



Alpena County Treasurer's Office

Kimberly Ludlow
Treasurer

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Dec. 12, 2023

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 \$3,222,111.47 Projected UnRestricted General Fund Balance for December 2023 be transferred. The Projected UnRestricted General Fund Balance is below the required minimum 30% of the Board Recommended 2024 Budget by \$737,519.23.

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

12/7/2023

Audited GF Balance as of 12/31/2022	\$	4,449,718.59
less Reserves	\$	268,014.00
December 31, 2022 Unrestricted GF Balance	\$	4,181,704.59

2023 Budget as of Dec. 7, 2023

	\$	13,245,262.00
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January 1, 2024 Budget (to be Set by BOC)

	\$	13,198,769.00
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30% of 2023 Annual Budget	\$	3,973,578.60
30% of 2024 Annual Budget	\$	3,959,630.70

GF Bal 12/7/23(UnRestricted)	\$	3,772,429.20
Plus Anticipated 2023 Revenue	\$	624,340.50
Less Anticipated 2023 Expenses	\$	1,174,658.23

Projected UnRestricted Fund Bal 12/31/23

	\$	3,222,111.47	24.41%
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30% of 2024 Annual Budget	\$	3,959,630.70
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Difference to be Considered

	\$	<u>(737,519.23)</u>
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BUDGET REPORT FOR ALPENA COUNTY
 Fund: 101 GENERAL FUND
 Calculations as of 12/31/2023

GL NUMBER	DESCRIPTION	2021 ACTIVITY	2022 ACTIVITY	2023 ACTIVITY THRU 12/31/23	2023 AMENDED BUDGET	2024 BOARD APPROVED BUDGET
Dept 969 - APPROPRIATIONS/OTHER CO FUNDS						
APPROPRIATIONS						
TOTAL APPROPRIATIONS						
	NET OF REVENUES/APPROPRIATIONS - 969 - APPROPRIATIONS	1,921,896	1,713,088	1,782,885	1,782,885	1,497,146
		(733,018)	(593,758)	(859,587)	(643,625)	(722,640)
ESTIMATED REVENUES - FUND 101						
	APPROPRIATIONS - FUND 101	11,276,050	11,258,013	11,661,332	12,285,669	11,640,368
		11,283,879	11,301,426	12,070,608	13,245,262	13,198,769
	NET OF REVENUES/APPROPRIATIONS - FUND 101	(7,829)	(43,413)	(409,276)	(959,593)	(1,558,401)
		-0.07%	-0.39%	-3.51%	-7.81%	-13.39%

GL NUMBER	DESCRIPTION	ACTIVITY FOR MONTH 12/31/2023	YTD BALANCE 12/31/2023	2023 AMENDED BUDGET	AVAILABLE BALANCE	% BDDT USED
Fund 101 - GENERAL FUND						
Expenditures						
101-969-995.012	FAMILY INDEPENDENCE AGENCY	1,953.87	23,446.00	23,446.00	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	24,801.12	297,613.00	297,613.00	0.00	100.00
101-969-995.018	BUILDING/GROUNDS MAINTENANCE FUND	0.00	100,000.00	100,000.00	0.00	100.00
101-969-995.023	INDIGENT DEFENSE SYSTEM	0.00	264,640.00	264,640.00	0.00	100.00
101-969-995.030	TRANS TO 276 GRANT ADV	0.00	200,637.00	200,637.00	0.00	100.00
TOTAL EXPENDITURES		84,384.00	1,782,885.00	1,782,885.00	0.00	100.00
Net - Dept 969 - APPROPRIATIONS/OTHER CO FUNDS		(31,047.80)	(859,587.72)	(643,625.02)	215,962.70	
TOTAL REVENUES		95,020.20	11,661,328.30	12,285,668.80	624,340.50	94.92
TOTAL EXPENDITURES		529,749.67	12,070,603.69	13,245,261.92	1,174,658.23	91.13
NET OF REVENUES & EXPENDITURES		(434,729.47)	(409,275.39)	(959,593.12)	(550,317.73)	42.65

Fund 101 GENERAL FUND

GL Number	Description	Balance
*** Assets ***		
101-000-001.000	CASH - GENERAL FUND	1,499,975.89
101-000-002.000	CASH-SAVINGS	1,448,182.12
101-000-003.000	CERTIFICATES OF DEPOSIT	449,588.12
101-000-004.000	IMPREST CASH	4,550.00
101-000-017.000	OTHER INVESTMENTS	506,882.39
101-000-026.000	TAXES RECEIVABLE-CURRENT REAL &	250,103.00
101-000-040.000	ACCOUNTS RECEIVABLE	837,176.45
101-000-056.000	INTEREST RECEIVABLE	5,306.39
101-000-078.000	DUE FROM STATE	162,296.19
Total Assets		5,164,060.55
*** Liabilities ***		
101-000-202.000	ACCOUNTS PAYABLE	128,031.22
101-000-257.000	SALARIES PAYABLE	175,617.13
101-000-360.000	UNAVAILABLE PROPERTY TAXES	200,551.00
101-000-360.001	DEFERRED INFLOW RECEIVABLE	619,418.00
Total Liabilities		1,123,617.35
*** Fund Balance ***		
101-000-382.000	REPLACE/ACQUIRE BLDG & LAND RESE	75,000.00
101-000-382.001	ROOF REPLACEMENT RESERVE	268.00
101-000-384.001	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	4,181,704.59
Total Fund Balance		4,449,718.59
Beginning Fund Balance		4,462,106.59
Net of Revenues VS Expenditures		(409,275.39)
Fund Balance Adjustments		(12,388.00)
Ending Fund Balance		4,040,443.20

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BALANCE SHEET FOR ALPENA COUNTY
Period Ending 12/31/2023

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Fund 101 GENERAL FUND

GL Number	Description	Balance
	Total Liabilities And Fund Balance	5,164,060.55