

County of Allegan,  
Michigan



Year Ended  
December 31,  
2013

Financial  
Statements

# COUNTY OF ALLEGAN, MICHIGAN

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## INDEPENDENT AUDITORS' REPORT

June 27, 2014

Honorable Members of the  
Board of Commissioners  
of the County of Allegan  
Allegan, Michigan

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the *County of Allegan, Michigan* (the "County"), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Independent Auditors' Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Allegan County Road Commission discretely presented component unit, which represents 86 percent, 94 percent, and 80 percent, respectively, of the assets, net position, and revenues of the discretely presented component units. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Allegan County Road Commission, is based solely on the report of other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### *Opinions*

In our opinion, based on our audit and the report of the 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 of Allegan, Michigan as of December 31, 2013, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the general fund and each major special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Other Matters*

#### *Required Supplementary Information*

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

### *Other Information*

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 schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedule are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

As required by the Michigan Department of Transportation, the schedules of nonfinancial data, vehicles, and mileage, as listed in the table of contents, appear on pages 152, 155, 158, and 160. This supplemental information was not subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2014 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 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 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 black ink that reads "Lehmann Lobson LLC". The signature is written in a cursive, flowing style.

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

# COUNTY OF ALLEGAN, MICHIGAN

## Management's Discussion and Analysis

As management of Allegan County, we offer readers of Allegan County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2013. We encourage readers to consider the information presented here in conjunction with additional information that is furnished in the financial statements and notes to the financial statements.

### Financial Highlights

Key metrics and financial highlights of the County for the year ended December 31, 2013 are as follows:

Total net position	\$ 80,346,305
Unrestricted net position	38,376,947
Change in net position	977,713
Fund balances, governmental funds	25,968,039
Change in fund balances, governmental funds	(1,269,335)
Fund balance, general fund	12,087,157
(as percentage of general fund expenditures and transfers out)	40.24%
Unassigned fund balance, general fund	11,234,596
(as percentage of general fund expenditures and transfers out)	37.40%

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County financial statements. The County basic financial statements comprise 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 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 of resources, liabilities, and deferred inflows of resources, with the residual 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 government'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 only result in cash flows in future fiscal periods (e.g., accrued interest expense).

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 (such as: administration, clerk, and treasurer); judicial activities (courts); public safety (sheriff, road patrol, marine safety); public works; health and welfare (such as: health, mental health, and child care), and a variety of other services.

# COUNTY OF ALLEGAN, MICHIGAN

## Management's Discussion and Analysis

The government-wide financial statements include not only the County itself (known as the primary government), but also legally separate component units for which the County is financially accountable. Financial information for component units is reported separately from the financial information presented for the primary government itself.

**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 of the funds of the County can be 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. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available 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 *governmental funds* with similar information presented for *governmental 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 numerous individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general, central dispatch E911, mental health, senior millage, and public improvement funds, each of which is considered to be a major fund. 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 and special revenue funds. Budgetary comparison statements or schedules have been provided herein to demonstrate compliance with those budgets.

**Proprietary funds.** The County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for delinquent tax collection and administration and operations of the Medical Care Community. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the various County functions. The County uses internal service funds to account for its self insurance, mental health self insurance and mental health vacation reserve.

**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 accounting used for fiduciary funds is much like 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.

# COUNTY OF ALLEGAN, MICHIGAN

## Management's Discussion and Analysis

Other information. In addition to the basic financial statement and accompanying notes, this report also presents certain info concerning the County's progress in funding its obligation to provide pension and other postemployment benefits to its employees. This information can be found immediately following the notes to the financial statements.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented following the required supplemental information.

### Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$80,346,305 at the close of the most recent fiscal year. A large portion of the County's net position (41.9%) represents its investment in capital assets (e.g., land, buildings, vehicles, equipment and infrastructure) less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its 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, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net position (10.3%) represents resources that are subject to external restrictions on how they may be used. Restricted net position refers to amounts that have constraints placed on them by either: a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation. The remaining portion of the County's net position (47.8%) is comprised of unrestricted net position. These amounts may be used to meet the government's ongoing obligations to citizens and creditors.

The County's total net position increased 1.23%, or \$977,713, from \$79,368,592 to \$80,346,305 for the year ended December 31, 2013.

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
<b>Assets</b>						
Current and other assets	\$ 41,884,489	\$ 45,877,464	\$ 13,900,759	\$ 18,383,528	\$ 55,785,248	\$ 64,260,992
Capital assets, net	44,302,357	37,242,479	3,189,110	3,366,958	47,491,467	40,609,437
<b>Total assets</b>	<b>86,186,846</b>	<b>83,119,943</b>	<b>17,089,869</b>	<b>21,750,486</b>	<b>103,276,715</b>	<b>104,870,429</b>
<b>Liabilities</b>						
Long term liabilities	14,708,476	15,021,366	675,291	797,488	15,383,767	15,818,854
Other liabilities	6,090,047	7,840,832	472,404	871,045	6,562,451	8,711,877
<b>Total liabilities</b>	<b>20,798,523</b>	<b>22,862,198</b>	<b>1,147,695</b>	<b>1,668,533</b>	<b>21,946,218</b>	<b>24,530,731</b>
<b>Deferred inflows of resources</b>						
	984,192	971,106	-	-	984,192	971,106
<b>Net position</b>						
Net investment in capital assets	31,039,905	23,623,893	2,639,110	2,716,958	33,679,015	26,340,851
Restricted	8,265,909	8,237,011	24,434	24,434	8,290,343	8,261,445
Unrestricted	25,098,317	27,425,735	13,278,630	17,340,561	38,376,947	44,766,296
<b>Total net position</b>	<b>\$ 64,404,131</b>	<b>\$ 59,286,639</b>	<b>\$ 15,942,174</b>	<b>\$ 20,081,953</b>	<b>\$ 80,346,305</b>	<b>\$ 79,368,592</b>

# COUNTY OF ALLEGAN, MICHIGAN

## Management's Discussion and Analysis

	Changes in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 28,198,382	\$ 26,781,757	\$ 8,513,624	\$ 8,669,824	\$ 36,712,006	\$ 35,451,581
Operating grants and contributions	12,955,588	13,396,504	802,602	760,737	13,758,190	14,157,241
Capital grants and contributions	421,758	298,597	-	-	421,758	298,597
General revenues:						
Property taxes	20,578,063	20,386,111	-	-	20,578,063	20,386,111
State revenue sharing	1,792,524	1,870,068	-	-	1,792,524	1,870,068
Unrestricted investment earnings	58,367	323,550	25,531	84,131	83,898	407,681
Other revenues	612,659	342,157	-	-	612,659	342,157
<b>Total revenues</b>	<b>64,617,341</b>	<b>63,398,744</b>	<b>9,341,757</b>	<b>9,514,692</b>	<b>73,959,098</b>	<b>72,913,436</b>
<b>Expenses</b>						
Legislative	380,728	393,855	-	-	380,728	393,855
Judicial	5,273,425	4,973,120	-	-	5,273,425	4,973,120
General government	9,808,271	9,289,696	-	-	9,808,271	9,289,696
Public safety	14,169,520	13,123,430	-	-	14,169,520	13,123,430
Public works	257,251	209,649	-	-	257,251	209,649
Health and welfare	33,431,236	31,860,975	-	-	33,431,236	31,860,975
Recreation and cultural	229,068	313,270	-	-	229,068	313,270
Community and economic development	491,576	383,624	-	-	491,576	383,624
Interest on long-term debt	394,582	336,568	-	-	394,582	336,568
Delinquent tax collection	-	-	234,778	225,449	234,778	225,449
Medical Care Community	-	-	8,310,950	7,855,508	8,310,950	7,855,508
<b>Total expenses</b>	<b>64,435,657</b>	<b>60,884,187</b>	<b>8,545,728</b>	<b>8,080,957</b>	<b>72,981,385</b>	<b>68,965,144</b>
<b>Change in net position before transfers</b>	<b>181,684</b>	<b>2,514,557</b>	<b>796,029</b>	<b>1,433,735</b>	<b>977,713</b>	<b>3,948,292</b>
<b>Transfers</b>	<b>4,935,808</b>	<b>328,933</b>	<b>(4,935,808)</b>	<b>(328,933)</b>	<b>-</b>	<b>-</b>
<b>Change in net position</b>	<b>5,117,492</b>	<b>2,843,490</b>	<b>(4,139,779)</b>	<b>1,104,802</b>	<b>977,713</b>	<b>3,948,292</b>
<b>Net position, beginning of year</b>	<b>59,286,639</b>	<b>56,443,149</b>	<b>20,081,953</b>	<b>18,977,151</b>	<b>79,368,592</b>	<b>75,420,300</b>
<b>Net position, end of year</b>	<b>\$ 64,404,131</b>	<b>\$ 59,286,639</b>	<b>\$ 15,942,174</b>	<b>\$ 20,081,953</b>	<b>\$ 80,346,305</b>	<b>\$ 79,368,592</b>

### Governmental activities

Governmental activities increased the County's net position by \$5,117,492. This was primarily the result of transfers of excess reserves from the Delinquent Property Tax Revolving fund to the Public Improvement fund for the jail construction project. In addition, the County received insurance recoveries of approximately \$300,000 for damage to its phone infrastructure. The asset was fully depreciated so the full amount of the insurance recovery was recognized as revenue.

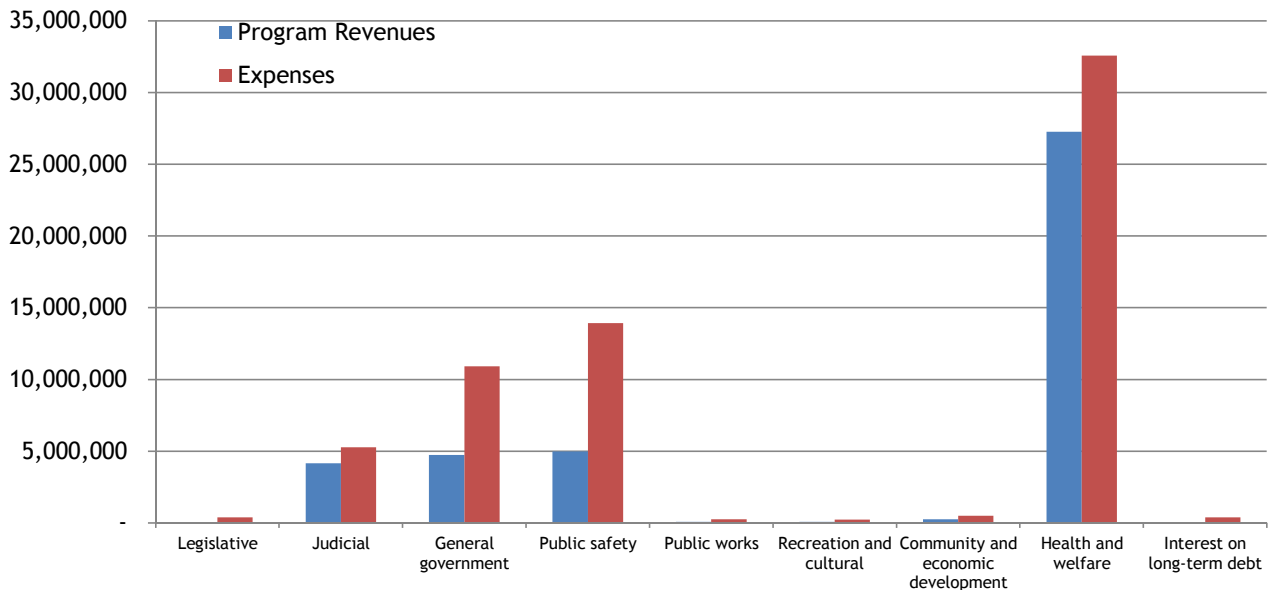
# COUNTY OF ALLEGAN, MICHIGAN

## Management's Discussion and Analysis

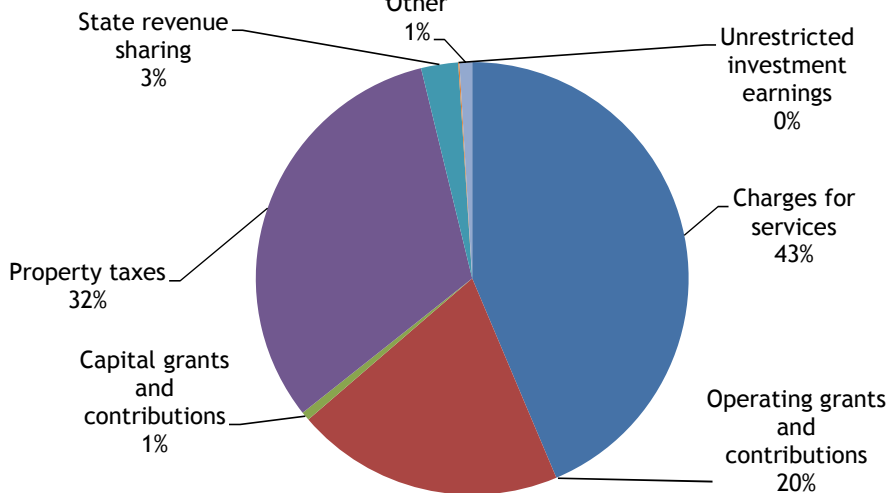
Government activities include:

- Legislative - expenses related to the Board of Commissioners and high-level administrative expenditures.
- Judicial activities - expenses related to the administration of circuit, district, and probate/family courts and court probation units.
- General government - expenses related to the support departments of the County such as administration, human resources, treasury, information services, facilities management, and finance.
- Public safety - expenses related to the Sheriff’s administration and road patrol and County corrections services.
- Public works - expenses related to County water and sewer systems and drains systems.
- Health and welfare - expenses related to public health services such as Immunization, solid waste, child care, and, medical examiner.
- Recreation and cultural - expenses related to County parks and tourist council.
- Community and economic development - expenses related to the preservation of farmland in the County and housing assistance programs.

Expenses and Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities



# COUNTY OF ALLEGAN, MICHIGAN

## Management's Discussion and Analysis

### Business-type activities

The business-type activities of the County include enterprise fund operations. The change in business-type activities net position decreased the County's net position by \$4,139,779. This was primarily the result of transfers of excess reserves from the Delinquent Property Tax Revolving fund to the Public Improvement fund for the jail construction project.

Business-type activities include:

- Delinquent property tax fund - This fund was established as a means to provide the local governments within the County's jurisdiction with 100% of the property tax distributions owed to them annually. The County then acts as the collection agency for the outstanding delinquent taxes. Current policy is to maintain cash and investments to fund 100% of the prior year's delinquent tax settlement.
- Medical Care Community fund - This fund was established to account for the operation of the Allegan County Medical Care Community, which provides long-term health care to the residents of the County.

### Financial Analysis of the Government'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 *governmental fund statements* is to provide information on near term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County 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. Unassigned fund balance of the general fund represented 37.4% of total general fund expenditures, including transfers out.

General fund balance increased by \$1,084,761 from \$11,002,396 to \$12,087,157 during 2013. The County collapses 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 of the general fund is primarily a result of a decrease in transfers to other funds for operations and capital improvements.

Fund balance of the central dispatch E-911 fund decreased by \$141,126. The County budgeted for a spend down of fund balance of \$861,027, however because local surcharge and state surcharge revenues exceeded projections by over \$721,000, the actual decrease was lower than expected. The increased revenue was a result of an increase in the surcharge rate effective July 1, 2013.

Fund balance of senior millage was budgeted to decrease \$277,708, but expenditures were under budget by \$164,883, resulting in smaller decrease than expected. These excess funds are allowed to be kept as local funding and added to year-end fund balance.

Fund balance of the public improvement capital projects fund decreased by \$2,256,566. This is result of continued construction of the new jail facility. The County intends to complete this project in the summer of 2014 at which time the building will be placed into service.

# COUNTY OF ALLEGAN, MICHIGAN

## Management's Discussion and Analysis

Proprietary funds. The County proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

	Net Position	
	2013	2012
Enterprise Funds		
Delinquent Property Tax	\$ 12,382,058	\$ 16,173,201
Medical Care Community	3,560,116	3,908,752
	<u>                    </u>	<u>                    </u>
Total	<u>\$ 15,942,174</u>	<u>\$ 20,081,953</u>
Internal Service Funds		
	<u>\$ 6,866,830</u>	<u>\$ 8,197,943</u>

Other factors considering the finances of these funds have been addressed in the discussion of the County's business-type activities.

### General Fund Budgetary Highlights

Amended budgetary expenditures differed from the originally adopted budget for the following reason:

- The county had not budgeted for the annual distribution of the previous years surplus of \$1,332,357.
- There was additional unbudgeted overtime required that was directly related to the preparation of the new jail facility. There were also additional utility expenses related to this new facility.

The more significant of the budget vs. actual variances are as follows:

- Actual current property tax revenue was approximately \$558,000 over the budgeted amount due to increases in property values across the County.
- State revenue was higher than budgeted because in 2012, the County depleted its State Revenue Sharing Reserve Fund which reinstated the County's entitlement to State Revenue Sharing funds. In 2013 the County received approximately \$1,800,000 in State Revenue Sharing that was not budgeted.
- Interest revenue on the County's deposits and investments was less than budgeted amounts due to negative trends in the investment market.
- Circuit court expenditures were approximately \$89,000 less than the final budget due to two vacant positions within the court, Receptionist and a Law Clerk.
- The County budgeted \$351,158 in its Contingency line item but did not need to expend any dollars on unforeseen items leaving the balance of \$351,158.

### Capital Asset and Debt Administration

- Capital assets - A capital asset is an asset whose cost exceeds \$5,000 and useful life is greater than two years. Included in the cost of a capital asset are items such as labor and 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.



# COUNTY OF ALLEGAN, MICHIGAN

## Management's Discussion and Analysis

Significant capital outlay additions during 2013 included:

- Construction related to the future jail/sheriff building
- Several vehicles for the sheriff department
- A new County phone system

	Capital Assets (net of depreciation)					
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 759,162	\$ 759,162	\$ -	\$ -	\$ 759,162	\$ 759,162
Construction in progress	21,995,074	14,994,101	11,049	-	22,006,123	14,994,101
Land improvements	961,772	1,097,878	50	667	961,822	1,098,545
Buildings and improvements	17,583,997	18,291,375	2,922,669	3,117,372	20,506,666	21,408,747
Machinery and equipment	1,768,238	1,304,108	255,342	248,919	2,023,580	1,553,027
Infrastructure	1,234,114	795,855	-	-	1,234,114	795,855
<b>Total</b>	<b>\$ 44,302,357</b>	<b>\$ 37,242,479</b>	<b>\$ 3,189,110</b>	<b>\$ 3,366,958</b>	<b>\$ 47,491,467</b>	<b>\$ 40,609,437</b>

Additional information on the County's capital assets can be found in Note 7 to the financial statements.

- Debt administration - Debt incurred in the course of constructing or acquiring a capital asset is recorded and paid for from a debt service fund.

	Long-term Debt					
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Bonds payable	\$ 13,150,000	\$ 13,500,000	\$ 550,000	\$ 650,000	\$ 13,700,000	\$ 14,150,000
Net premium/discount	112,452	118,586	-	-	112,452	118,586
Compensated absences	1,446,024	1,402,780	125,291	147,488	1,571,315	1,550,268
<b>Total</b>	<b>\$ 14,708,476</b>	<b>\$ 15,021,366</b>	<b>\$ 675,291</b>	<b>\$ 797,488</b>	<b>\$ 15,383,767</b>	<b>\$ 15,818,854</b>

Additional information on the County's long-term debt can be found in Note 8 to the financial statements.

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

- The economy continued to improve in Allegan County throughout 2013. Property tax revenues increased for the second straight year and are on track for an additional 2.0% increase for 2014. Another indicator showing continued improvement for the future is the amount of activity in the Register of Deeds office. This leading indicator has shown steady growth for four years.

## COUNTY OF ALLEGAN, MICHIGAN

### Management's Discussion and Analysis

The overall economic forecast for West Michigan, which Allegan County sits comfortably in the middle, remains very optimistic. According to Paul Traub, a Detroit based economist with the Federal Reserve Bank of Chicago, "West Michigan's economic recovery is leading the State of Michigan, which is running ahead of the nation's economic recovery". Closer to home, the W.E. Upjohn Institute for Employment Research in Kalamazoo stated in their June 2014 publication; the area's economic indicators are positive, suggesting job growth into the start of summer. The number of first time unemployment claims dropped by nearly 8.0%. The housing market is picking up steam. There was an annual increase of 6.3% in the number of new dwelling units put under contract for construction during the quarter.

The economic results for the county have been positive over the past two years and the forecast looks to continue the trend. However, there are still challenges facing Allegan County Government in the near future. The new Correction Center and Administrative offices for the Sheriff will have higher operating costs, the state's planned phase out of Personal Property Tax, and the recent decision of the Michigan Supreme Court to eliminate a material portion of court fees are a few of the financial pressures to be dealt with over the next several years.

Allegan County will continue to pass balanced operational budgets, and for 2015 is in the process of developing its first five year budget/planning document. This planning document in conjunction with a recently developed 15 year capital plan, which includes dedicated funding sources, will help position Allegan County for future growth with a stable foundation.

#### Requests for Information

This financial report is designed to provide a general overview of the County 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 the Budget and Finance Department, Allegan County, Michigan, 3283 - 122nd Ave., Allegan, Michigan, 49010. Additional information can be found at our website at [www.allegancounty.org](http://www.allegancounty.org).

## BASIC FINANCIAL STATEMENTS

# COUNTY OF ALLEGAN, MICHIGAN

## Statement of Net Position

December 31, 2013

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Assets</b>				
Cash and pooled investments	\$ 32,179,698	\$ 9,066,773	\$ 41,246,471	\$ 6,113,403
Restricted cash and cash equivalents	-	30,066	30,066	-
Receivables, net	7,611,828	5,666,516	13,278,344	23,101,889
Internal balances	871,838	(866,569)	5,269	-
Advance to component unit	182,000	-	182,000	-
Prepaid items	994,643	3,973	998,616	100,631
Inventory	44,482	-	44,482	1,013,212
Capital assets not being depreciated	22,754,236	11,049	22,765,285	82,081,852
Capital assets being depreciated, net	21,548,121	3,178,061	24,726,182	100,901,096
<b>Total assets</b>	<b>86,186,846</b>	<b>17,089,869</b>	<b>103,276,715</b>	<b>213,312,083</b>
<b>Deferred outflows of resources</b>				
Loss on advance refunding	-	-	-	157,097
<b>Liabilities</b>				
Accounts payable and accrued liabilities	5,918,928	472,404	6,391,332	998,452
Advance from primary government	-	-	-	182,000
Unearned revenue	171,119	-	171,119	-
Short-term debt	-	-	-	146,600
Long-term debt:				
Due within one year	1,802,158	225,291	2,027,449	2,546,106
Due in more than one year	12,906,318	450,000	13,356,318	15,270,295
<b>Total liabilities</b>	<b>20,798,523</b>	<b>1,147,695</b>	<b>21,946,218</b>	<b>19,143,453</b>
<b>Deferred inflows of resources</b>				
Property taxes levied for subsequent year	984,192	-	984,192	2,981,617
<b>Net position</b>				
Net investment in capital assets	31,039,905	2,639,110	33,679,015	177,525,171
Restricted for:				
Health and welfare programs	631,685	-	631,685	-
Public safety programs	6,235,891	-	6,235,891	-
Judicial programs	283,781	-	283,781	-
Debt service	-	-	-	4,846,862
Capital improvements	-	24,434	24,434	-
Other state mandated programs	1,114,552	-	1,114,552	-
Unrestricted	25,098,317	13,278,630	38,376,947	8,972,077
<b>Total net position</b>	<b>\$ 64,404,131</b>	<b>\$ 15,942,174</b>	<b>\$ 80,346,305</b>	<b>\$ 191,344,110</b>

The accompanying notes are an integral part of these financial statements.

# COUNTY OF ALLEGAN, MICHIGAN

## Statement of Activities

For the Year Ended December 31, 2013

Functions / Programs	Expenses	Indirect Expense Allocation	Program Revenues			Net (Expense) Revenue
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary government</b>						
Governmental activities:						
Legislative	\$ 380,728	\$ -	\$ -	\$ -	\$ -	\$ (380,728)
Judicial	5,273,425	-	2,331,424	1,834,799	-	(1,107,202)
General government	10,916,450	(1,108,179)	3,033,394	1,592,589	115,614	(5,066,674)
Public safety	13,923,249	246,271	1,293,929	3,379,939	306,144	(9,189,508)
Public works	257,251	-	-	73,316	-	(183,935)
Health and welfare	32,569,328	861,908	21,398,830	5,863,007	-	(6,169,399)
Recreation and cultural	229,068	-	87,245	-	-	(141,823)
Community and economic development	491,576	-	53,560	211,938	-	(226,078)
Interest on long-term debt	394,582	-	-	-	-	(394,582)
<b>Total governmental activities</b>	<b>64,435,657</b>	<b>-</b>	<b>28,198,382</b>	<b>12,955,588</b>	<b>421,758</b>	<b>(22,859,929)</b>
Business-type activities:						
Delinquent tax collection	234,778	-	1,498,104	-	-	1,263,326
Medical Care Community	8,310,950	-	7,015,520	802,602	-	(492,828)
<b>Total business-type activities</b>	<b>8,545,728</b>	<b>-</b>	<b>8,513,624</b>	<b>802,602</b>	<b>-</b>	<b>770,498</b>
<b>Total primary government</b>	<b>\$ 72,981,385</b>	<b>\$ -</b>	<b>\$ 36,712,006</b>	<b>\$ 13,758,190</b>	<b>\$ 421,758</b>	<b>\$ (22,089,431)</b>
<b>Component units</b>						
Road Commission	\$ 15,059,673	\$ -	\$ 636,973	\$ 9,806,346	\$ 10,449,760	\$ 5,833,406
Drains/Public Works	4,700,548	-	1,156,924	3,130,066	1,548,554	1,134,996
<b>Total component units</b>	<b>\$ 19,760,221</b>	<b>\$ -</b>	<b>\$ 1,793,897</b>	<b>\$ 12,936,412</b>	<b>\$ 11,998,314</b>	<b>\$ 6,968,402</b>

continued...

The accompanying notes are an integral part of these financial statements.

# COUNTY OF ALLEGAN, MICHIGAN

## Statement of Activities

For the Year Ended December 31, 2013

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Changes in net position				
Net (expense) revenue	\$ (22,859,929)	\$ 770,498	\$ (22,089,431)	\$ 6,968,402
General revenues:				
Property taxes	20,578,063	-	20,578,063	2,882,287
State revenue sharing	1,792,524	-	1,792,524	-
Tribal gaming revenue sharing	312,406	-	312,406	-
Unrestricted investment earnings	58,367	25,531	83,898	7,263
Insurance recoveries	300,253	-	300,253	-
Gain on sale of capital assets	-	-	-	55,725
Transfers - internal activities	4,935,808	(4,935,808)	-	-
Total general revenues and transfers	27,977,421	(4,910,277)	23,067,144	2,945,275
Change in net position	5,117,492	(4,139,779)	977,713	9,913,677
Net position, beginning of year	59,286,639	20,081,953	79,368,592	181,430,433
Net position, end of year	\$ 64,404,131	\$ 15,942,174	\$ 80,346,305	\$ 191,344,110

concluded

The accompanying notes are an integral part of these financial statements.

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COUNTY OF ALLEGAN, MICHIGAN

**Balance Sheet**  
 Governmental Funds  
 December 31, 2013

	General Fund (various)	Central Dispatch E911 (2110-2118)	Mental Health (2220 / 2225)	Senior Millage (2950)
<b>Assets</b>				
Cash and pooled investments	\$ 10,529,453	\$ 4,972,017	\$ 1,760,032	\$ 513,864
Accounts receivable	483,701	693,257	1,310,027	3,462
Current property taxes receivable	1,384,856	-	-	926,504
Due from other funds	34,899	-	-	-
Due from other governments	873,981	65,151	-	-
Advances to other funds	570,724	-	-	-
Advance to component unit	182,000	-	-	-
Inventory	-	-	-	-
Prepays	30,824	-	270,145	7,429
<b>Total assets</b>	<b>\$ 14,090,438</b>	<b>\$ 5,730,425</b>	<b>\$ 3,340,204</b>	<b>\$ 1,451,259</b>
<b>Liabilities</b>				
Accounts payable	\$ 519,398	\$ 108,742	\$ 2,020,668	\$ 87,272
Accrued liabilities	503,846	31,618	174,194	3,489
Due to other funds	2,592	-	-	2,924
Due to other governments	-	-	-	-
Advances from other governments	-	-	-	-
Advances from other funds	-	-	68,126	-
Unearned revenue	-	-	126,301	-
<b>Total liabilities</b>	<b>1,025,836</b>	<b>140,360</b>	<b>2,389,289</b>	<b>93,685</b>
<b>Deferred inflows of resources</b>				
Unavailable revenues	977,445	-	253,431	-
Property taxes levied for subsequent year	-	-	-	984,192
<b>Total deferred inflows of resources</b>	<b>977,445</b>	<b>-</b>	<b>253,431</b>	<b>984,192</b>
<b>Fund balances</b>				
Nonspendable	783,548	-	270,145	7,429
Restricted	-	5,590,065	-	365,953
Committed	-	-	427,339	-
Assigned	69,013	-	-	-
Unassigned	11,234,596	-	-	-
<b>Total fund balances</b>	<b>12,087,157</b>	<b>5,590,065</b>	<b>697,484</b>	<b>373,382</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 14,090,438</b>	<b>\$ 5,730,425</b>	<b>\$ 3,340,204</b>	<b>\$ 1,451,259</b>

The accompanying notes are an integral part of these financial statements.



Public Improvement (2450 / 2455)	Nonmajor Governmental Funds	Totals
\$ 1,459,104	\$ 5,913,751	\$ 25,148,221
37,087	372,497	2,900,031
-	5,973	2,317,333
250,000	25,688	310,587
-	1,451,765	2,390,897
119,240	-	689,964
-	-	182,000
-	44,482	44,482
11,085	37,861	357,344
<u>\$ 1,876,516</u>	<u>\$ 7,852,017</u>	<u>\$ 34,340,859</u>
\$ 1,447,854	\$ 341,962	\$ 4,525,896
-	157,131	870,278
-	55,071	60,587
-	15,721	15,721
-	32,000	32,000
-	-	68,126
-	44,818	171,119
<u>1,447,854</u>	<u>646,703</u>	<u>5,743,727</u>
-	414,025	1,644,901
-	-	984,192
<u>-</u>	<u>414,025</u>	<u>2,629,093</u>
130,325	37,861	1,229,308
-	2,049,789	8,005,807
298,337	4,703,639	5,429,315
-	-	69,013
-	-	11,234,596
<u>428,662</u>	<u>6,791,289</u>	<u>25,968,039</u>
<u>\$ 1,876,516</u>	<u>\$ 7,852,017</u>	<u>\$ 34,340,859</u>

# COUNTY OF ALLEGAN, MICHIGAN

## Reconciliation

Fund Balances for Governmental Funds  
to Net Position of Governmental Activities  
December 31, 2013

Fund balances - total governmental funds \$ 25,968,039

Amounts reported for *governmental activities* in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources, and therefore are not reported in the fund statement.

Capital assets not being depreciated	22,754,236
Capital assets being depreciated, net	21,548,121

An internal service fund is used by management to charge the costs of self-insurance to individual governmental funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.

Net position of governmental activities accounted for in the internal service funds	6,866,830
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Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for current-period expenditures. Those assets (such as property taxes 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.

Deferred inflows of resources for property taxes receivable	981,634
Deferred inflows of resources for CMH receivables	253,431
Deferred inflows of resources for Medicaid receivables	409,836

Certain liabilities, such as bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

Bonds payable	(13,150,000)
Premium on bonds payable, net	(112,452)
Compensated absences payable:	
Total governmental activities	(1,446,024)
Balance reported in internal service funds	396,397
Net compensated absences	(1,049,627)
Accrued interest on bonds payable	(65,917)

Net position of governmental activities	<u><u>\$ 64,404,131</u></u>
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The accompanying notes are an integral part of these financial statements.

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# COUNTY OF ALLEGAN, MICHIGAN

## Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended December 31, 2013

	General Fund (various)	Central Dispatch E911 (2110-2118)	Mental Health (2220 / 2225)	Senior Millage (2950)
<b>Revenues</b>				
Taxes and penalties	\$ 19,509,207	\$ -	\$ -	\$ 988,981
Licenses and permits	99,208	-	-	-
Intergovernmental revenues:				
Federal	923,358	-	536,380	-
State	3,808,639	272,012	1,887,940	-
Local	312,406	-	-	-
Charges for services	3,773,515	2,628,369	19,760,378	-
Fines and forfeitures	136,734	-	-	-
Interest and rentals	615,467	11,614	24,312	2,127
Other revenues	1,711,441	27,317	9,519	582
<b>Total revenues</b>	<b>30,889,975</b>	<b>2,939,312</b>	<b>22,218,529</b>	<b>991,690</b>
<b>Expenditures</b>				
Current:				
Legislative	366,244	-	-	-
Judicial	5,016,773	-	-	-
General government	8,154,384	-	-	-
Public safety	9,668,932	2,947,856	-	-
Public works	256,806	-	-	-
Health and welfare	471,216	-	22,733,545	1,130,478
Recreation and cultural	-	-	-	-
Community and economic development	269,496	-	-	-
Other	674,694	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	-	132,582	-	2,488
<b>Total expenditures</b>	<b>24,878,545</b>	<b>3,080,438</b>	<b>22,733,545</b>	<b>1,132,966</b>
Revenues over (under) expenditures	6,011,430	(141,126)	(515,016)	(141,276)
<b>Other financing sources (uses)</b>				
Transfers in	235,368	-	332,289	24,533
Transfers out	(5,162,037)	-	-	-
Insurance recoveries	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(4,926,669)</b>	<b>-</b>	<b>332,289</b>	<b>24,533</b>
<b>Net change in fund balances</b>	<b>1,084,761</b>	<b>(141,126)</b>	<b>(182,727)</b>	<b>(116,743)</b>
Fund balances, beginning of year	11,002,396	5,731,191	880,211	490,125
<b>Fund balances, end of year</b>	<b>\$ 12,087,157</b>	<b>\$ 5,590,065</b>	<b>\$ 697,484</b>	<b>\$ 373,382</b>

The accompanying notes are an integral part of these financial statements.

Public Improvement (2450 / 2455)	Nonmajor Governmental Funds	Totals
\$ -	\$ 83,207	\$ 20,581,395
-	419,937	519,145
-	1,224,632	2,684,370
-	3,123,474	9,092,065
-	633,552	945,958
42,112	2,029,440	28,233,814
-	4,675	141,409
5,929	12,866	672,315
-	220,469	1,969,328
<u>48,041</u>	<u>7,752,252</u>	<u>64,839,799</u>
-	-	366,244
-	122,388	5,139,161
-	1,345,332	9,499,716
-	925,438	13,542,226
-	-	256,806
-	8,387,164	32,722,403
-	218,535	218,535
-	217,076	486,572
-	-	674,694
-	350,000	350,000
-	403,049	403,049
7,541,860	344,170	8,021,100
<u>7,541,860</u>	<u>12,313,152</u>	<u>71,680,506</u>
<u>(7,493,819)</u>	<u>(4,560,900)</u>	<u>(6,840,707)</u>
4,937,000	4,939,334	10,468,524
-	(35,368)	(5,197,405)
300,253	-	300,253
<u>5,237,253</u>	<u>4,903,966</u>	<u>5,571,372</u>
(2,256,566)	343,066	(1,269,335)
<u>2,685,228</u>	<u>6,448,223</u>	<u>27,237,374</u>
<u>\$ 428,662</u>	<u>\$ 6,791,289</u>	<u>\$ 25,968,039</u>

# COUNTY OF ALLEGAN, MICHIGAN

## Reconciliation

Changes in Fund Balances of Governmental Funds  
to Change in Net Position of Governmental Activities  
For the Year Ended December 31, 2013

Net change in fund balances - total governmental funds \$ (1,269,335)

Amounts reported for *governmental activities* in the statement of activities are different because:

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.

Purchase/construction of capital assets	8,411,460
Donated capital assets	306,144
Depreciation expense	(1,657,726)

An internal service fund is used by management to charge the costs of certain insurance and fringe benefits to individual governmental funds. The net revenues (expense) attributable to those funds is reported with governmental activities.

Operating income (loss) from governmental activities in internal service funds	(1,011,466)
Interest earned in internal service funds	15,664
Net operating transfers in/(out) of internal service funds	(335,311)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, but rather are deferred to the following fiscal year.

Net change in deferred inflows of resources for property taxes receivable	(3,332)
Net change in deferred inflows of resources for CMH receivables	253,431
Net change in deferred inflows of resources for Medicaid receivables	87,370

Bond proceeds provide current financial resources to governmental funds in the period issued, but issuing bonds increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Principal repayment on bonds payable	350,000
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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.

Change in accrued interest on bonds payable	2,333
Change in the accrual for compensated absences:	
Total governmental activities	(43,244)
Change accounted for in internal service funds	5,370
Net change in the accrual for compensated absences	(37,874)
Amortization of bond premium	6,134

Change in net position of governmental activities \$ 5,117,492

The accompanying notes are an integral part of these financial statements.

# COUNTY OF ALLEGAN, MICHIGAN

## Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund

For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>				
Taxes and penalties	\$ 18,951,211	\$ 18,951,211	\$ 19,509,207	\$ 557,996
Licenses and permits	73,080	73,080	99,208	26,128
Intergovernmental revenues:				
Federal	1,024,876	1,024,876	923,358	(101,518)
State	1,734,596	1,756,596	3,808,639	2,052,043
Local	246,000	246,000	312,406	66,406
Charges for services	3,275,818	3,275,818	3,773,515	497,697
Fines and forfeitures	135,700	135,700	136,734	1,034
Interest and rentals	798,524	798,524	615,467	(183,057)
Other revenues	1,688,930	1,729,058	1,711,441	(17,617)
<b>Total revenues</b>	<b>27,928,735</b>	<b>27,990,863</b>	<b>30,889,975</b>	<b>2,899,112</b>
<b>Expenditures</b>				
Current:				
Legislative	418,047	402,047	366,244	(35,803)
Judicial	5,195,136	5,144,036	5,016,773	(127,263)
General government	8,199,873	8,205,273	8,154,384	(50,889)
Public safety	9,303,829	9,693,083	9,668,932	(24,151)
Public works	200,385	257,885	256,806	(1,079)
Health and welfare	557,294	485,294	471,216	(14,078)
Community and economic development	255,665	271,165	269,496	(1,669)
Other	1,195,000	1,092,158	674,694	(417,464)
<b>Total expenditures</b>	<b>25,325,229</b>	<b>25,550,941</b>	<b>24,878,545</b>	<b>(672,396)</b>
<b>Revenues over expenditures</b>	<b>2,603,506</b>	<b>2,439,922</b>	<b>6,011,430</b>	<b>3,571,508</b>
<b>Other financing sources (uses)</b>				
Transfers in	1,899,645	1,899,645	235,368	(1,664,277)
Transfers out	(5,060,014)	(6,235,787)	(5,162,037)	1,073,750
<b>Total other financing (uses) sources</b>	<b>(3,160,369)</b>	<b>(4,336,142)</b>	<b>(4,926,669)</b>	<b>(590,527)</b>
<b>Net change in fund balance</b>	<b>(556,863)</b>	<b>(1,896,220)</b>	<b>1,084,761</b>	<b>2,980,981</b>
Fund balance, beginning of year	11,002,396	11,002,396	11,002,396	-
<b>Fund balance, end of year</b>	<b>\$ 10,445,533</b>	<b>\$ 9,106,176</b>	<b>\$ 12,087,157</b>	<b>\$ 2,980,981</b>

The accompanying notes are an integral part of these financial statements.

# COUNTY OF ALLEGAN, MICHIGAN

## Statement of Revenues, Expenditures and Changes in Fund Balance Budget and Actual - Central Dispatch E-911 Special Revenue Fund For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>				
Intergovernmental revenues - State	\$ 261,572	\$ 261,572	\$ 272,012	\$ 10,440
Charges for services	1,877,046	1,907,046	2,628,369	721,323
Interest and rentals	66,227	81,227	11,614	(69,613)
Other revenues	-	-	27,317	27,317
<b>Total revenues</b>	<b>2,204,845</b>	<b>2,249,845</b>	<b>2,939,312</b>	<b>689,467</b>
<b>Expenditures</b>				
Current - public safety	2,520,372	3,065,372	2,947,856	(117,516)
Capital outlay	15,500	45,500	132,582	87,082
<b>Total expenditures</b>	<b>2,535,872</b>	<b>3,110,872</b>	<b>3,080,438</b>	<b>(30,434)</b>
Revenues over (under) expenditures	(331,027)	(861,027)	(141,126)	719,901
<b>Other financing sources</b>				
Transfers in	331,027	-	-	-
Net changes in fund balance	-	(861,027)	(141,126)	719,901
Fund balance, beginning of year	5,731,191	5,731,191	5,731,191	-
<b>Fund balance, end of year</b>	<b>\$ 5,731,191</b>	<b>\$ 4,870,164</b>	<b>\$ 5,590,065</b>	<b>\$ 719,901</b>

The accompanying notes are an integral part of these financial statements.



# COUNTY OF ALLEGAN, MICHIGAN

## Statement of Revenues, Expenditures and Changes in Fund Balance Budget and Actual - Mental Health Special Revenue Fund For the Year Ended September 30, 2013

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>				
Intergovernmental revenues:				
Federal	\$ 642,845	\$ 634,323	\$ 536,380	\$ (97,943)
State	2,051,935	1,945,241	1,887,940	(57,301)
Charges for services	19,556,805	20,249,044	19,760,378	(488,666)
Interest and rentals	1,000	-	24,312	24,312
Other revenues	20,265	23,799	9,519	(14,280)
<b>Total revenues</b>	<b>22,272,850</b>	<b>22,852,407</b>	<b>22,218,529</b>	<b>(633,878)</b>
<b>Expenditures</b>				
Current - health and welfare	22,501,675	23,140,422	22,733,545	(406,877)
Capital outlay	80,155	20,965	-	(20,965)
<b>Total expenditures</b>	<b>22,581,830</b>	<b>23,161,387</b>	<b>22,733,545</b>	<b>(427,842)</b>
Revenues over (under) expenditures	(308,980)	(308,980)	(515,016)	(206,036)
<b>Other financing sources</b>				
Transfers in	308,980	308,980	332,289	23,309
Net changes in fund balance	-	-	(182,727)	(182,727)
Fund balance, beginning of year	880,211	880,211	880,211	-
Fund balance, end of year	<u>\$ 880,211</u>	<u>\$ 880,211</u>	<u>\$ 697,484</u>	<u>\$ (182,727)</u>

The accompanying notes are an integral part of these financial statements.

# COUNTY OF ALLEGAN, MICHIGAN

## Statement of Revenues, Expenditures and Changes in Fund Balance Budget and Actual - Senior Millage Special Revenue Fund For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>				
Taxes and penalties	\$ 979,106	\$ 979,106	\$ 988,981	\$ 9,875
Interest and rentals	16,502	16,502	2,127	(14,375)
Other revenues	-	-	582	582
<b>Total revenues</b>	<b>995,608</b>	<b>995,608</b>	<b>991,690</b>	<b>(3,918)</b>
<b>Expenditures</b>				
Current - health and welfare	1,297,849	1,290,849	1,130,478	(160,371)
Capital outlay	-	7,000	2,488	(4,512)
<b>Total expenditures</b>	<b>1,297,849</b>	<b>1,297,849</b>	<b>1,132,966</b>	<b>(164,883)</b>
Revenues over (under) expenditures	(302,241)	(302,241)	(141,276)	160,965
<b>Other financing sources</b>				
Transfers in	24,533	24,533	24,533	-
Net changes in fund balance	(277,708)	(277,708)	(116,743)	160,965
Fund balance, beginning of year	490,125	490,125	490,125	-
Fund balance, end of year	\$ 212,417	\$ 212,417	\$ 373,382	\$ 160,965

The accompanying notes are an integral part of these financial statements.

# COUNTY OF ALLEGAN, MICHIGAN

## Statement of Net Position

Proprietary Funds

December 31, 2013

	Business-type Activities			Governmental Activities
	Delinquent Property Tax (61xx-62xx)	Medical Care Community	Total	Internal Service Funds
<b>Assets</b>				
Current assets:				
Cash and pooled investments	\$ 8,184,506	\$ 882,267	\$ 9,066,773	\$ 7,031,477
Restricted cash and cash equivalents	-	30,066	30,066	-
Accounts receivable, net	169,871	1,182,396	1,352,267	3,567
Delinquent property taxes receivable	3,434,548	-	3,434,548	-
Interest and penalties receivable	879,701	-	879,701	-
Prepays	3,973	-	3,973	637,299
<b>Total current assets</b>	<b>12,672,599</b>	<b>2,094,729</b>	<b>14,767,328</b>	<b>7,672,343</b>
Noncurrent assets:				
Capital assets not being depreciated	-	11,049	11,049	-
Capital assets being depreciated, net	6,400	3,171,661	3,178,061	-
<b>Total noncurrent assets</b>	<b>6,400</b>	<b>3,182,710</b>	<b>3,189,110</b>	<b>-</b>
<b>Total assets</b>	<b>12,678,999</b>	<b>5,277,439</b>	<b>17,956,438</b>	<b>7,672,343</b>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	13,289	285,423	298,712	409,116
Accrued liabilities	2,898	130,360	133,258	-
Interest payable	-	9,680	9,680	-
Compensated absences, due within one year	-	125,291	125,291	396,397
Due to other funds	250,000	-	250,000	-
Due to other governments	30,754	-	30,754	-
Advances from other funds, due within one year	-	125,428	125,428	-
Long-term debt, due within one year	-	100,000	100,000	-
<b>Total current liabilities</b>	<b>296,941</b>	<b>776,182</b>	<b>1,073,123</b>	<b>805,513</b>
Long-term liabilities:				
Advances from other funds, net of current portion	-	491,141	491,141	-
Long-term debt, net of current portion	-	450,000	450,000	-
<b>Total long-term liabilities</b>	<b>-</b>	<b>941,141</b>	<b>941,141</b>	<b>-</b>
<b>Total liabilities</b>	<b>296,941</b>	<b>1,717,323</b>	<b>2,014,264</b>	<b>805,513</b>
<b>Net position</b>				
Net investment in capital assets	6,400	2,632,710	2,639,110	-
Restricted for capital improvements	-	24,434	24,434	-
Unrestricted	12,375,658	902,972	13,278,630	6,866,830
<b>Total net position</b>	<b>\$ 12,382,058</b>	<b>\$ 3,560,116</b>	<b>\$ 15,942,174</b>	<b>\$ 6,866,830</b>

The accompanying notes are an integral part of these financial statements.

COUNTY OF ALLEGAN, MICHIGAN

**Statement of Revenues, Expenses and Changes in Fund Net Position**  
 Proprietary Funds  
 For the Year Ended December 31, 2013

	Business-type Activities			Governmental Activities
	Delinquent Property Tax (61xx-62xx)	Medical Care Community	Total	Internal Service Funds
<b>Operating revenues</b>				
Interest and penalties on taxes	\$ 1,105,390	\$ -	\$ 1,105,390	\$ -
Charges for services	392,714	7,015,520	7,408,234	6,144,846
<b>Total operating revenues</b>	<b>1,498,104</b>	<b>7,015,520</b>	<b>8,513,624</b>	<b>6,144,846</b>
<b>Operating expenses</b>				
Administrative expense	228,378	-	228,378	-
Medical services expense	-	7,767,290	7,767,290	-
Insurance and employee benefits expense	-	-	-	7,156,312
Depreciation expense	6,400	312,786	319,186	-
<b>Total operating expenses</b>	<b>234,778</b>	<b>8,080,076</b>	<b>8,314,854</b>	<b>7,156,312</b>
<b>Operating income (loss)</b>	<b>1,263,326</b>	<b>(1,064,556)</b>	<b>198,770</b>	<b>(1,011,466)</b>
<b>Nonoperating revenues (expense)</b>				
Quality assurance supplement	-	692,342	692,342	-
Interest earned on investments	25,531	3,295	28,826	15,664
Contributions and donations	-	106,965	106,965	-
Maintenance of effort payment	-	(172,143)	(172,143)	-
Interest expense	-	(58,731)	(58,731)	-
<b>Total nonoperating revenues (expense)</b>	<b>25,531</b>	<b>571,728</b>	<b>597,259</b>	<b>15,664</b>
<b>Income (loss) before transfers</b>	<b>1,288,857</b>	<b>(492,828)</b>	<b>796,029</b>	<b>(995,802)</b>
<b>Transfers</b>				
Transfers in	-	144,192	144,192	-
Transfers out	(5,080,000)	-	(5,080,000)	(335,311)
<b>Total transfers</b>	<b>(5,080,000)</b>	<b>144,192</b>	<b>(4,935,808)</b>	<b>(335,311)</b>
<b>Change in net position</b>	<b>(3,791,143)</b>	<b>(348,636)</b>	<b>(4,139,779)</b>	<b>(1,331,113)</b>
<b>Net position, beginning of year</b>	<b>16,173,201</b>	<b>3,908,752</b>	<b>20,081,953</b>	<b>8,197,943</b>
<b>Net position, end of year</b>	<b>\$ 12,382,058</b>	<b>\$ 3,560,116</b>	<b>\$ 15,942,174</b>	<b>\$ 6,866,830</b>

The accompanying notes are an integral part of these financial statements.

# COUNTY OF ALLEGAN, MICHIGAN

## Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2013

	Business-type Activities			Governmental Activities
	Delinquent Property Tax (61xx-62xx)	Medical Care Community	Total	Internal Service Funds
<b>Cash flows from operating activities</b>				
Cash received from interfund services provided	\$ -	\$ -	\$ -	\$ 6,277,541
Cash received from customers	-	7,160,094	7,160,094	-
Cash payments to suppliers for goods and services	(228,378)	(3,778,128)	(4,006,506)	-
Cash received from penalties and interest on delinquent taxes	9,416,085	-	9,416,085	-
Cash payments to employees for services	-	(4,133,829)	(4,133,829)	-
Cash payments for delinquent tax rolls	(7,354,178)	-	(7,354,178)	-
Cash payments for insurance claims	-	-	-	(7,016,388)
<b>Net cash provided by (used in) operating activities</b>	<b>1,833,529</b>	<b>(751,863)</b>	<b>1,081,666</b>	<b>(738,847)</b>
<b>Cash flows from noncapital financing activities</b>				
Transfers from other funds	-	144,192	144,192	-
Transfers to other funds	(5,080,000)	-	(5,080,000)	(335,311)
Quality Assurance Supplement	-	692,342	692,342	-
Contributions and donations	-	106,965	106,965	-
Maintenance of effort payment	-	(172,143)	(172,143)	-
<b>Net cash (used in) provided by noncapital financing activities</b>	<b>(5,080,000)</b>	<b>771,356</b>	<b>(4,308,644)</b>	<b>(335,311)</b>
<b>Cash flows from capital and related financing activities</b>				
Acquisition and construction of capital assets	-	(141,338)	(141,338)	-
Repayment of advance to other funds	-	(251,173)	(251,173)	-
Principal payments on long-term debt	-	(100,000)	(100,000)	-
Interest payments on long-term debt	-	(86,274)	(86,274)	-
<b>Net cash used in capital and related financing activities</b>	<b>-</b>	<b>(578,785)</b>	<b>(578,785)</b>	<b>-</b>
<b>Cash flows from investing activities</b>				
Interest received on investments	25,531	3,295	28,826	15,664
<b>Net change in cash and cash equivalents</b>	<b>(3,220,940)</b>	<b>(555,997)</b>	<b>(3,776,937)</b>	<b>(1,058,494)</b>
Cash and cash equivalents, beginning of year	11,405,446	1,468,330	12,873,776	8,089,971
<b>Cash and cash equivalents, end of year</b>	<b>\$ 8,184,506</b>	<b>\$ 912,333</b>	<b>\$ 9,096,839</b>	<b>\$ 7,031,477</b>

continued...

# COUNTY OF ALLEGAN, MICHIGAN

## Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2013

	Business-type Activities			Governmental Activities
	Delinquent Property Tax (61xx-62xx)	Medical Care Community	Total	Internal Service Funds
Cash and cash equivalents are classified on the statement of net position as follows				
Cash and pooled investments	\$ 8,184,506	\$ 882,267	\$ 9,066,773	\$ 7,031,477
Restricted cash and cash equivalents	-	30,066	30,066	-
<b>Total cash and cash equivalents</b>	<b>\$ 8,184,506</b>	<b>\$ 912,333</b>	<b>\$ 9,096,839</b>	<b>\$ 7,031,477</b>
Cash flows from operating activities				
Operating income (loss)	\$ 1,263,326	\$ (1,064,556)	\$ 198,770	\$ (1,011,466)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	6,400	312,786	319,186	-
Change in the allowance for uncollectible receivables	-	(6,437)	(6,437)	-
Change in:				
Accounts receivable	323,526	142,946	466,472	132,695
Delinquent property taxes receivable	227,562	-	227,562	-
Interest and penalties receivable	19,881	-	19,881	-
Prepays	(473)	-	(473)	59,998
Accounts payable	(242,556)	(132,670)	(375,226)	74,556
Accrued liabilities	303	16,637	16,940	-
Patient trust liability	-	1,628	1,628	-
Compensated absences	-	(22,197)	(22,197)	5,370
Due to other funds	250,000	-	250,000	-
Due to other governments	(14,440)	-	(14,440)	-
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 1,833,529</b>	<b>\$ (751,863)</b>	<b>\$ 1,081,666</b>	<b>\$ (738,847)</b>

concluded

The accompanying notes are an integral part of these financial statements.

# COUNTY OF ALLEGAN, MICHIGAN

## Statement of Fiduciary Assets and Liabilities

Agency Funds  
December 31, 2013

### Assets

Cash and pooled investments	<u>\$ 1,442,176</u>
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### Liabilities

Assets held on behalf of others	<u>\$ 1,442,176</u>
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The accompanying notes are an integral part of these financial statements.

# COUNTY OF ALLEGAN, MICHIGAN

## Combining Statement of Net Position

Discretely Presented Component Units

December 31, 2013

	Road Commission	Drains / Department of Public Works	Totals
<b>Assets</b>			
Cash and pooled investments	\$ 3,942,938	\$ 2,170,465	\$ 6,113,403
Receivables	6,323,285	16,778,604	23,101,889
Prepaid items	100,631	-	100,631
Inventory	1,013,212	-	1,013,212
Capital assets not being depreciated	80,625,706	1,456,146	82,081,852
Capital assets being depreciated, net	92,087,401	8,813,695	100,901,096
<b>Total assets</b>	<b>184,093,173</b>	<b>29,218,910</b>	<b>213,312,083</b>
<b>Deferred outflows of resources</b>			
Loss on advance refunding	-	157,097	157,097
<b>Liabilities</b>			
Accounts payable and accrued liabilities	466,493	531,959	998,452
Advance from primary government	-	182,000	182,000
Short-term debt	-	146,600	146,600
Long-term debt:			
Due within one year	-	2,546,106	2,546,106
Due in more than one year	310,958	14,959,337	15,270,295
<b>Total liabilities</b>	<b>777,451</b>	<b>18,366,002</b>	<b>19,143,453</b>
<b>Deferred inflows of resources</b>			
Property taxes levied for subsequent year	2,981,617	-	2,981,617
<b>Net position</b>			
Net investment in capital assets	172,713,107	4,812,064	177,525,171
Restricted for debt service	-	4,846,862	4,846,862
Unrestricted	7,620,998	1,351,079	8,972,077
<b>Total net position</b>	<b>\$ 180,334,105</b>	<b>\$ 11,010,005</b>	<b>\$ 191,344,110</b>

The accompanying notes are an integral part of these financial statements.



# COUNTY OF ALLEGAN, MICHIGAN

## Combining Statement of Activities

Discretely Presented Component Units

For the Year Ended December 31, 2013

	Road Commission	Drains / Department of Public Works	Totals
Expenses			
Road Commission	\$ 15,059,673	\$ -	\$ 15,059,673
Drains/Public Works	-	4,700,548	4,700,548
Total expenses	15,059,673	4,700,548	19,760,221
Program revenues			
Charges for services	636,973	1,156,924	1,793,897
Operating grants and contributions	9,806,346	3,130,066	12,936,412
Capital grants and contributions	10,449,760	1,548,554	11,998,314
Total program revenues	20,893,079	5,835,544	26,728,623
Net revenues (expenses)	5,833,406	1,134,996	6,968,402
General revenues			
Property taxes	2,882,287	-	2,882,287
Unrestricted investment earnings	-	7,263	7,263
Gain on sale of capital assets	55,725	-	55,725
Total general revenues	2,938,012	7,263	2,945,275
Change in net position	8,771,418	1,142,259	9,913,677
Net position, beginning of year	171,562,687	9,867,746	181,430,433
Net position, end of year	\$ 180,334,105	\$ 11,010,005	\$ 191,344,110

The accompanying notes are an integral part of these financial statements.

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## NOTES TO FINANCIAL STATEMENTS

# COUNTY OF ALLEGAN, MICHIGAN

## Notes to Financial Statements

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Allegan, Michigan (the “County”) 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 of Allegan operates under an elected Board of County Commissioners (11 members) and provides services to its more than 105,000 residents in many areas including law enforcement, administration of justice, community enrichment and development, and human services.

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

#### Reporting Entity

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

#### Blended Component Unit

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

The governing board is appointed by the Allegan County Board of Commissioners. The Building Authority’s purpose is to finance and construct the County’s public buildings. The Building Authority is included as a capital projects and debt service fund in the financial statements. A separate report is not prepared for the Building Authority.

#### Discretely-presented Component Units

##### *Allegan County Road Commission (the “Road Commission”)*

The Road Commission, which is established pursuant to the County Road Law (MCL 224.1), is governed by a three member Board of County Road Commissioners appointed by the County Board of Commissioners. The Road Commission may not issue debt or levy a tax without the approval of the County Board of Commissioners. The Road Commission’s taxes are levied under the taxing authority of the County, as approved by the County electors, and are included as part of the County’s total tax levy and reported in the County Road Commission Fund. 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

# COUNTY OF ALLEGAN, MICHIGAN

## Notes to Financial Statements

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

Pursuant to Act 185, Public Acts of 1957, the County of Allegan 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 of Allegan. Pursuant to the Drain Code of 1956, the Drain Commissioner has the responsibility to administer the State Drain Code. The Allegan County Drain Commissioner is responsible for planning, developing and maintaining surface water drainage systems within the County. The Drain Commissioner as a County agent may issue debt or levy a tax as authorized by the Drain Code without approval of the County Board of Commissioners. A separate report is not prepared for the Drain Commission/Department of Public Works.

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

The Brownfield Authority was established in January 2007 under Public Act 381 of 1996 (as amended by Public Act 145 of 2000) for the purpose of identifying and facilitating improvement of environmentally distressed areas, in order to promote revitalization within the County. The Authority is governed by a 9-member Board. All applications for projects must be approved by the County Board of Commissioners. The Brownfield Authority had no financial activity, assets, or liabilities at December 31, 2013. As such, financial information is not presented within these financial statements.

### *Funds with Other Year Ends*

The financial statements of the mental health special revenue fund, and the mental health self-insurance and vacation reserve internal service funds have been included in the accompanying 2013 financial statements using their fiscal year ended September 30, 2013.

Interfund balances, due to/from account balances, indirect expense allocations, as well as transfers, may not agree across all funds due to the different year ends reported in these funds.

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

The government-wide financial statements (i.e., 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.

# COUNTY OF ALLEGAN, MICHIGAN

## Notes to Financial Statements

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect expenses are charged based upon a County-wide cost allocation plan which allocates costs based upon the number of full time equivalents, number of transactions, and other pertinent information. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

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

The government-wide financial statements are reported using the *economic resources* measurement focus and the *accrual basis* of accounting, as are the proprietary fund and fiduciary fund financial statements. The fiduciary fund financial statements use the economic resources measurement focus, although the agency funds do not have a measurement focus. Revenues are recorded when earned and expenses are recorded when liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. After March 1 of the year for which they were levied, the delinquent tax revolving fund pays the County for any outstanding real property taxes as of that date. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources* measurement focus and the *modified accrual basis* of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 180 days of the end of the current fiscal period, within 60 days for property taxes or within one year for reimbursement-based grants. Grant revenues are considered to be available when all eligibility requirements imposed by the provider have been met. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures and compensated absences are recorded only when payment is due.

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

The County reports the following major governmental funds:

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

# COUNTY OF ALLEGAN, MICHIGAN

## Notes to Financial Statements

*Central dispatch E-911 fund* - This fund is used to account for restricted revenues from surcharges on cell phone services and State funding under Public Act 32. These amounts are expended to construction, maintain, and operate emergency dispatching within the County.

*Mental health fund* - This fund is used to account for monies to provide mental health services within the County. Monies are provided by Federal, State, and County appropriations, contributions, and charges for services.

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

*Public improvement fund* - This fund is used to account for the construction of County assets.

The County reports the following major enterprise funds:

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

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

Additionally, the County reports the following fund types:

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

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

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

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

*Agency 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 government. Elimination of these charges would distort costs and program revenues reported for the various functions concerned.

# COUNTY OF ALLEGAN, MICHIGAN

## Notes to Financial Statements

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 is charges to County departments for insurance coverage. Operating expenses for the enterprise funds consist of the costs of services, administrative expenses and depreciation on capital assets. Operating expenses for the internal service funds include the cost of services (including claims) and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

### *Budgets and Budgetary Accounting*

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

All budget appropriations lapse at the end of each fiscal year unless specific Board action is taken. All budgetary presentations include original and amended budgets.

### *Assets, Liabilities and Equity*

#### *Cash and Pooled Investments*

The County maintains a cash and investment pool that is available for use by select funds. Each fund's 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 pool 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.



# COUNTY OF ALLEGAN, MICHIGAN

## Notes to Financial Statements

### *Investments*

The County's investments consist primarily of certificates of deposit, money market accounts, and U.S. agencies and treasuries. Investments are carried at fair value.

### *Current Taxes Receivable*

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

### *Delinquent Taxes Receivable*

Property taxes receivable in the delinquent tax revolving funds represent unpaid balances from the previous years' levies of the County itself as well as other local taxing authorities in the County's geographical region. The County is responsible for pursuing and administering collection of these balances and coordinating the forfeiture and foreclosure activities for the related parcels. This process takes place over a 3-year period. Interest at 1 percent per month (increased to 1.5 percent after 12 months, retroactive to the date of delinquency) and administrative fees at 4 percent are accrued in accordance with State statute. No amounts have been included in an allowance for uncollectible balances, as the structure of the delinquent tax revolving fund has been designed to make the fund whole either through the eventual auction of the foreclosed parcels or through chargebacks to the local taxing authorities initially levying the taxes.

### *Accounts Receivable and Due From Other Governments*

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

### *Leases and Special Assessments Receivable*

The Drain Commission/Department of Public Works component unit has leases and special assessments receivable recorded in the amount of \$12,020,354 and \$4,706,618, respectively. Leases receivable represent amounts owed to the County by other local units of government for the retirement of bonds payable issued to finance construction of water/sewer infrastructure. Special assessments are levied on properties within a drainage district that are deemed to receive the primary benefit of the maintenance/construction. The amounts generally correspond to related bonds and notes payable issued to finance the project and may be assessed over one year or multiple years. Of the leases and special assessment receivables, \$1,000,987 and \$1,380,852, respectively, are expected to be collected within one year while the remaining balances are long-term. Lease and special assessments receivable are recorded with an offsetting credit to deferred inflows of resources on the fund statements as the balances do not represent expendable available financial resources.

# COUNTY OF ALLEGAN, MICHIGAN

## Notes to Financial Statements

### *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 2013 ad valorem tax (excluding the portion for general operations and soldiers' relief) is levied and collectible on December 1, 2013, 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, 2013 levy has been reported as deferred inflows of resources at year-end.

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

### *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*

Road Commission (component unit) inventories are priced at cost as determined on the average unit cost method. Inventory items are charged to road construction and maintenance, and equipment repairs and operations, as used. 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.

# COUNTY OF ALLEGAN, MICHIGAN

## Notes to Financial Statements

### *Capital Assets (Excluding Road Commission Component Unit)*

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 exists. Donated capital assets are valued at their estimated fair value on the date received. The amount reported for infrastructure includes only assets added since December 31, 2000.

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

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

Depreciation on the capital assets (including infrastructure) is computed using the straight-line method over the following estimated useful lives:

	Years
Land improvements	20
Buildings and improvements	30-50
Infrastructure	8-50
Equipment and furniture	5-10

### *Capital Assets (Road Commission Component Unit)*

Capital assets, which include property, plant and equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 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 exists. Donated capital assets are valued at their estimated fair value on the date received.

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.

# COUNTY OF ALLEGAN, MICHIGAN

## Notes to Financial Statements

Depreciation is computed on the sum-of-the-years'-digits method for road equipment and straight-line method for all other capital assets. The depreciation rates are designed to amortize the cost of the assets over their estimated useful lives, as follows: over the following estimated useful lives:

	Years
Buildings and improvements	30-50
Infrastructure	8-50
Equipment and furniture	4-10

### *Deferred Outflows of Resources*

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 expenditures. 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, 2013 was \$12,711.

### *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, for example, 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.

# COUNTY OF ALLEGAN, MICHIGAN

## Notes to Financial Statements

### *Fund Equity*

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. 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. Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Commissioners (the government's highest level of decision-making authority). A formal resolution of the Board of Commissioners is required to establish, modify, or rescind a fund balance commitment. The County reports assigned fund balance for amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The County Board of Commissioners has not formally delegated the authority for assigning fund balance to a specific individual or department. Unassigned fund balance is the residual classification for the general fund.

When the government incurs an expenditure for purposes for which various fund balance classifications can be used, it is the government's policy to use restricted fund balance first, then committed fund balance, assigned fund balance, and finally unassigned fund balance.

### *Interfund Transactions*

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

### *Use of Estimates*

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

## 2. STEWARDSHIP AND BUDGETARY COMPLIANCE

### *Budget Violations*

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.

During the year ended December 31, 2013, expenditures were incurred in excess of the amounts appropriated in the amended budget of the general fund and special revenue fund types of the primary government as follows:

# COUNTY OF ALLEGAN, MICHIGAN

## Notes to Financial Statements

	Amended Budget	Actual	Variance
Special revenue funds			
Central dispatch E-911 -			
Capital outlay	\$ 45,500	\$ 132,582	\$ 87,082
Health fund:			
Health and welfare	3,662,282	3,721,908	59,626
Capital outlay	600	18,527	17,927
Animal shelter donation -			
Health and welfare	48,900	116,411	67,511
Law enforcement training -			
Capital outlay	7,000	14,251	7,251
Social welfare - Transfers out	-	15,000	15,000

### 3. DEPOSITS AND INVESTMENTS

The captions on the government-wide and fund statements relating to cash and investments are as follows:

	Primary Government	Component Units	Fiduciary Funds	Totals
Cash and pooled investments	\$ 41,246,471	\$ 6,113,403	\$ 1,442,176	\$ 48,802,050
Restricted cash and cash equivalents	30,066	-	-	30,066
<b>Total</b>	<b>\$ 41,276,537</b>	<b>\$ 6,113,403</b>	<b>\$ 1,442,176</b>	<b>\$ 48,832,116</b>

Deposits and investments consist of the following at December 31, 2013:

Cash on hand	\$ 18,524
Demand deposits (checking and savings accounts)	15,775,518
Certificates of deposit (due within one year)	4,925,526
Certificates of deposit (due in 1-5 years)	1,001,997
Investments	27,110,551
<b>Total</b>	<b>\$ 48,832,116</b>

These deposits are in seven (7) financial institutions located in Michigan in varying amounts. State policy limits the Treasurer's investing options to financial institutions located in Michigan. All accounts are in the name of the County and a specific fund or common account. They are recorded in the County records at cost. Interest is recorded when earned.

# COUNTY OF ALLEGAN, MICHIGAN

## Notes to Financial Statements

*Custodial Credit Risk - Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned. State law does not require and the County's investment policy does not have specific limits in excess of state law pertaining to custodial credit risk. The County does a quarterly internal rating of the banks it has deposits in excess of the FDIC limit with utilizing outside sources to obtain the ratings. As of year-end, \$21,332,509 of the bank balance of \$25,312,394 was exposed to custodial credit risk because it was uninsured and uncollateralized.

*Custodial Credit Risk - Investments.* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State law does not require and the County does not have a policy for investment custodial credit risk. As of December 31, 2013, none of the County's investments were exposed to risk since the securities are held in the County's name by the counterparty. The County's investments at year-end are summarized as follows:

Money market accounts	\$ 12,260,240
U.S. government-backed securities	7,896,931
Municipal bonds	<u>6,953,380</u>
 Total	 <u>\$ 27,110,551</u>

*Interest Rate Risk.* State law limits the allowable investments and the maturities of some of the allowable investments as identified above. The County's investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The maturity dates for investments held at year-end are summarized as follows:

Less than 1 year	\$ 634,833
1 to 5 years	4,627,090
6 or more years	9,588,388
No maturity	<u>12,260,240</u>
 Total	 <u>\$ 27,110,551</u>

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

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

S&P AAA	\$ 1,599,156
S&P AA/AA-/AA+	12,440,197
S&P A+	263,898
Moody's AA3	547,060
Not rated	<u>12,260,240</u>
 Total	 <u>\$ 27,110,551</u>

# COUNTY OF ALLEGAN, MICHIGAN

## Notes to Financial Statements

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

### *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 revenue 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.



# COUNTY OF ALLEGAN, MICHIGAN

## Notes to Financial Statements

### 4. RECEIVABLES AND DEFERRED INFLOWS OF RESOURCES

The composition of receivables in the government-wide financial statements is as follows:

	Governmental Activities	Business-type Activities	Component Units
Taxes (current)	\$ 2,317,333	\$ -	\$ 2,780,839
Taxes (delinquent)	-	3,434,548	-
Accounts	2,903,598	1,408,671	75,007
Allowance for uncollectibles	-	(56,404)	-
Interest and penalties	-	879,701	-
Special assessments	-	-	4,706,618
Leases	-	-	12,020,354
Due from other governments	2,390,897	-	3,519,071
<b>Total receivables</b>	<b>\$ 7,611,828</b>	<b>\$ 5,666,516</b>	<b>\$ 23,101,889</b>

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are (1) not considered to be available to liquidate liabilities of the current period or (2) intended to finance operations of a subsequent period. Amounts deferred based on availability are recognized in the government-wide statements. At the end of the current fiscal year, the various components of deferred inflows of resources reported in governmental activities were as follows:

	Taxes Levied for Subsequent Period	Unavailable	Total
<b>Governmental funds</b>			
Property taxes receivable	\$ 984,192	\$ 981,634	\$ 1,965,826
Unbilled CMH receivables	-	253,431	253,431
Medicaid settlement receivable	-	409,836	409,836
<b>Total</b>	<b>\$ 984,192</b>	<b>\$ 1,644,901</b>	<b>\$ 2,629,093</b>

# COUNTY OF ALLEGAN, MICHIGAN

## Notes to Financial Statements

### 5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The composition of accounts payable and accrued liabilities in the government-wide financial statements is as follows:

	Governmental Activities	Business-type Activities	Component Units
Accounts payable	\$ 4,935,012	\$ 298,712	\$ 697,832
Accrued liabilities	870,278	133,258	132,537
Advances from other governments	32,000	-	-
Due to other governments	15,721	30,754	49,420
Accrued interest on long-term debt	65,917	9,680	118,663
<b>Total</b>	<b>\$ 5,918,928</b>	<b>\$ 472,404</b>	<b>\$ 998,452</b>

### 6. INTERFUND RECEIVABLES AND PAYABLES

The amounts of interfund balances as of December 31, 2013 (September 30, 2013 for the mental health special revenue fund) represent loans for cash flow purposes and are as follows:

#### Due to and from other funds

	Interfund Receivable	Interfund Payable
General fund	\$ 34,899	\$ 2,592
Senior millage	-	2,924
Public improvement	250,000	-
Nonmajor governmental funds	25,688	55,071
Delinquent property tax fund	-	250,000
<b>Total</b>	<b>\$ 310,587</b>	<b>\$ 310,587</b>

#### Advance to and from other funds

	Advance to Fund	Advance from Fund
General fund	\$ 570,724	\$ -
Mental health	-	68,126
Public improvement	119,240	-
Medical Care Community enterprise fund	-	616,569
Timing differences	-	5,269
<b>Total</b>	<b>\$ 689,964</b>	<b>\$ 689,964</b>

# COUNTY OF ALLEGAN, MICHIGAN

## Notes to Financial Statements

The advances to the Medical Care Community represent loans to finance capital improvements and building expansion. Timing differences are a result of certain funds having a fiscal year-end that is different from the County's year-end.

### Advances to and from component units and the primary government

	Advance to Component Unit	Advance from Primary Government
General fund	\$ 182,000	\$ -
Drain/Department of Public Works component unit	-	182,000
<b>Total</b>	<b>\$ 182,000</b>	<b>\$ 182,000</b>

For the year ended December 31, 2013, interfund transfers consisted of the following:

Transfers in	General Fund	Transfers out			Totals
		Nonmajor Governmental Funds	Delinquent Tax	Internal Service Funds	
General fund	\$ -	\$ 35,368	\$ 200,000	\$ -	\$ 235,368
Mental health	308,978	-	-	23,311	332,289
Senior millage	24,533	-	-	-	24,533
Public improvement	375,000	-	4,250,000	312,000	4,937,000
Nonmajor governmental funds	4,309,334	-	630,000	-	4,939,334
Medical Care Community	144,192	-	-	-	144,192
<b>Totals</b>	<b>\$ 5,162,037</b>	<b>\$ 35,368</b>	<b>\$ 5,080,000</b>	<b>\$ 335,311</b>	<b>\$ 10,612,716</b>

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

# COUNTY OF ALLEGAN, MICHIGAN

## Notes to Financial Statements

### 7. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2013 was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Governmental activities					
Capital assets, not being depreciated:					
Land	\$ 759,162	\$ -	\$ -	\$ -	\$ 759,162
Construction in progress	14,994,101	7,149,002	-	(148,029)	21,995,074
	<u>15,753,263</u>	<u>7,149,002</u>	<u>-</u>	<u>(148,029)</u>	<u>22,754,236</u>
Capital assets, being depreciated:					
Land improvements	2,492,876	27,687	-	-	2,520,563
Buildings and improvements	28,996,823	153,061	-	-	29,149,884
Equipment and furniture	13,527,824	894,677	(64,502)	148,029	14,506,028
Infrastructure	1,172,450	493,177	-	-	1,665,627
	<u>46,189,973</u>	<u>1,568,602</u>	<u>(64,502)</u>	<u>148,029</u>	<u>47,842,102</u>
Less accumulated depreciation for:					
Land improvements	(1,394,998)	(163,793)	-	-	(1,558,791)
Buildings and improvements	(10,705,448)	(860,439)	-	-	(11,565,887)
Equipment and furniture	(12,223,716)	(578,576)	64,502	-	(12,737,790)
Infrastructure	(376,595)	(54,918)	-	-	(431,513)
	<u>(24,700,757)</u>	<u>(1,657,726)</u>	<u>64,502</u>	<u>-</u>	<u>(26,293,981)</u>
Total capital assets being depreciated, net	<u>21,489,216</u>	<u>(89,124)</u>	<u>-</u>	<u>148,029</u>	<u>21,548,121</u>
Governmental activities capital assets, net	<u>\$ 37,242,479</u>	<u>\$ 7,059,878</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,302,357</u>

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

Governmental activities	
General government	\$ 786,939
Public safety	286,073
Health and welfare	573,414
Judicial	3,823
Recreation and cultural	7,477
Total depreciation expense - governmental activities	<u>\$ 1,657,726</u>

At December 31, 2013, the County had outstanding commitments for jail construction of approximately \$67,500.

# COUNTY OF ALLEGAN, MICHIGAN

## Notes to Financial Statements

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
<b>Business-type activities</b>					
Capital assets, not being depreciated:					
Construction in progress	\$ -	\$ 11,049	\$ -	\$ -	\$ 11,049
Capital assets, being depreciated:					
Land improvements	99,967	-	-	-	99,967
Buildings and improvements	6,458,929	45,030	-	-	6,503,959
Machinery and equipment	692,307	85,259	-	-	777,566
	<u>7,251,203</u>	<u>130,289</u>	<u>-</u>	<u>-</u>	<u>7,381,492</u>
Less accumulated depreciation for:					
Land improvements	(99,300)	(617)	-	-	(99,917)
Buildings and improvements	(3,341,557)	(239,733)	-	-	(3,581,290)
Machinery and equipment	(443,388)	(78,836)	-	-	(522,224)
	<u>(3,884,245)</u>	<u>(319,186)</u>	<u>-</u>	<u>-</u>	<u>(4,203,431)</u>
Total capital assets being depreciated, net	3,366,958	(188,897)	-	-	3,178,061
Business-type activities capital assets, net	<u>\$ 3,366,958</u>	<u>\$ (177,848)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,189,110</u>

A summary of changes in the Road Commission capital assets is as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
<b>Road Commission Component Unit</b>					
Capital assets, not being depreciated:					
Land and improvements	\$ 77,557,315	\$ 3,068,391	\$ -	\$ -	\$ 80,625,706
Capital assets, being depreciated:					
Buildings	1,383,385	-	-	-	1,383,385
Machinery & equipment	12,497,564	749,881	(526,677)	-	12,720,768
Infrastructure	134,150,527	11,605,578	(2,666,896)	-	143,089,209
	<u>148,031,476</u>	<u>12,355,459</u>	<u>(3,193,573)</u>	<u>-</u>	<u>157,193,362</u>

# COUNTY OF ALLEGAN, MICHIGAN

## Notes to Financial Statements

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
<b>Road Commission Component Unit (concluded)</b>					
Less accumulated depreciation for:					
Buildings	\$ (801,864)	\$ (21,878)	\$ -	\$ -	\$ (823,742)
Machinery & equipment	(10,009,978)	(643,841)	526,677	-	(10,127,142)
Infrastructure	(50,651,240)	(6,170,733)	2,666,896	-	(54,155,077)
	<u>(61,463,082)</u>	<u>(6,836,452)</u>	<u>3,193,573</u>	<u>-</u>	<u>(65,105,961)</u>
Total capital assets being depreciated, net	<u>86,568,394</u>	<u>5,519,007</u>	<u>-</u>	<u>-</u>	<u>92,087,401</u>
Road Commission capital assets, net	<u>\$ 164,125,709</u>	<u>\$ 8,587,398</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 172,713,107</u>

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

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
<b>Drain Commission/Department of Public Works Component Unit</b>					
Capital assets, not being depreciated:					
Land	\$ 853,800	\$ -	\$ -	\$ -	\$ 853,800
Construction in progress	854,475	1,817,986	(2,070,115)	-	602,346
	<u>1,708,275</u>	<u>1,817,986</u>	<u>(2,070,115)</u>	<u>-</u>	<u>1,456,146</u>
Capital assets, being depreciated:					
Machinery & equipment	47,481	-	-	-	47,481
Infrastructure	8,101,105	-	2,070,115	-	10,171,220
	<u>8,148,586</u>	<u>-</u>	<u>2,070,115</u>	<u>-</u>	<u>10,218,701</u>
Less accumulated depreciation for:					
Machinery & equipment	(35,488)	(5,996)	-	-	(41,484)
Infrastructure	(1,160,097)	(203,425)	-	-	(1,363,522)
	<u>(1,195,585)</u>	<u>(209,421)</u>	<u>-</u>	<u>-</u>	<u>(1,405,006)</u>
Total capital assets being depreciated, net	<u>6,953,001</u>	<u>(209,421)</u>	<u>2,070,115</u>	<u>-</u>	<u>8,813,695</u>
Drain Commission/DPW capital assets, net	<u>\$ 8,661,276</u>	<u>\$ 1,608,565</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,269,841</u>

At December 31, 2013, the County had outstanding commitments for drain construction projects of \$3,639,477.

# COUNTY OF ALLEGAN, MICHIGAN

## Notes to Financial Statements

In September 2012, the County Drain Commission/Department of Public Works component unit issued general obligation limited tax bonds through the State Revolving Fund program to finance construction of a sewage disposal system. The expenditures of bond proceeds are accounted for in Kalamazoo Lake Sewer/Water capital projects fund of the Drain Commission/Department of Public Works component unit. These amounts have not been reported as construction in progress of the component unit, as the asset will be capitalized by the Kalamazoo Lake Sewer and Water Authority.

### 8. LONG/SHORT-TERM DEBT

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

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
<b>Governmental Activities</b>					
General obligation bonds	\$ 13,500,000	\$ -	\$ (350,000)	\$ 13,150,000	\$ 350,000
Net premium/discount	118,586	-	(6,134)	112,452	6,134
Compensated absences	1,402,780	1,677,879	(1,634,635)	1,446,024	1,446,024
<b>Total Governmental Activities</b>	<b>\$ 15,021,366</b>	<b>\$ 1,677,879</b>	<b>\$ (1,990,769)</b>	<b>\$ 14,708,476</b>	<b>\$ 1,802,158</b>

Compensated absences in the governmental activities are liquidated by the general fund, with the exception of portion related to the mental health fund, which will be liquidated from the mental health vacation reserve internal service fund.

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
<b>Business-type Activities</b>					
General obligation bonds	\$ 650,000	\$ -	\$ (100,000)	\$ 550,000	\$ 100,000
Compensated absences	147,488	150,845	(173,042)	125,291	125,291
<b>Total Business-type Activities</b>	<b>\$ 797,488</b>	<b>\$ 150,845</b>	<b>\$ (273,042)</b>	<b>\$ 675,291</b>	<b>\$ 225,291</b>

<b>Road Commission Component Unit</b>					
Compensated absences	\$ 296,358	\$ 14,600	\$ -	\$ 310,958	\$ -

<b>Drains/DPW Component Unit</b>					
General obligation bonds	\$ 11,519,874	\$ 6,849,250	\$ (4,025,900)	\$ 14,343,224	\$ 1,518,725
Notes payable	3,131,734	1,049,630	(1,099,687)	3,081,677	1,017,617
Total installment debt	14,651,608	7,898,880	(5,125,587)	17,424,901	2,536,342
Net premium/discount	20,969	67,463	(7,890)	80,542	9,764
Short-term notes	26,200	146,600	(26,200)	146,600	146,600
<b>Total Drains/DPW Component Unit</b>	<b>\$ 14,698,777</b>	<b>\$ 8,112,943</b>	<b>\$ (5,159,677)</b>	<b>\$ 17,652,043</b>	<b>\$ 2,692,706</b>

# COUNTY OF ALLEGAN, MICHIGAN

## Notes to 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. \$ 13,150,000

### Business-type Activities

\$1,375,000 1997 Building Authority Bonds, due in annual installments of \$50,000 to \$125,000 plus interest ranging from 4.20 to 5.25%, payable semi-annually, through May 1, 2018. \$ 550,000

### Drains/DPW Component Unit

\$925,000 1995 City of Saugatuck Sewer System No. 13 General Obligation Limited Tax Bonds, due in annual installments of \$25,000 to \$75,000 plus interest ranging from 5.20 to 5.60%, payable semi-annually, through October 1, 2014. \$ 75,000

\$645,000 2004 Otsego Township Water Supply and Sewage Disposal General Obligation Limited Tax Bonds, due in annual installments of \$35,000 to \$70,000 plus interest ranging from 2.75 to 4.125%, payable semi-annually, through May 1, 2016. 190,000

\$3,410,000 2004 CASCO-South Haven Wastewater Treatment and Water Supply System General Obligation Limited Tax Bonds, due in annual installments of \$70,000 to \$325,000 plus interest ranging from 3.00 to 4.00%, payable semi-annually, through May 1, 2017. 735,000

\$3,590,000 2005 Fillmore Township Water Supply and Sewage Disposal System No. 9 General Obligation Limited Tax Bonds, due in annual installments of \$75,000 to \$350,000 plus interest ranging from 3.50 to 4.00%, payable semi-annually, through May 1, 2025. 150,000

\$965,000 2006 City of Otsego Water and Sewer General Obligation Limited Tax Refunding Bonds, due in annual installments of \$25,000 to \$105,000 plus interest ranging from 3.80 to 4.50%, payable semi-annually, through May 1, 2020. 675,000

\$2,580,000 2007 Bear Swamp and Extension Drainage District Bonds Payable, due in annual installments of \$255,000 to \$260,000 plus interest at 4.59%, payable semi-annually, through June 1, 2017. 1,040,000

\$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. 1,150,000

\$659,000 2012 Moline Drainage District Bonds, due in annual installments of \$65,900 plus interest at 2.95%, payable semi-annually, through June 1, 2022. 593,100

\$1,930,000 2012 City of Wayland Sewage Disposal System No. 15 General Obligation Limited Tax Refunding Bonds, due in annual installments of \$180,000 to \$235,000 plus interest ranging from 2.00 to 2.50%, payable semi-annually, through October 1, 2020. 1,525,000



# COUNTY OF ALLEGAN, MICHIGAN

## Notes to Financial Statements

### Drains/DPW Component Unit (continued)

<p>\$4,693,525 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. Funds have not been drawn in their entirety.</p>	\$ 4,547,124
<p>\$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.</p>	2,920,000
<p>\$427,000 2013 Coffey Drain Drainage District bonds payable, due in annual installments of \$42,700 plus interest at 2.30%, payable annually through June 1, 2023.</p>	427,000
<p>\$316,000 2013 Golf Drain Drainage District bonds payable, due in annual installments of \$31,600 plus interest at 2.75%, payable annually through June 1, 2023.</p>	316,000
<p>\$4,823,155 Miscellaneous Drainage District Notes, due in annual installments plus interest ranging from .70 to 4.95%, payable annually, through June 1, 2023.</p>	<u>3,081,677</u>
<p><b>Total Drains/DPW Component Unit</b></p>	<u><u>\$ 17,424,901</u></u>

The annual requirements to maturity on the long-term installment debt outstanding at December 31, 2013, are as follows:

	Governmental Activities		Business-type Activities		Drain/DPW Component Unit	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 350,000	\$ 388,500	\$ 100,000	\$ 23,750	\$ 2,536,342	\$ 451,006
2015	375,000	374,000	100,000	19,000	2,352,257	383,974
2016	375,000	362,750	100,000	14,250	1,499,062	325,737
2017	425,000	354,750	125,000	8,906	1,421,478	283,059
2018	450,000	346,000	125,000	2,969	1,085,243	242,041
2019-2023	3,050,000	1,481,375	-	-	6,621,920	781,472
2024-2028	4,275,000	931,067	-	-	1,353,599	230,529
2029-2033	3,850,000	247,940	-	-	185,000	72,857
2034-2038	-	-	-	-	255,000	48,837
2039-2040	-	-	-	-	115,000	5,500
<b>Total</b>	<u>\$ 13,150,000</u>	<u>\$ 4,486,382</u>	<u>\$ 550,000</u>	<u>\$ 68,875</u>	<u>\$ 17,424,901</u>	<u>\$ 2,825,012</u>

# COUNTY OF ALLEGAN, MICHIGAN

## Notes to Financial Statements

*Advance Refunding* - In May 2013, the County issued \$2,920,000 of General Obligation Limited Tax Refunding Bonds to advance refund the County's 2005A Fillmore Township Water Supply System No. 8 General Obligation Limited Tax Bonds of \$2,790,000. The proceeds of the bonds were used to purchase U.S. government securities that were placed in an escrow fund for the purpose of generating resources for all future debt service payment on the refunded debt. As a result, the bonds are considered defeased and the liability has been removed from the statement of net position. At December 31, 2013, \$2,790,000 of defeased bonds were outstanding and scheduled to be paid by the escrow agent on May 1, 2014. The refunding resulted in a net cash savings of \$268,097 and an economic gain of \$240,505.

## 9. COMPENSATED ABSENCES

### Primary Government

#### *Accrued Vacation and Sick Leave Payable*

The accumulated vested paid time off of the employees of various County departments was \$1,571,315 at December 31, 2013. This is reported as \$1,446,024 in governmental activities and \$125,291 in the Medical Care Community enterprise fund. The County has designated a portion of its general fund to fund future sick and vacation liabilities. The liability for governmental activities also includes the Community Mental Health's compensated absences balance, which has been fully funded and is reported in an internal service fund.

### Road Commission Component Unit

#### *Vacation and Sick Leave Policies*

Employees with 6 months of seniority are granted leave time of 16 hours per month. Office employees get an additional 16 hours per year at January 1. This leave time may be used to cover absences because of illness or vacation. Such leave may be accumulated to a maximum of 768 hours.

On the first payday of June each year, employees are paid an amount equal to all leave accrued in excess of 576 hours as shown in the records on December 31 of the preceding year.

Accumulated leave time is payable in full upon resignation or retirement. Office employees leave time is payable in full upon resignation, termination or retirement.

# COUNTY OF ALLEGAN, MICHIGAN

## Notes to Financial Statements

### 10. NET INVESTMENT IN CAPITAL ASSETS

The composition of the net investment in capital assets as of December 31, 2013, was as follows:

	Governmental Activities	Business-type Activities	Component Units
<b>Capital assets:</b>			
Capital assets not being depreciated	\$ 22,754,236	\$ 11,049	\$ 82,081,852
Capital assets being depreciated, net	21,548,121	3,178,061	100,901,096
	<u>44,302,357</u>	<u>3,189,110</u>	<u>182,982,948</u>
<b>Related debt:</b>			
Total bonds and notes payable	13,150,000	550,000	17,424,901
Bonds payable related to capital leases	-	-	(11,967,124)
Premiums/discounts on bonds payable	112,452	-	80,542
Premiums/discounts on bonds payable related to capital leases	-	-	(80,542)
	<u>13,262,452</u>	<u>550,000</u>	<u>5,457,777</u>
<b>Net investment in capital assets</b>	<u>\$ 31,039,905</u>	<u>\$ 2,639,110</u>	<u>\$ 177,525,171</u>

Certain bonds payable in the Drain Commission/Department of Public Works 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.

# COUNTY OF ALLEGAN, MICHIGAN

## Notes to Financial Statements

### 11. FUND BALANCES - GOVERNMENTAL FUNDS

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

	General Fund	E-911	Mental Health	Senior Millage	Public Improvement	Nonmajor Funds	Totals
<i>Primary Government</i>							
<i>Nonspendable</i>							
Long-term advances	\$ 752,724	\$ -	\$ -	\$ -	\$ 119,240	\$ -	\$ 871,964
Prepays	30,824	-	270,145	7,429	11,085	37,861	357,344
	<u>783,548</u>	<u>-</u>	<u>270,145</u>	<u>7,429</u>	<u>130,325</u>	<u>37,861</u>	<u>1,229,308</u>
<i>Restricted</i>							
E911/dispatch services	-	5,590,065	-	-	-	-	5,590,065
Senior services	-	-	-	365,953	-	-	365,953
Friend of the court	-	-	-	-	-	283,781	283,781
Transportation	-	-	-	-	-	460,560	460,560
Register of deeds automation	-	-	-	-	-	605,446	605,446
Drug law enforcement	-	-	-	-	-	223,005	223,005
Corrections officer training	-	-	-	-	-	127,433	127,433
Housing assistance	-	-	-	-	-	46,350	46,350
State and Federal grants	-	-	-	-	-	295,388	295,388
Veterans' services	-	-	-	-	-	4,872	4,872
Jail construction	-	-	-	-	-	943	943
Debt service	-	-	-	-	-	2,011	2,011
	<u>-</u>	<u>5,590,065</u>	<u>-</u>	<u>365,953</u>	<u>-</u>	<u>2,049,789</u>	<u>8,005,807</u>
<i>Committed</i>							
Health / mental health	-	-	427,339	-	-	249,037	676,376
Parks and recreation	-	-	-	-	-	232,120	232,120
Transportation	-	-	-	-	-	162,500	162,500
Animal shelters	-	-	-	-	-	97,099	97,099
Road patrol	-	-	-	-	-	162,346	162,346
Child care	-	-	-	-	-	862,444	862,444
Soldiers and sailors	-	-	-	-	-	136,984	136,984
Fitness center	-	-	-	-	-	87,759	87,759
Capital improvements	-	-	-	-	298,337	2,712,308	3,010,645
Other purposes	-	-	-	-	-	1,042	1,042
	<u>-</u>	<u>-</u>	<u>427,339</u>	<u>-</u>	<u>298,337</u>	<u>4,703,639</u>	<u>5,429,315</u>

# COUNTY OF ALLEGAN, MICHIGAN

## Notes to Financial Statements

	General Fund	E-911	Community Mental Health	Senior Millage	Public Improvement	Nonmajor Funds	Totals
<i>Primary Government</i>							
<i>(Concluded)</i>							
Assigned							
Law library	\$ 48,921	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,921
Other purposes	20,092	-	-	-	-	-	20,092
	<u>69,013</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>69,013</u>
Unassigned	11,234,596	-	-	-	-	-	11,234,596
Total fund balances - governmental funds	<u>\$12,087,157</u>	<u>\$ 5,590,065</u>	<u>\$ 697,484</u>	<u>\$ 373,382</u>	<u>\$ 428,662</u>	<u>\$ 6,791,289</u>	<u>\$25,968,039</u>

	General Fund	Fillmore Water and Sewer No. 9	CASCO/South Haven Water No. 7	Kalamazoo Lake Sewer/Water Authority	Nonmajor Funds	Totals
<i>Drain Commission/ DPW Component Unit</i>						
Restricted						
Debt service	\$ -	\$ 211	\$ 840	\$ -	\$ 258,067	\$ 259,118
Unassigned	<u>1,115,337</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,115,337</u>
Total fund balances - governmental funds	<u>\$ 1,115,337</u>	<u>\$ 211</u>	<u>\$ 840</u>	<u>\$ -</u>	<u>\$ 258,067</u>	<u>\$ 1,374,455</u>

# COUNTY OF ALLEGAN, MICHIGAN

## Notes to Financial Statements

### 12. EMPLOYEES' RETIREMENT SYSTEMS

#### Primary Government

##### *Defined Benefit Plan Description*

*Plan Description.* The County's defined benefit pension plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The County participates in the Municipal Employees Retirement System of Michigan (MERS), an agent multiple-employer plan administered by the MERS Retirement Board. Michigan Public Act 427 of 1984, as amended, establishes and amends the benefit provisions of the participants in MERS. The Municipal Employees Retirement System of Michigan issues a publicly available financial report that includes financial statements and required supplementary information for MERS. That report may be obtained by writing to the Municipal Employees Retirement System of Michigan, 1134 Municipal Way, Lansing, Michigan 48917 or by calling (800) 767-6377.

*Funding Policy.* The County is required to contribute at an actuarially determined rate; the current rate is from 0% to 34.98% of annual covered payroll depending on employee position and valuation division. County employees are required to contribute 4.00% to 10.79% of their annual covered payroll based on their classification or labor contract. The contribution requirements of the County are established and may be amended by the Retirement Board of MERS. The contribution requirements of plan members are established and may be amended by the County, depending on the MERS contribution program adopted by the County.

*Annual Pension Cost.* For the year ended December 31, 2013, the County's annual pension cost of \$1,751,289 for MERS was equal to the County's required and actual contributions. The required contribution was determined as part of the December 31, 2011 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 8.0%, (b) projected salary increases of 4.5% (1.0%, 1.0%, 2.0% and 3.0% annually for calendar years 2013, 2014, 2015 and 2016, respectively) per year compounded annually, attributable to inflation, and (c) additional projected salary increases 0.0% to 13.0% per year, depending on age, attributable to seniority/merit. The actuarial value of MERS assets was determined on the basis of a valuation method that assumes the fund earns the expected rate of return, and includes an adjustment of 10% of the difference between assumed earnings and market value (10 year smoothing) to reflect fair value.

The County's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2012, the date of the latest actuarial valuation, was 26 years.

Three-Year Trend Information			
Year Ended December 31,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2011	\$ 1,315,862	100.00%	\$ -
2012	1,324,208	100.00%	-
2013	1,751,289	100.00%	-

# COUNTY OF ALLEGAN, MICHIGAN

## Notes to Financial Statements

*Funded Status and Funding Progress.* As of December 31, 2012, the most recent actuarial valuation date, the plan was 71 percent funded. The actuarial accrued liability for benefits was \$57,884,132, and the actuarial value of assets was \$41,059,778, resulting in an unfunded actuarial accrued liability (UAAL) of \$16,824,354. The covered payroll (annual payroll of active employees covered by the plan) was \$5,244,784, and the ratio of the UAAL to the covered payroll was 321 percent. The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

### *Defined Contribution Plan*

The County's defined contribution plan is offered through MERS and administered by ICMA; benefit provisions and contribution requirements are established and may be amended by the Allegan County Board of Commissioners. The County makes contributions of 4% of each participants' salary and will match up to 100% of employee contributions up to an additional 2% of salary (3% for non-bargaining employees). Total contributions for the year were \$1,093,786 (\$309,957 employee and \$783,829 employer).

### *Section 457 Deferred Compensation Plan*

The County offers a supplemental retirement program in accordance with Section 457 of the Internal Revenue Code (IRC) that will provide for payments on retirement, as well as death benefits in the event of death prior to retirement. Inasmuch as the plan assets are held in trust for the exclusive benefit of participants and their beneficiaries, the amounts are not reported in the accompanying financial statements.

### Community Mental Health Services Special Revenue Fund

#### *Defined Contribution Plan*

The Board's Mental Health defined contribution plan is offered through MERS and administered by ICMA. Benefit provisions and contribution requirements are established and may be amended by the Community Mental Health Board. The Board makes contributions of 4% of each participants' salary and will match 100% up to an additional 2% of salary. Employees may make voluntary contributions up to 17% of their salary. The covered payroll for the Plan was \$5,259,994. Total contributions for the year ended September 30, 2013, were \$390,613 (\$276,470 employee and \$114,143 employer, 5.3% and 2.2% of covered payroll, respectively).

# COUNTY OF ALLEGAN, MICHIGAN

## Notes to Financial Statements

### Road Commission Component Unit

#### *Defined Benefit Plan*

*Plan Description.* The Allegan County Road Commission is in an agent multi-employer defined benefit pension plan with the Municipal Employees’ Retirement System (MERS). The system provides the following provisions: normal retirement, deferred retirement, service retirement allowance, disability retirement allowance, non-duty-connected death and postretirement adjustments to plan members and their beneficiaries. The service requirement is computed using credited service at the time of termination of membership multiplied by the sum of 2% times the final average compensation (FAC). The most recent period for which actuarial data was available was for the fiscal year ended December 31, 2012.

MERS was organized pursuant to Section 12a of Act #156, Public Acts of 1851 (MSA 5.333(a); MCLA 46.12(a)), as amended, State of Michigan. MERS is regulated under Michigan Public Act 427 of 1984, sections of which have been approved by the State Pension Commission, which also establish and amend benefit provisions. MERS issues a publicly available financial report that includes financial statements and required supplementary information for the system. That report may be obtained by writing to the MERS at 1134 Municipal Way, Lansing, Michigan 48917.

*Funding Policy.* The obligation to contribute to and maintain the system for these employees was established by negotiation with the Road Commission’s competitive bargaining unit and personnel policy, and requires employees to contribute 4.7% of annual compensation. The Road Commission is required to contribute at an actuarially determined rate which was 17.02% of the annual payroll for the union and supervisors and 19.04% for administration, and 14.00% for non-union based on the 2010 actuarial valuation beginning on January 1, 2012.

*Annual Pension Cost.* During the year ended December 31, 2012, the Road Commission was required to make \$378,332 in contributions as determined by an actuarial valuation of the plan as of December 31, 2012 and the employees contributed \$104,238 in accordance with the plan for a total amount of \$482,570. The employer contribution rate has been determined based on the entry age normal funding method. Under the entry age normal cost funding method, the total employer contribution is comprised of the normal cost plus the level annual percentage of payroll payment required to amortize the unfunded actuarial accrued liability over 30 years on an open basis. The employer normal cost is, for each employee, the level percentage of payroll contribution (from entry age to retirement) required to accumulate sufficient assets at the member’s retirement to pay for his projected benefit. Significant actuarial assumptions used include a long-term investment yield rate of 8% and annual salary increases of 4.5% based on an age-related scale to reflect merit, longevity, and promotional salary increases.

Three-Year Trend Information			
Year Ended December 31,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2010	\$ 306,808	100.00%	\$ -
2011	323,762	100.00%	-
2012	378,332	100.00%	-



# COUNTY OF ALLEGAN, MICHIGAN

## Notes to Financial Statements

*Funded Status and Funding Progress.* As of December 31, 2012, the most recent actuarial valuation date, the plan was 71 percent funded. The actuarial accrued liability for benefits was \$20,508,865 and the actuarial value of assets was \$14,485,795, resulting in an unfunded actuarial accrued liability (UAAL) of \$6,050,070. The covered payroll (annual payroll of active employees covered by the plan) was \$2,080,085, and the ratio of the UAAL to the covered payroll was 291 percent. The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

### 13. OTHER POSTEMPLOYMENT BENEFITS

#### Primary Government

In addition to the pension benefits described in Note 12, 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 actuarial valuation of the County's liability for these benefits in accordance with GASB Statements No. 43 and 45 has not 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 very low, management has determined that the actuarially accrued liability would be immaterial to the financial statements taken as a whole.

#### Road Commission Component Unit

*Plan Description.* In addition to the pension benefits described in Note 12, the Road Commission administers a single employer defined benefit healthcare plan. The Road Commission provides postemployment health care benefits through the Road Commission group health insurance plan in accordance with the respective bargaining agreements and personnel policy.

*Funding Policy.* The Road Commission provides health care insurance coverage, or payments toward such coverage, for a period of five years, for all members who retire and receive benefits from MERS. The level of benefits, or payments towards coverages, will be the same as in effect for active employees. The Road Commission will provide benefits only to the employee and the Road Commission's obligation does not include the coverage of a retired employee's spouse or dependents. The Road Commission shall provide no benefits to any employee after reaching the age of 65. The retired employee shall be responsible for his/her health care insurance premium after five years from the date of retirement or at age 65, whichever comes sooner.

All employees who retire and who elect not to take the paid health insurance benefit from the Road Commission, will receive a lump sum payment of \$250 per month for all eligible time as an opt-out of taking the insurance. The amount will be placed into a health insurance plan.

Currently, fourteen (14) retirees meet those eligibility requirements. Expenditures for postemployment health care benefits are recognized as the insurance premiums become due. During the year, expenditures of \$72,151 were recognized for postemployment health care by the Road Commission. This consists of retiree health care insurance premiums.

# COUNTY OF ALLEGAN, MICHIGAN

## Notes to Financial Statements

*Annual OPEB Cost and Net OPEB Obligation.* The Road Commission's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

*Funded Status and Funding Progress.* For the year ended December 31, 2013, the Road Commission has estimated the cost of providing retiree healthcare benefits using the alternative measurement method permitted by GASB Statement No. 45 for employers in plans with fewer than one hundred total plan members. The alternative measurement method computes an annual required contribution.

The computed required contribution and actual funding are summarized as follows:

Annual required contribution	\$ 167,113
Interest on net OPEB obligation	<u>-</u>
Net OPEB cost (expense)	167,113
Contributions made	<u>(72,151)</u>
Change in net OPEB obligation	94,962
Net OPEB obligation (asset), beginning of year	<u>(94,962)</u>
Net OPEB obligation (asset), end of year	<u><u>\$ -</u></u>

The schedule of employer contributions below presents trend information about the amounts contributed to the plan by employers in comparison to the ARC, an amount that is actuarially determined in accordance with the parameters of GASB Statement 43.

The annual OPEB cost, the percentage contributed to the plan, and the net OPEB obligation for the year ended December 31, 2013 and the two years prior were as follows:

Three-Year Trend Information			
Year Ended December 31,	Annual OPEB Cost	Percentage Contributed	Net OPEB Obligation (Asset)
2011	\$ 42,696	189.50%	\$ (34,563)
2012	37,556	260.82%	(94,962)
2013	167,113	43.17%	-

# COUNTY OF ALLEGAN, MICHIGAN

## Notes to Financial Statements

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presents trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. The Road Commission expects to prepare an alternative measurement method actuarial valuation every year.

As of December 31, 2013, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$1,540,493, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$2,428,206, and the ratio of the UAAL to the covered payroll was 63 percent. The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

*Methods and Assumptions.* Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The following actuarial assumptions were used in the development of the Road Commission's retiree health cost projections using the alternative measurement method.

1. Actuarial Cost Method: Alternate Method as provided under GASB 45 for plans with fewer than 100 employees
2. Interest Discount Rate: 5.50% compounded annually
3. Mortality Prior to Retirement: None
4. Turnover Prior to Retirement: Based on GASB 43 Table 2 - Expected Future Working Lifetimes of Employees, by Age - Default Values
5. Salary Scale: 3.3%
6. Post Retirement Interest Rate: 5.5%
7. Post Retirement Mortality: Based on life expectancy of age 77 for males and 81 for females

## 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.

# COUNTY OF ALLEGAN, MICHIGAN

## Notes to Financial Statements

### 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 (i.e., 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, 2012 and 2013 are as follows:

Year Ended December 31,	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Net Claim Payments	End of Year Liability
2012	\$ 207,673	\$ 603,576	\$ (745,059)	\$ 66,190
2013	66,190	304,901	(310,116)	60,975

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	\$100,000
Property and Crime	\$1,000 deductible per occurrence; 10% of the next \$100,000

### Employee Health Insurance

County employees are eligible for vision and life insurance available through insurance companies. Health and dental insurances are provided for through the Self-Insurance Fund, an internal service fund. The self-insured programs are administered by a third-party administrator who provides claims review and process services as well as illustrated premium rates, which are anticipated, over time, to approximate the actual cost of benefits.

# COUNTY OF ALLEGAN, MICHIGAN

## Notes to Financial Statements

Premiums for both commercial and self-insured programs are paid into the internal service fund used to purchase insurance coverage from commercial carriers, or in the case of the self-insured programs, are available to pay health care claims, claim reserves, excess coverage and administrative funds by all other funds based on actual or illustrated rates. Excess coverage insurance purchased by the County covers individual claims in excess of \$75,000 annually, subject to an aggregate annual limitation of \$1,000,000. The liability at the end of the year is based on claims already incurred and an estimate of claims incurred but not yet reported.

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.

The changes in the claims liability for the years ended December 31, 2012 and 2013 are as follows:

Year Ended December 31,	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Net Claim Payments	End of Year Liability
2012	\$ 419,800	\$ 5,731,478	\$ (5,897,107)	\$ 254,171
2013	254,171	5,325,753	(5,366,742)	213,182

### Unemployment

The County is self-insured for unemployment benefits, which is also accounted for in the Self Insurance Internal Service Fund. Unemployment claims are reimbursed to Michigan Employee Security Commission based on actual claims annually. The reserve for unemployment benefits is determined by management based on prior experience. Unemployment benefits are expended when paid. There is 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.

# COUNTY OF ALLEGAN, MICHIGAN

## Notes to Financial Statements

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, 2012 and 2013 are as follows:

Year Ended December 31,	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	End of Year Liability
2012	\$ 8,550	\$ 231,756	\$ (226,179)	\$ 14,127
2013	14,127	295,202	(175,070)	134,259

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.

### Road Commission Component Unit

The Road Commission is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries, as well as medical benefits provided to employees. The Road Commission has purchased commercial insurance for Inland Marine and physical damage (building and contents) and medical benefits claims. The Road Commission participates in the Michigan County Road Commission Self-Insurance Pool for claims relating to general liability, excess liability, auto liability, errors and omissions and physical damage (equipment). The Road Commission participates in the County Road Commission Self-Insurance Fund (CRCSIF) for workers' compensation insurance. Settled claims for the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The County road commissions in the State of Michigan established a trust fund, known as the Michigan County Road Commission Self-Insurance Pool (Pool), pursuant to the provision of Act 138 of the Michigan Public Acts of 1982. The pool is to provide for joint and cooperative action relative to members' financial and administrative resources for the purpose of providing risk management services along with property and liability protection. Membership is restricted to road commissions and related road commission activities with the State. The Allegan County Road Commission became a member in the pool in April 1984 and became a member in CRCSIF in 1981.

The Michigan County Self-Insurance Pool program operates as a common risk-sharing management program for road commissions in Michigan; member premiums are used to purchase excess insurance coverage and to pay member claims in excess of deductible amounts.

## 15. LITIGATION

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

# COUNTY OF ALLEGAN, MICHIGAN

## Notes to Financial Statements

### 16. TRANSPORTATION DEPARTMENT SCHEDULES

The financial statements of the County include several transit schedules as required by the Bureau of Passenger Transportation (BPT) of the Michigan Department of Transportation. The Allegan County Transportation Department has three approved cost allocation plans: 2006 Indirect County Service, the 2006 Job Access Reverse Commute program, and the 2008 Specialized Service program. These cost allocation plans were adhered to in the preparation of the transit schedules.

Ineligible expenses, as noted in the accompanying transit schedules, are classified appropriately according to the definition in the Local Public Transit Revenue and Expense Manual (the "Manual"). Audit costs are the only costs in which eligibility differs between the Manual and the Federal OMB Circular A-87. The Allegan County Transportation Department did not incur expenses associated with advertising revenues and, therefore, no expenses are subtracted out as ineligible. Any capital money (Section 5311) used to pay for operating expenditures are either subtracted out as ineligible or not included in total expenditures to be reimbursed with State formula funds. All capital items have been funded through capital grants. As such, no amounts have been claimed or reimbursed for depreciation expense. There are no expenses associated with 406xx *auxiliary transportation revenue* and/or 407xx *nontransportation*, and therefore no expenses need to be subtracted out as ineligible. The Allegan County Transportation Department did not incur, nor pay, any 50202 *other postemployment benefits (OPEB)*.

The methodology used for compiling mileage and hours, presented as nonfinancial data, has been reviewed and the recording method found to be adequate and reliable.

### 17. LEASES

The County is a lessor under an operating lease agreement for office space. The original cost of the leased assets constructed in 2002 is \$5,511,564 with accumulated depreciation of \$2,324,075 at year end. Future lease revenues for these facility leases are as follows:

Year Ended December 31,	Amount
2014	\$ 394,283
2015	394,283
2016	394,283
2017	394,283
2018	394,283
2019-2023	<u>1,839,987</u>
Total	<u>\$ 3,811,402</u>

# COUNTY OF ALLEGAN, MICHIGAN

## ■ Notes to Financial Statements

### 18. CONTINGENCIES

Amounts received or receivable under grant programs are subject to audit and adjustment by the grantor agencies, principally the Federal and State governments. Any disallowed claims, including amounts already collected, may constitute a liability of the transit agency. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the transit agency expects such amounts, if any, to be immaterial.

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## REQUIRED SUPPLEMENTARY INFORMATION

# COUNTY OF ALLEGAN, MICHIGAN

## Required Supplementary Information

Primary Government

MERS Agent Multiple-Employer Defined Benefit Pension Plan

### Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
12/31/2007	\$37,985,607	\$47,932,374	\$ 9,946,767	79.25%	\$ 6,873,514	144.71%
12/31/2008	38,890,393	49,617,448	10,727,055	78.38%	6,665,064	160.94%
12/31/2009	39,627,647	50,878,846	11,251,199	77.89%	6,547,070	171.85%
12/31/2010	40,573,210	52,745,867	12,172,657	76.92%	6,059,933	200.87%
12/31/2011	41,155,303	55,728,491	14,573,188	73.85%	5,494,216	265.25%
12/31/2012	41,059,778	57,884,132	16,824,354	70.93%	5,244,784	320.78%

### Schedule of Employer Contributions

Year Ended December 31,	Annual Required Contributions	Percentage Contributed
2008	\$ 1,284,347	100.00%
2009	1,236,059	100.00%
2010	1,298,551	100.00%
2011	1,315,862	100.00%
2012	1,324,208	100.00%
2013	1,751,289	100.00%

# COUNTY OF ALLEGAN, MICHIGAN

## Required Supplementary Information

Road Commission Component Unit  
MERS Defined Benefit Pension Plan

### Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
12/31/2007	\$14,962,854	\$17,515,567	\$ 2,552,713	85.43%	\$ 2,788,902	91.5%
12/31/2008	15,121,150	18,652,044	3,530,894	81.07%	2,919,217	121.0%
12/31/2009	15,065,633	19,117,084	4,051,451	78.81%	2,610,201	155.2%
12/31/2010	15,035,282	19,850,684	4,815,402	75.74%	2,364,198	203.7%
12/31/2011	14,801,764	20,463,223	5,661,459	72.33%	2,162,334	261.8%
12/31/2012	14,485,795	20,508,865	6,050,070	70.63%	2,080,085	290.9%

### Schedule of Employer Contributions

Year Ended December 31,	Annual Required Contributions	Percentage Contributed
2007	\$ 232,312	100.00%
2008	266,631	100.00%
2009	275,858	100.00%
2010	306,808	100.00%
2011	323,762	100.00%
2012	378,332	100.00%

# COUNTY OF ALLEGAN, MICHIGAN

## Required Supplementary Information

Road Commission Component Unit

Single Employer Defined Benefit Other Postemployment Benefits Plan

### Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
12/31/2011	\$ -	\$ 1,275,418	\$ 1,275,418	0.00%	\$ 2,337,571	54.6%
12/31/2012	-	1,126,668	1,126,668	0.00%	2,292,758	49.1%
12/31/2013	-	1,540,493	1,540,493	0.00%	2,428,206	63.4%

### Schedule of Employer Contributions

Year Ended December 31,	Annual Required Contributions	Percentage Contributed
2011	\$ 42,686	189.50%
2012	37,556	260.82%
2013	167,113	43.17%

**COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS AND SCHEDULES**

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## GENERAL FUND

# COUNTY OF ALLEGAN, MICHIGAN

## Schedule of Balance Sheet Accounts General Fund - By Activity December 31, 2013

	General Fund (1010)	Budget Stabilization (2570)	Sick and Vacation Liability (2580)	Law Library (2690)
<b>Assets</b>				
Cash and pooled investments	\$ 3,370,975	\$ 4,782,910	\$ 2,303,105	\$ 51,581
Accounts receivable	483,701	-	-	-
Current property taxes receivable	1,384,856	-	-	-
Due from other funds	34,899	-	-	-
Due from other governments	873,981	-	-	-
Advances to other funds	570,724	-	-	-
Advance to component unit	182,000	-	-	-
Prepays	30,824	-	-	-
<b>Total assets</b>	<b>\$ 6,931,960</b>	<b>\$ 4,782,910</b>	<b>\$ 2,303,105</b>	<b>\$ 51,581</b>
<b>Liabilities</b>				
Accounts payable	\$ 516,738	\$ -	\$ -	\$ 2,660
Accrued liabilities	503,056	-	-	-
Due to other funds	2,592	-	-	-
<b>Total liabilities</b>	<b>1,022,386</b>	<b>-</b>	<b>-</b>	<b>2,660</b>
<b>Deferred inflows of resources</b>				
Unavailable revenues - property taxes	977,445	-	-	-
<b>Fund balances</b>				
Nonspendable	783,548	-	-	-
Assigned	-	-	-	48,921
Unassigned	4,148,581	4,782,910	2,303,105	-
<b>Total fund balances</b>	<b>4,932,129</b>	<b>4,782,910</b>	<b>2,303,105</b>	<b>48,921</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 6,931,960</b>	<b>\$ 4,782,910</b>	<b>\$ 2,303,105</b>	<b>\$ 51,581</b>





Grant Administration (2710)	Child Care Welfare (2922)	Eliminations	Totals
\$ 18,667	\$ 2,215	\$ -	\$ 10,529,453
-	-	-	483,701
-	-	-	1,384,856
-	-	-	34,899
-	-	-	873,981
-	-	-	570,724
-	-	-	182,000
-	-	-	30,824
<u>\$ 18,667</u>	<u>\$ 2,215</u>	<u>\$ -</u>	<u>\$ 14,090,438</u>
\$ -	\$ -	\$ -	\$ 519,398
790	-	-	503,846
-	-	-	2,592
<u>790</u>	<u>-</u>	<u>-</u>	<u>1,025,836</u>
-	-	-	977,445
-	-	-	783,548
17,877	2,215	-	69,013
-	-	-	11,234,596
<u>17,877</u>	<u>2,215</u>	<u>-</u>	<u>12,087,157</u>
<u>\$ 18,667</u>	<u>\$ 2,215</u>	<u>\$ -</u>	<u>\$ 14,090,438</u>

# COUNTY OF ALLEGAN, MICHIGAN

## Combining Schedule of Revenues, Expenditures and Changes in Fund Balances

General Fund - By Activity

For the Year Ended December 31, 2013

	General Fund (1010)	Budget Stabilization (2570)	Sick and Vacation Liability (2580)	Law Library (2690)
<b>Revenues</b>				
Taxes and penalties	\$ 19,509,207	\$ -	\$ -	\$ -
Licenses and permits	99,208	-	-	-
Intergovernmental revenues:				
Federal	923,358	-	-	-
State	3,808,639	-	-	-
Local	312,406	-	-	-
Charges for services	3,773,515	-	-	-
Fines and forfeitures	130,234	-	-	6,500
Interest and rentals	610,587	-	4,743	112
Other revenues	1,709,941	-	-	-
<b>Total revenues</b>	<b>30,877,095</b>	<b>-</b>	<b>4,743</b>	<b>6,612</b>
<b>Expenditures</b>				
Current:				
Legislative	366,244	-	-	-
Judicial	4,980,606	-	-	36,167
General government	8,131,718	-	-	-
Public safety	9,668,932	-	-	-
Public works	256,806	-	-	-
Health and welfare	471,216	-	-	-
Community and economic development	269,496	-	-	-
Other	674,694	-	-	-
<b>Total expenditures</b>	<b>24,819,712</b>	<b>-</b>	<b>-</b>	<b>36,167</b>
Revenues over (under) expenditures	6,057,383	-	4,743	(29,555)
<b>Other financing sources (uses)</b>				
Transfers in	802,808	806,277	263,040	35,500
Transfers out	(6,296,724)	(567,440)	(6,981)	-
<b>Total other financing sources (uses)</b>	<b>(5,493,916)</b>	<b>238,837</b>	<b>256,059</b>	<b>35,500</b>
Net change in fund balances	563,467	238,837	260,802	5,945
Fund balances, beginning of year	4,368,662	4,544,073	2,042,303	42,976
<b>Fund balances, end of year</b>	<b>\$ 4,932,129</b>	<b>\$ 4,782,910</b>	<b>\$ 2,303,105</b>	<b>\$ 48,921</b>

Grant Administration (2710)	Child Care Welfare (2922)	Eliminations	Totals
\$ -	\$ -	\$ -	\$ 19,509,207
-	-	-	99,208
-	-	-	923,358
-	-	-	3,808,639
-	-	-	312,406
-	-	-	3,773,515
-	-	-	136,734
20	5	-	615,467
1,500	-	-	1,711,441
<u>1,520</u>	<u>5</u>	<u>-</u>	<u>30,889,975</u>
-	-	-	366,244
-	-	-	5,016,773
22,666	-	-	8,154,384
-	-	-	9,668,932
-	-	-	256,806
-	-	-	471,216
-	-	-	269,496
-	-	-	674,694
<u>22,666</u>	<u>-</u>	<u>-</u>	<u>24,878,545</u>
<u>(21,146)</u>	<u>5</u>	<u>-</u>	<u>6,011,430</u>
36,851	-	(1,709,108)	235,368
-	-	1,709,108	(5,162,037)
<u>36,851</u>	<u>-</u>	<u>-</u>	<u>(4,926,669)</u>
15,705	5	-	1,084,761
2,172	2,210	-	11,002,396
<u>\$ 17,877</u>	<u>\$ 2,215</u>	<u>\$ -</u>	<u>\$ 12,087,157</u>

# COUNTY OF ALLEGAN, MICHIGAN

## Schedule of Revenues and Other Financing Sources

Budget and Actual - General Fund - By Activity

For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>General Fund (1010)</b>				
<b>Taxes and penalties</b>				
Current property taxes	\$ 18,410,183	\$ 18,410,183	\$ 18,997,553	\$ 587,370
Delinquent personal property taxes	36,328	36,328	(9,286)	(45,614)
Payments-in-lieu of taxes	268,000	268,000	307,757	39,757
Trailer taxes	26,000	26,000	29,444	3,444
Industrial facilities taxes	210,700	210,700	183,739	(26,961)
<b>Total taxes and penalties</b>	<b>18,951,211</b>	<b>18,951,211</b>	<b>19,509,207</b>	<b>557,996</b>
<b>Licenses and permits</b>				
Pistol permits	10,000	10,000	30,936	20,936
Concealed weapons licenses	5,000	5,000	11,388	6,388
Dog licenses	45,000	45,000	41,178	(3,822)
Marriage licenses	13,030	13,030	15,585	2,555
Professional registration	50	50	100	50
Explosive permits	-	-	21	21
<b>Total licenses and permits</b>	<b>73,080</b>	<b>73,080</b>	<b>99,208</b>	<b>26,128</b>
<b>Intergovernmental revenues - federal</b>				
Emergency management	26,000	26,000	62,406	36,406
Title IV-D cooperative reimbursement	810,000	810,000	686,910	(123,090)
Title IV-D incentive program	146,000	146,000	151,631	5,631
Hazardous material emergency preparedness	3,100	3,100	-	(3,100)
WEMET - sheriff	39,776	39,776	22,411	(17,365)
<b>Total intergovernmental revenues - federal</b>	<b>1,024,876</b>	<b>1,024,876</b>	<b>923,358</b>	<b>(101,518)</b>
<b>Intergovernmental revenues - State</b>				
Judicial salaries	330,000	330,000	331,446	1,446
State revenue sharing	-	-	1,792,524	1,792,524
Juvenile officer's salary	39,582	39,582	52,776	13,194
Court reimbursement	442,189	442,189	394,498	(47,691)
Drug case information	1,325	1,325	1,281	(44)
Driver license restoration	500	500	1,248	748
Drunk driving revenue	52,500	52,500	45,838	(6,662)
Marine safety program	92,000	92,000	86,156	(5,844)
Secondary road patrol	110,000	110,000	120,457	10,457
Liquor law enforcement	23,000	23,000	24,442	1,442
Crime victims' rights act	92,500	92,500	104,120	11,620
Title IV-D GF/GP incentive payments	-	-	100,077	100,077

continued...

# COUNTY OF ALLEGAN, MICHIGAN

## Schedule of Revenues and Other Financing Sources

Budget and Actual - General Fund - By Activity

For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Intergovernmental revenues - State (concluded)</b>				
Cigarette tax	\$ -	\$ -	\$ 1,304	\$ 1,304
Food stamp fraud	1,000	1,000	3,173	2,173
Monumentation program	50,000	72,000	73,316	1,316
Convention/tourism tax	500,000	500,000	675,983	175,983
<b>Total intergovernmental revenues - State</b>	<b>1,734,596</b>	<b>1,756,596</b>	<b>3,808,639</b>	<b>2,052,043</b>
<b>Intergovernmental revenues - local</b>				
Tribal gaming revenue sharing	246,000	246,000	312,406	66,406
<b>Charges for services</b>				
Circuit court costs	220,100	220,100	180,290	(39,810)
Circuit court bond costs	2,800	2,800	1,215	(1,585)
Circuit court service fees	42,250	42,250	57,700	15,450
District court costs	945,000	945,000	1,083,882	138,882
District court bond costs	150	150	60	(90)
District court service fees	190,500	190,500	222,896	32,396
Friend of the court service fees	66,200	66,200	63,524	(2,676)
Probate court service fees	39,000	39,000	32,106	(6,894)
Probation - district court fees	325,000	325,000	341,840	16,840
Juvenile bond costs	5,000	5,000	3,329	(1,671)
Juvenile court service fees	5,000	5,000	1,673	(3,327)
Crime victims' rights	20,000	20,000	27,319	7,319
Driver's license reinstatement	20,000	20,000	20,626	626
Attorney reimbursements	20,000	20,000	7,096	(12,904)
County clerk services	72,350	72,350	86,030	13,680
Drain commission services	50,300	50,300	50,931	631
Prosecuting attorney services	2,500	2,500	3,075	575
Animal shelter fees	10,500	10,500	10,000	(500)
Register of deeds services	438,600	438,600	492,298	53,698
Real estate transfer tax	300,000	300,000	453,342	153,342
County treasurer services	5,000	5,000	12,169	7,169
Equalization services	175	175	94	(81)
Land information charges	30,533	30,533	28,312	(2,221)
Computer and scanning services	75,235	75,235	60,485	(14,750)
Courier services	15,000	15,000	12,538	(2,462)
Sheriff services	148,700	148,700	113,799	(34,901)
Jail technical assistance	9,000	9,000	17,146	8,146

continued...

# COUNTY OF ALLEGAN, MICHIGAN

## Schedule of Revenues and Other Financing Sources Budget and Actual - General Fund - By Activity For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>General Fund (1010) (Concluded)</b>				
<b>Charges for services (concluded)</b>				
Prisoners' board	\$ 103,000	\$ 103,000	\$ 256,138	\$ 153,138
Community service user fees	35,000	35,000	43,086	8,086
Commissary sales	42,425	42,425	44,357	1,932
Other sales	36,500	36,500	46,159	9,659
<b>Total charges for services</b>	<b>3,275,818</b>	<b>3,275,818</b>	<b>3,773,515</b>	<b>497,697</b>
<b>Fines and forfeitures</b>				
Bond forfeitures	29,200	29,200	15,459	(13,741)
Ordinance fines	100,000	100,000	114,775	14,775
<b>Total fines and forfeitures</b>	<b>129,200</b>	<b>129,200</b>	<b>130,234</b>	<b>1,034</b>
<b>Interest and rentals</b>				
Interest revenue	200,000	200,000	(1,304)	(201,304)
Rental income	573,524	573,524	611,891	38,367
<b>Total interest and rentals</b>	<b>773,524</b>	<b>773,524</b>	<b>610,587</b>	<b>(162,937)</b>
<b>Other revenues</b>				
Inmate reimbursement	18,500	18,500	12,773	(5,727)
Election reimbursements	10,000	10,000	24,242	14,242
Juror compensation reimbursement	16,000	16,000	10,985	(5,015)
Work release program	20,000	20,000	8,719	(11,281)
Indirect cost reimbursement	1,200,000	1,200,000	1,181,988	(18,012)
Other miscellaneous revenues	5,700	10,016	(1,407)	(11,423)
Other reimbursements and refunds	417,134	452,946	471,368	18,422
Other contributions	500	500	950	450
Cash over (short)	-	-	323	323
<b>Total other revenues</b>	<b>1,687,834</b>	<b>1,727,962</b>	<b>1,709,941</b>	<b>(18,021)</b>
<b>Total general fund (1010)</b>	<b>27,896,139</b>	<b>27,958,267</b>	<b>30,877,095</b>	<b>2,918,828</b>
<b>Sick and Vacation Liability (2580)</b>				
<b>Interest and rentals</b>				
Interest revenue	25,000	25,000	4,743	(20,257)

continued...

# COUNTY OF ALLEGAN, MICHIGAN

## Schedule of Revenues and Other Financing Sources

Budget and Actual - General Fund - By Activity

For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance With Final Budget
<u>Law Library (2690)</u>				
Fines and forfeitures				
Library penal fines	\$ 6,500	\$ 6,500	\$ 6,500	\$ -
Interest and rentals				
Interest revenue	-	-	112	112
<b>Total law library (2690)</b>	<b>6,500</b>	<b>6,500</b>	<b>6,612</b>	<b>112</b>
<u>Grant Administration (2710)</u>				
Interest and rentals				
Interest revenue	-	-	20	20
Other revenue				
Reimbursements	1,096	1,096	1,500	404
<b>Total grant administration (2710)</b>	<b>1,096</b>	<b>1,096</b>	<b>1,520</b>	<b>424</b>
<u>Child Care Welfare (2922)</u>				
Interest and rentals				
Interest revenue	-	-	5	5
<b>Total revenues</b>	<b>27,928,735</b>	<b>27,990,863</b>	<b>30,889,975</b>	<b>2,899,112</b>
<u>Other financing sources</u>				
Transfers in (general fund - 1010)	2,466,808	2,466,808	802,808	(1,664,000)
Transfers in (budget stabilization)	-	-	806,277	806,277
Transfers in (sick and vacation liability)	-	-	263,040	263,040
Transfers in (law library)	35,500	35,500	35,500	-
Transfers in (grant administration)	36,851	36,851	36,851	-
Transfers in (child care welfare)	7,000	7,000	-	(7,000)
	2,546,159	2,546,159	1,944,476	(601,683)
Eliminations	(646,514)	(646,514)	(1,709,108)	(1,062,594)
<b>Total other financing sources - transfers in</b>	<b>1,899,645</b>	<b>1,899,645</b>	<b>235,368</b>	<b>(1,664,277)</b>
<b>Total revenues and other financing sources</b>	<b>\$ 29,828,380</b>	<b>\$ 29,890,508</b>	<b>\$ 31,125,343</b>	<b>\$ 1,234,835</b>

concluded

# COUNTY OF ALLEGAN, MICHIGAN

## Schedule of Expenditures and Other Financing Uses

Budget and Actual - General Fund - By Activity

For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>General Fund (1010)</b>				
<b>Legislative</b>				
Board of commissioners	\$ 418,047	\$ 402,047	\$ 366,244	\$ (35,803)
<b>Judicial</b>				
Circuit court	928,184	928,184	839,233	(88,951)
District court	1,440,185	1,433,185	1,422,505	(10,680)
Friend of the court	1,266,233	1,207,333	1,199,784	(7,549)
Jury board	10,137	10,137	8,718	(1,419)
Probate court	389,818	382,818	382,681	(137)
Probate court-juvenile	623,495	635,495	634,948	(547)
Guardian/conservators	47,500	37,500	33,781	(3,719)
Probation-circuit court	5,230	5,230	4,914	(316)
Probation-district court	419,529	433,029	432,622	(407)
Family counseling services	15,125	21,425	21,420	(5)
<b>Total judicial</b>	<b>5,145,436</b>	<b>5,094,336</b>	<b>4,980,606</b>	<b>(113,730)</b>
<b>General government</b>				
Administrative department	350,848	295,348	295,066	(282)
Elections	119,643	73,143	72,037	(1,106)
Accounting department	325,791	243,791	239,260	(4,531)
Auditing services	47,500	72,500	72,000	(500)
Clerk	552,747	547,747	545,756	(1,991)
Births and deaths	-	-	-	-
Equalization	437,062	429,062	428,979	(83)
Personnel department	289,126	323,126	322,528	(598)
Victim's rights act	115,463	107,463	107,095	(368)
Prosecuting attorney	1,210,103	1,258,103	1,257,546	(557)
Register of deeds	282,010	294,010	293,228	(782)
Treasurer	479,160	490,660	484,861	(5,799)
Cooperative extension	78,171	74,571	73,937	(634)
Network system	1,049,786	1,150,786	1,147,861	(2,925)
Drain commissioner	347,610	353,610	353,187	(423)
Records management	105,317	97,317	96,761	(556)

continued...



# COUNTY OF ALLEGAN, MICHIGAN

## Schedule of Expenditures and Other Financing Uses

Budget and Actual - General Fund - By Activity

For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance With Final Budget
General government (concluded)				
Facilities management:				
Animal control	\$ 29,350	\$ 29,850	\$ 29,502	\$ (348)
Courthouse	273,000	278,000	276,959	(1,041)
Central dispatch building	117,200	125,200	125,082	(118)
Human services building	240,400	231,400	231,097	(303)
Medical care community building	252,100	272,100	271,592	(508)
General facilities management	586,255	607,255	606,260	(995)
Mail and copy services	222,474	140,474	133,685	(6,789)
CMH ADAP building	11,252	8,252	8,034	(218)
CMH administration building	15,830	13,330	12,032	(1,298)
Sheriff/jail building	317,928	393,478	392,753	(725)
County services building	104,000	95,000	94,012	(988)
County annex	40,550	-	-	-
Dumont Lake complex	51,550	45,050	44,589	(461)
Youth home building	109,700	116,700	116,019	(681)
<b>Total general government</b>	<b>8,161,926</b>	<b>8,167,326</b>	<b>8,131,718</b>	<b>(35,608)</b>
Public safety				
Sheriff	4,517,538	4,594,350	4,588,786	(5,564)
WEMET - sheriff	95,530	122,530	110,093	(12,437)
Secondary road patrol program	316,299	354,799	354,713	(86)
Sheriff reserves	53,350	48,350	48,078	(272)
Detective bureau	469,169	647,669	646,691	(978)
Courthouse security	93,206	113,648	113,209	(439)
Sheriff-radio	15,000	21,000	20,967	(33)
Marine law enforcement	145,414	148,914	148,416	(498)
Jail	3,095,032	3,247,532	3,247,421	(111)
Inmate programs	241,058	156,058	155,147	(911)
Emergency management	115,665	127,665	127,451	(214)
Lab	34,894	5,894	4,161	(1,733)
Animal shelter	107,424	104,424	103,789	(635)
Livestock claims	4,250	250	10	(240)
<b>Total public safety</b>	<b>9,303,829</b>	<b>9,693,083</b>	<b>9,668,932</b>	<b>(24,151)</b>

continued...

# COUNTY OF ALLEGAN, MICHIGAN

## Schedule of Expenditures and Other Financing Uses

Budget and Actual - General Fund - By Activity

For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Public works</b>				
Department of public works	\$ 13,243	\$ 12,243	\$ 12,220	\$ (23)
Drains-public benefits	137,142	172,142	171,270	(872)
Monumentation program	50,000	73,500	73,316	(184)
<b>Total public works</b>	<b>200,385</b>	<b>257,885</b>	<b>256,806</b>	<b>(1,079)</b>
<b>Health and welfare</b>				
Substance abuse services	250,000	221,000	220,541	(459)
Communicable diseases	7,500	2,500	1,204	(1,296)
Medical examiner	195,939	178,939	178,282	(657)
Transportation services	-	5,500	840	(4,660)
Veterans' services	96,855	70,355	70,349	(6)
<b>Total health and welfare</b>	<b>550,294</b>	<b>478,294</b>	<b>471,216</b>	<b>(7,078)</b>
<b>Community and economic development</b>				
Economic development	32,519	42,519	41,796	(723)
Plat board	156	156	106	(50)
Land information systems	222,990	228,490	227,594	(896)
<b>Total community and economic development</b>	<b>255,665</b>	<b>271,165</b>	<b>269,496</b>	<b>(1,669)</b>
<b>Other</b>				
Employees' other fringe benefits	75,000	221,000	154,694	(66,306)
Insurance and bonds	520,000	520,000	520,000	-
Contingencies	600,000	351,158	-	(351,158)
<b>Total other</b>	<b>1,195,000</b>	<b>1,092,158</b>	<b>674,694</b>	<b>(417,464)</b>
<b>Total general fund (1010)</b>	<b>25,230,582</b>	<b>25,456,294</b>	<b>24,819,712</b>	<b>(636,582)</b>
<b><u>Law Library (2960)</u></b>				
Judicial	49,700	49,700	36,167	(13,533)
<b><u>Grant Administration (2710)</u></b>				
General government	37,947	37,947	22,666	(15,281)
<b><u>Child Care Welfare (2922)</u></b>				
Health and welfare	7,000	7,000	-	(7,000)
<b>Total expenditures</b>	<b>25,325,229</b>	<b>25,550,941</b>	<b>24,878,545</b>	<b>(672,396)</b>

continued...

# COUNTY OF ALLEGAN, MICHIGAN

## Schedule of Expenditures and Other Financing Uses Budget and Actual - General Fund - By Activity For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance With Final Budget
Other financing uses				
Transfers out (general fund 1010)	\$ 5,132,365	\$ 6,301,138	\$ 6,296,724	\$ (4,414)
Transfers out (budget stabilization)	574,163	574,163	567,440	(6,723)
Transfers out (sick and vacation liability)	-	7,000	6,981	(19)
	<u>5,706,528</u>	<u>6,882,301</u>	<u>6,871,145</u>	<u>(11,156)</u>
Eliminations	<u>(646,514)</u>	<u>(646,514)</u>	<u>(1,709,108)</u>	<u>(1,062,594)</u>
Total other financing uses	<u>5,060,014</u>	<u>6,235,787</u>	<u>5,162,037</u>	<u>(1,073,750)</u>
Total expenditures and other financing uses	<u>\$ 30,385,243</u>	<u>\$ 31,786,728</u>	<u>\$ 30,040,582</u>	<u>\$ (1,746,146)</u>

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## NONMAJOR GOVERNMENTAL FUNDS

# COUNTY OF ALLEGAN, MICHIGAN

## Combining Balance Sheet Nonmajor Governmental Funds December 31, 2013

	Special Revenue			
	Parks (2080)	Friend of the Court (2150)	Health (2210)	Transportation (2300)
<b>Assets</b>				
Cash and pooled investments	\$ 243,114	\$ 283,947	\$ 230,371	\$ 476,433
Accounts receivable	-	-	-	127,464
Current property taxes receivable	-	-	-	-
Due from other funds	-	-	-	2,924
Due from other governments	-	-	542,593	113,501
Inventory	-	-	44,482	-
Prepaids	-	-	35,665	1,046
<b>Total assets</b>	<b>\$ 243,114</b>	<b>\$ 283,947</b>	<b>\$ 853,111</b>	<b>\$ 721,368</b>
<b>Liabilities</b>				
Accounts payable	\$ 10,298	\$ 166	\$ 50,477	\$ 88,295
Accrued liabilities	696	-	56,912	5,875
Due to other funds	-	-	-	3,092
Due to other governments	-	-	6,366	-
Advances from other governments	-	-	-	-
Unearned revenue	-	-	44,818	-
<b>Total liabilities</b>	<b>10,994</b>	<b>166</b>	<b>158,573</b>	<b>97,262</b>
<b>Deferred inflows of resources</b>				
Unavailable revenues	-	-	409,836	-
<b>Fund balances</b>				
Nonspendable	-	-	35,665	1,046
Restricted	-	283,781	-	460,560
Committed	232,120	-	249,037	162,500
<b>Total fund balances</b>	<b>232,120</b>	<b>283,781</b>	<b>284,702</b>	<b>624,106</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 243,114</b>	<b>\$ 283,947</b>	<b>\$ 853,111</b>	<b>\$ 721,368</b>



Special Revenue						
Animal Shelter Donations (2550)	Register of Deeds Automation (2560)	Drug Law Enforcement (2650 / 2651)	Law Enforcement Training (2640 / 2660)	Housing Assistance (2770 / 2771)	State and Federal Grants (2790)	Law Enforcement Road Patrol (2801-2809)
\$ 100,416	\$ 608,091	\$ 223,125	\$ 133,432	\$ 46,350	\$ 198,736	\$ 11,817
-	-	-	2,540	-	-	187,055
-	-	-	-	-	-	-
-	-	-	-	-	10,764	-
-	-	-	-	-	173,401	-
-	-	-	-	-	-	-
-	1,150	-	-	-	-	-
<u>\$ 100,416</u>	<u>\$ 609,241</u>	<u>\$ 223,125</u>	<u>\$ 135,972</u>	<u>\$ 46,350</u>	<u>\$ 382,901</u>	<u>\$ 198,872</u>
\$ 3,317	\$ 2,529	\$ 120	\$ 8,539	\$ -	\$ 74,352	\$ -
-	116	-	-	-	1,354	16,526
-	-	-	-	-	11,807	20,000
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>3,317</u>	<u>2,645</u>	<u>120</u>	<u>8,539</u>	<u>-</u>	<u>87,513</u>	<u>36,526</u>
-	-	-	-	-	-	-
-	1,150	-	-	-	-	-
-	605,446	223,005	127,433	46,350	295,388	-
<u>97,099</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>162,346</u>
<u>97,099</u>	<u>606,596</u>	<u>223,005</u>	<u>127,433</u>	<u>46,350</u>	<u>295,388</u>	<u>162,346</u>
<u>\$ 100,416</u>	<u>\$ 609,241</u>	<u>\$ 223,125</u>	<u>\$ 135,972</u>	<u>\$ 46,350</u>	<u>\$ 382,901</u>	<u>\$ 198,872</u>

continued...

# COUNTY OF ALLEGAN, MICHIGAN

## Combining Balance Sheet Nonmajor Governmental Funds December 31, 2013

	Special Revenue			
	Revenue Sharing Reserve (2850)	D.A.R.E. Program (2870)	Social Welfare (2900)	Child Care Probate (2921)
<b>Assets</b>				
Cash and pooled investments	\$ -	\$ 8,979	\$ 61,100	\$ 352,864
Accounts receivable	-	-	-	55,150
Current property taxes receivable	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	606,381
Inventory	-	-	-	-
Prepaids	-	-	-	-
<b>Total assets</b>	<u>\$ -</u>	<u>\$ 8,979</u>	<u>\$ 61,100</u>	<u>\$ 1,014,395</u>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 96,641
Accrued liabilities	-	-	-	75,055
Due to other funds	-	8,172	-	-
Due to other governments	-	-	-	9,355
Advances from other governments	-	-	32,000	-
Unearned revenue	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>8,172</u>	<u>32,000</u>	<u>181,051</u>
<b>Deferred inflows of resources</b>				
Unavailable revenue	-	-	-	-
<b>Fund balances</b>				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	807	29,100	833,344
<b>Total fund balances</b>	<u>-</u>	<u>807</u>	<u>29,100</u>	<u>833,344</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ -</u>	<u>\$ 8,979</u>	<u>\$ 61,100</u>	<u>\$ 1,014,395</u>





Special Revenue				Debt Service	
Soldiers' Relief (2930)	Veterans' Trust Board (2940)	Farmland Preservation (2960)	Fitness Center (2961)	Jail Construction Bonds (3601)	Building Authority (3660-3662)
\$ 130,737	\$ 983	\$ 235	\$ 87,759	\$ 943	\$ 2,011
288	-	-	-	-	-
5,973	-	-	-	-	-
12,000	-	-	-	-	-
-	15,889	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 148,998</u>	<u>\$ 16,872</u>	<u>\$ 235</u>	<u>\$ 87,759</u>	<u>\$ 943</u>	<u>\$ 2,011</u>
\$ 7,228	\$ -	\$ -	\$ -	\$ -	\$ -
597	-	-	-	-	-
-	12,000	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>7,825</u>	<u>12,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4,189	-	-	-	-	-
-	-	-	-	-	-
-	4,872	-	-	943	2,011
<u>136,984</u>	<u>-</u>	<u>235</u>	<u>87,759</u>	<u>-</u>	<u>-</u>
<u>136,984</u>	<u>4,872</u>	<u>235</u>	<u>87,759</u>	<u>943</u>	<u>2,011</u>
<u>\$ 148,998</u>	<u>\$ 16,872</u>	<u>\$ 235</u>	<u>\$ 87,759</u>	<u>\$ 943</u>	<u>\$ 2,011</u>

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# COUNTY OF ALLEGAN, MICHIGAN

## Combining Balance Sheet Nonmajor Governmental Funds December 31, 2013

	Capital Projects		Total
	CIP Building Capital (2460)	Building Authority Capital (4660-4663)	
<b>Assets</b>			
Cash and pooled investments	\$ 2,692,903	\$ 19,405	\$ 5,913,751
Accounts receivable	-	-	372,497
Current property taxes receivable	-	-	5,973
Due from other funds	-	-	25,688
Due from other governments	-	-	1,451,765
Inventory	-	-	44,482
Prepays	-	-	37,861
<b>Total assets</b>	<u>\$ 2,692,903</u>	<u>\$ 19,405</u>	<u>\$ 7,852,017</u>
<b>Liabilities</b>			
Accounts payable	\$ -	\$ -	\$ 341,962
Accrued liabilities	-	-	157,131
Due to other funds	-	-	55,071
Due to other governments	-	-	15,721
Advances from other governments	-	-	32,000
Unearned revenue	-	-	44,818
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>646,703</u>
<b>Deferred inflows of resources</b>			
Unavailable revenue	-	-	414,025
<b>Fund balances</b>			
Nonspendable	-	-	37,861
Restricted	-	-	2,049,789
Committed	2,692,903	19,405	4,703,639
<b>Total fund balances</b>	<u>2,692,903</u>	<u>19,405</u>	<u>6,791,289</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 2,692,903</u>	<u>\$ 19,405</u>	<u>\$ 7,852,017</u>

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# COUNTY OF ALLEGAN, MICHIGAN

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended December 31, 2013

	Special Revenue			
	Parks (2080)	Friend of the Court (2150)	Health (2210)	Transportation (2300)
<b>Revenues</b>				
Taxes and penalties	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	419,937	-
Intergovernmental revenues:				
Federal	-	-	528,089	316,019
State	-	-	490,522	500,822
Local	-	-	-	-
Charges for services	82,289	19,786	708,507	602,991
Fines and forfeitures	-	-	-	-
Interest and rentals	-	685	1,162	1,034
Other revenues	4,956	-	94,776	-
<b>Total revenues</b>	<b>87,245</b>	<b>20,471</b>	<b>2,242,993</b>	<b>1,420,866</b>
<b>Expenditures</b>				
Current:				
Judicial	-	8,228	-	-
General government	-	-	-	1,231,702
Public safety	-	-	-	-
Health and welfare	-	-	3,721,908	-
Recreation and cultural	218,535	-	-	-
Community and economic development	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	-	400	18,527	140,945
<b>Total expenditures</b>	<b>218,535</b>	<b>8,628</b>	<b>3,740,435</b>	<b>1,372,647</b>
Revenues over (under) expenditures	(131,290)	11,843	(1,497,442)	48,219
<b>Other financing sources (uses)</b>				
Transfers in	192,490	-	1,208,564	-
Transfers out	-	(20,368)	-	-
<b>Total other financing sources (uses)</b>	<b>192,490</b>	<b>(20,368)</b>	<b>1,208,564</b>	<b>-</b>
Net change in fund balances	61,200	(8,525)	(288,878)	48,219
Fund balances, beginning of year	170,920	292,306	573,580	575,887
Fund balances, end of year	\$ 232,120	\$ 283,781	\$ 284,702	\$ 624,106

Special Revenue						
Animal Shelter Donation (2550)	Register of Deeds Automation (2560)	Drug Law Enforcement (2650 / 2651)	Law Enforcement Training (2640 / 2660)	Housing Assistance (2770 / 2771)	State and Federal Grants (2790)	Law Enforcement Road Patrol (2801-2809)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	329,042	-
-	-	-	10,085	24,483	114,622	-
-	-	-	-	-	1,718	631,834
-	137,223	-	25,680	25,248	2,126	-
-	-	4,675	-	-	-	-
20	1,377	503	316	67	376	35
65,344	-	3,537	20,000	-	(125)	-
<u>65,364</u>	<u>138,600</u>	<u>8,715</u>	<u>56,081</u>	<u>49,798</u>	<u>447,759</u>	<u>631,869</u>
-	-	-	-	-	114,160	-
-	111,573	-	-	-	-	-
-	-	1,586	31,062	-	148,376	744,414
116,411	-	-	-	-	2,955	-
-	-	-	-	-	-	-
-	-	-	-	29,622	187,454	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	6,553	538	14,251	-	-	-
<u>116,411</u>	<u>118,126</u>	<u>2,124</u>	<u>45,313</u>	<u>29,622</u>	<u>452,945</u>	<u>744,414</u>
<u>(51,047)</u>	<u>20,474</u>	<u>6,591</u>	<u>10,768</u>	<u>20,176</u>	<u>(5,186)</u>	<u>(112,545)</u>
97,800	-	-	-	-	-	146,851
-	-	-	-	-	-	-
<u>97,800</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>146,851</u>
46,753	20,474	6,591	10,768	20,176	(5,186)	34,306
50,346	586,122	216,414	116,665	26,174	300,574	128,040
<u>\$ 97,099</u>	<u>\$ 606,596</u>	<u>\$ 223,005</u>	<u>\$ 127,433</u>	<u>\$ 46,350</u>	<u>\$ 295,388</u>	<u>\$ 162,346</u>

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# COUNTY OF ALLEGAN, MICHIGAN

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended December 31, 2013

	Special Revenue			
	Revenue Sharing Reserve (2850)	D.A.R.E. Program (2870)	Social Welfare (2900)	Child Care Probate (2921)
<b>Revenues</b>				
Taxes and penalties	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues:				
Federal	-	-	-	51,482
State	-	-	2,075	1,951,157
Local	-	-	-	-
Charges for services	-	-	-	409,592
Fines and forfeitures	-	-	-	-
Interest and rentals	-	168	142	881
Other revenues	-	-	-	31,715
<b>Total revenues</b>	<u>-</u>	<u>168</u>	<u>2,217</u>	<u>2,444,827</u>
<b>Expenditures</b>				
Current:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	8,317	4,417,972
Recreation and cultural	-	-	-	-
Community and economic development	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	-	-	-	309
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>8,317</u>	<u>4,418,281</u>
Revenues over (under) expenditures	<u>-</u>	<u>168</u>	<u>(6,100)</u>	<u>(1,973,454)</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	2,400,589
Transfers out	-	-	(15,000)	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>(15,000)</u>	<u>2,400,589</u>
Net change in fund balances	-	168	(21,100)	427,135
Fund balances, beginning of year	-	639	50,200	406,209
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ 807</u>	<u>\$ 29,100</u>	<u>\$ 833,344</u>

Special Revenue				Debt Service	
Soldiers' Relief (2930)	Veterans' Trust Board (2940)	Farmland Preservation (2960)	Fitness Center (2961)	Jail Construction Bonds (3601)	Building Authority (3660-3662)
\$ 83,207	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	29,708	-	-	-	-
-	-	-	-	-	-
-	-	-	15,998	-	-
-	-	-	-	-	-
-	4	1	185	-	1
208	58	-	-	-	-
<u>83,415</u>	<u>29,770</u>	<u>1</u>	<u>16,183</u>	<u>-</u>	<u>1</u>
-	-	-	-	-	-
-	-	-	2,057	-	-
-	-	-	-	-	-
93,068	26,533	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	350,000	-
-	-	-	-	402,750	299
-	-	-	-	-	-
<u>93,068</u>	<u>26,533</u>	<u>-</u>	<u>2,057</u>	<u>752,750</u>	<u>299</u>
<u>(9,653)</u>	<u>3,237</u>	<u>1</u>	<u>14,126</u>	<u>(752,750)</u>	<u>(298)</u>
-	-	-	-	630,000	-
-	-	-	-	-	-
-	-	-	-	630,000	-
<u>(9,653)</u>	<u>3,237</u>	<u>1</u>	<u>14,126</u>	<u>(122,750)</u>	<u>(298)</u>
<u>146,637</u>	<u>1,635</u>	<u>234</u>	<u>73,633</u>	<u>123,693</u>	<u>2,309</u>
<u>\$ 136,984</u>	<u>\$ 4,872</u>	<u>\$ 235</u>	<u>\$ 87,759</u>	<u>\$ 943</u>	<u>\$ 2,011</u>

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# COUNTY OF ALLEGAN, MICHIGAN

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended December 31, 2013

	Capital Projects		Total
	CIP Building Capital (2460)	Building Authority Capital (4660-4663)	
<b>Revenues</b>			
Taxes and penalties	\$ -	\$ -	\$ 83,207
Licenses and permits	-	-	419,937
Intergovernmental revenues:			
Federal	-	-	1,224,632
State	-	-	3,123,474
Local	-	-	633,552
Charges for services	-	-	2,029,440
Fines and forfeitures	-	-	4,675
Interest and rentals	5,865	44	12,866
Other revenues	-	-	220,469
<b>Total revenues</b>	<b>5,865</b>	<b>44</b>	<b>7,752,252</b>
<b>Expenditures</b>			
Current:			
Judicial	-	-	122,388
General government	-	-	1,345,332
Public safety	-	-	925,438
Health and welfare	-	-	8,387,164
Recreation and cultural	-	-	218,535
Community and economic development	-	-	217,076
Debt service:			
Principal	-	-	350,000
Interest and fiscal charges	-	-	403,049
Capital outlay	162,647	-	344,170
<b>Total expenditures</b>	<b>162,647</b>	<b>-</b>	<b>12,313,152</b>
Revenues over (under) expenditures	(156,782)	44	(4,560,900)
<b>Other financing sources (uses)</b>			
Transfers in	263,040	-	4,939,334
Transfers out	-	-	(35,368)
<b>Total other financing sources (uses)</b>	<b>263,040</b>	<b>-</b>	<b>4,903,966</b>
Net change in fund balances	106,258	44	343,066
Fund balances, beginning of year	2,586,645	19,361	6,448,223
Fund balances, end of year	\$ 2,692,903	\$ 19,405	\$ 6,791,289

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# COUNTY OF ALLEGAN, MICHIGAN

## Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Nonmajor Special Revenue Funds

For the Year Ended December 31, 2013

	Parks			
	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>				
Taxes and penalties	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues:				
Federal	-	-	-	-
State	-	-	-	-
Local	-	-	-	-
Charges for services	127,921	127,921	82,289	(45,632)
Fines and forfeitures	-	-	-	-
Interest and rentals	-	-	-	-
Other revenues	1,500	1,500	4,956	3,456
<b>Total revenues</b>	<b>129,421</b>	<b>129,421</b>	<b>87,245</b>	<b>(42,176)</b>
<b>Expenditures</b>				
Current:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Recreation and cultural	338,911	338,911	218,535	(120,376)
Community and economic development	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>338,911</b>	<b>338,911</b>	<b>218,535</b>	<b>(120,376)</b>
Revenues over (under) expenditures	(209,490)	(209,490)	(131,290)	78,200
<b>Other financing sources (uses)</b>				
Transfers in	209,490	209,490	192,490	(17,000)
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>209,490</b>	<b>209,490</b>	<b>192,490</b>	<b>(17,000)</b>
Net change in fund balances	-	-	61,200	61,200
Fund balances, beginning of year	170,920	170,920	170,920	-
Fund balances, end of year	\$ 170,920	\$ 170,920	\$ 232,120	\$ 61,200



Friend of the Court			
Original Budget	Final Budget	Actual	Variance With Final Budget
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
23,000	25,000	19,786	(5,214)
-	-	-	-
10,000	10,000	685	(9,315)
-	-	-	-
<u>33,000</u>	<u>35,000</u>	<u>20,471</u>	<u>(14,529)</u>
11,000	11,000	8,228	(2,772)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
8,500	8,500	400	(8,100)
<u>19,500</u>	<u>19,500</u>	<u>8,628</u>	<u>(10,872)</u>
<u>13,500</u>	<u>15,500</u>	<u>11,843</u>	<u>(3,657)</u>
-	-	-	-
(20,368)	(20,368)	(20,368)	-
-	-	-	-
<u>(20,368)</u>	<u>(20,368)</u>	<u>(20,368)</u>	<u>-</u>
(6,868)	(4,868)	(8,525)	(3,657)
<u>292,306</u>	<u>292,306</u>	<u>292,306</u>	<u>-</u>
<u>\$ 285,438</u>	<u>\$ 287,438</u>	<u>\$ 283,781</u>	<u>\$ (3,657)</u>

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# COUNTY OF ALLEGAN, MICHIGAN

## Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Nonmajor Special Revenue Funds

For the Year Ended December 31, 2013

	Health			
	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>				
Taxes and penalties	\$ -	\$ -	\$ -	\$ -
Licenses and permits	361,683	365,683	419,937	54,254
Intergovernmental revenues:				
Federal	437,402	454,302	528,089	73,787
State	448,733	462,233	490,522	28,289
Local	-	-	-	-
Charges for services	692,622	695,822	708,507	12,685
Fines and forfeitures	-	-	-	-
Interest and rentals	10,000	10,000	1,162	(8,838)
Other revenues	278,603	278,603	94,776	(183,827)
<b>Total revenues</b>	<b>2,229,043</b>	<b>2,266,643</b>	<b>2,242,993</b>	<b>(23,650)</b>
<b>Expenditures</b>				
Current:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	3,624,682	3,662,282	3,721,908	59,626
Recreation and cultural	-	-	-	-
Community and economic development	-	-	-	-
Capital outlay	600	600	18,527	17,927
<b>Total expenditures</b>	<b>3,625,282</b>	<b>3,662,882</b>	<b>3,740,435</b>	<b>77,553</b>
Revenues over (under) expenditures	(1,396,239)	(1,396,239)	(1,497,442)	(101,203)
<b>Other financing sources (uses)</b>				
Transfers in	1,201,583	1,201,583	1,208,564	6,981
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>1,201,583</b>	<b>1,201,583</b>	<b>1,208,564</b>	<b>6,981</b>
Net change in fund balances	(194,656)	(194,656)	(288,878)	(94,222)
Fund balances, beginning of year	573,580	573,580	573,580	-
Fund balances, end of year	\$ 378,924	\$ 378,924	\$ 284,702	\$ (94,222)



Transportation			
Original Budget	Final Budget	Actual	Variance With Final Budget
\$ -	\$ -	\$ -	\$ -
-	-	-	-
373,831	373,831	316,019	(57,812)
600,328	602,128	500,822	(101,306)
-	-	-	-
555,250	555,250	602,991	47,741
-	-	-	-
2,000	2,000	1,034	(966)
-	-	-	-
<u>1,531,409</u>	<u>1,533,209</u>	<u>1,420,866</u>	<u>(112,343)</u>
-	-	-	-
1,398,903	1,398,903	1,231,702	(167,201)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
191,521	193,321	140,945	(52,376)
<u>1,590,424</u>	<u>1,592,224</u>	<u>1,372,647</u>	<u>(219,577)</u>
<u>(59,015)</u>	<u>(59,015)</u>	<u>48,219</u>	<u>107,234</u>
-	-	-	-
-	-	-	-
10,000	10,000	-	(10,000)
<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>(10,000)</u>
(49,015)	(49,015)	48,219	97,234
575,887	575,887	575,887	-
<u>\$ 526,872</u>	<u>\$ 526,872</u>	<u>\$ 624,106</u>	<u>\$ 97,234</u>

continued...

# COUNTY OF ALLEGAN, MICHIGAN

## Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - Nonmajor Special Revenue Funds For the Year Ended December 31, 2013

	Animal Shelter Donation			
	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>				
Taxes and penalties	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues:				
Federal	-	-	-	-
State	-	-	-	-
Local	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rentals	-	-	20	20
Other revenues	-	5,000	65,344	60,344
<b>Total revenues</b>	<b>-</b>	<b>5,000</b>	<b>65,364</b>	<b>60,364</b>
<b>Expenditures</b>				
Current:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	48,900	116,411	67,511
Recreation and cultural	-	-	-	-
Community and economic development	-	-	-	-
Capital outlay	-	70,000	-	(70,000)
<b>Total expenditures</b>	<b>-</b>	<b>118,900</b>	<b>116,411</b>	<b>(2,489)</b>
Revenues over (under) expenditures	-	(113,900)	(51,047)	62,853
<b>Other financing sources (uses)</b>				
Transfers in	-	118,900	97,800	(21,100)
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>118,900</b>	<b>97,800</b>	<b>(21,100)</b>
Net change in fund balances	-	5,000	46,753	41,753
Fund balances, beginning of year	50,346	50,346	50,346	-
Fund balances, end of year	\$ 50,346	\$ 55,346	\$ 97,099	\$ 41,753



Register of Deeds Automation			
Original Budget	Final Budget	Actual	Variance With Final Budget
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
110,000	110,000	137,223	27,223
-	-	-	-
6,000	6,000	1,377	(4,623)
-	-	-	-
<u>116,000</u>	<u>116,000</u>	<u>138,600</u>	<u>22,600</u>
-	-	-	-
203,415	203,415	111,573	(91,842)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
55,000	55,000	6,553	(48,447)
<u>258,415</u>	<u>258,415</u>	<u>118,126</u>	<u>(140,289)</u>
<u>(142,415)</u>	<u>(142,415)</u>	<u>20,474</u>	<u>162,889</u>
-	-	-	-
-	-	-	-
-	-	-	-
<u>(142,415)</u>	<u>(142,415)</u>	<u>20,474</u>	<u>162,889</u>
<u>586,122</u>	<u>586,122</u>	<u>586,122</u>	<u>-</u>
<u>\$ 443,707</u>	<u>\$ 443,707</u>	<u>\$ 606,596</u>	<u>\$ 162,889</u>

continued...

COUNTY OF ALLEGAN, MICHIGAN

**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
 Budget and Actual - Nonmajor Special Revenue Funds  
 For the Year Ended December 31, 2013

	Drug Law Enforcement			
	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>				
Taxes and penalties	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues:				
Federal	-	-	-	-
State	-	-	-	-
Local	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	7,700	7,700	4,675	(3,025)
Interest and rentals	-	-	503	503
Other revenues	-	-	3,537	3,537
<b>Total revenues</b>	<b>7,700</b>	<b>7,700</b>	<b>8,715</b>	<b>1,015</b>
<b>Expenditures</b>				
Current:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	5,000	5,000	1,586	(3,414)
Health and welfare	-	-	-	-
Recreation and cultural	-	-	-	-
Community and economic development	-	-	-	-
Capital outlay	2,000	2,000	538	(1,462)
<b>Total expenditures</b>	<b>7,000</b>	<b>7,000</b>	<b>2,124</b>	<b>(4,876)</b>
Revenues over (under) expenditures	700	700	6,591	5,891
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balances	700	700	6,591	5,891
Fund balances, beginning of year	216,414	216,414	216,414	-
Fund balances, end of year	\$ 217,114	\$ 217,114	\$ 223,005	\$ 5,891





Law Enforcement Training			
Original Budget	Final Budget	Actual	Variance With Final Budget
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
12,000	12,000	10,085	(1,915)
-	-	-	-
20,000	20,000	25,680	5,680
-	-	-	-
-	-	316	316
20,000	20,000	20,000	-
<u>52,000</u>	<u>52,000</u>	<u>56,081</u>	<u>4,081</u>
-	-	-	-
-	-	-	-
53,398	53,398	31,062	(22,336)
-	-	-	-
-	-	-	-
-	-	-	-
2,000	7,000	14,251	7,251
<u>55,398</u>	<u>60,398</u>	<u>45,313</u>	<u>(15,085)</u>
<u>(3,398)</u>	<u>(8,398)</u>	<u>10,768</u>	<u>19,166</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
(3,398)	(8,398)	10,768	19,166
<u>116,665</u>	<u>116,665</u>	<u>116,665</u>	<u>-</u>
<u>\$ 113,267</u>	<u>\$ 108,267</u>	<u>\$ 127,433</u>	<u>\$ 19,166</u>

continued...

# COUNTY OF ALLEGAN, MICHIGAN

## Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Nonmajor Special Revenue Funds

For the Year Ended December 31, 2013

	Housing Assistance			
	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>				
Taxes and penalties	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues:				
Federal	-	-	-	-
State	-	-	24,483	24,483
Local	-	-	-	-
Charges for services	-	-	25,248	25,248
Fines and forfeitures	-	-	-	-
Interest and rentals	-	-	67	67
Other revenues	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>49,798</b>	<b>49,798</b>
<b>Expenditures</b>				
Current:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Recreation and cultural	-	-	-	-
Community and economic development	45,000	45,000	29,622	(15,378)
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>45,000</b>	<b>45,000</b>	<b>29,622</b>	<b>(15,378)</b>
Revenues over (under) expenditures	(45,000)	(45,000)	20,176	65,176
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balances	(45,000)	(45,000)	20,176	65,176
Fund balances, beginning of year	26,174	26,174	26,174	-
Fund balances, end of year	\$ (18,826)	\$ (18,826)	\$ 46,350	\$ 65,176



State and Federal Grants			
Original Budget	Final Budget	Actual	Variance With Final Budget
\$ -	\$ -	\$ -	\$ -
-	-	-	-
361,042	519,790	329,042	(190,748)
115,845	346,562	114,622	(231,940)
4,404	6,824	1,718	(5,106)
-	12,000	2,126	(9,874)
-	-	-	-
-	-	376	376
-	-	(125)	(125)
<u>481,291</u>	<u>885,176</u>	<u>447,759</u>	<u>(437,417)</u>
-	385,885	114,160	(271,725)
-	-	-	-
204,421	221,271	148,376	(72,895)
2,520	3,020	2,955	(65)
-	-	-	-
275,000	275,000	187,454	(87,546)
-	-	-	-
<u>481,941</u>	<u>885,176</u>	<u>452,945</u>	<u>(432,231)</u>
<u>(650)</u>	-	<u>(5,186)</u>	<u>(5,186)</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
(650)	-	(5,186)	(5,186)
<u>300,574</u>	<u>300,574</u>	<u>300,574</u>	<u>-</u>
<u>\$ 299,924</u>	<u>\$ 300,574</u>	<u>\$ 295,388</u>	<u>\$ (5,186)</u>

continued...

# COUNTY OF ALLEGAN, MICHIGAN

## Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - Nonmajor Special Revenue Funds For the Year Ended December 31, 2013

	Law Enforcement Road Patrol			
	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>				
Taxes and penalties	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues:				
Federal	-	-	-	-
State	-	-	-	-
Local	614,468	689,918	631,834	(58,084)
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rentals	-	-	35	35
Other revenues	-	-	-	-
<b>Total revenues</b>	<b>614,468</b>	<b>689,918</b>	<b>631,869</b>	<b>(58,049)</b>
<b>Expenditures</b>				
Current:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	762,407	860,892	744,414	(116,478)
Health and welfare	-	-	-	-
Recreation and cultural	-	-	-	-
Community and economic development	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>762,407</b>	<b>860,892</b>	<b>744,414</b>	<b>(116,478)</b>
Revenues over (under) expenditures	(147,939)	(170,974)	(112,545)	58,429
<b>Other financing sources (uses)</b>				
Transfers in	147,939	170,974	146,851	(24,123)
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>147,939</b>	<b>170,974</b>	<b>146,851</b>	<b>(24,123)</b>
Net change in fund balances	-	-	34,306	34,306
Fund balances, beginning of year	128,040	128,040	128,040	-
Fund balances, end of year	\$ 128,040	\$ 128,040	\$ 162,346	\$ 34,306



Revenue Sharing Reserve			
Original Budget	Final Budget	Actual	Variance With Final Budget
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
1,000	1,000	-	(1,000)
-	-	-	-
<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>(94,351)</u>	<u>(94,351)</u>	<u>-</u>	<u>94,351</u>
-	-	-	-
<u>(94,351)</u>	<u>(94,351)</u>	<u>-</u>	<u>94,351</u>
(93,351)	(93,351)	-	93,351
-	-	-	-
<u>\$ (93,351)</u>	<u>\$ (93,351)</u>	<u>\$ -</u>	<u>\$ 93,351</u>

continued...

# COUNTY OF ALLEGAN, MICHIGAN

## Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - Nonmajor Special Revenue Funds For the Year Ended December 31, 2013

	D.A.R.E. Program			
	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>				
Taxes and penalties	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues:				
Federal	-	-	-	-
State	-	-	-	-
Local	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rentals	-	-	168	168
Other revenues	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>168</b>	<b>168</b>
<b>Expenditures</b>				
Current:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Recreation and cultural	-	-	-	-
Community and economic development	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Revenues over (under) expenditures	-	-	168	168
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balances	-	-	168	168
Fund balances, beginning of year	639	639	639	-
Fund balances, end of year	\$ 639	\$ 639	\$ 807	\$ 168



Social Welfare			
Original Budget	Final Budget	Actual	Variance With Final Budget
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
300,000	300,000	2,075	(297,925)
-	-	-	-
-	-	-	-
-	-	142	142
-	-	-	-
<u>300,000</u>	<u>300,000</u>	<u>2,217</u>	<u>(297,783)</u>
-	-	-	-
-	-	-	-
-	-	-	-
300,000	300,000	8,317	(291,683)
-	-	-	-
-	-	-	-
-	-	-	-
<u>300,000</u>	<u>300,000</u>	<u>8,317</u>	<u>(291,683)</u>
-	-	(6,100)	(6,100)
-	-	-	-
-	-	(15,000)	(15,000)
-	-	-	-
-	-	(15,000)	(15,000)
-	-	(21,100)	(21,100)
<u>50,200</u>	<u>50,200</u>	<u>50,200</u>	<u>-</u>
<u>\$ 50,200</u>	<u>\$ 50,200</u>	<u>\$ 29,100</u>	<u>\$ (21,100)</u>

continued...

# COUNTY OF ALLEGAN, MICHIGAN

## Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Nonmajor Special Revenue Funds

For the Year Ended December 31, 2013

	Child Care Probate			
	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>				
Taxes and penalties	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues:				
Federal	38,000	38,000	51,482	13,482
State	2,077,590	2,081,906	1,951,157	(130,749)
Local	-	-	-	-
Charges for services	493,500	493,500	409,592	(83,908)
Fines and forfeitures	-	-	-	-
Interest and rentals	-	-	881	881
Other revenues	46,500	46,500	31,715	(14,785)
<b>Total revenues</b>	<b>2,655,590</b>	<b>2,659,906</b>	<b>2,444,827</b>	<b>(215,079)</b>
<b>Expenditures</b>				
Current:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	5,087,679	5,096,311	4,417,972	(678,339)
Recreation and cultural	-	-	-	-
Community and economic development	-	-	-	-
Capital outlay	500	500	309	(191)
<b>Total expenditures</b>	<b>5,088,179</b>	<b>5,096,811</b>	<b>4,418,281</b>	<b>(678,530)</b>
Revenues over (under) expenditures	(2,432,589)	(2,436,905)	(1,973,454)	463,451
<b>Other financing sources (uses)</b>				
Transfers in	2,432,589	2,436,905	2,400,589	(36,316)
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>2,432,589</b>	<b>2,436,905</b>	<b>2,400,589</b>	<b>(36,316)</b>
Net change in fund balances	-	-	427,135	427,135
Fund balances, beginning of year	406,209	406,209	406,209	-
Fund balances, end of year	\$ 406,209	\$ 406,209	\$ 833,344	\$ 427,135





Soldiers' Relief			
Original Budget	Final Budget	Actual	Variance With Final Budget
\$ 81,000	\$ 81,000	\$ 83,207	\$ 2,207
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	208	208
<u>81,000</u>	<u>81,000</u>	<u>83,415</u>	<u>2,415</u>
-	-	-	-
-	-	-	-
-	-	-	-
99,356	99,356	93,068	(6,288)
-	-	-	-
-	-	-	-
-	-	-	-
<u>99,356</u>	<u>99,356</u>	<u>93,068</u>	<u>(6,288)</u>
<u>(18,356)</u>	<u>(18,356)</u>	<u>(9,653)</u>	<u>8,703</u>
-	-	-	-
-	-	-	-
-	-	-	-
<u>(18,356)</u>	<u>(18,356)</u>	<u>(9,653)</u>	<u>8,703</u>
<u>131,000</u>	<u>146,637</u>	<u>146,637</u>	<u>-</u>
<u>\$ 112,644</u>	<u>\$ 128,281</u>	<u>\$ 136,984</u>	<u>\$ 8,703</u>

continued...

COUNTY OF ALLEGAN, MICHIGAN

**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
 Budget and Actual - Nonmajor Special Revenue Funds  
 For the Year Ended December 31, 2013

	Veterans' Trust Board			
	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>				
Taxes and penalties	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues:				
Federal	-	-	-	-
State	25,000	25,000	29,708	4,708
Local	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest and rentals	200	200	4	(196)
Other revenues	-	-	58	58
<b>Total revenues</b>	<b>25,200</b>	<b>25,200</b>	<b>29,770</b>	<b>4,570</b>
<b>Expenditures</b>				
Current:				
Judicial	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Health and welfare	26,000	27,000	26,533	(467)
Recreation and cultural	-	-	-	-
Community and economic development	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>26,000</b>	<b>27,000</b>	<b>26,533</b>	<b>(467)</b>
Revenues over (under) expenditures	(800)	(1,800)	3,237	5,037
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balances	(800)	(1,800)	3,237	5,037
Fund balances, beginning of year	1,635	1,635	1,635	-
Fund balances, end of year	\$ 835	\$ (165)	\$ 4,872	\$ 5,037



Farmland Preservation			
Original Budget	Final Budget	Actual	Variance With Final Budget
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	1	1
100	100	-	(100)
<u>100</u>	<u>100</u>	<u>1</u>	<u>(99)</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
100	100	-	(100)
<u>100</u>	<u>100</u>	<u>-</u>	<u>(100)</u>
-	-	-	-
100	100	-	(100)
<u>100</u>	<u>100</u>	<u>-</u>	<u>(100)</u>
-	-	1	1
<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	1	1
<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
234	234	234	-
<u>234</u>	<u>234</u>	<u>234</u>	<u>-</u>
\$ 234	\$ 234	\$ 235	\$ 1
<u>\$ 234</u>	<u>\$ 234</u>	<u>\$ 235</u>	<u>\$ 1</u>

continued...

COUNTY OF ALLEGAN, MICHIGAN

**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
 Budget and Actual - Nonmajor Special Revenue Funds  
 For the Year Ended December 31, 2013

	Fitness Center			
	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>				
Taxes and penalties	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues:				
Federal	-	-	-	-
State	-	-	-	-
Local	-	-	-	-
Charges for services	-	16,000	15,998	(2)
Fines and forfeitures	-	-	-	-
Interest and rentals	-	-	185	185
Other revenues	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>16,000</b>	<b>16,183</b>	<b>183</b>
<b>Expenditures</b>				
Current:				
Judicial	-	-	-	-
General government	-	16,000	2,057	(13,943)
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Recreation and cultural	-	-	-	-
Community and economic development	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>16,000</b>	<b>2,057</b>	<b>(13,943)</b>
Revenues over (under) expenditures	-	-	14,126	14,126
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balances	-	-	14,126	14,126
Fund balances, beginning of year	73,633	73,633	73,633	-
Fund balances, end of year	\$ 73,633	\$ 73,633	\$ 87,759	\$ 14,126

concluded

## INTERNAL SERVICE FUNDS

COUNTY OF ALLEGAN, MICHIGAN

Combining Statement of Net Position  
Internal Service Funds  
December 31, 2013

	Self- Insurance (6770)	Mental Health Self- Insurance (2220 / 2225)	Mental Health Vacation Reserve (2220 / 2225)	Total
<b>Assets (all current)</b>				
Cash and pooled investments	\$ 6,635,080	\$ -	\$ 396,397	\$ 7,031,477
Accounts receivable	3,567	-	-	3,567
Prepays	637,299	-	-	637,299
<b>Total assets (all current)</b>	<b>7,275,946</b>	<b>-</b>	<b>396,397</b>	<b>7,672,343</b>
<b>Liabilities (all current)</b>				
Accounts payable	409,116	-	-	409,116
Compensated absences	-	-	396,397	396,397
<b>Total liabilities (all current)</b>	<b>409,116</b>	<b>-</b>	<b>396,397</b>	<b>805,513</b>
<b>Net position</b>				
Unrestricted	\$ 6,866,830	\$ -	\$ -	\$ 6,866,830

COUNTY OF ALLEGAN, MICHIGAN

Combining Statement of Revenues, Expenses and Changes in Fund Net Position  
 Internal Service Funds  
 For the Year Ended December 31, 2013

	Self- Insurance (6770)	Mental Health Self- Insurance (2220 / 2225)	Mental Health Vacation Reserve (2220 / 2225)	Total
Operating revenues				
Charges for services	\$ 5,787,229	\$ -	\$ 357,617	\$ 6,144,846
Operating expenses				
Insurance expense	6,798,695	-	357,617	7,156,312
Operating income (loss)	(1,011,466)	-	-	(1,011,466)
Nonoperating revenues				
Interest earned on investments	15,617	47	-	15,664
Income (loss) before transfers	(995,849)	47	-	(995,802)
Transfers				
Transfers out	(312,000)	(23,311)	-	(335,311)
Change in net position	(1,307,849)	(23,264)	-	(1,331,113)
Net position, beginning of year	8,174,679	23,264	-	8,197,943
Net position, end of year	\$ 6,866,830	\$ -	\$ -	\$ 6,866,830

COUNTY OF ALLEGAN, MICHIGAN

Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended December 31, 2013

	Self- Insurance (6770)	Mental Health Self- Insurance (2220 / 2225)	Mental Health Vacation Reserve (2220 / 2225)	Total
<b>Cash flows from operating activities</b>				
Cash received from interfund services provided	\$ 5,919,924	\$ -	\$ 357,617	\$ 6,277,541
Cash payments for insurance claims	(6,664,141)	-	(352,247)	(7,016,388)
<b>Net cash provided by (used in) operating activities</b>	<b>(744,217)</b>	<b>-</b>	<b>5,370</b>	<b>(738,847)</b>
<b>Cash flows from investing activities</b>				
Interest received on investments	15,617	47	-	15,664
<b>Cash flows for noncapital financing activities</b>				
Transfers out	(312,000)	(23,311)	-	(335,311)
<b>Net increase (decrease) in cash and pooled investments</b>	<b>(1,040,600)</b>	<b>(23,264)</b>	<b>5,370</b>	<b>(1,058,494)</b>
Cash and pooled investments, beginning of year	7,675,680	23,264	391,027	8,089,971
<b>Cash and pooled investments, end of year</b>	<b>\$ 6,635,080</b>	<b>\$ -</b>	<b>\$ 396,397</b>	<b>\$ 7,031,477</b>
<b>Cash flows from operating activities</b>				
Operating income (loss)	\$ (1,011,466)	\$ -	\$ -	\$ (1,011,466)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Change in:				
Accounts receivable	132,695	-	-	132,695
Prepays	59,998	-	-	59,998
Accounts payable	74,556	-	-	74,556
Compensated absences	-	-	5,370	5,370
<b>Net cash provided by (used in) operating activities</b>	<b>\$ (744,217)</b>	<b>\$ -</b>	<b>\$ 5,370</b>	<b>\$ (738,847)</b>



## AGENCY FUNDS

# COUNTY OF ALLEGAN, MICHIGAN

## Combining Statement of Fiduciary Assets and Liabilities

Agency Funds  
December 31, 2013

	Trust and Agency (7010)	Library Penal Fine (7210)	Total
<b>Assets</b>			
Cash and pooled investments	\$ 1,442,131	\$ 45	\$ 1,442,176
<b>Liabilities</b>			
Assets held on behalf of others	\$ 1,442,131	\$ 45	\$ 1,442,176

# COUNTY OF ALLEGAN, MICHIGAN

## Combining Statement of Changes in Fiduciary Assets and Liabilities

Agency Funds

For the Year Ended December 31, 2013

	Balance January 1, 2013	Additions	Deletions	Balance December 31, 2013
<i>Trust and Agency</i>				
<b>Assets</b>				
Cash and pooled investments	\$ 1,629,379	\$ 52,510,301	\$ (52,697,549)	\$ 1,442,131
<b>Liabilities</b>				
Assets held on behalf of others	\$ 1,629,379	\$ 52,510,301	\$ (52,697,549)	\$ 1,442,131
<i>Library Penal Fine</i>				
<b>Assets</b>				
Cash and pooled investments	\$ 106	\$ 535,065	\$ (535,126)	\$ 45
<b>Liabilities</b>				
Assets held on behalf of others	\$ 106	\$ 535,065	\$ (535,126)	\$ 45
<i>Total All Agency Funds</i>				
<b>Assets</b>				
Cash and pooled investments	\$ 1,629,485	\$ 53,045,366	\$ (53,232,675)	\$ 1,442,176
<b>Liabilities</b>				
Assets held on behalf of others	\$ 1,629,485	\$ 53,045,366	\$ (53,232,675)	\$ 1,442,176

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**TRANSPORTATION FUND  
SCHEDULES**

# ALLEGAN COUNTY TRANSPORTATION

## Local Revenues

Schedule 1

For the Year Ended December 31, 2013

	1/1/2013 to 9/30/2013	10/1/2013 to 12/31/2013	Total
<b>Nonurban regular service</b>			
Farebox revenues	\$ 29,267	\$ 11,052	\$ 40,319
Contract with Allegan CMH	250,184	86,231	336,415
Contract with Allegan ISD	28,271	11,181	39,452
Contracts with other agencies	120,927	30,757	151,684
Interest income	-	1,034	1,034
<b>Total nonurban regular service</b>	<u>428,649</u>	<u>140,255</u>	<u>568,904</u>
<b>Job access reverse commute</b>			
Farebox revenues	<u>4,467</u>	<u>1,258</u>	<u>5,725</u>
<b>Specialized services</b>			
Farebox revenues	3,314	1,082	4,396
Contract support	<u>18,750</u>	<u>6,250</u>	<u>25,000</u>
<b>Total specialized services</b>	<u>22,064</u>	<u>7,332</u>	<u>29,396</u>
<b>Total local revenues</b>	<u>\$ 455,180</u>	<u>\$ 148,845</u>	<u>\$ 604,025</u>

# ALLEGAN COUNTY TRANSPORTATION

## Local Revenues

Schedule 1A

For the Year Ended September 30, 2013

	10/1/2012 to 12/31/2012	1/1/2013 to 9/30/2013	Total
Nonurban regular service			
Farebox revenues	\$ 7,121	\$ 29,267	\$ 36,388
Contract with Allegan CMH	71,007	250,184	321,191
Contract with Allegan ISD	18,879	28,271	47,150
Contracts with other agencies	39,689	120,927	160,616
Sale of capital assets	14,332	-	14,332
Interest income	1,672	-	1,672
	<u>152,700</u>	<u>428,649</u>	<u>581,349</u>
Job access reverse commute			
Farebox revenues	<u>1,613</u>	<u>4,467</u>	<u>6,080</u>
Specialized services			
Farebox revenues	1,223	3,314	4,537
Contract support	<u>6,250</u>	<u>18,750</u>	<u>25,000</u>
Total specialized services	<u>7,473</u>	<u>22,064</u>	<u>29,537</u>
Total local revenues	<u>\$ 161,786</u>	<u>\$ 455,180</u>	<u>\$ 616,966</u>

# ALLEGAN COUNTY TRANSPORTATION

## Expenditures of Federal and State Awards

### Schedule 2

For the Year Ended December 31, 2013

Federal Grantor / Pass-through Grantor Program Title	CFDA Number	State Number	Program or Award Amount
<u>U.S. Department of Transportation</u>			
Passed through the Michigan Department of Transportation:			
2014 Operating assistance - Section 5311	20.509	2012-0028/P17	\$ 71,965
2013 Operating assistance - Section 5311	20.509	2012-0028/P9	167,360
2012 Reconciled	20.509		
2011 Final Audit	20.509		
U.S. DOT Operating Grant - RTAP	20.509	-n/a-	4,000
2014 Job Access Reverse Commute - Section 5316	20.516	2012-0028/P15	51,150
2013 Job Access Reverse Commute - Section 5316	20.516	2012-0028/P6	51,150
Capital Grant - Section 5309	20.500	2007-0157/Z24	478,750
Capital Grant - Section 5313(b)	20.509	2007-0157/Z16	225,250
Capital Grant - Section 5311 - ARRA	20.509	2007-0157/Z21	109,954
Capital Grant - Section 5317 New Freedom	20.521	2012-0028/P14	20,000
Capital Grant - Section 5317 New Freedom	20.521	2012-0028/P7	22,000
<u>Michigan Department of Transportation</u>			
Operating assistance - Act 51 (2014)	N/A	FY2014	411,078
Operating assistance - Act 51 (2013)	N/A	FY2013	379,070
2011 Audit Reconciliation - Preliminary	N/A	FY2011	-
2010 Audit Reconciliation - Final	N/A	FY2010	-
Specialized Services 2014	N/A	2012-0028/P16	106,704
Specialized Services 2013	N/A	2012-0028/P8	106,704
2014 Job Access Reverse Commute - MDOT 50%	N/A	2012-0028/P15	51,150
2013 Job Access Reverse Commute - MDOT 50%	N/A	2012-0028/P6	51,150
Totals			<u>\$ 2,307,435</u>





Current Year Expenditures			Prior Year Expenditures	Award Remaining
Total	Federal	State		
\$ 14,638	\$ 14,638	\$ -	\$ -	\$ 57,327
110,188	110,188	-	38,060	19,112
501	501	-	-	-
516	516	-	-	-
757	757	-	-	3,243
12,788	12,788	-	-	38,362
38,362	38,362	-	12,788	-
5,660	4,528	1,132	134,328	338,762
-	-	-	2,318	222,932
109,954	109,954	-	-	-
7,325	7,325	-	-	12,675
16,462	16,462	-	5,538	-
76,017	-	76,017	-	335,061
269,944	-	269,944	100,647	8,479
(23,075)	-	(23,075)	-	-
15,449	-	15,449	-	-
26,676	-	26,676	-	80,028
83,529	-	83,529	23,175	-
12,788	-	12,788	-	38,362
38,362	-	38,362	12,788	-
<u>\$ 816,841</u>	<u>\$ 316,019</u>	<u>\$ 500,822</u>	<u>\$ 329,642</u>	<u>\$ 1,154,343</u>

# ALLEGAN COUNTY TRANSPORTATION

## Federal and State Awards

Operating Revenues Only

Schedule 2A

For the Year Ended December 31, 2013

	1/1/2013 to 9/30/2013	10/1/2013 to 12/31/2013	Total
<b>Michigan Department of Transportation</b>			
Local Bus Operating (Act 51)	\$ 269,944	\$ 76,017	\$ 345,961
FY2011 Audit Reconciliation - Preliminary	(23,075)	-	(23,075)
FY2010 Audit Reconciliation - Final	15,449	-	15,449
<b>Total Local Bus Operating (Act 51)</b>	<b>262,318</b>	<b>76,017</b>	<b>338,335</b>
Contract 2012-0028/P15	-	12,788	12,788
Contract 2012-0028/P6	38,362	-	38,362
Specialized Services - Contract 2012-0028/P16	-	26,676	26,676
Specialized Services - Contract 2012-0028/P8	83,529	-	83,529
<b>Total Michigan Department of Transportation</b>	<b>384,209</b>	<b>115,481</b>	<b>499,690</b>
<b>Federal Transit Administration</b>			
U.S. DOT Operating Grant - Section 5311:			
Contract 2012-0028/P17	-	14,638	14,638
Contract 2012-0028/P9	110,188	-	110,188
2012 Reconciled	501	-	501
2011 Final Audit	516	-	516
U.S. DOT Operating Grant - RTAP	757	-	757
U.S. DOT Job Access Reverse Commute:			
Contract 2012-0028/P15	-	12,788	12,788
Contract 2012-0028/P6	38,362	-	38,362
<b>Total Federal Transit Administration</b>	<b>150,324</b>	<b>27,426</b>	<b>177,750</b>
<b>Total revenues - state and federal</b>	<b>\$ 534,533</b>	<b>\$ 142,907</b>	<b>\$ 677,440</b>

# ALLEGAN COUNTY TRANSPORTATION

## Federal and State Awards

Operating Revenues Only

Schedule 2B

For the Year Ended September 30, 2013

	10/1/2012 to 12/31/2012	1/1/2013 to 9/30/2013	Total
<b>Michigan Department of Transportation</b>			
Local Bus Operating (Act 51)	\$ 100,647	\$ 269,944	\$ 370,591
FY2011 Audit Reconciliation - Preliminary	(23,076)	(23,075)	(46,151)
FY2010 Audit Reconciliation - Final	-	15,449	15,449
<b>Total Local Bus Operating (Act 51)</b>	<b>77,571</b>	<b>262,318</b>	<b>339,889</b>
Job Access Reverse Commute - MDOT 50% Contract 2012-0028/P6	12,788	38,362	51,150
Specialized Services - Contract 2012-0028/P8	23,176	83,529	106,705
<b>Total Michigan Department of Transportation</b>	<b>113,535</b>	<b>384,209</b>	<b>497,744</b>
<b>Federal Transit Administration</b>			
U.S. DOT Operating Grant - Section 5311: 2012-0028/P9	38,058	110,188	148,246
2012 Reconciled	-	501	501
2011 Final Audit	-	516	516
U.S. DOT Operating Grant - RTAP	-	757	757
Job Access Reverse Commute - U.S. DOT 50% Contract 2012-0028/P6	12,788	38,362	51,150
<b>Total Federal Transit Administration</b>	<b>50,846</b>	<b>150,324</b>	<b>201,170</b>
<b>Total revenues - state and federal</b>	<b>\$ 164,381</b>	<b>\$ 534,533</b>	<b>\$ 698,914</b>

## ALLEGAN COUNTY TRANSPORTATION

### Operating and Contract Expenses

#### Schedule 3

For the Year Ended December 31, 2013

	Nonurban	Job Access Reverse Commute	Specialized Services	Total
Labor	\$ 515,845	\$ 58,955	\$ 89,824	\$ 664,624
Fringe benefits	126,687	14,462	22,031	163,180
Services	27,494	3,121	4,572	35,187
Materials and supplies	167,818	19,178	29,105	216,101
Utilities	21,293	2,380	3,539	27,212
Casualty and liability costs	38,945	4,524	7,045	50,514
Miscellaneous	4,939	414	569	5,922
Leases and rentals	54,259	6,226	9,513	69,998
<b>Total transit programs</b>	<b>957,280</b>	<b>109,260</b>	<b>166,198</b>	<b>1,232,738</b>
Less: ineligible expenses	(813)	(5,725)	-	(6,538)
<b>Total eligible expenses</b>	<b>\$ 956,467</b>	<b>\$ 103,535</b>	<b>\$ 166,198</b>	<b>\$ 1,226,200</b>

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## 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, 2013

	Nonurban		
	1/1/2013 to 9/30/2013	10/1/2013 to 12/31/2013	Total
Labor	\$ 370,173	\$ 145,672	\$ 515,845
Fringe benefits	89,783	36,904	126,687
Services	20,621	6,873	27,494
Materials and supplies	121,549	46,269	167,818
Utilities	12,792	8,501	21,293
Casualty and liability costs	30,797	8,148	38,945
Miscellaneous	3,539	1,400	4,939
Leases and rentals	40,224	14,035	54,259
	<u>          </u>	<u>          </u>	<u>          </u>
Total transit programs	<u>\$ 689,478</u>	<u>\$ 267,802</u>	<u>\$ 957,280</u>



Job Access Reverse Commute			Specialized Services		
1/1/2013 to 9/30/2013	10/1/2013 to 12/31/2013	Total	1/1/2013 to 9/30/2013	10/1/2013 to 12/31/2013	Total
\$ 44,183	\$ 14,772	\$ 58,955	\$ 68,632	\$ 21,192	\$ 89,824
10,720	3,742	14,462	16,663	5,368	22,031
2,424	697	3,121	3,572	1,000	4,572
14,485	4,693	19,178	22,374	6,731	29,105
1,518	862	2,380	2,302	1,237	3,539
3,698	826	4,524	5,859	1,186	7,045
322	92	414	437	132	569
4,803	1,423	6,226	7,471	2,042	9,513
<u>\$ 82,153</u>	<u>\$ 27,107</u>	<u>\$ 109,260</u>	<u>\$ 127,310</u>	<u>\$ 38,888</u>	<u>\$ 166,198</u>

# ALLEGAN COUNTY TRANSPORTATION

## Operating and Contract Expenses by Program

Schedule 3B

For the Year Ended September 30, 2013

	Nonurban		
	10/1/2012 to 12/31/2012	1/1/2013 to 9/30/2013	Total
Labor	\$ 130,863	\$ 370,173	\$ 501,036
Fringe benefits	30,238	89,783	120,021
Services	6,020	20,621	26,641
Materials and supplies	45,578	121,549	167,127
Utilities	8,096	12,792	20,888
Casualty and liability costs	(5,947)	30,797	24,850
Miscellaneous	1,044	3,539	4,583
Leases and rentals	21,981	40,224	62,205
<b>Total transit programs</b>	<b>\$ 237,873</b>	<b>\$ 689,478</b>	<b>\$ 927,351</b>



Job Access Reverse Commute			Specialized Services		
10/1/2012 to 12/31/2012	1/1/2013 to 9/30/2013	Total	10/1/2012 to 12/31/2012	1/1/2013 to 9/30/2013	Total
\$ 15,247	\$ 44,183	\$ 59,430	\$ 21,510	\$ 68,632	\$ 90,142
3,522	10,720	14,242	4,970	16,663	21,633
702	2,424	3,126	989	3,572	4,561
5,310	14,485	19,795	7,492	22,374	29,866
943	1,518	2,461	1,331	2,302	3,633
(693)	3,698	3,005	(977)	5,859	4,882
8	322	330	11	437	448
2,561	4,803	7,364	3,613	7,471	11,084
<u>\$ 27,600</u>	<u>\$ 82,153</u>	<u>\$ 109,753</u>	<u>\$ 38,939</u>	<u>\$ 127,310</u>	<u>\$ 166,249</u>

# ALLEGAN COUNTY TRANSPORTATION

## Schedule of Nonurban Regular Service Revenues

Schedule 4R (Nonurban)

For the Year Ended September 30, 2013

Code	Description	Amount
401 :	Farebox revenues	
40100	Passenger fares	\$ 36,388
40200	Contract fares	528,957
407 :	Non-transportation revenues	
40760	Gains from the sale of capital assets (vehicles)	14,332
411 :	State formula and contracts	
41101	State operating assistance	370,591
413 :	Federal contracts	
41301	Federal section 5311 (operating funds only) (16% of budgeted)	148,246
41398	RTAP	757
41400	Interest income	<u>1,672</u>
Total revenues		<u><u>\$ 1,100,943</u></u>

# ALLEGAN COUNTY TRANSPORTATION

## Schedule of Nonurban Regular Service Expenses

Schedule 4E (Nonurban)

For the Year Ended September 30, 2013

Code	Description	Operations	Maintenance	General Administration	Total	
501 :	Labor					
50101	Operators' salaries and wages	\$ 253,135	\$ -	\$ -	\$ 253,135	
50102	Other salaries and wages	-	39,116	123,662	162,778	
50103	Dispatchers' salaries and wages	85,123	-	-	85,123	
502 :	Fringe benefits					
50200	Other fringe benefits	78,261	9,412	32,348	120,021	
503 :	Services					
50302	Advertising fees	1,390	-	684	2,074	
50399	Other services	2,516	-	22,051	24,567	
504 :	Materials and supplies					
50401	Fuel and lubricants	147,648	-	-	147,648	
50402	Tires and tubes	6,933	-	-	6,933	
50499	Other materials and supplies	6,799	-	5,747	12,546	
505 :	Utilities					
50500	Utilities	9,932	-	10,956	20,888	
506 :	Insurance					
50603	Liability insurance	9,363	-	-	9,363	
50699	Other insurance	15,487	-	-	15,487	
509 :	Miscellaneous expense					
50902	Travel, meetings and training	-	-	3,132	3,132	
50903	Association dues and subscriptions	-	-	1,194	1,194	
50999	Other Misc.	-	-	257	257	
512 :	Operating leases and rentals					
51200	Operating leases and rentals	-	-	62,205	62,205	
550 :	Ineligible expenses					
55009	Ineligible percentage of association dues (13.9% of MPTA dues)	-	-	56	56	
574 :	Ineligible expenses					
57402	Ineligible RTAP	-	-	757	757	
Total expenses		<u>\$ 616,587</u>	<u>\$ 48,528</u>	<u>\$ 263,049</u>	<u>\$ 927,351</u>	
					Total ineligible expenses	<u>(813)</u>
					Total eligible expenses	<u>\$ 926,538</u>

# ALLEGAN COUNTY TRANSPORTATION

## Schedule of Nonurban Regular Service Nonfinancial Data (Unaudited)

Public Service

Schedule 4N (Nonurban)

For the Year Ended September 30, 2013

Code	Description	Weekday	Saturday	Sunday	Total
610	Vehicle hours	16,542	229	-	16,771
611	Vehicle miles	427,109	4,916	-	432,025
615	Passengers - regular	9,897	16	-	9,913
616	Passengers - elderly	3,572	28	-	3,600
617	Passengers - persons w/ disabilities	21,288	291	-	21,579
618	Passengers - elderly persons w/ disabilities	682	-	-	682
622	Total demand-response passengers	35,435	339	-	35,774
625	Days operated	260	53	-	313
	Total passengers				35,774
<u>Vehicle Information</u>					
655	Total demand-response vehicles				24
656	Demand-response vehicle w/ lifts				23
658	Total transit vehicles				24
	Total vehicles				24
<u>Miscellaneous Information</u>					
660	Diesel/gasoline gallons consumed				45,431
661	Total transit agency employees (FT equivalents)				22
662	Total revenue vehicle operators (FT equivalents)				17
663	Number of accidents				1

# ALLEGAN COUNTY TRANSPORTATION

## Schedule of Job Access Reverse Commute Service Revenues

Schedule 4R (JARC)

For the Year Ended September 30, 2013

Code	Description	Amount
401 :	Farebox revenues	
40100	Passenger fares	\$ 6,080
411 :	State formula and contracts	
41199	Other state contracts and reimbursements	51,150
413 :	Federal contracts	
41399	Other federal transit contracts and reimbursements	<u>51,150</u>
Total revenues		<u><u>\$ 108,380</u></u>

# ALLEGAN COUNTY TRANSPORTATION

## Schedule of Job Access Reverse Commute Service Expenses

Schedule 4E (JARC)

For the Year Ended September 30, 2013

Code	Description	Operations	Maintenance	General Administration	Total	
501 :	Labor					
50101	Operators' salaries and wages	\$ 30,022	\$ -	\$ -	\$ 30,022	
50102	Other salaries and wages	-	4,644	14,660	19,304	
50103	Dispatchers' salaries and wages	10,104	-	-	10,104	
502 :	Fringe benefits					
50200	Other fringe benefits	9,297	1,120	3,825	14,242	
503 :	Services					
50302	Advertising fees	-	-	243	243	
50399	Other services	293	-	2,590	2,883	
504 :	Materials and supplies					
50401	Fuel and lubricants	17,493	-	-	17,493	
50402	Tires and tubes	819	-	-	819	
50499	Other materials and supplies	806	-	677	1,483	
505 :	Utilities					
50500	Utilities	1,170	-	1,291	2,461	
506 :	Insurance					
50603	Liability insurance	1,167	-	-	1,167	
50699	Other insurance	1,838	-	-	1,838	
509 :	Miscellaneous expense					
50902	Travel, meetings and training	-	-	157	157	
50903	Association dues and subscriptions	-	-	140	140	
50999	Other Misc	33	-	-	33	
512 :	Operating leases and rentals					
51200	Operating leases and rentals	-	-	7,364	7,364	
570 :	Ineligible expenses					
57099	Other Ineligible federal/state/local	-	-	6,080	6,080	
Total expenses		<u>\$ 73,042</u>	<u>\$ 5,764</u>	<u>\$ 30,947</u>	\$ 109,753	
					Total ineligible expenses	<u>(6,080)</u>
					Total eligible expenses	<u>\$ 103,673</u>

# ALLEGAN COUNTY TRANSPORTATION

## Schedule of Job Access Reverse Commute Nonfinancial Data (Unaudited)

Public Service

Schedule 4N (JARC)

For the Year Ended September 30, 2013

Code	Description	Weekday	Saturday	Sunday	Total
610 :	Vehicle hours	1,989	-	-	1,989
611 :	Vehicle miles	51,997	-	-	51,997
615 :	Passengers - regular	2,736	-	-	2,736
617 :	Passengers - persons w/ disabilities	509	-	-	509
618 :	Elderly Passengers - persons w/ disabilities	99	-	-	99
622 :	Total demand-response passengers	3,344	-	-	3,344
625 :	Days operated	256	-	-	256
	Total passengers				3,344
<u>Vehicle Information</u>					
655 :	Total demand-response vehicles				2
656 :	Demand-response vehicle w/ lifts				2
658 :	Total transit vehicles				2
	Total vehicles				2
<u>Miscellaneous Information</u>					
660	Diesel/gasoline gallons consumed				5,428
661	Total transit agency employees (FT equivalents)				2
662	Total revenue vehicle operators (FT equivalents)				2
663	Number of accidents				-

# ALLEGAN COUNTY TRANSPORTATION

## Schedule of Nonurban Specialized Service Revenues

Schedule 4R (Specialized Service)

For the Year Ended September 30, 2013

Code	Description	Amount
401 :	Farebox revenues	
40100	Passenger fares	\$ 4,537
40200	Contract fares	25,000
411 :	State formula and contracts	
41199	Other state operating assistance	<u>106,705</u>
Total revenues		<u>\$ 136,242</u>



# ALLEGAN COUNTY TRANSPORTATION

## Schedule of Nonurban Specialized Service Expenses

Schedule 4E (Specialized Service)

For the Year Ended September 30, 2013

Code	Description	Operations	Maintenance	General Administration	Total
501 :	Labor				
50101	Operators' salaries and wages	\$ 45,516	\$ -	\$ -	\$ 45,516
50102	Other salaries and wages	-	7,066	22,191	29,257
50103	Dispatchers' salaries and wages	15,369	-	-	15,369
502 :	Fringe benefits				
50200	Other fringe benefits	14,183	1,716	5,734	21,633
503 :	Services				
50302	Advertising fees	228	-	128	356
50399	Other services	415	-	3,790	4,205
504 :	Materials and supplies				
50401	Fuel and lubricants	26,422	-	-	26,422
50402	Tires and tubes	1,219	-	-	1,219
50499	Other materials and supplies	1,221	-	1,004	2,225
505 :	Utilities				
50500	Utilities	1,726	-	1,907	3,633
506 :	Insurance				
50603	Liability insurance	2,095	-	-	2,095
50699	Other insurance	2,787	-	-	2,787
509 :	Miscellaneous expense				
50902	Travel, meetings and training	-	-	178	178
50903	Association dues and subscriptions	-	-	204	204
50999	Other Misc.	66	-	-	66
512 :	Operating leases and rentals				
51200	Operating leases and rentals	-	-	11,084	11,084
Total expenses		<u>\$ 111,247</u>	<u>\$ 8,782</u>	<u>\$ 46,220</u>	<u>\$ 166,249</u>
Total ineligible expenses					<u>-</u>
Total eligible expenses					<u>\$ 166,249</u>

# ALLEGAN COUNTY TRANSPORTATION

## Schedule of Specialized Services Nonfinancial Data (Unaudited)

Public Service

Schedule 4N (Specialized Service)

For the Year Ended September 30, 2013

Code	Description	Agency	Volunteer	Total
610	Vehicle hours	3,012	-	3,012
611	Vehicle miles	96,676	-	96,676
616	Passengers - elderly	1,512	-	1,512
617	Passengers - persons w/ disabilities	1,399	-	1,399
618	Passengers - elderly persons w/ disabilities	1,979	-	1,979
	Total passengers			4,890
<u>Vehicle Information</u>				
655	Total demand-response vehicles			2
656	Demand-response vehicle w/ lifts			2
658	Total transit vehicles			2
	Total vehicles			2

# ALLEGAN COUNTY TRANSPORTATION

## Operating Assistance Calculation

Schedule 5

For the Year Ended September 30, 2013

	<u>Nonurban</u>
Total expenses	<u>\$ 927,351</u>
Less ineligible expenses:	
RTAP	(757)
Association dues	<u>(56)</u>
Total ineligible expenses	<u>(813)</u>
Total state eligible expenses	926,538
x Reimbursement percentage	<u>38.4886%</u>
State operating assistance	<u><u>\$ 356,612</u></u>
State operating assistance received	<u>\$ 370,591</u>
Amount due to state	<u><u>\$ (13,979)</u></u>
Total federal eligible expenses	\$ 926,538
x Reimbursement percentage	<u>16.0000%</u>
Federal operating assistance	<u><u>\$ 148,246</u></u>
Federal operating assistance received	<u>\$ 148,246</u>
Amount due from federal	<u><u>\$ -</u></u>

## ALLEGAN COUNTY TRANSPORTATION

### Mileage / Hourly Data (Unaudited)

Nonfinancial Data Summary

For the Year Ended September 30, 2013

		Nonurban Transportation	JARC Transportation	Specialized Services Transportation	Total Transportation
<u>Mileage</u>					
First Quarter	10/12 - 12/12	112,150	13,930	22,239	148,319
Second Quarter	1/13 - 3/13	108,156	12,587	21,965	142,708
Third Quarter	4/13 - 6/13	106,177	12,230	24,644	143,051
Fourth Quarter	7/13 - 9/13	105,542	13,250	27,828	146,620
Total mileage		<u>432,025</u>	<u>51,997</u>	<u>96,676</u>	<u>580,698</u>
<u>Hours</u>					
First Quarter	10/12 - 12/12	4,377	510	720	5,607
Second Quarter	1/13 - 3/13	4,455	505	635	5,595
Third Quarter	4/13 - 6/13	4,119	480	682	5,281
Fourth Quarter	7/13 - 9/13	3,820	494	975	5,289
Total hours		<u>16,771</u>	<u>1,989</u>	<u>3,012</u>	<u>21,772</u>
Percentage of total hours		77.0%	9.1%	13.8%	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.

## COMPONENT UNITS

# COUNTY OF ALLEGAN, MICHIGAN

## Balance Sheet

Drain Commission/Department of Public Works Component Unit  
 Governmental Funds  
 December 31, 2013

	General Funds Drain (8010)	Debt Service		
		Fillmore Water and Sewer No. 9 (3672)	CASCO/ South Haven Water No. 7 (3658 / 3667)	Kalamazoo Lake Sewer/Water Debt No. 18 (3640)
<b>Assets</b>				
Cash and pooled investments	\$ 1,801,502	\$ 211	\$ 840	\$ -
Special assessments receivable	4,706,618	-	-	-
Leases receivable	-	2,930,085	738,753	4,575,528
Due from other governments	4,774	-	-	-
Due from other funds	-	-	-	-
<b>Total assets</b>	<b>\$ 6,512,894</b>	<b>\$ 2,930,296</b>	<b>\$ 739,593</b>	<b>\$ 4,575,528</b>
<b>Liabilities</b>				
Accounts payable	\$ 364,556	\$ -	\$ -	\$ -
Due to other funds	179,783	-	-	-
Advance from primary government	-	-	-	-
Short-term debt	146,600	-	-	-
<b>Total liabilities</b>	<b>690,939</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred inflows of resources</b>				
Unavailable revenues - special assessments	4,706,618	-	-	-
Unavailable revenues - leases	-	2,930,085	738,753	4,575,528
<b>Total deferred inflows of resources</b>	<b>4,706,618</b>	<b>2,930,085</b>	<b>738,753</b>	<b>4,575,528</b>
<b>Fund balances</b>				
Restricted	-	211	840	-
Unassigned	1,115,337	-	-	-
<b>Total fund balances</b>	<b>1,115,337</b>	<b>211</b>	<b>840</b>	<b>-</b>
<b>Total liabilities, deferred outflows of resources and fund balances</b>	<b>\$ 6,512,894</b>	<b>\$ 2,930,296</b>	<b>\$ 739,593</b>	<b>\$ 4,575,528</b>

**Capital Projects**

<b>Kalamazoo Lake Sewer/Water Authority (4640)</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ 258,485	\$ 2,061,038
-	-	4,706,618
-	3,775,988	12,020,354
44,858	2,000	51,632
-	179,783	179,783
<u>\$ 44,858</u>	<u>\$ 4,216,256</u>	<u>\$ 19,019,425</u>
\$ 44,858	\$ 201	\$ 409,615
-	-	179,783
-	182,000	182,000
-	-	146,600
<u>44,858</u>	<u>182,201</u>	<u>917,998</u>
-	-	4,706,618
-	3,775,988	12,020,354
-	3,775,988	16,726,972
-	258,067	259,118
-	-	1,115,337
-	258,067	1,374,455
<u>\$ 44,858</u>	<u>\$ 4,216,256</u>	<u>\$ 19,019,425</u>

# COUNTY OF ALLEGAN, MICHIGAN

## Reconciliation

Fund Balances for Governmental Funds  
to Net Position of Component Units  
Drain Commission/Department of Public Works Component Unit  
December 31, 2013

Fund balances - total governmental funds \$ 1,374,455

Amounts reported for *governmental activities* in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Capital assets not being depreciated	1,456,146
Capital assets being depreciated, net	8,807,698

Agreements with local governments for the payment of principal and interest on debt utilized to finance water and sewer system constructed for the local units (treated as a capital lease).

Long-term leases receivable from local governments	12,020,354
Special assessments receivable	4,706,618

An internal service fund is used by management to charge the costs of certain equipment usage and self-insurance to individual governmental funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.

Net position of governmental activities accounted for in the internal service fund	111,743
------------------------------------------------------------------------------------	---------

Certain liabilities and deferred outflows of resources, such as bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

Bonds and notes payable	(17,424,901)
Premium/discount on bonds payable	(80,542)
Deferred loss on advance refunding	157,097
Accrued interest on bonds and notes payable	(118,663)

Net position of component unit \$ 11,010,005



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# COUNTY OF ALLEGAN, MICHIGAN

## Statement of Revenues, Expenses and Changes in Fund Balances

Drain Commission/Department of Public Works Component Unit

Governmental Funds

For the Year Ended December 31, 2013

	Debt Service			
	General Funds Drain (8010)	Fillmore Water and Sewer No. 9 (3672)	CASCO/ South Haven Water No. 7 (3658 / 3667)	Kalamazoo Lake Sewer/Water Debt No. 18 (3640)
<b>Revenues</b>				
Special assessments	\$ 1,256,540	\$ -	\$ -	\$ -
Intergovernmental revenues:				
Federal	4,774	-	-	-
Other local units	6,765	31,314	333,081	-
Interest earned	6,748	-	66	-
Other revenues	537,840	-	-	-
<b>Total revenues</b>	<b>1,812,667</b>	<b>31,314</b>	<b>333,147</b>	<b>-</b>
<b>Expenditures</b>				
Debt service:				
Principal	1,165,587	-	300,000	-
Interest and fiscal charges	82,858	31,426	33,031	-
Bond issuance costs	-	88,284	-	-
Capital outlay	2,484,442	-	-	-
<b>Total expenditures</b>	<b>3,732,887</b>	<b>119,710</b>	<b>333,031</b>	<b>-</b>
Revenues (under) over expenditures	(1,920,220)	(88,396)	116	-
<b>Other financing sources (uses)</b>				
Issuance of long-term debt	1,792,631	2,920,000	-	-
Premium on issuance of long-term debt	-	68,967	-	-
Discount on issuance of long-term debt	-	(1,504)	-	-
Payment to refunding bond escrow agent	-	(2,898,856)	-	-
Transfers in	-	-	-	-
Transfers out	(319,670)	-	-	-
<b>Total other financing sources (uses)</b>	<b>1,472,961</b>	<b>88,607</b>	<b>-</b>	<b>-</b>
Change in fund balances	(447,259)	211	116	-
Fund balances, beginning of year	1,562,596	-	724	-
Fund balances, end of year	\$ 1,115,337	\$ 211	\$ 840	\$ -

**Capital Projects**

<b>Kalamazoo Lake Sewer/Water Authority (4640)</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ -	\$ 1,256,540
-	-	4,774
-	803,988	1,175,148
-	221	7,035
-	-	537,840
-	804,209	2,981,337
-	870,000	2,335,587
-	245,971	393,286
25,467	-	113,751
3,160,782	-	5,645,224
3,186,249	1,115,971	8,487,848
(3,186,249)	(311,762)	(5,506,511)
3,186,249	-	7,898,880
-	-	68,967
-	-	(1,504)
-	-	(2,898,856)
-	319,670	319,670
-	-	(319,670)
3,186,249	319,670	5,067,487
-	7,908	(439,024)
-	250,159	1,813,479
\$ -	\$ 258,067	\$ 1,374,455

# COUNTY OF ALLEGAN, MICHIGAN

## Reconciliation

Changes in Fund Balances of Governmental Funds  
to Change in Net Position of Component Units  
Drain Commission/Department of Public Works Component Unit  
For the Year Ended December 31, 2013

Net change in fund balances - total governmental funds \$ (439,024)

Amounts reported for *governmental activities* in the statement of activities are different because:

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.

Capital assets purchased/constructed		1,817,986
Depreciation expense, total component unit	(209,421)	
Depreciation expense recorded in internal service fund	<u>5,996</u>	
Net depreciation expense		(203,425)

Certain receivables are long-term in nature and are collectable over several years. However, the current receipts are reflected as revenues on the fund statements.

Change in deferred inflows of resources for long-term special assessments receivable	292,014
Change in deferred inflows of resources for long-term leases receivable	2,420,704

Bond proceeds provide current financial resources to governmental funds in the period issued, but issuing bonds increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Principal payments on long-term liabilities	2,335,587
Issuance of long-term debt	(7,898,880)
Premium on issuance of long-term debt	(68,967)
Discount on issuance of long-term debt	1,504
Payment to refunding bond escrow agent	2,898,856

An internal service fund is used by management to charge the costs of certain equipment usage to individual governmental funds. The net revenues (expense) of the fund attributable to those funds is reported with governmental activities.

Net income (loss) from governmental activities in internal service fund	7,420
-------------------------------------------------------------------------	-------

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.

Change in accrued interest payable	(16,695)
Amortization of bond premium/discount	7,890
Amortization of deferred loss on advanced refunding	<u>(12,711)</u>

Change in net position of component units \$ 1,142,259

# COUNTY OF ALLEGAN, MICHIGAN

## Statement of Net Position

Drain Commission/Department of Public Works Component Unit

Internal Service Fund

December 31, 2013

	Drain Equipment (6390)
<b>Assets</b>	
Current assets:	
Cash and pooled investments	\$ 109,427
Capital assets being depreciated, net	<u>5,997</u>
<b>Total assets</b>	<u>115,424</u>
<b>Liabilities</b>	
Current liabilities:	
Accounts payable	1,967
Accrued liabilities	<u>1,714</u>
<b>Total liabilities (all current)</b>	<u>3,681</u>
<b>Net position</b>	
Investment in capital assets	5,997
Unrestricted	<u>105,746</u>
<b>Total net position</b>	<u><u>\$ 111,743</u></u>

# COUNTY OF ALLEGAN, MICHIGAN

## Statement of Revenues, Expenses and Changes in Fund Net Position

Drain Commission/Department of Public Works Component Unit

Internal Service Fund

For the Year Ended December 31, 2013

	Drain Equipment (6390)
Operating revenues	
Charges for services	<u>\$ 148,524</u>
Operating expenses	
Administrative	135,336
Depreciation	<u>5,996</u>
Total operating expenses	<u>141,332</u>
Net operating income	7,192
Nonoperating revenues	
Interest income	<u>228</u>
Change in net position	7,420
Net position, beginning of year	<u>104,323</u>
Net position, end of year	<u><u>\$ 111,743</u></u>

# COUNTY OF ALLEGAN, MICHIGAN

## Statement of Cash Flows

Drain Commission/Department of Public Works Component Unit  
 Internal Service Fund  
 For the Year Ended December 31, 2013

	Drain Equipment (6390)
Cash flows from operating activities	
Cash received from interfund charges	\$ 148,524
Cash payments to suppliers for goods and services	(30,251)
Cash payments to employees for services	(105,432)
	<hr/>
Net cash provided by operating activities	12,841
Cash flows from investing activities	
Interest income received	228
	<hr/>
Net change in cash and pooled investments	13,069
Cash and pooled investments, beginning of year	96,358
	<hr/>
Cash and pooled investments, end of year	\$ 109,427
	<hr/> <hr/>
Cash flows from operating activities	
Operating income	\$ 7,192
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	5,996
Changes in assets and liabilities:	
Accounts payable	(56)
Accrued liabilities	(291)
	<hr/>
Net cash provided by operating activities	\$ 12,841
	<hr/> <hr/>

# COUNTY OF ALLEGAN, MICHIGAN

## Combining Balance Sheet

Drain Commission/Department of Public Works Component Unit

Nonmajor Governmental Funds

December 31, 2013

	Debt Service			
	Fillmore Township Sewage (3654)	City of Wayland Sewer 1999 Bonds (3646)	City of Wayland Sewage 1998 Bonds (3652)	Sewer No. 13 Saugatuck (3654)
<b>Assets</b>				
Cash and pooled investments	\$ 1,725	\$ 1,286	\$ 1,240	\$ 628
Leases receivable	-	-	-	75,422
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
<b>Total assets</b>	<u>\$ 1,725</u>	<u>\$ 1,286</u>	<u>\$ 1,240</u>	<u>\$ 76,050</u>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 200
Advance from primary government	-	-	-	-
<b>Total liabilities</b>	-	-	-	200
<b>Deferred inflows of resources</b>				
Unavailable revenue - leases	-	-	-	75,422
<b>Fund balances</b>				
Restricted	<u>1,725</u>	<u>1,286</u>	<u>1,240</u>	<u>428</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 1,725</u>	<u>\$ 1,286</u>	<u>\$ 1,240</u>	<u>\$ 76,050</u>



Debt Service					
Water & Sewer No. 3 Otsego Twp (3657 / 3666)	Martin Village (3665)	Fillmore Water and Sewer No. 8 (3668)	Otsego Water/Sewer Refunding (3669)	City of Wayland Refunding (3670)	Martin Village Refunding (3671)
\$ 906	\$ 899	\$ 1,928	\$ 758	\$ 3,388	\$ 2,098
190,373	-	147,072	679,135	1,529,665	1,154,321
-	-	2,000	-	-	-
-	-	-	-	-	-
<u>\$ 191,279</u>	<u>\$ 899</u>	<u>\$ 151,000</u>	<u>\$ 679,893</u>	<u>\$ 1,533,053</u>	<u>\$ 1,156,419</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	2,000	-	-	-
-	-	2,000	-	-	-
190,373	-	147,072	679,135	1,529,665	1,154,321
906	899	1,928	758	3,388	2,098
<u>\$ 191,279</u>	<u>\$ 899</u>	<u>\$ 151,000</u>	<u>\$ 679,893</u>	<u>\$ 1,533,053</u>	<u>\$ 1,156,419</u>

continued...

# COUNTY OF ALLEGAN, MICHIGAN

## Combining Balance Sheet

Drain Commission/Department of Public Works Component Unit

Nonmajor Governmental Funds

December 31, 2013

	Debt Service			
	Bear Swamp (8229)	McConnell Drain (8272)	Gudith Drain (8282)	Kuipers Drain (8292)
<b>Assets</b>				
Cash and pooled investments	\$ 243,004	\$ -	\$ 150	\$ 18
Leases receivable	-	-	-	-
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
<b>Total assets</b>	<u>\$ 243,004</u>	<u>\$ -</u>	<u>\$ 150</u>	<u>\$ 18</u>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Advance from primary government	-	-	-	-
<b>Total liabilities</b>	-	-	-	-
<b>Deferred inflows of resources</b>				
Unavailable revenue - leases	-	-	-	-
<b>Fund balances</b>				
Restricted	<u>243,004</u>	<u>-</u>	<u>150</u>	<u>18</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 243,004</u>	<u>\$ -</u>	<u>\$ 150</u>	<u>\$ 18</u>



Debt Service		Capital Projects			Total
Sunset Shores (8302)	Nelson Gilkey (8312)	Martin Village Water No. 8 (4665)	Fillmore Township (4668)	Revolving Drain (6010)	
\$ 5	\$ 234	\$ -	\$ -	\$ 218	\$ 258,485
-	-	-	-	-	3,775,988
-	-	-	-	-	2,000
-	-	-	-	179,783	179,783
<u>\$ 5</u>	<u>\$ 234</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 180,001</u>	<u>\$ 4,216,256</u>
\$ -	\$ -	\$ -	\$ -	\$ 1	\$ 201
-	-	-	-	180,000	182,000
-	-	-	-	180,001	182,201
-	-	-	-	-	3,775,988
5	234	-	-	-	258,067
<u>\$ 5</u>	<u>\$ 234</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 180,001</u>	<u>\$ 4,216,256</u>

concluded

# COUNTY OF ALLEGAN, MICHIGAN

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Drain Commission/Department of Public Works Component Unit

Nonmajor Governmental Funds

For the Year Ended December 31, 2013

	Debt Service			
	Fillmore Township Sewage (3645)	City of Wayland Sewage 1999 Bonds (3646)	City of Wayland Sewage 1998 Bonds (3652)	Sewer No. 13 Saugatuck (3654)
<b>Revenues</b>				
Intergovernmental revenues - local	\$ -	\$ -	\$ -	\$ 83,263
Interest earned	4	3	3	17
<b>Total revenues</b>	<u>4</u>	<u>3</u>	<u>3</u>	<u>83,280</u>
<b>Expenditures</b>				
Debt service:				
Principal	-	-	-	75,000
Interest and fiscal charges	1	-	-	8,763
<b>Total expenditures</b>	<u>1</u>	<u>-</u>	<u>-</u>	<u>83,763</u>
Revenues (under) over expenditures	3	3	3	(483)
<b>Other financing sources</b>				
Transfers in	-	-	-	-
<b>Net changes in fund balances</b>	<u>3</u>	<u>3</u>	<u>3</u>	<u>(483)</u>
Fund balances, beginning of year	<u>1,722</u>	<u>1,283</u>	<u>1,237</u>	<u>911</u>
<b>Fund balances, end of year</b>	<u>\$ 1,725</u>	<u>\$ 1,286</u>	<u>\$ 1,240</u>	<u>\$ 428</u>

Debt Service					
Water and Sewer No. 3 Otsego Twp. (3657 / 3666)	Martin Village (3665)	Fillmore Water and Sewer No. 8 (3665)	Otsego Water & Sewer Refunding (3669)	City of Wayland Refunding (3670)	Martin Village Refunding (3671)
\$ 79,155 18	\$ - 2	\$ 187,244 4	\$ 99,420 24	\$ 257,413 13	\$ 82,413 23
<u>79,173</u>	<u>2</u>	<u>187,248</u>	<u>99,444</u>	<u>257,426</u>	<u>82,436</u>
70,000	-	125,000	70,000	225,000	45,000
9,230	-	61,132	31,133	36,838	39,213
<u>79,230</u>	<u>-</u>	<u>186,132</u>	<u>101,133</u>	<u>261,838</u>	<u>84,213</u>
(57)	2	1,116	(1,689)	(4,412)	(1,777)
-	-	-	-	-	-
(57)	2	1,116	(1,689)	(4,412)	(1,777)
963	897	812	2,447	7,800	3,875
<u>\$ 906</u>	<u>\$ 899</u>	<u>\$ 1,928</u>	<u>\$ 758</u>	<u>\$ 3,388</u>	<u>\$ 2,098</u>

continued...

# COUNTY OF ALLEGAN, MICHIGAN

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Drain Commission/Department of Public Works Component Unit

Nonmajor Governmental Funds

For the Year Ended December 31, 2013

	Debt Service			
	Bear Swamp (8229)	McConnell Drain (8272)	Gudith Drain (8282)	Kuipers Drain (8292)
<b>Revenues</b>				
Intergovernmental revenues - local	\$ 15,080	\$ -	\$ -	\$ -
Interest earned	112	-	1	-
<b>Total revenues</b>	<u>15,192</u>	<u>-</u>	<u>1</u>	<u>-</u>
<b>Expenditures</b>				
Debt service:				
Principal	260,000	-	-	-
Interest and fiscal charges	59,659	2	-	-
<b>Total expenditures</b>	<u>319,659</u>	<u>2</u>	<u>-</u>	<u>-</u>
Revenues (under) over expenditures	(304,467)	(2)	1	-
<b>Other financing sources</b>				
Transfers in	319,670	-	-	-
<b>Net changes in fund balances</b>	15,203	(2)	1	-
Fund balances, beginning of year	227,801	2	149	18
<b>Fund balances, end of year</b>	<u>\$ 243,004</u>	<u>\$ -</u>	<u>\$ 150</u>	<u>\$ 18</u>

Debt Service		Capital Projects			Total
Sunset Shores (8302)	Nelson Gilkey (8312)	Martin Village Water No. 8 (4665)	Fillmore Township (4668)	Revolving Drain (6010)	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 803,988
-	-	(2)	(1)	-	221
-	-	(2)	(1)	-	804,209
-	-	-	-	-	870,000
-	-	-	-	-	245,971
-	-	-	-	-	1,115,971
-	-	(2)	(1)	-	(311,762)
-	-	-	-	-	319,670
-	-	(2)	(1)	-	7,908
5	234	2	1	-	250,159
\$ 5	\$ 234	\$ -	\$ -	\$ -	\$ 258,067

concluded