



## Alpena County Treasurer's Office

Kimberly Ludlow  
*Treasurer*

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Dec. 13, 2022

The County of Alpena adopted a FUND BALANCE POLICY in December of 2009 that was amended December 2013 to read in part as follows:

Once the audited, unrestricted General Operating Fund Balance has been determined from the previous year and there is a gain in value; that gain will remain in the unrestricted General Operating Fund Balance until the minimum requirement of 30.00% unrestricted General Operating Fund Balance is achieved. After achieving the minimum requirement of 30.00%, the Treasurer shall recommend a course of action to the Board of Commissioners for their consideration. The intent of the Treasurer will be to fund Long Term and Short Term Capital Outlay items until such time as the Treasurer and Board of Commissioners feel those items have been sufficiently funded.

It is the County Treasurer's recommendation that none of the \$3,345,053.10 Projected UnRestricted General Fund Balance for December 2022 be transferred. The Projected UnRestricted General Fund Balance is below the required minimum 30% of the Board Recommended 2023 Budget by \$365,851.50

Sincerely,

Kimberly Ludlow  
Alpena County Treasurer

## **BOARD OF COMMISSIONERS POLICY STATEMENT**

**Purpose:** To establish a written policy for the General Operating Fund

- (1) Annual Budget
- (2) Fund Balance
- (3) Fund Reserves

**Overview:** To assure the ability to withstand cash flow problems because of availability of future funds from Federal, State and local governments. Likewise, the need to establish reserve funds for heating/air conditioning issues, roof replacement or repairs, technology, grants, acquisition of land, buildings and equipment.

### **ANNUAL BUDGET**

The unrestricted General Operating Fund Balance, established by the annual audit no later than June 30th of every year, shall not exceed 24.97% of the Annual Budget set by the Board of Commissioners in December of the previous year. To achieve this goal, the following practices shall occur in developing and administering the Annual Budget.

1. In the approved Annual Budget, expenditures shall not exceed revenues.
2. Any amendment to the approved Annual Budget which causes estimated expenditures to exceed total revenues shall not be passed.
3. The Annual Budget cannot be adjusted, or any deviation of, without formal discussion and amendment by the full Board of Commissioners at a regularly scheduled meeting. Department Heads and Elected Officials may make line item transfers within their budget(s) – *excluding payroll items* – if sufficient funds are available. These transfers must be requested in writing with a date, an amount, activity numbers and the signature of the person making the request. This information then needs to be presented to the County Treasurer for adjustment.
4. Unless specifically defined in the Approved Budget, transfers between funds or departments shall not be allowed without formal discussion and amendment by the full Board of Commissioners at a regularly scheduled meeting.

### **FUND BALANCE**

1. Once the audited, unrestricted General Operating Fund Balance has been determined from the previous year and there is a gain in value; that gain will remain in the unrestricted General Operating Fund Balance until the minimum requirement of 30.00% unrestricted General Operating Fund Balance is achieved. After achieving the minimum

requirement of 30.00%, the Treasurer shall recommend a course of action to the Board of Commissioners for their consideration. The intent of the Treasurer will be to fund Long Term and Short Term Capital Outlay items until such time as the Treasurer and Board of Commissioners feel those items have been sufficiently funded.

2. Any time the audited, unrestricted General Operating Fund Balance falls under the 24.97% minimum requirement, the Treasurer shall recommend a course of action to the Board of Commissioners for their consideration. The intent of the Treasurer and Board of Commissioners will be to fund mandated services first, core non-mandated services secondarily, and other services thirdly.

### **FUND RESERVES**

- (1) These types of General Operating Fund reserves require long term planning (10 years or more:
  - a. To provide for replacement and/or acquisition of capital outlay items for Buildings, Grounds and Equipment
  - b. To provide for Technology advances in equipment and software
  - c. To provide for Grant Matches
  - d. To provide for Legal Costs associated with bonding or other critical matters
  - e. To provide for Economic Development
  - f. To provide for the Purchase of Land or Buildings
  
- (2) These types of various Fund reserves require short term planning (less than 10 years)
  - a. Equipment Fund
  - b. Building & Grounds Fund
  - c. Budget Stabilization Fund (up to 15% of General Fund Budget)
  - d. Self Insured Funds (Pension, Health, Sick Pay, etc.)

Any one of the Reserves listed above may be added to or subtracted from with formal discussion and amendment by the full Board of Commissioners at a regularly scheduled meeting. To do so, will require a 2/3 vote of the Board of Commissioners. Likewise, it requires a 2/3 vote of the Board of Commissioners at a regularly scheduled meeting to transfer funds from any one of these reserved funds for purposes other than stated.

12/29/09

12/7/2022

Audited GF Balance as of 12/31/2021	\$	4,384,382.10	
less Reserves	\$	368,014.00	
December 31, 2021 Unrestricted GF Balance	\$	4,016,368.10	
2022 Budget as of Dec. 7, 2022	\$	11,777,471.00	
<b>January 1, 2023 Budget (to be Set by BOC)</b>	<b>\$</b>	<b>12,369,682.00</b>	<b>24.97%</b>
30% of 2022 Annual Budget	\$	3,533,241.30	
30% of 2023 Annual Budget	\$	3,710,904.60	
GF Bal 12/7/22(UnRestricted)	\$	4,218,337.21	
Plus Anticipated 2022 Revenue	\$	284,208.95	
Less Anticipated 2022 Expenses	\$	1,157,493.06	
<b>Projected UnRestricted Fund Bal 12/31/22</b>	<b>\$</b>	<b>3,345,053.10</b>	<b>27.04%</b>
30% of 2023 Annual Budget	\$	3,710,904.60	
Difference to be Considered	\$	(365,851.50)	

## 2023 BUDGET POLICY

- 1) No new position or unbudgeted will be allowed until the Elected Official or Department Head first take their request before the Personnel Committee. The Personnel Committee will then recommend to the full Board of Commissioners a plan of action for filling/not filling a new position.
- 2) At the end of any fiscal year, if the Unrestricted Fund Balance is less than 24.97% of the adopted, current annual budget, all part-time and temporary positions funded by the General fund will be terminated.
- 3) At the end of any fiscal year, if the Unrestricted Fund Balance is less than 19.97% of the adopted annual budget, layoff notices to employees shall be given.
- 4) Any non-mandated job funded by a local, state or federal grant will be terminated at the end of that grant period if not renewed by the local, state or federal agency responsible for the funding of that grant.
- 5) Any non-mandated job funded by a local, state or federal grant will be decreased if the local, state or federal agency responsible for funding the grant decreases its funding of the grant.
- 6) The current fund Balance Policy, the Tax Revolving Fund Policy, the Travel Policy, the Bidding/Purchasing Policy, the Disposal of Assets Policy, the Disposal of Property Policy, and the Educational Opportunities Policy, be included.
- 7) The county continues to update fees as required.
- 8) Cost Allocation be applied where applicable and as budgeted by Commissioners.

GL NUMBER	DESCRIPTION	MONTH 12/31/2022	YTD BALANCE 12/31/2022	AMENDED BUDGET 2022	AVAILABLE BALANCE	% BDDT USED
<b>Fund 101 - GENERAL FUND</b>						
<b>Dept 969 - APPROPRIATIONS/OTHER CO FUNDS</b>						
<b>Revenues</b>						
101-969-540.000	JUDGES' SALARY STANDARDIZATION-CC	0.00	24,005.10	32,000.00	7,994.90	75.02
101-969-542.000	STATE COURT EQUITY FUND	0.00	88,089.00	140,000.00	51,911.00	62.92
101-969-553.000	DRUG CASE INFORM.MANAGEMENT ACCOUNT	0.00	11,760.94	4,196.00	(7,564.94)	280.29
101-969-699.000	TRANSFERS FROM OTHER FUNDS	0.00	25,165.36	25,000.00	(165.36)	100.66
101-969-699.006	TRANSFER FROM 677 FUND	0.00	43,000.00	43,000.00	0.00	100.00
101-969-699.009	TRANSFER FROM ARPA FUND	0.00	802,500.00	802,500.00	0.00	100.00
101-969-699.010	TRANSFER FROM BLDG AUTH CONST 469	0.00	0.00	30,000.00	30,000.00	0.00
101-969-699.216	TRANSFER IN-FUND216	0.00	62,273.54	62,273.00	(0.54)	100.00
101-969-699.217	TRANSFER IN-FUND 217	0.00	5,944.36	5,945.00	0.64	99.99
101-969-699.218	TRANSFER IN-FUND 218	0.00	7,546.13	7,547.00	0.87	99.99
<b>TOTAL REVENUES</b>		<b>0.00</b>	<b>1,070,284.43</b>	<b>1,152,461.00</b>	<b>82,176.57</b>	<b>92.87</b>
<b>Expenditures</b>						
101-969-995.001	FRIEND OF THE COURT	3,716.88	44,603.00	44,603.00	0.00	100.00
101-969-995.002	LAW LIBRARY PROJECT	297.50	3,570.00	3,570.00	0.00	100.00
101-969-995.003	FAMILY DIVISION	5,564.00	66,768.00	66,768.00	0.00	100.00
101-969-995.006	TRANSFER TO PLAZA POOL	0.00	55,000.00	55,000.00	0.00	100.00
101-969-995.007	DISTRICT HEALTH DEPARTMENT	17,849.62	214,195.00	214,195.00	0.00	100.00
101-969-995.009	CHILD CARE FUND	17,474.25	209,691.00	209,691.00	0.00	100.00
101-969-995.011	CHILD CARE BLENDED FUNDING	0.00	150,000.00	150,000.00	0.00	100.00
101-969-995.012	FAMILY INDEPENDENCE AGENCY	2,000.00	24,000.00	24,000.00	0.00	100.00
101-969-995.013	FIA CHILD CARE SUB ACCOUNT	166.63	2,000.00	2,000.00	0.00	100.00
101-969-995.015	MULTI COUNTY CIRCUIT COURT	27,065.50	324,786.00	324,786.00	0.00	100.00
101-969-995.017	TRANSFER TO EQUIPMENT FUND	0.00	206,980.00	206,980.00	0.00	100.00
101-969-995.018	BUILDING/GROUNDS MAINTENANCE FUND	0.00	199,732.00	199,732.00	0.00	100.00
101-969-995.023	INDIGENT DEFENSE SYSTEM	0.00	161,763.00	161,763.00	0.00	100.00
101-969-995.029	TRANSFER TO HOUSING 276	0.00	50,000.00	50,000.00	0.00	100.00
<b>TOTAL EXPENDITURES</b>		<b>74,134.38</b>	<b>1,713,088.00</b>	<b>1,713,088.00</b>	<b>0.00</b>	<b>100.00</b>
<b>Net - Dept 969 - APPROPRIATIONS/OTHER CO FUNDS</b>						
		<b>(74,134.38)</b>	<b>(642,803.57)</b>	<b>(560,627.00)</b>	<b>82,176.57</b>	
<b>Total - Function TRANSFERS IN</b>						
		<b>(74,134.38)</b>	<b>(642,803.57)</b>	<b>(562,402.00)</b>	<b>80,401.57</b>	<b>114.30</b>
<b>TOTAL REVENUES</b>						
		<b>92,820.07</b>	<b>10,821,947.05</b>	<b>11,106,156.00</b>	<b>284,208.95</b>	<b>97.44</b>
<b>TOTAL EXPENDITURES</b>						
		<b>429,838.56</b>	<b>10,619,977.94</b>	<b>11,777,471.00</b>	<b>1,157,493.06</b>	<b>90.17</b>
<b>NET OF REVENUES &amp; EXPENDITURES</b>						
		<b>(337,018.49)</b>	<b>201,969.11</b>	<b>(671,315.00)</b>	<b>(873,284.11)</b>	<b>30.09</b>

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BALANCE SHEET FOR ALPENA COUNTY  
Period Ending 12/31/2022

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Fund 101 GENERAL FUND

GL Number	Description	Balance
*** Assets ***		
101-000-001.000	CASH - GENERAL FUND	2,047,750.66
101-000-002.000	CASH-SAVINGS	865,794.06
101-000-003.000	CERTIFICATES OF DEPOSIT	1,452,350.91
101-000-004.000	IMPREST CASH	4,550.00
101-000-017.000	OTHER INVESTMENTS	193,389.10
101-000-026.000	TAXES RECEIVABLE-CURRENT REAL &	262,193.00
101-000-040.000	ACCOUNTS RECEIVABLE	10,277.73
101-000-056.000	INTEREST RECEIVABLE	90.64
101-000-078.000	DUE FROM STATE	48,761.93
101-000-123.000	PREPAID EXPENSES	9,995.00
Total Assets		<u>4,895,153.03</u>
*** Liabilities ***		
101-000-202.000	GENERAL FUND ACCTS PAYABLE	50,161.83
101-000-257.000	SALARIES PAYABLE	66,061.99
101-000-360.000	UNAVAILABLE PROPERTY TAXES	192,578.00
Total Liabilities		<u>308,801.82</u>
*** Fund Balance ***		
101-000-382.000	REPLACE/ACQUIRE BLDG & LAND RESE	75,000.00
101-000-382.001	ROOF REPLACEMENT RESERVE	268.00
101-000-383.000	FIA/MDOT OBLIGATIONS	100,000.00
101-000-384.001	TECH RESERVE-JAIL SOFTWARE	8,210.00
101-000-385.000	GF OBLIGATION RESERVE (BOR, MTT,	100,000.00
101-000-386.000	ECONOMIC DEVELOPMENT RESERVE	75,000.00
101-000-387.000	AIR QUALITY CONTROL COMMITTEE RE	536.00
101-000-388.000	ADULT COURT UNEMPLOYMENT CLAIMS	9,000.00
101-000-390.000	GENERAL FUND FUND BALANCE	4,016,368.10
Total Fund Balance		<u>4,384,382.10</u>
Beginning Fund Balance		4,581,156.10
Net of Revenues VS Expenditures		201,969.11
Fund Balance Adjustments		(196,774.00)

GL NUMBER	DESCRIPTION	2020 ACTIVITY	2021 ACTIVITY	2022 ACTIVITY THRU 12/31/2	2022 AMENDED BUDGET	2023 BOARD APPROV BUDGET
Dept 999 - APPROPRIATIONS-OUTSIDE ORGS.						
ESTIMATED REVENUES						
101-999-574.002	SUBSTANCE ABUSE/LIQUOR	67,281				
TOTAL ESTIMATED REVENUES		67,281				
APPROPRIATIONS						
101-999-995.000	PUBLIC ADVOCATE-FAMILY	105,000				
101-999-995.001	SUBSTANCE ABUSE/LIQ &	56,424				
101-999-995.003	MI. ASSOCIATION OF COU	7,465				
101-999-995.004	NORTHERN MI COUNTY'S A	75				
101-999-995.008	NEMCOG	9,822				
101-999-995.010	MICHIGAN TOWNSHIP ASSO	470				
101-999-995.011	N.E. MICHIGAN MENTAL H	150,216				
101-999-995.018	HUNT TEAM	8,000				
101-999-995.019	TARGET ALPENA	5,000				
TOTAL APPROPRIATIONS		342,472				
NET OF REVENUES/APPROPRIATIONS - 999		(275,191)				
ESTIMATED REVENUES - FUND 101						
APPROPRIATIONS - FUND 101						
NET OF REVENUES/APPROPRIATIONS - F		10,294,738	11,276,050	10,821,953	11,106,156	10,917,664
		10,371,962	11,283,879	10,619,980	11,777,471	12,369,682
		(77,224)	(7,829)	201,973	(671,315)	(1,452,018)
		-0.75%	-0.07%	1.87%	-6.04%	-13.30%