

2022 Audit Results

TOWNSHIP OF STANDISH

AUDIT REPORT LAYOUT

Audit Opinion
Letter

Management's
Discussion and
Analysis

Government-
Wide Financial
Statements

Fund Financial
Statements

Notes to
Financial
Statements

Required
Supplementary
Information

Other
Information

Management
Letter

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

Encourage you to read through it page by page when time permits

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Begins on Page 8

Combines all Funds of the Township

Incorporates all Long-Term Activity (Fixed Assets, Long Term Debt, etc.)

Ending Net Position – \$6,156,503

- Prior year showed Ending Net Position of \$4,816,904 (an increase of \$1,339,599)

FUND FINANCIAL STATEMENTS

- Begins on Page 10
- These are the Funds you Monitor and Budget
- Major Funds:
 - General Fund
 - Road Fund
 - Fire Fund
 - Garbage Collection Fund
 - Sewer Fund
 - Water Fund
- Non-Major Funds:
 - Aquatic Weed Fund
 - ARPA Fund
 - Sandy Drive Debt Fund
 - Pt. Wenonah Dredging Debt Fund

ENDING FUND BALANCE

- **General Fund** - \$1,211,796
 - Assigned - \$137,477
 - \$58,225 New Building
 - \$57,611 Bridges
 - \$21,641 Next Year's Budget
 - Unassigned - \$1,074,319
 - 626% of Current Year Expenditures
 - 658% in Prior Year
- **Road Fund** - \$13,021 (100% Restricted)
- **Fire Fund** - 137,677 (100% Restricted)
- **Garbage Fund** – \$85,095 (100% Restricted)
- **Sewer Fund** - \$2,584,725
 - \$1,001,118 (Net Investment in Capital Assets)
 - \$1,583,607 (Unrestricted)
- **Water Fund** - \$1,929,426
 - \$901,583 (Net Investment in Capital Assets)
 - \$1,027,843 (Unrestricted)

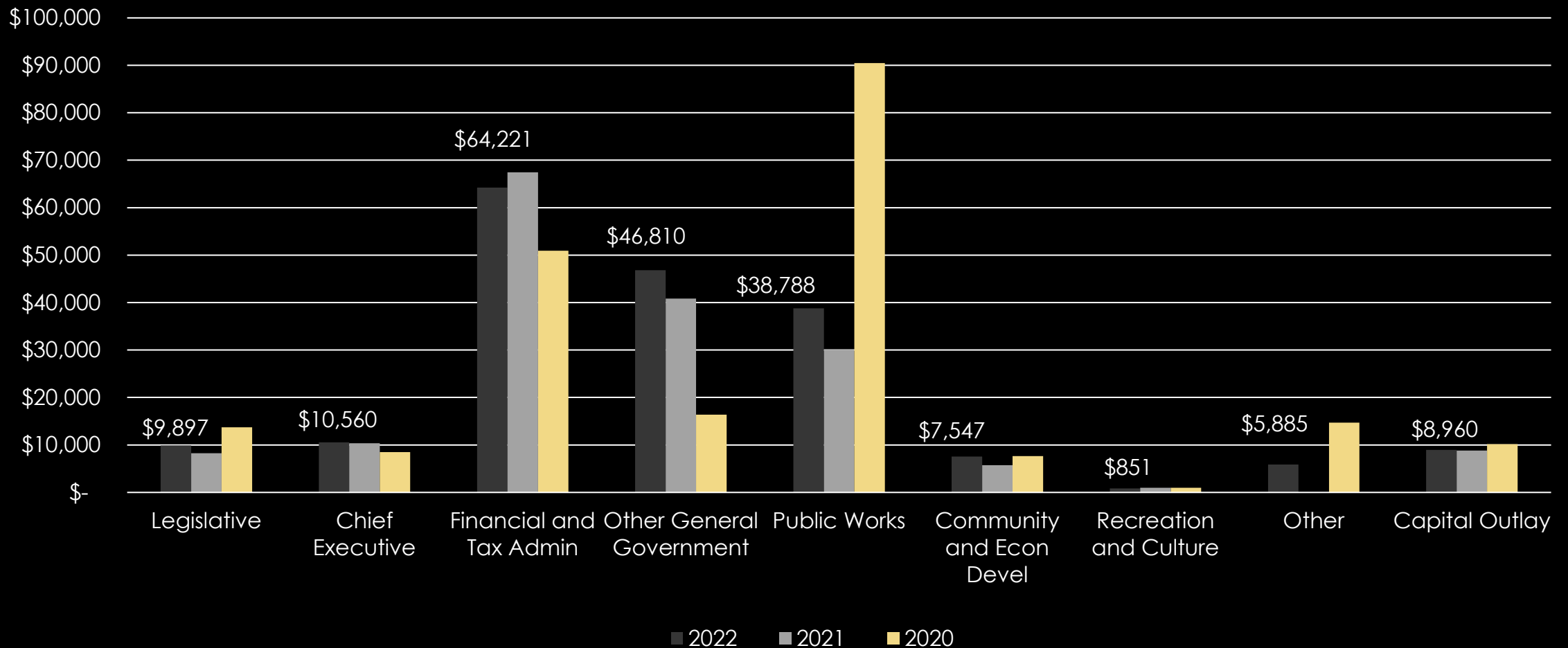
ENDING FUND BALANCE (CONT.)

- **Aquatic Weed Fund** – \$2,572 (100% Restricted)
- **ARPA Fund** – \$8 (100% Restricted)
- **Sandy Drive Debt Fund** – \$2,604 (100% Restricted)
- **Pt. Wenonah Dredging Debt Fund** – \$3,869 (100% Restricted)

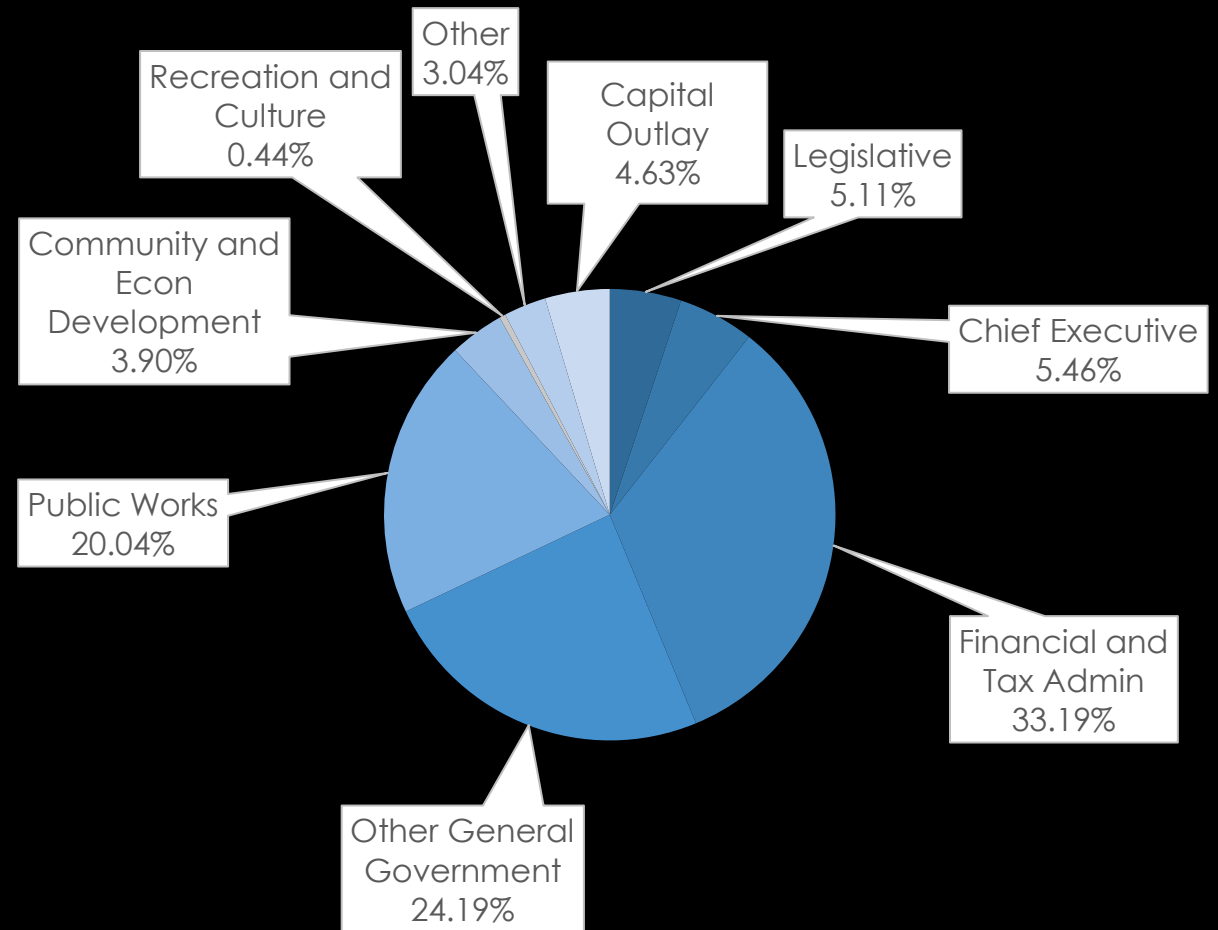
GENERAL FUND REVENUES



GENERAL FUND EXPENSES



GENERAL FUND EXPENSES



NOTES TO THE FINANCIAL STATEMENTS

- Begins on page 19

Important Notes for 2022 –

- Commitments
 - Water & Sewer Main Construction Project
 - Rohde Bros. Excavating, Inc.
 - Total Contract of \$8,606,998
 - Remaining Commitment of \$4,858,053

REQUIRED SUPPLEMENTARY INFORMATION

- Begins on Page 36
- Budget to Actual Comparisons
 - General Fund Revenues:
 - Original Budget - \$284,183
 - Final Budget - \$312,545
 - Actual - \$293,485
 - Variance - \$(19,060) (6.09%)
 - General Fund Expenses:
 - Original Budget - \$275,609
 - Final Budget - \$199,220
 - Actual - \$193,519
 - Variance - \$5,701 (2.86%)



SUPPLEMENTARY INFORMATION

- Begins on Page 40
- Combining Balance Sheet and Combining Statement of Revenue, Expenditures, and Changes in Fund Balances for Other Governmental Funds
 - Includes activity of the Aquatic Weed Assessment Fund, ARPA Fund, Sandy Drive Debt Fund, and Pt. Wenonah Dredging Debt Fund.

SINGLE AUDIT

- Uniform Guidance Threshold for a Single Audit
 - \$750,000 in Federal Awards
- Township's Total Federal Awards
 - \$3,948,496
- Major Program:
 - Water and Waste Disposal Systems for Rural Communities – ALN 10.760



SINGLE AUDIT
MAJOR
PROGRAM
FINDINGS

NONE!!!

MANAGEMENT LETTER – APPENDIX

- Responsibilities under GAAP and GAS
- Planned Scope and Timing of the Audit
- Qualitative Aspects of Accounting Practices
 - Accounting Policies (summarized in Note 1)
- Difficulties Encountered
- Corrected & Uncorrected Misstatements
- Disagreements with Management
- Management Representations
- Consultations with Other Independent Accountants
- Other Issues or Matters

- Material Weakness:
 - Financial Statement Preparation Controls – Township relies on S&C to assist in preparing the annual report in accordance with Generally Accepted Accounting Principles.
 - Vast majority of local governments have this comment.
 - Cost vs. Benefit
 - Township Board Reports
- Significant Deficiency:
 - None
- Other Matters:
 - Budgeted Deficit Fund Balance

MANAGEMENT LETTER – APPENDIX II

MANAGEMENT LETTER – APPENDIX II

Status of Prior Year Comments:

- Financial Statement Preparation Controls
 - Management Decision To Not Implement
- Township Board Reports
 - Still Exists
- Timely Bank Reconciliations
 - Implemented/Situation Corrected
- Documentation in Board Minutes
 - Implemented/Situation Corrected
- Approval of Book of Bills
 - Implemented/Situation Corrected
- Classification of Payroll Checks
 - Implemented/Situation Corrected
- Separation of Sewer Fund and Water Fund
 - Implemented/Situation Corrected
- Budget Approval
 - Implemented/Situation Corrected



ANY QUESTIONS?

Nathan A. Miller, CPA

Audit Manager

East Tawas Office

(989) 362-4491

nathanm@scopc.com



Stephenson & Company, P.C.

Certified Public Accountants & Consultants