

**Single Audit Act Compliance**

Motion by Councilmember Osmer authorizing the following resolution accepting and placing on file the City of Owosso Federal Single Audit for the Fiscal Year Ended June 30, 2024.

**RESOLUTION NO. 22-2025**

**ACCEPTING AND PLACING ON FILE  
THE CITY OF OWOSSO, SINGLE AUDIT ACT COMPLIANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

WHEREAS, the Owosso City Charter requires an independent audit be made of all accounts of the city government at the close of each fiscal year per Section 8.14; and

WHEREAS, the city of Owosso is required by the laws of the state of Michigan to annually have an independent audit performed in accordance with generally accepted auditing standards; and

WHEREAS, the city of Owosso is required by Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, to complete a single audit when more than \$750,000 of federal funding is received in a fiscal year; and

WHEREAS, the city of Owosso employed Berthiaume & Company, certified public accountants, to audit the financial records of the city of Owosso and such audit has been completed and is presented this date to the city council.

NOW THEREFORE BE IT RESOLVED by the city council of the city of Owosso, Shiawassee County, Michigan that:

FIRST: the City of Owosso, Single Audit Act Compliance for the Fiscal Year Ended June 30, 2024, attached hereto and made a part hereof as Exhibit A, is hereby accepted and placed on file.

SECOND: a copy of the City of Owosso, Single Audit Act Compliance for the Fiscal Year Ended June 30, 2024 will be maintained on file in the office of the city clerk for public examination, a copy will be placed in the Shiawassee District Library Owosso Branch for public examination, and copies will be sent to those required by law and agreement.

Motion supported by Councilmember Olson.

Roll Call Vote.

AYES: Councilmember Olson, Mayor Pro-Tem Haber, Councilmembers Ludington, Fear, Osmer, Owens, and Mayor Teich.

NAYS: None.

*I hereby certify that the foregoing document is a true and complete copy of a resolution authorized by the Owosso City Council at the regular meeting of February 3, 2025.*

  
Amy K. Kirkland, City Clerk



**CITY OF OWOSSO**  
Shiawassee County, Michigan

**Single Audit**  
Federal Awards Supplemental Information

June 30, 2024

**TABLE OF CONTENTS**

	PAGE
Independent Auditors' Reports	
Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance.....	1
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	2
Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.....	4
Schedule of Expenditures of Federal Awards.....	7
Notes to the Schedule of Expenditures of Federal Awards.....	9
Schedule of Findings and Questioned Costs.....	11



**INDEPENDENT AUDITORS' REPORT ON SCHEDULE OF EXPENDITURES OF  
FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

To the Members of the City Council  
City of Owosso  
Owosso, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Owosso as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Owosso's basic financial statements. We issued our report thereon dated November 13, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to November 13, 2024.

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Berthiaume & Co.*  
Saginaw, Michigan  
January 17, 2025



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED  
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS***

To the Members of the City Council  
City of Owosso  
Owosso, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Owosso, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Owosso's basic financial statements, and have issued our report thereon dated November 13, 2024.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Owosso's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Owosso's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Owosso's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Owosso's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

To the Members of the City Council  
City of Owosso  
Owosso, Michigan

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Berthiaume & Co.*

Saginaw, Michigan  
November 13, 2024



**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Members of the City Council  
City of Owosso  
Owosso, Michigan

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the City of Owosso’s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Owosso’s major federal program for the year ended June 30, 2024. The City of Owosso's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Owosso complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2024.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Owosso and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City of Owosso’s compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City of Owosso’s federal programs.

To the Members of the City Council  
City of Owosso  
Owosso, Michigan

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Owosso's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the compliance about the City of Owosso's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of Owosso's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City of Owosso's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City of Owosso's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not been identified.



To the Members of the City Council  
City of Owosso  
Owosso, Michigan

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Berthiaume & Co.*

Saginaw, Michigan  
January 17, 2025

# CITY OF OWOSSO

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2024

<i>Federal Grants/Pass-Through Grantor/Program Title</i>	<i>Assistance Listing Number</i>	<i>Program or Award Amount</i>	<i>Current Year Expenditures</i>
<b>UNITED STATES DEPARTMENT OF AGRICULTURE (USDA)</b>			
Community Facilities Loans and Grants	10.766		
Passed through Rural Development			
<i>FY22 Police Cars</i>		\$ 39,500	\$ 39,500
<i>FY22 DPW Pickup Trucks</i>		26,700	26,700
<b>TOTAL US DEPARTMENT OF AGRICULTURE</b>		<b>66,200</b>	<b>66,200</b>
<b>UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)</b>			
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228		
Passed through State of Michigan - MEDC			
<i>MSC 222019RR</i>		723,180	581,959
<b>TOTAL US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>		<b>723,180</b>	<b>581,959</b>
<b>UNITED STATES DEPARTMENT OF JUSTICE (DOJ)</b>			
Bulletproof Vest Partnership Program	16.607		
Direct			
<i>2023BUBX23037273</i>		450	450
<i>2024BUBX24039217</i>		1,800	1,800
Comprehensive Opioid, Stimulant, and other Substances Use Program	16.838		
Passed through Michigan State Police			
<i>15PBJA-21-GG-04538-COAP</i>		96,883	30,340
Body Worn Camera Policy and Implementation	16.835		
Direct			
<i>29334352-1</i>		44,483	7,464
<b>TOTAL US DEPARTMENT OF JUSTICE</b>		<b>143,616</b>	<b>40,054</b>

continued

The accompanying notes are an integral part of this schedule.

# CITY OF OWOSSO

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, CONTINUED

Year Ended June 30, 2024

<i>Federal Grants/Pass-Through Grantor/Program Title</i>	<i>Assistance Listing Number</i>	<i>Program or Award Amount</i>	<i>Current Year Expenditures</i>
<b>UNITED STATES DEPARTMENT OF TRANSPORTATION (DOT)</b>			
State and Community Highway Safety	20.600		
Passed through Shiawassee County Sheriff's Office			
<i>PT-23-25</i>		9,663	9,663
<b>TOTAL US DEPARTMENT OF TRANSPORTATION</b>		9,663	9,663
<b>UNITED STATES DEPARTMENT OF THE TREASURY (TREAS)</b>			
Coronavirus State and Local Fiscal Recovery Funds (COVID-19)	21.027		
Direct award facilitated by State of Michigan - Treasury			
<i>78-2040/MI7844</i>		1,517,586	1,137,055
Passed through Michigan State Housing Development Authority (COVID-19)			
<i>ARP-2023-37-MIH</i>		365,000	106,733
Passed through State of Michigan - EGLE (COVID-19)			
<i>A7497.01</i>		1,622,500	417,139
<i>A5711.01</i>		1,412,500	1,412,500
<i>A5919.01</i>		2,600,000	251,276
<b>TOTAL US DEPARTMENT OF THE TREASURY</b>		7,517,586	3,324,703
<b>UNITED STATES ENVIRONMENTAL PROTECTION AGENCY (EPA)</b>			
Clean Water State Revolving Fund	66.458		
Passed through State of Michigan - EGLE			
<i>Project 5710.01</i>		4,885,000	664,698
<i>Project 7497.01</i>		1,867,500	50,000
<b>TOTAL US ENVIRONMENTAL PROTECTION AGENCY</b>		6,752,500	714,698
<b>TOTAL</b>		\$ 15,212,745	\$ 4,737,277

The accompanying notes are an integral part of this schedule.

# CITY OF OWOSSO

## NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS Year Ended June 30, 2024

### NOTE 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of the City of Owosso under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Owosso, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Owosso.

### NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

### NOTE 3: LOANS OUTSTANDING

The City of Owosso had the following loan balances outstanding at June 30, 2024:

<i>Federal Grants/Pass-Through Grantor/Program Title</i>	<i>Assistance Listing Number</i>	<i>Beginning Balance *</i>	<i>New Loans*</i>	<i>Repayments</i>	<i>Ending Balance *</i>
<b>UNITED STATES ENVIRONMENTAL PROTECTION AGENCY (EPA)</b>					
Clean Water State Revolving Fund Passed through State of Michigan EGLE	66.458				
<i>Project 5691.01</i>		\$ 1,965,000	\$ -	\$ (90,000)	\$ 1,875,000
<i>Project 5699.01</i>		1,031,664	-	(50,000)	981,664
<i>Project 5710.01</i>		2,832,321	2,052,679	(130,000)	4,755,000
<i>Project 7497.01</i>		-	50,000	-	50,000
<b>TOTAL US ENVIRONMENTAL PROTECTION AGENCY (EPA)</b>		\$ 5,828,985	\$ 2,102,679	\$ (270,000)	\$ 7,661,664

\* Includes both State and Federal revolving loan funds, separation of federal portion-only is not feasible, possible or practicable.

# CITY OF OWOSSO

---

## NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS Year Ended June 30, 2024

---

### NOTE 4: RECONCILIATION OF SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS TO FINANCIAL STATEMENTS

---

Reported in the City's financial statements for the year ended June 30, 2024:

Governmental Funds, Federal grant revenue	\$ 1,588,135
Less: Major Street Fund, grant spent by MDOT	(493,304)
Less: Local Street Fund, grant spent by MDOT	(85,621)
Less: Housing and Redevelopment Fund, retainage	(81,001)
Water Supply System Fund, Federal grant revenue	1,403,894
Water Supply System Fund, Loan from US Environmental Protection Agency Passed Through State of Michigan - EGLE	50,000
Wastewater Treatment System Fund, Federal grant revenue	1,663,776
Wastewater Treatment System Fund, Loan from US Environmental Protection Agency Passed Through State of Michigan - EGLE	664,698
Internal Service Fund, Federal grant revenue	26,700
<b><i>TOTAL SEFA EXPENDITURES</i></b>	<b>\$ 4,737,277</b>

---

### NOTE 5: DE MINIMIS INDIRECT COST RATE

---

The City did not elect to use the 10% de minimis indirect cost rate.

# CITY OF OWOSSO

---

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2024

### Section I - Summary of Auditors' Results

---

#### *Financial Statements*

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
• Any material weakness(es) identified?	No
• Any significant deficiencies identified not considered to be material weaknesses?	None reported
• Any noncompliance material to financial statements noted?	No

#### *Federal Awards*

Internal control over major program:	
• Any material weakness(es) identified?	No
• Any significant deficiencies identified not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major program:	Unmodified
• Any audit findings disclosed that are required to be reported in accordance with OMB Uniform Guidance?	No
Identification of major program:	
21.027 Coronavirus State and Local Fiscal Recovery Funds (COVID-19)	
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

# CITY OF OWOSSO

---

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED Year Ended June 30, 2024

---

### Section II - Financial Statement Findings

---

There were no audit findings in the current year.

---

### Section III - Federal Award Findings and Questioned Costs

---

No matters were reported.

---

### Section IV – Summary Schedule of Prior Year Findings

---

There were no audit findings in the prior year.