

**ALLEGAN COUNTY  
ANNUAL FINANCIAL REPORT  
YEAR ENDED DECEMBER 31, 2015**



## TABLE OF CONTENTS

	<u>Page</u>
<b>INDEPENDENT AUDITOR'S REPORT</b>	1
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	5
<b>BASIC FINANCIAL STATEMENTS</b>	
<hr/>	
<b>Government-wide Financial Statements</b>	
Statement of Net Position	16
Statement of Activities	17
<b>Fund Financial Statements</b>	
<b>Governmental Funds</b>	
Balance Sheet - Governmental Funds	18
Reconciliation of Fund Balances for Governmental Funds to Net Position of Governmental Activities	19
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	20
Reconciliation of Changes in Fund Balances of Governmental Funds to Change in Net Position of Governmental Activities	21
<b>Proprietary Funds</b>	
Statement of Net Position - Proprietary Funds	22
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	23
Statement of Cash Flows - Proprietary Funds	24
<b>Fiduciary Funds</b>	
Statement of Fiduciary Assets and Liabilities - Agency Funds	26
<b>Component Units</b>	
Combining Statement of Net Position - Discretely Presented Component Units	27
Combining Statement of Activities - Discretely Presented Component Units	28
<b>Notes to the Financial Statements</b>	30
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
<hr/>	
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual: General Fund	64
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual: Central Dispatch E-911 Special Revenue Fund	67
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual: Child Care Probate Special Revenue Fund	68
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual: Senior Millage Special Revenue Fund	69
Schedule of Changes in Net Pension Liability and Related Ratios - MERS	70
Schedule of Contributions - MERS	71
Schedule of Changes in Net Pension Liability and Related Ratios - MERS Medical Care Community	72
Schedule of Contributions - MERS Medical Care Community	73

## TABLE OF CONTENTS

<b>COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES</b>	Page
<b>General Fund</b>	
General Fund Combining Balance Sheet	75
General Fund Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	76
<b>Nonmajor Governmental Funds</b>	
Combining Balance Sheet	77
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	81
<b>Agency Funds</b>	
Combining Statement of Fiduciary Net Position	85
<b>Transportation Fund Schedules</b>	
Local Revenues for the Year Ended December 31, 2015	87
Local Revenues for the Year Ended September 30, 2015	88
Expenditures of Federal and State Awards for the Year Ended December 31, 2015	89
Federal and State Awards: Operating Revenues Only for the Year Ended December 31, 2015	90
Federal and State Awards: Operating Revenues Only for the Year Ended September 30, 2015	91
Operating and Contract Expenses for the Year Ended December 31, 2015	92
Operating and Contract Expenses Split Between a December 31 and September 30 Year End	93
Operating and Contract Expenses by Program for the Year Ended September 30, 2015	94
Schedule of Nonurban Regular Service Revenues for the Year ended September 30, 2015	95
Schedule of Nonurban Regular Service Expenditures for the Year ended September 30, 2015	96
Schedule of Nonurban Regular Service Nonfinancial Data (Unaudited): Public Service for the Year Ended September 30, 2015	97
Schedule of Job Access Reverse Commute Service Revenues for the Year Ended September 30, 2015	98
Schedule of Job Access Reverse Commute Service Expenditures for the Year Ended September 30, 2015	99
Schedule of Job Access Reverse Commute Nonfinancial Data (Unaudited): Public Service for the Year Ended September 30, 2015	100
Schedule of Nonurban Specialized Service Revenues for the Year Ended september 30, 2015	101
Schedule of Nonurban Specialized Service Expenditures for the Year Ended september 30, 2015	102
Schedule of Specialized Services Nonfinancial Data (Unaudited): Public Service for the Year Ended September 30, 2015	103
Operating Assistance Calculation for the Year Ended September 30, 2015	104
Mileage / Hourly Data (Unaudited) for the Year Ended September 30, 2015	105
<b>Drain Commission / Department of Public Works Component Unit</b>	
Balance Sheet - Governmental Funds	107
Reconciliation of Fund Balances for Governmental Funds to Net Position of Component Units	108
Statement of Revenues, Expenditures and changes in Fund Balances - Governmental Funds	109
Reconciliation of Changes in Fund Balances of Governmental Funds to Change in Net Position of Component Units	110
Statement of Net Position - Internal Service Fund	111
Statement of Revenues, Expenditures and changes in Fund Net Position - Internal Service Fund	112
Statement of Cash Flows - Internal Service Fund	113
Combining Balance Sheet - Nonmajor Governmental Funds	114
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	117

## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Allegan County, Michigan (the "County"), as of and for the year ended December 31, 2015, and the related notes to the financial statements. We were engaged to audit the financial statements of the business-type activities. The financial statements 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.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Allegan County Road Commission and the Allegan County Community Mental Health Board, which represents 88 percent of the assets, 94 percent of the net position, and 93 percent of the revenues of the discretely presented component units. Those 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 and the Allegan County Community Mental Health Board, is based solely on the report of the other auditors. Also, we did not audit the financial statements of the Allegan County Medical Care Community, which represents 26 percent of the assets, 20 percent of the net position, and 86 percent of the revenues of the business-type activities. Those statements were not audited. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's

internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Allegan County, as of December 31, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of Matter**

As described in Note 17 to the financial statements, during the year ended December 31, 2015, the County adopted the provisions of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*. As a result of implementing this pronouncement, the County's net pension liability has been recognized on the government-wide statements and, as discussed in Note 17, the 2014 financial statements have been restated. Our opinion is not modified with respect to this matter.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the pension schedules, and budgetary comparison schedules, as 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 and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated August 26, 2016, 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 cursive script that reads "Gabridge & Company". The signature is written in dark ink and is positioned above the typed name of the firm.

Gabridge & Company, PLC  
Grand Rapids, MI  
August 26, 2016

## **Management's Discussion and Analysis**

## **Allegan County Management's Discussion and Analysis**

As management of Allegan County, Michigan (the "County" or "government") we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2015. We encourage readers to consider the information presented here in conjunction with the accompanying basic financial statements.

### **Financial Highlights**

- The assets and deferred outflows of the County, as presented in the government-wide financial statements, exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$63,135,710 (*net position*), an increase of \$3,592,727 in 2015. Of this amount, \$21,690,646 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the County's governmental funds (this includes the general fund, special revenue, capital projects, and debt service funds) reported combined ending fund balances of \$25,414,283, an increase of approximately \$2,024,752 in comparison with the prior year. Of the fund balance amount, \$3,610,464 is *available for spending* at the government's discretion (*unassigned fund balance*).
- Total fund balance for the general fund was \$8,097,244, a decrease of \$433,546 for 2015. At the end of the year, the unassigned portion of the fund balance in the general fund was \$3,260,798, or approximately 11.2 percent of total general fund expenses and transfers out for the current year.
- The County's net investment in capital assets was \$31,819,556 at the end of 2015, compared to \$32,257,787 at the end of 2014.
- The County's total bonded debt equaled \$27,105,000 at the close of 2015, a net decrease of \$1,205,000 during the current fiscal year.

### **Overview of the Financial Statements**

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

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



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

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

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

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

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

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

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

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

The County maintains thirty-two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, senior millage, child care probate, and the central dispatch E911 fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

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

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

**Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the County's own programs. The County's fiduciary activities are reported in separate statements of fiduciary net position. The accounting used for fiduciary funds is similar to that used for proprietary funds. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

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

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the County's progress

in funding its obligation to provide pension benefits to its employees and demonstrating the County's compliance with its budgets.

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

## Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For Allegan County, assets and deferred outflows exceeded liabilities and deferred inflows by \$63,135,710 at the close of the most recent fiscal year. The following schedule shows the County's assets by category.

**Allegan County**  
**Statement of Net Position for Fiscal Years Ended December 31, 2015 and December 31, 2014**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
<b>ASSETS</b>						
<i>Current Assets</i>						
Cash and pooled investments	\$ 30,838,140	\$ 26,907,973	\$ 10,189,865	\$ 9,124,097	\$ 41,028,005	\$ 36,032,070
Accounts receivable	1,332,534	1,566,951	1,328,439	1,417,654	2,660,973	2,984,605
Property taxes receivable	4,039,872	3,812,276	3,026,466	3,841,614	7,066,338	7,653,890
Due from other governments	1,902,165	2,675,900	-	-	1,902,165	2,675,900
Inventory	21,382	19,641	-	-	21,382	19,641
Prepays	233,193	710,587	6,407	4,506	239,600	715,093
<b>Total Current Assets</b>	<b>38,367,286</b>	<b>35,693,328</b>	<b>14,551,177</b>	<b>14,387,871</b>	<b>52,918,463</b>	<b>50,081,199</b>
<i>Noncurrent Assets</i>						
Capital assets not being depreciated	1,211,046	791,825	-	-	1,211,046	791,825
Capital assets being depreciated, net	41,197,640	42,367,260	2,695,061	2,946,395	43,892,701	45,313,655
Advance to component unit	180,000	180,000	-	-	180,000	180,000
Net pension asset	-	-	137,501	108,213	137,501	108,213
<b>Total Assets</b>	<b>80,955,972</b>	<b>79,032,413</b>	<b>17,383,739</b>	<b>17,442,479</b>	<b>98,339,711</b>	<b>96,474,892</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Pension	1,329,257	18,724,630	36,146	56,166	1,365,403	18,780,796
<b>Total Deferred Outflows of Resources</b>	<b>1,329,257</b>	<b>18,724,630</b>	<b>36,146</b>	<b>56,166</b>	<b>1,365,403</b>	<b>18,780,796</b>
<b>LIABILITIES</b>						
<i>Current Liabilities</i>						
Accounts payable	1,485,974	1,251,049	297,490	338,985	1,783,464	1,590,034
Accrued liabilities	1,272,246	1,063,627	252,919	221,101	1,525,165	1,284,728
Due to other governments	20,218	15,908	3,730	6,462	23,948	22,370
Unearned revenue	21,382	19,641	-	-	21,382	19,641
Accrued interest	135,621	65,466	-	-	135,621	65,466
Current portion of long-term debt	1,055,000	1,105,000	100,000	182,368	1,155,000	1,287,368
Internal balances	(349,007)	(491,375)	349,007	491,375	-	-
<b>Total Current Liabilities</b>	<b>3,641,434</b>	<b>3,029,316</b>	<b>1,003,146</b>	<b>1,240,291</b>	<b>4,644,580</b>	<b>4,269,607</b>
<i>Noncurrent Liabilities</i>						
Long-term debt	25,800,184	26,861,318	250,000	267,632	26,050,184	27,128,950
Compensated absences	1,148,749	1,146,324	74,153	93,330	1,222,902	1,239,654
Net pension liability	2,768,364	21,236,983	-	-	2,768,364	21,236,983
<b>Total Liabilities</b>	<b>33,358,731</b>	<b>52,273,941</b>	<b>1,327,299</b>	<b>1,601,253</b>	<b>34,686,030</b>	<b>53,875,194</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Property taxes levied for subsequent year	1,883,374	1,837,511	-	-	1,883,374	1,837,511
<b>Total Deferred Inflows of Resources</b>	<b>1,883,374</b>	<b>1,837,511</b>	<b>-</b>	<b>-</b>	<b>1,883,374</b>	<b>1,837,511</b>
<b>NET POSITION</b>						
Net Investment in Capital Assets	29,883,502	30,252,767	1,936,054	2,005,020	31,819,556	32,257,787
Restricted	9,451,861	8,650,045	173,647	-	9,625,508	8,650,045
Unrestricted	7,707,761	4,742,779	13,982,885	13,892,372	21,690,646	18,635,151
<b>Total Net Position</b>	<b>\$ 47,043,124</b>	<b>\$ 43,645,591</b>	<b>\$ 16,092,586</b>	<b>\$ 15,897,392</b>	<b>\$ 63,135,710</b>	<b>\$ 59,542,983</b>

A significant portion of the County's net position (\$31,819,556, or 50%) represents its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The County uses capital assets to provide services to citizens; consequently, these assets are not cash and not available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net position (\$9,625,508, or 15%) represents resources that are subject to external restrictions on how they may be used. The County's unrestricted net position is \$21,690,646 (or 35%) as of December 31, 2015. These assets may be used to meet the County's ongoing obligations to citizens and creditors.

At the end of the 2015 fiscal year, the County is able to report positive balances in all three net position categories (net investment in capital assets, restricted and unrestricted) both for the government as a whole, as well as for its separate governmental and business-type activities.

The County's total net position increased by \$3,592,727 during the fiscal year ended December 31, 2015. Governmental and business-type activities both accounted for this increase.

**Allegan County**  
**Change in Net Position for Fiscal Years Ended December 31, 2015 and December 31, 2014**

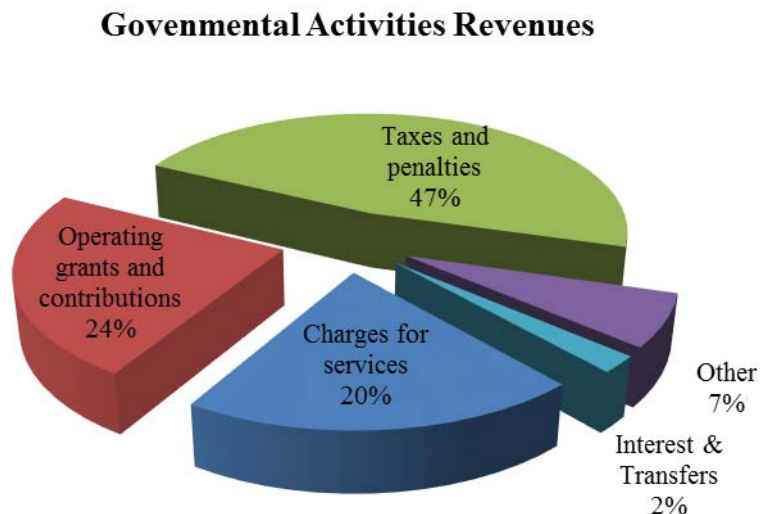
	Governmental Activities		Business-type Activities		Total Government	
	2015	2014	2015	2014	2015	2014
<b>Revenue</b>						
<b>Program Revenues</b>						
Charges for services	\$ 9,758,621	\$ 9,540,820	\$ 8,606,920	\$ 8,858,873	\$ 18,365,541	\$ 18,399,693
Operating grants and contributions	11,389,257	11,340,024	787,917	791,244	12,177,174	12,131,268
Capital grants and contributions	323,696	185,385	-	-	323,696	185,385
<b>Total Program Revenues</b>	<u>21,471,574</u>	<u>21,066,229</u>	<u>9,394,837</u>	<u>9,650,117</u>	<u>30,866,411</u>	<u>30,716,346</u>
<b>General Revenues</b>						
Taxes and penalties	22,687,966	21,163,519	-	-	22,687,966	21,163,519
State revenues	2,245,306	1,878,605	-	-	2,245,306	1,878,605
Local revenues	214,412	265,421	-	-	214,412	265,421
Interest income	257,743	394,662	70,638	92,117	328,381	486,779
Other income	-	-	-	-	-	-
Transfers	805,058	794,558	(805,058)	(794,558)	-	-
<b>Total General Revenues and Transfers</b>	<u>26,210,485</u>	<u>24,496,765</u>	<u>(734,420)</u>	<u>(702,441)</u>	<u>25,476,065</u>	<u>23,794,324</u>
<b>Total Revenues</b>	<u>47,682,059</u>	<u>45,562,994</u>	<u>8,660,417</u>	<u>8,947,676</u>	<u>56,342,476</u>	<u>54,510,670</u>
<b>Expenses</b>						
Legislative	402,157	496,345	-	-	402,157	496,345
Judicial	5,583,147	5,541,369	-	-	5,583,147	5,541,369
General government	11,563,064	11,458,868	-	-	11,563,064	11,458,868
Public safety	13,257,316	14,223,854	-	-	13,257,316	14,223,854
Public works	335,531	200,479	-	-	335,531	200,479
Health and welfare	11,394,643	12,068,564	-	-	11,394,643	12,068,564
Recreation and cultural	277,869	293,288	-	-	277,869	293,288
Community and economic development	121,252	203,406	-	-	121,252	203,406
Other	513,315	366,557	-	-	513,315	366,557
Interest on long-term debt	836,232	382,165	-	-	836,232	382,165
Medical Care Community	-	-	8,251,199	8,427,013	8,251,199	8,427,013
Delinquent Tax Revolving Fund	-	-	214,024	240,669	214,024	240,669
<b>Total Expenses</b>	<u>44,284,526</u>	<u>45,234,895</u>	<u>8,465,223</u>	<u>8,667,682</u>	<u>52,749,749</u>	<u>53,902,577</u>
<b>Change in Net Position</b>	3,397,533	328,099	195,194	279,994	3,592,727	608,093
<i>Net Position at the Beginning of Period</i>	43,645,591	43,317,492	15,897,392	15,617,398	59,542,983	58,934,890
<b>Net Position at the End of Period</b>	<u>\$ 47,043,124</u>	<u>\$ 43,645,591</u>	<u>\$ 16,092,586</u>	<u>\$ 15,897,392</u>	<u>\$ 63,135,710</u>	<u>\$ 59,542,983</u>

**Governmental Activities.** Net position of governmental activities showed an overall increase of \$3,397,533 during the year. This was largely related to increased transfers in from unrestricted sources, increased state revenue sharing and increased property tax revenues. The most significant increase in revenues was related to an increase in property tax revenues of \$1,524,447. The increase was a result of an increased levy for the senior millage fund coupled with an increase in property tax valuations. Governmental activities received a transfer in from the delinquent property tax revolving fund for the payment of debt service on the jail construction bonds. Also, the County benefited from increased state revenue sharing receipts totaling \$366,701 during the year.

Other items of note include the following:

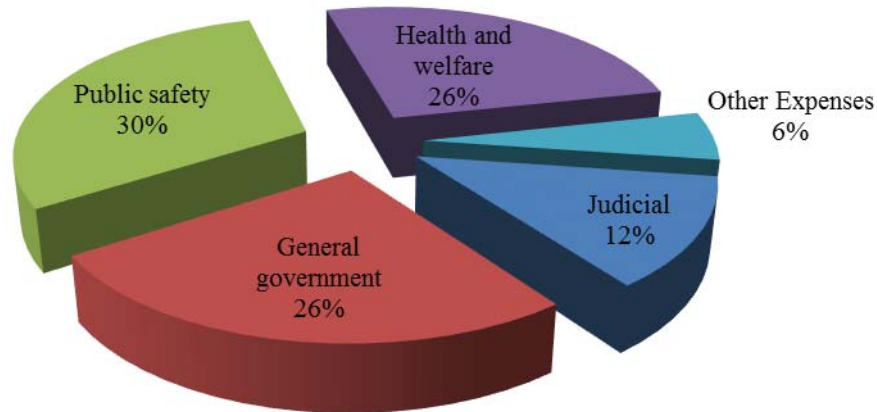
- Taxable property values increased by 2.73% in 2015, the third consecutive year of increases in taxable values of real estate within Allegan County
- Allegan County completed the West Side Park project that included a new parking lot, walkways, handicapped-accessible ramps, pathways and significant additional improvements on the West Side Park bluff/beach.
- The County implemented a new web-based dog licensing program that significantly improved customer service without increasing the cost of dog licensing.
- Allegan County installed a new Next Generation 911 compliant phone system in December of 2015.
- Allegan County Community Mental Health Services (ACCMHS) became a Community Mental Health authority as of January 1, 2015.

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



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

### Governmental Activities Expenses



#### Business-type activities.

The business-type activities of the County increased the County's net position by \$195,194 in 2015. The key elements of the revenue and expense activity for the current year are as follows:

- The delinquent property tax fund had income before transfers of \$981,503. There were transfers out of the fund of \$749,250 to the jail debt service fund and another \$200,000 to the general fund.
- The medical care community fund experienced an increase of net position of \$32,303 which is a direct result of decreases in expenditures larger than the decrease in revenues.

#### Financial Analysis of the County's Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$25,414,283 an increase of \$2,024,752 in comparison with the prior year. Some of the key factors that led to the increase of fund balance are listed below. Of the fund

balance amount, \$3,610,464 constitutes unassigned fund balance, which is available for spending at the government's discretion.

The general fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the general fund was \$3,260,798, while total fund balance was \$8,097,244. As a measure of the general fund's liquidity, it may be useful to compare unreserved fund balance to prior year expenditures. Unassigned fund balance represents 11.2 percent of total general fund expenditures and transfers out for the current year.

General fund balance decreased by \$433,546, from \$8,530,790 to \$8,097,244 during 2015. The County consolidates certain funds into the general fund for external financial reporting purposes. A combining schedule is provided as supplementary information to show the various components. The decrease in fund balance is primarily due to a \$349,666 transfer of unreserved general fund balance, representing the unspent Liquor Excise Tax revenue receipted and held by Allegan County under Michigan Public Act 2 of 1986 over time ("Unspent PA 2 Funds"); pursuant to MCL 211.24e (11), these Unspent PA2 Funds were transferred from Allegan County to the Community Mental Health Entity responsible for the substance abuse program for Allegan County during 2015.

The central dispatch E911 fund experienced an increase of fund balance during 2015 of \$350,708, bringing its total fund balance to \$6,668,555. This increase is primarily a result of an increase in capital outlay expenditures compared to the prior fiscal year.

The senior millage fund increased its fund balance by \$274,414 during 2015, bringing its total fund balance to \$293,789. The increase in fund balance in comparison to the prior year was due to an increase in the millage rate for the fund resulting in an increase of tax revenue of roughly \$845,098.

The child care probate fund experienced an increase to fund balance during 2015 of \$3,415, bringing its total fund balance to \$469,672. This increase in fund balance is primarily a result of an increase in state funding of approximately \$200,000 and decreased transfers out over the prior year.

Nonmajor governmental funds increased total governmental fund balance by \$1,829,761 during 2015.

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

Unrestricted net position of the delinquent tax revolving fund, the Medical Care Community, and the inmate commissary fund at the end of the year amounted to \$12,786,145, \$1,136,740 and \$60,000, respectively. Factors concerning the finances of these funds have already been addressed in the discussion of the County's business-type activities.

## General Fund Budgetary Highlights

**Original budget compared to final budget.** During the year there was no need for any significant amendments to increase either the original estimated revenues or original budgeted appropriations. However, there was a need to make an amendment to reallocate appropriations among departments when it became clearer which departments would actually be charged for certain expenditures. Generally, the movement of the appropriations between departments was *not* significant.

Amended budgetary expenditures differed from the originally adopted general fund budget for the following reasons:

- The removal of the substance abuse services from the general fund budget as the state funding eclipsed its sunset provision.
- There was additional cost related to ongoing facility maintenance at the new Jail and Sheriff Complex that were previously unbudgeted.
- Public benefit drains that the county was responsible for increased in the current year due to the projects finishing and becoming collectable.

**Final budget compared to actual results.** The County had no expenditure in excess of final budgeted amounts in its general fund during the year.

## Capital Asset and Debt Administration

**Capital assets.** A capital asset is an asset with a cost that exceeds \$5,000 and a useful life that is greater than two years. Included in the cost of a capital asset are items such as labor, freight, and any other costs associated with bringing the asset into full operation. Assets are depreciated using the straight-line method over the course of their useful lives.

The County's investment in capital assets (net of accumulated depreciation) as of December 31, 2015 for its governmental and business-type activities amounted to \$42,408,686 and \$2,695,061 respectively. These capital assets include land, buildings and improvements, equipment and furniture, vehicles.

The total decrease in the primary government's investment in capital assets for the 2015 fiscal year was \$1,001,733 and is primarily the result of depreciation expense exceeding capital asset additions.

Significant capital asset additions during 2015 included:

- Ongoing West Side Park Improvements
- Mobile Computer Terminal "MCT" replacements for law enforcement
- Ongoing vehicle replacements for law enforcement



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

**Long-term debt.** At the end of the 2015, the County had total bonded debt outstanding of \$27,105,000, a decrease of \$1,205,000 from 2014. This balance incorporates all governmental and business-type bonds backed by the full faith and credit of the county.

The County has an "AA" rating for both general obligation bonds and tax anticipation notes from Standard & Poor's Rating Services.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation (i.e., State Equalized Value). The current debt limitation for the County is significantly higher than the County's total outstanding general obligation debt, resulting in the County maintaining significant available debt capacity.

Additional information on the County's long-term debt can be found in the notes to the financial statements section of this report.

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

The following factors were considered in preparing the County's budget for the upcoming year:

The economy continued to improve in Allegan County throughout 2015. Property tax revenues increased for the third straight year and are on track for an additional 1.8% increase for 2016.

The overall economic forecast for West Michigan, which Allegan County sits comfortably in the middle, remains very optimistic. The W.E. Upjohn Institute for Employment research in Kalamazoo stated in their October 2014 publication; the area's economic indicators are positive. There will be strong employment in 2016, building activity is returning and taxable value is stable. There has been an upswing in residential construction and it should continue into 2016.

Allegan County will continue to pass balanced operational budgets and continue to develop its five-year budget / planning document. This planning document and recently developed 15-year capital plan includes dedicated funding sources and will help position Allegan County for future growth with a stable foundation.

### **Contacting the County's Financial Management**

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Allegan County Financial Services  
3283 122<sup>nd</sup> Avenue  
Allegan, Michigan 49010  
Phone (269) 673-0228

Additional information can be found at our website at [www.allegancounty.org](http://www.allegancounty.org).

## **Basic Financial Statements**

**Allegan County**  
**Statement of Net Position**  
**December 31, 2015**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
<i>Current Assets</i>				
Cash and pooled investments	\$ 30,838,140	\$ 10,189,865	\$ 41,028,005	\$ 8,630,849
Accounts receivable	1,332,534	1,328,439	2,660,973	18,766,042
Property taxes receivable	4,039,872	3,026,466	7,066,338	2,969,493
Due from other governments	1,902,165	--	1,902,165	1,222,732
Inventory	21,382	--	21,382	1,261,772
Prepays	233,193	6,407	239,600	409,128
<b>Total Current Assets</b>	<b>38,367,286</b>	<b>14,551,177</b>	<b>52,918,463</b>	<b>33,260,016</b>
<i>Noncurrent Assets</i>				
Capital assets not being depreciated	1,211,046	--	1,211,046	101,082,714
Capital assets being depreciated, net	41,197,640	2,695,061	43,892,701	106,061,911
Advance to component unit	180,000	--	180,000	--
Net pension asset	--	137,501	137,501	2,192,728
<b>Total Assets</b>	<b>80,955,972</b>	<b>17,383,739</b>	<b>98,339,711</b>	<b>242,597,369</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Loss on refunding	--	--	--	131,675
Pension	1,329,257	36,146	1,365,403	937,762
<b>Total Deferred Outflows of Resources</b>	<b>1,329,257</b>	<b>36,146</b>	<b>1,365,403</b>	<b>1,069,437</b>
<b>LIABILITIES</b>				
<i>Current Liabilities</i>				
Accounts payable	1,485,974	297,490	1,783,464	2,999,273
Accrued liabilities	1,272,246	252,919	1,525,165	107,672
Due to other governments	20,218	3,730	23,948	9,135
Unearned revenue	21,382	--	21,382	88,485
Accrued interest	135,621	--	135,621	133,552
Current portion of long-term debt	1,055,000	100,000	1,155,000	2,657,526
Internal balances	(349,007)	349,007	--	--
<b>Total Current Liabilities</b>	<b>3,641,434</b>	<b>1,003,146</b>	<b>4,644,580</b>	<b>5,995,643</b>
<i>Noncurrent Liabilities</i>				
Long-term debt	25,800,184	250,000	26,050,184	19,093,482
Advance from primary government	--	--	--	180,000
Compensated absences	1,148,749	74,153	1,222,902	807,801
Net pension liability	2,768,364	--	2,768,364	7,923,896
<b>Total Liabilities</b>	<b>33,358,731</b>	<b>1,327,299</b>	<b>34,686,030</b>	<b>34,000,822</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Revenues for subsequent year	1,883,374	--	1,883,374	3,106,854
<b>Total Deferred Inflows of Resources</b>	<b>1,883,374</b>	<b>--</b>	<b>1,883,374</b>	<b>3,106,854</b>
<b>NET POSITION</b>				
Net investment in capital assets	29,883,502	1,936,054	31,819,556	190,631,535
Restricted	9,451,861	173,647	9,625,508	4,364,188
<i>Unrestricted</i>	7,707,761	13,982,885	21,690,646	11,563,407
<b>Total Net Position</b>	<b>\$ 47,043,124</b>	<b>\$ 16,092,586</b>	<b>\$ 63,135,710</b>	<b>\$ 206,559,130</b>

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

**Allegan County**  
**Statement of Activities**  
**For the Year Ended December 31, 2015**

Functions/Programs	Program Revenues			Net (Expense) Revenue			Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	
<b>Primary Government</b>							
<b>Governmental Activities:</b>							
Legislative	\$ 402,157	\$ --	\$ --	\$ --	\$ (402,157)	\$ --	\$ --
Judicial	5,583,147	2,132,838	1,395,099	--	(2,055,210)	--	(2,055,210)
General government	11,563,064	4,318,820	1,647,765	323,696	(5,272,783)	--	(5,272,783)
Public safety	13,257,316	706,825	4,573,302	--	(7,977,189)	--	(7,977,189)
Public works	335,531	--	96,405	--	(239,126)	--	(239,126)
Health and welfare	11,394,643	2,487,262	3,380,818	--	(5,526,563)	--	(5,526,563)
Recreation and cultural	277,869	102,335	292,868	--	117,334	--	117,334
Community and economic development	121,252	10,541	--	--	(110,711)	--	(110,711)
Other	513,315	--	--	--	(513,315)	--	(513,315)
Interest on long-term debt	836,232	--	--	--	(836,232)	--	(836,232)
<b>Total Governmental Activities</b>	<b>44,284,526</b>	<b>9,758,621</b>	<b>11,386,257</b>	<b>323,696</b>	<b>(22,815,952)</b>	<b>--</b>	<b>(22,815,952)</b>
<b>Business-type Activities:</b>							
Delinquent Property Tax	214,024	1,195,527	--	--	--	981,503	981,503
Medical Care Community	8,251,199	7,351,393	787,917	--	--	(111,889)	(111,889)
Jail Commissary	--	60,000	--	--	--	60,000	60,000
<b>Total Business-type Activities</b>	<b>8,465,223</b>	<b>8,606,920</b>	<b>787,917</b>	<b>--</b>	<b>--</b>	<b>929,614</b>	<b>929,614</b>
<b>Total Primary Government</b>	<b>\$ 52,749,749</b>	<b>\$ 18,365,541</b>	<b>\$ 12,174,174</b>	<b>\$ 323,696</b>	<b>\$ (22,815,952)</b>	<b>\$ 929,614</b>	<b>\$ (21,886,338)</b>
<b>Component Units</b>							
Mental Health	\$ 18,015,976	\$ 17,203,669	\$ 2,128,557	\$ --	--	--	1,316,250
Allegan County Road Commission	17,260,391	74,459	12,116,056	8,363,107	--	--	3,293,231
Drains / Public Works	1,263,573	1,455,051	--	1,809,089	--	--	2,000,567
<b>Total Component Units</b>	<b>\$ 36,539,940</b>	<b>\$ 18,733,179</b>	<b>\$ 14,244,613</b>	<b>\$ 10,172,196</b>	<b>--</b>	<b>--</b>	<b>6,610,048</b>
<b>General Purpose Revenues and Transfers:</b>							
<b>Revenues</b>							
Taxes and penalties					22,687,966	--	22,687,966
Intergovernmental revenues - State					2,245,306	--	2,245,306
Intergovernmental revenues - Local					214,412	--	214,412
Interest income					260,743	70,638	331,381
Transfer of Operations					--	--	451,646
<b>Transfers</b>					805,058	(805,058)	--
<b>Total General Revenues and Transfers</b>					<b>26,213,485</b>	<b>(734,420)</b>	<b>25,479,065</b>
<b>Change in Net Position</b>					<b>3,397,533</b>	<b>195,194</b>	<b>3,592,727</b>
<i>Net Position at Beginning of Period - Restated (Note 17)</i>					<i>43,645,591</i>	<i>15,897,392</i>	<i>59,542,983</i>
<b>Net Position at End of Period</b>					<b>\$ 47,043,124</b>	<b>\$ 16,092,586</b>	<b>\$ 63,135,710</b>

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

**Allegan County  
Balance Sheet  
Governmental Funds  
December 31, 2015**

	Special Revenue					Total Governmental Funds
	2110/2113/2118					
	General	Central Dispatch E911 Fund	2950 Senior Millage	2921 Child Care Probate	Other Governmental Funds	
<b>ASSETS</b>						
Cash and pooled investments	\$ 6,546,523	\$ 6,361,438	\$ 498,090	\$ 2,165	\$ 9,682,813	\$ 23,091,029
Accounts receivable	105,031	757,163	--	52,205	332,006	1,246,405
Property taxes receivable	2,263,636	--	1,766,484	--	9,752	4,039,872
Due from other governments	439,662	67,620	--	752,999	641,884	1,902,165
Inventory	--	--	--	--	21,382	21,382
Prepays	15,885	4,771	3,103	--	25,643	49,402
Due from other funds	633,886	--	--	--	--	633,886
Advances to other funds	329,863	--	--	--	79,144	409,007
Advance to component unit	180,000	--	--	--	--	180,000
<b>Total Assets</b>	<b>\$ 10,514,486</b>	<b>\$ 7,190,992</b>	<b>\$ 2,267,677</b>	<b>\$ 807,369</b>	<b>\$ 10,792,624</b>	<b>\$ 31,573,148</b>
<b>LIABILITIES</b>						
Accounts payable	\$ 362,413	\$ 507,619	\$ 123,458	\$ 142,955	\$ 315,341	\$ 1,451,786
Accrued liabilities	175,082	14,818	1,471	29,387	37,941	258,699
Due to other governments	--	--	--	9,355	10,863	20,218
Unearned revenue	--	--	--	--	21,382	21,382
Due to other funds	60,000	--	--	156,000	477,886	693,886
<b>Total Liabilities</b>	<b>\$ 597,495</b>	<b>\$ 522,437</b>	<b>\$ 124,929</b>	<b>\$ 337,697</b>	<b>\$ 863,413</b>	<b>\$ 2,445,971</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenues	1,819,747	--	--	--	9,773	1,829,520
Revenues for subsequent year	--	--	1,848,959	--	34,415	1,883,374
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>\$ 2,417,242</b>	<b>\$ 522,437</b>	<b>\$ 1,973,888</b>	<b>\$ 337,697</b>	<b>\$ 907,601</b>	<b>\$ 6,158,865</b>
<b>FUND BALANCE</b>						
Nonspendable	525,748	4,771	3,103	--	126,169	659,791
Restricted	--	6,663,784	290,686	--	2,497,391	9,451,861
Committed	4,206,063	--	--	469,672	7,261,463	11,937,198
Assigned	104,635	--	--	--	--	104,635
Unassigned	3,260,798	--	--	--	--	3,260,798
<b>Total Fund Balance</b>	<b>\$ 8,097,244</b>	<b>\$ 6,668,555</b>	<b>\$ 293,789</b>	<b>\$ 469,672</b>	<b>\$ 9,885,023</b>	<b>\$ 25,414,283</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 10,514,486</b>	<b>\$ 7,190,992</b>	<b>\$ 2,267,677</b>	<b>\$ 807,369</b>	<b>\$ 10,792,624</b>	<b>\$ 31,573,148</b>

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

**Allegan County**  
**Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position**  
**December 31, 2015**

Total Fund Balance - Governmental Funds	\$	25,414,283
Net position of internal service funds that are treated as proprietary in the fund level statements are treated as governmental in the entity-wide statements.		6,969,296
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund statement. This amount represents capital assets of \$73,719,201 less accumulated depreciation of \$31,310,515.		42,408,686
Other long-term assets are not available to pay current period expenditures and, therefore, are deferred in the funds.		1,829,520
Certain liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Those liabilities consist of bonds payable of \$26,755,000, net of related discount of \$100,184.		(26,855,184)
Compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.		(1,148,749)
In the statement of net position, interest is accrued on outstanding bonds, whereas in the governmental funds, the interest expenditure is reported when due.		(135,621)
Net pension liabilities are not reported in the funds.		(2,768,364)
Deferred outflows from the difference between projected and actual investment earnings of the pension plan, as well as County contributions made subsequent to the measurement date of the net pension liability, are not reported in the funds.		1,329,257
<b>Total Net Position - Governmental Funds</b>	<b>\$</b>	<b><u>47,043,124</u></b>

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

**Allegan County**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended December 31, 2015**

	Special Revenue					Total Governmental Funds
	2110/2113/2118 Central Dispatch E911 Fund	2950 Senior Millage	2921 Child Care Probate	Other Governmental Funds	Total Governmental Funds	
<b>Revenues</b>						
Taxes and penalties	\$ 20,464,721	\$ 1,845,765	\$ --	\$ 74,495	\$ 22,384,981	
Licenses and permits	64,986	--	--	538,170	603,156	
Intergovernmental revenues - Federal	50,775	--	53,145	2,037,852	2,141,772	
Intergovernmental revenues - State	1,415,114	--	2,114,494	4,200,996	7,730,604	
Intergovernmental revenues - Local	--	--	--	879,837	879,837	
Charges for services	3,891,743	--	518,248	1,702,520	9,529,723	
Fines and forfeitures	163,969	--	--	60,212	224,181	
Interest and rentals	712,737	7,534	--	143,465	909,641	
Other revenues	1,569,168	194	7,564	592,868	2,170,121	
<b>Total Revenues</b>	<b>28,333,213</b>	<b>1,853,493</b>	<b>2,693,451</b>	<b>10,230,415</b>	<b>46,574,016</b>	
<b>Expenditures</b>						
Legislative	402,157	--	--	--	402,157	
Judicial	3,934,828	--	--	1,688,475	5,623,303	
General government	8,885,855	--	--	1,512,837	10,398,692	
Public safety	8,990,632	--	--	1,043,579	12,618,941	
Public works	335,531	--	--	--	335,531	
Health and welfare	567,700	1,604,079	4,886,133	3,859,434	10,917,346	
Recreation and cultural	--	--	--	266,886	266,886	
Community and economic development	120,935	--	--	317	121,252	
Other	432,817	--	--	80,498	513,315	
Capital outlay	49,021	--	--	1,723,150	2,279,688	
Debt Service - Principal	--	--	--	1,105,000	1,105,000	
Debt Service - Interest	--	--	--	772,211	772,211	
<b>Total Expenditures</b>	<b>23,719,476</b>	<b>1,604,079</b>	<b>4,886,133</b>	<b>12,052,387</b>	<b>45,354,322</b>	
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>4,613,737</b>	<b>249,414</b>	<b>(2,192,682)</b>	<b>(1,821,972)</b>	<b>1,219,694</b>	
<b>Other Financing Sources (Uses)</b>						
Transfers in	380,851	25,000	2,476,411	4,205,226	7,087,488	
Transfers out	(5,428,134)	--	(280,314)	(553,493)	(6,282,430)	
<b>Net Other Financing Sources (Uses)</b>	<b>(5,047,283)</b>	<b>25,000</b>	<b>2,196,097</b>	<b>3,651,733</b>	<b>805,058</b>	
<b>Net Change in Fund Balance</b>	<b>(433,546)</b>	<b>274,414</b>	<b>3,415</b>	<b>1,829,761</b>	<b>2,024,752</b>	
<i>Fund Balance at Beginning of Period</i>	8,530,790	19,375	466,257	8,055,262	23,389,531	
<b>Fund Balance at End of Period</b>	<b>\$ 8,097,244</b>	<b>\$ 293,789</b>	<b>\$ 469,672</b>	<b>\$ 9,885,023</b>	<b>\$ 25,414,283</b>	

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

**Allegan County**  
**Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance with Statement of Activities**  
**For the Year Ended December 31, 2015**

Total Net Change in Fund Balances - Governmental Funds	\$	2,024,752
Changes in net position of internal service funds that are treated as proprietary fund changes in net position in the fund level statements are treated as governmental fund changes in net position in the entity-wide statements.		(291,605)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This amount is represented by which capital outlay expenditures of \$2,279,688 is less than depreciation expense of \$3,030,087.		(750,399)
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.		302,985
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		1,105,000
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.		(64,021)
Compensated absences that are not payable from current year resources are not reported as expenditures of the current year in the funds. In the statement of activities, those costs represent expenses of the current year.		(2,425)
The change in net pension liability and deferred outflows does require the use of current resources and is not reported in the governmental funds.		1,073,246
<b>Changes in Net Position - Governmental Funds</b>	<b>\$</b>	<b><u>3,397,533</u></b>

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



**Allegan County**  
**Statement of Net Position**  
**Proprietary Funds**  
**December 31, 2015**

	Business-type Activities - Enterprise Funds					Governmental Activities Internal Service Funds
	6160-6209 Delinquent Property Tax	Medical Care Community	Other Enterprise Funds	Total Enterprise Funds		
<b>ASSETS</b>						
<i>Current Assets</i>						
Cash and pooled investments	\$ 9,736,226	\$ 453,639	\$ --	\$ 10,189,865	\$ 7,747,111	
Accounts receivable	44,476	1,283,963	--	1,328,439	86,129	
Property taxes receivable	3,026,466	--	--	3,026,466	--	
Prepays	6,407	--	--	6,407	183,791	
Due from other funds	--	--	60,000	60,000	--	
<b>Total Current Assets</b>	<b>12,813,575</b>	<b>1,737,602</b>	<b>60,000</b>	<b>14,611,177</b>	<b>8,017,031</b>	
<i>Noncurrent Assets</i>						
Capital assets being depreciated, net	--	2,695,061	--	2,695,061	--	
Net pension asset	--	137,501	--	137,501	--	
<b>Total Assets</b>	<b>12,813,575</b>	<b>4,570,164</b>	<b>60,000</b>	<b>17,443,739</b>	<b>8,017,031</b>	
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Pension	--	36,146	--	36,146	--	
<b>Total Deferred Outflows of Resources</b>	<b>--</b>	<b>36,146</b>	<b>--</b>	<b>36,146</b>	<b>--</b>	
<b>LIABILITIES</b>						
<i>Current Liabilities</i>						
Accounts payable	22,922	274,568	--	297,490	34,188	
Accrued liabilities	778	252,141	--	252,919	1,013,547	
Due to other governments	3,730	--	--	3,730	--	
Current portion of long-term debt	--	100,000	--	100,000	--	
Advances from other funds	--	409,007	--	409,007	--	
<b>Total Current Liabilities</b>	<b>27,430</b>	<b>1,035,716</b>	<b>--</b>	<b>1,063,146</b>	<b>1,047,735</b>	
<i>Noncurrent Liabilities</i>						
Long-term debt	--	250,000	--	250,000	--	
Compensated absences	--	74,153	--	74,153	--	
<b>Total Liabilities</b>	<b>27,430</b>	<b>1,359,869</b>	<b>--</b>	<b>1,387,299</b>	<b>1,047,735</b>	
<b>NET POSITION</b>						
Net investment in capital assets	--	1,936,054	--	1,936,054	--	
Restricted	--	173,647	--	173,647	--	
<i>Unrestricted</i>	12,786,145	1,136,740	60,000	13,982,885	6,969,296	
<b>Total Net Position</b>	<b>\$ 12,786,145</b>	<b>\$ 3,246,441</b>	<b>\$ 60,000</b>	<b>\$ 16,092,586</b>	<b>\$ 6,969,296</b>	

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

**Allegan County**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended December 31, 2015**

	Business-type Activities - Enterprise Funds					Governmental Activities Internal Service Funds
	6160-6209 Delinquent Property Tax	Medical Care Community	Other Enterprise Funds	Total Enterprise Funds		
<b>Operating Revenues</b>						
Taxes and penalties	\$ 795,885	\$ --	\$ --	\$ 795,885	\$ --	\$ --
Charges for services	398,808	7,341,793	60,000	7,800,601	6,235,237	6,235,237
Other revenues	834	9,600	--	10,434	86,129	86,129
Quality assurance supplement	--	781,479	--	781,479	--	--
<b>Total Operating Revenues</b>	<u>1,195,527</u>	<u>8,132,872</u>	<u>60,000</u>	<u>9,388,399</u>	<u>6,321,366</u>	<u>6,321,366</u>
<b>Operating Expenses</b>						
General government	214,024	--	--	214,024	184,363	184,363
Medical services expense	--	8,215,009	--	8,215,009	--	--
Insurance and employee benefits expense	--	--	--	--	6,428,608	6,428,608
<b>Total Operating Expenses</b>	<u>214,024</u>	<u>8,215,009</u>	<u>--</u>	<u>8,429,033</u>	<u>6,612,971</u>	<u>6,612,971</u>
<b>Operating Income (Loss)</b>	<u>981,503</u>	<u>(82,137)</u>	<u>60,000</u>	<u>959,366</u>	<u>(291,605)</u>	<u>(291,605)</u>
<b>Non-Operating Revenues (Expenses)</b>						
Interest income	70,638	--	--	70,638	--	--
Contributions and donations	--	6,438	--	6,438	--	--
Interest expense	--	(36,190)	--	(36,190)	--	--
<b>Net Non-Operating Revenues (Expenses)</b>	<u>70,638</u>	<u>(29,752)</u>	<u>--</u>	<u>40,886</u>	<u>--</u>	<u>--</u>
<b>Income Before Contributions and Transfers</b>	<u>1,052,141</u>	<u>(111,889)</u>	<u>60,000</u>	<u>1,000,252</u>	<u>(291,605)</u>	<u>(291,605)</u>
Transfers in	--	144,192	--	144,192	--	--
Transfers out	(949,250)	--	--	(949,250)	--	--
<b>Change In Net Position</b>	<u>102,891</u>	<u>32,303</u>	<u>60,000</u>	<u>195,194</u>	<u>(291,605)</u>	<u>(291,605)</u>
<i>Net Position at Beginning of Period - Restated (Note 17)</i>	12,683,254	3,214,138	--	15,897,392	7,260,901	7,260,901
<b>Net Position at End of Period</b>	<u>\$ 12,786,145</u>	<u>\$ 3,246,441</u>	<u>\$ 60,000</u>	<u>\$ 16,092,586</u>	<u>\$ 6,969,296</u>	<u>\$ 6,969,296</u>

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

**Allegan County**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2015**

	Business-type Activities			Governmental Activities
	Delinquent Tax Revolving	Enterprise Funds Medical Care Community	Nonmajor Inmate Commissary	
<b>Cash flows from operating activities</b>				
Cash received from interfund services provided	\$ -	\$ -	\$ -	\$ 6,235,237
Cash received from customers	-	7,306,690	-	7,306,690
Cash received for quality assurance supplement	-	755,911	-	755,911
Cash received from other operating receipts	-	9,600	-	9,600
Cash payments to employees and suppliers	(290,505)	(7,408,254)	-	(7,698,759)
Cash received from penalties and interest on delinquent taxes	2,160,561	-	-	2,160,561
Cash payments for quality assurance provider tax	-	(492,495)	-	(492,495)
Cash payments for insurance claims	-	-	-	-
<i>Net cash provided by (used in) operating activities</i>	1,870,056	171,452	-	2,041,508
<b>Cash Flows from non-capital financing activities</b>				
Transfer from other funds	-	144,192	-	144,192
Transfers to other funds	(949,250)	-	-	(949,250)
Contributions and donations	-	6,438	-	6,438
<i>Net cash (used in) provided by non-capital financing activities</i>	(949,250)	150,630	-	(798,620)
<b>Cash flows from capital and related financing activities</b>				
Acquisition and construction of capital assets	-	(29,200)	-	(29,200)
Principal payments on long-term debt	-	(182,368)	-	(182,368)
Interest payments on long-term debt	-	(36,190)	-	(36,190)
<i>Net cash used in capital and related financing activities</i>	-	(247,758)	-	(247,758)
<b>Cash flows from investing activities</b>				
Interest received on investments	70,638	-	-	70,638
<i>Net change in cash and cash equivalents</i>	70,638	-	-	70,638
Net change in cash and cash equivalents	991,444	74,324	-	1,065,768
<i>Cash and cash equivalents - beginning of Year</i>	8,744,782	379,315	-	9,124,097
<b>Cash and cash equivalents - end of year</b>	<b>\$ 9,736,226</b>	<b>\$ 453,639</b>	<b>\$ -</b>	<b>\$ 10,189,865</b>

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

**Allegan County**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2015**

	Business-type Activities			Total	Governmental
	Delinquent Tax Revolving	Medical Care Community	Nonmajor Inmate Commissary		
<b>Reconciliation of operating income (loss) to</b>					
<b>Net cash provided (used) by operating activities</b>					
<b>Operating income (loss)</b>	\$ 981,503	\$ (82,137)	\$ 60,000	\$ 959,366	\$ (291,605)
Adjustments to reconcile operating income to net cash					
<b>Provided (used) by operating activities</b>					
Depreciation expense	-	280,534	-	280,534	-
Provision for bad debts	-	135,232	-	135,232	-
<b>Changes in assets &amp; liabilities</b>					
Accounts receivable	149,886	(195,903)	-	(46,017)	(86,129)
Due from other funds	-	-	(60,000)	(60,000)	-
Property taxes receivable	815,148	-	-	815,148	-
Prepays	(1,901)	-	-	(1,901)	264,996
Net pension asset	-	(29,288)	-	(29,288)	-
Deferred outflows of resources	-	20,020	-	20,020	-
Accounts payable	(69,301)	27,806	-	(41,495)	(26,052)
Accrued liabilities	(2,547)	15,188	-	12,641	632,980
Due to other governments	(2,732)	-	-	(2,732)	-
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 1,870,056</b>	<b>\$ 171,452</b>	<b>\$ -</b>	<b>\$ 2,041,508</b>	<b>\$ 494,190</b>

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

**Allegan County**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**December 31, 2015**

	<b>Agency Funds</b>
<b>ASSETS</b>	
Cash and pooled investments	\$ 1,166,986
<i>Total Assets</i>	1,166,986
<b>LIABILITIES</b>	
Assets held on behalf of others	1,166,986
<i>Total Liabilities</i>	1,166,986
<b>NET POSITION</b>	
Held in Trust	\$ --

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

**Allegan County**  
**Combining Statement of Net Position**  
**Component Units**  
**December 31, 2015**

	<u>Mental Health</u>	<u>Drains / Public Works</u>	<u>Allegan County Road Commission</u>	<u>Total Component Units</u>
<b>ASSETS</b>				
<i>Current Assets</i>				
Cash and pooled investments	\$ 1,838,434	\$ 1,544,921	\$ 5,247,494	\$ 8,630,849
Accounts receivable	1,500,551	14,579,373	2,686,118	18,766,042
Property taxes receivable	--	--	2,969,493	2,969,493
Due from other governments	--	--	1,222,732	1,222,732
Inventory	--	--	1,261,772	1,261,772
Prepays	293,779	--	115,349	409,128
<b>Total Current Assets</b>	<b>3,632,764</b>	<b>16,124,294</b>	<b>13,502,958</b>	<b>33,260,016</b>
<i>Noncurrent Assets</i>				
Capital assets not being depreciated	16,475	4,360,901	96,705,338	101,082,714
Capital assets being depreciated, net	148,036	8,574,024	97,339,851	106,061,911
Net pension asset	2,192,728	--	--	2,192,728
<b>Total Assets</b>	<b>5,990,003</b>	<b>29,059,219</b>	<b>207,548,147</b>	<b>242,597,369</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Loss on refunding	--	131,675	--	131,675
Pension	98,580	--	839,182	937,762
<b>Total Deferred Outflows of Resources</b>	<b>98,580</b>	<b>131,675</b>	<b>839,182</b>	<b>1,069,437</b>
<b>LIABILITIES</b>				
<i>Current Liabilities</i>				
Accounts payable	2,141,377	304,059	553,837	2,999,273
Accrued liabilities	--	902	106,770	107,672
Due to other governments	--	--	9,135	9,135
Unearned revenue	88,485	--	--	88,485
Accrued interest	--	133,552	--	133,552
Current portion of long-term debt	--	2,452,631	204,895	2,657,526
<b>Total Current Liabilities</b>	<b>2,229,862</b>	<b>2,891,144</b>	<b>874,637</b>	<b>5,995,643</b>
<i>Noncurrent Liabilities</i>				
Long-term debt	--	12,705,377	6,388,105	19,093,482
Advance from primary government	--	180,000	--	180,000
Compensated absences	439,009	--	368,792	807,801
Net pension liability	--	--	7,923,896	7,923,896
<b>Total Liabilities</b>	<b>2,668,871</b>	<b>15,776,521</b>	<b>15,555,430</b>	<b>34,000,822</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues	--	--	3,106,854	3,106,854
<b>Total Deferred Inflows of Resources</b>	<b>--</b>	<b>--</b>	<b>3,106,854</b>	<b>3,106,854</b>
<b>NET POSITION</b>				
Net investment in capital assets	164,511	3,014,835	187,452,189	190,631,535
Restricted	--	4,364,188	--	4,364,188
<i>Unrestricted</i>	3,255,201	6,035,350	2,272,856	11,563,407
<b>Total Net Position</b>	<b>\$ 3,419,712</b>	<b>\$ 13,414,373</b>	<b>\$ 189,725,045</b>	<b>\$ 206,559,130</b>

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

**Allegan County**  
**Combining Statement of Activities**  
**Component Units**  
**For the Year Ended December 31, 2015**

	Mental Health	Drains / Public Works	Allegan County Road Commission	Total Component Units
<b>Expenses</b>				
Health and welfare	\$ 18,015,976	\$ --	\$ --	\$ 18,015,976
Interest expense	--	--	213,486	213,486
Road commission	--	--	17,046,905	17,046,905
Drains/public works	--	1,263,573	--	1,263,573
<b>Total Expenses</b>	<b>18,015,976</b>	<b>1,263,573</b>	<b>17,260,391</b>	<b>36,539,940</b>
<b>Program Revenues</b>				
Charges for services	17,203,669	1,455,051	74,459	18,733,179
Operating grants and contributions	2,128,557	--	12,116,056	14,244,613
Capital grants and contributions	--	1,809,089	8,363,107	10,172,196
<b>Total Program Revenues</b>	<b>19,332,226</b>	<b>3,264,140</b>	<b>20,553,622</b>	<b>43,149,988</b>
<b>Net Program Revenues (Expenses)</b>	<b>1,316,250</b>	<b>2,000,567</b>	<b>3,293,231</b>	<b>6,610,048</b>
<b>General Revenue</b>				
Taxes and penalties	--	--	3,105,633	3,105,633
Interest income	337	5,694	--	6,031
Transfer of Operations	451,646	--	--	451,646
<b>Total General Revenues</b>	<b>451,983</b>	<b>5,694</b>	<b>3,105,633</b>	<b>3,563,310</b>
<b>Change in Net Position</b>	<b>1,768,233</b>	<b>2,006,261</b>	<b>6,398,864</b>	<b>10,173,358</b>
<i>Net Position at Beginning of Period - Restated (Note 17)</i>	1,651,479	11,408,112	183,326,181	196,385,772
<b>Net Position at End of Period</b>	<b>\$ 3,419,712</b>	<b>\$ 13,414,373</b>	<b>\$ 189,725,045</b>	<b>\$ 206,559,130</b>

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

## **Notes to the Financial Statements**



# Allegan County

## Notes to the Financial Statements

---

### **Note 1 - Summary of Significant Accounting Policies**

Allegan County, Michigan (the “County” or “government”) was organized in 1835 and covers an area of 829 square miles divided into 24 townships, 3 villages, and 6 cities. The County seat is located in the City of Allegan. The County operates under an elected Board of County Commissioners (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.

## Allegan County

### Notes to the Financial Statements

---

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

The County has elected to omit substantially all note disclosures related to the Road Commission in these financial statements given that the Road Commission is audited separately from the County.

#### *The Allegan County Community Mental Health Authority*

The Allegan County Community Mental Health Authority (the “Mental Health Authority”), was created by resolution of the Allegan County Board of Commissioners pursuant to Act 54 of the Public Acts of 1963, as amended. On November 31, 2014, the Board of Commissioners of Allegan County approved a resolution to establish a community mental health authority (a separate legal entity) to assume the activities of the Mental Health Authority, effective January 1, 2015. The Mental Health Authority is governed by a 12 member Community Mental Health Services Board, which is appointed by the County Board of Commissioners.

The Mental Health Authority is a community mental health authority serving the mental health needs of Allegan County residents. The County also provides financial support annually to the Authority. The Mental Health Authority is considered a discretely presented component unit for these reasons.

Complete financial statements of the Mental Health Authority component unit can be obtained from its administrative offices at:

Allegan County Community Mental Health Authority  
3283 122<sup>nd</sup> Avenue  
Allegan, Michigan 49010

The County has elected to omit substantially all note disclosures related to the Mental Health Authority in these financial statements given that the Mental Health Authority is audited separately from the County.

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

Pursuant to Act 185, Public Acts of 1957, the County entered into a program of water supply and sanitary sewer facility construction. The Allegan County Drain Commissioner was appointed as County agent by the Allegan County Board of Commissioners. The County appoints the voting majority to this organization’s governing body. These factors result in the Drain Commission/Department of Public Works being reported as a component unit of the County. The County agent manages water supply and sanitary sewer system construction projects that are

## Allegan County

### Notes to the Financial Statements

---

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

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

The Brownfield Authority was established in January 2007 under Public Act 381 of 1996 (as amended by Public Act 145 of 2000) for the purpose of identifying and facilitating improvement of environmentally distressed areas, in order to promote revitalization within the County. The Authority is governed by a 9-member Board. All applications for projects must be approved by the County Board of Commissioners. The Brownfield Authority had no financial activity, assets, or liabilities at December 31, 2015. As such, financial information is not presented within these financial statements.

#### *Funds with Other Year Ends*

The financial statements of the Mental Health Authority (a discretely presented component unit) have been included in the accompanying 2015 financial statements using their fiscal year ended September 30, 2015.

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 (e.g., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The *statement of activities* demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect expenses are charged based upon a County-wide cost allocation plan which allocates costs based upon the number of full time equivalents, number of transactions, and other pertinent information. Program revenues include; 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services,

## Allegan County

### Notes to the Financial Statements

---

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.

## Allegan County

### Notes to the Financial Statements

---

The County reports the following major governmental funds:

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

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

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

*Child care probate* – This fund is used to account for the foster care of children, related to probate court. The primary source of funding is state revenue sharing and transfer from the general fund.

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.

## Allegan County

### Notes to the Financial Statements

---

*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.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are interest and penalties on delinquent taxes and charges for services provided. The principal operating revenues of the County's internal service funds are charged 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. All budgetary presentations include original and amended budgets.

## Allegan County

### Notes to the Financial Statements

---

#### **Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Equity**

##### ***Cash and Pooled Investments***

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

##### ***Restricted Cash and Cash Equivalents***

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

##### ***Investments***

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

##### ***Delinquent Taxes Receivable***

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

## Allegan County

### Notes to the Financial Statements

---

#### *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 \$9,974,409 and \$4,604,964, 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, \$1,065,000 and \$809,425, respectively, are expected to be collected within one year while the remaining balances are long-term. Lease and special assessments receivable are recorded with an offsetting credit to deferred inflows of resources on the fund statements as the balances do not represent expendable available financial resources.

#### *Deferred Outflows of Resources*

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

The Drain Commission/Department of Public Works component unit refunded certain bonds payable in order to secure lower interest rates and reduce future debt service 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, 2015 was \$9,764.



## Allegan County

### Notes to the Financial 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.

#### ***Capital Assets***

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

## Allegan County

### Notes to the Financial Statements

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

<u>Description</u>	<u>Years</u>
Land improvements	20
Buildings and improvements	30-50
Infrastructure	8-50
Equipment and furniture	5-10

#### *Compensated Absences*

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

#### *Long-term Obligations*

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

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

#### *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 2015 ad valorem tax (excluding the portion for general operations and soldiers' relief) is levied and collectible on December 1, 2015, 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, 2015 levy has been reported as deferred inflows of resources at year-end.

## Allegan County

### Notes to the Financial Statements

---

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.

#### ***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.

# Allegan County

## Notes to the Financial Statements

### Note 2 - Stewardship and Budgetary Compliance

#### Budget Compliance

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

During the year ended December 31, 2015, the County had no budget exceptions in the general fund or major special revenue funds.

### Note 3 - Deposits and Investments

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

	<u>Primary Government</u>	<u>Component Units</u>	<u>Fiduciary Funds</u>	<u>Totals</u>
Cash & Cash Equivalents	\$ 41,028,005	\$ 8,630,849	\$ 1,166,986	\$ 50,825,840

Deposits and investments consisted of the following at December 31, 2015:

Cash on hand	\$ 16,375
Demand deposits (checking and savings accounts)	23,640,745
Certificates of deposits (due within one year)	4,596,423
Certificates of deposits (due within 1-5 years)	499,448
Investments	22,072,849
<b>Total</b>	<u>\$ 50,825,840</u>

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.

*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, \$20,335,198 of the bank balance of \$22,085,199 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

## Allegan County

### Notes to the Financial Statements

not require and the County does not have a policy for investment custodial credit risk. As of December 31, 2015, 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	\$	7,812,305
U.S. government-backed securities		8,957,111
Municipal bonds		5,303,433
<b>Total</b>	\$	<u>22,072,849</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	\$	352,668
1 to 5 years		11,296,715
6 or more years		2,611,161
No maturity		7,812,305
<b>Total</b>	\$	<u>22,072,849</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	\$	550,132
S&P AA/AA-/AA+		13,710,412
Not rated		7,812,305
<b>Total</b>	\$	<u>22,072,849</u>

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

# Allegan County

## Notes to the Financial Statements

### *Investments*

Statutes authorize the County to invest in the following:

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

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

### **Note 4 - Interfund Receivables and Payables**

The amounts of interfund balances as of December 31, 2015 represent loans for cash flow purposes and are as follows:

	<b>Interfund Receivable</b>	<b>Interfund Payable</b>
General fund	\$ 633,886	\$ 60,000
Child care probate	-	156,000
Nonmajor governmental funds	-	477,886
Nonmajor enterprise funds	60,000	-
<b>Total</b>	<b>\$ 693,886</b>	<b>\$ 693,886</b>

## Allegan County

### Notes to the Financial Statements

	<b>Advance to Fund</b>	<b>Advance from Fund</b>
General fund	\$ 329,863	\$ -
Nonmajor governmental funds	79,144	
Medical Care Community enterprise fund	-	409,007
<b>Total</b>	<b>\$ 409,007</b>	<b>\$ 409,007</b>

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.

	<b>Advance to Component Unit</b>	<b>Advance from Primary Government</b>
General fund	\$ 180,000	\$ -
Drain/Department of Public Works component unit	-	180,000
<b>Total</b>	<b>\$ 180,000</b>	<b>\$ 180,000</b>

For the year ended December 31, 2015, interfund transfers consisted of the following:

<b>Transfers in</b>	<b>Transfers out</b>					<b>Totals</b>
	<b>General fund</b>	<b>Central dispatch</b>	<b>Child care probate</b>	<b>Nonmajor Governmental Funds</b>	<b>Delinquent tax</b>	
General fund	\$ -	\$ -	\$ 109,439	\$ 71,412	\$ 200,000	\$ 380,851
Senior millage	25,000	-	-	-	-	25,000
Child care probate	2,476,411	-	-	-	-	2,476,411
Nonmajor governmental funds	2,782,531	20,489	170,875	482,081	749,250	4,205,226
Medical Care Community	144,192	-	-	-	-	144,192
<b>Totals</b>	<b>\$ 5,428,134</b>	<b>\$ 20,489</b>	<b>\$ 280,314</b>	<b>\$ 553,493</b>	<b>\$ 949,250</b>	<b>\$ 7,231,680</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.

# Allegan County

## Notes to the Financial Statements

### Note 5 - Capital Assets

Capital asset activity for the year ended December 31, 2015 was as follows:

<b>Governmental activities</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Disposals</b>	<b>Ending Balance</b>
Capital assets not being depreciated:				
Land	\$ 759,162	\$ -	\$ -	\$ 759,162
Construction in progress	32,663	419,220	-	451,883
<i>Total capital assets not being depreciated</i>	<u>791,825</u>	<u>419,220</u>	<u>-</u>	<u>1,211,045</u>
Capital assets being depreciated:				
Land improvements	2,528,018	224,165	-	2,752,183
Buildings and improvements	50,723,344	16,155	-	50,739,499
Equipment and furniture	15,866,687	1,620,148	135,987	17,350,848
Infrastructure	1,665,626	-	-	1,665,626
<i>Total capital assets being depreciated</i>	<u>70,783,675</u>	<u>1,860,468</u>	<u>135,987</u>	<u>72,508,156</u>
Less accumulated depreciation for:				
Land improvements	1,724,471	170,316	-	1,894,787
Buildings and improvements	13,022,132	2,043,181	-	15,065,313
Equipment and furniture	13,139,953	720,350	135,987	13,724,316
Infrastructure	529,859	96,240	-	626,099
<i>Total accumulated depreciation</i>	<u>28,416,415</u>	<u>3,030,087</u>	<u>135,987</u>	<u>31,310,515</u>
Total capital assets being depreciated, net	<u>42,367,260</u>	<u>(1,169,619)</u>	<u>-</u>	<u>41,197,641</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 43,159,085</u>	<u>\$ (750,399)</u>	<u>\$ -</u>	<u>\$ 42,408,686</u>

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

<b>Governmental activities</b>	
Judicial	\$ 24,239
General government	881,074
Public safety	1,582,832
Health and welfare	530,959
Recreation and cultural	10,983
<b>Total depreciation expense - governmental activities</b>	<u>\$ 3,030,087</u>



# Allegan County

## Notes to the Financial Statements

A summary of activity for the business-type activities was as follows:

<b>Business-type activities</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfers</b>	<b>Ending Balance</b>
Capital assets being depreciated:					
Land improvements	\$ 99,967	\$ -	\$ -	\$ -	\$ 99,967
Buildings and improvements	6,503,655	9,490	-	-	6,513,145
Machinery and equipment	765,776	19,710	-	-	785,486
<i>Total capital assets being depreciated</i>	<u>7,369,398</u>	<u>29,200</u>	<u>-</u>	<u>-</u>	<u>7,398,598</u>
Less accumulated depreciation for:					
Land improvements	99,967	-	-	-	99,967
Buildings and improvements	3,825,134	203,599	-	-	4,028,733
Machinery and equipment	497,902	76,935	-	-	574,837
<i>Total accumulated depreciation</i>	<u>4,423,003</u>	<u>280,534</u>	<u>-</u>	<u>-</u>	<u>4,703,537</u>
<b>Business-type activities capital assets, net</b>	<u>\$ 2,946,395</u>	<u>\$ (251,334)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,695,061</u>

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

<b>Drain Commission/Department of Public Works Component Unit</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Disposals</b>	<b>Transfers</b>	<b>Ending Balance</b>
Capital assets not being depreciated:					
Land	\$ 853,800	\$ -	\$ -	\$ -	\$ 853,800
Construction in progress	1,635,169	2,068,477	-	(196,545)	3,507,101
<i>Total capital assets not being depreciated</i>	<u>2,488,969</u>	<u>2,068,477</u>	<u>-</u>	<u>(196,545)</u>	<u>4,360,901</u>
Capital assets being depreciated:					
Machinery and equipment	51,221	-	-	-	51,221
Infrastructure	10,171,220	-	-	196,545	10,367,765
<i>Total capital assets being depreciated</i>	<u>10,222,441</u>	<u>-</u>	<u>-</u>	<u>196,545</u>	<u>10,418,986</u>
Less accumulated depreciation for:					
Machinery and equipment	39,364	3,649	-	-	43,013
Infrastructure	1,566,947	235,002	-	-	1,801,949
<i>Total accumulated depreciation</i>	<u>1,606,311</u>	<u>238,651</u>	<u>-</u>	<u>-</u>	<u>1,844,962</u>
Total capital assets being depreciated, net	<u>8,616,130</u>	<u>(238,651)</u>	<u>-</u>	<u>196,545</u>	<u>8,574,024</u>
<b>Drain Commission/DPW capital assets, net</b>	<u>\$ 11,105,099</u>	<u>\$ 1,829,826</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,934,925</u>

# Allegan County

## Notes to the Financial Statements

### Note 6 - 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:

<b>Governmental Activities</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
General obligation bonds	\$ 12,800,000	\$ -	\$ 375,000	\$ 12,425,000	\$ 375,000
Pension obligation bonds	15,060,000	-	730,000	14,330,000	680,000
Net premium/discount	106,318	-	6,134	100,184	-
Compensated absences	1,146,324	2,425	-	1,148,749	-
<b>Total Governmental Activities</b>	<b>\$ 29,112,642</b>	<b>\$ 2,425</b>	<b>\$ 1,111,134</b>	<b>\$ 28,003,933</b>	<b>\$ 1,055,000</b>

Compensated absences in the governmental activities are liquidated by the general fund.

<b>Business-type Activities</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
General obligation bonds	\$ 450,000	\$ -	\$ 100,000	\$ 350,000	\$ 100,000
Compensated absences	93,330	-	19,177	74,153	-
<b>Total Business-type Activities</b>	<b>\$ 543,330</b>	<b>\$ -</b>	<b>\$ 119,177</b>	<b>\$ 424,153</b>	<b>\$ 100,000</b>

The statement of net position includes an additional \$82,368 within business-type activities in its current portion of long-term debt for a scheduled reduction of interfund balances due to the general fund during 2015.

<b>Drains/DPW Component Unit</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
General obligation bonds	\$ 12,960,990	\$ -	\$ 1,465,200	\$ 11,495,790	\$ 1,065,000
Notes payable	3,374,611	1,109,500	1,063,807	3,420,304	1,196,967
Total installment debt	16,335,601	1,109,500	2,529,007	14,916,094	2,261,967
Net premium/discount	70,778	-	9,764	61,014	9,764
Short-term notes	73,600	180,900	73,600	180,900	180,900
<b>Total Drains/DPW Component Unit</b>	<b>\$ 16,479,979</b>	<b>\$ 1,290,400</b>	<b>\$ 2,612,371</b>	<b>\$ 15,158,008</b>	<b>\$ 2,452,631</b>

#### 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. \$ 12,425,000

\$15,060,000 2014 Pension Obligation Bonds, due in annual installments of \$680,000 to \$1,110,000 plus interest ranging from 0.30 to 4.00%, payable semi-annually, through May 1, 2032. 14,330,000

**Total Governmental Activity Debt** **\$ 26,755,000**

#### 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. \$ 350,000

# Allegan County

## Notes to the Financial Statements

### Drains/DPW Component Unit

\$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.	\$ 60,000
\$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.	145,000
\$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.	510,000
\$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.	520,000
\$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.	1,080,000
\$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.	461,300
\$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.	1,100,000
\$4,633,615 2012 Kalamazoo Lake Sewer and Water Authority Sewage Disposal System General Obligation Limited Tax Bonds (Clean Water Revolving Loan Program) Sewer Authority Bonds, due in annual installments of \$183,525 to \$295,000 plus interest at 2.50%, payable semi-annually, through April 1, 2033.	4,315,090
\$2,920,000 2013 Fillmore Township Water Supply and Sewage Disposal System No. 8 General Obligation Refunding Bonds, due in semi-annual installments of \$30,000 to \$335,000 plus interest ranging from 2.00 to 2.50%, payable semi-annually, through May 1, 2025.	2,710,000
\$427,000 2013 Coffey Drain Drainage District bonds payable, due in annual installments of \$42,700 plus interest at 2.30%, payable annually through June 1, 2023.	341,600
\$316,000 2013 Golf Drainage District bonds payable, due in annual installments of \$31,600 plus interest at 2.30%, payable annually through June 1, 2023.	252,800
\$576,000 2014 Kelly Lake Intercounty Drain Drainage District note payable, due in annual installments of \$38,400 plus interest at 3.59%, payable annually through June 1, 2030.	576,000
Miscellaneous Drainage District Notes, due in annual installments plus interest ranging from .70 to 4.95%, payable annually, through June 1, 2025.	2,844,304
<b>Total Drains/DPW Component Unit</b>	<b>\$ 14,916,094</b>

# Allegan County

## Notes to the Financial Statements

The annual requirements to maturity on the long-term installment debt outstanding at December 31, 2015, are as follows:

	Governmental Activities		Business-type Activities		Drains/Component Unit	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 1,055,000	\$ 813,726	\$ 100,000	\$ 14,250	\$ 1,859,161	\$ 387,323
2017	1,110,000	800,090	125,000	8,906	1,727,028	340,008
2018	1,145,000	782,358	125,000	2,969	1,272,992	291,533
2019	1,205,000	755,668	-	-	1,263,608	258,734
2020	1,270,000	724,725	-	-	1,288,607	225,528
2021-2025	7,510,000	2,994,821	-	-	4,472,608	724,095
2026-2030	9,335,000	1,593,275	-	-	1,707,000	321,898
2031-2035	4,125,000	152,088	-	-	1,105,090	100,972
2036-2040	-	-	-	-	220,000	19,000
<b>Totals</b>	<b>\$ 26,755,000</b>	<b>\$ 8,616,751</b>	<b>\$ 350,000</b>	<b>\$ 26,125</b>	<b>\$ 14,916,094</b>	<b>\$ 2,669,091</b>

### Note 7 - Compensated Absences

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

The accumulated vested paid time off of the employees of various County departments was \$1,222,902 at December 31, 2015. This is reported as \$1,148,749 in governmental activities and \$74,153 in the Medical Care Community enterprise fund. The County has designated a portion of its general fund to fund future sick and vacation liabilities.

### Note 8 - Net Investment in Capital Assets

The composition of the net investment in capital assets as of December 31, 2015, was as follows:

	Governmental Activities	Business-type Activities	Component Units
Capital assets:			
Capital assets not being depreciated	\$ 1,211,046	\$ -	\$ 101,082,714
Capital assets being depreciated, net	41,197,640	2,695,061	106,061,911
	<u>42,408,686</u>	<u>2,695,061</u>	<u>207,144,625</u>
Related debt:			
Total bonds and notes payable	12,425,000	350,000	21,658,008
Loan payable	-	409,007	-
Premiums/discounts on bonds payable	100,184	-	93,000
Bonds and premiums/discounts related to capital leases	-	-	(5,237,918)
	<u>12,525,184</u>	<u>759,007</u>	<u>16,513,090</u>
<b>Net investment in capital assets</b>	<b>\$ 29,883,502</b>	<b>\$ 1,936,054</b>	<b>\$ 190,631,535</b>

# Allegan County

## Notes to the Financial Statements

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.

### Note 9 - Fund Balances - Governmental Funds

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

<i>Primary Government</i>	<b>General Fund</b>	<b>E-911</b>	<b>Senior Millage</b>	<b>Child Care Probate</b>	<b>Nonmajor Funds</b>	<b>Totals</b>
<b>Nonspendable</b>						
Long-term advances	\$ 509,863	\$ -	\$ -	\$ -	\$ 79,144	\$ 589,007
Prepays	15,885	4,771	3,103	-	25,643	49,402
Inventory	-	-	-	-	21,382	21,382
	<u>525,748</u>	<u>4,771</u>	<u>3,103</u>	<u>-</u>	<u>126,169</u>	<u>659,791</u>
<b>Restricted</b>						
E-911/dispatch services	-	6,663,784	-	-	289,222	6,953,006
Senior services	-	-	290,686	-	-	290,686
Friend of the court	-	-	-	-	292,304	292,304
Transportation	-	-	-	-	585,458	585,458
Register of deeds automation	-	-	-	-	629,912	629,912
Drug law enforcement	-	-	-	-	161,819	161,819
Corrections officer training	-	-	-	-	146,141	146,141
Housing assistance	-	-	-	-	71,862	71,862
State and Federal grants	-	-	-	-	293,249	293,249
Veterans' services	-	-	-	-	51	51
Debt service	-	-	-	-	4,708	4,708
Concealed pistol licenses	-	-	-	-	22,665	22,665
	<u>-</u>	<u>6,663,784</u>	<u>290,686</u>	<u>-</u>	<u>2,497,391</u>	<u>9,451,861</u>
<b>Committed</b>						
Budget stabilization	4,206,063	-	-	-	-	4,206,063
Child care	-	-	-	469,672	-	469,672
Health/mental health	-	-	-	-	811,619	811,619
Parks and recreation	-	-	-	-	123,774	123,774
Transportation	-	-	-	-	162,500	162,500
Animal shelters	-	-	-	-	66,238	66,238
Soldiers and sailors	-	-	-	-	120,434	120,434
Fitness center	-	-	-	-	104,109	104,109
Capital improvements	-	-	-	-	2,576,788	2,576,788
Public Improvements	-	-	-	-	2,907,925	2,907,925
Other purposes	-	-	-	-	388,076	388,076
	<u>4,206,063</u>	<u>-</u>	<u>-</u>	<u>469,672</u>	<u>7,261,463</u>	<u>11,937,198</u>
<b>Assigned</b>						
Law library	82,513	-	-	-	-	82,513
Grant administration	21,739	-	-	-	-	21,739
Child care welfare	383	-	-	-	-	383
	<u>104,635</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>104,635</u>
<b>Unassigned</b>						
	<u>3,260,798</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,260,798</u>
<b>Total fund balances - governmental funds</b>	<u>\$ 8,097,244</u>	<u>\$ 6,668,555</u>	<u>\$ 293,789</u>	<u>\$ 469,672</u>	<u>\$ 9,885,023</u>	<u>\$ 25,414,283</u>

# Allegan County

## Notes to the Financial Statements

Detailed information on fund balances of the drain funds was as follows:

<i>Drain Commission/ DPW Component Unit</i>	<b>General Fund</b>	<b>Fillmore Water and Sewer No. 9</b>	<b>Kalamazoo Lake Sewer/Water Authority</b>	<b>Nonmajor Funds</b>	<b>Totals</b>
<b>Restricted</b>					
Debt service	\$ -	\$ 1,148	\$ -	\$ 381,507	\$ 382,655
<b>Unassigned</b>	411,870	-	-	-	411,870
<b>Total fund balances - governmental funds</b>	<b>\$ 411,870</b>	<b>\$ 1,148</b>	<b>\$ -</b>	<b>\$ 381,507</b>	<b>\$ 794,525</b>

### Note 10 - Employees' Retirement Systems

#### *Defined Benefit*

##### *Plan Description*

The Municipal Employees Retirement System of Michigan (MERS), an agent multiple-employer, defined benefit pension plan, is closed to all new hires. The System is administered by the MERS retirement board. MERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Act No. 427 of the Public Acts of 1984, as amended, establishes and amends the benefit provisions of the participants in MERS. A publicly available financial report that includes financial statements and required supplementary information for MERS may be obtained by writing to the Municipal Employees Retirement System of Michigan, 1134 Municipal Way, Lansing, MI 48917, or by calling (800) 767-6377.

Retirement benefits for employees are calculated as follows:

<u>Division</u>	<u>Benefit Multiplier</u>	<u>Benefit Maximum</u>	<u>Final Average Compensation (Years)</u>	<u>Normal Retirement Age</u>	<u>Unreduced Benefit (Age/Years of Service)</u>	<u>Reduced Benefit (Age/Years of Service)</u>	<u>Vesting (Years)</u>
Teamster Unit II - Closed	2.00%	No Max	5	60	NA	50/25 or 55/15	6
POLC Road Command - Closed	2.50%	80%	3	60	50/25	55/15	10
Court Salaried - Closed	2.00%	No Max	5	60	NA	50/25 or 55/15	6
Asst Prosecuting Attorney - Closed	2.50%	80%	5	60	50/25	55/15	6
General Non Union - Closed	2.00%	No Max	5	60	NA	50/25 or 55/15	6
Court Hourly - Closed	2.00%	No Max	5	60	NA	50/25 or 55/15	6
Teamster Unit I - Closed	2.00%	No Max	5	60	NA	50/25 or 55/15	6
County Admin - Closed	2.00%	No Max	5	60	50/25	55/15	6
Teamster Unit III - Closed	2.00%	No Max	5	60	NA	50/25 or 55/15	6
POLC Deputies - Closed	2.50%	80%	3	60	50/25 or 55/15	NA	10
POLC Corrections - Closed	2.50%	80%	5	60	55/25	50/25 or 55/15	6
Medical Care Community - Closed	2.00 - 2.50%	No Max	5	60	55/25	50/25	6

## Allegan County

### Notes to the Financial Statements

#### ***Employees Covered by Benefit Terms***

At the December 31, 2014 measurement date, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	271
Inactive plan members entitled to but not yet receiving benefits	63
Active plan members	81
Total employees covered by MERS	415

#### ***Contributions***

Article 9, Section 24 of the State of Michigan constitution requires that financial benefits arising on account of employee service rendered in each year be funded during that year. Accordingly, MERS retains an independent actuary to determine the annual contribution. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS retirement board. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees.

For the year ended December 31, 2015, the County had the following contribution rates (employer rates are fixed because all divisions are closed):

Division	Employee Contributions	Employer Contributions
Teamster Unit II - Closed	4.00%	\$ 86,724
POLC Road Command - Closed	8.00%	470,544
Court Salaried - Closed	4.00%	93,060
Asst Prosecuting Attorney - Closed	10.79%	52,128
General Non Union - Closed	4.00%	436,500
Court Hourly - Closed	4.00%	368,520
Teamster Unit I - Closed	4.00%	147,300
County Admin - Closed	4.00%	9,072
Teamster Unit III - Closed	4.00%	58,524
POLC Deputies - Closed	8.00%	655,512
POLC Corrections - Closed	8.09%	60,444

## Allegan County

### Notes to the Financial Statements

#### *Net Pension Liability*

The net pension liability reported at December 31, 2015 was determined using a measure of the total pension liability and the pension net position as of December 31, 2014. The December 31, 2014 total pension liability was determined by an actuarial valuation performed as of that date.

Changes in the net pension liability during the measurement year were as follows:

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
<b>Balance at December 31, 2013</b>	\$ 54,294,203	\$ 33,057,220	\$ 21,236,983
Service cost	604,737	-	604,737
Interest	4,360,410	-	4,360,410
Contributions - employer	-	18,724,630	(18,724,630)
Contributions - employee	-	317,687	(317,687)
Net investment income	-	2,126,851	(2,126,851)
Benefit payments, including refunds	(3,486,236)	(3,486,236)	-
Net transfers	-	2,343,685	(2,343,685)
Administrative expenses	-	(79,087)	79,087
Net changes	1,478,911	19,947,530	(18,468,619)
<b>Balance at December 31, 2014</b>	\$ 55,773,114	\$ 53,004,750	\$ 2,768,364



**Allegan County**

Notes to the Financial Statements

***Net Pension Asset (Medical Care Community)***

The net pension asset reported at December 31, 2015 was determined using a measure of the total pension liability and the pension net position as of December 31, 2014. The December 31, 2014 total pension liability was determined by an actuarial valuation performed as of that date.

Changes in the net pension asset during the measurement year were as follows:

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Asset
<b>Balance at December 31, 2014</b>	\$ 2,160,969	\$ 2,269,182	\$ 108,213
Service cost	4,134	-	(4,134)
Interest	171,355	-	(171,355)
Contributions - Employer	-	56,166	56,166
Contributions - Employee	-	3,350	3,350
Net investment income	-	137,696	137,696
Benefit payments, including refunds	(172,008)	(172,008)	-
Other	-	12,529	12,529
Administrative expenses	-	(4,964)	(4,964)
Net changes	3,481	32,769	29,288
<b>Balance at December 31, 2015</b>	<b>\$ 2,164,450</b>	<b>\$ 2,301,951</b>	<b>\$ 137,501</b>

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

Source	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 1,027,183	\$ -
Employer contributions to the plan subsequent to the measurement date	338,220	-
Total	<b>\$ 1,365,403</b>	<b>\$ -</b>

## Allegan County

### Notes to the Financial Statements

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

Years Ended	
December 31	Amount
2016	\$ 256,796
2017	256,796
2018	256,796
2019	256,795

#### *Actuarial Assumptions*

The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3 - 4%	
Salary increases	4.5%	In the long-term, 2 percent, and 3 percent for calendar years 2015, and 2016, respectively, including inflation
Investment rate of return	8.00%	Gross of pension plan investment expense, including inflation

Mortality rates were based on the 1994 Group Annuity Mortality Table of a 50 percent male and 50 percent female blend. For disabled retirees, the regular mortality table is used with a 10-year set forward in ages to reflect the higher expected mortality rates of disabled members.

The actuarial assumptions used in the December 31, 2014 valuation were based on the results of the most recent actuarial experience study in 2008.

#### *Discount Rate*

The discount rate used to measure the total pension liability was 8.25 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

#### *Projected Cash Flows*

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return on pension plan investments was determined using a model in which best-

## Allegan County

### Notes to the Financial Statements

estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return as of December 31, 2014, the measurement date, for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global equity	58%	5.0%
Global fixed income	20%	2.2%
Real assets	12%	4.2%
Diversifying strategies	10%	6.6%

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

The following presents the net pension liability of the County, calculated using the discount rate of 8.25 percent, as well as what the County's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.25 percent) or one percentage point higher (9.25 percent) than the current rate.

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
Net pension liability of the County	\$ 9,055,098	\$ 2,768,364	\$ (2,534,859)

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
Net pension asset of MCC	\$ (58,755)	\$ 137,501	\$ 306,376

#### ***Pension Plan Fiduciary Net Position***

Detailed information about the plan's fiduciary net position is available in the separately issued financial report found at [www.mersofmich.com](http://www.mersofmich.com). The plan's fiduciary net position has been determined on the same basis used by the plan. The plan uses the economic resources measurement focus and the full accrual basis of accounting. Investments are stated at fair value. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments and refunds of employee contributions are recognized as expense when due and payable in accordance with the benefit terms.

## Allegan County

### Notes to the Financial Statements

---

#### ***Defined Contribution Plan***

The County's defined contribution plan is offered through MERS; benefit provisions and contribution requirements are established and may be amended by the Allegan County Board of Commissioners. The County makes contributions of 4% of each participants' salary and will match up to 100% of employee contributions up to an additional 2% of salary (3% for non-bargaining employees). Total contributions for the year were \$867,013 (\$554,671 employee and \$312,342 employer).

#### ***Section 457 Deferred Compensation Plan***

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

#### **Note 11 - Other Postemployment Benefits**

##### **Primary Government**

In addition to the pension benefits described in Note 10, 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.

#### **Note 12 - Risk Management/Self-Insurance Programs**

##### **Primary Government**

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

##### **Liability**

The County participates in the Michigan Municipal Risk Management Authority (MMRMA) for general and automobile liability, motor vehicle physical damage and property damage coverages.

## Allegan County

### Notes to the Financial Statements

The MMRMA provides risk management, underwriting, reinsurance and claims review and processing services for all member governments pursuant to its charter.

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

Changes in the claims liability for the years ended December 31, were as follows:

<b>Year Ended December 31</b>	<b>Beginning of Year Liability</b>	<b>Current Year Claims and Changes in Estimates</b>	<b>Net Claim Payments</b>	<b>End of Year Liability</b>
2013	\$ 66,190	\$ 304,901	\$ (310,116)	\$ 60,975
2014	60,975	106,457	(273,061)	105,629
2015	105,629	497,211	(837,993)	235,153

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.

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

### Employee Health Insurance

County employees are eligible for life insurance available through insurance companies. Health and dental insurances are provided 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.

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

## Allegan County

### Notes to the Financial Statements

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 \$120,000 annually. 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, were as follows:

<b>Year Ended December 31</b>	<b>Beginning of Year Liability</b>	<b>Current Year Claims and Changes in Estimates</b>	<b>Net Claim Payments</b>	<b>End of Year Liability</b>
2013	\$ 254,171	\$ 5,325,753	\$ (5,366,742)	\$ 213,182
2014	213,182	4,373,002	(4,363,865)	222,319
2015	222,319	4,257,804	(5,038,636)	558,513

### Unemployment

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

### Workers' Compensation

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

## Allegan County

### Notes to the 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 were as follows:

<b>Year Ended December 31</b>	<b>Beginning of Year Liability</b>	<b>Current Year Claims and Changes in Estimates</b>	<b>Net Claim Payments</b>	<b>End of Year Liability</b>
2013	\$ 14,127	\$ 295,202	\$ (175,070)	\$ 134,259
2014	134,259	208,371	(290,787)	51,843
2015	51,843	535,231	(367,572)	219,502

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.

#### **Note 13 - 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.

#### **Note 14 - Transportation Department Schedules**

*Cost Allocation Plans (CAP).* The financial statements of the County include several transit schedules as required by the Office of Passenger Transportation (OPT) of the Michigan Department of Transportation. The Allegan County Transportation Department has four approved cost allocation plans: 2006 Indirect County Service, the 2006 Job Access Reverse Commute program, the 2008 Specialized Service program, and the 2015 Building Lease. These cost allocation plans were adhered to in the preparation of the transit schedules.

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

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

# Allegan County

## Notes to the Financial Statements

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

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

*Retirement Benefits.* Pension costs incurred for Allegan County Transportation Department's portion of the Michigan Municipal Employees Retirement System were calculated pursuant to the MERS GASB 68 Implementation Guide (the "Guide"). The total pension expense recognized as calculated in step 6 of the Guide is \$7,852. The entire amount of \$7,852 was expensed in the general ledger and is reported in 50200 DB Pensions on the quarterly OAR reports as submitted to MDOT. Allegan County Transportation Department paid \$6,614, therefore, \$1,238 is subtracted out under 58020 Ineligible DB Pension for the year ended September 30, 2015.

*Expenses Associated with PTMS Codes 406 & 407.* There were \$4,197 of expenses associated with 40620 Auxiliary Transportation Revenue and / or codes 40760 and 40799, and therefore, these expenses were deducted as ineligible for the year ended September 30, 2015.

### Note 15 - Contingencies

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

### Note 16 - 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 \$2,507,692 at year end. Future lease revenues for these facility leases are as follows:

<b>Year Ended</b>	
<b>December 31</b>	<b>Amount</b>
2016	\$ 394,283
2017	394,283
2018	394,283
2019	394,283
2020	394,283
2021-2023	1,051,421
<b>Total</b>	<b>\$ 3,022,836</b>



# Allegan County

## Notes to the Financial Statements

### Note 17 – Restatement

During the current year, the County adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. As a result, the government-wide statements now include a liability for the County's unfunded legacy costs. Some of the changes in this net pension liability will be recognized immediately as part of the pension expense measurement, and part will be deferred and recognized over future years. Refer to the pension note for further details. This change does not impact the general fund or any other governmental fund.

The financial statements for the year ended December 31, 2014 have been restated in order to adopt GASB Statement No. 68. The effect of this new accounting standard was a decrease in net position to record the net pension liability at December 31, 2014.

As a result of implementing these changes, the beginning net position of governmental activities and the aggregate discretely presented component units have been restated as indicated:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Component Units</u>
Net position - December 31, 2014 - As previously reported	\$ 64,732,230	\$ 15,733,013	\$201,982,146
Adjustment for implementation of GASB Statement No. 68	(21,086,639)	164,379	(5,596,374)
Net position - December 31, 2014 - As restated	<u>\$ 43,645,591</u>	<u>\$ 15,897,392</u>	<u>\$196,385,772</u>

## **Required Supplementary Information**

**Allegan County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Consolidated General Fund**  
**For the Year Ended December 31, 2015**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>		<b>Positive (Negative) Final to Actual</b>
<b>Revenues</b>				
Taxes and penalties	\$ 20,642,310	\$ 20,642,310	\$ 20,464,721	\$ (177,589)
Licenses and permits	91,090	91,090	64,986	(26,104)
Intergovernmental revenues - State	1,983,401	1,645,901	1,465,889	(180,012)
Charges for services	3,708,505	3,708,505	3,891,743	183,238
Fines and forfeitures	135,150	135,150	163,969	28,819
Interest and rentals	828,344	828,344	712,737	(115,607)
Other revenues	1,851,434	1,851,434	1,569,168	(282,266)
<b>Total Revenues</b>	<b>29,240,234</b>	<b>28,902,734</b>	<b>28,333,213</b>	<b>(569,521)</b>
<b>Other Financing Sources</b>				
Transfers in	731,430	1,081,096	380,851	(700,245)
<b>Total Revenues and Other Financing Sources</b>	<b>29,971,664</b>	<b>29,983,830</b>	<b>28,714,064</b>	<b>(1,269,766)</b>
<b>Expenditures</b>				
<b>Legislative</b>				
Board of commissioners	448,967	402,267	402,157	110
<b>Judicial</b>				
Circuit court	999,148	999,148	987,842	11,306
District court	1,459,248	1,438,548	1,416,602	21,946
Jury board	10,208	11,238	11,236	2
Probate court	366,066	386,766	386,729	37
Probate court - juvenile	664,241	643,211	635,403	7,808
Gaurdian/conservators	43,500	43,500	36,739	6,761
Probation - circuit court	13,030	6,452	6,378	74
Probation - district court	449,284	449,284	444,379	4,905
Family counseling services	15,125	15,125	9,520	5,605
<b>Total Judicial</b>	<b>4,019,850</b>	<b>3,993,272</b>	<b>3,934,828</b>	<b>58,444</b>
<b>General government</b>				
Administration Department	316,717	311,307	298,238	13,069
Elections	103,755	83,755	81,992	1,763
Accounting department	352,698	360,398	360,306	92
Auditing services	62,000	54,300	47,280	7,020
Clerk	576,426	926,092	911,269	14,823
Equalization	447,309	447,309	434,652	12,657
Personnel department	407,574	409,684	409,677	7
Prosecuting attorney	1,261,653	1,201,653	1,184,662	16,991
Register of deeds	297,382	297,382	265,292	32,090
Treasurer	503,933	503,933	460,704	43,229
Cooperative extension	86,903	86,903	85,444	1,459
Network system	1,416,152	1,381,129	1,355,136	25,993
Drain commissioner	369,282	369,282	358,931	10,351
Records management	104,010	104,010	103,707	303

**Allegan County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Consolidated General Fund**  
**For the Year Ended December 31, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
				<u>Final to Actual</u>
<b>Expenditures</b>				
<b>General government</b>				
<b>Facilities management</b>				
Animal Control	31,650	26,250	25,582	668
Courthouse	278,380	282,760	282,668	92
Central dispatch building	128,100	136,000	135,923	77
Human services building	247,180	237,980	237,559	421
Medical care community building	262,605	284,505	284,343	162
General facilities management	594,841	594,841	526,212	68,629
Mail and copy services	201,757	200,257	196,419	3,838
ACC Building	11,780	13,280	13,229	51
CMH Clinic	16,830	16,830	16,579	251
Sheriff/jail building	425,122	564,122	562,809	1,313
County services building	106,130	106,130	94,843	11,287
Dumont Lake complex	51,050	51,050	39,857	11,193
Youth home building	121,430	121,430	112,542	8,888
<b>Total Facilities management</b>	<u>2,476,855</u>	<u>2,635,435</u>	<u>2,528,565</u>	<u>106,870</u>
<b>Total General government</b>	<u>8,782,649</u>	<u>9,172,572</u>	<u>8,885,855</u>	<u>286,717</u>
<b>Public Safety</b>				
Sheriff	4,104,651	3,977,651	3,955,339	22,312
WEMET - sheriff	91,326	91,326	85,967	5,359
Secondary road patrol program	301,753	303,403	303,371	32
Sheriff services	49,477	51,877	51,832	45
Detective bureau	551,376	556,376	556,323	53
Courthouse security	189,057	181,657	177,590	4,067
Sheriff - radio	12,000	10,350	9,733	617
Marine law enforcement	148,172	148,172	128,948	19,224
Jail	3,416,277	3,377,277	3,273,539	103,738
Inmate programs	231,174	231,174	199,912	31,262
Emergency management	108,200	110,080	110,075	5
L.E.P.C.	28,232	30,682	30,626	56
Animal shelter	106,033	106,608	106,603	5
Livestock claims	4,250	1,795	774	1,021
<b>Total Public Safety</b>	<u>9,341,978</u>	<u>9,178,428</u>	<u>8,990,632</u>	<u>187,796</u>
<b>Public Works</b>				
Department of public works	13,052	13,052	12,164	888
Drains - public benefits	90,000	227,000	226,962	38
Monumentation program	95,000	96,410	96,405	5
<b>Total Public Works</b>	<u>198,052</u>	<u>336,462</u>	<u>335,531</u>	<u>931</u>

**Allegan County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Consolidated General Fund**  
**For the Year Ended December 31, 2015**

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative) Final to Actual
<b>Expenditures</b>				
<b>Health and welfare</b>				
Substance abuse services	337,500	--	--	--
Communicable diseases	7,500	6,090	1,451	4,639
Multi agency collaborative	7,500	7,500	7,000	500
Medical examiner	186,251	148,318	147,078	1,240
Mental Health	346,095	346,095	346,095	--
Child care welfare	7,500	7,500	1,730	5,770
Veterans' services	88,650	88,650	64,346	24,304
<b>Total Health and welfare</b>	<b>980,996</b>	<b>604,153</b>	<b>567,700</b>	<b>36,453</b>
<b>Community and economic development</b>				
Economic development	50,000	50,000	50,000	--
Plat board	157	157	--	157
Land information systems	71,262	71,262	70,935	327
<b>Total Community and economic development</b>	<b>121,419</b>	<b>121,419</b>	<b>120,935</b>	<b>484</b>
<b>Other</b>				
Employees' other fringe benefits	30,000	56,000	55,673	327
Insurance and bonds	500,000	380,000	377,144	2,856
Contingencies	200,000	7,619	--	7,619
<b>Total Other</b>	<b>730,000</b>	<b>443,619</b>	<b>432,817</b>	<b>10,802</b>
<b>Capital outlay</b>				
<b>Total Expenditures</b>	<b>24,623,911</b>	<b>24,301,213</b>	<b>23,719,476</b>	<b>581,737</b>
<b>Other Financing Uses</b>				
Transfers out	5,345,753	6,488,802	5,428,134	1,060,668
<b>Total Expenditures and Other Financing Uses</b>	<b>29,969,664</b>	<b>30,790,015</b>	<b>29,147,610</b>	<b>1,642,405</b>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>				
<b>Net Change in Fund Balance</b>	<b>2,000</b>	<b>(806,185)</b>	<b>(433,546)</b>	<b>372,639</b>
<i>Fund Balance at Beginning of Period</i>	8,530,790	8,530,790	8,530,790	--
<b>Fund Balance at End of Period</b>	<b>\$ 8,532,790</b>	<b>\$ 7,724,605</b>	<b>\$ 8,097,244</b>	<b>\$ 372,639</b>

**Allegan County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**2110/2113/2118 Central Dispatch E911 Fund**  
**For the Year Ended December 31, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative) Final to Actual</b>
<b>Revenues</b>				
Charges for services	\$ 2,713,641	\$ 2,755,991	\$ 3,417,212	\$ 661,221
Interest and rentals	45,025	3,000	45,905	42,905
Other revenues	325	--	327	327
<b><i>Total Revenues</i></b>	<u>2,758,991</u>	<u>2,758,991</u>	<u>3,463,444</u>	<u>704,453</u>
<b>Expenditures</b>				
Public safety	2,133,477	2,630,684	2,584,730	45,954
Capital outlay	510,000	508,000	507,517	483
<b><i>Total Expenditures</i></b>	<u>2,643,477</u>	<u>3,138,684</u>	<u>3,092,247</u>	<u>46,437</u>
<b>Other Financing Uses</b>				
Transfers out	22,489	22,489	20,489	2,000
<b><i>Total Expenditures and Other Financing Uses</i></b>	<u>2,665,966</u>	<u>3,161,173</u>	<u>3,112,736</u>	<u>48,437</u>
<b><i>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</i></b>	<u>93,025</u>	<u>(402,182)</u>	<u>350,708</u>	<u>752,890</u>
<b><i>Net Change in Fund Balance</i></b>	<u><b>93,025</b></u>	<u><b>(402,182)</b></u>	<u><b>350,708</b></u>	<u><b>752,890</b></u>
<i>Fund Balance at Beginning of Period</i>	6,317,847	6,317,847	6,317,847	--
<b><i>Fund Balance at End of Period</i></b>	<u><b>\$ 6,410,872</b></u>	<u><b>\$ 5,915,665</b></u>	<u><b>\$ 6,668,555</b></u>	<u><b>\$ 752,890</b></u>

**Allegan County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**2921 Child Care Probate**  
**For the Year Ended December 31, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative)</b>
				<u>Final to Actual</u>
<b>Revenues</b>				
Intergovernmental revenues - Federal	\$ 55,389	\$ 43,000	\$ 53,145	\$ 10,145
Intergovernmental revenues - State	2,112,065	2,165,925	2,114,494	(51,431)
Charges for services	511,419	468,250	518,248	49,998
Other revenues	7,685	12,200	7,564	(4,636)
<b>Total Revenues</b>	<u>2,686,558</u>	<u>2,689,375</u>	<u>2,693,451</u>	<u>4,076</u>
<b>Other Financing Sources</b>				
Transfers in	2,476,411	2,479,228	2,476,411	(2,817)
<b>Total Revenues and Other Financing Sources</b>	<u>5,162,969</u>	<u>5,168,603</u>	<u>5,169,862</u>	<u>1,259</u>
<b>Expenditures</b>				
Health and Welfare	4,882,653	5,107,167	4,886,133	221,034
<b>Total Expenditures</b>	<u>4,882,653</u>	<u>5,107,167</u>	<u>4,886,133</u>	<u>221,034</u>
<b>Other Financing Uses</b>				
Transfers out	280,316	280,316	280,314	2
<b>Total Expenditures and Other Financing Uses</b>	<u>5,162,969</u>	<u>5,387,483</u>	<u>5,166,447</u>	<u>221,036</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>--</u>	<u>(218,880)</u>	<u>3,415</u>	<u>222,295</u>
<b>Net Change in Fund Balance</b>	<u>--</u>	<u>(218,880)</u>	<u>3,415</u>	<u>222,295</u>
<i>Fund Balance at Beginning of Period</i>	466,257	466,257	466,257	--
<b>Fund Balance at End of Period</b>	<u>\$ 466,257</u>	<u>\$ 247,377</u>	<u>\$ 469,672</u>	<u>\$ 222,295</u>

**Allegan County**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**2950 Senior Millage**  
**For the Year Ended December 31, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Positive (Negative)</b>
				<u>Final to Actual</u>
<b>Revenues</b>				
Taxes and penalties	\$ 1,798,448	\$ 1,798,448	\$ 1,845,765	\$ 47,317
Interest and rentals	6,000	6,000	7,534	1,534
Other revenues	--	--	194	194
<b>Total Revenues</b>	<u>1,804,448</u>	<u>1,804,448</u>	<u>1,853,493</u>	<u>49,045</u>
<b>Other Financing Sources</b>				
Transfers in	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>--</u>
<b>Total Revenues and Other Financing Sources</b>	<u>1,829,448</u>	<u>1,829,448</u>	<u>1,878,493</u>	<u>49,045</u>
<b>Expenditures</b>				
Health and welfare	<u>1,692,842</u>	<u>1,692,842</u>	<u>1,604,079</u>	<u>88,763</u>
<b>Total Expenditures</b>	<u>1,692,842</u>	<u>1,692,842</u>	<u>1,604,079</u>	<u>88,763</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>136,606</u>	<u>136,606</u>	<u>274,414</u>	<u>137,808</u>
<b>Net Change in Fund Balance</b>	<b>136,606</b>	<b>136,606</b>	<b>274,414</b>	<b>137,808</b>
<i>Fund Balance at Beginning of Period</i>	19,375	19,375	19,375	--
<b>Fund Balance at End of Period</b>	<b>\$ 155,981</b>	<b>\$ 155,981</b>	<b>\$ 293,789</b>	<b>\$ 137,808</b>



**Allegan County**  
**Required Supplementary Information**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**Last Fiscal Year (Schedule is built prospectively upon implementation of GASB 68)**

	2015
<b>Total Pension Liability</b>	
Service Cost	\$ 604,737
Interest	4,360,410
Benefit Payments, Including Refunds	(3,486,236)
<b><i>Net Change in Pension Liability</i></b>	1,478,911
<i>Total Pension Liability - Beginning</i>	54,294,203
<b><i>Total Pension Liability - Ending (a)</i></b>	<b>\$ 55,773,114</b>
<b>Plan Fiduciary Net Position</b>	
Contributions - Employer	\$ 18,724,630
Contributions - Member	317,687
Net Investment Income	2,126,851
Benefit Payments, Including Refunds	(3,486,236)
Administrative Expenses	(79,087)
Transfers	2,343,685
<b><i>Net Change in Plan Fiduciary Net Position</i></b>	19,947,530
<i>Plan Fiduciary Net Position - Beginning</i>	33,057,220
<b><i>Plan Fiduciary Net Position - Ending (b)</i></b>	<b>\$ 53,004,750</b>
<b><i>Net Pension Liability - Ending (a) - (b)</i></b>	<b>\$ 2,768,364</b>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	95.04%
Covered Employee Payroll	\$ 4,387,546
Net Pension Liability as a Percentage of Covered Employee Payroll	63.10%

**Allegan County**  
**Required Supplementary Information**  
**Schedule of Contributions**  
**Last 10 Fiscal Years**

	Information Unavailable									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially Determined Contribution	\$ 2,438,328	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in Relation to the Actuarially Determined Contribution	18,724,630	-	-	-	-	-	-	-	-	-
Contribution Deficiency (Excess)	\$ (16,286,302)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Employee Payroll	4,387,546	-	-	-	-	-	-	-	-	-
Contributions as a Percentage of Covered Employee Payroll	427%	0%	0%	0%	0%	0%	0%	0%	0%	0%

*Notes*

**Valuation Date**

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

**Methods and assumptions used to determine contribution rates**

Actuarial cost method	Entry-age Normal
Amortization method	Level percentage of pay
Remaining amortization period	18 - 24 Years Division Specific
Asset valuation method	10-year smoothed
Inflation	3 - 4%
Salary increases	4.5%, including inflation
Investment rate of return	8.00%
Retirement Age	Experience-based tables of rates that are specific to the type of eligibility condition
Mortality	50% Male - 50% Female blend of the 1994 Group Annuity Mortality Table

**Allegan County Medical Care Community**  
**Required Supplementary Information**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**Last Fiscal Year (Schedule is built prospectively upon implementation of GASB 68)**

	2015
<b>Total Pension Liability</b>	
Service Cost	\$ 4,135
Interest	171,355
Benefit Payments, Including Refunds	(172,008)
<b><i>Net Change in Pension Liability</i></b>	3,482
<i>Total Pension Liability - Beginning</i>	2,160,969
<b><i>Total Pension Liability - Ending (a)</i></b>	<b>\$ 2,164,451</b>
<b>Plan Fiduciary Net Position</b>	
Contributions - Employer	\$ 56,166
Contributions - Member	3,350
Net Investment Income	137,696
Benefit Payments, Including Refunds	(172,008)
Administrative Expenses	(4,964)
Transfers	12,529
<b><i>Net Change in Plan Fiduciary Net Position</i></b>	32,769
<i>Plan Fiduciary Net Position - Beginning</i>	2,269,182
<b><i>Plan Fiduciary Net Position - Ending (b)</i></b>	<b>\$ 2,301,951</b>
<b><i>Net Pension Asset - Ending (a) - (b)</i></b>	\$ 137,500
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	106.35%
Covered Employee Payroll	\$ 56,260
Net Pension Liability as a Percentage of Covered Employee Payroll	244.40%

**Allegan County Medical Care Community  
Required Supplementary Information  
Schedule of Contributions  
Last 10 Fiscal Years**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially Determined Contribution	\$ -	\$ 56,166	\$ 52,056	\$ 45,120	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in Relation to the Actuarially Determined Contribution	-	56,166	52,056	45,120	-	-	-	-	-	-
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Employee Payroll	56,260	280,791	302,590	305,675	-	-	-	-	-	-
Contributions as a Percentage of Covered Employee Payroll	0%	20.0%	17.2%	14.8%	0%	0%	0%	0%	0%	0%

*Notes*

**Valuation Date**

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

**Methods and assumptions used to determine contribution rates**

Actuarial cost method	Entry-age Normal
Amortization method	Level percentage of pay
Remaining amortization period	25 Years
Asset valuation method	10-year smoothed
Inflation	4.00%
Salary increases	4.5%, (2 and 3 percent for calendar years 2015 and 2016, respectively)
Investment rate of return	8.25%
Retirement Age	Experience-based tables of rates that are specific to the type of eligibility condition
Mortality	50% Male - 50% Female blend of the 1994 Group Annuity Mortality Table

## **Combining and Individual Fund Statements and Schedules**

**Allegan County  
General Fund Combining Balance Sheet  
All Funds Treated as General  
December 31, 2015**

	1010 General	2570 Budget Stabilization Fund	2580 Sick & Vacation Liability	2690 Law Library	2710 Grant Administration	2922 Child Care Welfare	Elimination *	Total General Funds
<b>ASSETS</b>								
Cash and pooled investments	\$ 1,719,678	\$ 4,206,063	\$ 512,324	\$ 86,336	\$ 21,739	\$ 383	\$ --	\$ 6,546,523
Accounts receivable	105,031	--	--	--	--	--	--	105,031
Property taxes receivable	2,263,636	--	--	--	--	--	--	2,263,636
Due from other governments	439,662	--	--	--	--	--	--	439,662
Prepays	15,885	--	--	--	--	--	--	15,885
Due from other funds	633,886	--	--	--	--	--	--	633,886
Advances to other funds	329,863	--	--	--	--	--	--	329,863
Advance to component unit	180,000	--	--	--	--	--	--	180,000
<b>Total Assets</b>	<b>5,687,641</b>	<b>4,206,063</b>	<b>512,324</b>	<b>86,336</b>	<b>21,739</b>	<b>383</b>	<b>--</b>	<b>10,514,486</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>								
Aggregated deferred outflows	--	--	--	--	--	--	--	--
<b>Total Assets and Deferred Outflows of Resources</b>	<b>5,687,641</b>	<b>4,206,063</b>	<b>512,324</b>	<b>86,336</b>	<b>21,739</b>	<b>383</b>	<b>--</b>	<b>10,514,486</b>
<b>LIABILITIES</b>								
Accounts payable	\$ 358,590	--	\$ --	\$ 3,823	\$ --	\$ --	\$ --	\$ 362,413
Accrued liabilities	175,082	--	192,691	--	--	--	(192,691)	175,082
Due to other funds	60,000	--	--	--	--	--	--	60,000
<b>Total Liabilities</b>	<b>593,672</b>	<b>--</b>	<b>192,691</b>	<b>3,823</b>	<b>--</b>	<b>--</b>	<b>(192,691)</b>	<b>597,495</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Unavailable revenues	1,819,747	--	--	--	--	--	--	1,819,747
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>2,413,419</b>	<b>--</b>	<b>192,691</b>	<b>3,823</b>	<b>--</b>	<b>--</b>	<b>(192,691)</b>	<b>2,417,242</b>
<b>FUND BALANCE</b>								
Nonspendable	525,748	--	--	--	--	--	--	525,748
Committed	--	4,206,063	--	--	21,739	383	--	4,206,063
Assigned	2,748,474	--	--	82,513	--	--	--	104,635
Unassigned	3,274,222	4,206,063	319,633	82,513	21,739	383	192,691	3,260,798
<b>Total Fund Balance</b>	<b>5,687,641</b>	<b>4,206,063</b>	<b>512,324</b>	<b>86,336</b>	<b>21,739</b>	<b>383</b>	<b>--</b>	<b>8,097,244</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>								<b>10,514,486</b>

\* The Elimination Column is presented to make the General Fund GAAP Compliant

**Allegan County**  
**General Fund Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**All Funds Treated as General**  
**For the Year Ended December 31, 2015**

	1010 General	2570 Budget Stabilization Fund	2580 Sick & Vacation Liability	2690 Law Library	2710 Grant Administration	2922 Child Care Welfare	Elimination *	Total General Funds
<b>Revenues</b>								
Taxes and penalties	\$ 20,464,721	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 20,464,721
Licenses and permits	64,986	--	--	--	--	--	--	64,986
Intergovernmental revenues - Federal	50,775	--	--	--	--	--	--	50,775
Intergovernmental revenues - State	1,415,114	--	--	--	--	--	--	1,415,114
Charges for services	3,891,743	--	--	--	--	--	--	3,891,743
Fines and forfeitures	160,719	--	--	3,250	--	--	--	163,969
Interest and rentals	711,972	--	--	608	157	--	--	712,737
Other revenues	1,567,668	--	--	--	1,500	--	--	1,569,168
<b>Total Revenues</b>	<b>28,327,698</b>	<b>--</b>	<b>--</b>	<b>3,858</b>	<b>1,657</b>	<b>--</b>	<b>--</b>	<b>28,333,213</b>
<b>Expenditures</b>								
Legislative	402,157	--	--	--	--	--	--	402,157
Judicial	3,905,973	--	--	28,855	--	--	--	3,934,828
General government	8,885,855	--	192,691	--	--	--	(192,691)	8,885,855
Public safety	8,990,632	--	--	--	--	--	--	8,990,632
Public works	335,531	--	--	--	--	--	--	335,531
Health and welfare	565,970	--	--	--	--	1,730	--	567,700
Community and economic development	120,935	--	--	--	--	--	--	120,935
Other	432,817	--	--	--	--	--	--	432,817
Capital outlay	49,021	--	--	--	--	--	--	49,021
<b>Total Expenditures</b>	<b>23,688,891</b>	<b>--</b>	<b>192,691</b>	<b>28,855</b>	<b>--</b>	<b>1,730</b>	<b>(192,691)</b>	<b>23,719,476</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>4,638,807</b>	<b>--</b>	<b>(192,691)</b>	<b>(24,997)</b>	<b>1,657</b>	<b>(1,730)</b>	<b>192,691</b>	<b>4,613,737</b>
<b>Other Financing Sources (Uses)</b>								
Transfers in	977,024	205,483	--	40,000	--	--	(841,656)	380,851
Transfers out	(5,673,617)	(458,519)	(137,654)	--	--	--	841,656	(5,428,134)
<b>Net Other Financing Sources (Uses)</b>	<b>(4,696,593)</b>	<b>(253,036)</b>	<b>(137,654)</b>	<b>40,000</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>(5,047,283)</b>
<b>Net Change in Fund Balance</b>	<b>(57,786)</b>	<b>(253,036)</b>	<b>(330,345)</b>	<b>15,003</b>	<b>1,657</b>	<b>(1,730)</b>	<b>192,691</b>	<b>(433,546)</b>
<b>Fund Balance at Beginning of Period</b>	<b>3,332,008</b>	<b>4,459,099</b>	<b>649,978</b>	<b>67,510</b>	<b>20,082</b>	<b>2,113</b>	<b>--</b>	<b>8,530,790</b>
<b>Fund Balance at End of Period</b>	<b>\$ 3,274,222</b>	<b>\$ 4,206,063</b>	<b>\$ 319,633</b>	<b>\$ 82,513</b>	<b>\$ 21,739</b>	<b>\$ 383</b>	<b>\$ 192,691</b>	<b>\$ 8,097,244</b>

\* The Elimination Column is presented to make the General Fund GAAP Compliant

**Allegan County**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**December 31, 2015**

	Special Revenue						
	2210 Health	2550 Animal Shelter	2560 Register of Deeds Automation	2650/2651 Drug Law Enforcement	2930 Soldiers Relief	2640/2660 Law Enforcement Training	2770/2771 Housing Assistance
ASSETS							
Cash and pooled investments	\$ 835,004	\$ 76,333	\$ 629,980	\$ 161,877	\$ 118,780	\$ 117,078	\$ 72,163
Accounts receivable	--	--	--	--	--	--	--
Property taxes receivable	--	--	--	--	9,752	--	--
Due from other governments	78,287	--	--	--	--	--	--
Inventory	21,382	--	--	--	--	--	--
Prepays	24,320	--	--	--	--	--	--
Advances to other funds	--	--	--	--	--	--	--
<b>Total Assets</b>	<b>\$ 958,993</b>	<b>\$ 76,333</b>	<b>\$ 629,980</b>	<b>\$ 161,877</b>	<b>\$ 128,532</b>	<b>\$ 117,078</b>	<b>\$ 72,163</b>
LIABILITIES							
Accounts payable	\$ 56,610	\$ 10,095	\$ 68	\$ 58	\$ --	\$ 1,625	\$ 301
Accrued liabilities	14,884	--	--	--	258	--	--
Due to other governments	6,863	--	--	--	--	--	--
Unearned revenue	21,382	--	--	--	--	--	--
Due to other funds	--	--	--	--	--	--	--
<b>Total Liabilities</b>	<b>\$ 99,739</b>	<b>\$ 10,095</b>	<b>\$ 68</b>	<b>\$ 58</b>	<b>\$ 258</b>	<b>\$ 1,625</b>	<b>\$ 301</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenues	1,933	--	--	--	7,840	--	--
Revenues for subsequent year	--	--	--	--	--	--	--
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>\$ 101,672</b>	<b>\$ 10,095</b>	<b>\$ 68</b>	<b>\$ 58</b>	<b>\$ 8,098</b>	<b>\$ 1,625</b>	<b>\$ 301</b>
<b>FUND BALANCE</b>							
Nonspendable	45,702	--	--	--	--	--	--
Restricted	--	--	629,912	161,819	--	115,453	71,862
Committed	811,619	66,238	--	--	120,434	--	--
Unassigned	--	--	--	--	--	--	--
<b>Total Fund Balance</b>	<b>\$ 857,321</b>	<b>\$ 66,238</b>	<b>\$ 629,912</b>	<b>\$ 161,819</b>	<b>\$ 120,434</b>	<b>\$ 115,453</b>	<b>\$ 71,862</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 958,993</b>	<b>\$ 76,333</b>	<b>\$ 629,980</b>	<b>\$ 161,877</b>	<b>\$ 128,532</b>	<b>\$ 117,078</b>	<b>\$ 72,163</b>



**Allegan County**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**December 31, 2015**

	Special Revenue						
	2790/2791 State and Federal Grants	2801-2809 Law Enforcement Road Patrol	2870 D.A.R.E. Program	2900 Social Welfare	2940 Veterans' Trust Board	2960 Farmland Preservation	2961 Fitness Center
<b>ASSETS</b>							
Cash and pooled investments	230,062	165,245	807	29,955	193	238	104,109
Accounts receivable	130	132,567	--	--	--	--	--
Property taxes receivable	--	--	--	--	--	--	--
Due from other governments	123,700	4,000	--	--	6,723	--	--
Inventory	--	--	--	--	--	--	--
Prepays	--	--	--	--	--	--	--
Advances to other funds	--	--	--	--	--	--	--
<b>Total Assets</b>	<b>353,892</b>	<b>301,812</b>	<b>807</b>	<b>29,955</b>	<b>6,916</b>	<b>238</b>	<b>104,109</b>
<b>LIABILITIES</b>							
Accounts payable	24,577	1,970	--	--	865	--	--
Accrued liabilities	1,066	6,620	--	--	--	--	--
Due to other governments	--	4,000	--	--	--	--	--
Unearned revenue	--	--	--	--	--	--	--
Due to other funds	35,000	--	--	--	6,000	--	--
<b>Total Liabilities</b>	<b>60,643</b>	<b>12,590</b>	<b>--</b>	<b>--</b>	<b>6,865</b>	<b>--</b>	<b>--</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenues	--	--	--	--	--	--	--
Revenues for subsequent year	--	--	--	--	--	--	--
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>60,643</b>	<b>12,590</b>	<b>--</b>	<b>--</b>	<b>6,865</b>	<b>--</b>	<b>--</b>
<b>FUND BALANCE</b>							
Nonspendable	--	--	--	--	--	--	--
Restricted	293,249	289,222	--	--	51	238	104,109
Committed	--	--	807	29,955	--	--	--
Unassigned	--	--	--	--	--	--	--
<b>Total Fund Balance</b>	<b>293,249</b>	<b>289,222</b>	<b>807</b>	<b>29,955</b>	<b>51</b>	<b>238</b>	<b>104,109</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>353,892</b>	<b>301,812</b>	<b>807</b>	<b>29,955</b>	<b>6,916</b>	<b>238</b>	<b>104,109</b>

**Allegan County**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**December 31, 2015**

	Special Revenue							2630 Palisades Emergency Planning
	2475 Annual Projects	2635 Concealed Pistol Licensing	2080 Parks & Recreation Fund	2150/2151 Friend of the Court Fund	2300 Transportation	2470 Local Revenue Sharing	2630 Palisades Emergency Planning	
<b>ASSETS</b>								
Cash and pooled investments	\$ 302,358	\$ 22,665	\$ 107,986	\$ 393,528	\$ 675,980	\$ 102,423	\$ 36,214	
Accounts receivable	--	--	--	420	48,948	--	--	
Property taxes receivable	--	--	--	--	--	--	--	
Due from other governments	--	--	54,231	235,372	139,571	--	--	
Inventory	--	--	--	--	--	--	--	
Prepays	--	--	--	--	1,323	--	--	
Advances to other funds	--	--	--	--	--	--	--	
<b>Total Assets</b>	<b>\$ 302,358</b>	<b>\$ 22,665</b>	<b>\$ 162,217</b>	<b>\$ 629,320</b>	<b>\$ 865,822</b>	<b>\$ 102,423</b>	<b>\$ 36,214</b>	
<b>LIABILITIES</b>								
Accounts payable	\$ 50,001	--	\$ 37,674	6,411	\$ 80,501	--	\$ 5,526	
Accrued liabilities	--	--	769	12,719	1,625	--	--	
Due to other governments	--	--	--	--	--	--	--	
Unearned revenue	--	--	--	--	--	--	--	
Due to other funds	--	--	--	317,886	--	--	--	
<b>Total Liabilities</b>	<b>50,001</b>	<b>--</b>	<b>38,443</b>	<b>337,016</b>	<b>82,126</b>	<b>--</b>	<b>5,526</b>	
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Unavailable revenues	--	--	--	--	--	--	--	
Revenues for subsequent year	--	--	--	--	34,415	--	--	
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>50,001</b>	<b>--</b>	<b>38,443</b>	<b>337,016</b>	<b>116,541</b>	<b>--</b>	<b>5,526</b>	
<b>FUND BALANCE</b>								
Nonspendable	--	--	--	--	1,323	--	--	
Restricted	--	22,665	--	292,304	585,458	--	30,688	
Committed	252,357	--	123,774	--	162,500	102,423	--	
Unassigned	--	--	--	--	--	--	--	
<b>Total Fund Balance</b>	<b>252,357</b>	<b>22,665</b>	<b>123,774</b>	<b>292,304</b>	<b>749,281</b>	<b>102,423</b>	<b>30,688</b>	
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 302,358</b>	<b>\$ 22,665</b>	<b>\$ 162,217</b>	<b>\$ 629,320</b>	<b>\$ 865,822</b>	<b>\$ 102,423</b>	<b>\$ 36,214</b>	

**Allegan County**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**December 31, 2015**

	Debt Service		Capital Projects				Total Nonmajor Governmental Funds
	3601 Jail Construction Bonds	3660/3662 Building Authority	3602 Pension Defined Benefit Debt	2465 Youth Home CIP	4660-4663 Building Authority Capital	2450/2455 Public Improvement Fund	
<b>ASSETS</b>							
Cash and pooled investments	\$ 943	\$ 2,296	\$ 4,265	\$ 378,463	\$ 22,875	\$ 2,901,476	\$ 9,682,813
Accounts receivable	--	119,000	--	--	--	30,941	332,006
Property taxes receivable	--	--	--	--	--	--	9,752
Due from other governments	--	--	--	--	--	--	641,884
Inventory	--	--	--	--	--	--	21,382
Prepays	--	--	--	--	--	--	25,643
Advances to other funds	--	--	--	--	--	79,144	79,144
<b>Total Assets</b>	<b>\$ 943</b>	<b>\$ 121,296</b>	<b>\$ 4,265</b>	<b>\$ 378,463</b>	<b>\$ 22,875</b>	<b>\$ 3,011,561</b>	<b>\$ 10,792,624</b>
<b>LIABILITIES</b>							
Accounts payable	--	--	\$ 500	--	--	24,492	\$ 315,341
Accrued liabilities	--	--	--	--	--	--	37,941
Due to other governments	--	--	--	--	--	--	10,863
Unearned revenue	--	--	--	--	--	--	21,382
Due to other funds	--	119,000	--	--	--	--	477,886
<b>Total Liabilities</b>	--	119,000	500	--	--	24,492	863,413
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenues	--	--	--	--	--	--	9,773
Revenues for subsequent year	--	--	--	--	--	--	34,415
<b>Total Liabilities and Deferred Inflows of Resources</b>	--	119,000	500	--	--	24,492	907,601
<b>FUND BALANCE</b>							
Nonspendable	--	--	--	--	--	79,144	126,169
Restricted	943	--	3,765	--	--	--	2,497,391
Committed	--	2,296	--	378,463	22,875	2,907,925	7,261,463
Unassigned	--	--	--	--	--	--	--
<b>Total Fund Balance</b>	<b>943</b>	<b>2,296</b>	<b>3,765</b>	<b>378,463</b>	<b>22,875</b>	<b>2,987,069</b>	<b>9,885,023</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 943</b>	<b>\$ 121,296</b>	<b>\$ 4,265</b>	<b>\$ 378,463</b>	<b>\$ 22,875</b>	<b>\$ 3,011,561</b>	<b>\$ 10,792,624</b>

**Allegan County**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2015**

	Special Revenue						
	2210 Health	2550 Animal Shelter	2560 Register of Deeds Automation	2650/2651 Drug Law Enforcement	2930 Soldiers Relief	2640/2660 Law Enforcement Training	2770/2771 Housing Assistance
<b>Revenues</b>							
Taxes and penalties	\$ --	\$ --	\$ --	\$ --	\$ 74,495	\$ --	\$ --
Licenses and permits	515,505	--	--	--	--	--	--
Intergovernmental revenues - federal	443,832	--	--	--	--	--	--
Intergovernmental revenues - state	533,968	--	--	--	--	11,569	--
Intergovernmental revenues - local	--	--	--	--	--	--	--
Charges for services	828,363	71,989	118,324	--	--	22,000	10,541
Fines and forfeitures	--	--	--	812	--	--	--
Interest and rentals	5,018	428	4,523	1,373	700	845	502
Other revenues	524,028	9,761	--	3	2,809	1	--
<b>Total Revenues</b>	<b>2,850,714</b>	<b>82,178</b>	<b>122,847</b>	<b>2,188</b>	<b>78,004</b>	<b>34,415</b>	<b>11,043</b>
<b>Expenditures</b>							
Judicial	--	--	--	--	--	--	--
General government	--	--	93,858	--	--	--	--
Public safety	--	--	--	25,159	--	24,069	--
Health and welfare	3,617,978	131,694	--	--	96,503	--	--
Recreation and cultural	--	--	--	--	--	--	--
Community and economic development	--	--	--	--	--	--	317
Other	--	--	--	--	--	--	--
Capital outlay	17,960	--	--	8,733	--	--	--
Debt service - principal	--	--	--	--	--	--	--
Debt service - interest	--	--	--	--	--	--	--
<b>Total Expenditures</b>	<b>3,635,938</b>	<b>131,694</b>	<b>93,858</b>	<b>33,892</b>	<b>96,503</b>	<b>24,069</b>	<b>317</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(785,224)</b>	<b>(49,516)</b>	<b>28,989</b>	<b>(31,704)</b>	<b>(18,499)</b>	<b>10,346</b>	<b>10,726</b>
<b>Other Financing Sources (Uses)</b>							
Transfers in	1,253,508	51,360	--	--	--	--	--
Transfers out	(33,518)	--	--	--	--	--	--
<b>Net Other Financing Sources (Uses)</b>	<b>1,219,990</b>	<b>51,360</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Net Change in Fund Balance</b>	<b>434,766</b>	<b>1,844</b>	<b>28,989</b>	<b>(31,704)</b>	<b>(18,499)</b>	<b>10,346</b>	<b>10,726</b>
<b>Fund Balance at Beginning of Period</b>	<b>422,555</b>	<b>64,394</b>	<b>600,923</b>	<b>193,523</b>	<b>138,933</b>	<b>105,107</b>	<b>61,136</b>
<b>Fund Balance at End of Period</b>	<b>\$ 857,321</b>	<b>\$ 66,238</b>	<b>\$ 629,912</b>	<b>\$ 161,819</b>	<b>\$ 120,434</b>	<b>\$ 115,453</b>	<b>\$ 71,862</b>

**Allegan County**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2015**

	Special Revenue						
	2790/2791 State and Federal Grants	2801-2809 Law Enforcement Road Patrol	2870 D.A.R.E. Program	2900 Social Welfare	2940 Veterans' Trust Board	2960 Farmland Preservation	2961 Fitness Center
<b>Revenues</b>							
Taxes and penalties	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Licenses and permits	--	--	--	--	--	--	--
Intergovernmental revenues - federal	165,097	--	--	--	--	--	--
Intergovernmental revenues - state	370,346	--	--	8,464	--	--	--
Intergovernmental revenues - local	--	665,425	--	--	--	--	--
Charges for services	5,318	--	--	--	--	--	11,185
Fines and forfeitures	--	--	--	--	--	--	--
Interest and rentals	--	--	--	--	--	--	--
Other revenues	9,239	--	--	--	516	--	1
<b>Total Revenues</b>	<b>550,000</b>	<b>665,425</b>	<b>--</b>	<b>--</b>	<b>8,980</b>	<b>--</b>	<b>11,186</b>
<b>Expenditures</b>							
Judicial	275,255	--	--	--	--	--	--
General government	35,034	--	--	--	--	--	8,850
Public safety	228,003	692,521	--	--	--	--	--
Health and welfare	--	--	--	--	13,259	--	--
Recreation and cultural	--	--	--	--	--	--	--
Community and economic development	--	--	--	--	--	--	--
Other	--	--	--	--	--	--	--
Capital outlay	9,875	--	--	--	--	--	--
Debt service - principal	--	--	--	--	--	--	--
Debt service - interest	--	--	--	--	--	--	--
<b>Total Expenditures</b>	<b>548,167</b>	<b>692,521</b>	<b>--</b>	<b>--</b>	<b>13,259</b>	<b>--</b>	<b>8,850</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>1,833</b>	<b>(27,096)</b>	<b>--</b>	<b>--</b>	<b>(4,279)</b>	<b>--</b>	<b>2,336</b>
<b>Other Financing Sources (Uses)</b>							
Transfers in	4,677	130,790	--	--	--	--	--
Transfers out	(2,703)	(37,906)	--	--	--	--	--
<b>Net Other Financing Sources (Uses)</b>	<b>1,974</b>	<b>92,884</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Net Change in Fund Balance</b>	<b>3,807</b>	<b>65,788</b>	<b>--</b>	<b>--</b>	<b>(4,279)</b>	<b>--</b>	<b>2,336</b>
<i>Fund Balance at Beginning of Period</i>	289,442	223,434	807	29,955	4,330	238	101,773
<b>Fund Balance at End of Period</b>	<b>\$ 293,249</b>	<b>\$ 289,222</b>	<b>\$ 807</b>	<b>\$ 29,955</b>	<b>\$ 51</b>	<b>\$ 238</b>	<b>\$ 104,109</b>

**Allegan County**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2015**

	Special Revenue							2630 Palisades Emergency Planning
	2475 Annual Projects	2635 Concealed Pistol Licensing	2080 Parks & Recreation Fund	2150/2151 Friend of the Court Fund	2300 Transportation	2470 Local Revenue Sharing	2630 Palisades Emergency Planning	
<b>Revenues</b>								
Taxes and penalties	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Licenses and permits	--	22,665	--	--	--	--	--	--
Intergovernmental revenues - federal	--	--	--	901,605	527,318	--	--	--
Intergovernmental revenues - state	174,685	--	275,503	127,529	628,311	--	--	--
Intergovernmental revenues - local	--	--	--	--	--	214,412	--	--
Charges for services	--	--	34,936	26,230	573,634	--	--	--
Fines and forfeitures	--	--	--	59,400	--	--	--	--
Interest and rentals	--	--	80,473	2,229	7,126	--	--	--
Other revenues	--	--	4,901	10,718	7,891	--	--	20,000
<b>Total Revenues</b>	<u>174,685</u>	<u>22,665</u>	<u>395,813</u>	<u>1,127,711</u>	<u>1,744,280</u>	<u>214,412</u>	<u>20,000</u>	<u>20,000</u>
<b>Expenditures</b>								
Judicial	--	--	--	1,413,220	--	--	--	--
General government	--	--	--	--	1,365,477	--	--	--
Public safety	--	--	--	--	--	--	21,385	--
Health and welfare	--	--	--	--	--	--	--	--
Recreation and cultural	--	--	266,886	--	--	--	--	--
Community and economic development	--	--	--	--	--	--	--	--
Other	80,498	--	--	--	--	--	--	--
Capital outlay	--	--	418,561	--	336,807	--	--	--
Debt service - principal	--	--	--	--	--	--	--	--
Debt service - interest	--	--	--	--	--	--	--	--
<b>Total Expenditures</b>	<u>80,498</u>	<u>--</u>	<u>685,447</u>	<u>1,413,220</u>	<u>1,702,284</u>	<u>--</u>	<u>21,385</u>	<u>--</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>94,187</u>	<u>22,665</u>	<u>(289,634)</u>	<u>(285,509)</u>	<u>41,996</u>	<u>214,412</u>	<u>(1,385)</u>	<u>--</u>
<b>Other Financing Sources (Uses)</b>								
Transfers in	--	--	185,629	367,097	--	--	--	--
Transfers out	--	--	--	(68,141)	--	(185,629)	--	--
<b>Net Other Financing Sources (Uses)</b>	<u>--</u>	<u>--</u>	<u>185,629</u>	<u>298,956</u>	<u>--</u>	<u>(185,629)</u>	<u>--</u>	<u>--</u>
<b>Net Change in Fund Balance</b>	<u>94,187</u>	<u>22,665</u>	<u>(104,005)</u>	<u>13,447</u>	<u>41,996</u>	<u>28,783</u>	<u>(1,385)</u>	<u>--</u>
<b>Fund Balance at Beginning of Period</b>	<u>158,170</u>	<u>--</u>	<u>227,779</u>	<u>278,857</u>	<u>707,285</u>	<u>73,640</u>	<u>32,073</u>	<u>--</u>
<b>Fund Balance at End of Period</b>	<u>\$ 252,357</u>	<u>\$ 22,665</u>	<u>\$ 123,774</u>	<u>\$ 292,304</u>	<u>\$ 749,281</u>	<u>\$ 102,423</u>	<u>\$ 30,688</u>	<u>\$ --</u>

**Allegan County**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2015**

	Debt Service		Capital Projects				Total Nonmajor Governmental Funds
	3601 Jail Construction Bonds	3660/3662 Building Authority	3602 Pension Defined Benefit Debt	2465 Youth Home CIP	4660-4663 Building Authority Capital	2450/2455 Public Improvement Fund	
<b>Revenues</b>							
Taxes and penalties	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 74,495
Licenses and permits	--	--	--	--	--	--	538,170
Intergovernmental revenues - federal	--	--	--	--	--	--	2,037,852
Intergovernmental revenues - state	--	--	--	--	--	2,070,621	4,200,996
Intergovernmental revenues - local	--	--	--	--	--	--	879,837
Charges for services	--	--	--	--	--	--	1,702,520
Fines and forfeitures	--	--	--	--	--	--	60,212
Interest and rentals	--	--	--	1,762	3,253	2,020	143,465
Other revenues	--	--	3,000	--	--	--	592,868
<b>Total Revenues</b>	--	--	3,000	1,762	3,253	2,020	10,230,415
<b>Expenditures</b>							
Judicial	--	--	--	--	--	--	1,688,475
General government	--	--	500	--	--	9,118	1,512,837
Public safety	--	--	--	--	--	52,442	1,043,579
Health and welfare	--	--	--	--	--	--	3,859,434
Recreation and cultural	--	--	--	--	--	--	266,886
Community and economic development	--	--	--	--	--	--	317
Other	--	--	--	--	--	--	80,498
Capital outlay	--	--	--	68,747	--	592,704	1,723,150
Debt service - principal	375,000	--	730,000	--	--	--	1,105,000
Debt service - interest	374,250	750	397,211	--	--	--	772,211
<b>Total Expenditures</b>	749,250	750	1,127,211	68,747	--	654,264	12,052,387
<b>Excess of Revenues Over (Under) Expenditures</b>	(749,250)	(750)	(1,124,711)	(66,985)	3,253	1,418,377	(1,821,972)
<b>Other Financing Sources (Uses)</b>							
Transfers in	749,250	--	1,128,476	109,439	--	--	4,205,226
Transfers out	--	(596)	--	--	--	(225,000)	(553,493)
<b>Net Other Financing Sources (Uses)</b>	749,250	(596)	1,128,476	109,439	--	(225,000)	3,651,733
<b>Net Change in Fund Balance</b>	--	(1,346)	3,765	42,454	3,253	1,193,377	1,829,761
<b>Fund Balance at Beginning of Period</b>	943	3,642	--	336,009	19,622	1,793,692	8,055,262
<b>Fund Balance at End of Period</b>	\$ 943	\$ 2,296	\$ 3,765	\$ 378,463	\$ 22,875	\$ 2,987,069	\$ 9,885,023

## **Transportation Fund Schedules**



**Allegan County Transportation  
Local Revenues  
Schedule 1  
For the Year Ended December 31, 2015**

	<u>1/1/2015 to 9/30/2015</u>	<u>10/1/2015 to 12/31/2015</u>	<u>Total</u>
<b>Nonurban regular service</b>			
Farebox revenues	\$ 55,825	\$ 14,619	\$ 70,444
Contract with Allegan CMH	229,410	50,878	280,288
Contract with Allegan ACSET	27,245	14,494	41,739
Contracts with other agencies	118,522	28,015	146,537
Rental of bldgs or other property	3,059	1,101	4,160
Sale of capital assets	3,730	-	3,730
Interest income	-	7,126	7,126
Total nonurban regular service	<u>437,791</u>	<u>116,233</u>	<u>554,024</u>
<b>Job access reverse commute</b>			
Farebox revenues	<u>3,942</u>	<u>1,484</u>	<u>5,426</u>
<b>Specialized services</b>			
Farebox revenues	3,382	817	4,199
Contract support	<u>18,750</u>	<u>6,250</u>	<u>25,000</u>
Total specialized services	<u>22,132</u>	<u>7,067</u>	<u>29,199</u>
<b>Total local revenue</b>	<b><u>\$ 463,865</u></b>	<b><u>\$ 124,784</u></b>	<b><u>\$ 588,649</u></b>

**Allegan County Transportation  
Local Revenues  
Schedule 1A  
For the Year Ended September 30, 2015**

	<b>10/1/2014 to 12/31/2014</b>	<b>1/1/2015 to 9/30/2015</b>	<b>Total</b>
<b>Nonurban - regular service</b>			
Farebox revenues	\$ 17,010	\$ 55,825	\$ 72,835
Contract with Allegan CMH	86,811	229,410	316,221
Contract with Allegan ACSET	8,692	27,245	35,937
Contracts with other agencies	38,445	118,522	156,967
Rental of bldgs or other property	-	3,059	3,059
Sale of capital assets	-	3,730	3,730
Total nonurban regular service	<u>150,958</u>	<u>437,791</u>	<u>588,749</u>
<b>Job access reverse commute</b>			
Farebox revenues	<u>1,554</u>	<u>3,942</u>	<u>5,496</u>
<b>Specialized services</b>			
Farebox revenues	1,107	3,382	4,489
Contract support	<u>6,250</u>	<u>18,750</u>	<u>25,000</u>
Total specialized services	<u>7,357</u>	<u>22,132</u>	<u>29,489</u>
<b>Total local revenue</b>	<b><u>\$ 159,869</u></b>	<b><u>\$ 463,865</u></b>	<b><u>\$ 623,734</u></b>

**Allegan County Transportation  
Expenditures of Federal and State Awards  
Schedule 2  
For the Year Ended December 31, 2015**

Federal Grantor/Pass-through Grantor/ Program Title	CFDA Number	State Number	Program or Award Amount	Current Year's Expenditures			Prior Year Expenditures	Award Remaining
				Total	Federal	State		
<b>U.S. Department of Transportation</b>								
Passed through the Michigan Department of Transportation:								
2016 Operating assistance - Section 5311	20.509	2012-0028/P30	\$ 84,188	\$ 21,047	\$ 21,047	\$ -	\$ -	\$ 63,141
2015 Operating assistance - Section 5311	20.509	2012-0028/P24	187,017	164,575	164,575	-	22,442	-
<b>U.S. DOT Operating Grant - RTAP</b>	20.509	N/A	4,000	2,832	2,832	-	-	1,168
<b>2016 Job Access Reverse Commute - Section 5316</b>	20.509	2012-0028/P27	51,150	12,788	12,788	-	-	38,362
<b>2015 Job Access Reverse Commute - Section 5316</b>	20.509	2012-0028/P19	51,150	38,362	38,362	-	12,788	-
<b>Capital Grant - Section 5313(b)</b>	20.509	2007-0157/Z16	225,250	(1,146)	(917)	(229)	18,984	207,412
<b>Capital Grant - Section 5311</b>	20.509	2012-0028/P25	75,115	65,841	52,673	13,168	4,528	4,746
<b>Capital Grant - Section 5309</b>	20.500	2012-0028/P21	62,188	62,188	49,750	12,438	-	-
<b>Capital Grant - Section 5311</b>	20.509	2012-0028/P20	111,000	63,511	50,809	12,702	-	47,489
<b>Capital Grant - Section 5339</b>	20.526	2012-0028/P13	136,170	136,170	108,936	27,234	-	-
<b>Capital Grant - Section 5311</b>	20.509	2012-0028/P12	50,920	1,599	1,279	320	803	48,518
<b>Capital Grant - Section 5317 New Freedom</b>	20.521	2012-0028/P28	26,000	6,987	6,987	-	-	19,013
<b>Capital Grant - Section 5317 New Freedom</b>	20.521	2012-0028/P22	26,000	18,197	18,197	-	7,067	736
<b>Michigan Department of Transportation</b>								
2016 Operating assistance - Act 51	N/A	FY2016	412,980	103,245	-	103,245	-	309,735
2015 Operating assistance - Act 51	N/A	FY2015	366,552	275,539	-	275,539	91,848	(835)
2014 Reconciliation	N/A	FY2014	-	19,062	-	19,062	-	(19,062)
2012 Final Audit	N/A	FY2012	-	6,978	-	6,978	-	(6,978)
<b>Specialized Services 2016</b>	N/A	2012-0028/P29	106,704	26,676	-	26,676	-	80,028
<b>Specialized Services 2015</b>	N/A	2012-0028/P23	106,704	80,028	-	80,028	26,676	-
<b>2016 Job Access Reverse Commute - Section 5316</b>	N/A	2012-0028/P27	51,150	12,788	-	12,788	-	38,362
<b>2015 Job Access Reverse Commute - Section 5316</b>	N/A	2012-0028/P19	51,150	38,362	-	38,362	12,788	-
<b>Totals</b>			\$ 2,185,388	\$ 1,155,629	\$ 527,318	\$ 628,311	\$ 197,924	\$ 831,835

**Allegan County Transportation  
Federal and State Awards  
Operating Revenue Only  
Schedule 2A  
For the Year Ended December 31, 2015**

	1/1/2015 to 9/30/2015	10/1/2015 to 12/31/2015	Total
<b>Michigan Department of Transportation</b>			
Local Bus Operating (Act 51)	\$ 275,539	\$ 103,245	\$ 378,784
2014 Reconciliation (two payments of \$9,531)	19,062	-	19,062
2012 Final Audit	6,978	-	6,978
<b>Total Local Bus Operating (Act 51)</b>	<b>301,579</b>	<b>103,245</b>	<b>404,824</b>
Job Access Reverse Commute 2012-0028/P19	38,363	-	38,363
Job Access Reverse Commute 2012-0028/P27	-	12,787	12,787
Specialized Services - Contract 2012-0028/P23	80,028	-	80,028
Specialized Services - Contract 2012-0028/P29	-	26,676	26,676
<b>Total Michigan Department of Transportation</b>	<b>419,970</b>	<b>142,708</b>	<b>562,678</b>
<b>Federal Transit Administration</b>			
U.S. DOT Operating Grant - Section 5311:			
Contract 2012-0028/P24	164,575	-	164,575
Contract 2012-0028/P30	-	21,047	21,047
RTAP	2,832	-	2,832
U.S. DOT Job Access Reverse Commute:			
Contract 2012-0028/P19	38,363	-	38,363
Contract 2012-0028/P27	-	12,787	12,787
<b>Total Federal Transit Administration</b>	<b>205,770</b>	<b>33,834</b>	<b>239,604</b>
<b>Total revenues - state and federal</b>	<b>\$ 625,740</b>	<b>\$ 176,542</b>	<b>\$ 802,282</b>

**Allegan County Transportation  
Federal and State Awards  
Operating Revenue Only  
Schedule 2B  
For the Year Ended September 30, 2015**

	<b>10/1/2014 to 12/31/2014</b>	<b>1/1/2015 to 9/30/2015</b>	<b>Total</b>
<b>Michigan Department of Transportation</b>			
Local Bus Operating (Act 51)	\$ 91,848	\$ 275,539	\$ 367,387
FY2011 Final Audit	4,694	-	4,694
FY2012 Final Audit	-	6,978	6,978
FY2014 Reconciliation	-	19,062	19,062
	<u>96,542</u>	<u>301,579</u>	<u>398,121</u>
Job Access Reverse Commute - MDOT 50% Contract 2012-0028/P19	12,788	38,362	51,150
Specialized Services - Contract 2012-0028/P23	26,676	80,028	106,704
	<u>136,006</u>	<u>419,969</u>	<u>555,975</u>
<b>Federal Transit Administration</b>			
U.S. DOT Operating Grant - Section 5311 Contract 2012-0028/P24	22,442	164,575	187,017
2012 Audit Adjustment	126	-	126
U.S. DOT Operating Grant - RTAP	-	2,832	2,832
Job Access Reverse Commute - U.S. DOT 50% Contract 2012-0028/P19	12,788	38,362	51,150
	<u>35,356</u>	<u>205,769</u>	<u>241,125</u>
<b>Total revenues - state and federal</b>	<b><u>\$ 171,362</u></b>	<b><u>\$ 625,738</u></b>	<b><u>\$ 797,100</u></b>

**Allegan County Transportation  
Operating and Contract Expenses  
Schedule 3  
For the Year Ended December 31, 2015**

	<b>Nonurban</b>	<b>Job Access Reverse Commute</b>	<b>Specialized Services</b>	<b>Total</b>
Labor	\$ 650,651	\$ 66,711	\$ 96,517	\$ 813,879
Fringe benefits	119,657	12,241	17,709	149,607
Services	37,978	3,822	5,698	47,498
Materials and supplies	161,075	16,566	24,071	201,712
Utilities	30,432	3,114	4,494	38,040
Casualty and liability costs	37,000	3,779	5,478	46,257
Miscellaneous	4,766	198	294	5,258
Leases and rentals	25,858	2,658	3,843	32,359
<b>Total transit programs</b>	1,067,417	109,089	158,104	1,334,610
Less: ineligible expenses	(7,214)	(5,426)	-	(12,640)
<b>Total eligible expenses</b>	<b>\$ 1,060,203</b>	<b>\$ 103,663</b>	<b>\$ 158,104</b>	<b>\$ 1,321,970</b>

**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, 2015**

	Nonurban		Job Access Reverse Commute		Specialized Services		
	1/1/2015 to 9/30/2015	10/1/2015 to 12/31/2015	1/1/2015 to 9/30/2015	10/1/2015 to 12/31/2015	1/1/2015 to 9/30/2015	10/1/2015 to 12/31/2015	Total
Labor	\$ 488,820	\$ 161,831	\$ 50,059	\$ 16,652	\$ 72,584	\$ 23,933	\$ 96,517
Fringe benefits	89,583	30,074	9,145	3,096	13,262	4,447	17,709
Services	28,549	9,429	2,852	970	4,304	1,394	5,698
Materials and supplies	117,850	43,225	12,119	4,447	17,679	6,392	24,071
Utilities	23,285	7,147	2,379	735	3,437	1,057	4,494
Casualty and liability costs	28,820	8,180	2,937	842	4,268	1,210	5,478
Miscellaneous	4,513	253	172	26	257	37	294
Leases and rentals	20,974	4,884	2,155	503	3,121	722	3,843
<b>Total transit programs</b>	<b>\$ 802,394</b>	<b>\$ 265,023</b>	<b>\$ 81,818</b>	<b>\$ 27,271</b>	<b>\$ 118,912</b>	<b>\$ 39,192</b>	<b>\$ 158,104</b>

**Allegan County Transportation  
Operating and Contract Expenses by Program  
Schedule 3B  
For the Year Ended September 30, 2015**

	Nonurban		Job Access Reverse Commute				Specialized Services			
	10/1/2014 to 12/31/2014	1/1/2015 to 9/30/2015	Total	10/1/2014 to 12/31/2014	1/1/2015 to 9/30/2015	Total	10/1/2014 to 12/31/2014	1/1/2015 to 9/30/2015	Total	
Labor	\$ 179,778	\$ 488,820	\$ 668,598	\$ 17,726	\$ 50,059	\$ 67,785	\$ 23,961	\$ 72,584	\$ 96,545	
Fringe benefits	32,634	89,583	122,217	3,218	9,145	12,363	4,350	13,262	17,612	
Services	6,271	28,549	34,820	618	2,852	3,470	836	4,304	5,140	
Materials and supplies	48,719	117,850	166,569	4,803	12,119	16,922	6,493	17,679	24,172	
Utilities	9,589	23,285	32,874	946	2,379	3,325	1,278	3,437	4,715	
Casualty and liability costs	8,574	28,820	37,394	846	2,937	3,783	1,143	4,268	5,411	
Miscellaneous	(4,484)	4,513	29	(442)	172	(270)	(598)	257	(341)	
Leases and rentals	32,002	20,974	52,976	3,156	2,155	5,311	4,265	3,121	7,386	
<b>Total transit programs</b>	<b>\$ 313,083</b>	<b>\$ 802,394</b>	<b>\$ 1,115,477</b>	<b>\$ 30,871</b>	<b>\$ 81,818</b>	<b>\$ 112,689</b>	<b>\$ 41,728</b>	<b>\$ 118,912</b>	<b>\$ 160,640</b>	



**Allegan County Transportation**  
**Schedule of Nonurban Regular Service Revenue**  
**Schedule 4R (Nonurban)**  
**For the Year Ended September 30, 2015**

Code	Description	Amount
<b>401 :</b>	<b>Farebox revenue</b>	
40100	Passenger fares	\$ 72,835
40200	Contract fares	509,125
<b>407 :</b>	<b>Non-transportation revenue</b>	
40760	Gains from the sale of capital assets (vehicles)	3,730
<b>409 :</b>	<b>Local revenue</b>	
40910	Local operating assistance (county general fund)	3,059
<b>411 :</b>	<b>State formula and contracts</b>	
41101	State operating assistance	367,387
<b>413 :</b>	<b>Federal contracts</b>	
41301	Federal section 5311 (operating funds only)	187,017
41398	RTAP	2,832
	Total revenues	<u>\$ 1,145,985</u>

**Allegan County Transportation**  
**Schedule of Nonurban Regular Service Expense**  
**Schedule 4E (Nonurban)**  
**For the Year Ended September 30, 2015**

Code	Description	Operations	Maintenance	Gen. Admin.	Total
<b>501 :</b>	<b>Labor</b>				
50101	Operators' salaries and wages	\$ 360,662	\$ -	\$ -	\$ 360,662
50102	Other salaries and wages		45,498	182,914	228,412
50103	Dispatchers' salaries and wages	79,524	-	-	79,524
<b>502 :</b>	<b>Fringe benefits</b>				
50200	Other fringe benefits	82,200	4,886	35,131	122,217
<b>503 :</b>	<b>Services</b>				
50302	Advertising fees	-	-	1,262	1,262
50305	Audit costs (federal only)	-	-	1,617	1,617
50399	Other services	5,373	-	26,568	31,941
<b>504 :</b>	<b>Materials and supplies</b>				
50401	Fuel and lubricants	124,222	-	-	124,222
50402	Tires and tubes	9,746	-	-	9,746
50499	Other materials and supplies	28,184	-	4,417	32,601
<b>505 :</b>	<b>Utilities</b>				
50500	Utilities	16,192	-	16,682	32,874
<b>506 :</b>	<b>Insurance</b>				
50603	Liability insurance	8,501	-	-	8,501
50699	Other insurance	28,893	-	-	28,893
<b>509 :</b>	<b>Miscellaneous expense</b>				
50902	Travel, meetings, and training	254	-	(1,448)	(1,194)
50903	Association dues and subscriptions	-	-	1,223	1,223
<b>512 :</b>	<b>Operating leases and rentals</b>				
51200	Operating leases and rentals	-	-	52,976	52,976
<b>550 :</b>	<b>Ineligible expenses</b>				
55009	Association dues and subscriptions (17% of MPTA)	-	-	222	222
<b>560 :</b>	<b>Ineligible expenses</b>				
56004	Expense associated with Rentals or Lease	-	-	4,197	4,197
<b>574 :</b>	<b>Ineligible expenses</b>				
57402	Ineligible RTAP	-	-	2,832	2,832
<b>580 :</b>	<b>Ineligible expenses</b>				
58020	Ineligible DB Pensions	-	-	1,238	1,238
	<b>Total eligible expenses</b>	<b>\$ 743,751</b>	<b>\$ 50,384</b>	<b>\$ 321,342</b>	<b>\$ 1,115,477</b>
				<b>Total expenses</b>	<b>\$ 1,115,477</b>
				<b>Total ineligible expenses</b>	<b>(8,489)</b>
				<b>Total eligible expenses</b>	<b>\$ 1,106,988</b>

**Allegan County Transportation**  
**Schedule of Nonurban Regular Service Nonfinancial Data (Unaudited)**  
**Public Service**  
**Schedule 4N (Nonurban)**  
**For the Year Ended September 30, 2015**

<b>Code</b>	<b>Description</b>	<b>Weekday</b>	<b>Saturday</b>	<b>Sunday</b>	<b>Total</b>
610	Vehicle hours	21,196	400	40	21,636
611	Vehicle miles	532,273	7,138	674	540,085
615	Passengers - regular	11,683	94	-	11,777
616	Passengers - elderly	4,896	183	24	5,103
617	Passengers - persons w/ disabilities	27,919	340	-	28,259
618	Passengers - elderly persons w/ disabilities	1,655	37	14	1,706
622	Total demand-response passengers	46,153	654	38	46,845
625	Days operated	262	53	3	318
<b>Total passengers</b>					<b>46,845</b>

Vehicle Information

655	Total demand-response vehicles	24
656	Demand-response vehicle w/ lifts	23
658	Total transit vehicles	24
<b>Total vehicles</b>		<b>24</b>

Miscellaneous Information

660	Diesel/gasoline gallons consumed	57,054
661	Total transit agency employees (FT equivalents)	23
662	Total revenue vehicle operators (FT equivalents)	19
663	Number of accidents	3

**Allegan County Transportation**  
**Schedule of Job Access Reverse Commute Service Revenue**  
**Public Service**  
**Schedule 4R (JARC)**  
**For the Year Ended September 30, 2015**

<b>Code</b>	<b>Description</b>	<b>Amount</b>
<b>401 :</b>	<b>Farebox revenue</b>	
40100	Passenger fares	\$      5,496
<b>411 :</b>	<b>State formula and contracts</b>	
41199	Other state contracts and reimbursements	51,150
<b>413 :</b>	<b>Federal contracts</b>	
41399	Other federal transit contracts and reimbursements	51,150
	Total revenues	<u>\$     107,796</u>

**Allegan County Transportation**  
**Schedule of Job Access Reverse Commute Service Expenses**  
**Schedule 4E (JARC)**  
**For the Year Ended September 30, 2015**

<b>Code</b>	<b>Description</b>	<b>Operations</b>	<b>Maintenance</b>	<b>Gen. Admin.</b>	<b>Total</b>
<b>501 :</b>	<b>Labor</b>				
50101	Operators' salaries and wages	\$ 36,579	\$ -	\$ -	\$ 36,579
50102	Other salaries and wages	-	4,608	18,546	23,154
50103	Dispatchers' salaries and wages	8,052	-	-	8,052
<b>502 :</b>	<b>Fringe benefits</b>				
50200	Other fringe benefits	8,317	491	3,555	12,363
<b>503 :</b>	<b>Services</b>				
50302	Advertising fees	-	-	128	128
50305	Audit costs (federal only)	-	-	159	159
50399	Other services	539	-	2,644	3,183
<b>504 :</b>	<b>Materials and supplies</b>				
50401	Fuel and lubricants	12,609	-	-	12,609
50402	Tires and tubes	959	-	-	959
50499	Other materials and supplies	2,907	-	447	3,354
<b>505 :</b>	<b>Utilities</b>				
50500	Utilities	1,638	-	1,687	3,325
<b>506 :</b>	<b>Insurance</b>				
50603	Liability insurance	874	-	-	874
50699	Other insurance	2,909	-	-	2,909
<b>509 :</b>	<b>Miscellaneous expense</b>				
50902	Travel, meetings, and training	-	-	(424)	(424)
50903	Association dues and subscriptions	29	-	125	154
<b>512 :</b>	<b>Operating leases and rentals</b>				
51200	Operating leases and rentals	-	-	5,311	5,311
<b>550 :</b>	<b>Ineligible expenses</b>				
55000	Ineligible JARC and NF fares	5,496	-	-	5,496
<b>580 :</b>	<b>Ineligible expenses</b>				
58020	Ineligible DB Pensions	-	-	122	122
	<b>Total eligible expenses</b>	<b>\$ 75,412</b>	<b>\$ 5,099</b>	<b>\$ 32,178</b>	<b>\$ 112,689</b>
					<b>Total expenses</b>
					<b>\$ 112,689</b>
					<b>Total ineligible expenses</b>
					<b>(5,618)</b>
					<b>Total eligible expenses</b>
					<b>\$ 107,071</b>

**Allegan County Transportation**  
**Schedule of Job Access Reverse Commute Nonfinancial Data (Unaudited)**  
**Public Service**  
**Schedule 4N (JARC)**  
**For the Year Ended September 30, 2015**

<b>Code</b>	<b>Description</b>	<b>Weekday</b>	<b>Saturday</b>	<b>Sunday</b>	<b>Total</b>
610 :	Vehicle hours	2,193	-	-	2,193
611 :	Vehicle miles	52,750	-	-	52,750
615 :	Passengers - regular	2,465	-	-	2,465
616 :	Passengers - Elderly	130	-	-	130
617 :	Passengers - persons w/ disabilities	364	-	-	364
618 :	Elderly Passengers - persons w/ disabilities	72	-	-	72
622 :	Total demand-response passengers	3,031	-	-	3,031
625 :	Days operated	259	-	-	259
	Total passengers				<b>3,031</b>

Vehicle Information

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

Miscellaneous Information

660	Diesel/gasoline gallons consumed				5,584
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 Revenue  
Schedule 4R (Specialized Service)  
For the Year Ended September 30, 2015**

<b>Code</b>	<b>Description</b>	<b>Amount</b>
<b>401 :</b>	<b>Farebox revenue</b>	
40100	Passenger fares	\$ 4,489
40200	Contract fares	25,000
<b>411 :</b>	<b>State formula and contracts</b>	
41199	Other state operating assistance	106,704
	<b>Total revenues</b>	<b>\$ 136,193</b>





**Allegan County Transportation**  
**Schedule of Specialized Services Nonfinancial Data (Unaudited)**  
**Public Service**  
**Schedule 4N (Specialized Service)**  
**For the Year Ended September 30, 2015**

<b>Code</b>	<b>Description</b>	<b>Agency</b>	<b>Volunteer</b>	<b>Total</b>
610	Vehicle hours	3,125	-	3,125
611	Vehicle miles	89,789		89,789
615	Passengers - regular	-	-	-
616	Passengers - elderly	973	-	973
617	Passengers - persons w/ disabilities	664	-	664
618	Passengers - elderly persons w/ disabilities	2,852	-	2,852
625	Days operated		-	-
	<b>Total passengers</b>			<b>4,489</b>

Vehicle Information

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

**Allegan County Transportation  
Operating Assistance Calculation  
Schedule 5  
For the Year Ended September 30, 2015**

	<u>Nonurban</u>	
Total expenses	\$ 1,115,477	
Less ineligible expenses:		
Other ineligible - rental/lease	(4,197)	
DB pension	(1,238)	
RTAP	(2,832)	
Association dues	(222)	
<b>Total ineligible expenses</b>	<u>(8,489)</u>	
<b>Total state eligible expenses</b>	1,106,988	
Eligible expenses for state reimbursement	1,106,988	
x Reimbursement percentage	36.3400%	
<b>State operating assistance</b>	<u>\$ 402,279</u>	
State operating assistance received		<u>\$ 367,387</u>
Amount due from state		<u>\$ 34,892</u>
<b>Total federal eligible expenses</b>	<u>\$ 1,106,988</u>	
Eligible expenses for federal reimbursement	1,106,988	
x Reimbursement percentage	18.5000%	
<b>Federal operating assistance</b>	<u>\$ 204,793</u>	
Federal operating assistance received		<u>\$ 187,017</u>
Amount due from federal		<u>\$ 17,776</u>

**Allegan County Transportation  
Mileage / Hourly Data (Unaudited)  
Non Financial Data Summary  
For the Year Ended September 30, 2015**

		<u>Nonurban Transportation</u>	<u>JARC Transportation</u>	<u>Specialized Services Transportation</u>	<u>Total Transportation</u>
<b><u>Mileage</u></b>					
First Quarter	10/14 - 12/14	144,553	13,000	22,351	179,904
Second Quarter	1/15 - 3/15	137,092	13,250	22,575	172,917
Third Quarter	4/15 - 6/15	138,892	13,250	22,389	174,531
Fourth Quarter	7/15 - 9/15	119,548	13,250	22,474	155,272
Total Operation		<u>540,085</u>	<u>52,750</u>	<u>89,789</u>	<u>682,624</u>
<b><u>Hours</u></b>					
First Quarter	10/14 - 12/14	5,659	558	754	6,971
Second Quarter	1/15 - 3/15	5,704	556	750	7,010
Third Quarter	4/15 - 6/15	5,465	535	864	6,864
Fourth Quarter	7/15 - 9/15	4,808	544	757	6,109
Total Operation		<u>21,636</u>	<u>2,193</u>	<u>3,125</u>	<u>26,954</u>
Percentage of total hours		80.3%	8.1%	11.6%	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**

**Drain Commission/Department of Public Works Component Unit  
Balance Sheet  
Governmental Funds  
December 31, 2015**

	Debt Service				
	General	Fillmore Water	Kalamazoo Lake	Other	Total
		and Sewer No.9	Sewer/Water		
		Debt No.18	Funds	Funds	
<b>ASSETS</b>					
Cash and pooled investments	\$ 1,076,060	\$ 1,148	\$ --	\$ 381,946	\$ 1,459,154
Special assessments receivable	809,425	--	--	--	809,425
Leases receivable	--	2,719,544	4,342,637	2,912,228	9,974,409
Due from other funds	--	--	--	179,561	179,561
Special assessments - long-term	3,795,539	--	--	--	3,795,539
<b>Total Assets</b>	<b>\$ 5,681,024</b>	<b>\$ 2,720,692</b>	<b>\$ 4,342,637</b>	<b>\$ 3,473,735</b>	<b>\$ 16,218,088</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 303,729	\$ --	\$ --	\$ --	\$ 303,729
Advance from primary government	--	--	--	180,000	180,000
Short-term debt	180,900	--	--	--	180,900
Due to other funds	179,561	--	--	--	179,561
<b>Total Liabilities</b>	<b>664,190</b>	<b>--</b>	<b>--</b>	<b>180,000</b>	<b>844,190</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenues - special assessments	4,604,964	--	--	--	4,604,964
Unavailable revenues - leases	--	2,719,544	4,342,637	2,912,228	9,974,409
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>5,269,154</b>	<b>2,719,544</b>	<b>4,342,637</b>	<b>3,092,228</b>	<b>15,423,563</b>
<b>FUND BALANCE</b>					
Restricted	--	1,148	--	381,507	382,655
Unassigned	411,870	--	--	--	411,870
<b>Total Fund Balance</b>	<b>411,870</b>	<b>1,148</b>	<b>--</b>	<b>381,507</b>	<b>794,525</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 5,681,024</b>	<b>\$ 2,720,692</b>	<b>\$ 4,342,637</b>	<b>\$ 3,473,735</b>	<b>\$ 16,218,088</b>

**Drain Commission/Department of Public Works Component Unit  
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position  
December 31, 2015**

Total Fund Balance - Governmental Funds	\$	794,525
Net position of internal service funds that are treated as proprietary in the fund level statements are treated as governmental in the entity-wide statements.		92,743
In the statement of activities, interest is accrued on outstanding debt, whereas in governmental funds, the interest expenditure is reported when due.		(133,552)
General government capital assets of \$14,728,666, net of accumulated depreciation of \$1,801,949, are not financial resources and, accordingly, are not reported in the funds.		12,926,717
Long-term liabilities, including the current portion of long-term debt, are not payable in the current period and, therefore, are not reported in the funds.		(14,845,433)
Other long-term assets (receivables) are not available to pay current period expenditures and, therefore, are deferred in the funds.		14,579,373
<b>Total Net Position - Governmental Funds</b>	<b>\$</b>	<b><u>13,414,373</u></b>

**Drain Commission/Department of Public Works Component Unit  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Governmental Funds  
For the Year Ended December 31, 2015**

	Debt Service				Total Governmental Funds
	General	Fillmore Water and Sewer No.9	Kalamazoo Lake Sewer/Water Debt No.18	Other Governmental Funds	
<b>Revenues</b>					
Taxes and penalties	\$ 1,384,854	\$ --	\$ --	\$ --	\$ 1,384,854
Intergovernmental - local	--	238,675	295,190	924,981	1,458,846
Interest and rentals	2,070	--	--	2,986	5,056
Other revenues	940,484	--	--	--	940,484
<b>Total Revenues</b>	<u>2,327,408</u>	<u>238,675</u>	<u>295,190</u>	<u>927,967</u>	<u>3,789,240</u>
<b>Expenditures</b>					
Drains/public works	494,071	--	--	--	494,071
Capital outlay	2,068,477	--	--	--	2,068,477
Debt service - principal	1,204,007	180,000	185,000	960,000	2,529,007
Debt service - interest	92,321	59,625	110,190	142,302	404,438
<b>Total Expenditures</b>	<u>3,858,876</u>	<u>239,625</u>	<u>295,190</u>	<u>1,102,302</u>	<u>5,495,993</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(1,531,468)</u>	<u>(950)</u>	<u>--</u>	<u>(174,335)</u>	<u>(1,706,753)</u>
<b>Other Financing Sources (Uses)</b>					
Notes issued	1,109,500	--	--	--	1,109,500
Transfers in	413	1,746	--	299,267	301,426
Transfers out	(295,802)	--	--	(5,624)	(301,426)
<b>Net Other Financing Sources (Uses)</b>	<u>814,111</u>	<u>1,746</u>	<u>--</u>	<u>293,643</u>	<u>1,109,500</u>
<b>Net Change in Fund Balance</b>	<u>(717,357)</u>	<u>796</u>	<u>--</u>	<u>119,308</u>	<u>(597,253)</u>
<b>Fund Balance at Beginning of Period</b>	1,129,227	352	--	262,199	1,391,778
<b>Fund Balance at End of Period</b>	<u>\$ 411,870</u>	<u>\$ 1,148</u>	<u>\$ --</u>	<u>\$ 381,507</u>	<u>\$ 794,525</u>

**Drain Commission/Department of Public Works Component Unit  
 Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and  
 Changes in Fund Balance with Statement of Activities  
 For the Year Ended December 31, 2015**

Total Net Change in Fund Balances - Governmental Funds	\$ (597,253)
Changes in net position of internal service funds that are treated as enterprise fund changes in net position in the fund level statements are treated as governmental fund changes in net position in the entity-wide statements.	(8,520)
Changes to accrued interest are not shown in the fund financial statements. The net effect of the current year change is to decrease net position.	(2,183)
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.	1,833,475
Proceeds from the issuance of notes payable are reported as other financing sources in the fund statements, but reported as liabilities in the statement of net position.	(1,109,500)
Long-term debt payments are reported as financing uses in the governmental funds and thus contribute to the change in fund balance. However, debt payments reduce long-term debt on the statement of net position. This represents the amount of principal payment made during the year on long-term debt.	2,529,007
Contractual payment from another governmental unit for debt service is not considered revenue in the statement of activities.	(638,765)
<b>Changes in Net Position - Governmental Funds</b>	<b>\$ <u>2,006,261</u></b>



**Drain Commission/Department of Public Works Component Unit  
Statement of Net Position  
Internal Service Fund  
December 31, 2015**

	<b>Drain Equipment</b>
<b>ASSETS</b>	
<i>Current Assets</i>	
Cash and pooled investments	\$ 85,767
<b><i>Total Current Assets</i></b>	<b>85,767</b>
<i>Noncurrent Assets</i>	
Capital assets being depreciated, net	8,208
<b><i>Total Assets</i></b>	<b>93,975</b>
<b>LIABILITIES</b>	
<i>Current Liabilities</i>	
Accounts payable	330
Accrued payroll	902
<b><i>Total Liabilities</i></b>	<b>1,232</b>
<b>NET POSITION</b>	
Net investment in capital assets	8,208
<i>Unrestricted</i>	84,535
<b><i>Total Net Position</i></b>	<b>\$ 92,743</b>

**Drain Commission/Department of Public Works Component Unit  
Statement of Revenues, Expenses, and Changes in Net Position  
Internal Service Fund  
For the Year Ended December 31, 2015**

	<b>Drain Equipment</b>
<b>Operating Revenues</b>	
Charges for services	\$ 118,721
<i>Total Operating Revenues</i>	118,721
<b>Operating Expenses</b>	
Drains/public works	124,230
Depreciation expense	3,649
<i>Total Operating Expenses</i>	127,879
<i>Operating Income (Loss)</i>	(9,158)
<b>Non-Operating Revenues (Expenses)</b>	
Interest earned on investments	638
<i>Net Non-Operating Revenues (Expenses)</i>	638
<i>Change In Net Position</i>	<b>(8,520)</b>
<i>Net Position at Beginning of Period</i>	101,263
<i>Net Position at End of Period</i>	<b>\$ 92,743</b>

**Drain Commission/Department of Public Works Component Unit**  
**Statement of Cash Flows**  
**Internal Service Fund**  
**For the Year Ended December 31, 2015**

	<u>Drain Equipment</u>
<b>Cash Flows from Operating Activities</b>	
Cash received from interfund charges	\$ 118,721
Cash payments to suppliers for goods and services	(20,776)
Cash payments to employees for services	(106,044)
<b><i>Net cash provided (used) by Operating Activities</i></b>	<b>(8,099)</b>
 <b>Cash Flows from Investing Activities</b>	
Interest on deposits	638
<b><i>Net cash provided (used) by Investing Activities</i></b>	<b>638</b>
 <b><i>Net Increase (Decrease) in Cash and Equivalents</i></b>	<b>(7,461)</b>
<b><i>Cash and Equivalents - Beginning of Year</i></b>	<b>93,228</b>
<b><i>Cash and Equivalents - End of Year</i></b>	<b>\$ 85,767</b>
 <b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>	
<b>Operating income (loss)</b>	<b>\$ (9,158)</b>
Adjustments to Reconcile Operating Income to Net Cash <b>Provided (Used) by Operating Activities</b>	
Depreciation	3,649
<b>Changes in Assets and Liabilities</b>	
Accounts payable	(1,512)
Accrued liabilities	(1,078)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ (8,099)</b>

**Drain Commission/Department of Public Works Component Unit**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**December 31, 2015**

	Debt Service							
	Fillmore Township Sewage	City of Wayland Sewer 1999 Bonds	City of Wayland Sewage 1998 Bonds	Sewer No.13 Saugatuck	Water & Sewer No.3 Otsego Twp	Martin Village	Fillmore Water and Sewer No.8	
<b>ASSETS</b>								
Cash and pooled investments	\$ --	\$ --	\$ --	384 \$	2,248 \$	--	\$ 536	
Leases receivable	--	--	--	--	58,898	--	2,000	
Due from other funds	--	--	--	--	--	--	--	
<b>Total Assets</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>384</b>	<b>\$ 61,146</b>	<b>\$ --</b>	<b>\$ 2,536</b>	
<b>LIABILITIES</b>								
Advance from primary government	--	--	--	--	--	--	--	
<b>Total Liabilities</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>\$ --</b>	
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Unavailable revenues - leases	--	--	--	--	58,898	--	2,000	
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>--</b>	<b>58,898</b>	<b>--</b>	<b>2,000</b>	
<b>FUND BALANCE</b>								
Restricted	--	--	--	384	2,248	--	536	
Unassigned	--	--	--	--	--	--	--	
<b>Total Fund Balance</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>384</b>	<b>2,248</b>	<b>--</b>	<b>536</b>	
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>384</b>	<b>\$ 61,146</b>	<b>\$ --</b>	<b>\$ 2,536</b>	

**Drain Commission/Department of Public Works Component Unit**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**December 31, 2015**

	Debt Service						
	Otsego Water/Sewer Refunding	City of Wayland Refunding	Martin Village Refunding	Bear Swamp	McConnell Drain	Gudith Drain	Kuipers Drain
<b>ASSETS</b>							
Cash and pooled investments	\$ 885	\$ 789	\$ 673	\$ 374,888	\$ --	\$ --	\$ --
Leases receivable	513,003	1,106,949	1,085,612	--	--	--	--
Due from other funds	--	--	--	--	--	--	--
<b>Total Assets</b>	<b>\$ 513,888</b>	<b>\$ 1,107,738</b>	<b>\$ 1,086,285</b>	<b>\$ 374,888</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>
<b>LIABILITIES</b>							
Advance from primary government	--	--	--	--	--	--	--
<b>Total Liabilities</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenues - leases	513,003	1,106,949	1,085,612	--	--	--	--
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>513,003</b>	<b>1,106,949</b>	<b>1,085,612</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>FUND BALANCE</b>							
Restricted	885	789	673	374,888	--	--	--
Unassigned	--	--	--	--	--	--	--
<b>Total Fund Balance</b>	<b>885</b>	<b>789</b>	<b>673</b>	<b>374,888</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 513,888</b>	<b>\$ 1,107,738</b>	<b>\$ 1,086,285</b>	<b>\$ 374,888</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>

**Drain Commission/Department of Public Works Component Unit**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**December 31, 2015**

	Debt Service			Capital Projects			Total Nonmajor Governmental Funds
	Sunset Shores	Nelson Gilkey	CASCO/South Haven Water No.7	Fillmore Township	Revolving Drain	Martin Village Water No.8	
<b>ASSETS</b>							
Cash and pooled investments	\$ --	\$ --	\$ 1,104	\$ --	\$ 439	\$ --	\$ 381,946
Leases receivable	--	--	145,766	--	--	--	2,912,228
Due from other funds	--	--	--	--	179,561	--	179,561
<b>Total Assets</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 146,870</b>	<b>\$ --</b>	<b>\$ 180,000</b>	<b>\$ --</b>	<b>\$ 3,473,735</b>
<b>LIABILITIES</b>							
Advance from primary government	\$ --	\$ --	\$ --	\$ --	\$ 180,000	\$ --	\$ 180,000
<b>Total Liabilities</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 180,000</b>	<b>\$ --</b>	<b>\$ 180,000</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenues - leases	--	--	145,766	--	--	--	2,912,228
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 145,766</b>	<b>\$ --</b>	<b>\$ 180,000</b>	<b>\$ --</b>	<b>\$ 3,092,228</b>
<b>FUND BALANCE</b>							
Restricted	--	--	1,104	--	--	--	381,507
Unassigned	--	--	--	--	--	--	--
<b>Total Fund Balance</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 1,104</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 381,507</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 146,870</b>	<b>\$ --</b>	<b>\$ 180,000</b>	<b>\$ --</b>	<b>\$ 3,473,735</b>

**Drain Commission/Department of Public Works Component Unit**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2015**

	Debt Service						
	Fillmore Township Sewage	City of Wayland Sewer 1999 Bonds	City of Wayland Sewage 1998 Bonds	Sewer No.13 Saugatuck	Water & Sewer No.3 Otsego Twp	Martin Village	Fillmore Water and Sewer No.8
<b>Revenues</b>							
Intergovernmental - local	\$ --	\$ --	\$ --	\$ --	\$ 69,558	\$ --	\$ --
Interest and rentals	--	--	--	--	61	--	4
<b>Total Revenues</b>	--	--	--	--	69,619	--	4
<b>Expenditures</b>							
Debt service - principal	--	--	--	--	65,000	--	--
Debt service - interest	--	--	--	--	4,108	--	--
<b>Total Expenditures</b>	--	--	--	--	69,108	--	--
<b>Excess of Revenues Over (Under) Expenditures</b>	--	--	--	--	511	--	4
<b>Other Financing Sources (Uses)</b>							
Transfers in	--	--	--	--	--	--	--
Transfers out	(1,745)	(1,301)	(1,253)	--	--	(909)	--
<b>Net Other Financing Sources (Uses)</b>	(1,745)	(1,301)	(1,253)	--	--	(909)	--
<b>Net Change in Fund Balance</b>	(1,745)	(1,301)	(1,253)	--	511	(909)	4
<b>Fund Balance at Beginning of Period</b>	1,745	1,301	1,253	384	1,737	909	532
<b>Fund Balance at End of Period</b>	\$ --	\$ --	\$ --	\$ 384	\$ 2,248	\$ --	\$ 536

**Drain Commission/Department of Public Works Component Unit**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2015**

	Debt Service						
	Otsego Water/Sewer Refunding	City of Wayland Refunding	Martin Village Refunding	Bear Swamp	McConnell Drain	Gudith Drain	Kuipers Drain
<b>Revenues</b>							
Intergovernmental - local	\$ 119,485	\$ 236,363	\$ 71,963	\$ 121,206	\$ --	\$ --	\$ --
Interest and rentals	86	6	5	2,618	--	--	--
<b>Total Revenues</b>	<u>119,571</u>	<u>236,369</u>	<u>71,968</u>	<u>123,824</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Expenditures</b>							
Debt service - principal	95,000	210,000	35,000	260,000	--	--	--
Debt service - interest	24,760	28,163	37,838	35,802	--	--	--
<b>Total Expenditures</b>	<u>119,760</u>	<u>238,163</u>	<u>72,838</u>	<u>295,802</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(189)</u>	<u>(1,794)</u>	<u>(870)</u>	<u>(171,978)</u>	<u>--</u>	<u>--</u>	<u>--</u>
<b>Other Financing Sources (Uses)</b>							
Transfers in	--	2,554	911	295,802	--	--	--
Transfers out	--	--	--	--	(2)	(151)	(18)
<b>Net Other Financing Sources (Uses)</b>	<u>--</u>	<u>2,554</u>	<u>911</u>	<u>295,802</u>	<u>(2)</u>	<u>(151)</u>	<u>(18)</u>
<b>Net Change in Fund Balance</b>	<u>(189)</u>	<u>760</u>	<u>41</u>	<u>123,824</u>	<u>(2)</u>	<u>(151)</u>	<u>(18)</u>
<b>Fund Balance at Beginning of Period</b>	1,074	29	632	251,064	2	151	18
<b>Fund Balance at End of Period</b>	<u>\$ 885</u>	<u>\$ 789</u>	<u>\$ 673</u>	<u>\$ 374,888</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>



**Drain Commission/Department of Public Works Component Unit**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2015**

	Debt Service			Capital Projects			Total Nonmajor Governmental Funds
	Sunset Shores	Nelson Gilkey	CASCO/South Haven Water No.7	Fillmore Township	Revolving Drain	Martin Village Water No.8	
<b>Revenues</b>							
Intergovernmental - local	\$ --	\$ --	\$ 306,406	\$ --	\$ --	\$ --	\$ 924,981
Interest and rentals	--	--	206	--	--	--	2,986
<b>Total Revenues</b>	--	--	306,612	--	--	--	927,967
<b>Expenditures</b>							
Debt service - principal	--	--	295,000	--	--	--	960,000
Debt service - interest	--	--	11,631	--	--	--	142,302
<b>Total Expenditures</b>	--	--	306,631	--	--	--	1,102,302
<b>Excess of Revenues Over (Under) Expenditures</b>	--	--	(19)	--	--	--	(174,335)
<b>Other Financing Sources (Uses)</b>							
Transfers in	--	--	--	--	--	--	299,267
Transfers out	(5)	(237)	--	(1)	--	(2)	(5,624)
<b>Net Other Financing Sources (Uses)</b>	(5)	(237)	--	(1)	--	(2)	293,643
<b>Net Change in Fund Balance</b>	(5)	(237)	(19)	(1)	--	(2)	119,308
<b>Fund Balance at Beginning of Period</b>	5	237	1,123	1	--	2	262,199
<b>Fund Balance at End of Period</b>	--	--	1,104	--	--	--	381,507