,301
<i>Subtotal</i>	<u>24,841,623</u>	<u>709,803</u>	<u>-</u>	<u>25,551,426</u>
Less accumulated depreciation for:				
Machinery and equipment	(76,125)	-	-	(76,125)
Infrastructure	(8,103,054)	(1,259,644)	-	(9,362,698)
<i>Subtotal</i>	<u>(8,179,179)</u>	<u>(1,259,644)</u>	<u>-</u>	<u>(9,438,823)</u>
Capital assets being depreciated, net	16,662,444	(549,841)	-	16,112,603
Capital assets, net	<u>\$ 18,859,609</u>	<u>\$ (185,083)</u>	<u>\$ (453,475)</u>	<u>\$ 18,221,051</u>

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

Depreciation expense of \$1,259,644 was charged to the public works/drains function of the Allegan County Drains.

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

Note 7 - Long-term Obligations

Primary Government

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

Allegan County

Notes to the Financial Statements

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

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

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

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

The primary government's long-term obligations activity for the year ended December 31, 2024 was as follows:

Governmental Activities	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
General obligation bonds	\$ 8,125,000	\$ -	775,000.00	\$ 7,350,000	\$800,000
Pension obligation bonds	8,560,000	-	810,000	7,750,000	840,000
Installment purchase agreement (Direct Placement)	733,372	-	733,372	-	-
Net premium/discount	51,112	-	6,134	44,978	-
Lease liabilities	800,425	-	24,942	775,483	28,066
SBITA liabilities	347,194	853,034	195,270	1,004,958	174,817
<i>Subtotal</i>	<u>18,617,103</u>	<u>853,034</u>	<u>2,544,718</u>	<u>16,925,419</u>	<u>1,842,883</u>
Compensated Absences	<u>1,744,170</u>	<u>207,464</u>	<u>-</u>	<u>1,951,634</u>	<u>-</u>
Total Long-term Obligations	<u>\$ 20,361,273</u>	<u>\$ 1,060,498</u>	<u>\$ 2,544,718</u>	<u>\$ 18,877,053</u>	<u>\$ 1,842,883</u>

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

Allegan County

Notes to the Financial Statements

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

Year Ended December 31,	Governmental Activities		
	Principal	Interest	Total
2025	\$ 2,568,538	\$ 650,777	\$ 3,219,315
2026	1,891,773	579,142	2,470,915
2027	1,923,483	514,147	2,437,629
2028	2,076,333	457,319	2,533,651
2029	2,118,900	367,792	2,486,692
2030-2034	8,446,714	710,103	9,156,817
2035-2039	55,855	88,042	143,897
2040-2044	63,274	74,246	137,520
2045-2049	80,754	56,766	137,520
2050-2054	103,073	34,447	137,520
2055-2057	86,394	7,578	93,972
Totals	\$ 19,415,090	\$ 3,540,358	\$ 22,955,448

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

Allegan County

Notes to the Financial Statements

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.	\$ 7,350,000
\$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.	7,750,000
\$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%.	-
Central dispatch lease obligation with Valley for use of equipment due in monthly installments ranging from \$301 to \$635 plus interest through June 2034 with interest at 4.89%.	56,625
Central dispatch lease obligation with Valley for use of land due in monthly installments ranging from \$149 to \$321 plus interest through August 2034 with interest at 4.89%.	28,674
Central dispatch lease obligation with Lee Township for cell usage due in one lump sum in January 2027.	52,885
Central dispatch lease obligation with Laketown for use of tower due in annual installments ranging from \$10,902 to \$26,969 plus interest through July 2033 with interest at 4.89%.	190,469
Parks and recreation lease obligation for right to use Ely Lake due in monthly installments ranging from \$409 to \$2,283 plus interest through May 2057 with interest at 4.89%.	446,830
SBITA obligation with Axon Enterprise to use bodycam software due in annual installments of \$53,480 including interest at 4.89% through March 2031	310,692
SBITA obligation with Microsoft to use software licenses due in annual installments of \$111,981 including interest at 4.89% through January 2029	486,297
SBITA transportation contract due in annual installments of \$88,500 including interest at 4.89% through	207,969
Total Long-term Debt	\$ 16,880,441

Discretely-Presented Component Units

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

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

Allegan County

Notes to the Financial Statements

The discretely-presented component unit's long-term debt activity for the year ended December 31, 2024 was as follows:

<u>Allegan County Drains</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
General obligation bonds	\$ 4,080,090	\$ -	\$ 620,000	\$ 3,460,090	\$ 620,000
Notes payable	6,590,498	1,388,350	894,896	7,083,952	991,188
Net premium/discount	(2,654)	204	-	(2,450)	(204)
Total Long-term Debt	<u>\$ 10,667,934</u>	<u>\$ 1,388,554</u>	<u>\$ 1,514,896</u>	<u>\$ 10,541,592</u>	<u>\$ 1,610,984</u>

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

<u>Year Ended December 31,</u>	<u>Allegan County Drains, Component Unit</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	1,514,896	290,465	1,805,361
2026	1,611,188	324,249	1,935,436
2027	1,105,291	280,857	1,386,148
2028	959,038	248,912	1,207,949
2029	908,138	219,692	1,127,830
Totals	<u>\$ 6,098,550</u>	<u>\$ 1,364,174</u>	<u>\$ 7,462,724</u>

Allegan County

Notes to the Financial Statements

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

Allegan County Drains

\$181,500 2023 Boyd IC Drainage District Note Payable, due in annual installments of \$22,688 plus interest of 5.13%, payable annually, through June 1, 2031.	\$	158,813
\$452,500 2023 Hidden Forest Drainage District Note Payable, due in annual installments of \$45,250, plus interest of 5.82%, payable annually, through June 1, 2033.		407,250
\$323,000 2023 Severens Drainage District Note Payable, due in annual installments of \$32,000 to \$33,000 plus interest of 4.44%, payable annually, through June 1, 2033.		291,000
\$241,300 2022 Buskirk Drainage District Note Payable, due in annual payments of \$24,130 plus interest of 1.98%, payable annually, through June 1, 2032.		193,040
\$85,000 2022 Trowbridge-Cheshire Drainage District Note Payable, due in annual payments of \$21,250 plus interest of 3.04%, payable annually, through June 1, 2026.		42,500
\$1,549,000 2017 Selkirk Lake Drain Note Payable, due in annual installments of \$77,000 to \$78,000 plus interest of 3.29%, payable semi-annually, through June 1, 2037.		1,010,000
\$1,358,000 2016 Cuddy Intercounty Drain Note Payable, due in annual installments of \$90,533 plus interest at 2.59%, payable semi-annually, through June 1, 2031.		434,000
\$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.		730,000
\$4,633,615 2012 Kalamazoo Lake Sewer and Water Authority Sewage Disposal System General Obligation Limited Tax Bonds (Clean Water Revolving Loan Program) Sewer Authority Bonds, due in annual installments of \$183,525 to \$295,000 plus interest at 2.50%, payable semi-annually, through April 1, 2033.		2,395,090
\$2,920,000 2013 Fillmore Township Water Supply an Sewage Disposal System No. 8 General Obligation Refunding Bonds, due in semi-annual installments of \$30,000 to \$335,000 plus interest ranging from 2.00 to 2.50%, payable semi-annually, through May 1, 2025.		335,000
\$83,350 2024 Dokey Intercounty Drain Drainage District Note, due in five annual installments of \$16,670 each, beginning June 1, 2025, through June 1, 2029, plus interest at 4.75% annually, payable on June 1 of each year, issued to finance improvements to the Dokey Intercounty Drain. Optional redemption allowed without premium or penalty.		83,350
\$1,305,000 2024 Baughman Drain Drainage District Drain Bonds, Series 2024, due in annual installments of \$90,000 to \$95,000, with interest not exceeding 6.00% per annum, payable semi-annually on June 1 and December 1, through June 1, 2039.		1,305,000
Miscellaneous Drainage District Notes Payable, due in annual installments plus interest ranging from .70 to 4.95%, payable annually, through June 1, 2041.		3,158,999
Total Long-term Debt	\$	<u>10,544,042</u>

Allegan County

Notes to the Financial Statements

Note 8 - Net Investment in Capital Assets

The composition of the County's net investment in capital assets as of December 31, 2024 was as follows:

	Governmental Activities	Allegan County Drains
Capital assets:		
Capital assets not being depreciated	\$ 8,117,476	\$ 2,108,448
Capital assets being depreciated	36,757,157	16,112,603
<i>Subtotal</i>	44,874,633	18,221,051
Less long-term debt:		
Total long-term debt	(15,100,000)	(10,544,042)
Premiums/discounts on long-term debt	(44,978)	2,450
<i>Subtotal</i>	(15,144,978)	(10,541,592)
Add deferred charge on bond refunding:	-	17,276
Add unrelated long-term debt:		
Pension obligation bonds	7,750,000	-
Other bonds payable*	-	3,460,090
<i>Subtotal</i>	7,750,000	3,460,090
Net investment in capital assets	\$ 37,479,655	\$ 11,156,825

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

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

Allegan County

Notes to the Financial Statements

Note 9 - Employees' Retirement Systems

Defined Benefit Plan

Plan Description

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

Benefits Provided

Retirement benefits for employees are calculated as follows:

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

Employees Covered by Benefit Terms

At the December 31, 2023 measurement date, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	256
Inactive plan members entitled to but not yet receiving benefits	45
Active plan members	28
<i>Total employees covered by MERS</i>	329

Contributions

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

Allegan County

Notes to the Financial Statements

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

For the year ended December 31, 2024, the County had the following required contribution rates:

Division	Employee Contributions	Employer Contributions *
01 - Tmstr Unit II - closed	4.00%	\$ -
02 - POLC Rd Commd & Undersheriff - closed	8.00%	4,856
06 - Mtl Hlth Dept - closed	4.00%	-
08 - Court Salaried - closed	4.00%	345
09 - Asst Pros Atty - closed	10.79%	-
10 - Genl. Non Union - closed	4.00%	727
12 - Court Hourly - closed	4.00%	934
15 - Tmstrs. Unit 1 - closed	4.00%	-
16 - County Admnstr. - closed	4.00%	-
17 - Tmstr Unit 111 - closed	4.00%	-
20 - Polc Deputies - closed	8.00%	10,895
21 - POLC Corr Comm - closed	8.09%	3,277

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

Net Pension Liability

The County's net pension liability was measured as of December 31, 2023, 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, 2023 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

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Notes to the Financial Statements

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

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

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

Discount Rate

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

Allegan County

Notes to the Financial Statements

Changes in Net Pension Liability

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

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at December 31, 2023	\$ 76,990,798	\$ 69,104,536	\$ 7,886,262
Service cost	322,476	-	322,476
Interest on total pension liability	5,393,067	-	5,393,067
Differences between expected and actual experience	861,601	-	861,601
Changes in assumptions	565,456	-	565,456
Contributions - employer	-	768,632	(768,632)
Contributions - employee	-	198,454	(198,454)
Net investment income	-	7,472,839	(7,472,839)
Benefit payments, including refunds	(5,420,569)	(5,420,569)	-
Administrative expenses	-	(158,907)	158,907
<i>Net changes</i>	<u>1,722,031</u>	<u>2,860,449</u>	<u>(1,138,418)</u>
Balance at December 31, 2024	<u>\$ 78,712,829</u>	<u>\$ 71,964,985</u>	<u>\$ 6,747,844</u>
	Allocated to:		
		Governmental Activities	\$ 6,479,934
		Business-type Activities	267,910
		Total	<u>\$ 6,747,844</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the County, calculated using the discount rate of 7.18%, 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 (6.18%) or 1% higher (8.18%) than the current rate:

	1% Decrease (6.18%)	Current Discount Rate (7.18%)	1% Increase (8.18%)
	Net pension liability (asset) of the County	<u>\$ 15,464,169</u>	<u>\$ 6,747,844</u>

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

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

For the year ended December 31, 2023, the County recognized pension expense of \$2,204,012 while the Allegan County Medical Care Community recognized pension expense of \$(40,712).

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
Net difference between projected and actual earnings on pension plan investments	\$ 3,349,785
Employer contributions to the plan subsequent to the measurement date*	269,117
<i>Totals</i>	\$ 3,618,902
Allocated to:	
Governmental Activities	\$ 3,504,569
Business-type Activities	114,333
<i>Totals</i>	\$ 3,618,902

For the year ending December 31, 2024, there were no deferred inflows of resources related to pensions.

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

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

Years Ending December 31,	Amount
2025	\$ 589,361
2026	1,203,560
2027	2,083,597
2028	(526,733)

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 \$2,004,768 (\$297,716 employee and \$1,707,052 employer).

Section 457 Deferred Compensation Plan

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

Allegan County

Notes to the Financial Statements

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

Note 10 - Other Postemployment Benefits

Primary Government

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

Note 11 - Fund Balances and Net Position - Governmental Activities

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

Allegan County

Notes to the Financial Statements

	General Fund	259 Unfunded Accrued Liability	299 American Rescue Plan Act - ARPA	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable					
Long-term advances	\$ 1,809,782	\$ -	\$ -	\$ -	\$ 1,809,782
Prepaid items and inventory	120,376	-	-	103,184	223,560
<i>Total Nonspendable</i>	<u>1,930,158</u>	<u>-</u>	<u>-</u>	<u>103,184</u>	<u>2,033,342</u>
Restricted					
E-911/dispatch services	-	-	-	7,125,939	7,125,939
Senior services	-	-	-	2,114,919	2,114,919
Indigent defense	-	-	-	194,038	194,038
Health/mental health	-	-	-	1,405,084	1,405,084
Friend of the court	-	-	-	1,842,192	1,842,192
Transportation	-	-	-	1,628,531	1,628,531
Register of deeds automation	-	-	-	1,015,129	1,015,129
Drug law enforcement	-	-	-	123,661	123,661
Sheriff	-	-	-	254,489	254,489
Housing assistance	-	-	-	160,480	160,480
State and federal grants	-	-	-	271,973	271,973
Parks and recreation	-	-	-	283,514	283,514
Debt service	-	-	-	261,426	261,426
Solid waste	-	-	-	468,700	468,700
Concealed pistol licenses	-	-	-	339,408	339,408
Opioid settlement	-	-	-	338,119	338,119
MCOLES CPE	-	-	-	37,500	37,500
<i>Total Restricted</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,865,102</u>	<u>17,865,102</u>
Committed					
Budget stabilization	5,721,847	-	-	-	5,721,847
Child care	-	-	-	972,874	972,874
Animal shelters	-	-	-	106,023	106,023
Soldiers and sailors	-	-	-	100,657	100,657
Fitness center	-	-	-	64,059	64,059
Capital improvements	-	-	-	4,084,575	4,084,575
Other purposes	-	12,887,415	-	141,090	13,028,505
<i>Total Committed</i>	<u>5,721,847</u>	<u>12,887,415</u>	<u>-</u>	<u>5,469,278</u>	<u>24,078,540</u>
Assigned					
Law library	113,076	-	-	-	113,076
Grant administration	24,647	-	-	-	24,647
Child care welfare	6,011	-	-	-	6,011
Technology	189,774	-	-	-	189,774
ARPA	-	-	2,337,070	-	2,337,070
<i>Total Assigned</i>	<u>333,508</u>	<u>-</u>	<u>2,337,070</u>	<u>-</u>	<u>2,670,578</u>
Unassigned					
	<u>10,357,702</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,357,702</u>
Total Fund Balance	<u>\$ 18,343,215</u>	<u>\$ 12,887,415</u>	<u>\$ 2,337,070</u>	<u>\$ 23,437,564</u>	<u>\$ 57,005,264</u>

Allegan County

Notes to the Financial Statements

Detailed information on restricted net position of the governmental activities for the year ended December 31, 2024, is as follows:

Restricted	
E-911/dispatch services	\$ 7,167,323
Senior services	2,118,113
Indigent defense	194,038
Health/mental health	1,451,100
Friend of the court	1,842,192
Transportation	1,630,620
Register of deeds automation	1,015,129
Drug law enforcement	123,661
Sheriff	254,489
Housing assistance	160,480
State and federal grants	271,973
Parks and recreation	283,514
Debt service	261,426
Solid waste	469,751
Concealed pistol licenses	339,408
Opioid settlement	2,480,309
MCOLES CPE	37,500
Total Restricted Net Position	\$ 20,101,026

Note 12 - Tax Abatements

Industrial Facilities Tax (IFT)

Industrial property tax abatements are granted in the State of Michigan under Public Act 198, as amended, to promote economic development, creation of jobs, and new or improvement facilities. The industrial facilities tax (IFT) exemption must be approved by both the local unit (after a public hearing is held) and the State of Michigan. IFT exemptions can cover real and/or personal property. By State law, the exemption must be applied for no later than six months after commencement of the project, and must be accompanied by a written agreement between the taxpayer and the local unit. An exemption allows for taxation on IFT property at 50% of the local property tax millage rate for a period of 1 to 12 years. Accordingly, such agreements meet the criteria of "tax abatements" under GASB Statement No. 77. Property taxes abated by the County in 2023 amounted to \$352,276.

Note 13 - Contingent Liabilities

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

Allegan County

Notes to the Financial Statements

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

Note 14 - Risk Management/Self-Insurance Programs

Primary Government

The County is exposed to risks of loss related to theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The government manages its risk exposures and provides certain employee benefits through a combination of self-insurance programs, risk management pools, and commercial insurance and excess coverage policies. Following is a summary of these self-insurance programs and risk management pool participation.

Liability

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

The County makes annual contributions to MMRMA based on actuarial studies using historical data and insurance industry statistics. These contributions are paid from an internal service fund (e.g., the self-insurance fund) using premiums paid into it by other funds of the government. Such contributions as received by MMRMA are allocated between its general and member retention funds. Economic resources in the MMRMA's general fund are expended for reinsurance coverage, claim payments and certain general and administrative costs, whereas resources in the member retention fund are used for loss payments and defense costs up to the members' self-insurance retention limits along with certain other member-specific costs. Liabilities are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated.

Changes in the claims liability for the years ended December 31, 2023 and 2024 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>
MMRMA	2023	\$ 648,288	\$ 785,489	\$ (546,861)	\$ 886,916
	2024	886,916	412,363	(860,919)	438,360

Allegan County

Notes to the Financial Statements

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

Coverage	Self-insured Retention
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, 2023 and 2024 were as follows:

	Year Ended December 31,	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Net Claim Payments	End of Year Liability
Workers compensation	2023	\$ 140,936	\$ 383,392	\$ (120,642)	\$ 403,686
	2024	403,686	206,110	(460,763)	149,033

Note 15 - Transportation Department Schedules

Cost Allocation Plans (CAP). The financial statements of the County include several transit schedules as required by the Office of Passenger Transportation (OPT) of the Michigan Department of Transportation. The Allegan County Transportation Department has four approved cost allocation plans: 2006 Indirect County Service, the 2006 Job Access Reverse Commute

Allegan County

Notes to the Financial Statements

program, the 2008 Specialized Service program, and the 2015 Building Lease. These cost allocation plans were adhered to in the preparation of the transit schedules.

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

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

Capital Used to Pay for Operating. No expenses are subtracted out as ineligible because capital money was used to for operating expenses.

Expenses Associated with PTMS Codes 406 & 407. There were \$20,879 of expenses associated with 40620 Auxiliary Transportation Revenue and / or codes 40760 and 40799, and therefore, these expenses were deducted as ineligible for the year ended September 30, 2023.

Retirement Benefits. Pension costs incurred for Allegan County Transportation Department's portion of the Michigan Municipal Employees Retirement System were calculated pursuant to the MERS GASB 68 Implementation Guide (the "Guide"). The total pension expense recognized as calculated in step 6 of the Guide is \$20,050. The entire amount of \$20,050 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 \$20,050 (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, 2024.

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

Note 16- Opioid Settlement

Janssen and Distributors Settlements

The County is part of a \$21 billion nationwide settlement reached in July 2021 to resolve all Opioids litigation brought by states and local political subdivisions against the three largest pharmaceutical distributors: McKesson, Cardinal Health, and AmerisourceBergen (Distributors), and a \$5 billion nationwide settlement with manufacturer Janssen Pharmaceuticals, Inc. and its parent company Johnson & Johnson (Janssen).

Allegan County

Notes to the Financial Statements

Pharmacy and Manufacturer Settlements

In 2022, additional settlements with pharmacies and manufacturers were announced, including CVS, Walgreens, Walmart, Allergan, and Teva. Sign-on for participation in settlements with CVS, Walmart, Allergan, and Teva are completed in Michigan, with payments anticipated by end of calendar year, 2024. These four settlements are expected to bring in over \$450 million to Michigan and are structured like Janssen and Distributors settlements with a 50/50 state/local split.

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

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

As a result of the payment terms issued to the Directing Administrator of the National Opioid Settlements, the receivable for the settlement agreements was recorded at the net present value, using a discount rate for payments to be received subsequent to 2023 of 3%. The net present value of the combined settlement payments to be received as of December 31, 2023 was \$1,691,249.

Note 17 - Subsequent Events

The County has evaluated subsequent events through June 24, 2025, the date the financial statements were available to be issued. Management is not aware of any subsequent events that would have an impact on the County's financial position.

REQUIRED SUPPLEMENTARY INFORMATION

Allegan County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Consolidated General Fund
For the Year Ended December 31, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
Revenues				
Taxes	\$ 35,248,474	\$ 35,248,474	\$ 36,856,553	\$ 1,608,079
Licenses and permits	56,050	56,050	50,180	(5,870)
Intergovernmental revenues - federal	106,000	108,100	114,599	6,499
Intergovernmental revenues - state	2,657,731	2,740,721	3,195,036	454,315
Charges for services	4,958,505	5,334,216	5,014,345	(319,871)
Fines and forfeitures	6,500	6,500	6,500	--
Interest and rentals	391,400	391,400	1,166,077	774,677
Other revenues	2,827,684	2,891,184	2,950,609	59,425
Total Revenues	<u>46,252,344</u>	<u>46,624,034</u>	<u>49,353,899</u>	<u>2,729,865</u>
Other Financing Sources				
Proceeds from SBITA Issuance	--	--	570,386	570,386
Transfers in	108,156	1,296,821	1,142,014	(154,807)
Total Revenues and Other Financing Sources	<u>46,360,500</u>	<u>48,073,466</u>	<u>51,066,299</u>	<u>2,992,833</u>
Expenditures				
Judicial				
Circuit court	1,020,372	1,020,883	891,143	129,740
District court	1,870,861	1,874,368	1,827,337	47,031
Probate court	681,474	683,309	658,051	25,258
Family Court Judicial	777,827	778,167	684,085	94,082
Probation - district court	501,876	501,876	477,962	23,914
Family counseling services	33,387	33,387	13,200	20,187
Restitution	500,000	500,000	277,526	222,474
Prosecuting attorney	2,126,357	2,116,633	1,972,301	144,332
Total Judicial	<u>7,512,154</u>	<u>7,508,623</u>	<u>6,801,605</u>	<u>707,018</u>
General Government				
Board of commissioners	990,604	890,604	353,895	536,709
Administration department	589,955	608,828	570,519	38,309
Elections	406,246	760,657	752,084	8,573
Finance department	507,360	507,360	499,723	7,637
Records management	114,667	114,667	114,661	6
Auditing services	57,000	57,000	52,000	5,000
Board of review	1,046	1,046	--	1,046
Clerk	886,634	886,634	785,258	101,376
Mail and copy services	253,581	253,581	243,337	10,244
Dumont lake complex	167,626	167,626	142,213	25,413
Equalization	631,528	631,528	620,076	11,452
Information technology	2,174,707	2,218,459	2,771,250	(552,791)
County survey and remonumentation	100,000	86,990	86,990	--
Treasurer	727,714	730,588	654,402	76,186
Land information services	175,471	175,471	162,523	12,948
Facilities management	3,749,621	3,745,415	3,553,498	191,917
Total General Government	<u>\$ 11,533,760</u>	<u>\$ 11,836,454</u>	<u>\$ 11,362,429</u>	<u>\$ 474,025</u>

Allegan County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
Consolidated General Fund
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative) Final to Actual
Expenditures (continued from previous page)				
Public Safety				
Sheriffs department	\$ 5,894,514	\$ 6,154,332	\$ 5,953,986	\$ 200,346
WEMET sheriffs department	115,256	122,070	100,713	21,357
Enforcement/secondary road patrol	376,128	388,194	347,302	40,892
Reserves	82,094	82,094	41,185	40,909
Detective bureau	953,749	990,400	989,983	417
Courthouse security	397,300	398,380	309,801	88,579
Marine law enforcement	187,199	232,298	231,906	392
Jail	4,227,799	4,231,482	4,038,878	192,604
Inmate programs	1,558,044	1,558,452	1,431,334	127,118
Emergency management	140,813	140,813	140,643	170
L.E.P.C	112,781	114,881	87,656	27,225
Animal shelter	182,751	182,751	182,670	81
Livestock claims	2,050	2,050	460	1,590
Total Public Safety	<u>14,230,478</u>	<u>14,598,197</u>	<u>13,856,517</u>	<u>741,680</u>
Public Works				
Department of public works	16,877	16,877	13,903	2,974
Drains - public benefit	100,000	100,000	43,118	56,882
Total Public Works	<u>116,877</u>	<u>116,877</u>	<u>57,021</u>	<u>59,856</u>
Health and Welfare				
Communicable diseases	7,500	7,500	500	7,000
Medical examiner	281,000	281,000	222,763	58,237
Veterans services	178,121	178,121	173,674	4,447
Mental Health	346,095	346,095	346,095	--
Child care welfare	3,668	3,668	1,217	2,451
Total Health and Welfare	<u>816,384</u>	<u>816,384</u>	<u>744,249</u>	<u>72,135</u>
Community and Economic Development				
Register of deeds	396,718	396,718	373,814	22,904
Cooperative extension	107,063	107,063	107,063	--
Plat board	386,708	499,203	432,132	67,071
Economic development	86,189	86,189	85,032	1,157
Total Community and Economic Development	<u>976,678</u>	<u>1,089,173</u>	<u>998,041</u>	<u>91,132</u>
Other				
Employees other fringe benefits	517,446	337,020	18,864	318,156
Insurance and bonds	415,000	415,000	415,000	--
Total Other	<u>932,446</u>	<u>752,020</u>	<u>433,864</u>	<u>318,156</u>
Debt Service				
	--	181,331	166,275	15,056
Total Expenditures	<u>36,118,777</u>	<u>36,565,117</u>	<u>34,253,726</u>	<u>2,311,391</u>
Other Financing Uses				
Transfers out	10,418,425	16,956,103	17,946,133	(990,030)
Total Expenditures and Other Financing Uses	<u>46,537,202</u>	<u>53,521,220</u>	<u>52,199,859</u>	<u>1,321,361</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses				
	(176,702)	(5,600,365)	(1,133,560)	4,466,805
Net Change in Fund Balance	<u>(176,702)</u>	<u>(5,600,365)</u>	<u>(1,133,560)</u>	<u>4,466,805</u>
<i>Fund Balance at Beginning of Period</i>	19,476,775	19,476,775	19,476,775	--
Fund Balance at End of Period	<u>\$ 19,300,073</u>	<u>\$ 13,876,410</u>	<u>\$ 18,343,215</u>	<u>\$ 4,466,805</u>

Allegan County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
259 Unfunded Accrued Liability
For the Year Ended December 31, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Positive (Negative) Final to Actual
Revenues				
Intergovernmental revenues - state	\$ 1,198,491	\$ 1,198,491	\$ 1,106,776	\$ (91,715)
Total Revenues	<u>1,198,491</u>	<u>1,198,491</u>	<u>1,106,776</u>	<u>(91,715)</u>
Other Financing Sources				
Transfers in	2,400,000	6,988,113	8,835,467	1,847,354
Total Revenues and Other Financing Sources	<u>3,598,491</u>	<u>8,186,604</u>	<u>9,942,243</u>	<u>1,755,639</u>
Expenditures				
Total Expenditures	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Other Financing Uses				
Transfers out	--	7,115,352	7,115,352	--
Total Expenditures and Other Financing Uses	<u>--</u>	<u>7,115,352</u>	<u>7,115,352</u>	<u>--</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>3,598,491</u>	<u>1,071,252</u>	<u>2,826,891</u>	<u>1,755,639</u>
Net Change in Fund Balance	<u>3,598,491</u>	<u>1,071,252</u>	<u>2,826,891</u>	<u>1,755,639</u>
<i>Fund Balance at Beginning of Period</i>	10,060,524	10,060,524	10,060,524	--
Fund Balance at End of Period	<u>\$ 13,659,015</u>	<u>\$ 11,131,776</u>	<u>\$ 12,887,415</u>	<u>\$ 1,755,639</u>

Allegan County
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual
299 American Rescue Plan Act - ARPA
For the Year Ended December 31, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Positive (Negative) Final to Actual
Revenues				
Intergovernmental revenues - federal	\$ --	\$ 18,308,951	\$ 6,676,411	\$ (11,632,540)
Interest and rentals	--	--	1,146,441	1,146,441
Total Revenues	<u>--</u>	<u>18,308,951</u>	<u>7,822,852</u>	<u>(10,486,099)</u>
Expenditures				
Public works	2,268	18,311,219	6,676,410	11,634,809
Total Expenditures	<u>2,268</u>	<u>18,311,219</u>	<u>6,676,410</u>	<u>11,634,809</u>
Excess (Deficiency) of Revenues				
Over Expenditures	<u>(2,268)</u>	<u>(2,268)</u>	<u>1,146,442</u>	<u>1,148,710</u>
Net Change in Fund Balance	<u>(2,268)</u>	<u>(2,268)</u>	<u>1,146,442</u>	<u>1,148,710</u>
<i>Fund Balance at Beginning of Period</i>	1,190,628	1,190,628	1,190,628	--
Fund Balance at End of Period	<u>\$ 1,188,360</u>	<u>\$ 1,188,360</u>	<u>\$ 2,337,070</u>	<u>\$ 1,148,710</u>

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service cost	\$ 322,476	\$ 383,910	\$ 397,012	\$ 387,131	\$ 547,472	\$ 563,239	\$ 566,872	\$ 575,360	\$ 630,413	\$ 630,185
Interest on total pension liability	5,393,067	5,298,569	5,287,415	5,061,448	5,302,851	5,176,056	5,158,817	5,101,578	4,873,458	4,758,873
Differences between expected and actual experience	861,601	982,034	248,542	(149,467)	632,920	355,330	(1,088,250)	(633,978)	331,814	-
Changes in assumptions **	565,456	-	2,687,085	2,581,598	2,424,842	-	-	-	3,070,911	-
Changes in benefits	-	-	-	-	(3,824,839)	-	-	-	-	-
Benefit payments, including refunds	(5,420,569)	(5,187,574)	(4,979,744)	(4,823,184)	(4,558,315)	(4,445,235)	(4,395,034)	(4,251,411)	(4,111,028)	(3,889,485)
Other changes	-	-	-	-	-	-	2,160,970	-	(351)	-
Net Change in Pension Liability	1,722,031	1,476,939	3,640,310	3,057,526	524,931	1,649,390	2,403,375	791,549	4,795,217	1,499,573
Total Pension Liability - Beginning	76,990,798	75,513,859	71,873,549	68,816,023	68,291,092	66,641,702	64,238,327	63,446,778	58,651,561	57,151,988
Total Pension Liability - Ending (a)	\$ 78,712,829	\$ 76,990,798	\$ 75,513,859	\$ 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	\$ 768,632	\$ 8,154,779	\$ 829,944	\$ 556,320	\$ 587,231	\$ 392,628	\$ 6,727,018	\$ 368,383	\$ 338,220	\$ 19,657,679
Contributions - employee	198,454	219,423	240,036	253,603	297,326	281,627	281,302	314,894	323,859	331,471
Net investment income (loss)	7,472,839	(7,603,087)	9,426,334	7,820,652	8,042,589	(2,507,442)	7,736,509	6,026,562	(846,351)	2,512,269
Benefit payments, including refunds	(5,420,569)	(5,187,574)	(4,979,744)	(4,823,184)	(4,558,315)	(4,445,235)	(4,395,034)	(4,251,411)	(4,111,028)	(3,889,485)
Administrative expenses	(158,907)	(133,358)	(108,138)	(127,206)	(138,479)	(127,060)	(298,081)	(119,106)	(125,827)	(92,867)
Other changes/transfers	-	-	-	-	-	(79,216)	176,601	-	-	655,392
Net Change in Plan Fiduciary Net Position	2,860,449	(4,549,817)	5,408,432	3,680,185	4,230,352	(6,484,698)	10,228,315	2,339,322	(4,421,127)	19,174,459
Plan Fiduciary Net Position - Beginning	69,104,536	73,654,353	68,245,921	64,565,736	60,335,384	66,820,082	56,591,767	54,252,445	58,673,572	39,499,113
Plan Fiduciary Net Position - Ending (b)	\$ 71,964,985	\$ 69,104,536	\$ 73,654,353	\$ 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)	\$ 6,747,844	\$ 7,886,262	\$ 1,859,506	\$ 3,627,628	\$ 4,250,287	\$ 7,955,708	\$ (178,380)	\$ 7,646,560	\$ 9,194,333	\$ (22,011)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	91.4%	89.8%	97.5%	95.0%	93.8%	88.4%	100.3%	88.1%	85.5%	100.0%
Covered Payroll	\$ 2,507,143	\$ 2,879,961	\$ 3,177,470	\$ 3,228,732	\$ 3,726,380	\$ 3,854,768	\$ 3,936,371	\$ 4,073,529	4,606,328	4,648,412
Net Pension Liability (Asset) as a Percentage of Covered Payroll	269.1%	273.8%	58.5%	112.4%	114.1%	206.4%	-4.5%	187.7%	199.6%	-0.5%

Notes to the Schedule:

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

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

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

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

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

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

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

2023 valuation - The investment rate of return assumption was reduced from 7.00% to 6.93%.

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 252,408	\$ 767,192	\$ 1,114,924	\$ 829,944	\$ 556,320	\$ 583,429	\$ 392,628	\$ 910,448	\$ 378,583	\$ 338,220
Contributions in Relation to the Actuarially Determined Contribution	252,408	767,192	8,154,778	829,944	556,320	591,556	392,628	6,727,018	378,583	338,220
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,039,854)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (8,127)</u>	<u>\$ -</u>	<u>\$ (5,816,570)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 2,608,885	\$ 2,931,466	\$ 2,879,961	\$ 3,177,470	\$ 3,228,732	\$ 3,726,380	\$ 3,854,768	\$ 3,936,371	\$ 4,073,529	\$ 4,606,328
Contributions as a Percentage of Covered Payroll	9.7%	26.2%	283.2%	26.1%	17.2%	15.9%	10.2%	170.9%	9.3%	7.3%

Notes to the Schedule:

Valuation Date: December 31, 2023

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

Methods and Assumptions Used to Determine Contribution Rates

Actuarial cost method	Entry-age normal
Amortization method	Level percentage of pay, closed
Remaining amortization period	1 - 10 Years, division specific
Asset valuation method	5 year smoothed
Inflation	2.50%
Salary increases	3.00%, including inflation
Investment rate of return	6.93%
Retirement age	Experience-Based Tables of Rates that are Specific to the Type of Eligibility Condition
Mortality	Rates Used were Based on the Pub-2010 Group Annuity Mortality Table of a 50% Male and 50% Female Blend

OTHER SUPPLEMENTARY INFORMATION

**Allegan County
General Fund Combining Balance Sheet
All Funds Treated as General
December 31, 2024**

	<u>101 General</u>	<u>102 Budget Stabilization Fund</u>	<u>252 Sick & Vacation Liability</u>	<u>269 Law Library</u>	<u>211 Grant Administration</u>
ASSETS					
Cash and pooled investments	\$ 8,992,517	\$ 5,721,847	\$ 1,290,251	\$ 115,248	\$ 24,647
Accounts receivable	380,996	--	--	--	--
Leases receivable	1,597,750	--	--	--	--
Property taxes receivable	2,927,668	--	--	--	--
Due from other governments	1,612,027	--	--	--	--
Prepays	120,376	--	--	--	--
Due from other funds	31,000	--	--	--	--
Advance to component unit	1,809,782	--	--	--	--
Total Assets	\$ 17,472,116	\$ 5,721,847	\$ 1,290,251	\$ 115,248	\$ 24,647
LIABILITIES					
Accounts payable	\$ 581,664	\$ --	\$ --	\$ 2,172	\$ --
Accrued payroll	832,079	--	--	--	--
Bonds payable	--	--	--	--	--
Accrued liabilities	750	--	--	--	--
Total Liabilities	1,414,493	--	--	2,172	--
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	2,360,349	--	--	--	--
Deferred leases revenue	1,427,853	--	--	--	--
Deferred settlement revenue	1,347,483	--	--	--	--
Total Liabilities and Deferred Inflows of Resources	6,550,178	--	--	2,172	--
FUND BALANCE					
Nonspendable	1,930,158	--	--	--	--
Committed	--	5,721,847	--	--	--
Assigned	--	--	--	113,076	24,647
Unassigned	8,991,780	--	1,290,251	--	--
Total Fund Balance	10,921,938	5,721,847	1,290,251	113,076	24,647
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 17,472,116	\$ 5,721,847	\$ 1,290,251	\$ 115,248	\$ 24,647

Allegan County
General Fund Combining Balance Sheet
All Funds Treated as General
December 31, 2024

	290 Child Care Welfare	273 Technology Fund	108 GASB 84 Fund	Total General Funds
ASSETS				
Cash and pooled investments	\$ 6,144	\$ 174,346	\$ 1,306,986	\$ 17,631,986
Accounts receivable	--	17,358	--	398,354
Leases receivable	--	--	--	1,597,750
Property taxes receivable	--	--	--	2,927,668
Due from other governments	--	--	--	1,612,027
Prepays	--	--	--	120,376
Due from other funds	--	--	--	31,000
Advance to component unit	--	--	--	1,809,782
Total Assets	\$ 6,144	\$ 191,704	\$ 1,306,986	\$ 26,128,943
LIABILITIES				
Accounts payable	\$ --	\$ --	\$ --	\$ 583,836
Accrued payroll	--	--	--	832,079
Bonds payable	--	--	133,905	133,905
Accrued liabilities	133	1,930	1,097,410	1,100,223
Total Liabilities	133	1,930	1,231,315	2,650,043
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	--	--	--	2,360,349
Deferred leases revenue	--	--	--	1,427,853
Deferred settlement revenue	--	--	--	1,347,483
Total Liabilities and Deferred Inflows of Resources	133	1,930	1,231,315	7,785,728
FUND BALANCE				
Nonspendable	--	--	--	1,930,158
Committed	--	--	--	5,721,847
Assigned	6,011	189,774	--	333,508
Unassigned	--	--	75,671	10,357,702
Total Fund Balance	6,011	189,774	75,671	18,343,215
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 6,144	\$ 191,704	\$ 1,306,986	\$ 26,128,943

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, 2024

	<u>101 General</u>	<u>102 Budget Stabilization Fund</u>	<u>252 Sick & Vacation Liability</u>	<u>269 Law Library</u>	<u>211 Grant Administration</u>
Revenues					
Taxes	\$ 36,856,553	\$ --	\$ --	\$ --	\$ --
Licenses and permits	50,180	--	--	--	--
Intergovernmental revenues - federal	114,599	--	--	--	--
Intergovernmental revenues - state	3,195,036	--	--	--	--
Charges for services	4,744,265	--	--	--	--
Fines and forfeitures	--	--	--	6,500	--
Interest and rentals	1,163,181	--	--	2,379	517
Other revenues	2,874,654	--	--	--	--
Total Revenues	<u>48,998,468</u>	<u>--</u>	<u>--</u>	<u>8,879</u>	<u>517</u>
Expenditures					
Judicial	6,496,509	--	--	27,622	--
General government	11,134,041	--	--	--	--
Public safety	13,856,517	--	--	--	--
Public works	57,021	--	--	--	--
Health and welfare	743,032	--	--	--	--
Community and economic development	998,041	--	--	--	--
Other	433,864	--	--	--	--
Debt service - principal	120,591	--	--	--	--
Debt service - interest	45,684	--	--	--	--
Total Expenditures	<u>33,885,300</u>	<u>--</u>	<u>--</u>	<u>27,622</u>	<u>--</u>
Excess of Revenues Over (Under) Expenditures	<u>15,113,168</u>	<u>--</u>	<u>--</u>	<u>(18,743)</u>	<u>517</u>
Other Financing Sources (Uses)					
Inception of SBITA	570,386	--	--	--	--
Transfers in	980,384	396,954	546,166	26,617	--
Transfers out	(18,331,860)	--	(453,919)	--	--
Net Other Financing Sources (Uses)	<u>(16,781,090)</u>	<u>396,954</u>	<u>92,247</u>	<u>26,617</u>	<u>--</u>
Net Change in Fund Balance	<u>(1,667,922)</u>	<u>396,954</u>	<u>92,247</u>	<u>7,874</u>	<u>517</u>
Fund Balance at Beginning of Period	12,589,860	5,324,893	1,198,004	105,202	24,130
Fund Balance at End of Period	<u>\$ 10,921,938</u>	<u>\$ 5,721,847</u>	<u>\$ 1,290,251</u>	<u>\$ 113,076</u>	<u>\$ 24,647</u>

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, 2024

	290 Child Care Welfare	Elimination	273 Technology Fund	108 GASB 84 Fund	Total General Funds
Revenues					
Taxes	\$ --	\$ --	\$ --	\$ --	\$ 36,856,553
Licenses and permits	--	--	--	--	50,180
Intergovernmental revenues - federal	--	--	--	--	114,599
Intergovernmental revenues - state	--	--	--	--	3,195,036
Charges for services	--	--	--	270,080	5,014,345
Fines and forfeitures	--	--	--	--	6,500
Interest and rentals	--	--	--	--	1,166,077
Other revenues	--	--	75,955	--	2,950,609
Total Revenues	--	--	75,955	270,080	49,353,899
Expenditures					
Judicial	--	--	--	277,526	6,801,657
General government	--	--	62,061	--	11,196,102
Public safety	--	--	--	--	13,856,517
Public works	--	--	--	--	57,021
Health and welfare	1,217	--	--	--	744,249
Community and economic development	--	--	--	--	998,041
Other	--	--	--	--	433,864
Debt service - principal	--	--	--	--	120,591
Debt service - interest	--	--	--	--	45,684
Total Expenditures	1,217	--	62,061	277,526	34,253,726
Excess of Revenues Over (Under) Expenditures	(1,217)	--	13,894	(7,446)	15,100,173
Other Financing Sources (Uses)					
Inception of SBITA	--	--	--	--	570,386
Transfers in	1,500	(839,646)	30,039	--	1,142,014
Transfers out	--	839,646	--	--	(17,946,133)
Net Other Financing Sources (Uses)	1,500	--	30,039	--	(16,233,733)
Net Change in Fund Balance	283	--	43,933	(7,446)	(1,133,560)
Fund Balance at Beginning of Period	5,728	--	145,841	83,117	19,476,775
Fund Balance at End of Period	\$ 6,011	\$ --	\$ 189,774	\$ 75,671	\$ 18,343,215

**Allegan County
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2024**

	Special Revenue					
	208 Parks & Recreation Fund	213/261/496 Central Dispatch E911 Fund	215/216 Friend of the Court	288 Transportation	104 Local Revenue Sharing	298 Senior Millage
ASSETS						
Cash and pooled investments	\$ 292,608	\$ 6,225,781	\$ 1,581,248	\$ 1,442,953	\$ 295	\$ 2,378,916
Accounts receivable	--	955,000	--	22,610	92,143	7,684
Property taxes receivable	--	--	--	--	--	3,244,628
Due from other governments	--	73,766	309,428	334,371	--	65,507
Inventory	--	--	--	--	--	--
Prepays	--	41,384	--	2,089	--	3,194
Total Assets	\$ 292,608	\$ 7,295,931	\$ 1,890,676	\$ 1,802,023	\$ 92,438	\$ 5,699,929
LIABILITIES						
Accounts payable	\$ 3,405	\$ 72,460	\$ 2,757	\$ 161,079	\$ --	\$ 203,939
Accrued payroll	5,689	--	--	--	--	--
Accrued liabilities	--	56,148	44,777	10,324	--	6,690
Due to other governments	--	--	950	--	--	--
Unearned revenue	--	--	--	--	--	--
Due to other funds	--	--	--	--	1,000	--
Total Liabilities	9,094	128,608	48,484	171,403	1,000	210,629
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	--	--	--	--	--	--
Revenues intended to finance a subsequent year	--	--	--	--	--	3,371,187
Total Liabilities and Deferred Inflows of Resources	9,094	128,608	48,484	171,403	1,000	3,581,816
FUND BALANCE						
Nonspendable	--	41,384	--	2,089	--	3,194
Restricted	283,514	7,125,939	1,842,192	1,628,531	--	2,114,919
Committed	--	--	--	--	91,438	--
Unassigned	--	--	--	--	--	--
Total Fund Balance	283,514	7,167,323	1,842,192	1,630,620	91,438	2,118,113
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 292,608	\$ 7,295,931	\$ 1,890,676	\$ 1,802,023	\$ 92,438	\$ 5,699,929

**Allegan County
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2024**

	Special Revenue					264/266 Law
	221 Health	254 Animal Shelter	256 Register of Deeds Automation	265/272 Drug Law Enforcement	293 Soldiers Relief	Enforcement Training
ASSETS						
Cash and pooled investments	\$ 1,918,007	\$ 284,642	\$ 1,016,782	\$ 123,661	\$ 73,585	\$ 53,975
Accounts receivable	--	--	--	--	314	--
Property taxes receivable	--	--	--	--	--	--
Due from other governments	150,386	--	--	--	30,701	--
Inventory	23,366	--	--	--	--	--
Prepays	22,650	--	--	--	9,450	--
Total Assets	\$ 2,114,409	\$ 284,642	\$ 1,016,782	\$ 123,661	\$ 114,050	\$ 53,975
LIABILITIES						
Accounts payable	\$ 30,533	\$ 18,117	\$ 1,653	\$ --	\$ 2,472	\$ 1,129
Accrued payroll	--	--	--	--	--	--
Accrued liabilities	101,604	16,661	--	--	1,471	--
Due to other governments	294,468	--	--	--	--	--
Unearned revenue	236,704	143,841	--	--	--	--
Due to other funds	--	--	--	--	--	--
Total Liabilities	663,309	178,619	1,653	--	3,943	1,129
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	--	--	--	--	--	--
Revenues intended to finance a subsequent year	--	--	--	--	--	--
Total Liabilities and Deferred Inflows of Resources	663,309	178,619	1,653	--	3,943	1,129
FUND BALANCE						
Nonspendable	46,016	--	--	--	9,450	--
Restricted	1,405,084	--	1,015,129	123,661	--	52,846
Committed	--	106,023	--	--	100,657	--
Unassigned	--	--	--	--	--	--
Total Fund Balance	1,451,100	106,023	1,015,129	123,661	110,107	52,846
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 2,114,409	\$ 284,642	\$ 1,016,782	\$ 123,661	\$ 114,050	\$ 53,975

**Allegan County
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2024**

	Special Revenue					
	277 Housing Assistance	279/280 State and Federal Grants	286/287 Law Enforcement Road Patrol	214 Social Welfare	292 Child Care Probate	218 Farmland Preservation
ASSETS						
Cash and pooled investments	\$ 160,480	\$ 244,616	\$ 9,912	\$ 29,955	\$ 254,178	\$ 238
Accounts receivable	--	59,062	--	--	--	--
Property taxes receivable	--	--	--	--	--	--
Due from other governments	--	55,173	183,850	--	936,735	--
Inventory	--	--	--	--	--	--
Prepays	--	--	--	--	--	--
Total Assets	\$ 160,480	\$ 358,851	\$ 193,762	\$ 29,955	\$ 1,190,913	\$ 238
LIABILITIES						
Accounts payable	\$ --	\$ 20,971	\$ 11,688	\$ --	\$ 87,100	\$ --
Accrued payroll	--	--	--	--	--	--
Accrued liabilities	--	10,907	64,559	--	130,939	--
Due to other governments	--	--	--	--	--	--
Unearned revenue	--	25,000	--	--	--	--
Due to other funds	--	30,000	--	--	--	--
Total Liabilities	--	86,878	76,247	--	218,039	--
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	--	--	--	--	--	--
Revenues intended to finance a subsequent year	--	--	--	--	--	--
Total Liabilities and Deferred Inflows of Resources	--	86,878	76,247	--	218,039	--
FUND BALANCE						
Nonspendable	--	--	--	--	--	--
Restricted	160,480	271,973	117,515	--	--	--
Committed	--	--	--	29,955	972,874	238
Unassigned	--	--	--	--	--	--
Total Fund Balance	160,480	271,973	117,515	29,955	972,874	238
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 160,480	\$ 358,851	\$ 193,762	\$ 29,955	\$ 1,190,913	\$ 238

**Allegan County
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2024**

	Special Revenue					
	296 Fitness Center	263 Concealed Pistol Licensing	245 Multi Agency Collaborative Committee	226 Solid Waste	260 Indigent Defense	284 Opioid Settlement
ASSETS						
Cash and pooled investments	\$ 65,837	\$ 341,154	\$ 19,459	\$ 593,173	\$ 1,910,480	\$ 789,059
Accounts receivable	--	--	--	--	--	1,691,250
Property taxes receivable	--	--	--	--	--	--
Due from other governments	--	--	--	58,975	--	--
Inventory	--	--	--	--	--	--
Prepays	--	--	--	1,051	--	--
Total Assets	\$ 65,837	\$ 341,154	\$ 19,459	\$ 653,199	\$ 1,910,480	\$ 2,480,309
LIABILITIES						
Accounts payable	\$ 1,778	\$ --	\$ --	\$ 115,778	\$ 263,903	\$ --
Accrued payroll	--	--	--	--	--	--
Accrued liabilities	--	1,746	--	--	36,857	--
Due to other governments	--	--	--	--	--	--
Unearned revenue	--	--	--	67,670	1,415,682	--
Due to other funds	--	--	--	--	--	--
Total Liabilities	1,778	1,746	--	183,448	1,716,442	--
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	--	--	--	--	--	2,142,190
Revenues intended to finance a subsequent year	--	--	--	--	--	--
Total Liabilities and Deferred Inflows of Resources	1,778	1,746	--	183,448	1,716,442	2,142,190
FUND BALANCE						
Nonspendable	--	--	--	1,051	--	--
Restricted	--	339,408	--	468,700	194,038	338,119
Committed	64,059	--	19,459	--	--	--
Unassigned	--	--	--	--	--	--
Total Fund Balance	64,059	339,408	19,459	469,751	194,038	338,119
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 65,837	\$ 341,154	\$ 19,459	\$ 653,199	\$ 1,910,480	\$ 2,480,309

**Allegan County
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2024**

	Special Revenue		Debt Service			Capital Projects			Total Nonmajor Governmental Funds
	217 MCOLES CPE	257 Palisades Emergency Planning	367 Radio Debt	368 Pension Defined Benefit Debt	366 Jail Construction Bonds	492 Youth Home CIP	401 Public Improvement Fund	497 Parks And Recreation	
ASSETS									
Cash and pooled investments	\$ 112,500	\$ 84,128	\$ --	\$ 261,425	\$ 1	\$ 1,879,212	\$ 6,504,650	\$ 12,254	\$ 28,665,164
Accounts receivable	--	--	--	--	--	--	269,500	--	3,097,563
Property taxes receivable	--	--	--	--	--	--	--	--	3,244,628
Due from other governments	--	--	--	--	--	--	--	--	2,198,892
Inventory	--	--	--	--	--	--	--	--	23,366
Prepays	--	--	--	--	--	--	--	--	79,818
Total Assets	\$ 112,500	\$ 84,128	\$ --	\$ 261,425	\$ 1	\$ 1,879,212	\$ 6,774,150	\$ 12,254	\$ 37,309,431
LIABILITIES									
Accounts payable	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 196,519	\$ 1,224,522	\$ --	\$ 2,419,803
Accrued payroll	--	--	--	--	--	--	--	--	5,689
Accrued liabilities	--	--	--	--	--	--	--	--	482,683
Due to other governments	--	--	--	--	--	--	--	--	295,418
Unearned revenue	75,000	--	--	--	--	--	--	--	1,963,897
Due to other funds	--	--	--	--	--	--	3,160,000	--	3,191,000
Total Liabilities	75,000	--	--	--	--	196,519	4,384,522	--	8,358,490
DEFERRED INFLOWS OF RESOURCES									
Unavailable revenue	--	--	--	--	--	--	--	--	2,142,190
Revenues intended to finance a subsequent year	--	--	--	--	--	--	--	--	3,371,187
Total Liabilities and Deferred Inflows of Resources	75,000	--	--	--	--	196,519	4,384,522	--	13,871,867
FUND BALANCE									
Nonspendable	--	--	--	--	--	--	--	--	103,184
Restricted	37,500	84,128	--	261,425	1	--	--	--	17,865,102
Committed	--	--	--	--	--	1,682,693	2,389,628	12,254	5,469,278
Unassigned	--	--	--	--	--	--	--	--	--
Total Fund Balance	37,500	84,128	--	261,425	1	1,682,693	2,389,628	12,254	23,437,564
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 112,500	\$ 84,128	\$ --	\$ 261,425	\$ 1	\$ 1,879,212	\$ 6,774,150	\$ 12,254	\$ 37,309,431

Allegan County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2024

	Special Revenue					
	208 Parks & Recreation Fund	213/261/496 Central Dispatch E911 Fund	215/216 Friend of the Court	288 Transportation	104 Local Revenue Sharing	298 Senior Millage
Revenues						
Taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 3,166,023
Licenses and permits	--	--	--	--	--	--
Intergovernmental revenues - federal	--	--	1,166,392	684,894	--	--
Intergovernmental revenues - state	--	--	126,912	1,056,629	--	163,888
Intergovernmental revenues - local	--	--	--	--	375,451	--
Charges for services	137,720	4,099,571	40,070	297,000	--	--
Fines and forfeitures	322	--	59,119	--	--	--
Interest and rentals	21,029	89,727	33,371	36,947	--	70,200
Other revenues	2,000	8,213	9,320	--	--	9,475
Total Revenues	161,071	4,197,511	1,435,184	2,075,470	375,451	3,409,586
Expenditures						
Judicial	--	--	1,866,615	--	--	--
General government	--	--	--	--	--	--
Public safety	--	2,951,265	--	--	--	--
Public works	--	--	--	2,957,631	--	--
Health and welfare	--	--	--	--	--	2,897,655
Recreation and cultural	479,386	--	--	--	--	--
Community and economic development	--	--	--	--	--	--
Capital outlay	--	--	--	--	--	--
Debt service - principal	5,507	19,435	--	74,679	--	--
Debt service - interest	21,997	14,223	--	14,476	--	--
Total Expenditures	506,890	2,984,923	1,866,615	3,046,786	--	2,897,655
Excess of Revenues Over (Under) Expenditures	(345,819)	1,212,588	(431,431)	(971,316)	375,451	511,931
Other Financing Sources (Uses)						
Inception of SBITA	--	--	--	282,648	--	--
Transfers in	403,965	--	650,517	872,759	--	--
Transfers out	--	(473,374)	--	--	(403,965)	--
Net Other Financing Sources (Uses)	403,965	(473,374)	650,517	1,155,407	(403,965)	--
Net Change in Fund Balance	58,146	739,214	219,086	184,091	(28,514)	511,931
<i>Fund Balance at Beginning of Period</i>	225,368	6,428,109	1,623,106	1,446,529	119,952	1,606,182
Fund Balance at End of Period	\$ 283,514	\$ 7,167,323	\$ 1,842,192	\$ 1,630,620	\$ 91,438	\$ 2,118,113

Allegan County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2024

	Special Revenue					264/266 Law
	221 Health	254 Animal Shelter	256 Register of Deeds Automation	265/272 Drug Law Enforcement	293 Soldiers Relief	Enforcement Training
Revenues						
Taxes	\$ --	\$ --	\$ --	\$ --	\$ 139,244	\$ --
Licenses and permits	917,121	--	--	--	--	--
Intergovernmental revenues - federal	816,965	--	--	--	--	--
Intergovernmental revenues - state	1,824,846	--	--	--	92,162	27,067
Intergovernmental revenues - local	--	--	--	--	--	--
Charges for services	135,360	88,615	96,515	--	--	18,839
Fines and forfeitures	--	--	--	2,168	--	--
Interest and rentals	52,574	--	20,906	2,588	230	1,109
Other revenues	256,072	10,387	260	--	70	--
Total Revenues	4,002,938	99,002	117,681	4,756	231,706	47,015
Expenditures						
Judicial	--	--	--	--	--	--
General government	--	--	48,952	--	--	--
Public safety	--	634,425	--	--	--	54,243
Public works	--	--	--	--	--	--
Health and welfare	4,404,049	--	--	--	225,693	--
Recreation and cultural	--	--	--	--	--	--
Community and economic development	--	--	--	--	--	--
Capital outlay	--	--	--	--	--	--
Debt service - principal	--	--	--	--	--	--
Debt service - interest	--	--	--	--	--	--
Total Expenditures	4,404,049	634,425	48,952	--	225,693	54,243
Excess of Revenues Over (Under) Expenditures	(401,111)	(535,423)	68,729	4,756	6,013	(7,228)
Other Financing Sources (Uses)						
Inception of SBITA	--	--	--	--	--	--
Transfers in	1,198,116	600,087	--	--	--	--
Transfers out	(545,848)	--	--	--	--	--
Net Other Financing Sources (Uses)	652,268	600,087	--	--	--	--
Net Change in Fund Balance	251,157	64,664	68,729	4,756	6,013	(7,228)
<i>Fund Balance at Beginning of Period</i>	1,199,943	41,359	946,400	118,905	104,094	60,074
Fund Balance at End of Period	\$ 1,451,100	\$ 106,023	\$ 1,015,129	\$ 123,661	\$ 110,107	\$ 52,846

Allegan County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2024

	Special Revenue					
	277 Housing Assistance	279/280 State and Federal Grants	286/287 Law Enforcement Road Patrol	214 Social Welfare	292 Child Care Probate	218 Farmland Preservation
Revenues						
Taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Licenses and permits	--	--	--	--	--	--
Intergovernmental revenues - federal	--	120,608	--	--	49,893	--
Intergovernmental revenues - state	--	451,334	--	--	3,375,178	--
Intergovernmental revenues - local	--	--	1,783,491	--	--	--
Charges for services	24,705	17,179	--	--	188,891	--
Fines and forfeitures	--	--	--	--	--	--
Interest and rentals	3,204	--	--	--	--	--
Other revenues	--	28,253	--	--	3,202	--
Total Revenues	27,909	617,374	1,783,491	--	3,617,164	--
Expenditures						
Judicial	--	3,111	--	--	--	--
General government	--	--	--	--	--	--
Public safety	--	646,473	2,457,811	--	--	--
Public works	--	--	--	--	--	--
Health and welfare	--	--	--	--	5,893,752	--
Recreation and cultural	--	--	--	--	--	--
Community and economic development	3,258	--	--	--	--	--
Capital outlay	--	--	--	--	--	--
Debt service - principal	--	--	--	--	--	--
Debt service - interest	--	--	--	--	--	--
Total Expenditures	3,258	649,584	2,457,811	--	5,893,752	--
Excess of Revenues Over (Under) Expenditures	24,651	(32,210)	(674,320)	--	(2,276,588)	--
Other Financing Sources (Uses)						
Inception of SBITA	--	--	--	--	--	--
Transfers in	--	34,182	561,411	--	2,943,067	--
Transfers out	--	--	--	--	(670,261)	--
Net Other Financing Sources (Uses)	--	34,182	561,411	--	2,272,806	--
Net Change in Fund Balance	24,651	1,972	(112,909)	--	(3,782)	--
<i>Fund Balance at Beginning of Period</i>	135,829	270,001	230,424	29,955	976,656	238
Fund Balance at End of Period	\$ 160,480	\$ 271,973	\$ 117,515	\$ 29,955	\$ 972,874	\$ 238

Allegan County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2024

	Special Revenue					
	296 Fitness Center	263 Concealed Pistol Licensing	245 Multi Agency Collaborative Committee	226 Solid Waste	260 Indigent Defense	284 Opioid Settlement
Revenues						
Taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Licenses and permits	--	78,545	--	--	--	--
Intergovernmental revenues - federal	--	--	--	--	--	--
Intergovernmental revenues - state	--	--	--	--	3,745,849	--
Intergovernmental revenues - local	--	--	--	--	--	--
Charges for services	651	--	--	1,238,549	--	--
Fines and forfeitures	--	--	--	--	--	--
Interest and rentals	--	--	--	18,607	32,521	--
Other revenues	--	--	--	117,351	309,099	--
Total Revenues	651	78,545	--	1,374,507	4,087,469	--
Expenditures						
Judicial	--	--	--	--	4,323,509	--
General government	5,161	69,092	--	--	--	--
Public safety	--	--	--	--	--	--
Public works	--	--	--	1,378,854	--	--
Health and welfare	--	--	7,264	--	--	--
Recreation and cultural	--	--	--	--	--	--
Community and economic development	--	--	--	--	--	--
Capital outlay	--	--	--	--	--	--
Debt service - principal	--	--	--	--	--	--
Debt service - interest	--	--	--	--	--	--
Total Expenditures	5,161	69,092	7,264	1,378,854	4,323,509	--
Excess of Revenues Over (Under) Expenditures	(4,510)	9,453	(7,264)	(4,347)	(236,040)	--
Other Financing Sources (Uses)						
Inception of SBITA	--	--	--	--	--	--
Transfers in	--	--	7,150	100,000	236,039	--
Transfers out	--	--	--	--	--	--
Net Other Financing Sources (Uses)	--	--	7,150	100,000	236,039	--
Net Change in Fund Balance	(4,510)	9,453	(114)	95,653	(1)	--
<i>Fund Balance at Beginning of Period</i>	68,569	329,955	19,573	374,098	194,039	338,119
Fund Balance at End of Period	\$ 64,059	\$ 339,408	\$ 19,459	\$ 469,751	\$ 194,038	\$ 338,119

Allegan County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended December 31, 2024

	Special Revenue		Debt Service			Capital Projects			Total Nonmajor Governmental Funds
	217 MCOLES CPE	257 Palisades Emergency Planning	367 Radio Debt	368 Pension Defined Benefit Debt	366 Jail Construction Bonds	492 Youth Home CIP	401 Public Improvement Fund	497 Parks And Recreation	
Revenues									
Taxes	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 3,305,267
Licenses and permits	--	--	--	--	--	--	--	--	995,666
Intergovernmental revenues - federal	--	--	--	--	--	--	--	100,000	2,938,752
Intergovernmental revenues - state	37,500	--	--	--	--	--	1,668,923	--	12,570,288
Intergovernmental revenues - local	--	--	--	--	--	--	--	--	2,158,942
Charges for services	--	--	--	--	--	--	--	30,207	6,413,872
Fines and forfeitures	--	--	--	--	--	--	--	--	61,609
Interest and rentals	--	--	--	--	--	--	--	--	383,013
Other revenues	--	10,000	--	--	--	--	76,335	55,000	895,037
Total Revenues	37,500	10,000	--	--	--	--	1,745,258	185,207	29,722,446
Expenditures									
Judicial	--	--	--	--	--	--	--	--	6,193,235
General government	--	--	--	--	--	--	--	--	123,205
Public safety	--	556	--	--	--	--	--	--	6,744,773
Public works	--	--	--	--	--	--	--	--	4,336,485
Health and welfare	--	--	--	--	--	--	--	--	13,428,413
Recreation and cultural	--	--	--	--	--	--	--	--	479,386
Community and economic development	--	--	--	--	--	--	--	--	3,258
Capital outlay	--	--	--	--	--	224,305	7,683,891	172,953	8,081,149
Debt service - principal	--	--	733,372	810,000	775,000	--	--	--	2,417,993
Debt service - interest	--	--	11,847	319,867	233,313	--	--	--	615,723
Total Expenditures	--	556	745,219	1,129,867	1,008,313	224,305	7,683,891	172,953	42,423,620
Excess of Revenues Over (Under) Expenditures	37,500	9,444	(745,219)	(1,129,867)	(1,008,313)	(224,305)	(5,938,633)	12,254	(12,701,174)
Other Financing Sources (Uses)									
Inception of SBITA	--	--	--	--	--	--	--	--	282,648
Transfers in	--	--	473,374	1,197,800	1,008,313	670,261	7,115,352	--	18,072,393
Transfers out	--	--	--	--	--	--	--	--	(2,093,448)
Net Other Financing Sources (Uses)	--	--	473,374	1,197,800	1,008,313	670,261	7,115,352	--	16,261,593
Net Change in Fund Balance	37,500	9,444	(271,845)	67,933	--	445,956	1,176,719	12,254	3,560,419
<i>Fund Balance at Beginning of Period</i>	--	74,684	271,845	193,492	1	1,236,737	1,212,909	--	19,877,145
Fund Balance at End of Period	\$ 37,500	\$ 84,128	\$ --	\$ 261,425	\$ 1	\$ 1,682,693	\$ 2,389,628	\$ 12,254	\$ 23,437,564

Allegan County
Combining Statement of Net Position
Internal Service Funds
December 31, 2024

	Internal Service		
	677 Self- Insurance	661 Fleet Management	Total Internal Service Funds
ASSETS			
<i>Current Assets</i>			
Cash and pooled investments	\$ 3,218,732	\$ 1,914	\$ 3,220,646
Accounts receivable	2,613	--	2,613
Prepays	589,805	--	589,805
Total Assets	3,811,150	1,914	3,813,064
LIABILITIES			
<i>Current Liabilities</i>			
Accounts payable	20,359	1,716	22,075
Accrued liabilities	590,376	--	590,376
Total Liabilities	610,735	1,716	612,451
NET POSITION			
<i>Unrestricted</i>	3,200,415	198	3,200,613
Total Net Position	\$ 3,200,415	\$ 198	\$ 3,200,613

Allegan County
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended December 31, 2024

	<u>Internal Service</u>		<u>Total Internal Service Funds</u>
	<u>677 Self- Insurance</u>	<u>661 Fleet Management</u>	
Operating Revenues			
Charges for services	\$ 6,145,830	\$ --	\$ 6,145,830
Other revenues	251,452	13,635	265,087
<i>Total Operating Revenues</i>	<u>6,397,282</u>	<u>13,635</u>	<u>6,410,917</u>
Operating Expenses			
Administrative expense	--	32,815	32,815
Insurance and employee benefits expense	6,710,472	--	6,710,472
<i>Total Operating Expenses</i>	<u>6,710,472</u>	<u>32,815</u>	<u>6,743,287</u>
<i>Operating Income (Loss)</i>	<u>(313,190)</u>	<u>(19,180)</u>	<u>(332,370)</u>
Non-Operating Revenues (Expenses)			
Interest income	918	--	918
<i>Net Non-Operating Revenues (Expenses)</i>	<u>918</u>	<u>--</u>	<u>918</u>
<i>Income Before Contributions and Transfers</i>	<u>(312,272)</u>	<u>(19,180)</u>	<u>(331,452)</u>
Transfers in	--	19,180	19,180
<i>Change In Net Position</i>	<u>(312,272)</u>	<u>--</u>	<u>(312,272)</u>
<i>Net Position at Beginning of Period</i>	3,512,687	198	3,512,885
<i>Net Position at End of Period</i>	<u>\$ 3,200,415</u>	<u>\$ 198</u>	<u>\$ 3,200,613</u>

Allegan County
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2024

	<u>Internal Service</u>		
	<u>677 Self- Insurance</u>	<u>661 Fleet Management</u>	<u>Total Internal Service Funds</u>
Cash Flows from Operating Activities			
Cash received from interfund services provided	\$ 6,397,988	\$ 13,635	\$ 6,411,623
Cash payments for fleet management	-	(31,179)	(31,179)
Cash payments for insurance and employee benefits	(7,110,303)	-	(7,110,303)
<i>Net Cash Used by Operating Activities</i>	<u>(712,315)</u>	<u>(17,544)</u>	<u>(729,859)</u>
Cash Flows from Non-capital Financing Activities			
Transfer from other funds	-	19,180	19,180
<i>Net Cash Provided by Non-capital Financing Activities</i>	<u>-</u>	<u>19,180</u>	<u>19,180</u>
Cash Flows from Investing Activities			
Investment income	918	-	918
<i>Net Cash Provided by Investing Activities</i>	<u>918</u>	<u>-</u>	<u>918</u>
<i>Net Decrease in Cash and Pooled Investments</i>	(711,397)	1,636	(709,761)
<i>Cash and Pooled Investments - Beginning of Year</i>	3,930,129	278	3,930,407
<i>Cash and Pooled Investments - End of Year</i>	<u>\$ 3,218,732</u>	<u>\$ 1,914</u>	<u>\$ 3,220,646</u>
Reconciliation of Operating Loss to			
Net Cash Used in Operating Activities			
Operating loss	\$ (313,190)	\$ (19,180)	\$ (332,370)
Adjustments to Reconcile Operating Loss to			
Net Cash Used in Operating Activities			
Changes in Assets and Liabilities			
Accounts receivable	706	-	706
Prepays	287,550	-	287,550
Accounts payable	14,096	1,716	15,812
Accrued liabilities	(701,477)	(80)	(701,557)
<i>Net Cash Used by Operating Activities</i>	<u>\$ (712,315)</u>	<u>\$ (17,544)</u>	<u>\$ (729,859)</u>

ALLEGAN COUNTY TRANSPORTATION FUND SCHEDULES

**Allegan County Transportation
Local Revenue
Schedule 1
For the Year Ended December 31, 2024**

	<u>1/1/2024 to 9/30/2024</u>	<u>10/1/2024 to 12/31/2024</u>	<u>Total</u>
Nonurban - Regular Service			
Farebox revenues	\$ 70,032	\$ 18,911	\$ 88,943
Local service contracts	94,553	110,592	205,145
Rental of bldgs. or other property (leased space)	63,055	(41,395)	21,660
Gains from the sale of capital assets	11,392	3,895	15,287
Interest income	(17,482)	17,482	-
Inception of SBITA	-	282,648	282,648
Transfer in from County	654,570	218,189	872,759
	<u>876,120</u>	<u>610,322</u>	<u>1,486,442</u>
Job Access Reverse Commute			
Farebox revenues	<u>2,132</u>	<u>780</u>	<u>2,912</u>
Total Local Revenue	<u>\$ 878,252</u>	<u>\$ 611,102</u>	<u>\$ 1,489,354</u>

**Allegan County Transportation
Local Revenue
Schedule 1A
For the Year Ended September 30, 2024**

	10/1/2023 to 12/31/2023	1/1/2024 to 9/30/2024	Total
Nonurban - Regular Service			
Farebox revenues	\$ 24,297	\$ 70,032	\$ 94,329
Local service contracts	61,869	94,553	156,422
Rental of bldgs. or other property (leased space)	4,725	63,055	67,780
Gains from the sale of capital assets	-	11,392	11,392
Interest income	17,482	(17,482)	-
Transfer in from County	207,538	654,570	862,108
	<u>315,911</u>	<u>876,120</u>	<u>1,192,031</u>
Job Access Reverse Commute			
Farebox revenues	674	2,132	2,806
	<u>674</u>	<u>2,132</u>	<u>2,806</u>
Total Local Revenue	<u>\$ 316,585</u>	<u>\$ 878,252</u>	<u>\$ 1,194,837</u>

**Allegan County Transportation
Expenditures of Federal and State Awards
Schedule 2
For the Year Ended December 31, 2024**

Federal and State Grantor / Pass-Through Grantor / Program Title	Assistance Listing Number	Grant No./ Authorization Number	Program Award Amount	Current Year's Expenditures		
				Total	Federal	State
U.S. Department of Transportation						
Passed Through Michigan Department of Transportation						
Operating assistance - section 5311						
Operating assistance (2024)	20.509	2022-0004/P15	\$ 399,979	\$ 366,498	\$ 366,498	\$ -
Operating assistance - Job Access Reverse Commute (2024) (50%)	20.516	2022-0004/P16	51,150	38,363	38,363	-
Capital grants						
Capital grant - section 5310 - New Freedom (2024) (80%)	20.513	2022-0004/P14	50,000	33,690	33,690	-
Capital grant - section 5310 - New Freedom (2025) (80%)	20.513	2022-0004/P18	50,000	12,638	12,638	-
Capital grant - section 5339 (2022) (80%)	20.526	2022-0004/P9	461,022	111,531	111,531	-
Capital grant - section 5339 (2017, 2018, 2020) (80%)	20.526	2022-0004/P12	127,926	116,915	116,915	-
Rural Transit Assistance Program (RTAP)	20.509	195-741	5,500	5,259	5,259	-
Total Federal assistance			<u>1,145,577</u>	<u>684,894</u>	<u>684,894</u>	<u>-</u>
Michigan Department of Transportation						
Operating assistance - Act 51						
Local bus operating assistance - Act 51 (2023)	N/A	FY2023	632,081	59,052	-	59,052
Local bus operating assistance - Act 51 (2024)	N/A	FY2024	768,513	597,000	-	597,000
Local bus operating assistance - Act 51 (2025)	N/A	FY2025	895,500	180,234	-	180,234
Operating assistance - Job Access Reverse Commute (2024) (50%)	N/A	2022-0004/P16	51,150	38,364	-	38,364
Capital grants						
Capital grant - section 5310 - New Freedom (2024) (20%)	N/A	2022-0004/P14	12,500	8,422	-	8,422
Capital grant - section 5310 - New Freedom (2025) (20%)	N/A	2022-0004/P18	12,500	3,160	-	3,160
Capital grant - section 5339 (2022) (20%)	N/A	2022-0004/P9	115,256	27,883	-	27,883
Capital grant - section 5339 (2017, 2018, 2020) (20%)	N/A	2022-0004/P12	31,982	29,229	-	29,229
Capital grant - Service Initiatives Funding (2023)	N/A	2022-0004/P11	238,440	113,285	-	113,285
Total State assistance			<u>2,757,922</u>	<u>1,056,629</u>	<u>-</u>	<u>1,056,629</u>
Total State and Federal assistance			<u>\$ 3,903,499</u>	<u>\$ 1,741,523</u>	<u>\$ 684,894</u>	<u>\$ 1,056,629</u>

**Allegan County Transportation
Federal and State Awards
Operating Revenue Only
Schedule 2A
For the Year Ended December 31, 2024**

	<u>1/1/2024 to 9/30/2024</u>	<u>10/1/2024 to 12/31/2024</u>	<u>Total</u>
Federal Transit Administration			
Section 5311 operating	\$ 392,985	\$ (26,487)	\$ 366,498
Job Access Reverse Commute (U.S. DOT 50%)	38,363	-	38,363
Rural Transit Assistance Program (RTAP)	5,258	1	5,259
Total Federal Transit Administration	<u>436,606</u>	<u>(26,486)</u>	<u>410,120</u>
Michigan Department of Transportation			
Local bus operating assistance - Act 51	611,063	225,223	836,286
Operating assistance - Job Access Reverse Commute (MDOT 50%)	38,364	-	38,364
Total Michigan Department of Transportation	<u>649,427</u>	<u>225,223</u>	<u>874,650</u>
Total Operating Revenue - Federal and State	<u>\$ 1,086,033</u>	<u>\$ 198,737</u>	<u>\$ 1,284,770</u>

**Allegan County Transportation
Federal and State Awards
Operating Revenue Only
Schedule 2B
For the Year Ended September 30, 2024**

	<u>10/1/2023 to 12/31/2023</u>	<u>1/1/2024 to 9/30/2024</u>	<u>Total</u>
Federal Transit Administration			
Section 5311 operating	\$ (26,487)	\$ 392,985	\$ 366,498
Job Access Reverse Commute (U.S. DOT 50%)	12,787	38,363	51,150
Rural Transit Assistance Program (RTAP)	<u>2</u>	<u>5,258</u>	<u>5,260</u>
Total Federal Transit Administration	<u>(13,698)</u>	<u>436,606</u>	<u>422,908</u>
Michigan Department of Transportation			
Local bus operating assistance - Act 51	209,471	611,063	820,534
Operating assistance - Job Access Reverse Commute (MDOT 50%)	<u>12,786</u>	<u>38,364</u>	<u>51,150</u>
Total Michigan Department of Transportation	<u>222,257</u>	<u>649,427</u>	<u>871,684</u>
Total Operating Revenue - Federal and State	<u>\$ 208,559</u>	<u>\$ 1,086,033</u>	<u>\$ 1,294,592</u>

**Allegan County Transportation
Operating and Contract Expenses
Schedule 3
For the Year Ended December 31, 2024**

Expenses	Nonurban	Job Access Reverse Commute	New Freedom	Total
Labor	\$ 1,647,157	\$ 58,421	\$ 51,017	\$ 1,756,595
Fringe benefits	68,742	11,626	15,636	96,004
Services	6,831	2,698	-	9,529
Materials and supplies	751,041	12,522	-	763,563
Utilities	46,530	2,250	-	48,780
Insurance	149,480	11,764	128	161,372
Miscellaneous	102,528	997	-	103,525
Operating leases and rentals	100,144	4,862	2,412	107,418
Total Expenses	2,872,453	105,140	69,193	3,046,786
Less: Ineligible Expenses	(407,735)	(940)	(69,193)	(477,868)
Total Eligible Expenses	\$ 2,464,718	\$ 104,200	\$ -	\$ 2,568,918

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, 2024

	<u>Nonurban</u>			<u>Job Access Reverse Commute</u>			<u>New Freedom</u>		
	<u>1/1/2024 to 9/30/2024</u>	<u>10/1/2024 to 12/31/2024</u>	<u>Total</u>	<u>1/1/2024 to 9/30/2024</u>	<u>10/1/2024 to 12/31/2024</u>	<u>Total</u>	<u>1/1/2024 to 9/30/2024</u>	<u>10/1/2024 to 12/31/2024</u>	<u>Total</u>
Expenses									
Labor	\$ 849,818	\$ 797,339	\$ 1,647,157	\$ 43,947	\$ 14,474	\$ 58,421	\$ 34,948	\$ 16,069	\$ 51,017
Fringe benefits	161,357	(92,615)	68,742	8,381	3,245	11,626	10,185	5,451	15,636
Services	41,912	(35,081)	6,831	2,134	564	2,698	-	-	-
Materials and supplies	145,966	605,075	751,041	9,255	3,267	12,522	-	-	-
Utilities	29,806	16,724	46,530	1,628	622	2,250	-	-	-
Insurance	178,565	(29,085)	149,480	9,114	2,650	11,764	128	-	128
Miscellaneous	11,904	90,624	102,528	668	329	997	-	-	-
Operating leases and rentals	75,023	25,121	100,144	3,827	1,035	4,862	2,412	-	2,412
Total Expenses	<u>1,494,351</u>	<u>1,378,102</u>	<u>2,872,453</u>	<u>78,954</u>	<u>26,186</u>	<u>105,140</u>	<u>47,673</u>	<u>21,520</u>	<u>69,193</u>
Less: Ineligible Expenses									
Labor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (34,948)	\$ (16,069)	\$ (51,017)
Fringe benefits	-	-	-	-	-	-	(10,185)	(5,451)	(15,636)
Materials and supplies	1,944	(292,648)	(290,704)	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	(128)	-	(128)
Miscellaneous	-	(74,679)	(74,679)	-	-	-	-	-	-
Operating leases and rentals	(20,879)	-	(20,879)	-	-	-	(2,412)	-	(2,412)
Other ineligible expenses	(4,426)	(17,047)	(21,473)	(160)	(780)	(940)	-	-	-
Total Ineligible Expenses	<u>(23,361)</u>	<u>(384,374)</u>	<u>(407,735)</u>	<u>(160)</u>	<u>(780)</u>	<u>(940)</u>	<u>(47,673)</u>	<u>(21,520)</u>	<u>(69,193)</u>
Total Eligible Expenses	<u>\$ 1,470,990</u>	<u>\$ 993,728</u>	<u>\$ 2,464,718</u>	<u>\$ 78,794</u>	<u>\$ 25,406</u>	<u>\$ 104,200</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Allegan County Transportation
Operating and Contract Expenses by Program
Schedule 3B
For the Year Ended September 30, 2024**

	Nonurban			Job Access Reverse Commute			New Freedom		
	10/1/2023 to 12/31/2023	1/1/2024 to 9/30/2024	Total	10/1/2023 to 12/31/2023	1/1/2024 to 9/30/2024	Total	10/1/2023 to 12/31/2023	1/1/2024 to 9/30/2024	Total
Expenses									
Labor	\$ 302,403	\$ 849,818	\$ 1,152,221	\$ 14,874	\$ 43,947	\$ 58,821	\$ 12,420	\$ 34,948	\$ 47,368
Fringe benefits	60,582	161,357	221,939	2,951	8,381	11,332	5,585	10,185	15,770
Services	11,001	41,912	52,913	562	2,134	2,696	-	-	-
Materials and supplies	99,514	145,966	245,480	3,274	9,255	12,529	-	-	-
Utilities	12,851	29,806	42,657	550	1,628	2,178	-	-	-
Insurance	52,580	178,565	231,145	2,686	9,114	11,800	97	128	225
Miscellaneous	7,225	11,904	19,129	220	668	888	-	-	-
Operating leases and rentals	22,029	75,023	97,052	1,127	3,827	4,954	2,285	2,412	4,697
Total Expenses	568,185	1,494,351	2,062,536	26,244	78,954	105,198	20,387	47,673	68,060
Less: Ineligible Expenses									
Labor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (12,420)	\$ (34,948)	\$ (47,368)
Fringe benefits	-	-	-	-	-	-	(5,585)	(10,185)	(15,770)
Materials and supplies	(1,944)	1,944	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	(97)	(128)	(225)
Operating leases and rentals	-	(20,879)	(20,879)	-	-	-	(2,285)	(2,412)	(4,697)
Other ineligible expenses	(1,130)	(4,426)	(5,556)	(2,646)	(160)	(2,806)	-	-	-
Total Ineligible Expenses	(3,074)	(23,361)	(26,435)	(2,646)	(160)	(2,806)	(20,387)	(47,673)	(68,060)
Total Eligible Expenses	\$ 565,111	\$ 1,470,990	\$ 2,036,101	\$ 23,598	\$ 78,794	\$ 102,392	\$ -	\$ -	\$ -

**Allegan County Transportation
Schedule of Nonurban Regular Service Revenue
Schedule 4R (Nonurban)
For the Year Ended September 30, 2024**

<u>Code</u>	<u>Description</u>	<u>Amount</u>
401 :	Farebox revenue	
40100	Passenger fares	\$ 94,329
407 :	Non-transportation revenue	
40720	Rental of bldgs. or other property (leased space)	67,780
40760	Gains from the sale of capital assets	11,392
409 :	Local revenue	
40910	Local operating assistance	862,108
40950	Local service contracts	156,422
411 :	State formula and contracts	
41101	State operating assistance	820,534
413 :	Federal contracts	
41301	Section 5311 operating	366,498
41398	Rural Transit Assistance Program (RTAP)	5,260
		<hr/>
	<i>Total Nonurban Regular Service Revenue</i>	<i>\$ 2,384,323</i>
		<hr/>

**Allegan County Transportation
Schedule of Nonurban Regular Service Expense
Schedule 4E (Nonurban)
For the Year Ended September 30, 2024**

<u>Code</u>	<u>Description</u>	<u>Amount</u>
501 :	Labor	
50101	Operators' salaries and wages	\$ 625,030
50102	Other salaries and wages	302,973
50103	Dispatchers' salaries and wages	224,218
502 :	Fringe benefits	
50200	Fringe benefits	221,939
503 :	Services	
50302	Advertising fees	9,323
50399	Other services	43,590
504 :	Materials and supplies	
50401	Fuel and lubricants	214,655
50402	Tires and tubes	4,205
50404	Major purchases	1,849
50499	Other materials and supplies	24,771
505 :	Utilities	
50500	Utilities	42,657
506 :	Insurance	
50603	Liability insurance	118,147
50699	Other insurance	112,998
509 :	Miscellaneous expense	
50902	Travel, meetings and training	15,878
50903	Association dues and subscriptions	3,251
512 :	Operating leases and rentals	
51200	Operating leases and rentals	97,052
550 :	Ineligible expenses	
55009	Ineligible percent of association dues	(296)
560 :	Ineligible expenses	
56004	Ineligible expenses associated with rentals or lease	(20,879)
574 :	Ineligible expenses	
57402	Ineligible RTAP	(5,260)
	Total Expenses	<u>2,062,536</u>
	Total Ineligible Expenses	<u>(26,435)</u>
	Total Eligible Expenses	<u>\$ 2,036,101</u>

Allegan County Transportation
Schedule of Nonurban Regular Service Nonfinancial Data (Unaudited)
Public Service
Schedule 4N (Nonurban)
For the Year Ended September 30, 2024

<u>Code</u>	<u>Description</u>	<u>Amount</u>
610	Vehicle hours	28,937
611	Vehicle miles	598,375
615	Passengers - regular	17,551
616	Passengers - elderly	6,930
617	Passengers - persons w/ disabilities	9,955
618	Passengers - elderly persons w/ disabilities	3,854
622	Total demand-response unlinked passengers trips	38,290
625	Days operated	314
	<i>Total passengers</i>	<u>38,290</u>

Vehicle Information

655	Total demand-response vehicles	25
656	Demand-response vehicle w/ lifts	25
658	Total transit vehicles	25
	Total vehicles	25

Miscellaneous Information

659	LPG (propane) or CNG (compressed natural gas) gallons equivalent consumed	17,051
660	Diesel/gasoline gallons consumed	62,040
661	Total transit agency employees (full-time equivalents)	25
662	Total revenue vehicle operators (full-time equivalents)	18
801	Property Damage ONL (PDO) accidents with damage equal to or greater than \$2,000 but less than \$25,000	3

Allegan County Transportation
Schedule of Job Access Reverse Commute Service Revenue
Public Service
Schedule 4R (JARC)
For the Year Ended September 30, 2024

<u>Code</u>	<u>Description</u>	<u>Amount</u>
401 :	Farebox revenue	
40100	Passenger fares	\$ 2,806
411 :	State formula and contracts	
41199	Other MDOT/OPT contracts and reimbursements	51,150
413 :	Federal contracts	
41399	Other federal transit contracts and reimbursements	51,150
	<i>Total Job Access Reverse Commute Service Revenue</i>	<u>\$ 105,106</u>

Allegan County Transportation
Schedule of Job Access Reverse Commute Service Expense
Schedule 4E (JARC)
For the Year Ended September 30, 2024

<u>Code</u>	<u>Description</u>	<u>Amount</u>
501 :	Labor	
50101	Operators' salaries and wages	\$ 31,908
50102	Other salaries and wages	15,468
50103	Dispatchers' salaries and wages	11,445
502 :	Fringe benefits	
50200	Fringe benefits	11,332
503 :	Services	
50302	Advertising fees	475
50399	Other services	2,221
504 :	Materials and supplies	
50401	Fuel and lubricants	10,953
50402	Tires and tubes	216
50404	Major purchases	95
50499	Other materials and supplies	1,265
505 :	Utilities	
50500	Utilities	2,178
506 :	Insurance	
50603	Liability insurance	6,031
50699	Other insurance	5,769
509 :	Miscellaneous expense	
50902	Travel, meetings and training	721
50903	Association dues and subscriptions	167
512 :	Operating leases and rentals	
51200	Operating leases and rentals	4,954
550 :	Ineligible expenses	
55000	Ineligible JARC and NF Fares	(2,806)
	Total Expenses	<u>105,198</u>
	Total Ineligible Expenses	<u>(2,806)</u>
	Total Eligible Expenses	<u>\$ 102,392</u>

Allegan County Transportation
Schedule of Job Access Reverse Commute Nonfinancial Data (Unaudited)
Public Service
Schedule 4N (JARC)
For the Year Ended September 30, 2024

<u>Code</u>	<u>Description</u>	<u>Amount</u>
610	Vehicle hours	1,478
611	Vehicle miles	30,376
615	Passengers - regular	1,165
617	Passengers - persons w/ disabilities	420
618	Passengers - elderly persons w/ disabilities	58
622	Total demand-response unlinked passengers trips	1,643
625	Days operated	259
	<i>Total passengers</i>	1,643

Vehicle Information

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

Miscellaneous Information

660	Diesel/gasoline gallons consumed	6,025
661	Total transit agency employees (full-time equivalents)	3
662	Total revenue vehicle operators (full-time equivalents)	2

**Allegan County Transportation
Schedule of New Freedom Revenue
Schedule 4R (New Freedom)
For the Year Ended September 30, 2024**

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

**Allegan County Transportation
Schedule of New Freedom Expense
Schedule 4E (New Freedom)
For the Year Ended September 30, 2024**

<u>Code</u>	<u>Description</u>	<u>Amount</u>
501 :	Labor	
50102	Other salaries and wages	\$ 47,368
502 :	Fringe benefits	
50200	Fringe benefits	15,770
506 :	Insurance	
50603	Liability insurance	225
512 :	Operating leases and rentals	
51200	Operating leases and rentals	4,697
550 :	Ineligible expenses	
55000	Ineligible JARC and NF Fares	<u>(68,060)</u>
	Total Expenses	<u>68,060</u>
	Total Ineligible Expenses	<u>(68,060)</u>
	Total Eligible Expenses	<u>\$ -</u>

**Allegan County Transportation
Operating Assistance Calculation
Schedule 5
For the Year Ended September 30, 2024**

	Nonurban
Total Expenses	\$ 2,062,536
Less Ineligible Expenses:	
Ineligible percent of association dues	(296)
Ineligible expenses associated with rentals or lease	(20,879)
Ineligible RTAP	(5,260)
Total Ineligible Expenses	\$ (26,435)
Total State Eligible Expenses	\$ 2,036,101

Eligible Expense for State Reimbursement	\$ 2,036,101
x Reimbursement Percentage	0.402993
State Operating Assistance	\$ 820,534

Eligible Expenses for Federal Reimbursement	\$ 2,036,101
x Reimbursement Percentage (Operating Assistance)	0.18000
Operating Assistance - Section 5311	\$ 366,498

**Allegan County Transportation
Mileage / Hourly Data (Unaudited)*
Non Financial Data Summary
For the Year Ended September 30, 2024**

		<u>Nonurban Transportation</u>	<u>JARC Transportation</u>	<u>Total Transportation</u>
<u>Mileage</u>				
First Quarter	10/23 - 12/23	155,826	8,374	164,200
Second Quarter	1/24 - 3/24	112,598	5,839	118,437
Third Quarter	4/24 - 6/24	165,490	7,766	173,256
Fourth Quarter	7/24 - 9/24	<u>164,461</u>	<u>8,397</u>	<u>172,858</u>
<i>Total Operation</i>		<u>598,375</u>	<u>30,376</u>	<u>628,751</u>
<u>Hours</u>				
First Quarter	10/23 - 12/23	7,253	372	7,625
Second Quarter	1/24 - 3/24	7,487	388	7,875
Third Quarter	4/24 - 6/24	6,824	345	7,169
Fourth Quarter	7/24 - 9/24	<u>7,373</u>	<u>373</u>	<u>7,746</u>
<i>Total Operation</i>		<u>28,937</u>	<u>1,478</u>	<u>30,415</u>
<i>Percentage of Total Hours</i>		95.1%	4.9%	100.0%

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

**ALLEGAN COUNTY DRAINS
BASIC FINANCIAL STATEMENTS**

**Allegan County Drains
Statement of Net Position
December 31, 2024**

ASSETS

Current Assets

Cash and pooled investments	\$	5,337,922
Special assessments receivable		1,483,633
Leases receivable		642,522
<i>Total Current Assets</i>		7,464,077

Noncurrent Assets

Capital assets not being depreciated		2,108,448
Capital assets being depreciated, net		16,112,603
Special assessments receivable, long-term		4,057,703
Leases receivable, long-term		2,838,102
<i>Total Assets</i>		32,580,933

DEFERRED OUTFLOWS OF RESOURCES

Deferred charges on bond refunding		17,276
<i>Total Deferred Outflows of Resources</i>		17,276

LIABILITIES

Current Liabilities

Accounts payable		245,112
Accrued liabilities		1,441
Accrued interest		175,271
Current portion of long-term debt		1,610,984
<i>Total Current Liabilities</i>		2,032,808

Noncurrent Liabilities

Long-term debt		8,930,608
Advance from primary government		250,000
<i>Total Liabilities</i>		11,213,416

NET POSITION

Net investment in capital assets		11,156,824
<i>Restricted for:</i>		
Debt Service		3,482,612
<i>Unrestricted</i>		6,745,357
<i>Total Net Position</i>		\$ 21,384,793

**Allegan County Drains
Statement of Activities
For the Year Ended December 31, 2024**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Drains/public works	\$ 2,871,891	\$ 2,031,834	\$ 104,038	\$ 1,430,476	\$ 694,457
Interest on long-term debt	380,831	--	--	--	(380,831)
Total	\$ 3,252,722	\$ 2,031,834	\$ 104,038	\$ 1,430,476	\$ 313,626

General Purpose Revenues and Transfers:

Revenues

Interest earned on investments	138,915
Total General Revenues and Transfers	138,915
Change in Net Position	452,541
<i>Net Position at Beginning of Period</i>	20,932,252
Net Position at End of Period	\$ 21,384,793

**Allegan County Drains
Balance Sheet
Governmental Funds
December 31, 2024**

	General	Debt Service			Capital Projects	Total Governmental Funds
		379 - Fillmore Water and Sewer No.9	372 - Kalamazoo Lake Sewer/Water	365 - Martin Village Refunding	802 - Revolving Drain	
ASSETS						
Cash and pooled investments	\$ 5,126,086	\$ 1,041	\$ --	\$ 947	\$ 135,257	\$ 5,263,331
Special assessments receivable	5,742,098	--	--	--	--	5,742,098
Leases receivable	--	336,064	2,410,794	733,766	--	3,480,624
Due from other funds	--	--	--	--	114,743	114,743
Total Assets	\$ 10,868,184	\$ 337,105	\$ 2,410,794	\$ 734,713	\$ 250,000	\$ 14,600,796
LIABILITIES						
Accounts payable	\$ 245,047	\$ --	\$ --	\$ --	\$ --	\$ 245,047
Due to other funds	114,743	--	--	--	--	114,743
Advance from primary government	--	--	--	--	250,000	250,000
Total Liabilities	359,790	--	--	--	250,000	609,790
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	5,741,212	336,064	2,410,794	733,766	--	9,221,836
Total Liabilities and Deferred Inflows of Resources	6,101,002	336,064	2,410,794	733,766	250,000	9,831,626
FUND BALANCE						
Restricted	--	1,041	--	947	--	1,988
Unassigned	4,767,182	--	--	--	--	4,767,182
Total Fund Balance	4,767,182	1,041	--	947	--	4,769,170
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 10,868,184	\$ 337,105	\$ 2,410,794	\$ 734,713	\$ 250,000	\$ 14,600,796

Allegan County Drains
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position
December 31, 2024

Total Fund Balance - Governmental Funds	\$	4,769,170
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.		73,085
In the statement of activities, interest is accrued on outstanding debt, whereas in governmental funds, the interest expenditure is reported when due.		(175,271)
General government capital assets of \$27,659,874, net of accumulated depreciation of \$9,438,823, are not financial resources and, accordingly, are not reported in the funds.		18,221,051
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.		9,021,074
Long-term liabilities, including the current portion of long-term debt, are not payable in the current period and, therefore, are not reported in the funds.		(10,524,316)
Total Net Position-Governmental Activities	\$	<u>21,384,793</u>

Allegan County Drains
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended December 31, 2024

	General	Debt Service			Capital Projects	Total Governmental Funds
		379 - Fillmore Water and Sewer No.9	372 - Kalamazoo Lake Sewer/Water	365 - Martin Village Refunding	802 - Revolving Drain	
Revenues						
Special assessments	\$ 1,832,886	\$ --	\$ --	\$ --	\$ --	\$ 1,832,886
Intergovernmental - local	--	352,875	297,815	73,528	--	724,218
Interest income	137,214	--	--	--	--	137,214
Other revenues	1,960,645	--	--	--	--	1,960,645
Total Revenues	3,930,745	352,875	297,815	73,528	--	4,654,963
Expenditures						
Drains/public works	2,153,657	--	--	--	--	2,153,657
Debt service - principal	894,896	340,000	235,000	45,000	--	1,514,896
Debt service - interest	219,493	12,844	62,815	28,378	--	323,530
Total Expenditures	3,268,046	352,844	297,815	73,378	--	3,992,083
Excess of Revenues Over (Under) Expenditures	662,699	31	--	150	--	662,880
Other Financing Sources						
Issuance of long-term debt	1,388,350	--	--	--	--	1,388,350
Net Other Financing Sources	1,388,350	--	--	--	--	1,388,350
Net Change in Fund Balance	2,051,049	31	--	150	--	2,051,230
<i>Fund Balance at Beginning of Period</i>	<i>2,716,133</i>	<i>1,010</i>	<i>--</i>	<i>797</i>	<i>--</i>	<i>2,717,940</i>
Fund Balance at End of Period	\$ 4,767,182	\$ 1,041	\$ --	\$ 947	\$ --	\$ 4,769,170

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, 2024

Total Net Change in Fund Balances - Governmental Funds	\$	2,051,230
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		(6,786)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay of \$1,074,561 is less than depreciation expense of \$1,259,644 and disposals of capital assets of \$453,475.		(638,558)
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.		(1,388,350)
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.		1,501,981
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.		(1,022,590)
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.		(44,386)
Changes in Net Position-Governmental Activities	\$	<u>452,541</u>

**Allegan County Drains
Combining Statement of Net Position
Internal Service Funds
December 31, 2024**

	Internal Service
	639 - Drain Equipment
ASSETS	
<i>Current Assets</i>	
Cash and pooled investments	\$ 74,591
Total Assets	74,591
LIABILITIES	
<i>Current Liabilities</i>	
Accounts payable	65
Accrued liabilities	1,441
Total Liabilities	1,506
NET POSITION	
<i>Unrestricted</i>	73,085
Total Net Position	\$ 73,085

Allegan County Drains
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended December 31, 2024

	Internal Service
	639 - Drain Equipment
Operating Revenues	
Charges for services	\$ 71,189
<i>Total Operating Revenues</i>	71,189
Operating Expenses	
Drains/public works	79,676
<i>Total Operating Expenses</i>	79,676
<i>Operating Income (Loss)</i>	(8,487)
Non-Operating Revenues (Expenses)	
Interest earned on investments	1,701
<i>Net Non-Operating Revenues (Expenses)</i>	1,701
<i>Change In Net Position</i>	(6,786)
<i>Net Position at Beginning of Period</i>	79,871
<i>Net Position at End of Period</i>	\$ 73,085

**Allegan County Drains
Statement of Cash Flows
Internal Service Fund
For the Year Ended December 31, 2024**

	Internal Service
	639 - Drain Equipment
Cash Flows from Operating Activities	
Cash received from interfund charges	\$ 71,189
Cash payments to employees and suppliers for goods and services	(79,843)
<i>Net Cash Used in Operating Activities</i>	(8,654)
 Cash Flows from Investing Activities	
Investment income	1,701
<i>Net Cash Provided by Investing Activities</i>	1,701
 <i>Net Decrease in Cash and Pooled Investments</i>	(6,953)
<i>Cash and Pooled Investments - Beginning of Year</i>	81,544
<i>Cash and Pooled Investments - End of Year</i>	\$ 74,591
 Reconciliation of Operating Loss to	
Net Cash Used in Operating Activities	
Operating loss	\$ (8,487)
Adjustments to Reconcile Operating Loss to	
Changes in Assets and Liabilities	
Accounts payable	(274)
Accrued liabilities	107
<i>Net Cash Used in Operating Activities</i>	\$ (8,654)

June 24, 2025

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, 2025. Our report includes a reference to other auditors. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 7, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

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

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

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

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

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 24, 2025.

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