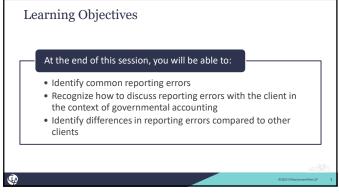


(P) CliftonLarsonAllen LLP is not licensed to practice law, The information herein has been provided by The information nerien has been provided by CliftonLarsonAllen LLP for general information purposes only. The presentation and related materials, if any, do not implicate any client, advisory, fiduciary, or professional relationship between you and CliftonLarsonAllen LLP and neither CliftonLarsonAllen CultroniarsonAlien LLP is not licensed to practice law, nor does it practice law. The presentation and materials, if any, are for general guidance purposes and not a substitute for compliance obligations. The presentation and/or materials may not be applicable to, or suitable for, your specific circumstances or needs, CliftonLarsonAllen LIP and neither CliftonLarsonAllen LIP nor any other person or entity is, in connection with the presentation and/or materials, engaged in rendering auditing, accounting, tax, legal, medical, investment, advisory, consulting, or any other professional service or advice. Neither the presentation nor the materials, if any, should be considered a substitute for your independent investigation and your sound technical business judgment. You or your entity, if applicable, should consult with a professional advisor familiar with your particular factual situation for advice or service concerning any specific matters. to, or suitable for, your specific circumstances or needs, and may require consultation with counsel, consultants, or advisors if any action is to be contemplated. You should contact your CliftontarsonAllen LIP or other professional prior to taking any action based upon the information in the presentation or materials provided. CliftontarsonAllen LIP assumes no obligation to inform you of any changes in laws or other factors that could affect the information contained herein information contained herein.

2

4

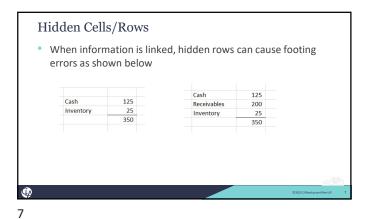


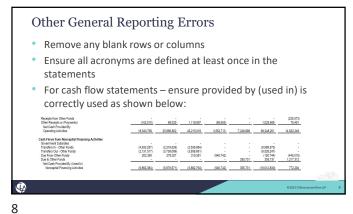
General Reporting Errors

3

Footing Make sure everything in your reports foot and cross foot Common reasons for not footing o Rounding (including cents) o Hidden cells/rows

Rounding (removing cents) Cents can cause footing errors as shown below: 1.03 4 4.49 5.52







Completeness of Disclosures

• Ensure you have all required disclosures

• Disclosure checklists are a great tool to use

• Walks through each reporting area and notes what information should be included in the financial statements

2.5 Inentoles

Remarks

Description

Letter of Transmittal

9

- Use term "unmodified" rather than "unqualified" opinion when referencing the auditor's opinion
- Date of the transmittal letter no earlier than the date of independent auditor's report
- Terminology update to Annual Comprehensive Financial Report

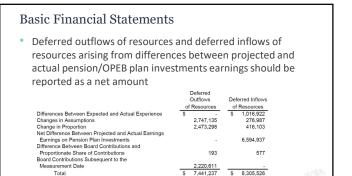
Management's Discussion & Analysis (MD&A)

10

- This is an analysis and should include additional information not just the amounts and percentages of the changes
- Amounts should agree to the amounts reported elsewhere in the financial statements

Cozzi Offendaran Meri

11 12



Net Investment in Capital Assets Calculation

- Incorrect calculation of the net investment in capital assets due to some of the following:
 - Not including the deferred amount on refunding
 - Using all debt rather than just debt used for the acquisition, construction, or improvement of capital assets
 - Not including retainage payable
- GFOA has a template to help ensure amount is properly calculated

14

13

15

Net Investment in Capital Assets of a Reporting Unit* Met Investment in Capital Assets of a Reporting Unit* Met para seas of the specific unit factor to regular and interest and interes

Governmental Fund Statements

- Inventories and prepaid items should be included in nonspendable fund balance.
- Only the general fund may report nonspendable fund balance for long-term loans and notes receivable, long-term interfund
- In governmental funds other than the general fund, long-term loans, notes receivable, long-term interfund receivables, and property held for resale should be included in restricted, committed or assigned fund balance, as appropriate, based on limitations placed on use of funds.

16

18

Governmental Fund Statements

- A governmental fund other than the general fund should not report a positive balance in unassigned fund balance.
- Major fund calculations must be analyzed and updated each year

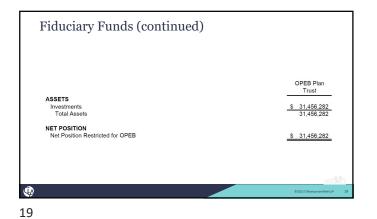
Fiduciary Funds

If a pension trust f

- If a pension trust fund is reported, the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources should be labeled "net position restricted for pensions"
- If an OPEB plan is reported, the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources should be labeled as "net position restricted for OPEB"

7





Disclosures for Component Units Not including the full criteria in GASB 61 for why a component unit is blended. A government will often disclose that the governing body is substantively the same as that of the primary government but will fail to disclose a financial benefit or burden or operational responsibility for the component unit. Not including the full criteria in GASB 61 for why a component unit is

Note Disclosures Capital Assets

they are reported at fair value.

greater than the increase in capital assets

discretely presented. A government may reference that a component unit is fiscal dependent, and not fully disclose if the component unit has the potential to provide specific financial benefits or impost specific financial burdens to the primary government.

Note disclosure should indicate that donated capital assets

It is unclear why decrease in construction-in-process is

are reported at acquisition value. Some governments disclose

20

Note Disclosures

- If the government is subject to a legal debt margin, the notes should disclosure information on the legal debt limit.
- Disclosures should include significant encumbrances in total by each major fund and nonmajor fund in the aggregate in the significant commitment footnote.
- Amounts reported in the notes to the financial statements should be consistent with amounts reported on the face of the financial statements.

22

21

Notes Disclosures Pension/OPEB

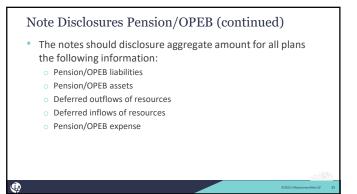
• A disclosure should be made stating the contributions made after the measurement date but before the year end, will be recognized as a reduction of the net pension/OPEB liability in the subsequent fiscal period rather than in the current fiscal year

Difference Between Board Contributions and Proportionate Share of Contributions Board Contributions Subsequent to the Measurement Date sez, 22.01 in reported as overeired outlows to resources related to persions resuming forms Board contributions subsequent to the measurement date will be recognized as a reductior in net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows: Note Disclosures Pension/OPEB (continued)

- Notes should disclose whether the pension/OPEB plan is a single-employer, agent multiple-employer, or cost-sharing multiple employer defined benefit plan.
- Notes should disclose information about the employer balances of deferred outflows of resources and deferred inflows of resources for each pension and OPEB plan

24

4



Note Disclosures Pension/OPEB (continued) Police & Fire Plan County Retirement Plan As of June 30, 2021 Total net pension liabilities (asset) \$ (49,699,409) 2,427,404 (47,272,005) 22,754,326 Total deferred outflows of resources from pension 64,080,290 86,834,616 Total deferred inflows of resources from pension 97,690,746 179,248,600 For the year ended June 30, 2021 Total pension expense (5,347,028) (350,547) 4,996,481

Required Supplementary Information

25

29

- If a pension/OPEB plan is administered through trusts, the RSI schedules should use "covered payroll" rather than "coveredemployee payroll"
- Covered payroll is the payroll on which contributions to a pension plan are based

27

Required Supplementary Information (continued)

 Schedule of Funding progress is based on measurement date, while the schedule of employer contributions is based on the government's fiscal year end. The covered payroll for these schedules should not agree.

Required Supplementary Information (continued)

Schedule of Proportionate shade of het Pension Lability Maryland State Retirement And Pension System
Last Ten Piscal Years

Sequence Winners and Pension follows

For the Published of the Information (years

For the Published of the Information (years)

For the Information (years

Supplementary Information — Combining and Individual Fund Statements and Schedules

• Presentation of information other than combining and individual statements should be titled "schedules" rather than "statements"

**No.Major Governmenta Funds
**Combining Balbuce Short - Now.Major Governmenta Funds
**Combining Statement of Revenues, Expenditives and Changes in 131
**Combining Statement of Revenues, Expenditives and Changes in 131
**Combining Statement of Revenues, Expenditives and Changes in 131
**Combining Statement of Revenues, Expenditives and Changes in 131
**Combining Statement of Revenues, Expenditives and Changes in 131
**Combining Statement of Revenues, Expenditives and Changes in 132
**Combining Statement of Revenues and Changes in 133
**Society Statement of Revenues and Changes in 134
**Society Statement of Revenues and Changes in 134
**Society Statement of Revenues and Changes in 136
**Society State

30

26

28

Supplementary Information – Combining and Individual Fund Statements and Schedules (continued)

- Amounts reported in the total column on the combining schedules should be easily traced to the corresponding column in the basic fund financial statements.
- A government may not report a negative amount of restricted, committed, or assigned fund balance in any fund

Supplementary Information – Combining and Individual Fund Statements and Schedules (continued) **Budgetary Reporting** Include budgetary comparison for nonmajor special revenue funds, debt service funds, capital project funds, and permanent funds that have legally adopted annual budgets Omission could result in a GFOA award qualification or denial

32

34

Statistical Section

31

- Ratio of debt service as a percentage of noncapital expenditures is not correctly calculated.
 - To calculate the ratio, divide total debt service expenditures (principal and interest only) by the total noncapital expenditures.
 - o Total noncapital expenditures (the difference between total expenditures and capitalized capital outlay expenditures.
- Amounts reported in the Statistical Section do not trace to the basic financial statements.

33

Statistical Section (continued)

- Amounts presented in the debt capacity schedules should be the same amounts reported in the basic financial statements (net of related premiums, discounts and adjustments).
- Premiums and discounts are not being included in the amounts in the statistical section.

Statistical Section (continued)

 Governments should indicate the source of all non-accounting data presented

Questions? Jake Lenell, CPA, MBA Principal State and Local Government 414-721-7572 CLAconnect.com in **f** 💆 🕞 🧿 CPAs | CONSULTANTS | WEALTH ADVISORS

35

6