

August 28, 2024

Board of Commissioners
Alpena County
Alpena, MI 49707

I have reviewed the chief financial officer letter dated August 28, 2024 and have compared the data in the letter to the December 31, 2023 audited financial statement for Alpena County. The data in the letter was derived from the financial statements. The closure and post closure costs estimated liability is reported as \$5,933,281 as of December 31, 2023 in the Montmorency-Oscoda-Alpena Solid Waste Management Authority audit, while the estimated liability calculated using the State prescribed forms is shown as \$8,249,151 as of December 31, 2023. All other data supporting the ratio calculation is taken directly from the audited financial statements.

I have recomputed the cash and debt figures as presented in the chief financial officer letter and also have recomputed the percentages derived in the liquidity ratio, debt service ratio and 43% test and find them to be materially correct.

Very truly yours,

Chelsea McConnell, CPA
Straley, Lamp, & Kraenzlein, P.C.

ALPENA COUNTY
LIQUIDITY RATIO
DECEMBER 31, 2023

	<u>Cash</u>	<u>Investments</u>	<u>Total</u>
Governmental Activities	\$ 14,675,073	\$ 509,259	\$ 15,184,332
Business Type Activities	5,929,173	1,790,653	7,719,826
Component Units -	<u>4,970,780</u>	<u>-0-</u>	<u>4,970,780</u>
 Total	 <u>\$ 25,575,026</u>	 <u>\$ 2,299,912</u>	 <u>\$ 27,874,938</u>

The above numbers exclude Trust and Agency Funds.

Expenditures	
Governmental Activities	\$ 23,565,374
Business Type Activities	176,109
Component Units -	<u>17,424,684</u>
 Total Expenditures	 <u>\$ 41,166,167</u>

Liquidity Ratio Calculation $\$27,874,938 / \$41,166,167 = 67.7\%$

The above figures were taken from the Government Wide Statements including the Statement of Net Position and Statement of Activities and exclude transfers between funds for total expenditures.

ALPENA COUNTY
DEBT SERVICE RATIO
DECEMBER 31, 2023

Debt Service Expenditures

Governmental Activities

Principal	\$ 1,086,634
Interest	519,323

Component Units

Principal	312,683
Interest	<u>9,596</u>

Total Debt Service Expenditures	<u>\$ 1,928,236</u>
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Expenditures

Governmental Activities	\$ 23,565,374
Business Type Activities	176,109
Component Units	<u>17,424,684</u>

Total Expenditures	<u>\$ 41,166,167</u>
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Debt Service Ratio $\$1,928,236 / \$41,166,167 = 4.68\%$

ALPENA COUNTY
TOTAL REVENUE - 43% TEST
DECEMBER 31, 2023

Total Annual Revenues

Governmental Activities	\$ 52,876,841
Business Type Activities	760,784
Component Units	<u>17,155,520</u>

Total Revenues	<u>\$ 70,793,145</u>
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43% of Total Revenue	<u>\$ 30,441,052</u>
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Closure & Post Closure

Per Audit	\$ 5,933,281	as of 12/31/23
Per State Form	\$ 8,249,151	as of 12/31/23

Total Revenues excludes transfers between funds and were taken from the Statement of Activities. The sum of all environmental obligations is less than 43% of total revenue for all three counties combined.