

# Auditing Procedures Report

Issued under Public Act 2 of 1968, as amended.

| Local Unit Basic Information  |                 |  |                            |                         |                    |
|---|-----------------|--|----------------------------|-------------------------|--------------------|
| <b>County:</b>  | MANISTEE        | <b>Type:</b>   | Village                    | <b>Local Unit Name:</b> | Bear Lake          |
| <b>Municode:</b>  | 51-3-010        | <b>FY Ending:</b>  | 2018                       | <b>Year End Month:</b>  | 2                  |
| Form ID: 54461  |                 |  | Instructions               |                         |                    |
| <b>Attachment File</b>  |                 |  | <b>Description</b>         |                         |                    |
| Village Bear Lake - FINAL - 2018.pdf  |                 |  | Please attach Audit Report |                         |                    |
| Reporting   |                 |  |                            |                         |                    |
| Enter Opinion Date:   |                 |  |                            | 08/10/2018              |                    |
| Select type of audit opinion for the following:   |                 |  |                            |                         |                    |
| Governmental activities:  | UNMOD           | Business-type activities:  | UNMOD                      |                         |                    |
| Aggregate discretely presented component units:   | NA              | Major fund(s):   | UNMOD                      |                         |                    |
| Aggregate remaining fund information:   | NA              | Aggregate discretely presented component units and remaining fund information: | NA                         |                         |                    |
| Has the local unit complied with generally accepted accounting principles (GAAP)?   |                 |  |                            | Y                       |                    |
| Are all required component units/funds/significant others of the local unit included in the financial statements and disclosed in the reporting entity notes to the financial statements when applicable? |                 |  |                            | Y                       |                    |
| Please check all of the following that are missing:   |                 |  |                            |                         |                    |
|   | Component Units |  | Funds                      |                         | Significant Others |
| Please list component units missing:  |                 |  |                            |                         |                    |
| Please list funds missing:  |                 |  |                            |                         |                    |
| Please list others missing:   |                 |  |                            |                         |                    |
| Is this unit in compliance with the Uniform Chart of Accounts issued by the Department of Treasury?   |                 |  |                            | Y                       |                    |
|   |                 |  |                            | Y                       |                    |

**Statutory**

|   |   |
|---|---|
| Nothing came to my attention that caused me to believe that the local unit failed to comply with charters or ordinances. If nothing came to your attention, mark yes. | Y |
|---|---|

Indicate section of charter or ordinance with which the local unit is not in compliance:

|  |   |
|--|---|
| Does the local unit have a court ordered judgment tax levy or judgment bond? | N |
|--|---|

|                          |  |
|--------------------------|--|
| Is this a one year levy? |  |
|--------------------------|--|

|   |    |
|---|----|
| Has the local unit distributed tax revenues that were collected for another taxing unit timely as required by the general property tax act? | NA |
|---|----|

|  |    |
|--|----|
| Has the current year pension actuarially determined contribution been paid by the unit required by the State Constitution Article 9, Section 24? | NA |
|--|----|

|   |   |
|---|---|
| Is the local unit free of illegal or unauthorized expenditures that came to your attention as defined in the manual for Audits of Local Units of Government in Michigan, as revised (see Appendix H of manual)? | Y |
|---|---|

|   |  |
|---|--|
| Has a description of the illegal or unauthorized expenditures been included in the audit? |  |
|---|--|

|                              |  |
|------------------------------|--|
| Please provide page number : |  |
|------------------------------|--|

Describe:

|   |   |
|---|---|
| Is the unit free of any indications of fraud or illegal acts that came to your attention during the course of the audit that have not been previously communicated to the Local Government Financial Services Division? | Y |
|---|---|

|  |  |
|--|--|
| Has a written report (forensic audit) been produced? |  |
|--|--|

|                                    |  |
|------------------------------------|--|
| Has law enforcement been notified? |  |
|------------------------------------|--|

|   |   |
|---|---|
| Does the audit report identify violations of other statutes not described in above? | N |
|---|---|

Describe:

**Borrowing/Debt/Deficit**

|   |   |
|---|---|
| Does the local unit have a negative fund balance in any of its unrestricted (unassigned, assigned and committed) fund balances/unrestricted fund net position (not government-wide statements)? | N |
|---|---|

**You must complete the “Deficit Worksheet” section below.**

|   |   |
|---|---|
| Is the local unit in compliance with Public Act 34 of 2001, Revised Municipal Finance Act (ie., authorized borrowing, annual filing of a qualifying statement, filing of a security report within 15 days of any issuance)? | Y |
|---|---|

|  |    |
|--|----|
| Is the local unit in compliance with orders issued under Public Act 243 of 1980, Emergency Municipal Loan Act? | NA |
|--|----|

**Internal Controls**

|   |   |
|---|---|
| Did the local unit adopt a budget for all required funds (MCL 141.436)? | Y |
|---|---|

|   |   |
|---|---|
| Was a public hearing on the budget held in accordance with State statute? | Y |
|---|---|

|  |   |
|--|---|
| Were the local unit's actual expenditures within the amounts authorized in the budget? | N |
|--|---|

|  |   |
|--|---|
| Are there any individual expenditures or other financing uses that exceed 10% of total expenditures? | Y |
|--|---|

|  |   |
|--|---|
| Are any of those over budget by 10% or more? | N |
|--|---|

**Internal Controls**

|   |   |
|---|---|
| Has the board or council approved all disbursements prior to payment as required by charter or statute? | Y |
|---|---|

|  |   |
|--|---|
| Do all deposits/investments comply with statutory requirements including the adoption of an investment policy? | Y |
|--|---|

|  |   |
|--|---|
| To your knowledge, were the bank reconciliations performed timely? | Y |
|--|---|

|  |   |
|--|---|
| Are there any reported deficiencies other than segregation of duties and/or the preparation of financial statements? | N |
|--|---|

**How many are:**

|                      |  |                           |  |                           |  |
|----------------------|--|---------------------------|--|---------------------------|--|
| Material weaknesses? |  | Significant deficiencies? |  | Statutory non-compliance? |  |
|----------------------|--|---------------------------|--|---------------------------|--|

|   |  |
|---|--|
| Are any reported deficiencies repeated from the prior year? |  |
|---|--|

|   |   |
|---|---|
| Were there any reported deficiencies including those that would be related to internal controls, statutory compliance, or other areas of concern? | N |
|---|---|

**Financial Statements**

Please enter the following:

|  |              |   |              |
|--|--------------|---|--------------|
| General Fund Revenue:  | \$130,472.00 | Governmental net position:              | \$290,075.00 |
| General Fund Expenditure (Must be positive):                                   | \$146,257.00 | Business type net position:             | \$954,874.00 |
| General Fund Other financing net sources/(uses) (Can be positive or negative): | \$7,690.00   | Component units total net position:     | \$0.00       |
| General Fund Beginning Balance:  | \$82,403.00  | Governmental Activities Long-Term Debt: | \$0.00       |
| General Fund Ending Balance:   | \$74,308.00  | Major Fund Deficit Amount:              | \$0.00       |
| Calculated General Fund Ending Balance:  | \$74,308.00  | Governmental Fund Revenues              | \$175,837.00 |

Please explain the difference between calculated and entered General Fund Ending Balance:

**Deficit Worksheet**

| Fund Type | Fund Name | All Funds  |                               |  |  | Enterprise, Internal Service, Trust or Agency, & Component Unit Funds |                |                     |               | Deficit To Be Eliminated |
|-----------|-----------|--|-------------------------------|--|--|---|----------------|---------------------|---------------|--------------------------|
|           |           | Unrestricted Fund Balance/Net Position (Deficit) | Deferred Inflows of Resources | Taxes and Special Assessments Receivable | Deferred Inflows-Taxes and Special Assessments | Total Net Position (Deficit)/Surplus                                  | Current Assets | Current Liabilities | CA-CL Deficit |                          |

**Pension Plans**

Our records indicate the following pension plan(s) exist. Put a check mark next to any that are no longer active.

|             |  |  |  |  |  |
|-------------|--|--|--|--|--|
| Assets      |  |  |  |  |  |
| Liabilities |  |  |  |  |  |
| ADC         |  |  |  |  |  |

**Health Care (OPEB) Plans**

Our records indicate the following opeb plan(s) exist. Put a check mark next to any that are no longer active.

|             |  |  |  |  |  |
|-------------|--|--|--|--|--|
| Assets      |  |  |  |  |  |
| Liabilities |  |  |  |  |  |
| ADC/ARC     |  |  |  |  |  |

**Certified Public Accountant Information**

CHECKED We affirm that we are certified public accountants licensed to practice in Michigan.

CHECKED We affirm that all answers are correct to the best of our knowledge.

CHECKED We further affirm that all material weaknesses, significant deficiencies, and statutory noncompliance violations as well as all budget violations that were reported to the auditee are reported to the Michigan Department of Treasury.

CPA Name: Joe Verlin

Ten Digit License  
Number: 1101031185

Please provide a primary email address for  
the local unit contact: [bearlaketreasurer@gmail.com](mailto:bearlaketreasurer@gmail.com)