



OGEMAW COUNTY

2022 Audit Results



Audit Opinion Letter

- Unmodified Opinion – Highest Level of Assurance

Management's Discussion and Analysis

- Begins on Page 3
- Management's recap of the current year activity in layman's terms

Government-Wide Financial Statements / Fund Financial Statements

Notes to Financial Statements

Required Supplementary Information / Other Information

Single Audit Report

Management Letter

AUDIT REPORT LAYOUT


GOVERNMENT- WIDE FINANCIAL STATEMENTS

Begins on Page 12

- ▶ Combines all Funds of the County
- ▶ Incorporates all Long-Term Activity (Fixed Assets, Long Term Debt, etc.)
- ▶ Note that these are the only Governmental statements where the governmental portion of the GASB 68 Net Pension Liability and GASB 75 Other Post Employment Benefits (OPEB) Liability are recorded.
 - ▶ Primary Government's Total Net Pension Liability - \$7,275,778
 - ▶ OPEB Liability - \$598,260
 - ▶ Component Units Total Net Pension Liability - \$3,791,128
 - ▶ OPEB Liability - \$390,275
- ▶ Ending Net Position –
 - ▶ \$5,631,797 for the Primary Government (An Increase of \$291,666)
 - ▶ \$38,263,006 for the Component Units (An Increase of \$938,038)
 - ▶ Many Governments are in the RED

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Big Changes from 2021 – Primary Government:

- ▶ Cash and Investments Increased About \$500,000
 - ▶ Property and Delinquent Taxes, Due from Gov'ts and Other Receivables Increased About \$616,000
 - ▶ Accounts Payable and Due to Governments Increased About \$37,500.
 - ▶ ARPA Grant brought in Almost \$2,090,000 in Cash (\$801,361 in Revenue and the rest Deferred)
 - ▶ Net Pension Liability, Net of Related Deferrals, Decreased About \$633,000
 - ▶ Net OPEB Liability, Net of Related Deferrals, Decreased About \$2,500
 - ▶ Long Term Debt Increased about \$51,000
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Current Year Fixed Asset Additions:

- ▶ Juvenile Day Treatment Center - \$231,083 (\$7,140 was in PY CIP)
- ▶ Phone System - \$55,256 (\$42,514 was in PY CIP)
- ▶ Sheriff Department Vehicles (CIP) – \$82,334
- ▶ Sheriff Department Vehicles - \$104,514 (\$84,360 was in PY CIP)
- ▶ Water Heater (Jail) - \$15,800
- ▶ Diagnostic Scanner (Transit) - \$8,028
- ▶ Nature Park Fence - \$32,686
- ▶ Shower House Improvements (Park) - \$7,056
- ▶ Seamless Document Software - \$8,358
- ▶ Folder/Inserter/Sealer - \$14,750
- ▶ Web-based Time Program - \$16,071
- ▶ Fixed Asset Software - \$6,500
- ▶ Virtual Assessing Software - \$46,869
- ▶ Building Department Vehicles (CIP) - \$61,830
- ▶ Animal Control Truck Insert (CIP) - \$11,998

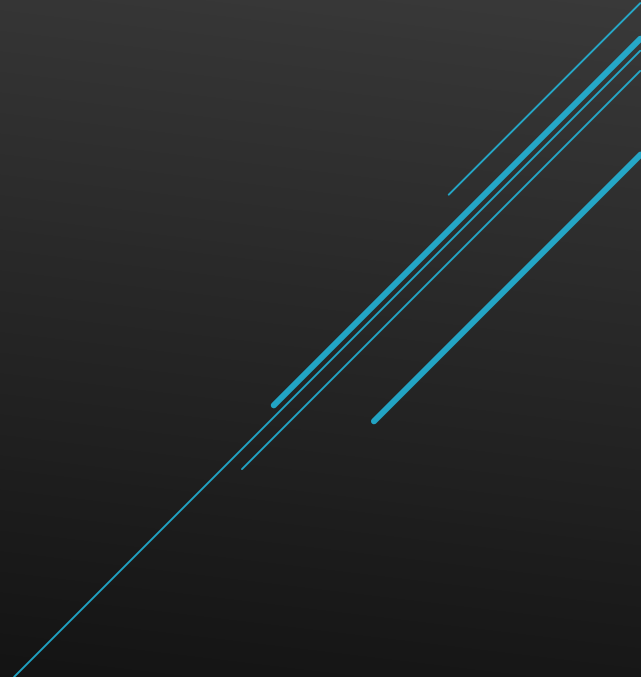
FIXED ASSET ADDITIONS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

– BIG CHANGES FROM 2021 REVENUES (PRIMARY GOVERNMENT)

- ▶ Total Revenues Increased About \$71,000
 - ▶ Charges for Services Increased Almost \$300,000
 - ▶ Land Sales increased Almost \$170,000
 - ▶ Inmate Medical Care Reimbursements increased almost \$51,000
 - ▶ Out of County Inmate Revenue Increased by About \$60,000
 - ▶ Diverted Felons Revenue Increased by About \$58,000
 - ▶ Operating Grants and Capital Grants Netted an Increase of About \$330,000
 - ▶ ARPA Grant Revenues Increased by About \$180,000
 - ▶ Indigent Defense Revenues Increased by About \$194,000
 - ▶ Offset by a Decrease in Community Corrections Revenue of About \$28,000
- ▶ Road Patrol Millage Decreased About \$585,000 (millage reduction)
- ▶ MSU Extension Millage Decreased About \$65,000 (millage reduction)
- ▶ State Revenue Sharing Increased About \$170,000

GOVERNMENT-WIDE FINANCIAL STATEMENTS – BIG CHANGES FROM 2021 EXPENSES (PRIMARY GOVERNMENT)

- ▶ Total Expenses Increased About \$426,000
 - ▶ Homeland Security Expenses Decreased about \$10,000
 - ▶ Probate Child Care Purchased Services Expenses Increased about \$92,000
 - ▶ NPL & OPEB Expenses Decreased about \$1,290,000
 - ▶ Compensated Absences Related Expenses Increased about \$188,000
 - ▶ Other Payroll Related Expenses Increased about \$850,000
 - ▶ General Utilities Expenses Increased about \$57,000
 - ▶ General Legal Expenses Increased about \$52,000
 - ▶ Indigent Defense Assigned Counsel Expenses Increased about \$50,000
 - ▶ Out of County Inmate Medical Expenses Increased about \$57,000
 - ▶ New Park Fence in the current year of about \$32,000
 - ▶ Corrections Food Supplies Expenses Increased about \$26,000
 - ▶ Depreciation Expense Increased about \$22,000
 - ▶ Plus Various Other Smaller Increases Across the Board
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COMPONENT UNITS

Big Changes from 2021:

- ▶ Drain Commission
 - ▶ Reduced overall Net Position by \$15,660 (mostly related to Depreciation)
- ▶ Road Commission
 - ▶ Increased overall Net Position by \$882,353:
 - ▶ An 18% Increase in General Fund Revenues (about \$1,440,000)
 - ▶ A 30% Increase in General Fund Expenses (about \$2,135,000)
- ▶ Economic Development Corporation
 - ▶ Increased overall Net Position by \$30,719 (due mostly to County contributions)
- ▶ Ogemaw County Land Bank Authority
 - ▶ Increased overall Net Position by \$40,626 (due mostly to ARPA contribution)



Begins on Page 16



These are the Funds you Monitor and Budget



Major Governmental Funds:

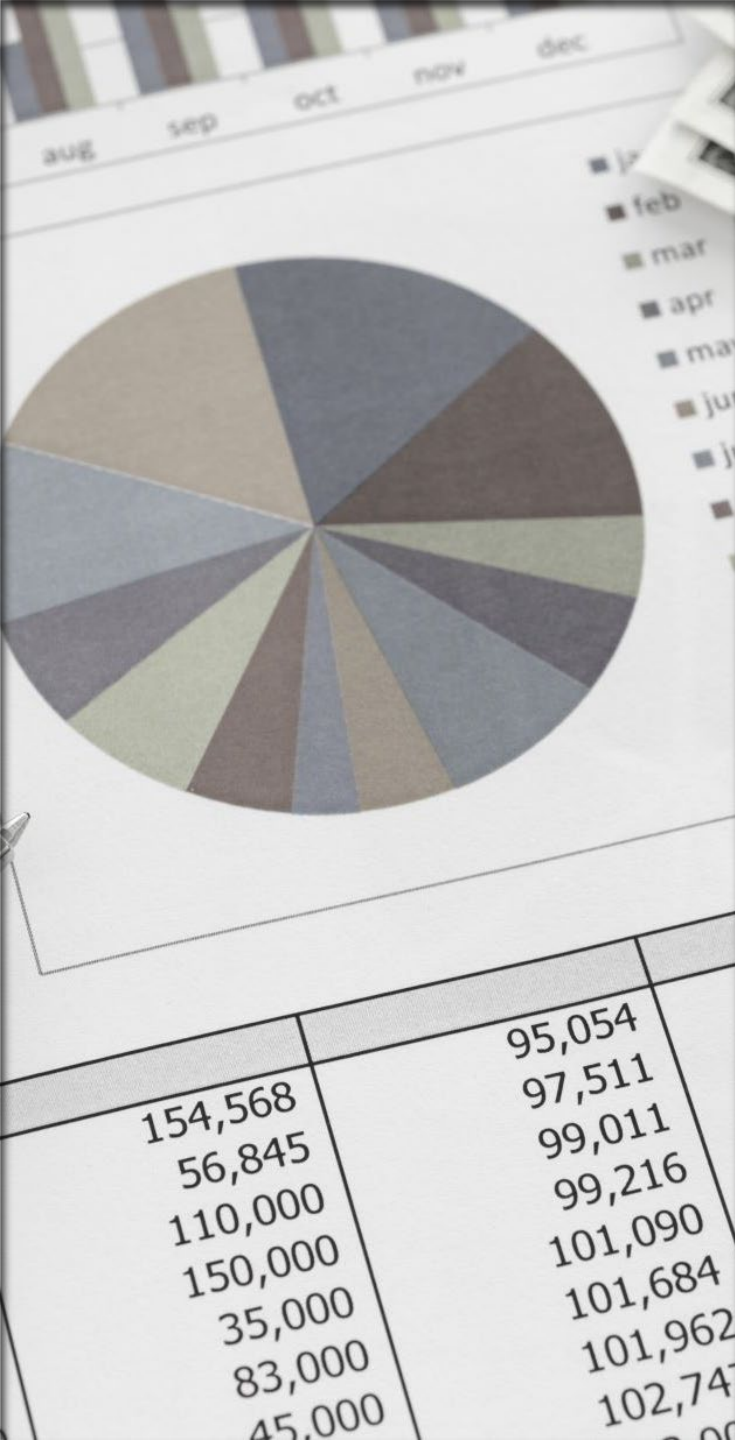
General Fund
Housing Commission Fund
ARPA Fund
Jail Renovation Debt Service Fund



Major Enterprise Funds:

Ogemaw County Public Transit
Tax Umbrella (DTRF)

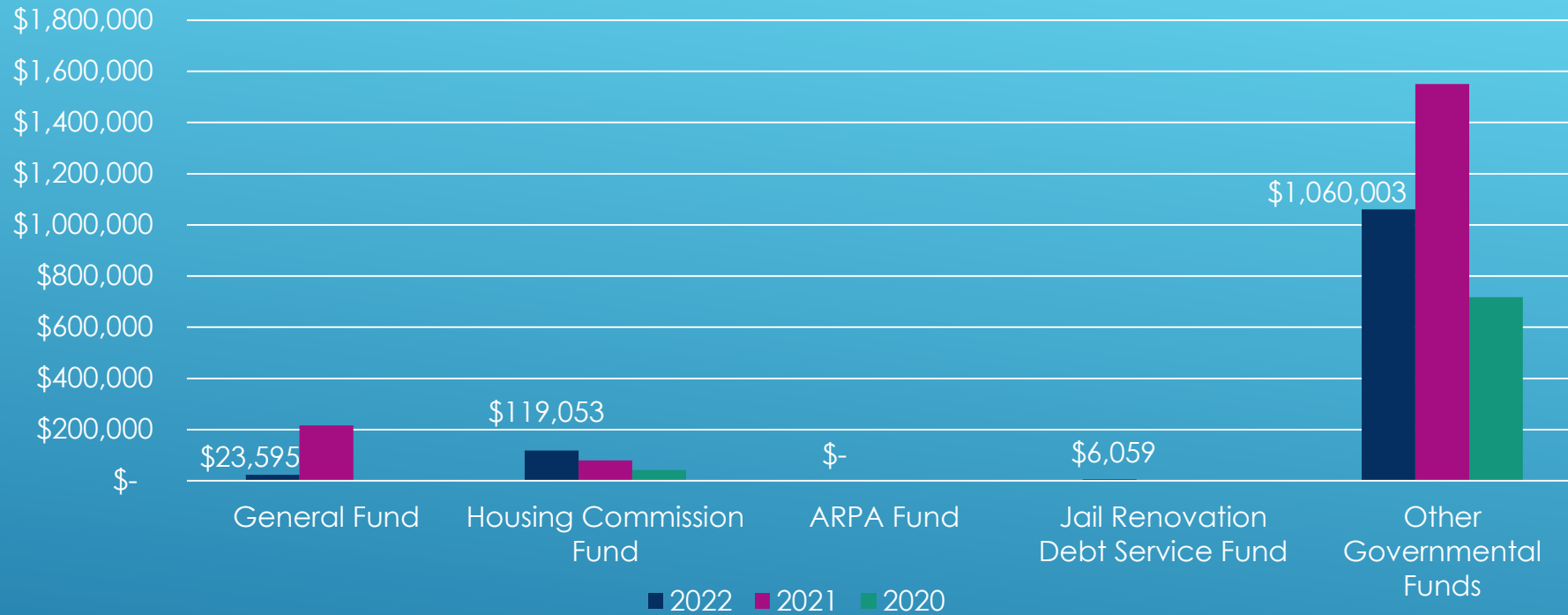
FUND FINANCIAL STATEMENTS



Governmental Funds:

- ▶ **General Fund** – \$23,595
 - ▶ (0.2% of Current Year Expenditures; 2.3% in PY)
 - ▶ Decrease of \$194,901
- ▶ **Housing Commission Fund** - \$119,053 (100% Restricted)
 - ▶ Increase of \$39,179
- ▶ **ARPA Fund** - \$0
 - ▶ All revenues were expensed or transferred out
- ▶ **Jail Renovation Debt Service Fund** - \$6,059
 - ▶ Increase of \$6,059
- ▶ **Other Non-Major Governmental Funds** – \$1,060,003
 - ▶ Decrease of \$490,524
 - ▶ \$1,010,676 Restricted
 - ▶ \$49,327 Committed

ENDING FUND BALANCE



GOVERNMENTAL FUND FUND BALANCE

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Transfer from ARPA Fund (Revenue Loss & Int.)	\$ -	\$ -	\$ -	\$ 500,000	\$ 504,891
Transfer from Tax Umbrella Fund	-	83,653	416,667	750,969	274,500
Transfer from Tax Reversion Fund	186,000	100,000	110,000	-	150,000
Transfer From Commissary Fund	-	-	75,000	-	215,800
Transfer from Local Corrections Officer's Training Fund	-	-	-	-	4,385
Transfer from COVID Emergency Supplemental Funding Fund	-	-	-	-	64,371
Transfer From Concealed Weapons Licensing Fund	-	-	10,000	10,000	31,000
	<u>\$ 186,000</u>	<u>\$ 183,653</u>	<u>\$ 611,667</u>	<u>\$ 611,667</u>	<u>\$ 1,244,947</u>

TRANSFERS TO GENERAL FUND

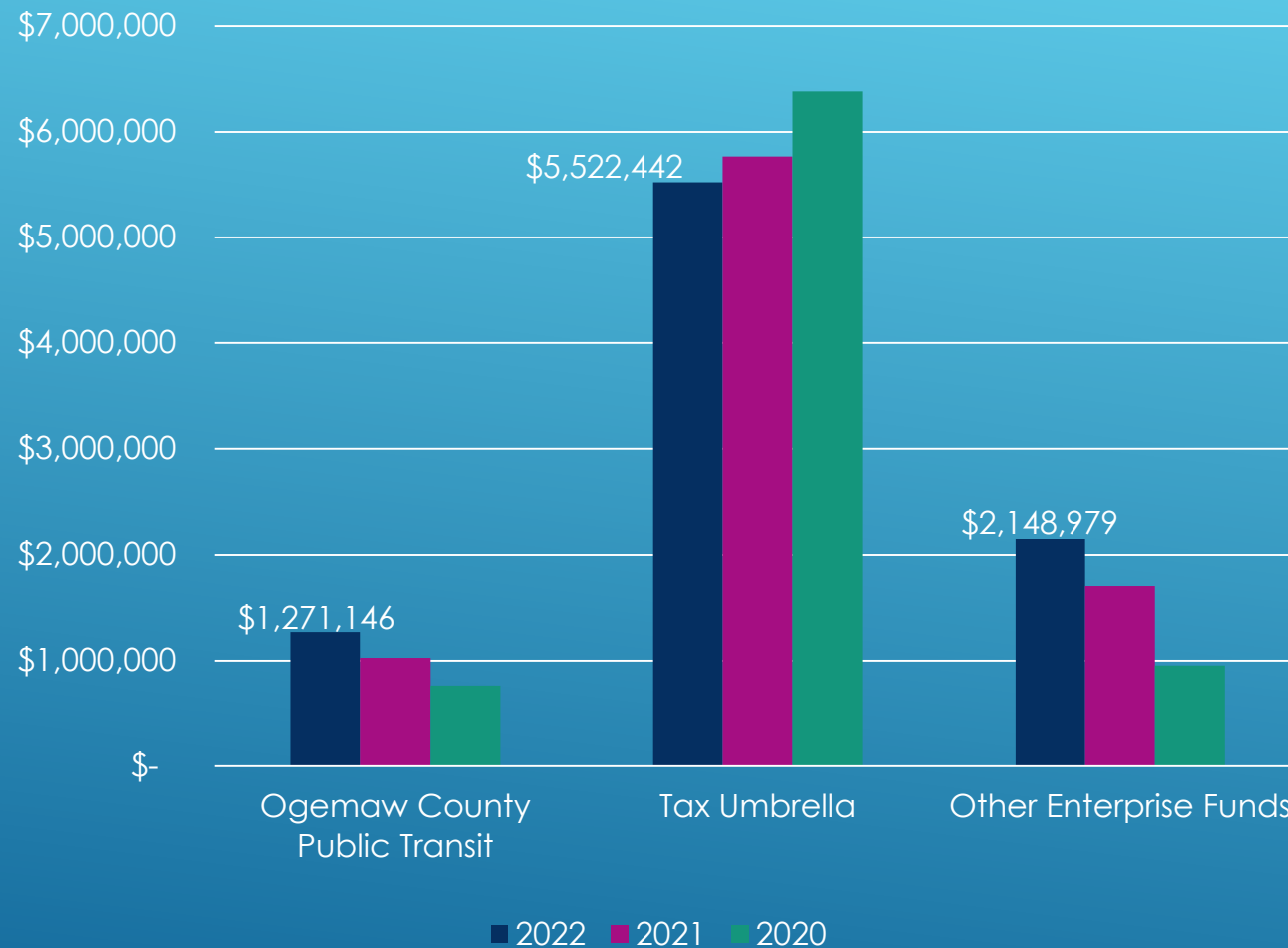
- Average Growth in the DTRF Funds since 2015 = \$397,004

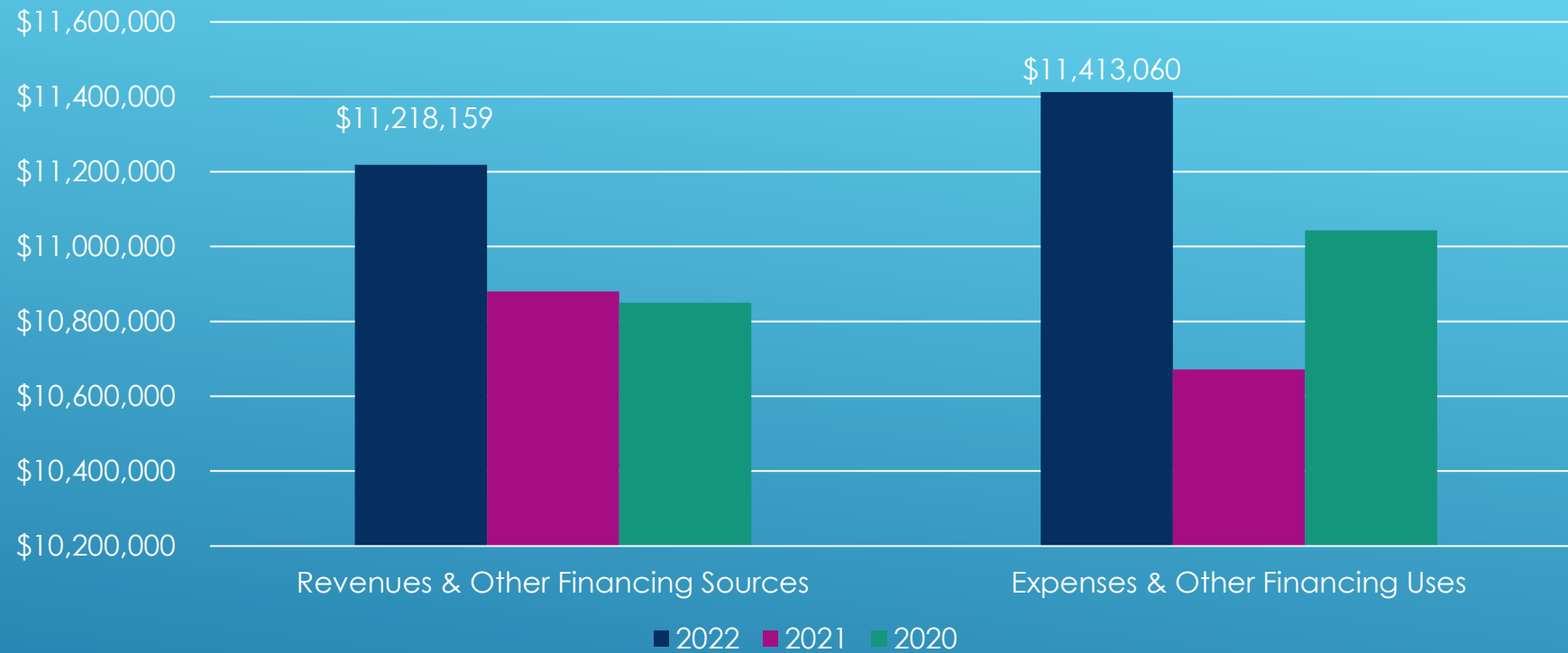
ENDING NET POSITION

Enterprise Funds:

- ▶ **Ogemaw County Public Transit** - \$1,271,146
 - ▶ Increase of \$246,176
 - ▶ Net Investment in Capital Assets - \$269,508
 - ▶ Unrestricted - \$1,001,638
- ▶ **Tax Umbrella** - \$5,522,422 (100% Unrestricted)
 - ▶ Decrease of \$243,771
- ▶ **Other Non-Major Enterprise Funds** - \$2,148,979
 - ▶ Increase of \$443,967
 - ▶ Net Investment in Capital Assets - \$134,332
 - ▶ Unrestricted - \$2,014,647

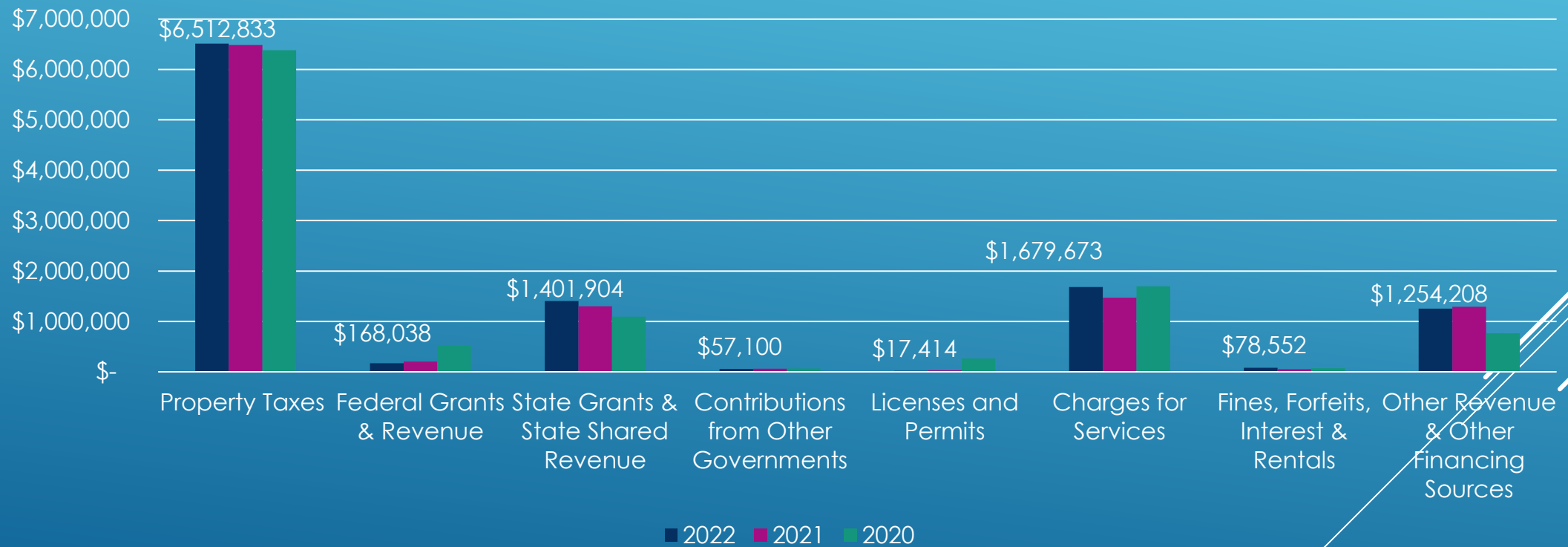
ENTERPRISE FUNDS NET POSITION



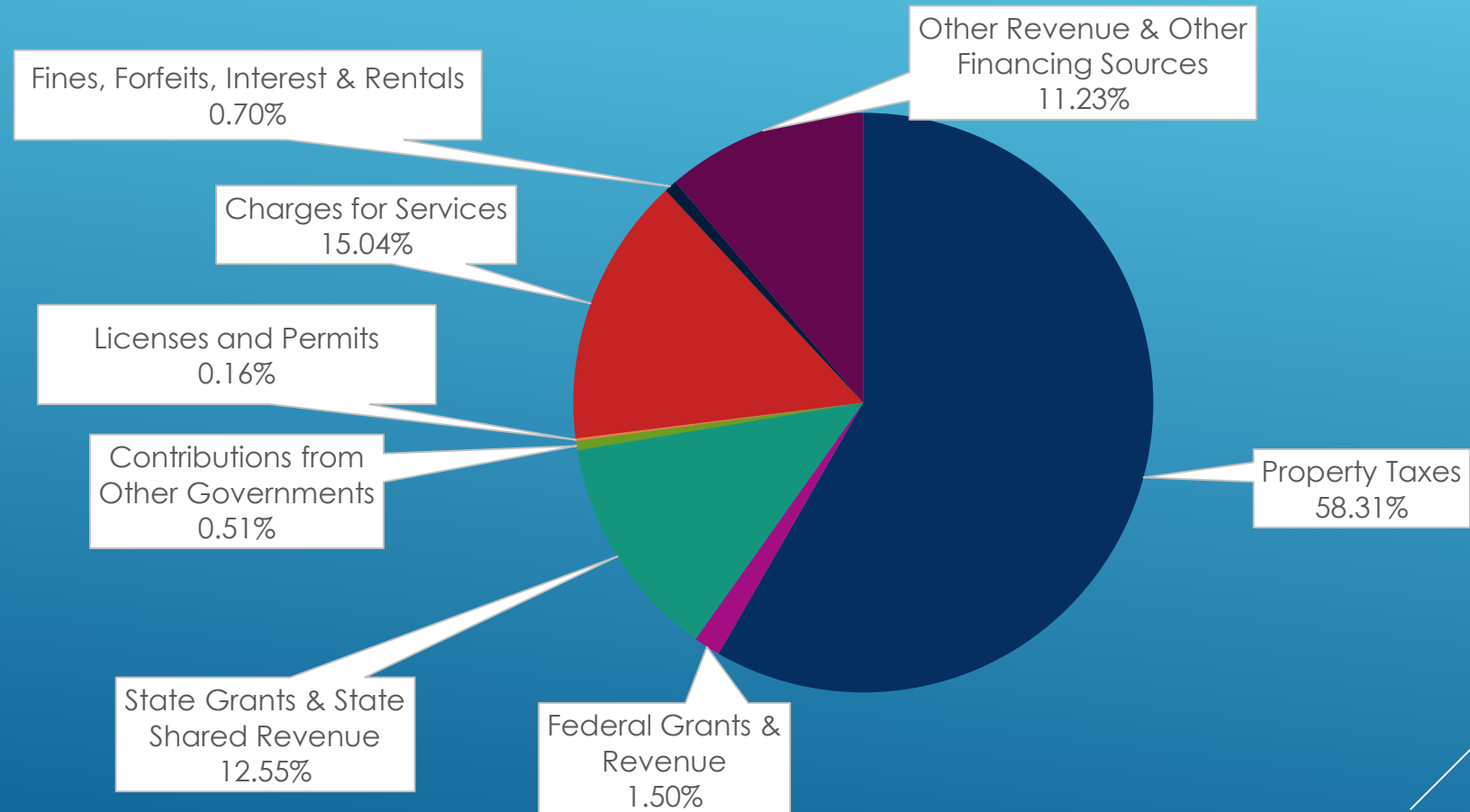


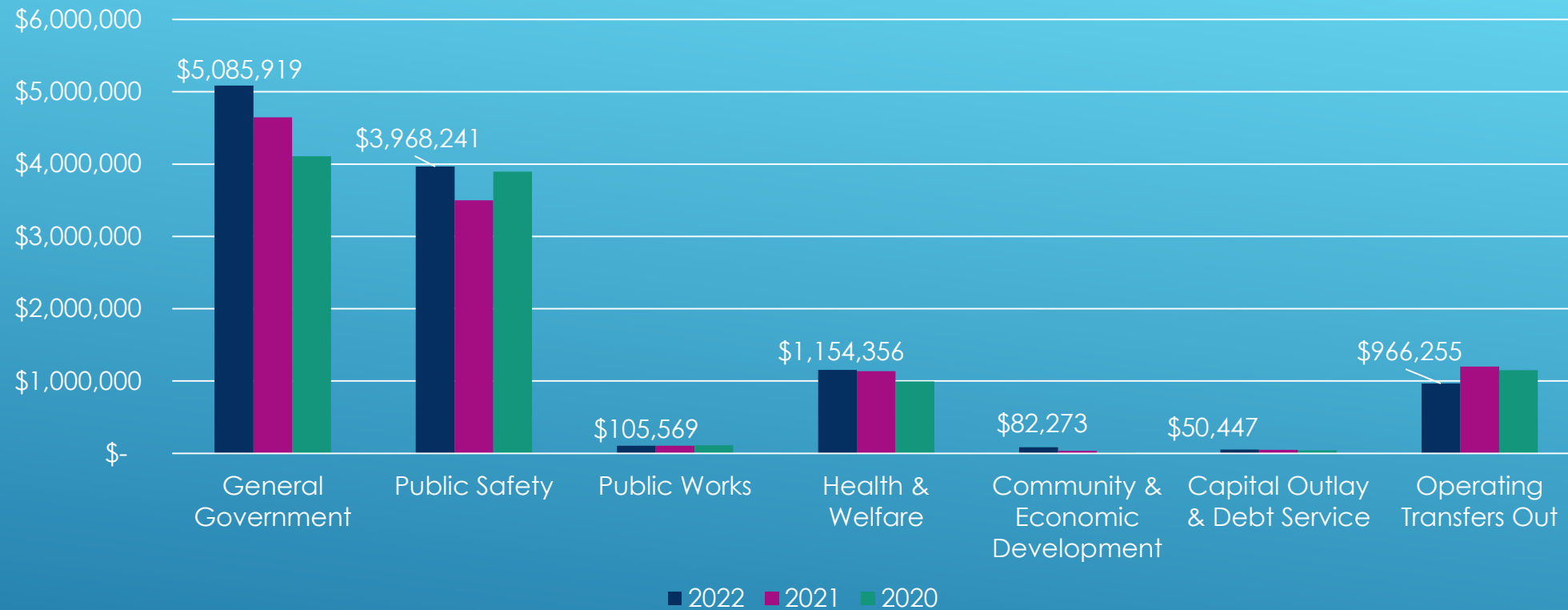
GENERAL FUND REVENUE AND EXPENSE COMPARISON

GENERAL FUND REVENUES – 3-YEAR COMPARISON



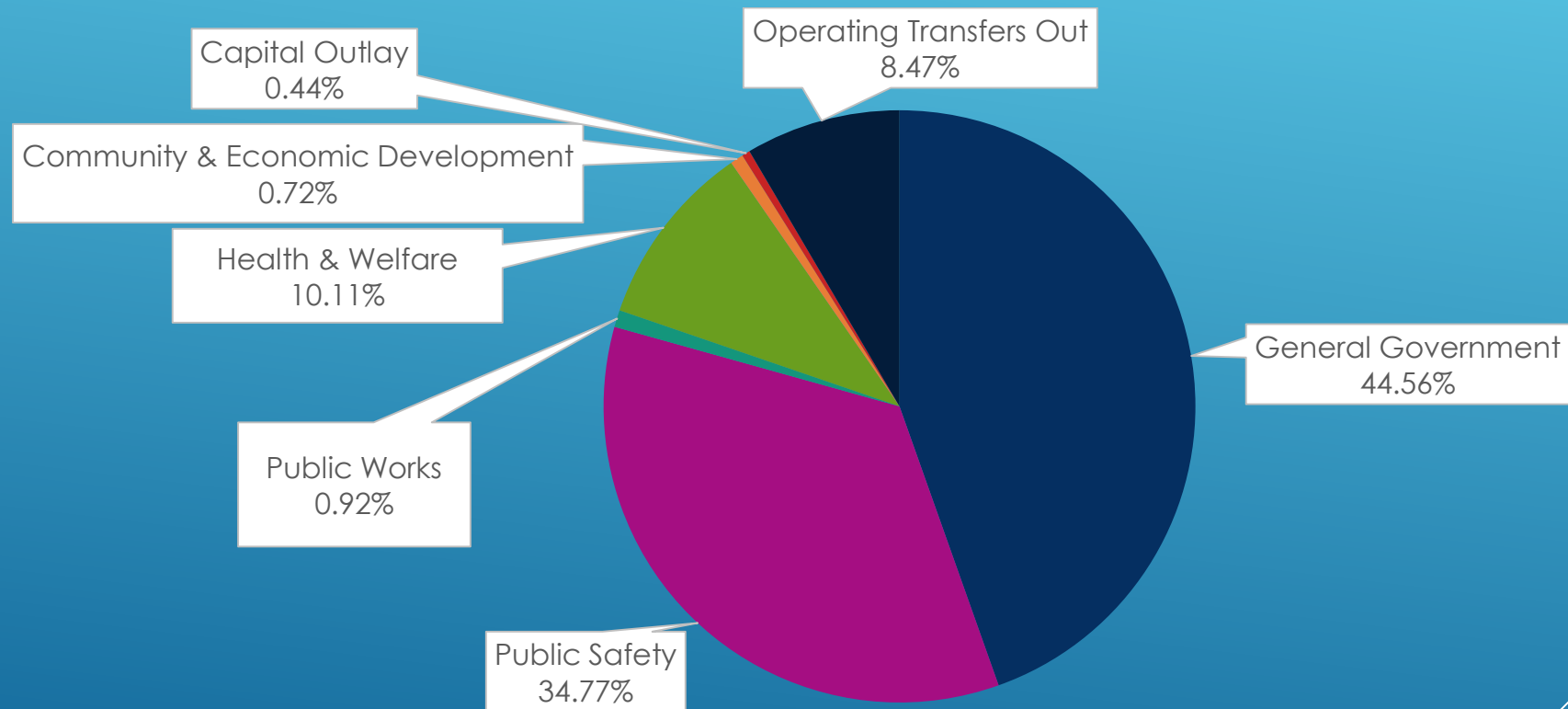
GENERAL FUND REVENUES

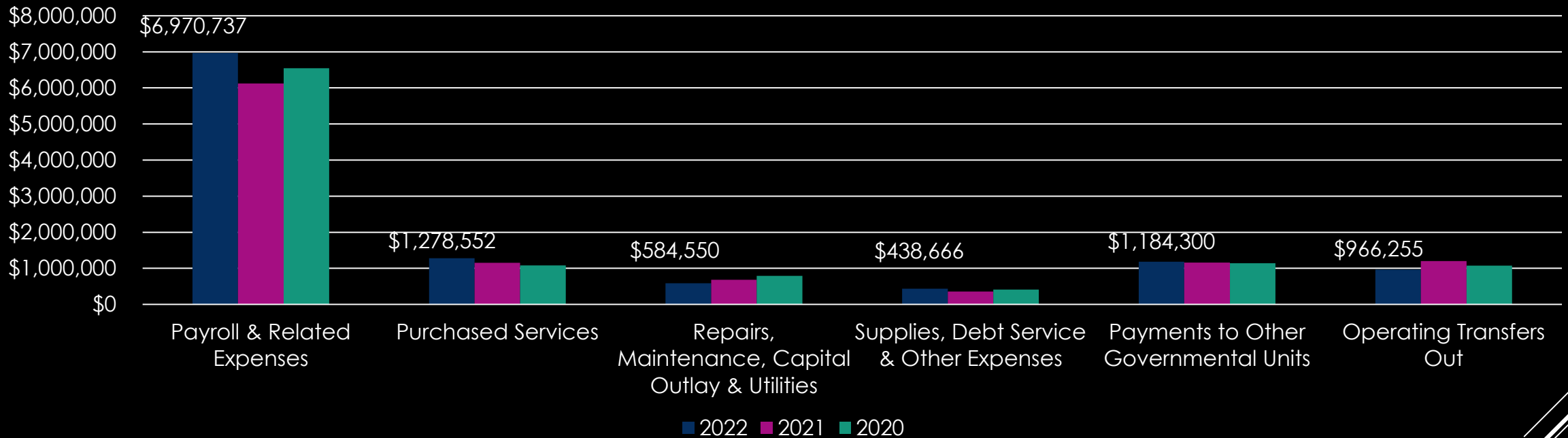




GENERAL FUND EXPENSES – 3-YEAR COMPARISON

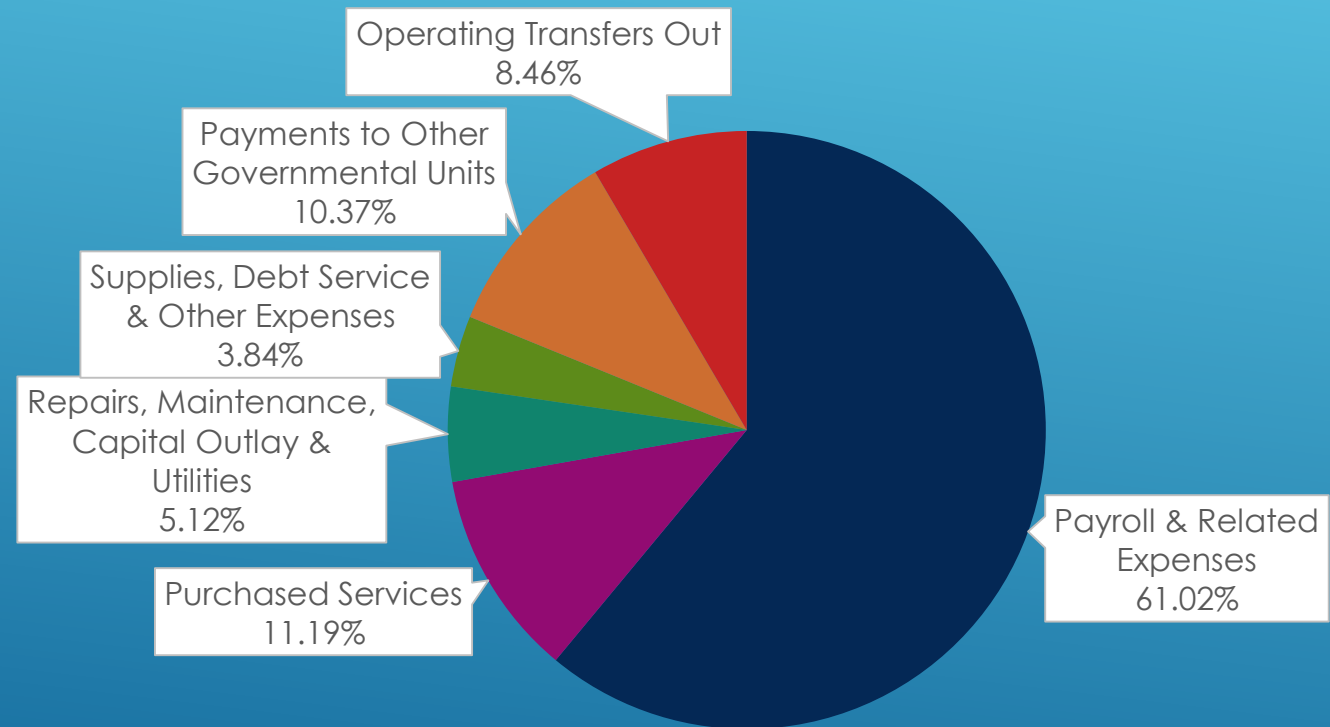
GENERAL FUND EXPENSES



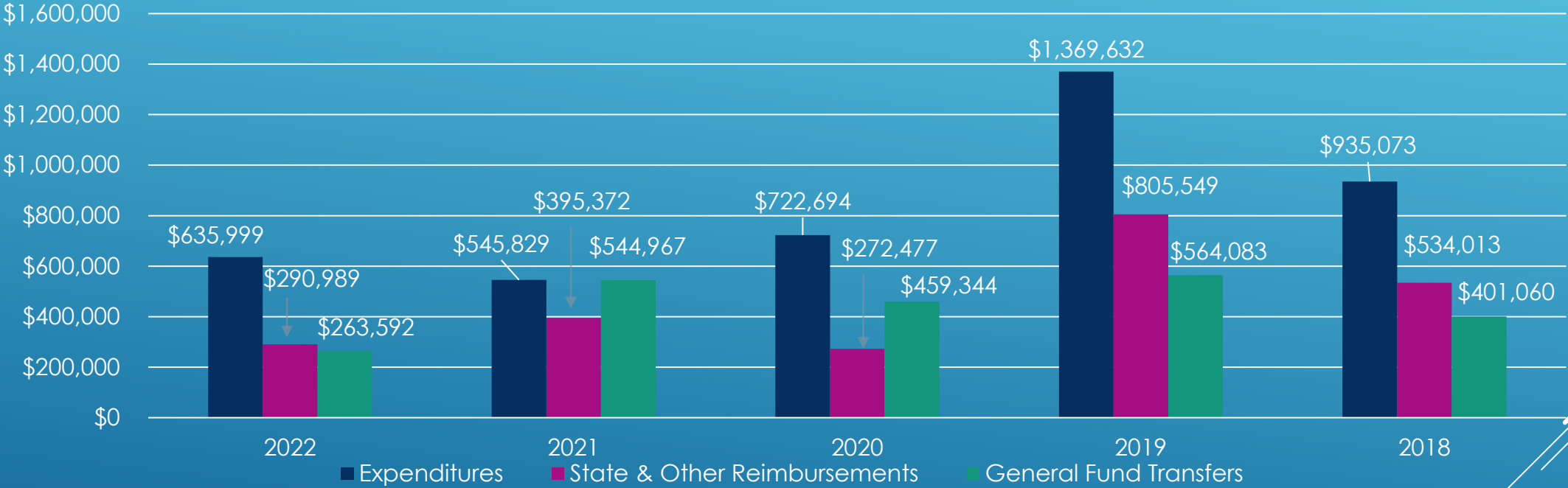


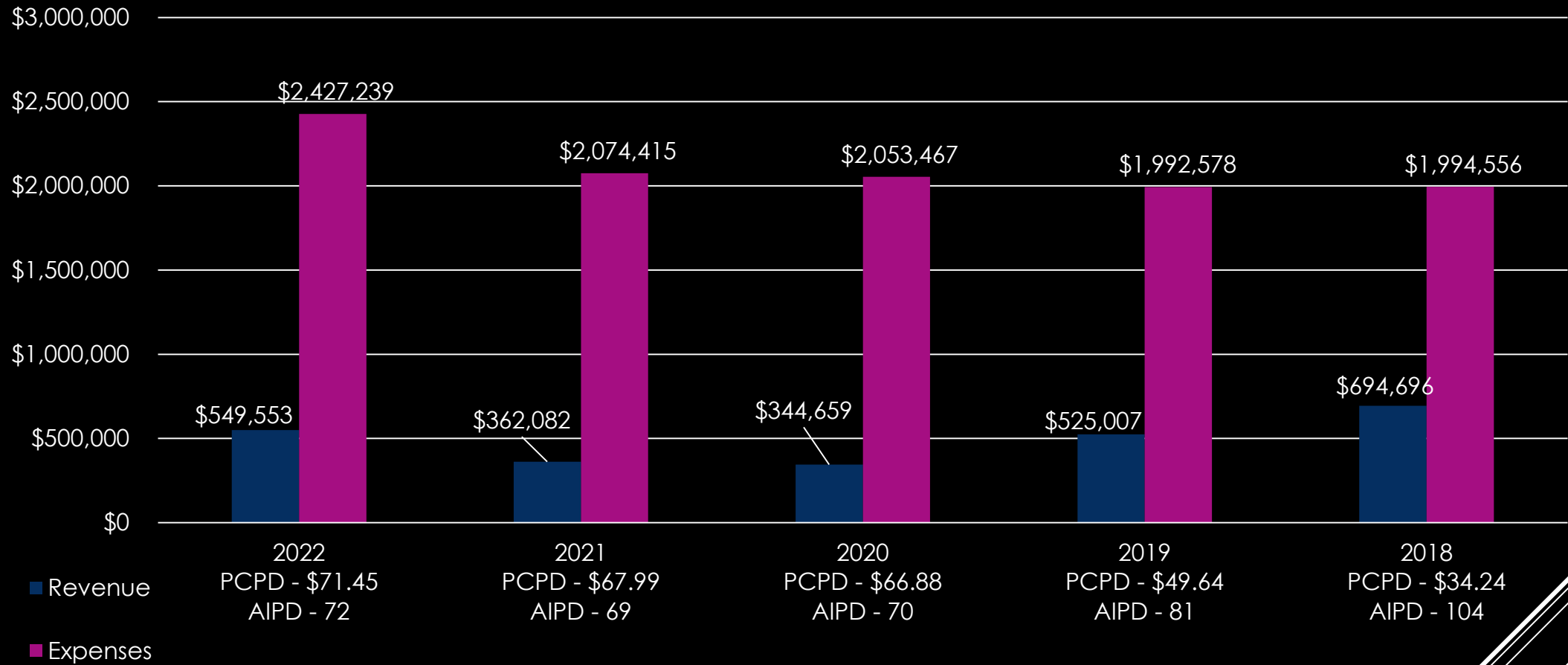
GENERAL FUND EXPENSES – 3-YEAR COMPARISON

GENERAL FUND EXPENSES



PROBATE CHILD CARE FUND





JAIL REVENUE AND EXPENSE ANALYSIS – PRISONER COST PER DAY (PCPD) AND AVERAGE INMATE PER DAY (AIPD)

Begins on page 30

Important Notes for 2022 –

Change in Accounting Principal (p.41)

- GASB Statement No. 87, “Leases” – was implemented in 2022
- GASB Statement No. 96, “Subscription-based Information Technology Arrangements” – will be implemented in 2023

Contingencies and Commitments (p.64)

- Indicates Pending Litigation – Unknown Outcome
- Board has committed to the purchase of a 16-unit body-worn camera system from Motorola Solutions for \$50,424.
- Board approved a quote from Jack Morris Construction to renovate the Annex building for \$219,943.
- Board approved a quote from Smiths Detection for the purchase of a security station x-ray machine for \$32,981.

NOTES TO THE FINANCIAL STATEMENTS



Prior Period Adjustments (p.65)

- PPA 1 – Adjust for Transit Grant Close-Outs
- PPA 2 – Moving the Commissary Fund to Business-Type Activities
- PPA 3 – Closing Out of the 2018 DTRF into the Tax Umbrella Fund
- PPA 4 – Cleaning up the cash balance from bank reconciliation differences remaining

NOTES TO THE FINANCIAL STATEMENTS

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REQUIRED SUPPLEMENTARY INFORMATION

Begins on Page 68

- ▶ Required Pension Information
 - ▶ Plan fiduciary net position as a percentage of total pension liability – 79%
 - ▶ Was 73% in the Prior Year
- ▶ Required OPEB Information
 - ▶ Plan fiduciary net position as a percentage of total OPEB liability – 0%
 - ▶ Not Currently Funded

Budget to Actual Comparisons – General Fund:

▶ General Fund Revenues:

- ▶ Original Budget - \$9,743,845
- ▶ Final Budget - \$9,734,024
- ▶ Actual - \$9,963,951
- ▶ Variance - \$229,927 (2.36%)

▶ General Fund Expenses:

- ▶ Original Budget - \$9,671,672
- ▶ Final Budget - \$9,740,598
- ▶ Actual - \$10,446,805
- ▶ Variance – (\$706,207) (7.25%)

REQUIRED SUPPLEMENTARY INFORMATION

SUPPLEMENTARY INFORMATION

Begins on Page 75

Combining Fund Information

Component Unit Governmental
Fund & Reconciliation Schedules

Ogemaw County Public Transit
Compliance Required Schedules

SINGLE AUDIT

- ▶ Uniform Guidance Threshold - \$750,000
- ▶ County's Total Federal Awards - \$1,806,701
- ▶ Coverage 44.4% (Minimum of 40% Required)
- ▶ No Compliance Findings Noted
- ▶ Tested:
 - ▶ Coronavirus Relief Local Government Grants Program (ARPA) (CFDA #21.027)

Significant Audit Matters

- Accounting Policies (Implementation of GASB 87)
- Significant Estimates (Other Post Employment Benefits & Net Pension Liability)

Difficulties Encountered (None)

Corrected & Uncorrected Misstatements (All Uncorrected Misstatements are Immaterial)


Disagreements with Management (None)

Management Representations (All information is accurate to the best of your knowledge and nothing was withheld from the auditors)

Consultations with Other Independent Accountants (Outside CPA Firm was utilized for consulting needs)

Other Issues or Matters (None outside of Appendix II)

MANAGEMENT LETTER – APPENDIX I

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Material Weaknesses:

- Financial Statement Preparation

Significant Deficiencies:

- None

Other Comments:

- Payroll Tracking Controls
- Nature Park Cash Receipts
- Budget Control

MANAGEMENT LETTER – APPENDIX II

MANAGEMENT LETTER – APPENDIX II

STATUS OF PRIOR YEAR COMMENTS:

Financial Statement
Preparation
Controls – Situation
Still Exists

Bank
Reconciliations –
Situation Corrected

Payroll Tracking
Controls – Progress
Made

Timely Disbursement
of Taxes – Situation
Corrected

Budget Control –
Progress Made

ANY QUESTIONS?

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