

City of Frankenmuth
Audit Presentation
June 30, 2011



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



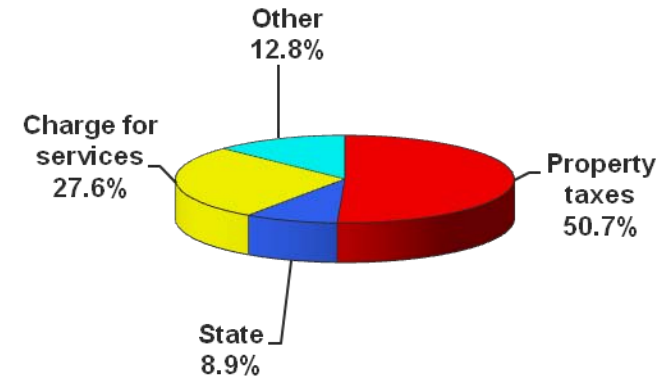
- Significant Accounting Policies
 - GASB 54- Fund Balance definitions
 - Change in terminology
- Accounting Estimates
- Significant Audit Adjustments
 - None
- Disagreement with Management
 - None
- Consultation with Other Independent Accountants
 - None noted
- Issues Discussed Prior to Retention
 - Normal course of preparation
- Difficulties Encountered in Performing the Audit
 - None
- SAS 115
 - No issues to report

General Fund Revenue Highlights

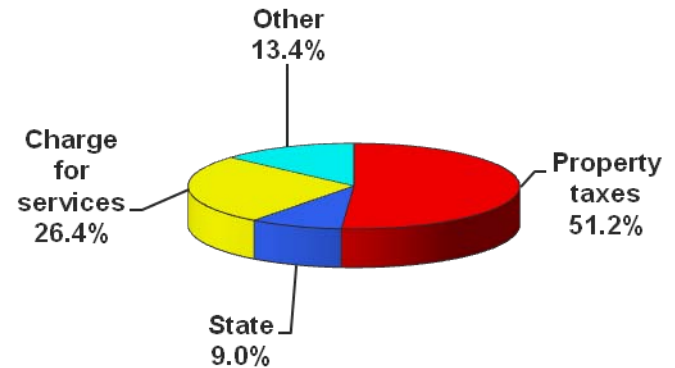


2011

By Source For the Year Ended				
June 30,	2011	2010	Variance	
Property taxes	\$ 2,020,590	\$ 1,990,134	\$ 30,456	
State	353,660	351,300	2,360	
Charge for services	1,100,234	1,025,753	74,481	
Other	508,597	519,317	(10,720)	
Total Revenue	\$ 3,983,081	\$ 3,886,504	\$ 96,577	



2010



Variance in property tax revenue is mostly due to decrease in millage in 2010.

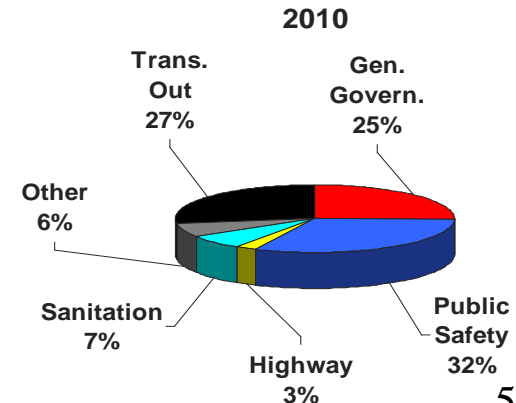
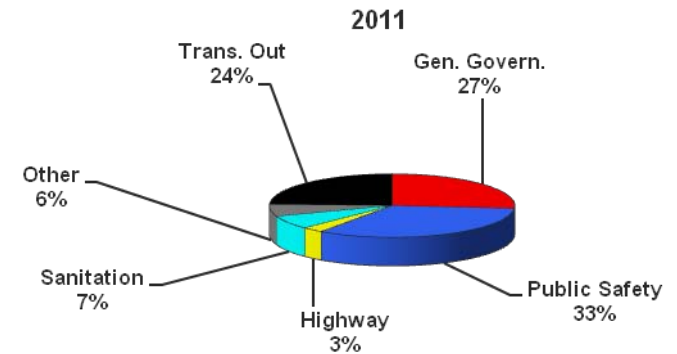
Charge for services vary from year to year depending on what is requested.

General Fund Expenditure Highlights



By Category				
For the Year Ended				
June 30,	2011	2010		Variance
General government	\$ 1,039,464	\$ 1,034,578		\$ 4,886
Public safety	1,305,144	1,291,429		13,715
Highway and streets	109,466	105,680		3,786
Sanitation	270,019	274,897		(4,878)
Other expenditures	239,633	263,285		(23,652)
Transfers out	958,864	1,123,341		(164,477)
Total expenditures and transfers out	\$ 3,922,590	\$ 4,093,210		\$ (170,620)

Most of the decrease in transfers out is due to 2010 having a "catch up" transfer to the Parks and Recreation fund.



General Fund Changes in Fund Balance



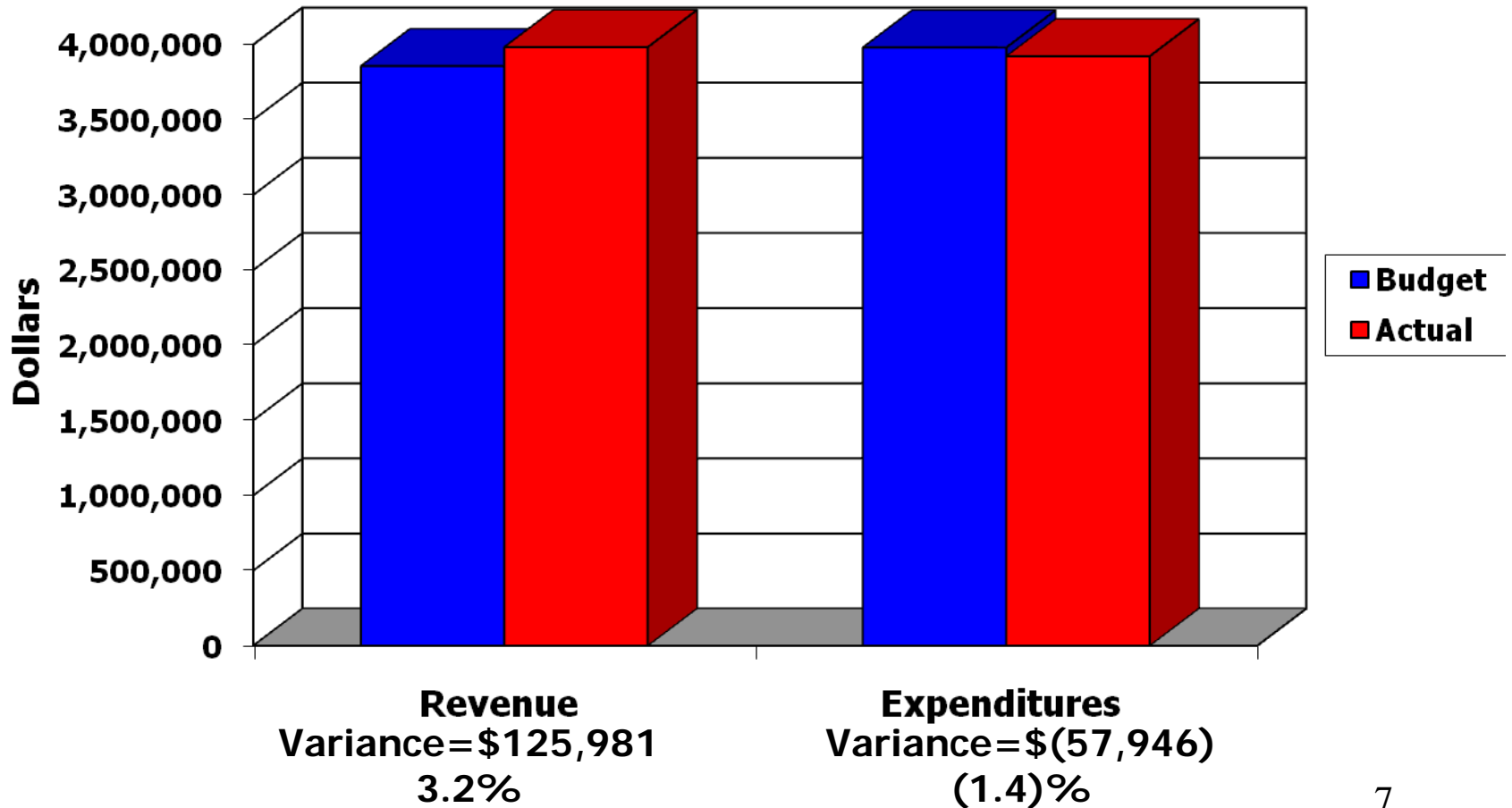
For The Year Ended				
June 30,		2011	2010	Variance
Revenues	\$	3,983,081	\$ 3,886,504	\$ 96,577
Expenditures		(2,963,726)	(2,969,869)	6,143
Transfers Out		(958,864)	(1,123,341)	164,477
Excess (deficit) of Revenue over Expenditures and transfers out		60,491	(206,706)	267,198
Fund Balance, Beginning		1,668,374	1,875,080	(206,706)
Fund Balance, Ending	\$	1,728,865	\$ 1,668,374	\$ 60,491
Months of Fund Balance		4.85	4.86	(0.01)

Note: Fund balance decrease was budgeted for \$(123,436) a variance of \$183,927. Part of the decrease in 2010 was due to lowering the millage (Library issue) and the additional \$57,000 transfer to Parks and Recreation

General Fund
Budget to Actual
For the year Ended June 30, 2011



\$3,857,100 **\$3,983,081** **\$3,980,536** **\$3,922,590**



Combined Fund Balances

For the year Ended June 30, 2011



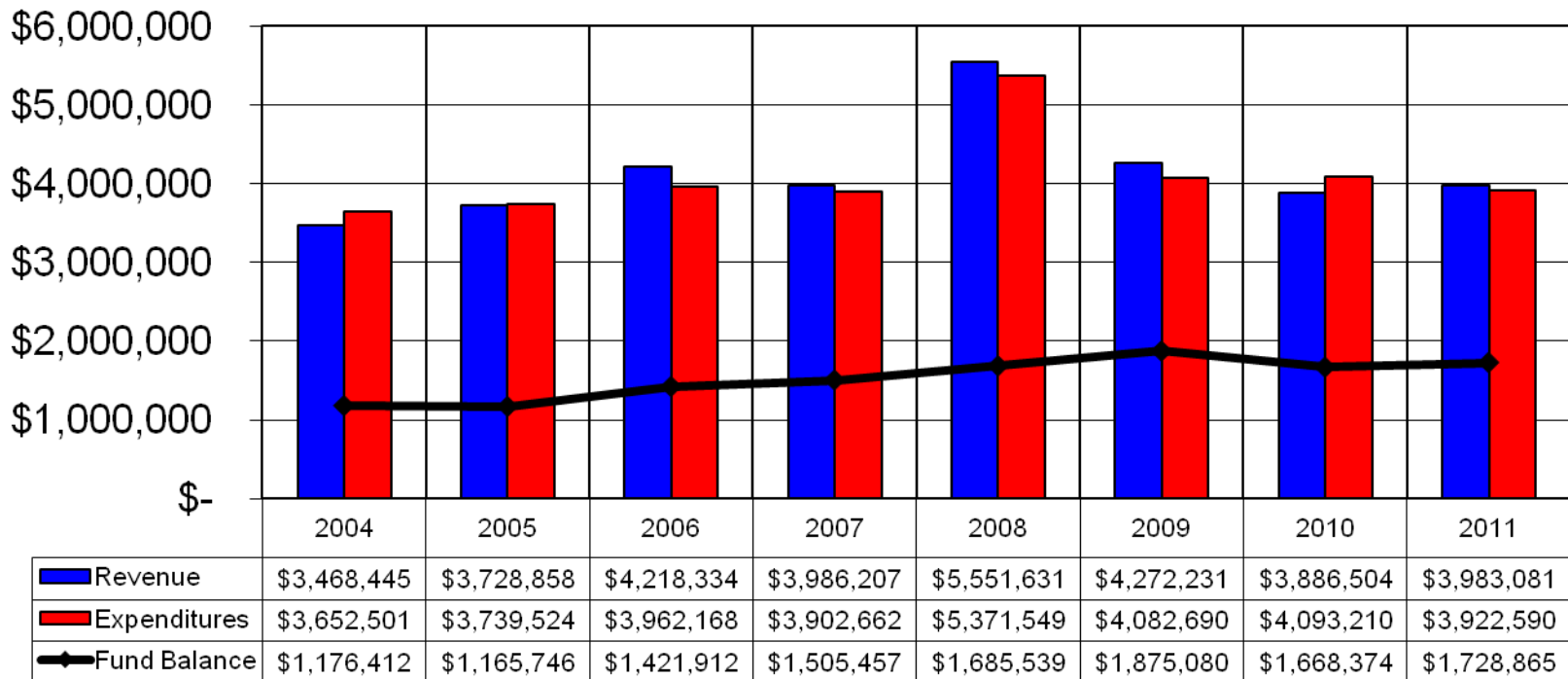
For The Year Ended	General	Major	Local	Parks	
June 30,	Fund	Street	Street	and Recreation	Total
Revenues	\$ 3,983,081	\$ 255,105	\$ 95,922	\$ 244,052	\$ 4,578,160
Expenditures	(2,963,726)	(177,027)	(337,733)	(539,528)	(4,018,015)
Transfers In	-	115,000	258,000	277,000	650,000
Transfers Out	(958,864)	(123,665)	(16,869)	-	(1,099,398)
Excess (deficit) of Revenue					
over Expenditures and transfers out	60,491	69,413	(680)	(18,476)	110,747
Fund Balance, Beginning	1,668,374	93,010	4,111	117,273	1,882,769
Fund Balance, Ending	\$ 1,728,865	\$ 162,423	\$ 3,431	\$ 98,797	\$ 1,993,516



General Fund

Revenues, Expenditures, & Fund Balance

Dollars



For the Years Ended June 30,



Special Revenue Funds Financial Summary



- **Major Street Fund**
 - Fund balance increase of \$69,413 to \$162,423
 - Plans for a project were changed which lead to lower expenditures.
- **Local Street Fund**
 - Fund balance decrease of \$(680) to \$3,431.
- **Parks and Recreation**
 - Fund Balance decrease of \$(18,476) to \$98,797
 - Transfer decreased \$57,000 in 2011 due to catch up in 2010.

Special Revenue Funds Financial Summary-cont.



- **DDA Fund**
 - Fund balance decrease of \$(130,382) to \$536,135
 - Bonding cost to refund three bond issues will save City and taxpayers \$133,085 over next fourteen years
 - Fund balance commitment of \$50,000 for capital improvements and \$91,493 for prepaid special assessments
- **Drug Law Enforcement Fund**-Increase fund balance of \$250 to \$436
- **Building Fund**
 - Fund balance increase of \$28,381 to \$90,311
 - Increase directly related to more permits issued and monitoring expenditures.



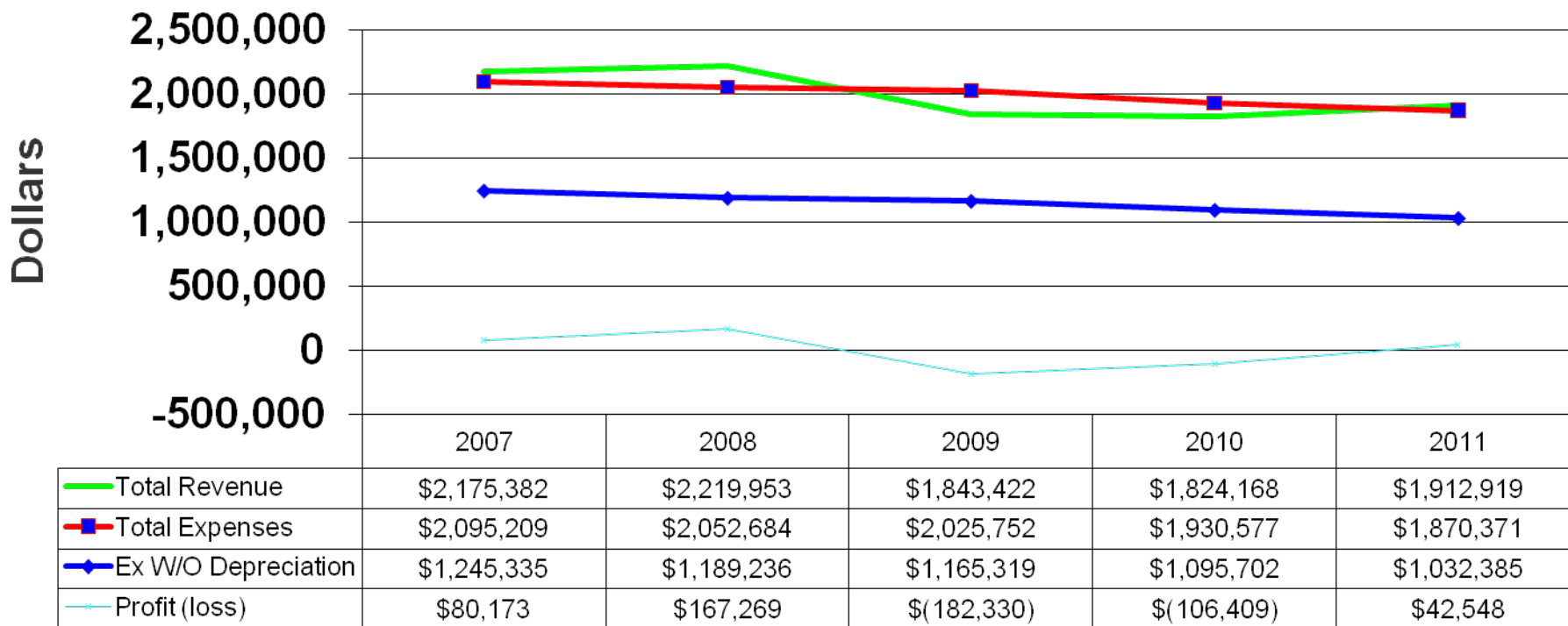
Debt Service Funds

- Are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related cost
- Total debt service fund balance at June 30, 2011 \$35,521
 - Three DDA GO issues refunded during June 30, 2006 fiscal year-savings approximately \$140,000
 - Three DDA SA issues refunded during the June 30, 2011 fiscal year-savings approximately \$133,000.
- Total Bonded Debt-\$11,383,746
 - General Obligation - \$ 7,948,746
 - 10% of 2010 SEV=\$28,604,635
 - Special Assessment-\$3,435,000

Waste Water Treatment Fund



—■ Total Revenue
 —■ Total Expenses
 —◆ Ex W/O Depreciation
 —◇ Profit (loss)



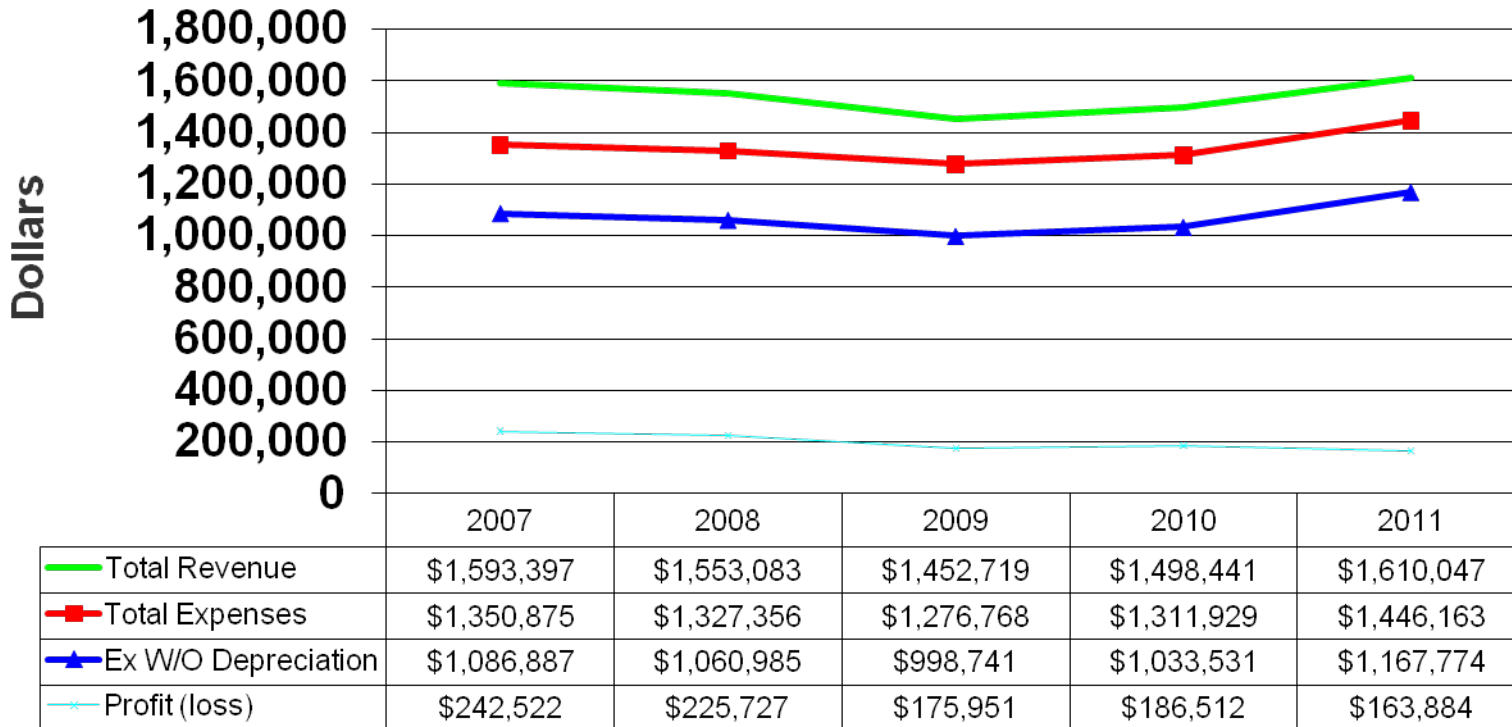
For the Years Ended June 30,

2007-2009 Restated due to reversal of restricted accounts receivable adjustment.

Water Fund



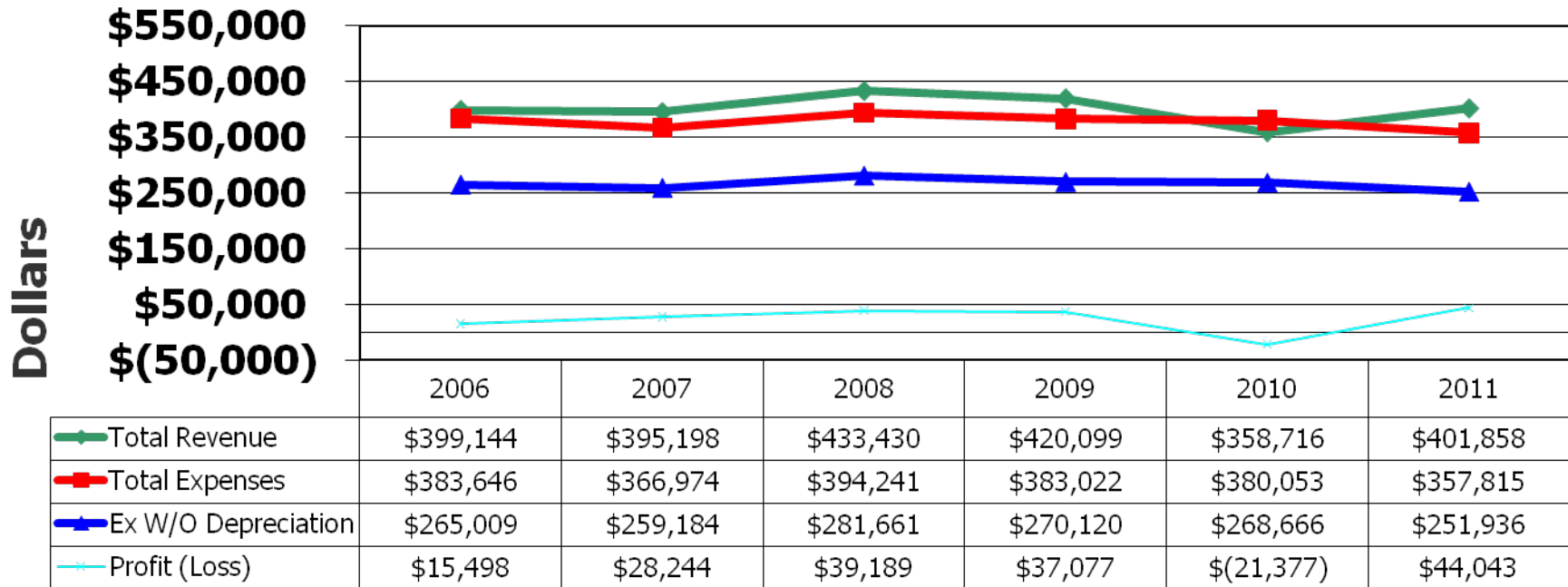
—■ Total Revenue
 —■ Total Expenses
 —▲ Ex W/O Depreciation
 —× Profit (loss)



For the Years Ended June 30,

2007-2009 Restated due to reversal of restricted accounts receivable adjustment.

Equipment Fund



For the Years Ended June 30,

Questions

