

HOW TO READ FINANCIAL STATEMENTS

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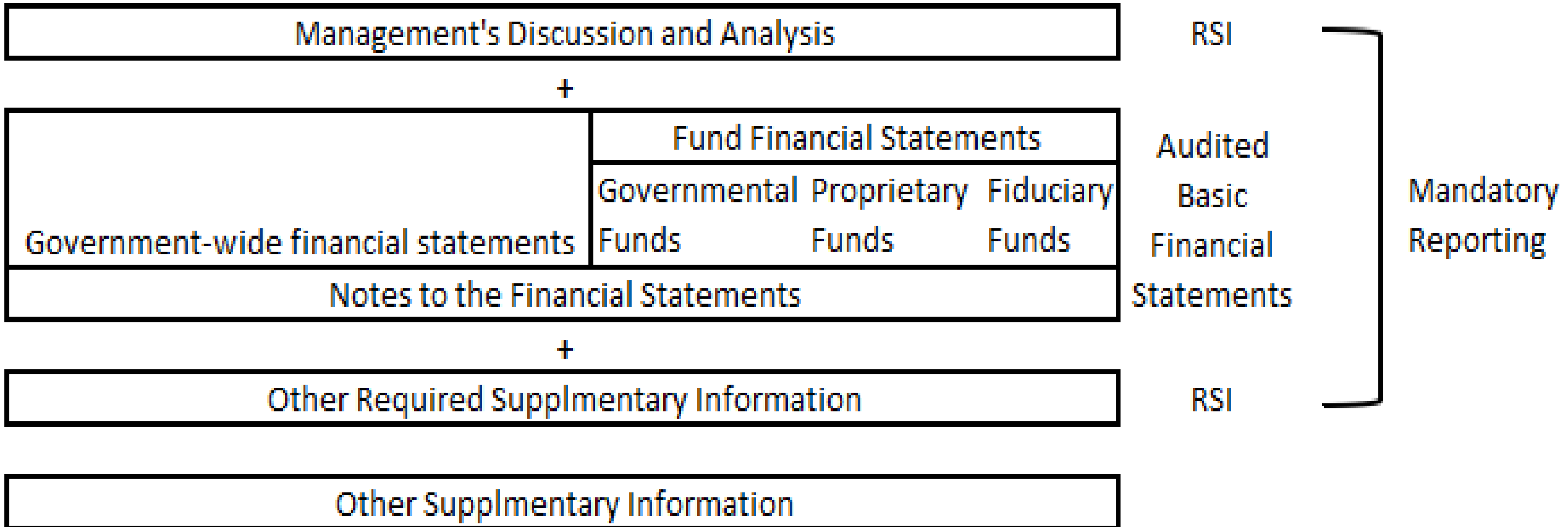
Where can I find my Audited Financial Statements?

<https://treas-secure.state.mi.us/DocumentSearch> or <https://www.michigan.gov/cefd>

The screenshot shows a web browser window displaying the 'Local Government Document Search Site'. The browser's address bar shows the URL 'treas-secure.state.mi.us/DocumentSearch'. The page header includes the site title and the department name: 'Department of Treasury, Community Engagement and Finance Division'. Below the header is a search bar labeled 'Search by Municipality' with a magnifying glass icon. To the right of the search bar is an information icon and a text box that reads: 'To Search you may either type name of the municipality (ie. Detroit) in the search box to the left or use the dropdown lists under the search criteria do an initial search. After the initial search you may continue refine the results using the search criteria dropdowns. Hover over the information icon for more details.' Below this is a 'Search Criteria' section with several dropdown menus: 'County', 'Year', 'Document Group', 'Document Type', 'Municipality Type', and 'Municipality'. At the bottom right of this section are 'Search' and 'Clear' buttons, and a link that says 'To file online reports click here'. The footer of the page contains 'Copyright 2023 State of Michigan' on the left and 'Policies' on the right.

What are the Components of the Financial Statements?

Basic Financial Statement and RSI = minimum required for fair presentation



Independent Auditor's Report (Page 1-3)



Management Discussion and Analysis (Page 4-10)

Discussion of the basic financial statements (highlights & overview)

Condensed comparative data

Analysis of financial position and results of operations

- overall

Analysis of the balances and transactions

- major funds

Budgetary variations analysis

Descriptions of long-term activity

- capital assets
- debt

Discussion of currently known items that could have a significant future impacts

Full Accrual Basis of Accounting

- Capital Assets
- Long-term Debt
- Net Pension Liability
- Net OPEB Liability

Governmental Funds

- Modified Accrual
 - Current financial resources measurement focus

Proprietary Funds

- Full Accrual
 - Economic resources measurement focus

Fiduciary Funds

- Full Accrual
 - Economic resources measurement focus

Proprietary Fund – Alignment to Government funds

ACCOUNT NO.	TITLE	22-23 Projected	23 - 24 REQUESTED	23 - 24 Recommended
955.000	COST ALLOCATION	165,004		238,488
956.000	MISCELLANEOUS	500	500	500
957.000	PUBLICATIONS	350	350	350
958.000	MEMBERSHIP & DUES	500	1,000	1,000
960.000	EDUCATION & CONFERENCES	1,500	1,500	1,500
965.000	LOSS ON BAD DEBT	0		
968.000	DEPRECIATION EXPENSE	510,000	500,000	500,000
968.100	BOND ISSUANCE AMORIT.			
969.100	LOSS ON DISPOSAL OF ASSETS			
994.000	PAYING AGENT FEES			
980.000	EQUIPMENT			150,000
995.000	DEBT RETIREMENT-INTEREST			
TOTAL EXPENDITURES		4,256,101	4,921,850	4,833,827
NET REVENUE - EXPENDITURES		492,749	(690,850)	(602,827)
BEGINNING UNRESTRICTED NET POSITION		28,306,254	28,799,003	28,799,003
ENDING NET POSITION		28,799,003	28,108,153	28,196,176
<u>Fund Balance equivalent (for informational purpose only)</u>				
NET REVENUE - EXPENDITURES (excluding depreciation)		1,002,749	(190,850)	(102,827)
BEGINNING FUND BALANCE		14,705,533	14,165,519	14,165,519
ENDING FUND BALANCE*		15,708,282	13,974,669	14,062,692

Fund Balance

Cities



Unrestricted Fund Balance

- Median Fund Balance is over 40% for Cities
- If less, then 24% a city would be in the bottom 20th percentile

Charter Twp



Unrestricted Fund Balance

- Median Fund Balance is over 100% for charter townships
- If less, then 59% a charter township would be in the bottom 20th percentile

Fiscal Health



Unrestricted Fund Balance

- Median Fund Balance is 80% for villages
- If less, then 38% a township would be in the bottom 20th percentile

Fiscal Health



Unrestricted Fund Balance

- Median Fund Balance is over 30% for counties
- If less, then 18% a township would be in the bottom 20th percentile



MI Community Financial Dashboard

Michigan Department of Treasury

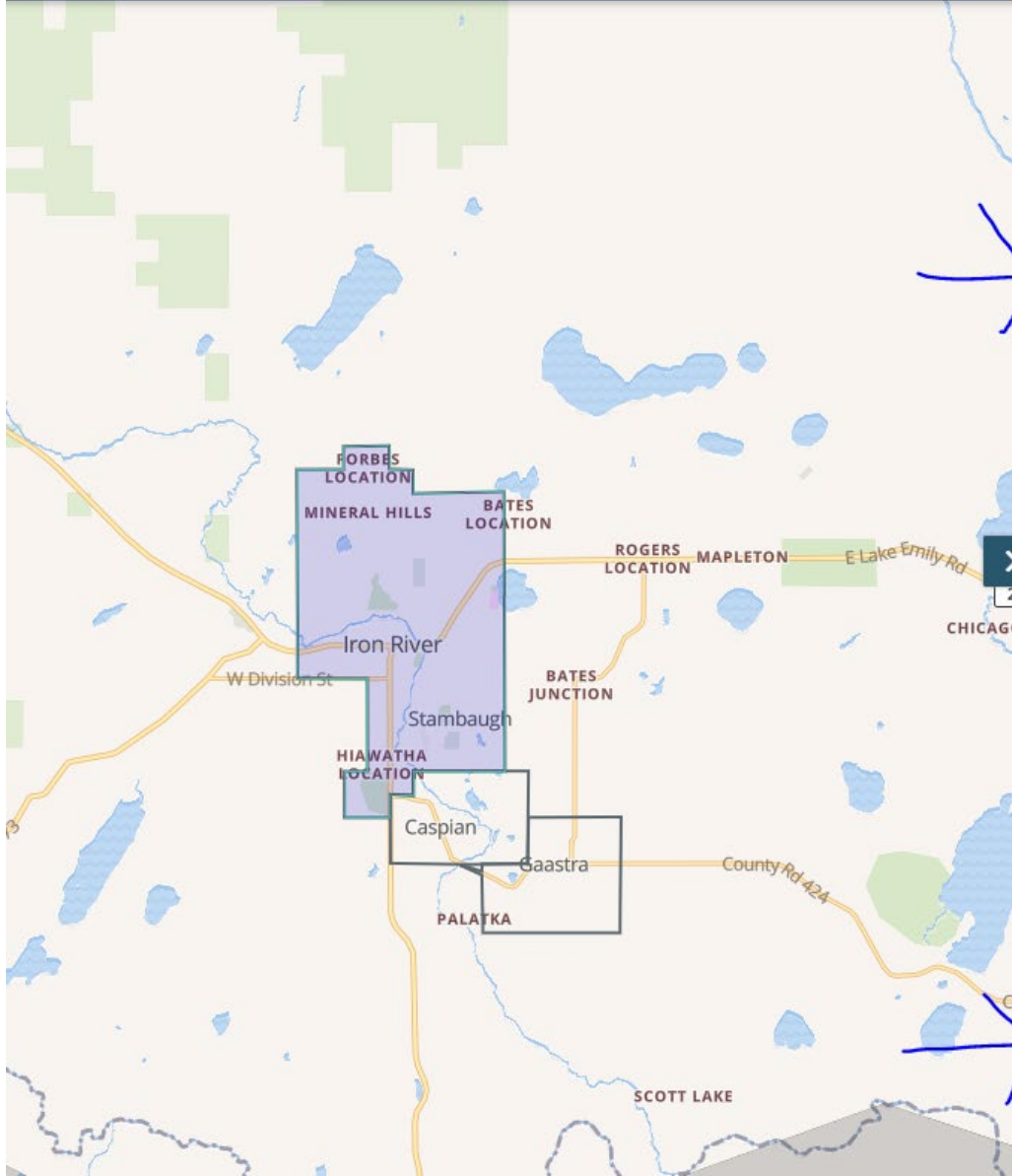
View

Cities ▾

2022 ▾

Browse All

Search by COUNTIES, CITIES, TOWNSHIPS,



Data Snapshot

Total Taxable Value		• N/A
Unfunded Pension Liability		• \$5.01 million
Total General Fund Expenditures		• \$2.32 million
Total General Fund Revenues		• \$2.37 million
General Fund Unrestricted Balance		• 42.000%
Long Term Debt		• \$8.46 million
Extraordinary/Special Items		• N/A
General Fund Cash Ratio		1307.000%
General Fund Ratio		• 43.000%
Governmental Net Position Ratio		• 97.000%
Taxable Value Per Capita		• N/A

[Explore other data](#)

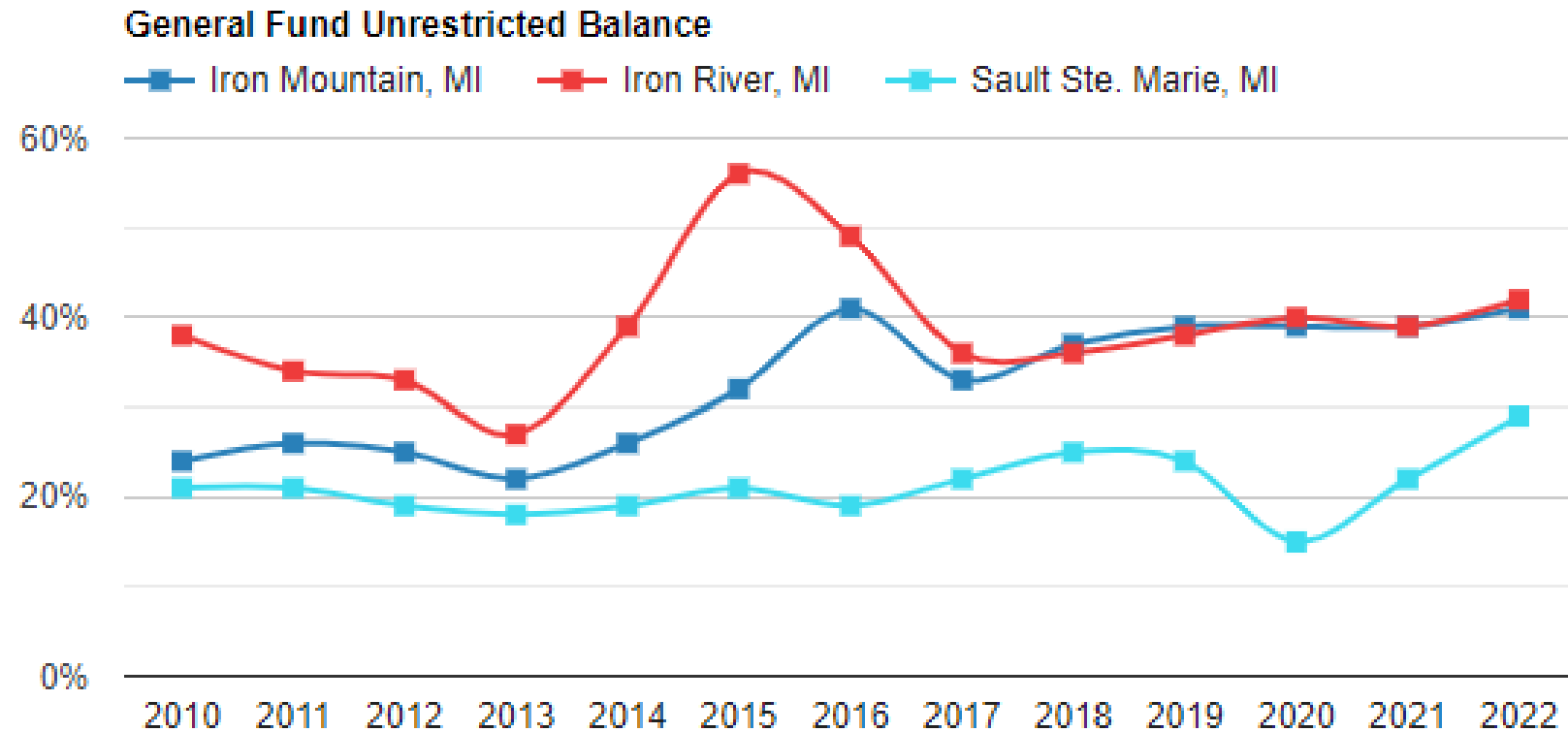
Analytics

Percentiles are calculated by ranking all local units of the same type that submitted data for the given year on a scale of 1-100, with a higher percentile value (or lower ranking) indicating a stronger position in that measurement.

General Fund Ratio	157th of 260 40th percentile
General Fund Cash Ratio	74th of 260 72nd percentile



General Fund Unrestricted Balance API



Detailed Notes on Activities and Funds

- **Assets**
 - ✓ Cash deposits with financial institutions
 - ✓ Investments
 - ✓ Derivative instruments
 - ✓ Capital assets
 - ✓ Collections
 - ✓ Receivables
- **Deferred outflows of resources**

Detailed Notes on Activities and Funds (cont.)

- **Liabilities**
 - ✓ Payable balances
 - ✓ Termination benefits
 - ✓ Claims and judgments
 - ✓ Short-term and long-term debt
 - ✓ Other long-term liabilities (pensions & OPEB, compensated absences, environmental obligations)
- **Deferred inflows of resources**

Detailed Notes on Activities and Funds (cont.)

- Interfund balances
- Net position
 - ✓ Additional details of restricted net position
 - Amounts restricted pursuant to enabling legislation
- Fund balance
 - ✓ Details of restricted, committed, and assigned fund balances
 - ✓ Stabilization arrangements

Required Supplementary Information (Pages 52-63)

Budgetary Comparison Schedules

- General Fund
- Major Special Revenue Funds

Pension and OPEB Schedules

- Schedule of changes in employers net pension/OPEB liability
- Schedule of contributions

Legacy Debt (Page 59-62)

Cities



Pension/OPEB

- Pension average fund ratio is 79% in 2021
- OPEB average fund ratio is 38% in 2021

Charter Twp



Pension/OPEB

- Pension average fund ratio is 79% in 2021
- OPEB average fund ratio is 38% in 2021

Villages



Pension/OPEB

- Pension average fund ratio is 79% in 2021
- OPEB average fund ratio is 38% in 2021

Counites



Pension/OPEB

- Pension average fund ratio is 79% in 2021
- OPEB average fund ratio is 38% in 2021

Other Supplementary Information (Page 65-72)

Nonmajor
Funds

Component
Unit Funds

Other
Information

*Material
Weakness*

*Significant
Deficiency*

*Noncompliance
and Other
Matters*

Why is it called a 'Single Audit'

Expend >\$750,000 of Federal Awards

High risk/Low risk Auditee

Major Programs

Testing for Compliance with Requirements of Federal Program

Testing for Internal Controls over Compliance for the Federal Program

Questions?