



Board of County Commissioners Agenda Request



Requested Meeting Date:

Title of Item:

REGULAR AGENDA CONSENT AGENDA INFORMATION ONLY	Action Requested: Approve/Deny Motion Adopt Resolution (attach draft) <i>*provide copy of hearing notice that was published</i>	Direction Requested Discussion Item Hold Public Hearing*
Submitted by:		Department:
Presenter (Name and Title):		Estimated Time Needed:
Summary of Issue:		
Alternatives, Options, Effects on Others/Comments:		
Recommended Action/Motion:		
Financial Impact: <i>Is there a cost associated with this request?</i> Yes No <i>What is the total cost, with tax and shipping? \$</i> <i>Is this budgeted?</i> Yes No <i>Please Explain:</i>		



We'll get you there.

CPAs | CONSULTANTS | WEALTH ADVISORS

Aitkin County, Minnesota

Presentation: Exit Conference-
Year Ending December 31, 2022



Agenda

- Required Communications
- Internal Control
- Minnesota Legal Compliance
- Federal Single Audit
- Financial Results
- Key Issues/Summary





Required Communications

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Required Communications

- See separate letter for communication required by various Statements on Auditing Standards
- Unmodified opinion on financial statements





Internal Controls

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Internal Control

- Material Weaknesses – deficiencies in internal control such that there is a reasonable possibility that a material misstatement would not be prevented or detected and corrected on a timely basis
 - Audit Adjustments
 - Financial Reporting Process



Internal Control (Continued)

- Significant Deficiencies - deficiencies in internal control that are less severe than material weaknesses, yet important enough to merit attention by those charged with governance
 - Computer Risk Management
 - Segregation of Duties





Minnesota Legal Compliance

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Minnesota Legal Compliance

- Auditors performed tests of County compliance and completed a 25 page check list related to procedures/guidelines required to be tested by the Minnesota Office of the State Auditor
 - 2022 Items:
 - Publishing of Claims
 - Ditch Special Revenue Fund





Federal Single Audit

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Federal Single Audit

- Major Programs: Medical Assistance (MA) and Coronavirus State & Local Fiscal Recovery Funds (ARPA)
 - Material Weakness:
 - None noted
 - Significant Deficiency:
 - None noted
 - 2021 Item Resolved:
 - Lack of Casefile Review



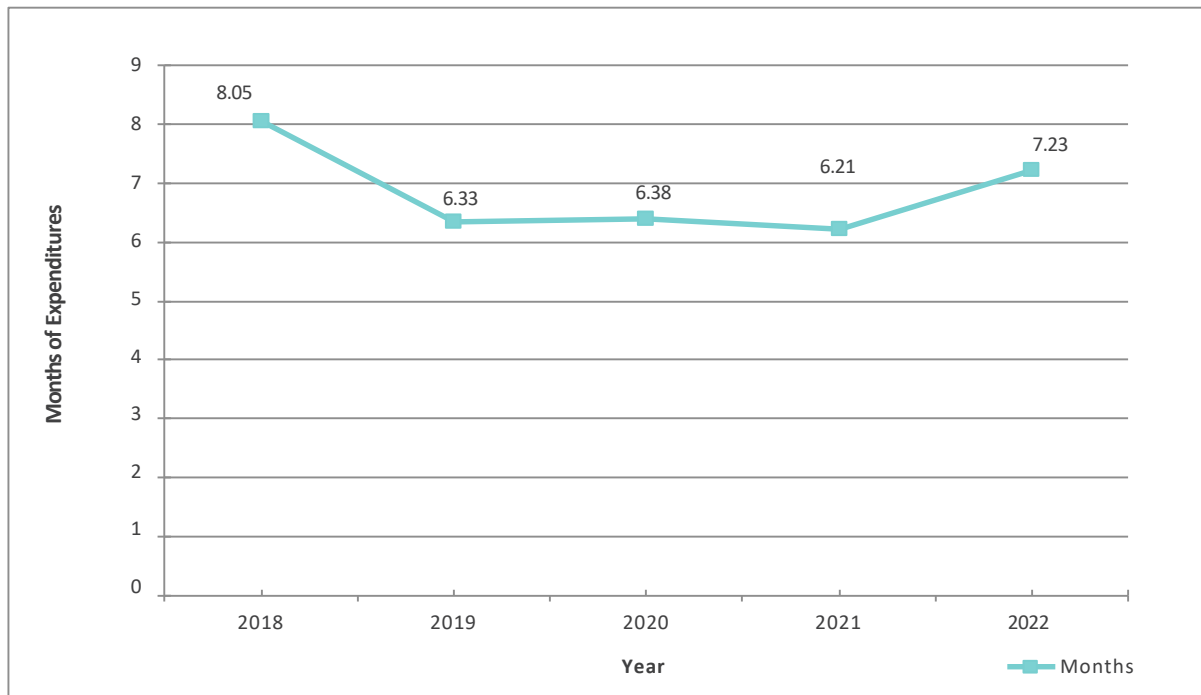


Financial Results

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Financial Results

Months of Expenditures in Fund Balance – All Governmental Funds



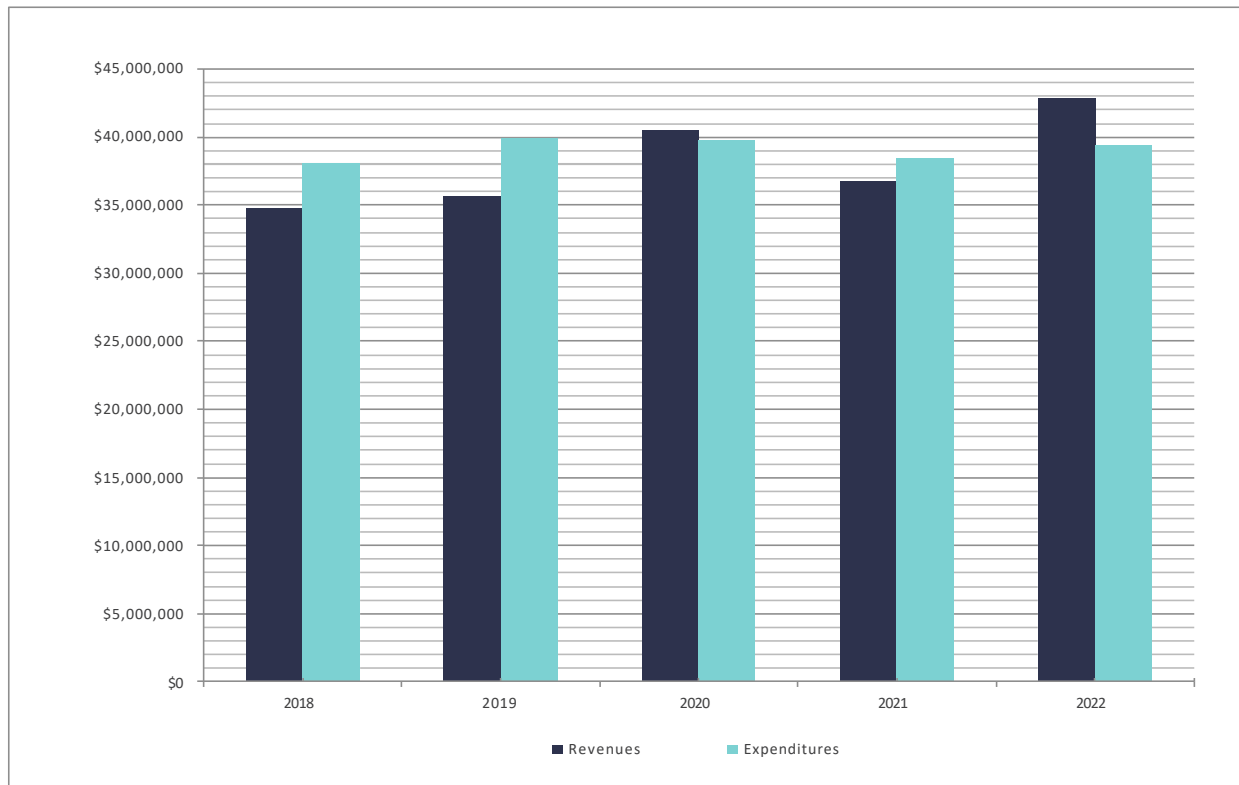
- Recommend no less than 3-5 months
- Slight increase from prior year
- This is “Unrestricted” fund balance
- All 5 years presented above recommendation

	2018	2019	2020	2021	2022
Expenditures	\$ 38,057,497	\$ 39,962,041	\$ 39,751,020	\$ 38,425,573	\$ 39,390,528
Fund Balance	25,541,086	21,088,703	21,150,087	19,895,789	23,740,652



Financial Results

Governmental Funds - Revenues and Expenditures



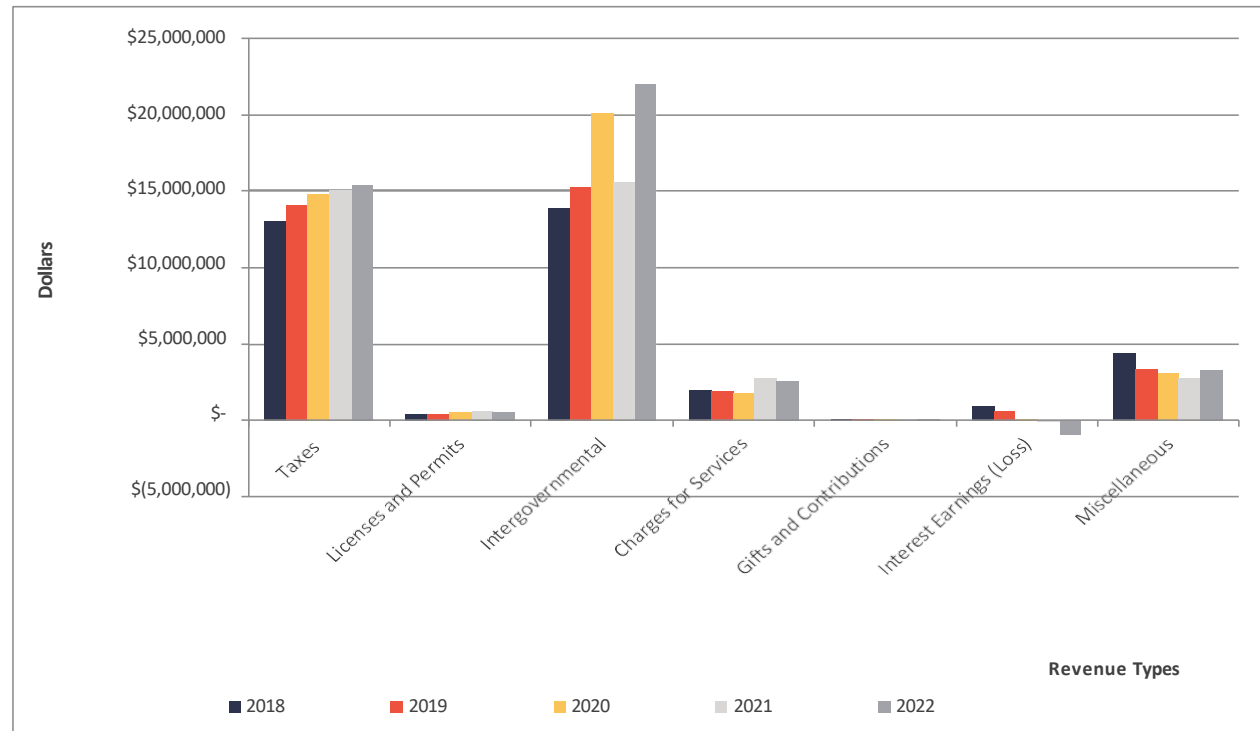
- Expenditures have exceeded revenues 3 out of 5 years
- 2022 revenues exceeded expenditures by approximately \$3,457,000
- Approximately \$6.1M increase in revenues in 2022

	2018	2019	2020	2021	2022
Revenues	\$ 34,701,181	\$ 35,664,270	\$ 40,504,480	\$ 36,708,600	\$ 42,847,133
Expenditures	38,057,497	39,962,041	39,751,020	38,425,573	39,390,528



Financial Results

Revenues – All Governmental Funds

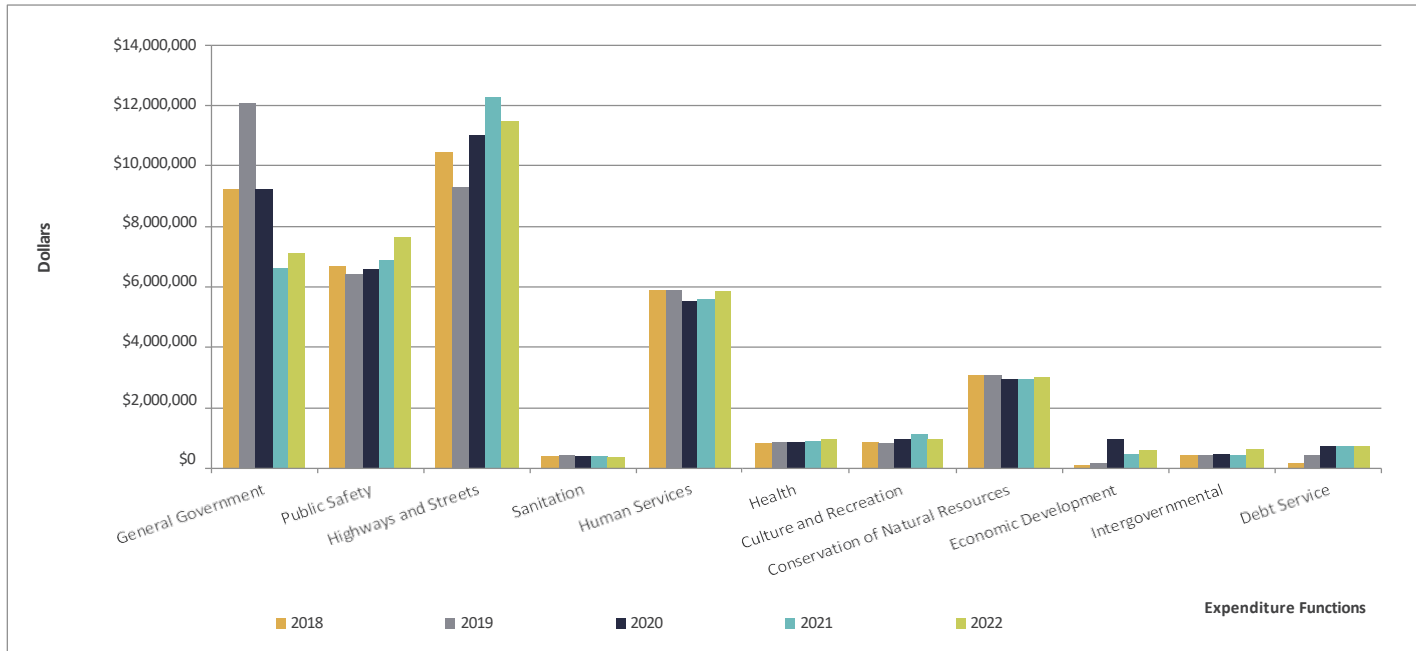


	2018	2019	2020	2021	2022
Taxes	\$ 13,049,901	\$ 14,124,827	\$ 14,784,906	\$ 15,063,799	\$ 15,441,262
Licenses and Permits	397,282	413,704	521,172	630,994	475,719
Intergovernmental	13,872,102	15,272,700	20,131,425	15,551,705	21,973,374
Charges for Services	2,007,674	1,911,355	1,831,233	2,794,582	2,605,436
Gifts and Contributions	8,203	11,075	1,800	15,025	7,505
Interest Earnings (Loss)	950,526	600,520	106,554	(85,301)	(934,659)
Miscellaneous	4,415,493	3,330,089	3,127,390	2,737,796	3,278,496
	\$ 34,701,181	\$ 35,664,270	\$ 40,504,480	\$ 36,708,600	\$ 42,847,133



Financial Results

Expenditures – All Governmental Funds

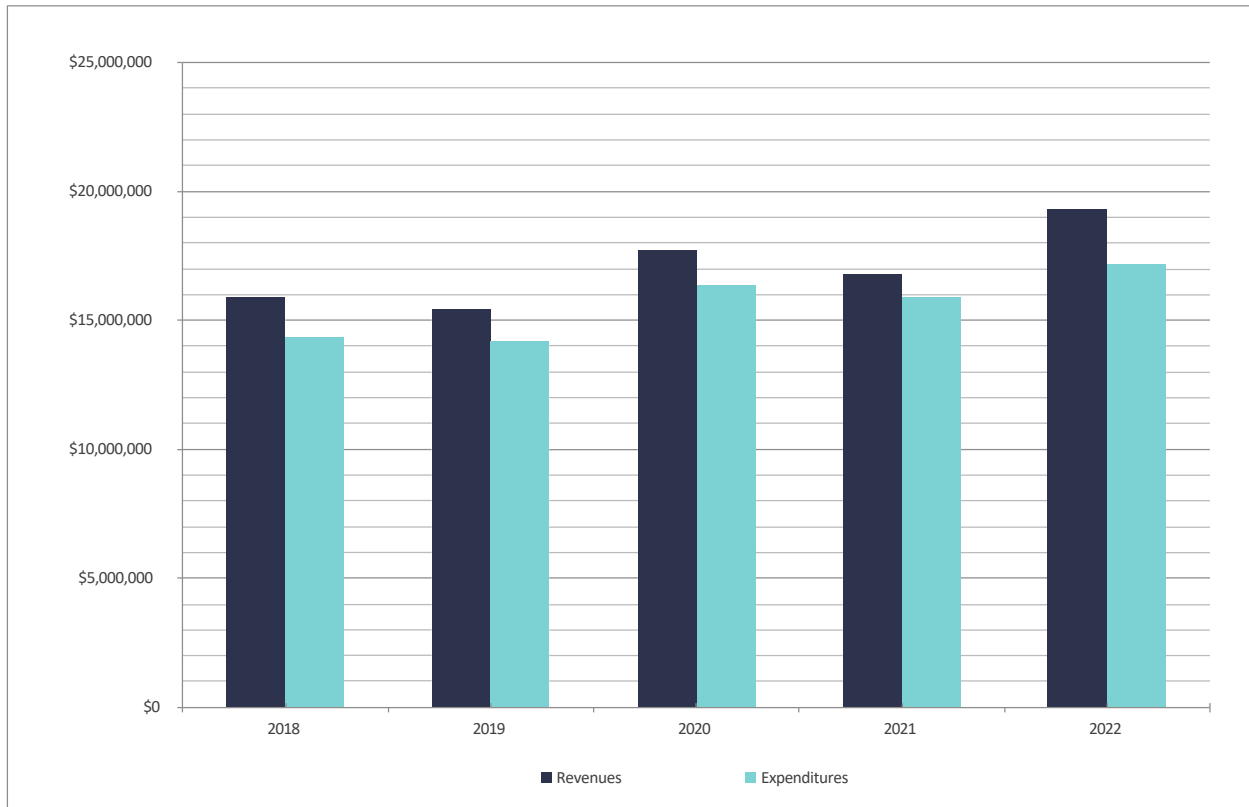


	2018	2019	2020	2021	2022
General Government	\$ 9,247,186	\$ 12,066,449	\$ 9,243,692	\$ 6,619,045	\$ 7,139,703
Public Safety	6,676,136	6,418,388	6,597,503	6,897,173	7,613,726
Highways and Streets	10,443,653	9,313,705	11,031,613	12,305,378	11,492,581
Sanitation	383,192	432,749	398,877	388,321	368,592
Human Services	5,886,145	5,899,657	5,532,839	5,579,136	5,873,835
Health	810,456	870,167	854,230	888,213	971,176
Culture and Recreation	845,137	811,246	950,157	1,133,129	981,922
Conservation of Natural Resources	3,070,755	3,089,608	2,959,077	2,973,064	2,999,939
Economic Development	87,656	171,994	985,591	482,378	595,063
Intergovernmental	442,343	437,020	455,617	419,081	624,272
Debt Service	164,838	451,058	741,824	740,655	729,719
Total	\$ 38,057,497	\$ 39,962,041	\$ 39,751,020	\$ 38,425,573	\$ 39,390,528



Financial Results

General Fund Revenues and Expenditures



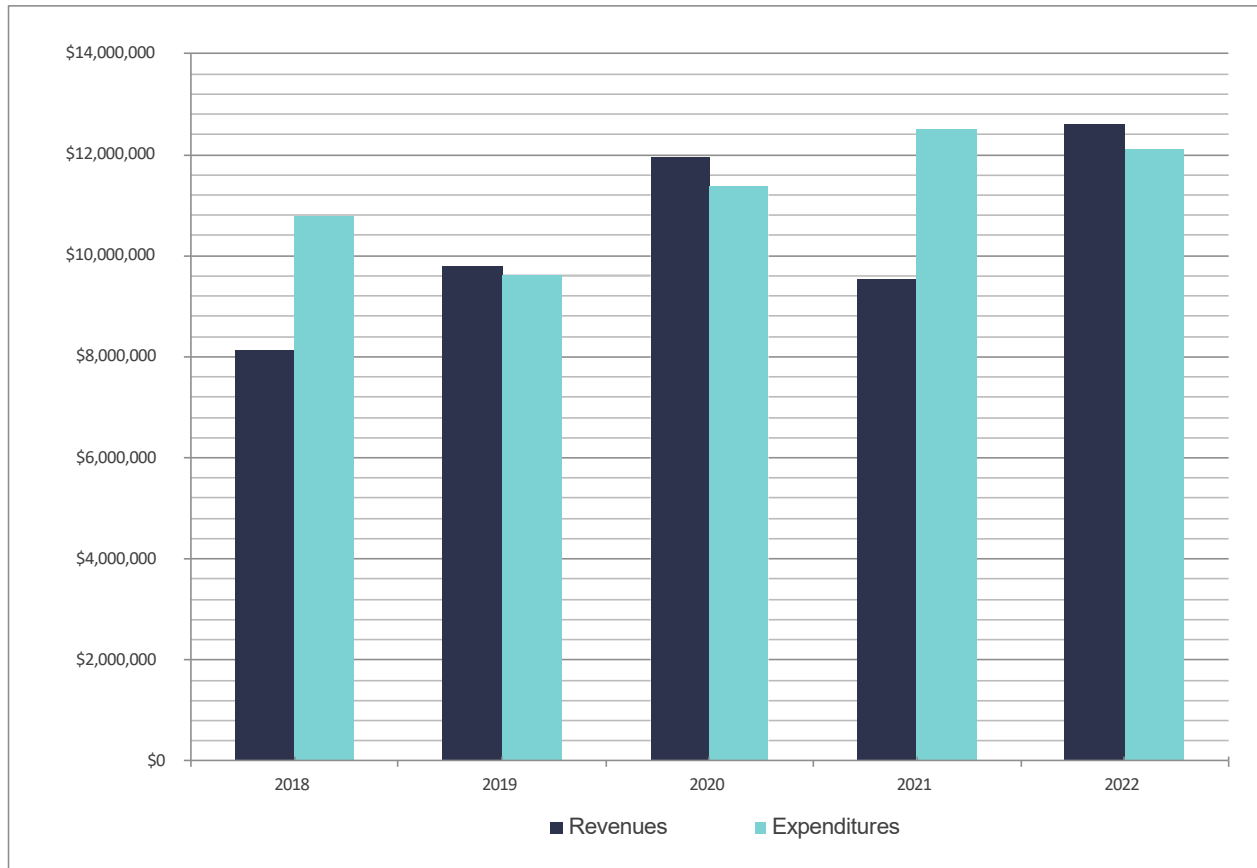
- Revenues in excess of expenditures in all years presented
- Both revenues and expenditures increased from prior year

	2018	2019	2020	2021	2022
Revenues	\$ 15,874,538	\$ 15,450,981	\$ 17,701,249	\$ 16,758,977	\$ 19,290,039
Expenditures	14,351,465	14,171,538	16,376,125	15,868,708	17,170,690



Financial Results

Road and Bridge Fund Revenues and Expenditures



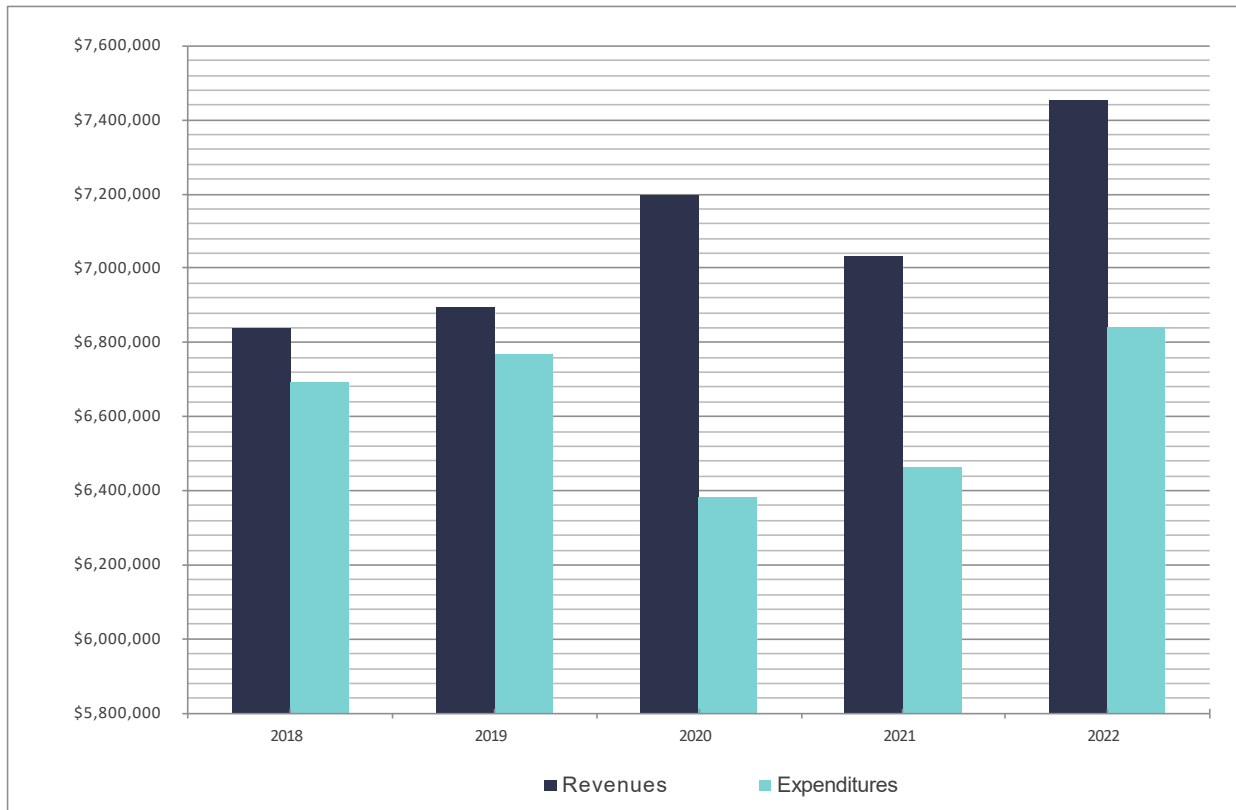
- Timing of when revenues received can make this fund fluctuate more
- Revenues exceeded expenditures in 2022 due to an increase in state aid received

	2018	2019	2020	2021	2022
Revenues	\$ 8,126,931	\$ 9,777,498	\$ 11,941,367	\$ 9,530,689	\$ 12,592,137
Expenditures	10,779,192	9,611,159	11,366,004	12,501,632	12,108,757



Financial Results

Human Services Fund Revenues and Expenditures



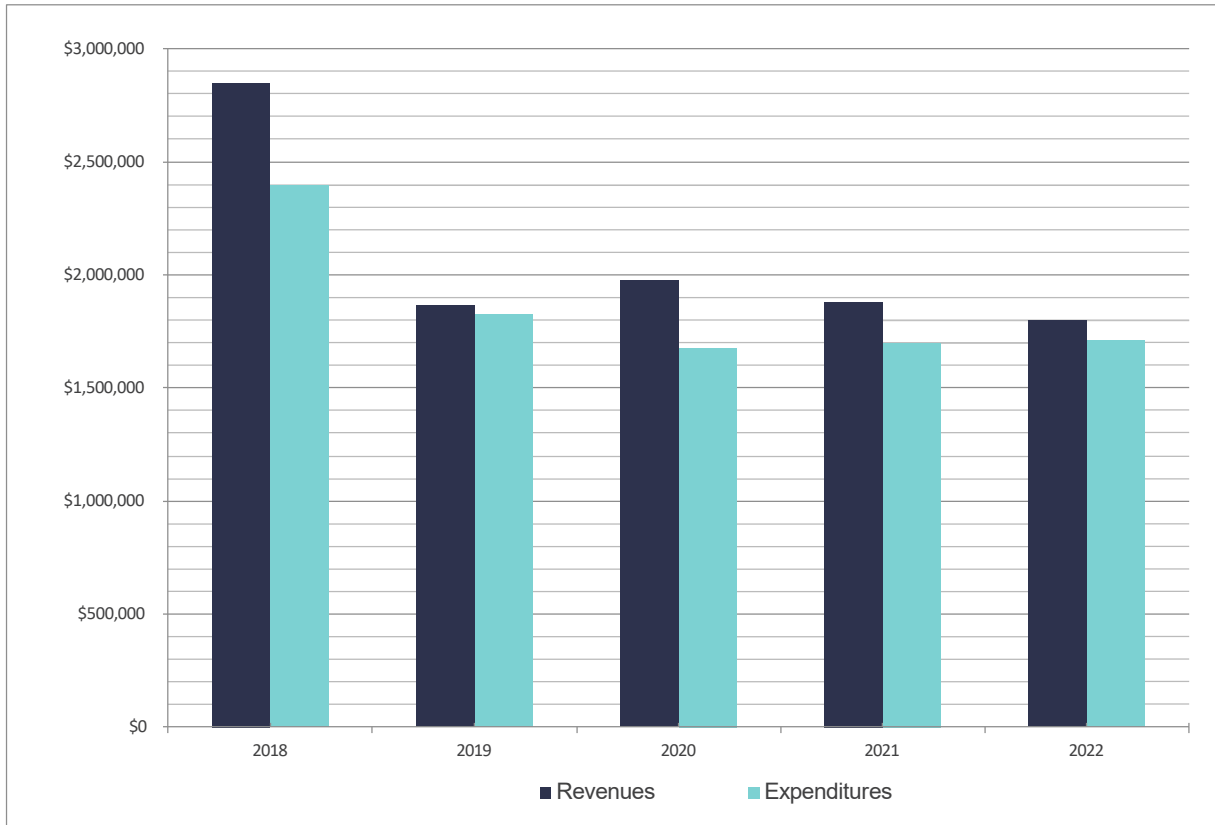
- Revenues in excess of expenditures by approximately \$610,000
- Revenues have exceeded expenditures in all years presented
- Approximately \$378,000 increase in expenditures

	2018	2019	2020	2021	2022
Revenues	\$ 6,836,865	\$ 6,891,613	\$ 7,195,494	\$ 7,033,397	\$ 7,452,211
Expenditures	6,693,964	6,766,658	6,383,352	6,464,182	6,842,093



Financial Results

Trust Fund Revenues and Expenditures



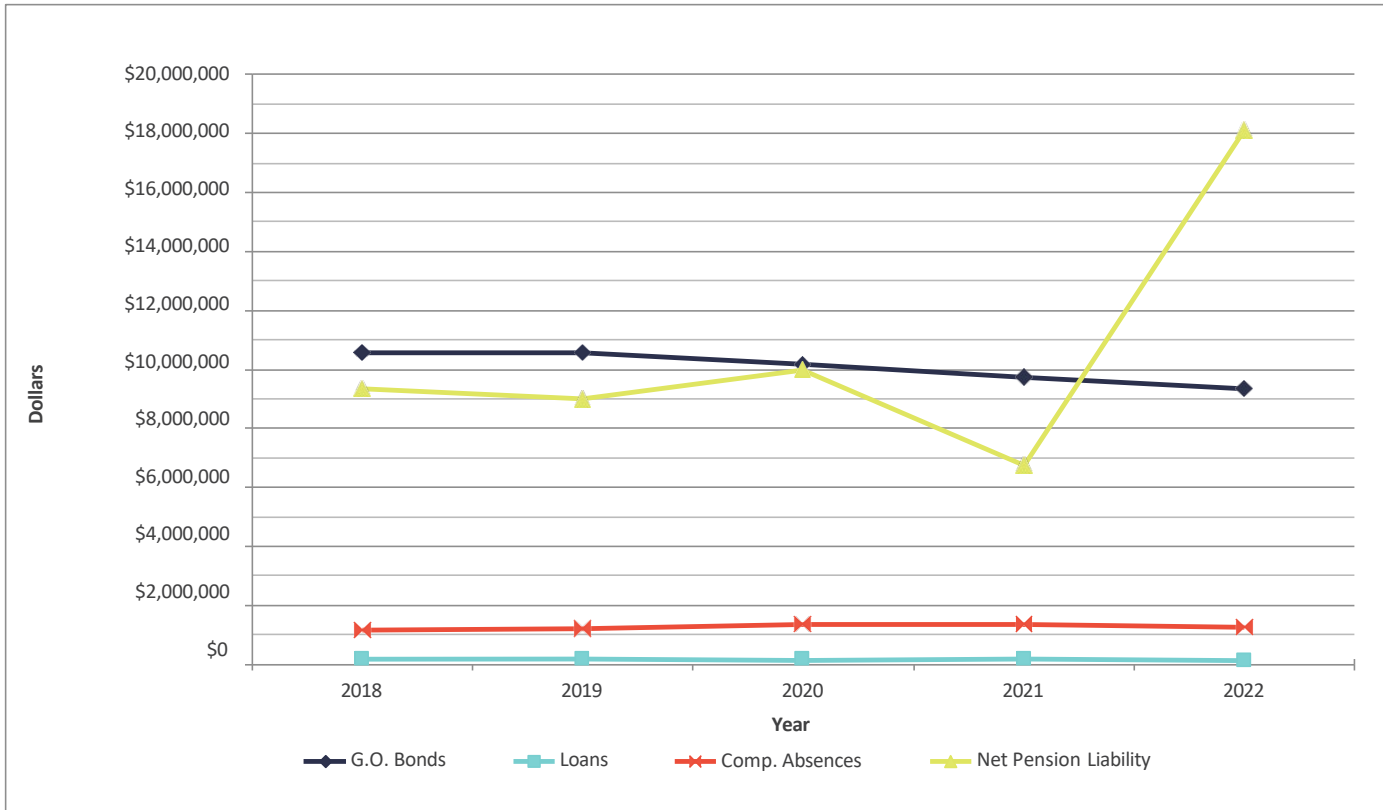
- Revenues in excess of expenditures in all years presented
- Fluctuations due to nature of the fund

	2018	2019	2020	2021	2022
Revenues	\$ 2,848,919	\$ 1,863,028	\$ 1,972,783	\$ 1,880,669	\$ 1,798,477
Expenditures	2,395,550	1,823,914	1,674,299	1,697,337	1,710,252



Financial Results

County Indebtedness – Governmental Activities

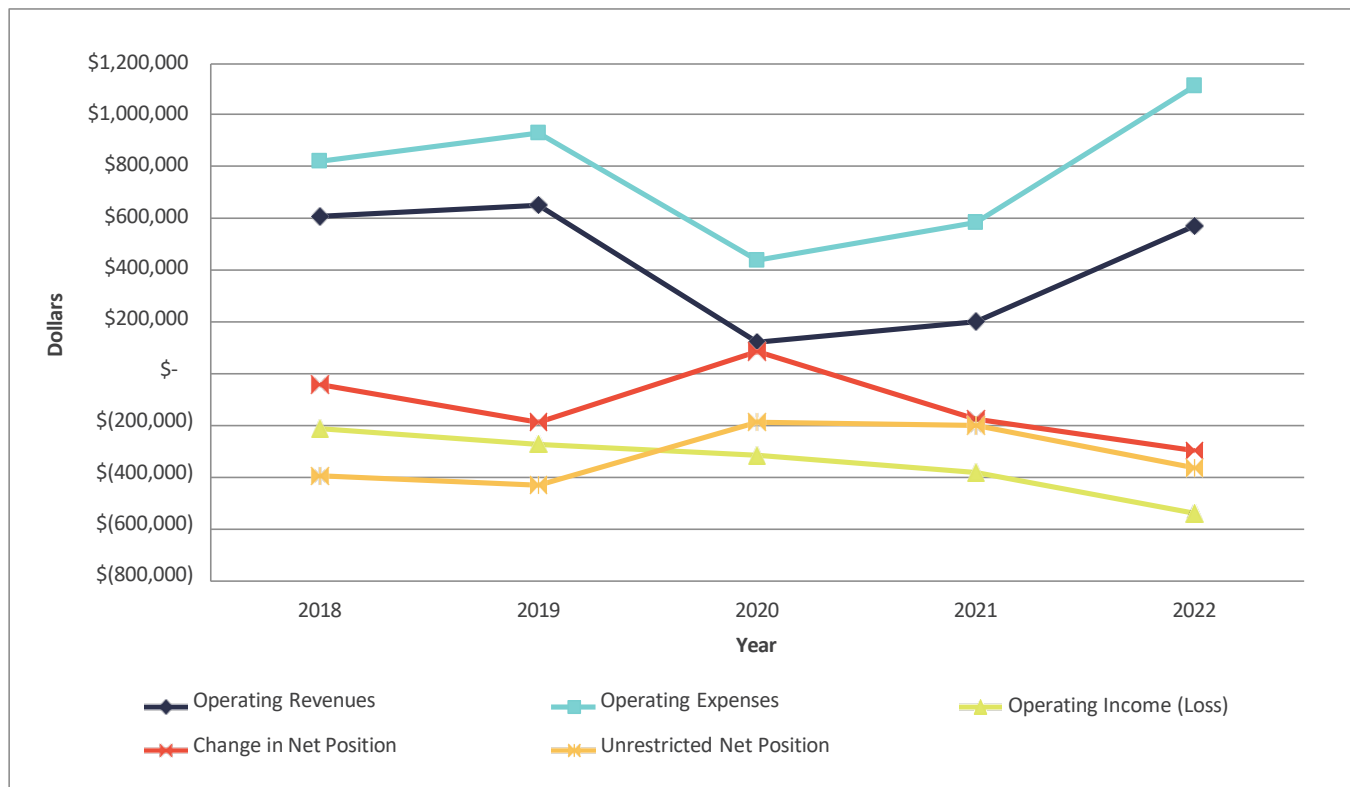


	2018	2019	2020	2021	2022
G.O. Bonds	\$ 10,555,431	\$ 10,547,228	\$ 10,164,025	\$ 9,755,519	\$ 9,347,569
Loans	190,201	164,492	158,358	169,875	144,247
Comp. Absences	1,172,806	1,222,092	1,374,666	1,340,420	1,271,325
Net Pension Liability	9,341,661	8,978,843	9,961,164	6,761,892	18,089,317



Financial Results

Long Lake Conservation Center



	2018	2019	2020	2021	2022
Operating Revenues	\$ 607,535	\$ 652,294	\$ 125,165	\$ 199,011	\$ 569,697
Operating Expenses	819,340	927,242	440,767	582,515	1,109,101
Operating Income (Loss)	(211,805)	(274,948)	(315,602)	(383,504)	(539,404)
Change in Net Position	(40,778)	(189,386)	84,155	(173,610)	(297,600)
Unrestricted Net Position	(390,830)	(431,550)	(184,894)	(200,483)	(361,827)





Key Issues/Summary

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Key Issues/Summary

- ARPA Funds recognized as revenue (unearned in 2021)
- Overall pretty consistent with prior years
- Accounting Standards Implemented
 - GASB No. 87 – Leases (2022) were immaterial in 2022 but check in the future
- Upcoming Standard Changes for 2023
 - GASB No. 96 – Subscription-Based Information Technology Arrangements (SBITA)
 - Statement on Auditing Standards 143-145



Thank you to all for allowing us to serve you!

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