



Board of County Commissioners Agenda Request

Agenda Item #

Requested Meeting Date: 10-25-2022
Title of Item: 2021 Audit Review

<input checked="" type="checkbox"/> REGULAR AGENDA <input type="checkbox"/> CONSENT AGENDA <input type="checkbox"/> INFORMATION ONLY	Action Requested: <input type="checkbox"/> Approve/Deny Motion <input type="checkbox"/> Adopt Resolution (attach draft) <i>*provide copy of hearing notice that was published</i>	<input type="checkbox"/> Direction Requested <input checked="" type="checkbox"/> Discussion Item <input type="checkbox"/> Hold Public Hearing*
--	---	--

Submitted by: Brittany Searle	Department: Administration
---	--------------------------------------

Presenter (Name and Title): Kristen Houle, CPA - CliftonLarsonAllen	Estimated Time Needed:
---	-------------------------------

Summary of Issue:
CLA will present the 2021 Audit to the Board

Alternatives, Options, Effects on Others/Comments:

Recommended Action/Motion:
Discussion Only

Financial Impact:
Is there a cost associated with this request? Yes No
What is the total cost, with tax and shipping? \$
Is this budgeted? Yes No *Please Explain:*



Aitkin County, Minnesota

Presentation: Exit Conference-
Year Ending December 31, 2021

We'll get you there.



CPAs | CONSULTANTS | WEALTH ADVISORS

©2022 CliftonLarsonAllen LLP. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.

Agenda

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





Required Communications

We'll get you there.

CPAs | CONSULTANTS | WEALTH ADVISORS

©2022 CliftonLarsonAllen LLP. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor

Required Communications

- See separate letter for communication required by various Statements on Auditing Standards
- Unmodified opinion on financial statements
- Reports issued by single audit and state deadline





Internal Controls

We'll get you there.

CPAs | CONSULTANTS | WEALTH ADVISORS

©2022 CliftonLarsonAllen LLP. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor

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

We'll get you there.

CPAs | CONSULTANTS | WEALTH ADVISORS

©2022 CliftonLarsonAllen LLP. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor

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
 - 2021 Items:
 - Publishing of Claims
 - Ditch Special Revenue Fund
 - Payment of Claims within 35 Days





Federal Single Audit

We'll get you there.

CPAs | CONSULTANTS | WEALTH ADVISORS

©2022 CliftonLarsonAllen LLP. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor

Federal Single Audit

- Major Programs: Medical Assistance (MA) and Child Support Enforcement
 - Material Weakness:
 - Lack of Casefile Review
 - Significant Deficiency:
 - None noted





Financial Results

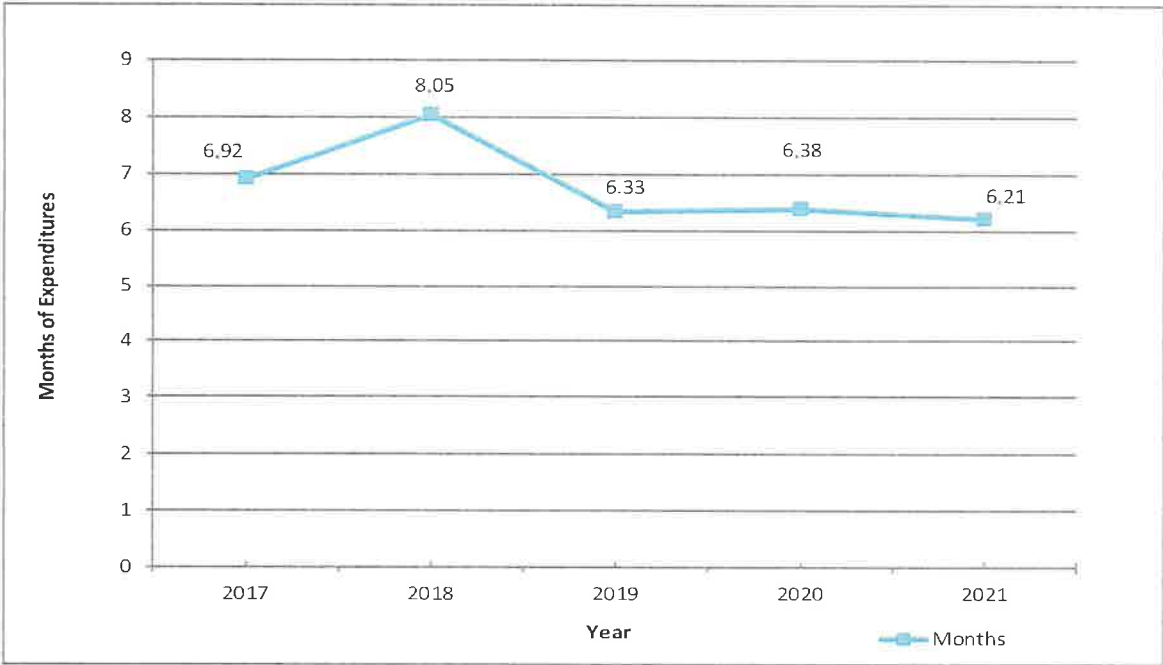
We'll get you there.

CPAs | CONSULTANTS | WEALTH ADVISORS

©2022 CliftonLarsonAllen LLP. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor

Financial Results

Months of Expenditures in Fund Balance – All Governmental Funds



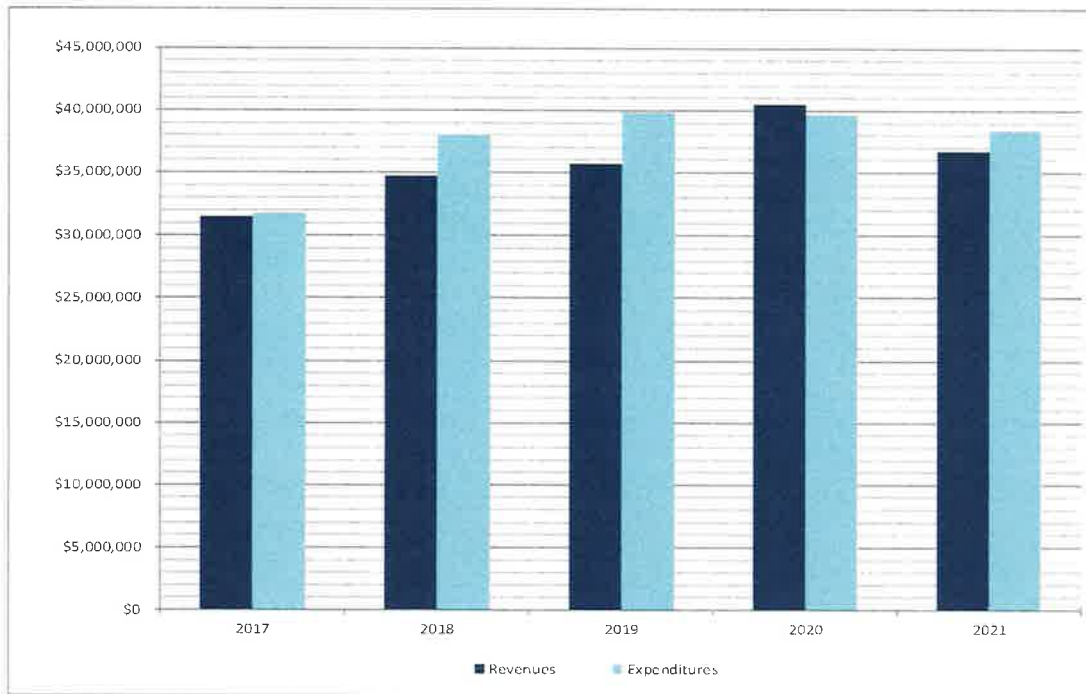
- Recommend no less than 3-5 months
- Consistent with prior year
- This is “Unrestricted” fund balance
- All 5 years presented above recommendation

	2017	2018	2019	2020	2021
Expenditures	\$ 31,796,973	\$ 38,057,497	\$ 39,962,041	\$ 39,751,020	\$ 38,425,573
Fund Balance	18,337,297	25,541,086	21,088,703	21,150,087	19,895,789



Financial Results

Governmental Funds - Revenues and Expenditures



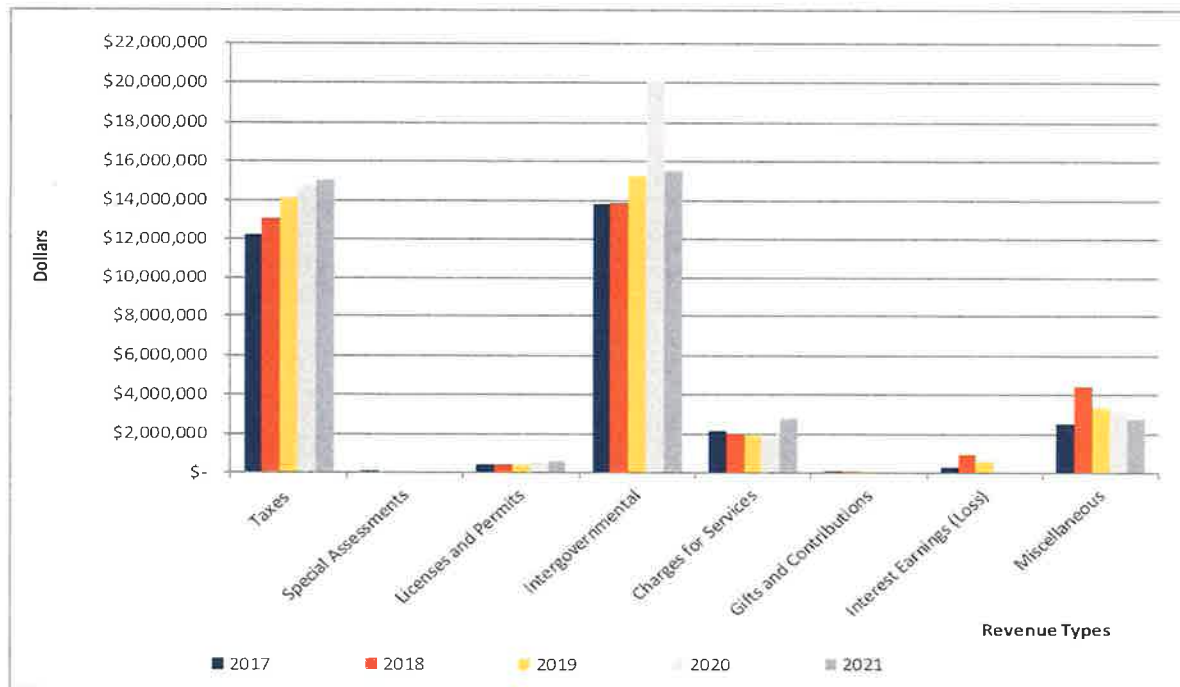
- Expenditures have exceeded revenues 4 out of 5 years
- 2021 expenditures exceeded revenues by approximately \$1,717,000
- Approximately \$3.8M decrease in revenues in 2021

	2017	2018	2019	2020	2021
Revenues	\$ 31,459,988	\$ 34,701,181	\$ 35,664,270	\$ 40,504,480	\$ 36,708,600
Expenditures	31,796,973	38,057,497	39,962,041	39,751,020	38,425,573



Financial Results

Revenues – All Governmental Funds

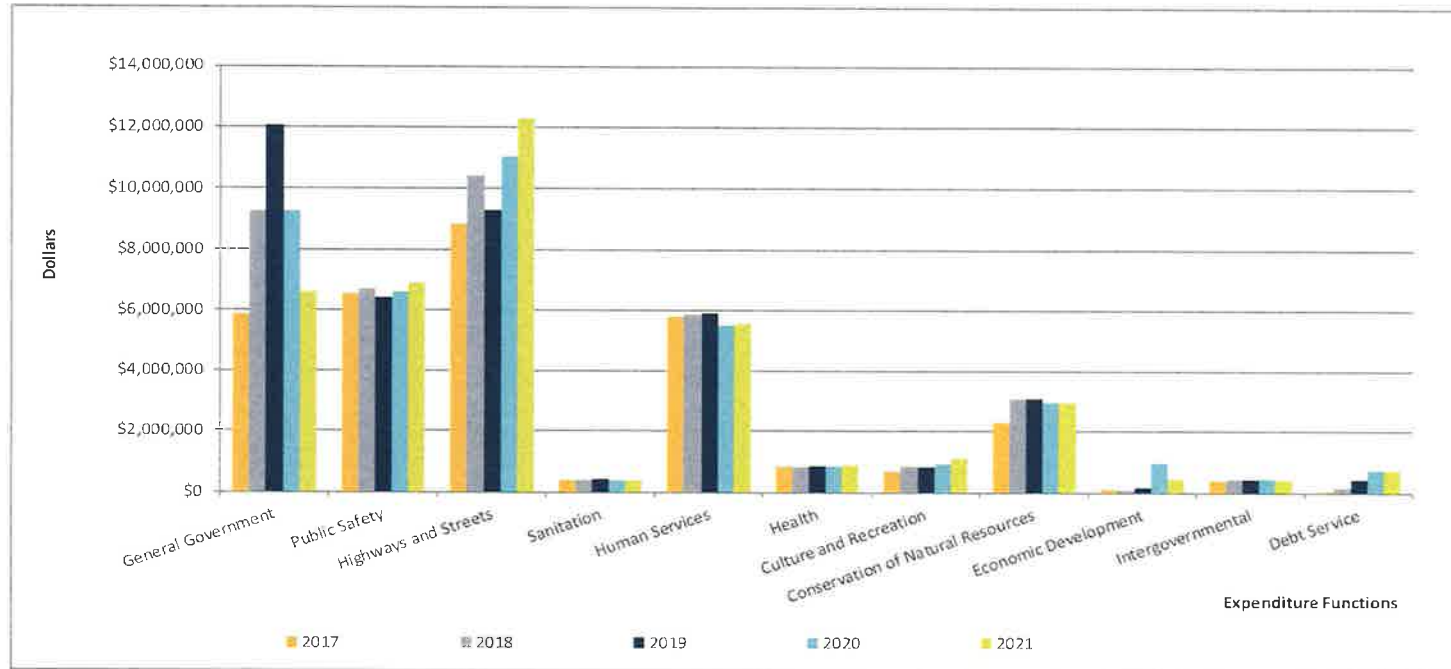


	2017	2018	2019	2020	2021
Taxes	\$ 12,243,132	\$ 13,049,901	\$ 14,124,827	\$ 14,784,906	\$ 15,063,799
Special Assessments	860	-	-	-	-
Licenses and Permits	430,331	397,282	413,704	521,172	630,994
Intergovernmental	13,843,119	13,872,102	15,272,700	20,131,425	15,551,705
Charges for Services	2,128,005	2,007,674	1,911,355	1,831,233	2,794,582
Gifts and Contributions	9,550	8,203	11,075	1,800	15,025
Interest Earnings (Loss)	303,433	950,526	600,520	106,554	(85,301)
Miscellaneous	2,501,558	4,415,493	3,330,089	3,127,390	2,737,796
	\$ 31,459,988	\$ 34,701,181	\$ 35,664,270	\$ 40,504,480	\$ 36,708,600



Financial Results

Expenditures – All Governmental Funds

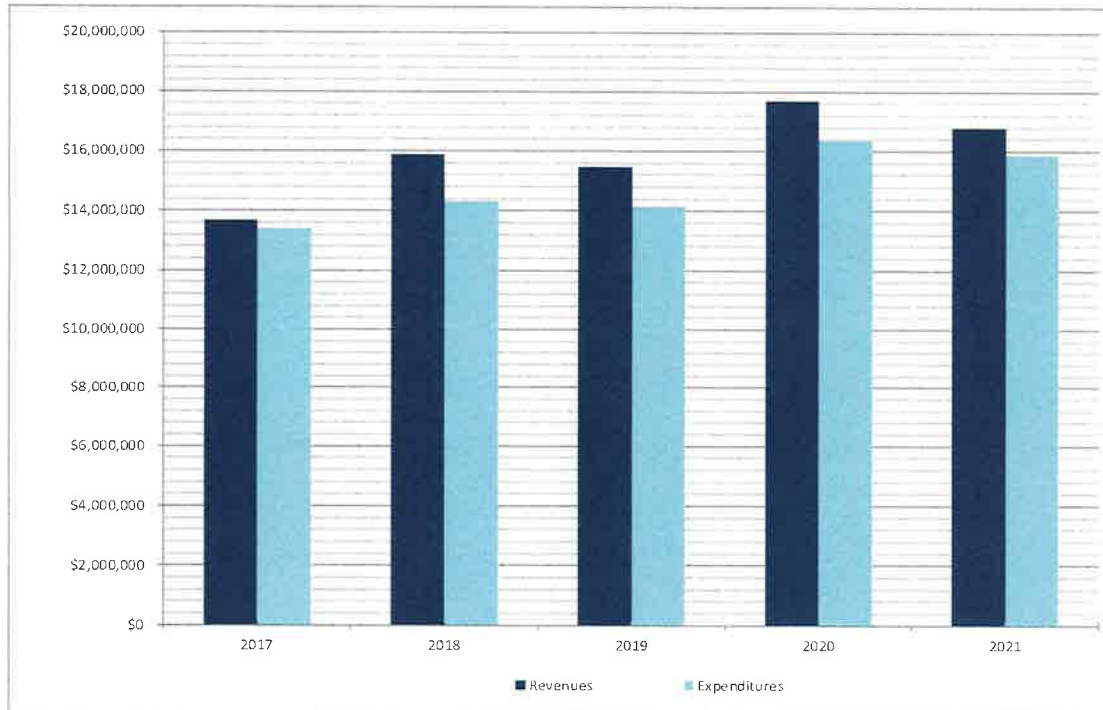


	2017	2018	2019	2020	2021
General Government	\$ 5,860,018	\$ 9,247,186	\$ 12,066,449	\$ 9,243,692	\$ 6,619,045
Public Safety	6,540,489	6,676,136	6,418,388	6,597,503	6,897,173
Highways and Streets	8,822,132	10,443,653	9,313,705	11,031,613	12,305,378
Sanitation	379,938	383,192	432,749	398,877	388,321
Human Services	5,796,978	5,886,145	5,899,657	5,532,839	5,579,136
Health	854,996	810,456	870,167	854,230	888,213
Culture and Recreation	694,307	845,137	811,246	950,157	1,133,129
Conservation of Natural Resources	2,304,824	3,070,755	3,089,608	2,959,077	2,973,064
Economic Development	127,325	87,656	171,994	985,591	482,378
Intergovernmental	378,264	442,343	437,020	455,617	419,081
Debt Service	37,702	164,838	451,058	741,824	740,655
Total	\$ 31,796,973	\$ 38,057,497	\$ 39,962,041	\$ 39,751,020	\$ 38,425,573



Financial Results

General Fund Revenues and Expenditures



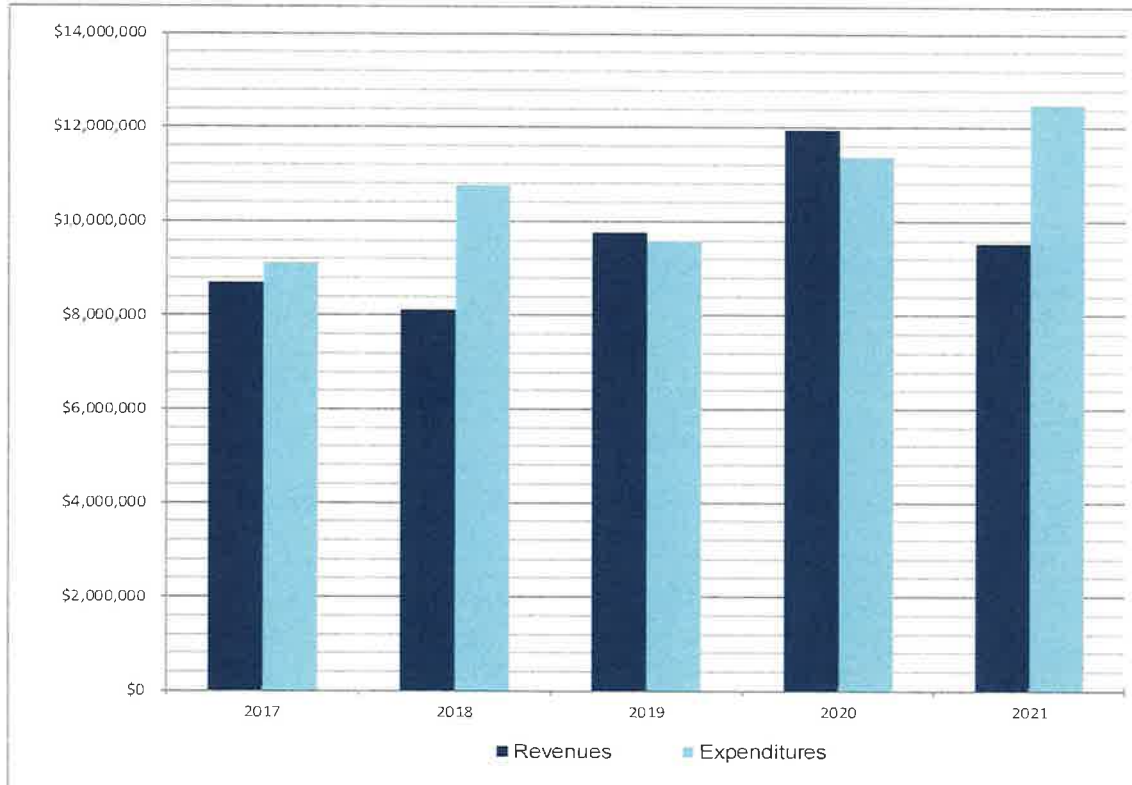
- Revenues in excess of expenditures in all years presented
- Both revenues and expenditures decreased from prior year

	2017	2018	2019	2020	2021
Revenues	\$ 13,688,350	\$ 15,874,538	\$ 15,450,981	\$ 17,701,249	\$ 16,758,977
Expenditures	13,409,607	14,351,465	14,171,538	16,376,125	15,868,708



Financial Results

Road and Bridge Fund Revenues and Expenditures



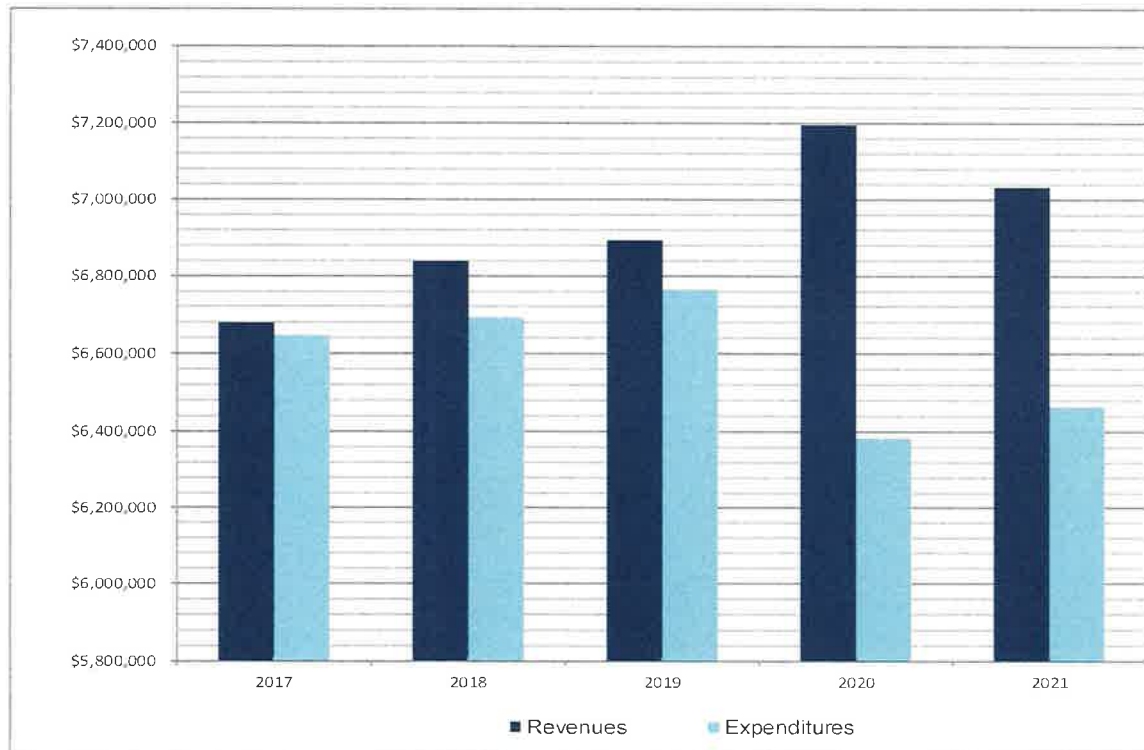
- Timing of when revenues received can make this fund fluctuate more
- Expenditures exceeded revenues in 2021 due to an increase in road construction

	2017	2018	2019	2020	2021
Revenues	\$ 8,696,858	\$ 8,126,931	\$ 9,777,498	\$ 11,941,367	\$ 9,530,689
Expenditures	9,113,620	10,779,192	9,611,159	11,366,004	12,501,632



Financial Results

Human Services Fund Revenues and Expenditures



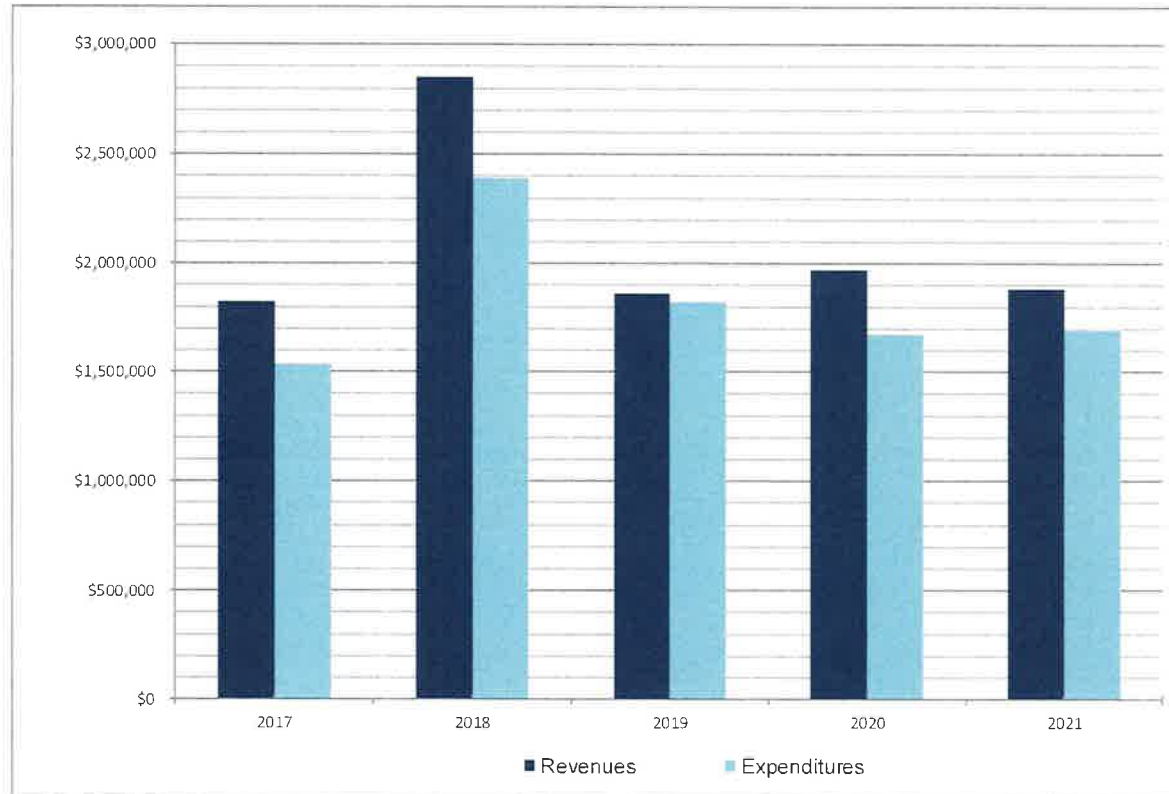
- Revenues in excess of expenditures by \$569,215
- Revenues have exceeded expenditures in all years presented
- \$81K increase in expenditures

	2017	2018	2019	2020	2021
Revenues	\$ 6,680,366	\$ 6,836,865	\$ 6,891,613	\$ 7,195,494	\$ 7,033,397
Expenditures	6,647,142	6,693,964	6,766,658	6,383,352	6,464,182



Financial Results

Trust Fund Revenues and Expenditures



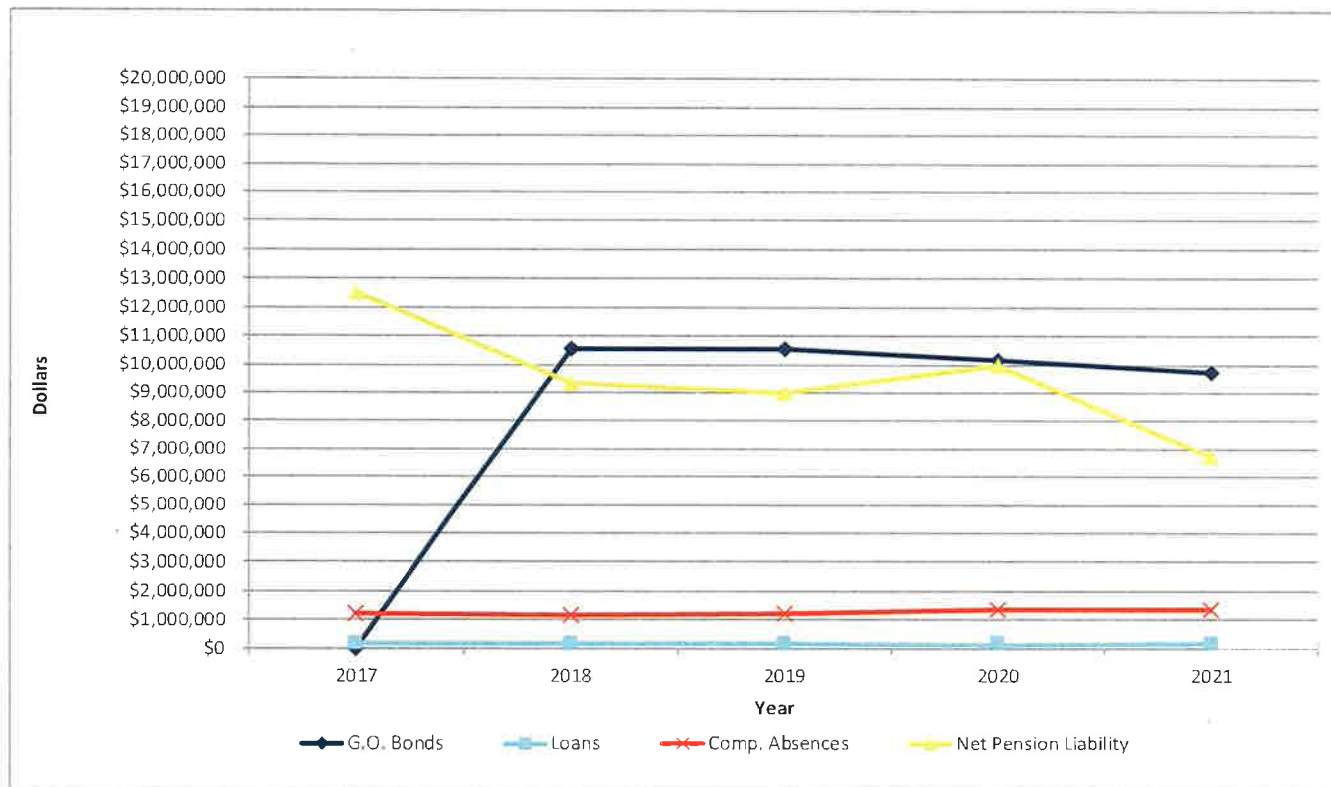
- Revenues in excess of expenditures in all years presented
- Fluctuations due to nature of the fund

	2017	2018	2019	2020	2021
Revenues	\$ 1,824,968	\$ 2,848,919	\$ 1,863,028	\$ 1,972,783	\$ 1,880,669
Expenditures	1,535,368	2,395,550	1,823,914	1,674,299	1,697,337



Financial Results

County Indebtedness – Governmental Activities

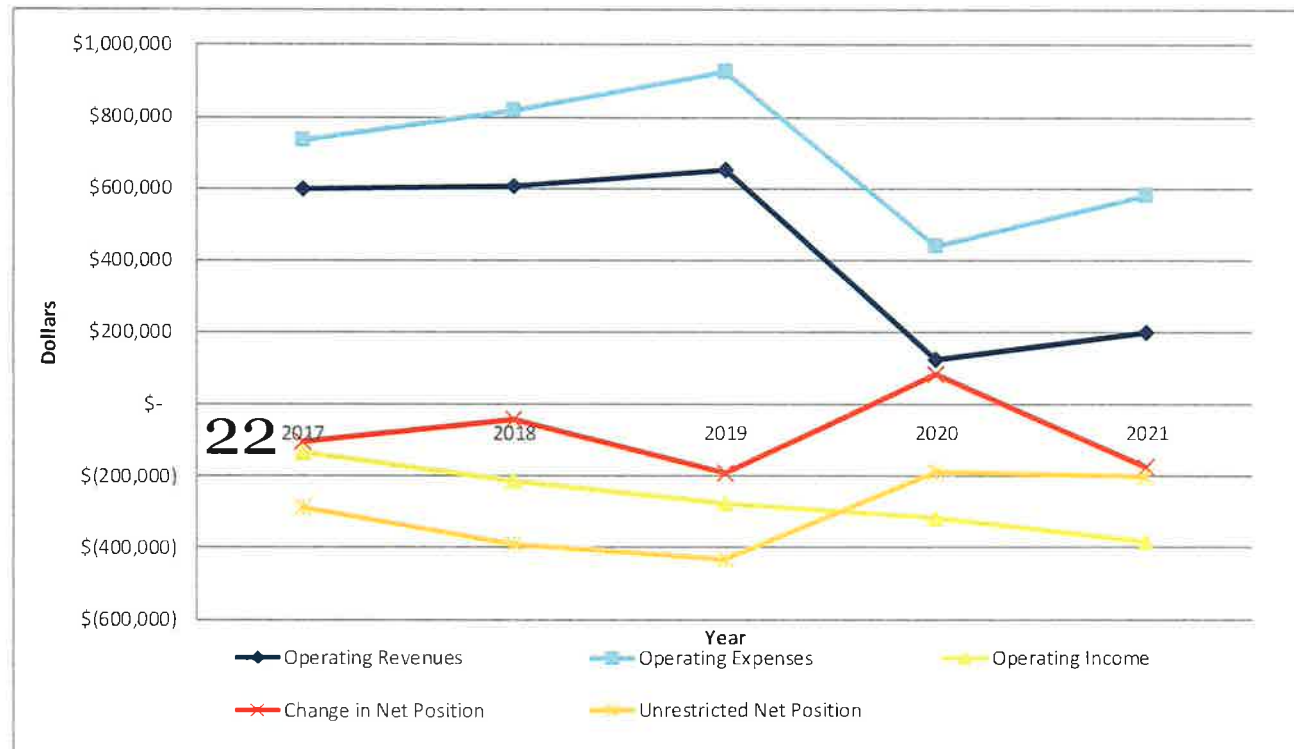


	2017	2018	2019	2020	2021
G.O. Bonds	\$ -	\$ 10,555,431	\$ 10,547,228	\$ 10,164,025	\$ 9,755,519
Loans	191,234	190,201	164,492	158,358	169,875
Comp. Absences	1,189,566	1,172,806	1,222,092	1,374,666	1,340,420
Net Pension Liability	12,522,002	9,341,661	8,978,843	9,961,164	6,761,892



Financial Results

Long Lake Conservation Center



	2017	2018	2019	2020	2021
Operating Revenues	\$ 599,777	\$ 607,535	\$ 652,294	\$ 125,165	\$ 199,011
Operating Expenses	734,284	819,340	927,242	440,767	582,515
Operating Income	(134,507)	(211,805)	(274,948)	(315,602)	(383,504)
Change in Net Position	(102,590)	(40,778)	(189,386)	84,155	(173,610)
Unrestricted Net Position	(286,314)	(390,830)	(431,550)	(184,894)	(200,483)





Key Issues/Summary

We'll get you there.

CPAs | CONSULTANTS | WEALTH ADVISORS

©2022 CliftonLarsonAllen LLP. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor

Key Issues/Summary

- ARPA Funds recorded as unearned revenue
- Overall pretty consistent with prior years
- New Future Accounting Standards
 - GASB No. 87 – Leases (2022)



Thank you to all for allowing us to serve you!

Kristen Houle, CPA

320-203-5539

kristen.houle@CLAconnect.com



CLAconnect.com



CPAs | CONSULTANTS | WEALTH ADVISORS

©2022 CliftonLarsonAllen LLP

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor