

City of Frankenmuth Audit Presentation June 30, 2009





What is an Audit?

- Independent person
- Expression of an opinion
 - Unqualified-clean opinion
- Designed to provide reasonable assurance
- Auditor's responsibilities
 - U.S. Generally Accepted Auditing Standards
 - Department of Treasury

Required Communications

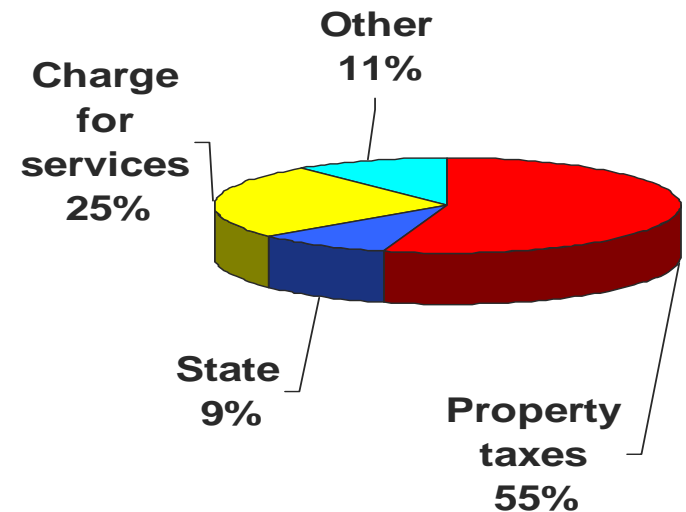


- Significant Accounting Policies
 - None this year
- Accounting Estimates
- Significant Audit Adjustments
 - None
- Disagreement with Management
 - None
- Consultation with Other Independent Accountants
 - None noted
- Issues Discussed Prior to Retention
 - Normal course of preparation
- Difficulties Encountered in Performing the Audit
 - None
- SAS 112
 - No issues to report

General Fund Revenue Highlights



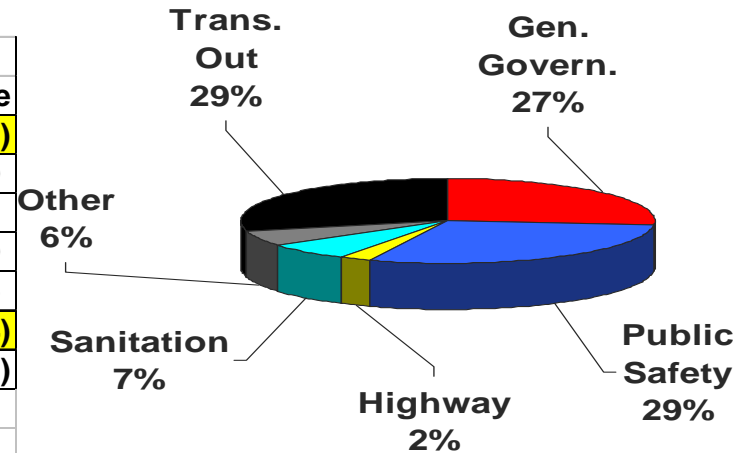
By Source For the Year Ended June 30,	2009	2008	Variance
Property taxes	\$ 2,325,569	\$ 2,245,055	\$ 80,514
State	404,170	410,492	(6,322)
Charge for services	1,077,614	1,081,619	(4,005)
Other	464,878	1,039,465	(574,587)
Total Revenue	\$ 4,272,231	\$ 4,776,631	\$ (504,400)
Variance in property tax revenue is due to increased taxable values.			
The most significant portion of the variance in other revenue is the Bronner donation that was used to purchase land in 2008.			



General Fund Expenditure Highlights



For the Year Ended June 30,	2009	2008	Variance
General government	\$ 1,085,226	\$ 2,366,695	\$(1,281,469)
Public safety	1,210,729	1,183,600	27,129
Highway and streets	93,666	78,615	15,051
Sanitation	273,281	267,782	5,499
Other expenditures	245,277	236,132	9,145
Transfers out	1,174,511	1,238,725	(64,214)
Total expenditures and transfers out	\$ 4,082,690	\$ 5,371,549	\$(1,288,859)
Decrease in general government is due to the purchase of land in 2008.			
The decrease in transfers out had many variances, both increases and decreases.			
However, most notable was the decrease to the Library in the amount of \$96,000 from 2008.			



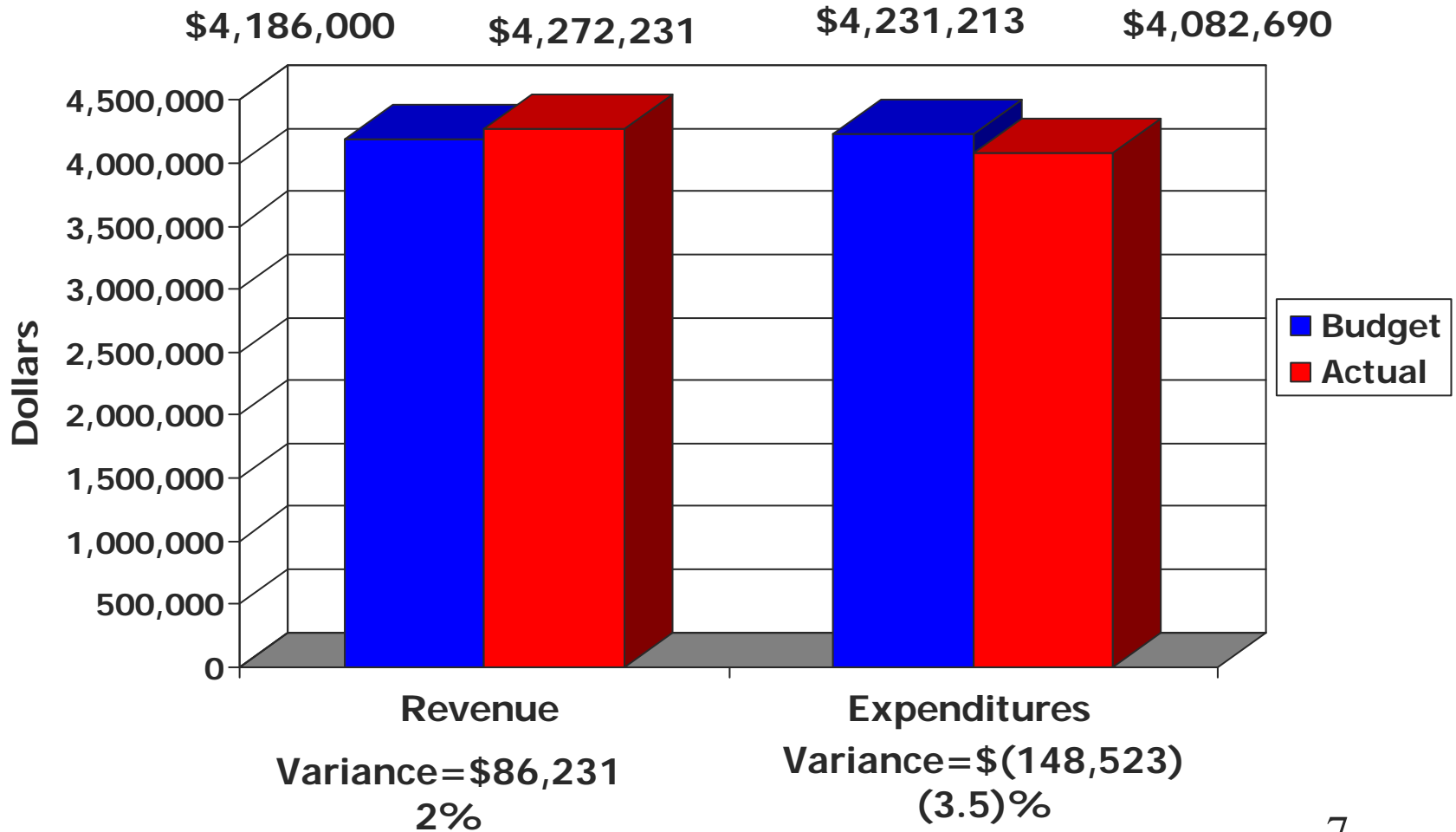
General Fund Changes in Fund Balance



June 30,	2009	2008	Variance
Revenues	\$ 4,272,231	\$ 4,776,631	\$ (504,400)
Expenditures	(2,908,179)	(4,132,824)	1,224,645
Transfers In	-	775,000	(775,000)
Transfers Out	(1,174,511)	(1,238,725)	64,214
Excess (deficit) of Revenue			
over Expenditures and transfers out	189,541	180,082	9,459
Fund Balance, Beginning	1,685,539	1,505,457	180,082
Fund Balance, Ending	\$ 1,875,080	\$ 1,685,539	\$ 189,541
Months of Fund Balance	5.50	4.80	0.70
Months of Fund Balance:			
Based upon budgeted expenditures and transfers out for the next year divided by 12 months and then into fund balance.			

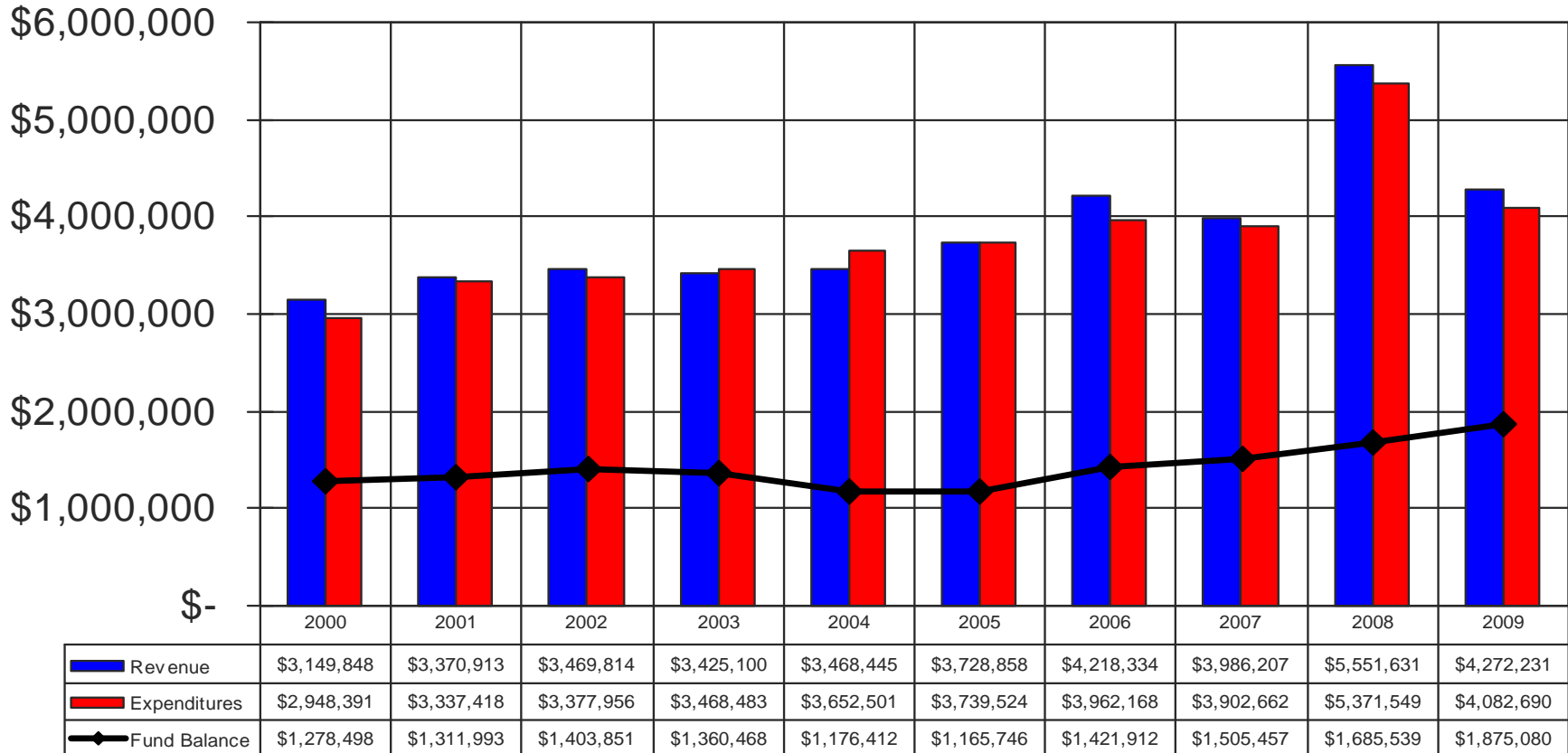
Note: Fund balance includes a reservation of \$57,000 for a transfer to Parks and Receptions that will be made in 2010 and \$20,000 set aside for the purchase of a police car. In addition, projected decrease in fund balance for 2010 is approximately \$(128,000).

General Fund Budget to Actual For the year Ended June 30, 2009





General Fund Revenues, Expenditures, & Fund Balance



For the Years Ended June 30,



Note: Fund balance includes a reservation of \$57,000 for a transfer to Parks and Recreations that will be made in 2010 and \$20,000 set aside for the purchase of a police car. In addition, projected decrease in fund balance for 2010 is approximately \$(128,000).

Special Revenue Funds Financial Summary



■ Major Street Fund

- Fund balance increase of \$1,341 to \$6,982
- Fed/State pass through project (East Genesee) from grants funds in the amount of \$652,250.

■ Local Street Fund

- Fund balance increase of \$8,232 to \$10,557

■ Parks and Recreation

- Fund Balance decrease of \$(34,710) to \$23,592
- Decrease due to the demolition of pool and increased maintenance in parks
- This fund will have an additional transfer of \$57,000 in 2010 that was budgeted in 2009 year.

Special Revenue Funds Financial Summary-cont.



■ DDA Fund

- Fund balance increase of \$170,134 to \$572,263
- Three property owners paid off special assessment in full ahead of schedule
- Fund balance designation of \$10,000 for capital improvements

■ Building Fund

- Fund balance decrease of \$28,736 to \$41,109
- Decrease directly related to less permits issued due to economy



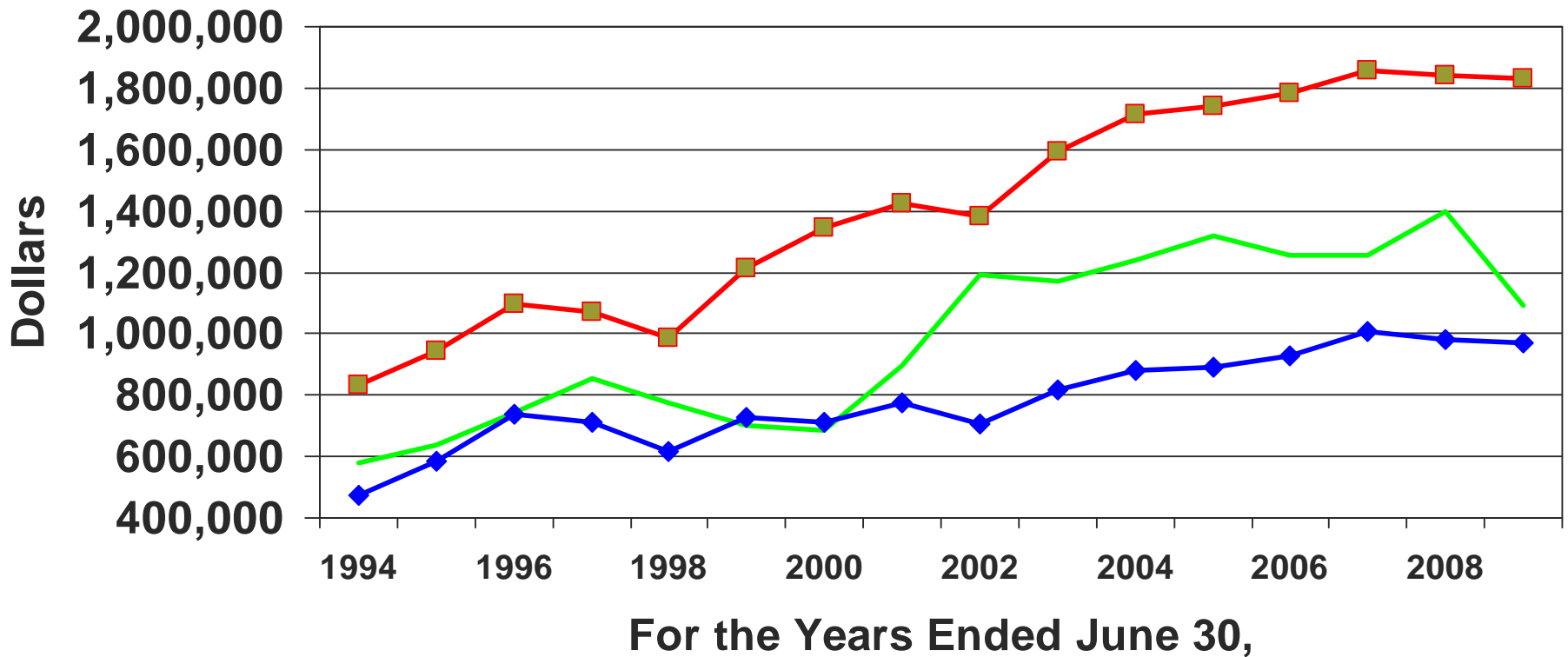
Debt Service Funds

- Are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related cost
- Ten current funds
- Total debt service fund balance at June 30, 2009 \$30,098.
- Three DDA GO issues refunded-savings aprox \$140,000 during the year ended June 30, 2006
- General Obligation - \$ 10,946,862
 - 10% of 2008 SEV=\$30,538,890
- Special Assessment-\$4,305,000
- Total Bonded Debt-\$15,251,862

Waste Water Treatment Fund



— Total Revenue — Total Expenses — Ex W/O Depreciation

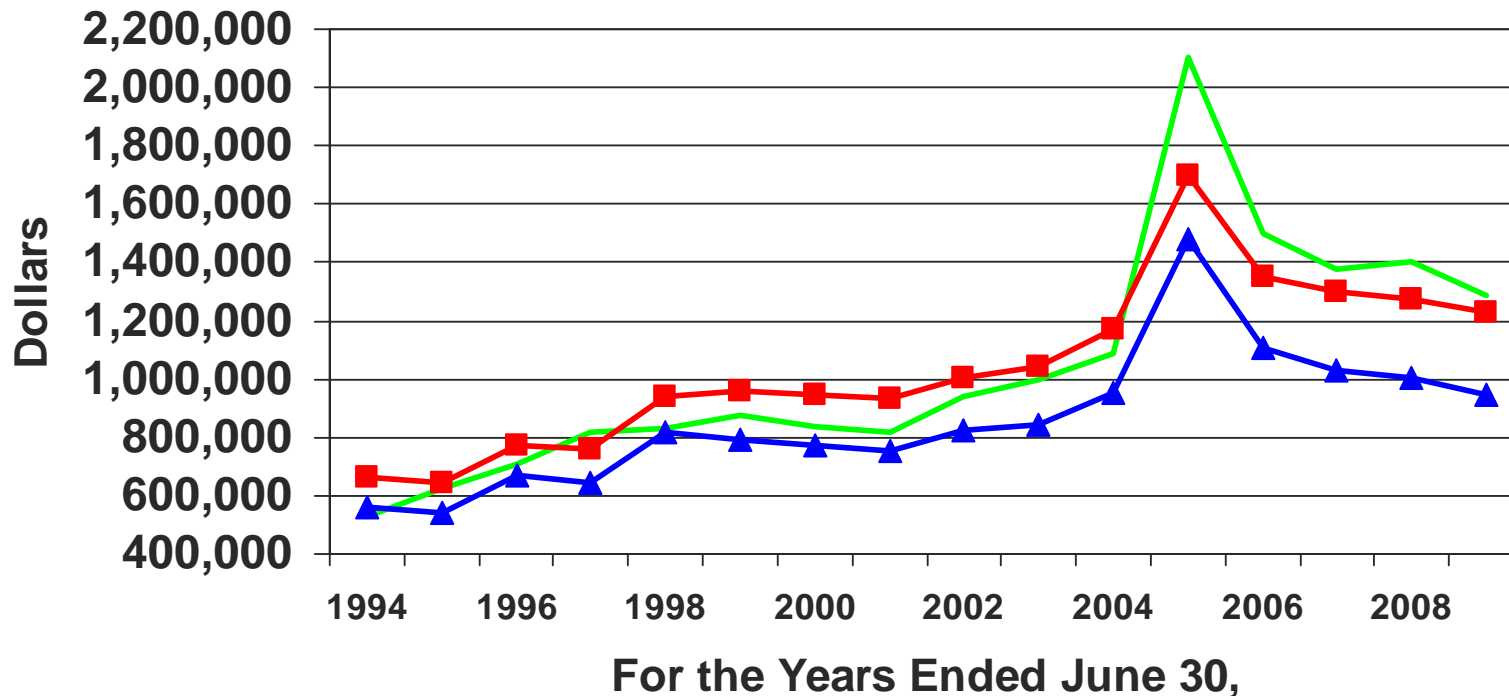


Losses for 2009 \$(715,740) 2008 \$(441,265), 2007 \$(601,074), 2006 \$(800,698), and 2005 (\$421,556)

Water Fund



— Total Revenue — Total Expenses — Ex W/O Depreciation



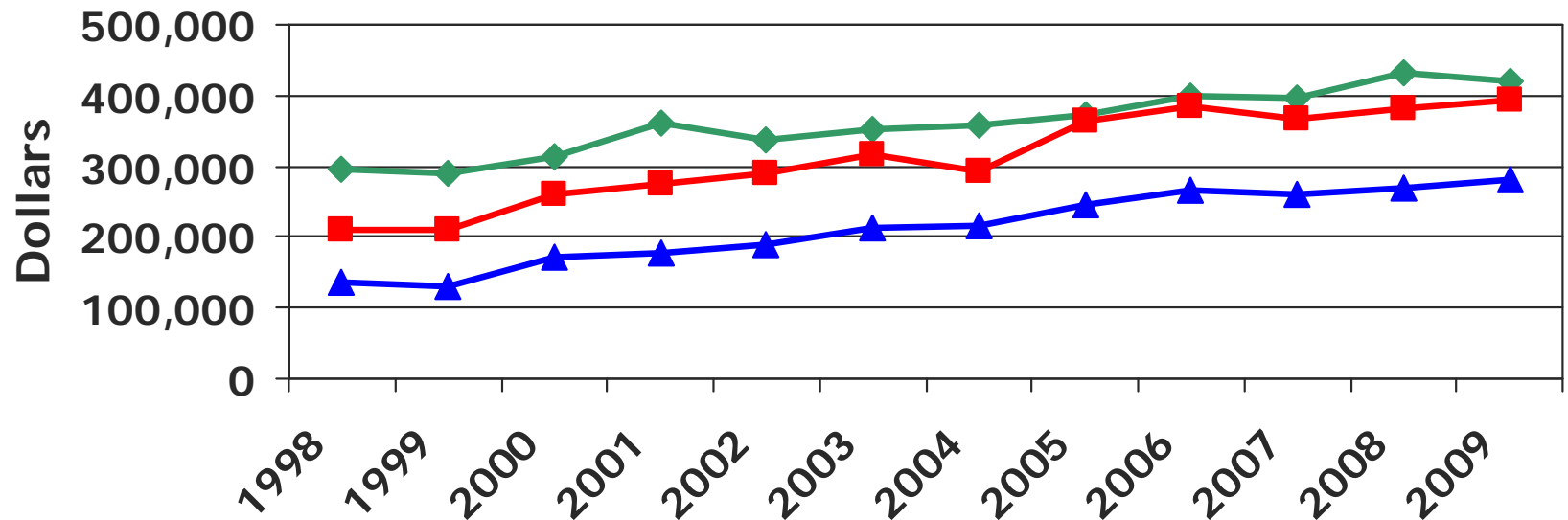
Profit for 2009 \$60,951, 2008 \$127,927, 2007 \$147,423, 2006 \$654,437, and 2005 \$408,048

2005 revenue includes a federal grant in the amount of \$248,596



Equipment Fund

◆ Total Revenue ■ Total Expenses ▲ Ex W/O Depreciation



For the Years Ended June 30,

Profit for 2009 \$37,077, 2008 \$39,189, 2007 \$28,224, 2006 \$15,498, and \$9,085 for 2005

Questions

