



Certified Public Accountants & Consultants

City of Loretto 2018 Financial Statement Audit

Audit Team

Andy Berg

Bonnie Schwieger

Greta Pudas

Tyler See

Caydin Wolter

Tomi McDonald



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Audit Results

2018 Audit Findings



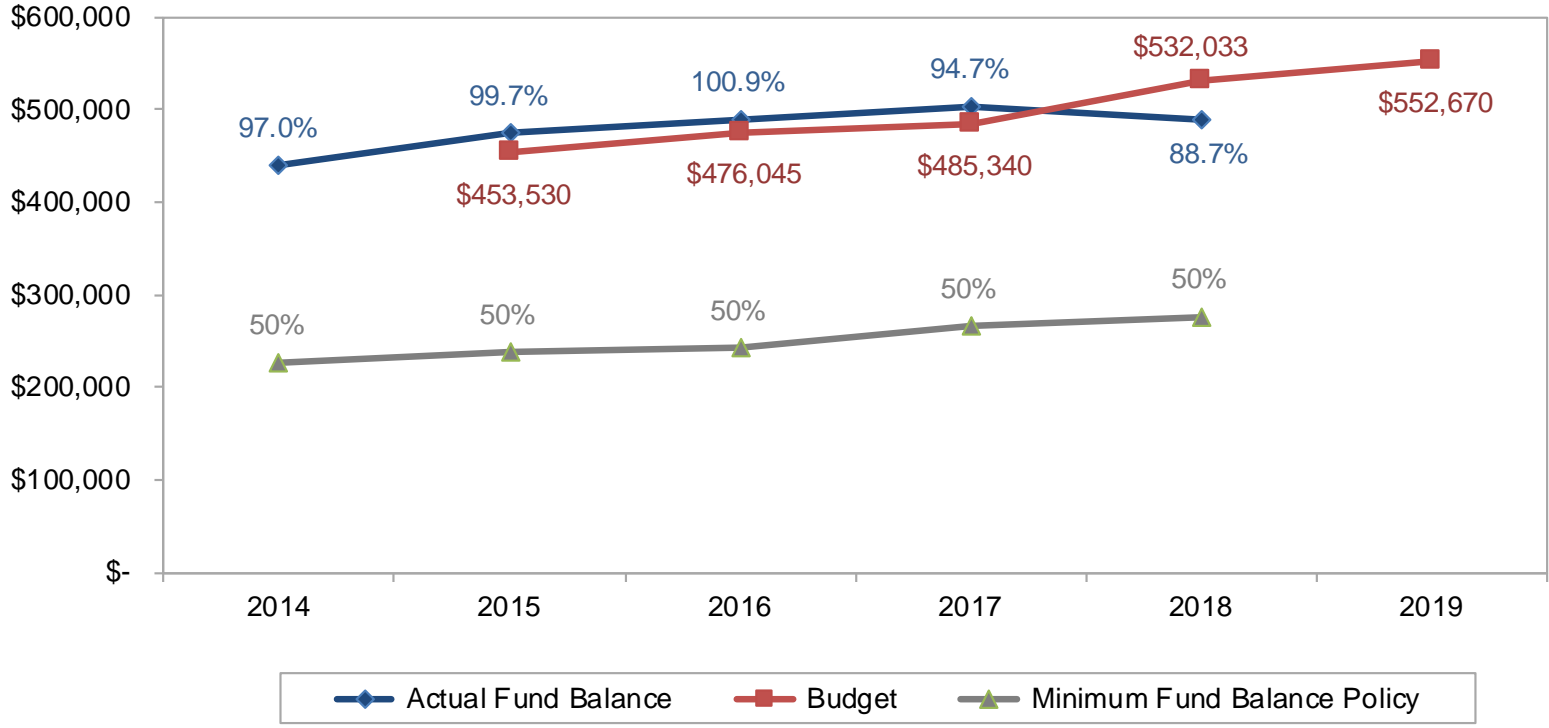
Preparation of Financial Statements

- Internal Control Finding

Limited Segregation of duties

- Internal Control Finding

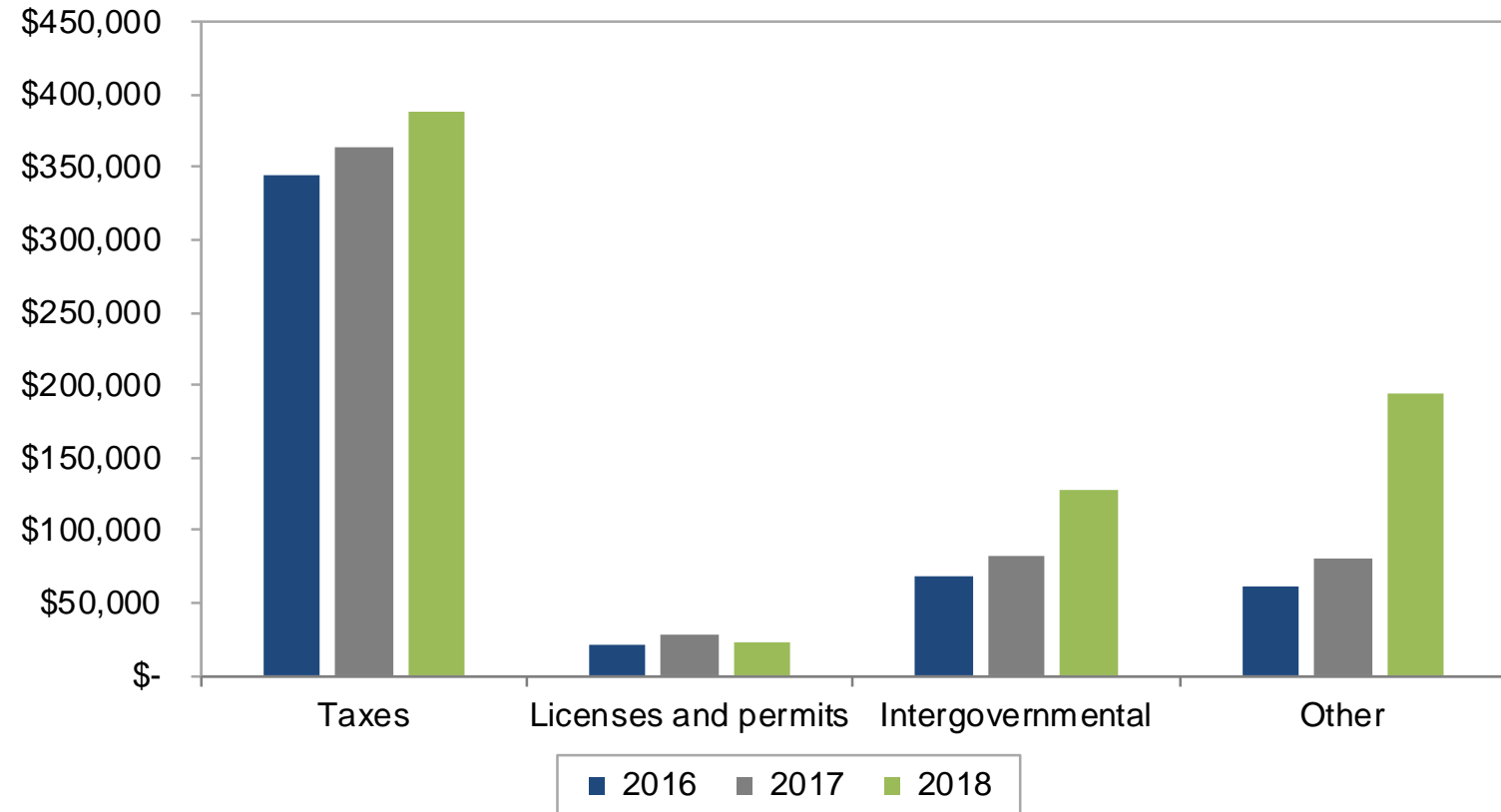
General Fund – Fund Balances



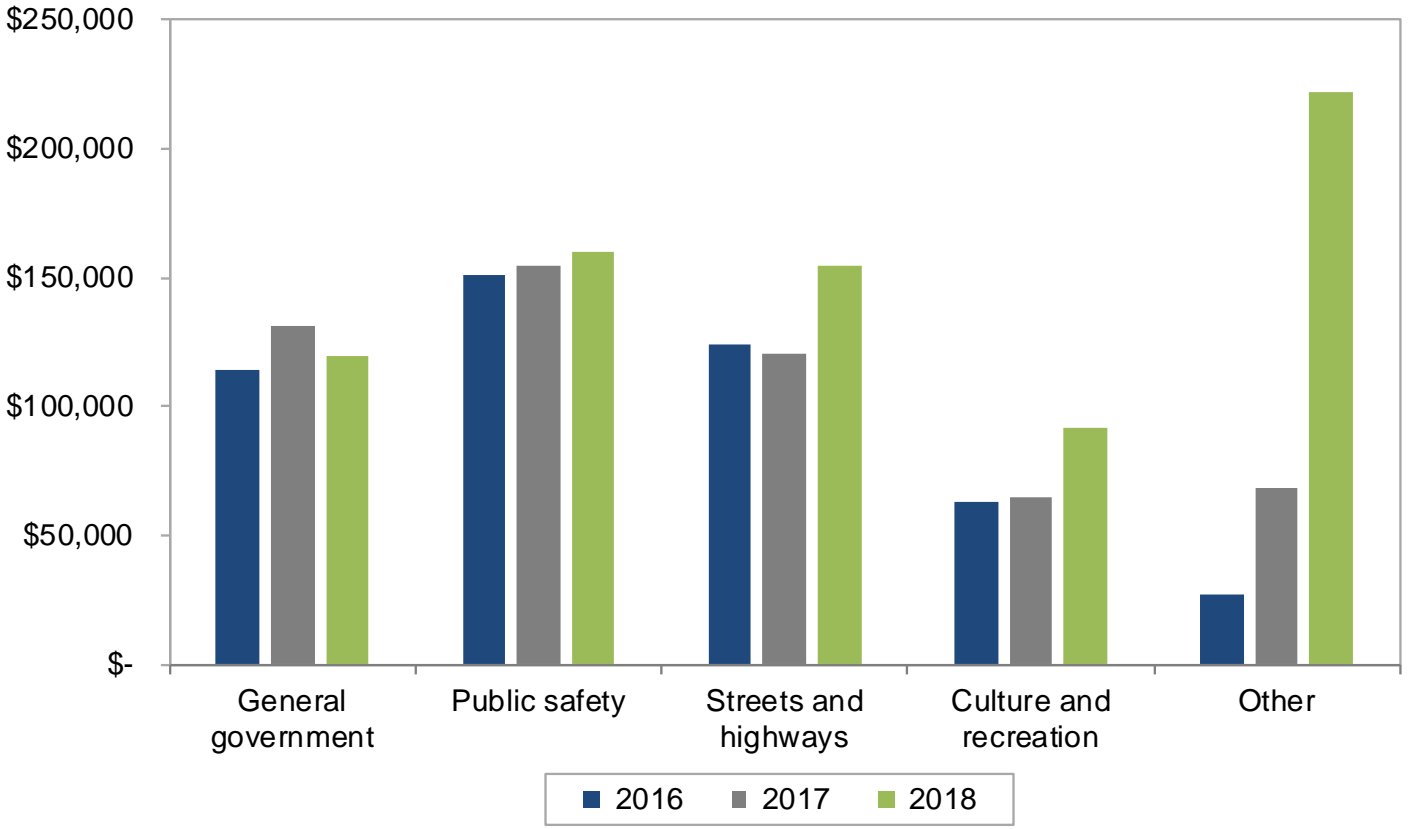
General Fund Budget to Actual

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Receipts	\$ 527,033	\$ 527,033	\$ 734,539	\$ 207,506
Disbursements	<u>532,033</u>	<u>532,033</u>	<u>721,916</u>	<u>(189,883)</u>
Excess (Deficiency) of Receipts over (under) Disbursements	<u>(5,000)</u>	<u>(5,000)</u>	<u>12,623</u>	<u>17,623</u>
Other Financing Sources (Uses)				
Transfers in	5,000	5,000	-	(5,000)
Transfers out	-	-	<u>(26,029)</u>	<u>(26,029)</u>
Total Other Financing Sources (Uses)	<u>5,000</u>	<u>5,000</u>	<u>(26,029)</u>	<u>(31,029)</u>
Net Change in Cash Fund Balances	-	-	(13,406)	(13,406)
Cash Fund Balances, January 1	<u>503,613</u>	<u>503,613</u>	<u>503,613</u>	<u>-</u>
Cash Fund Balances, December 31	<u>\$ 503,613</u>	<u>\$ 503,613</u>	<u>\$ 490,207</u>	<u>\$ (13,406)</u>

General Fund Revenues by Type

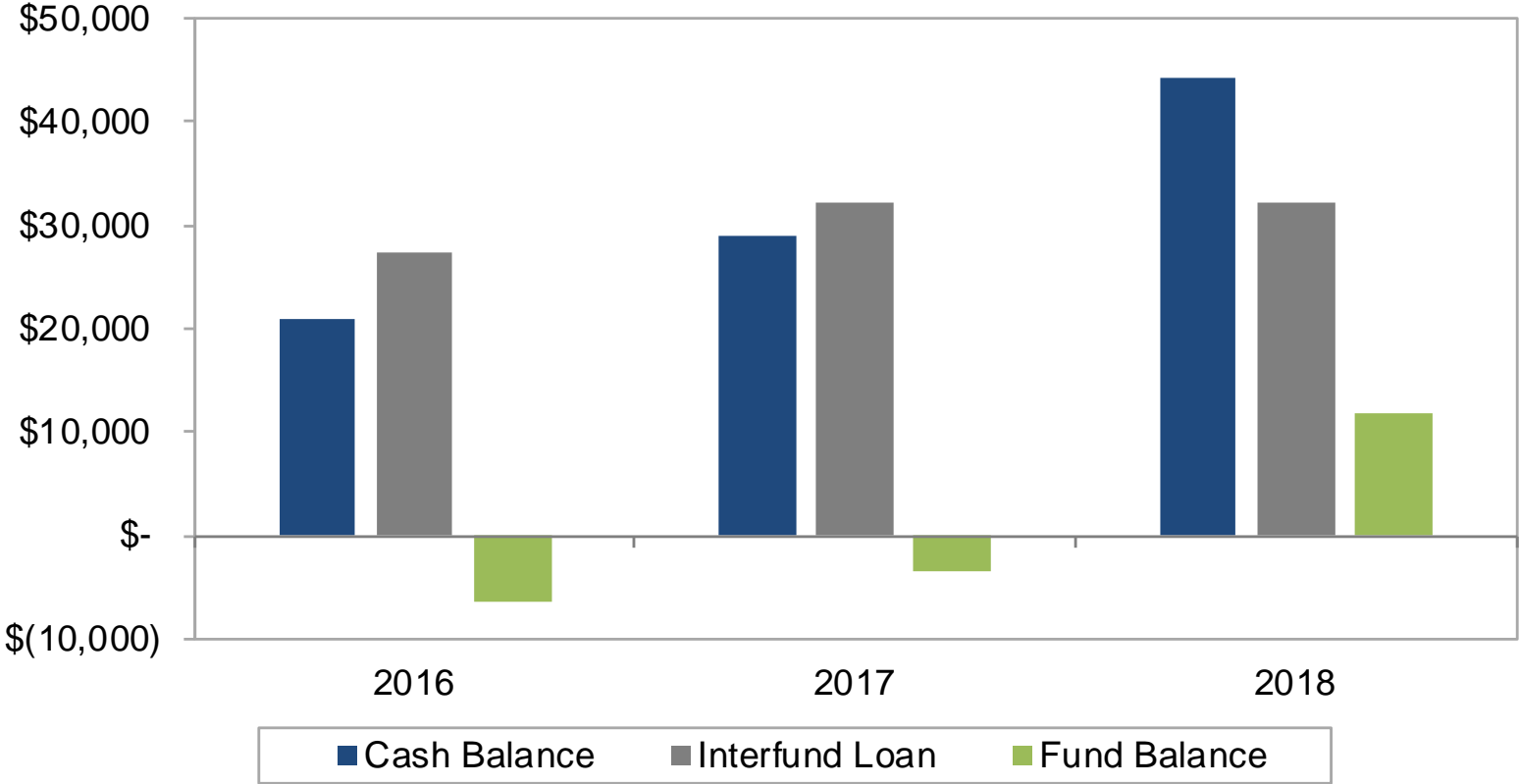


General Fund Expenditures by Type

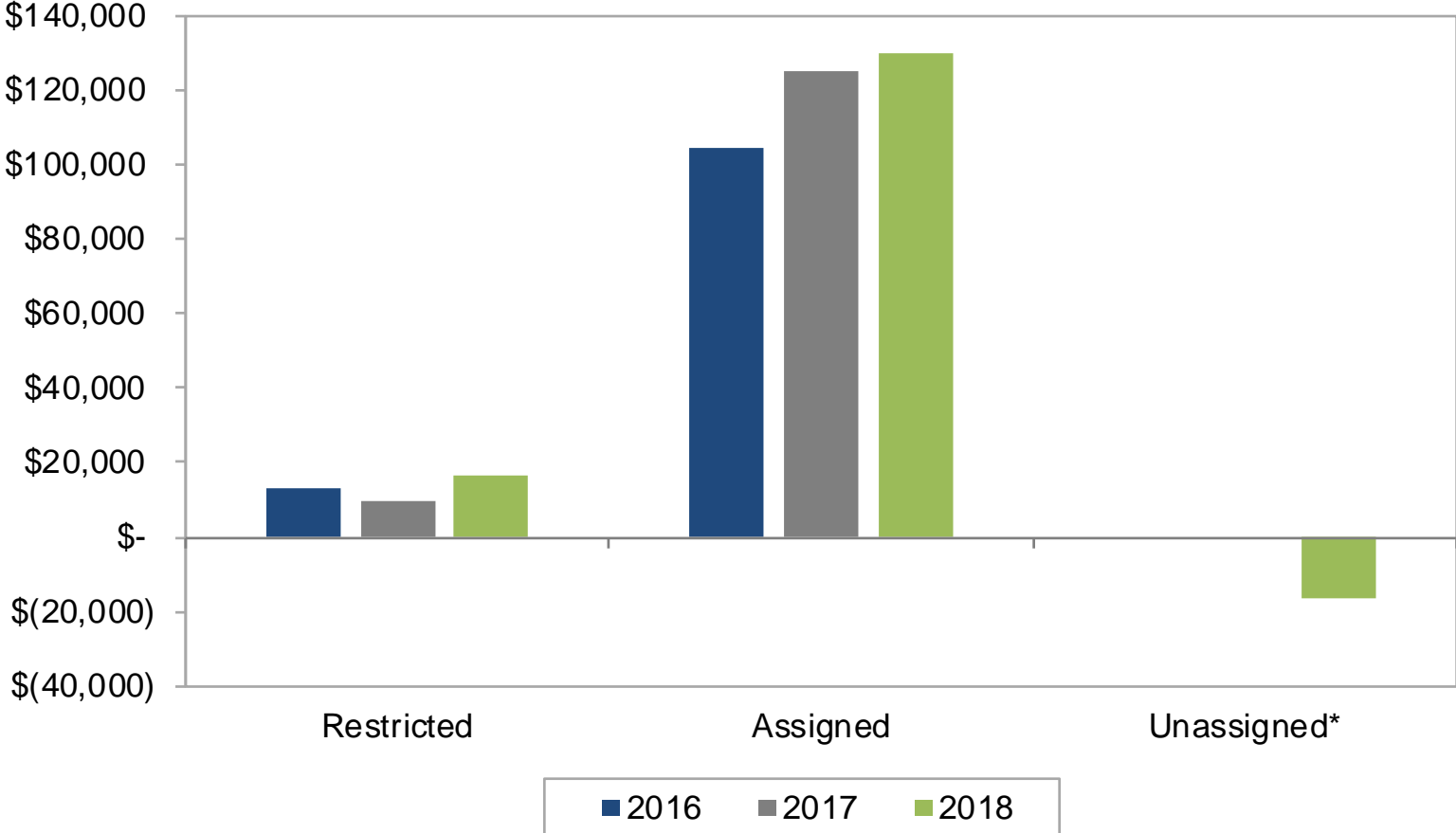


Special Revenue Fund

TIF District 1

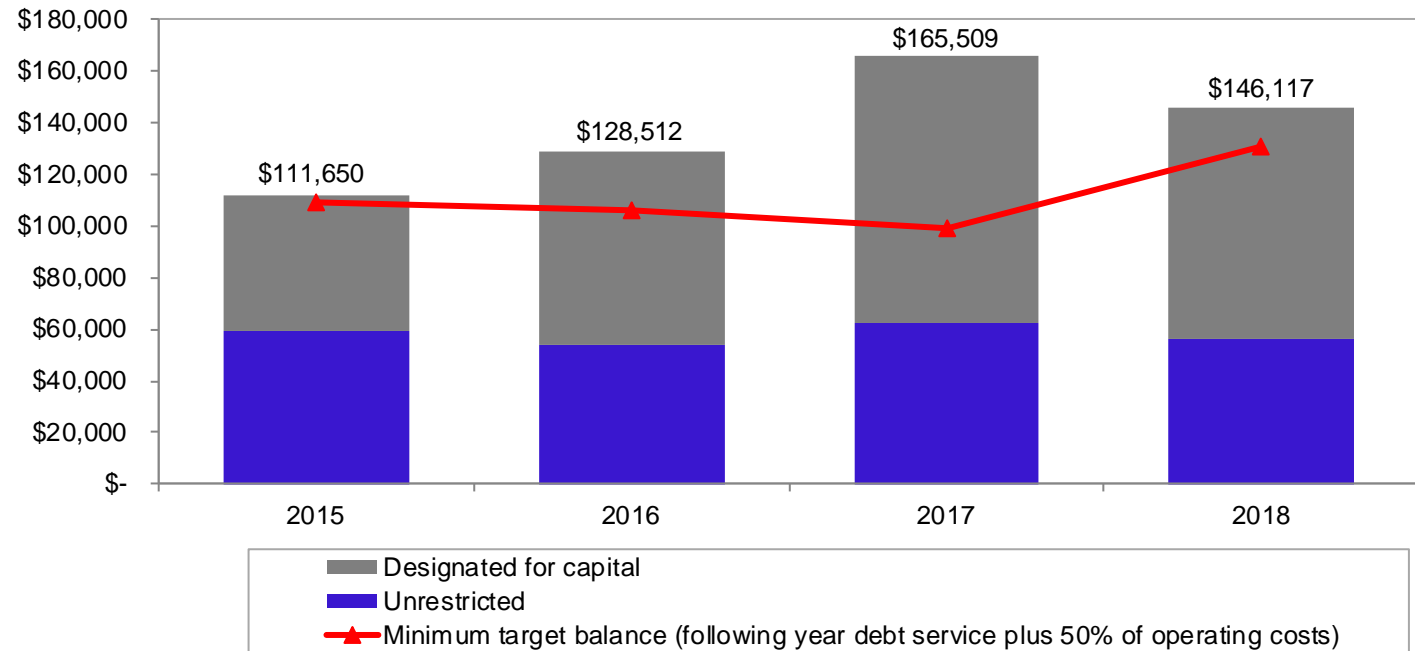
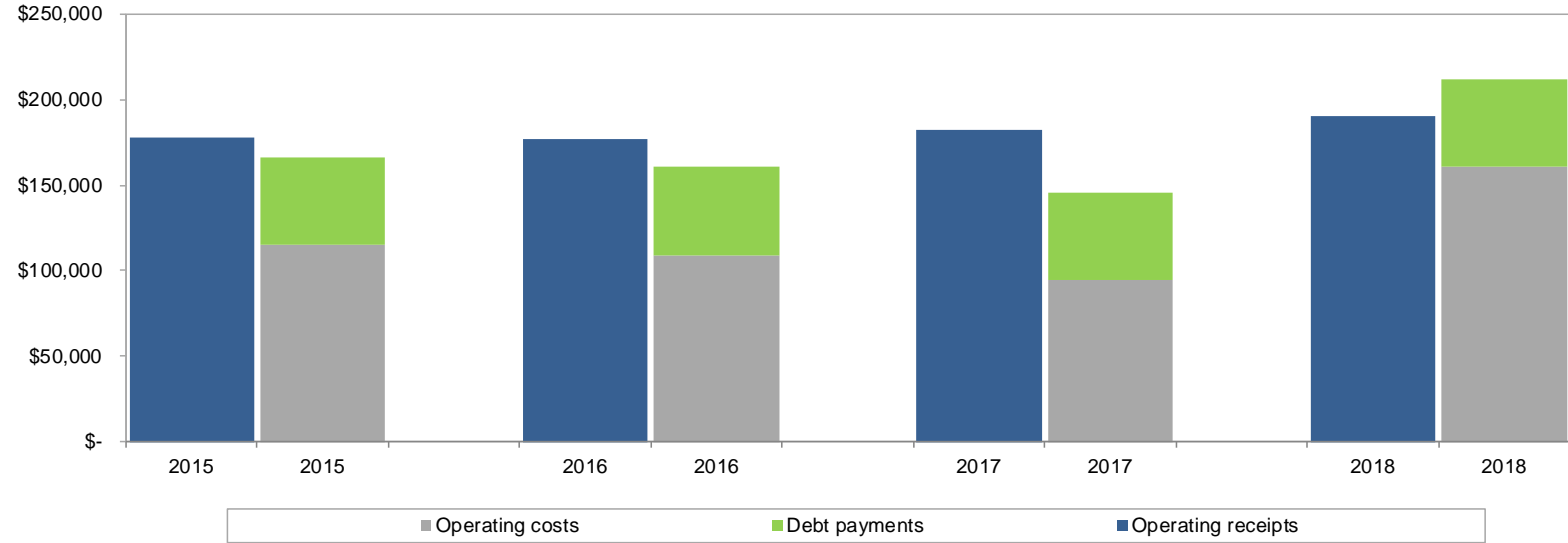


Capital Project Fund Balances

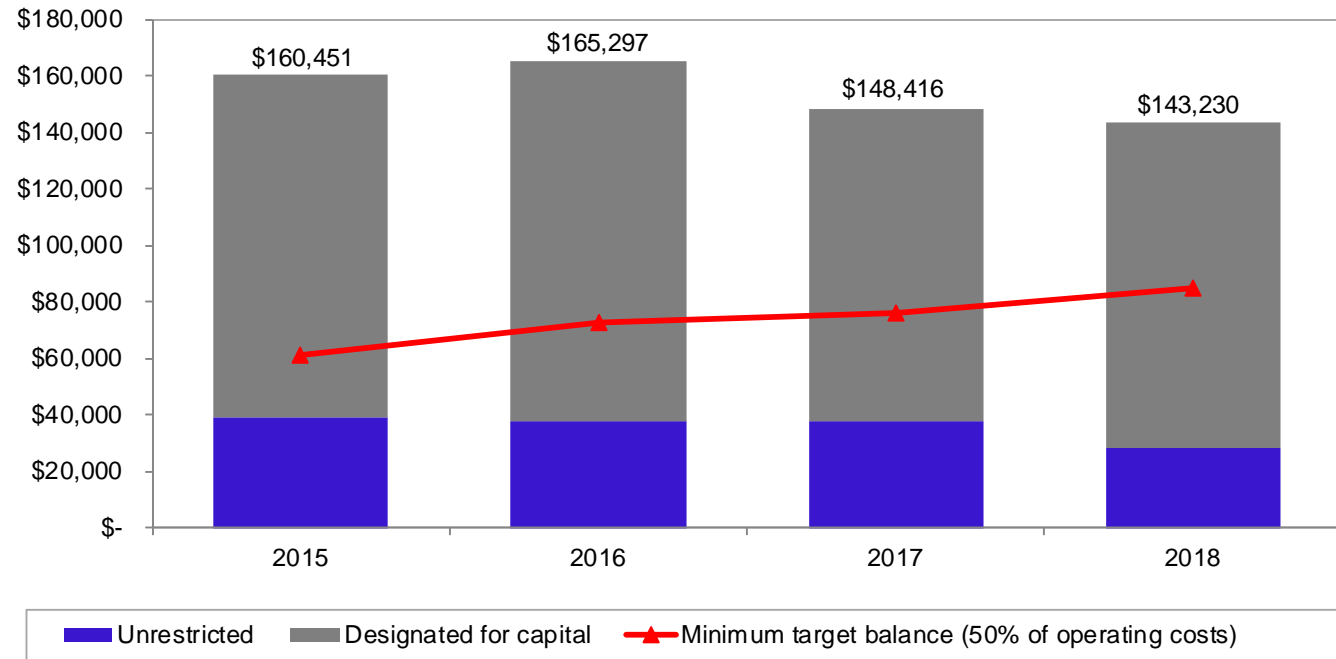
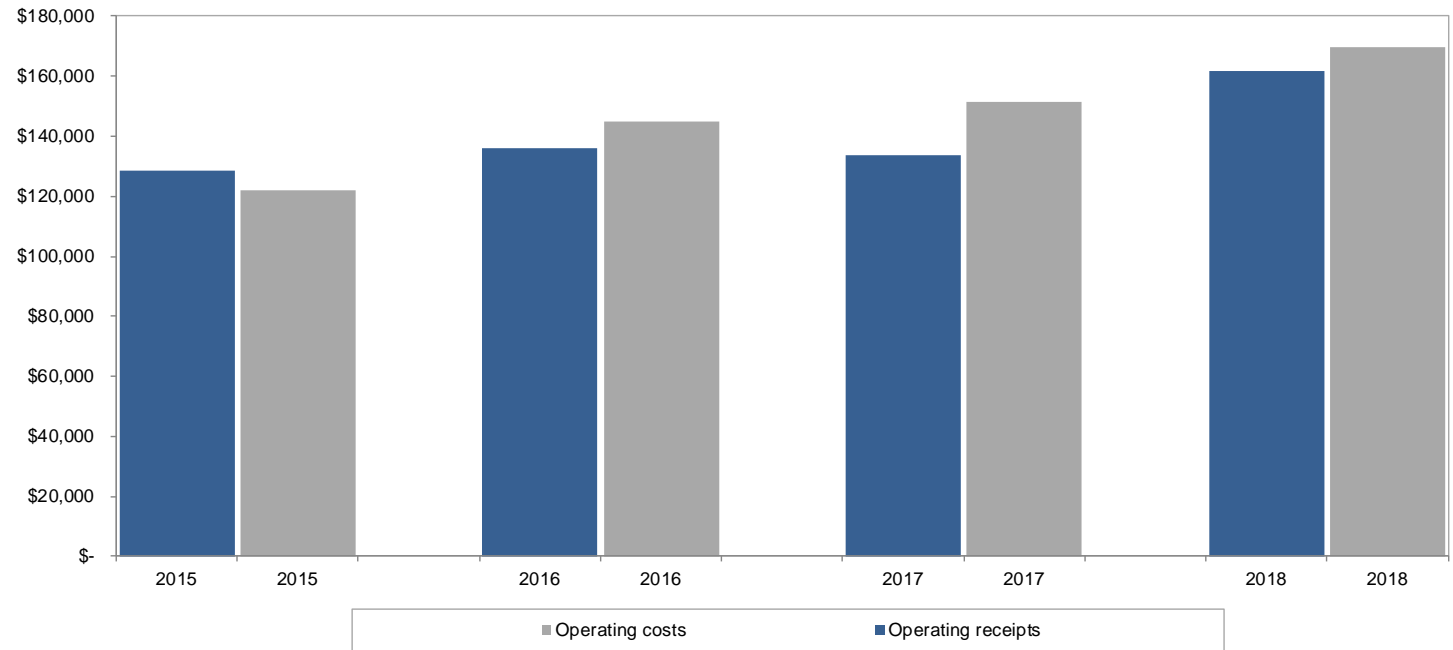


* The negative balance represents the Lions Park fund balance, which is being partially funded with an interfund loan from the Capital Improvement fund.

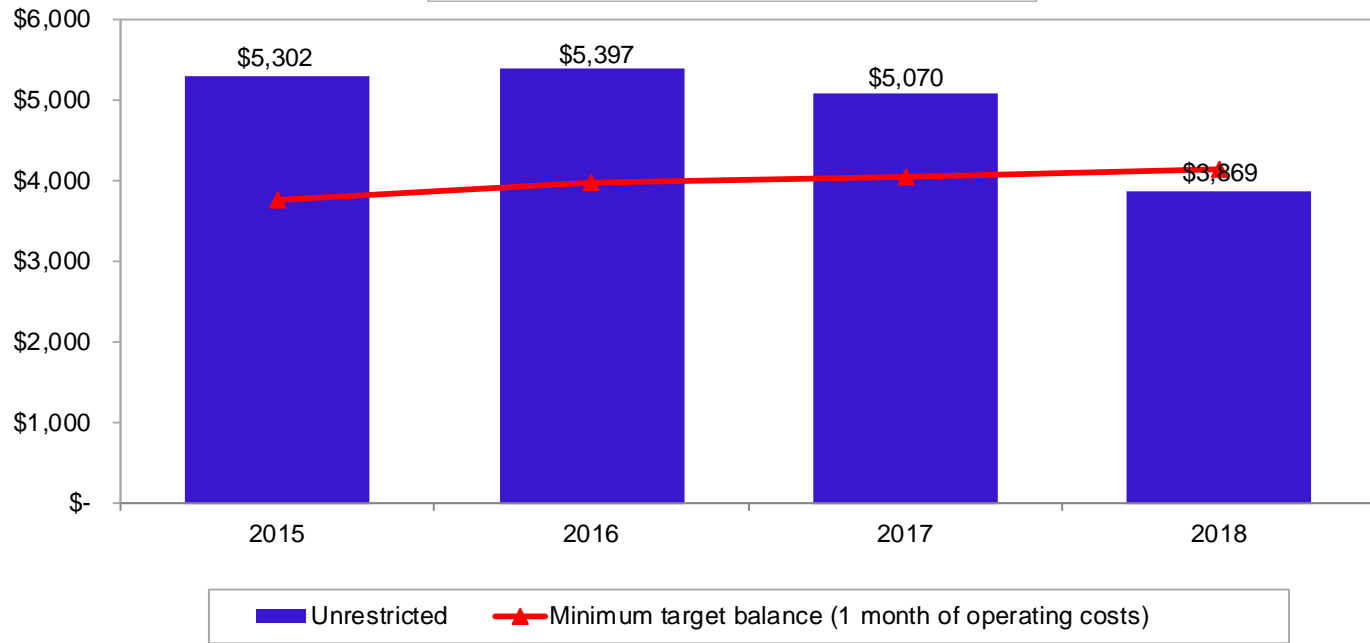
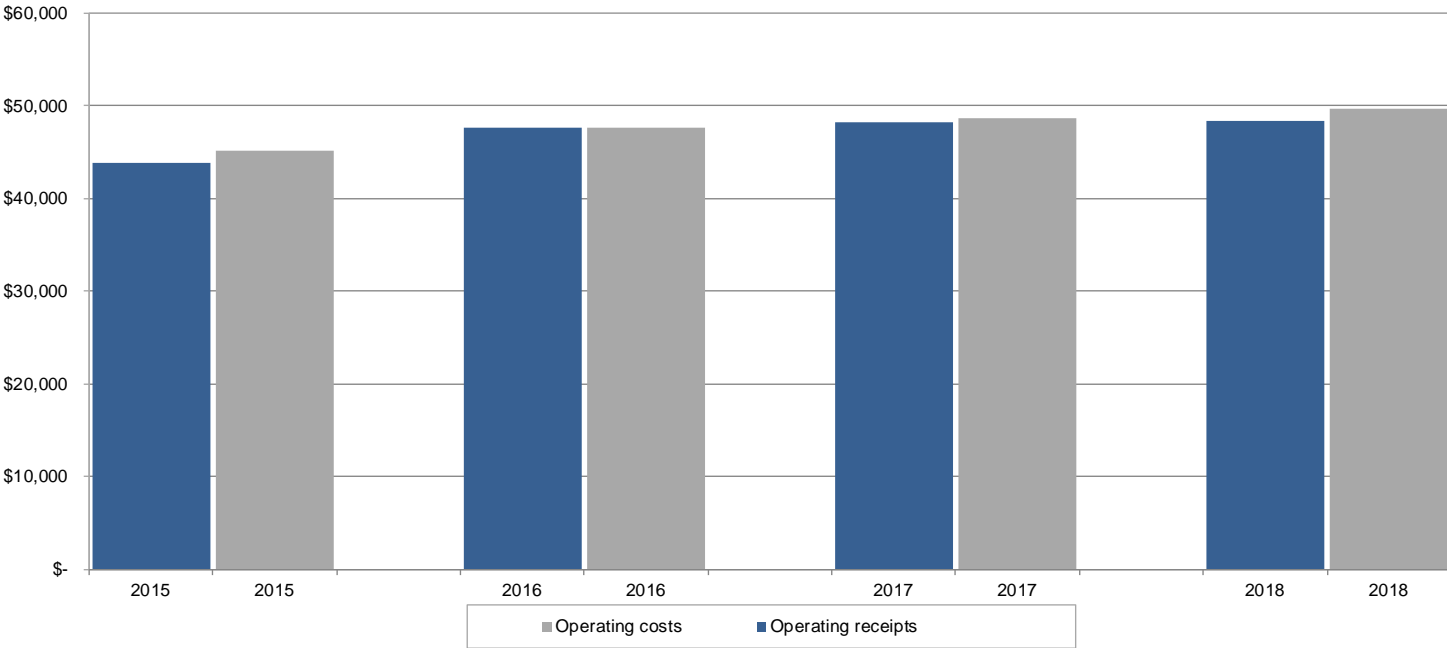
Water Fund



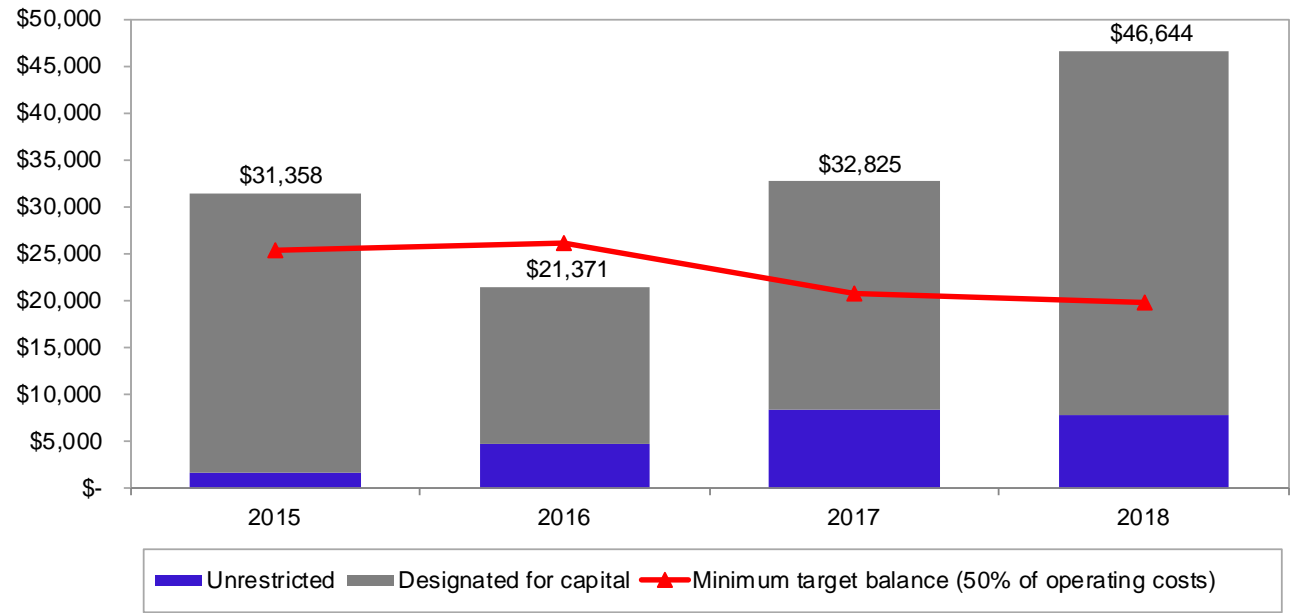
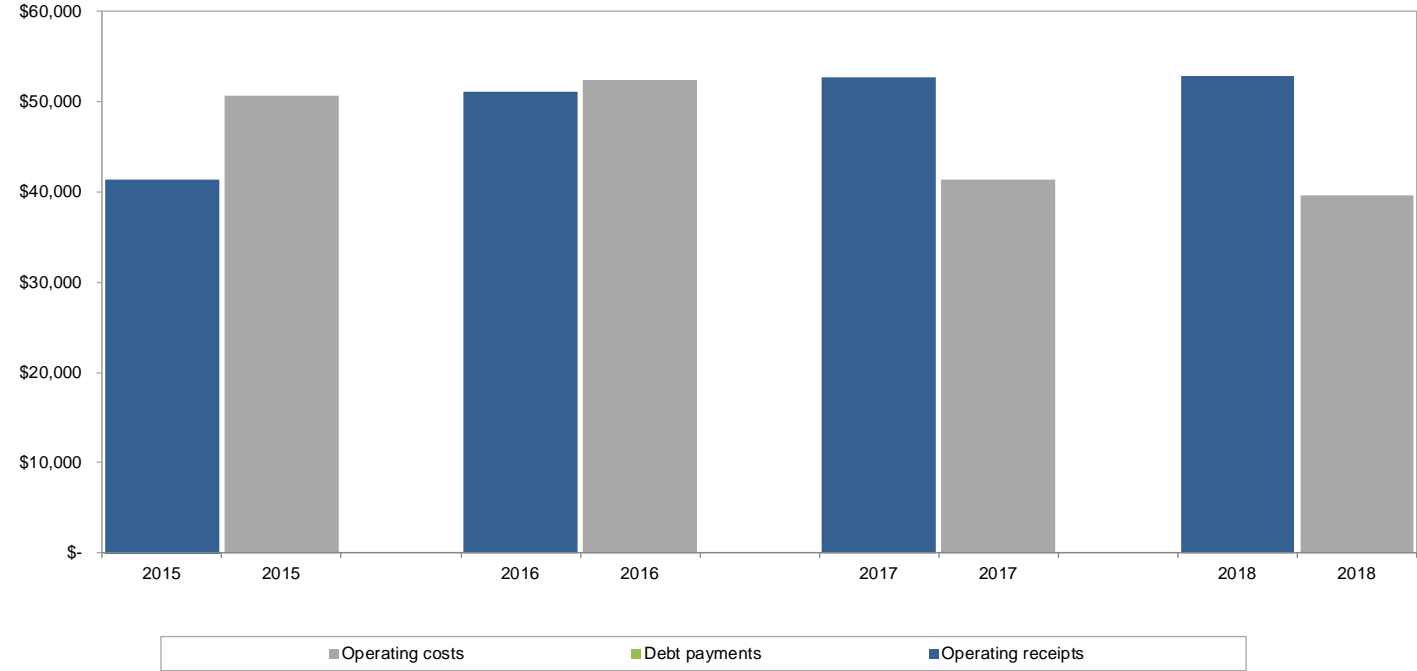
Wastewater Fund



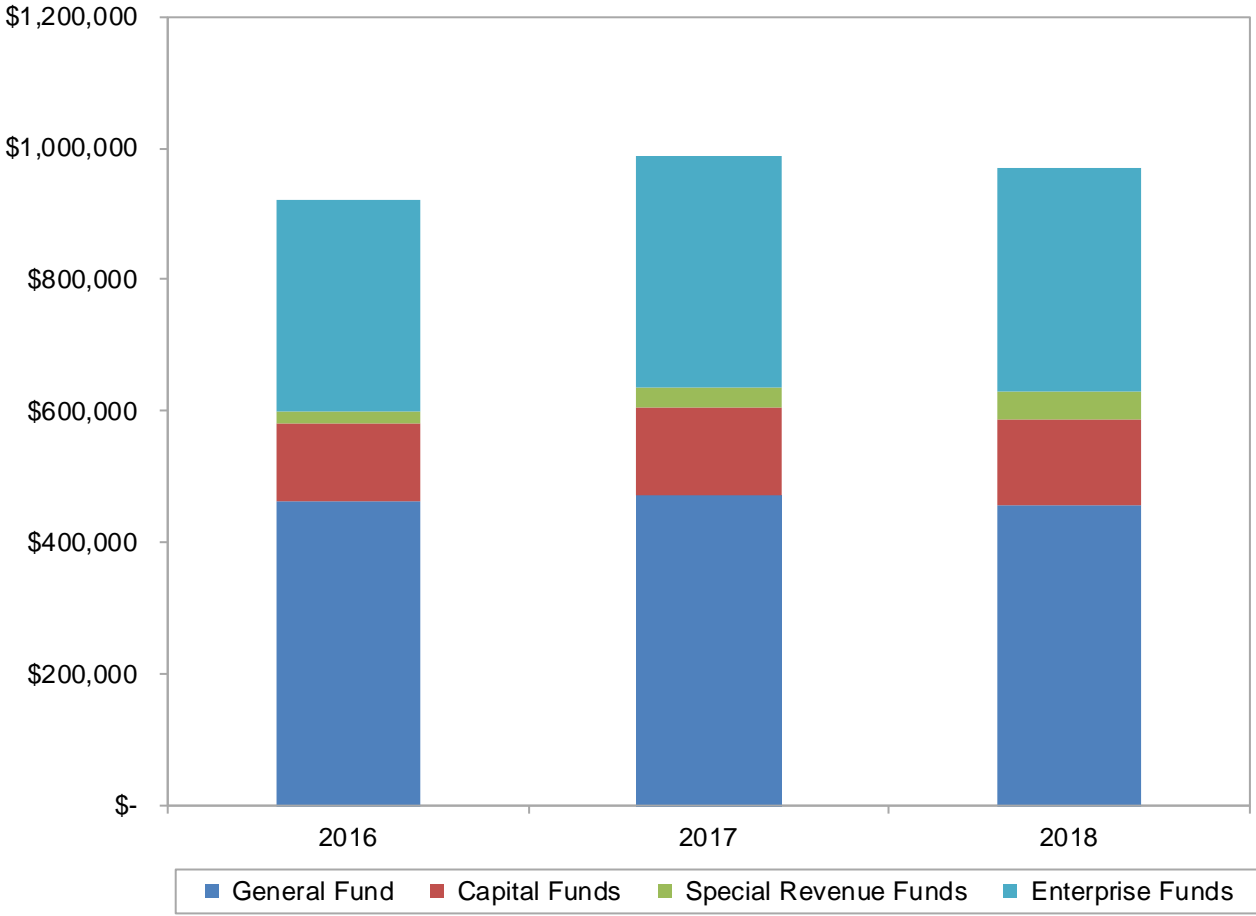
Garbage Fund



Storm Water Fund



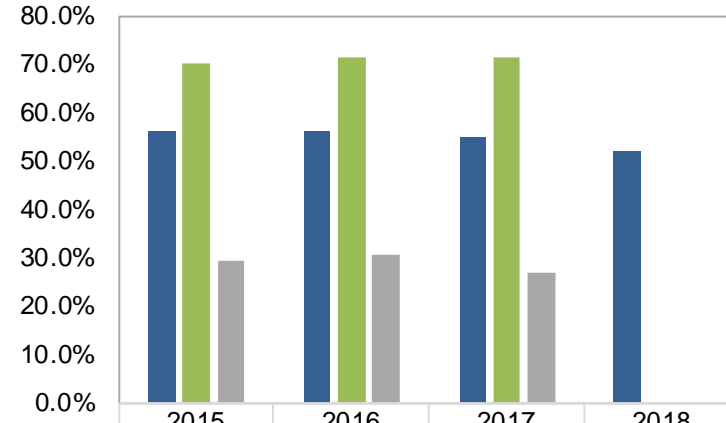
City Cash and Investments Balances by Fund Type



Key City Ratios

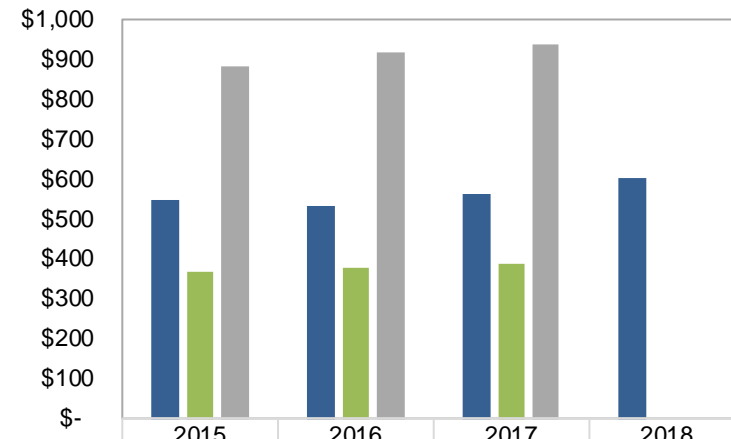


Tax Rate



	2015	2016	2017	2018
■ City Of Loretto	56.0%	56.0%	55.0%	52%
■ Class 5 Cities	70.3%	71.4%	71.6%	
■ Cities in Hennepin County	29.2%	30.4%	26.9%	

Taxes per Capita

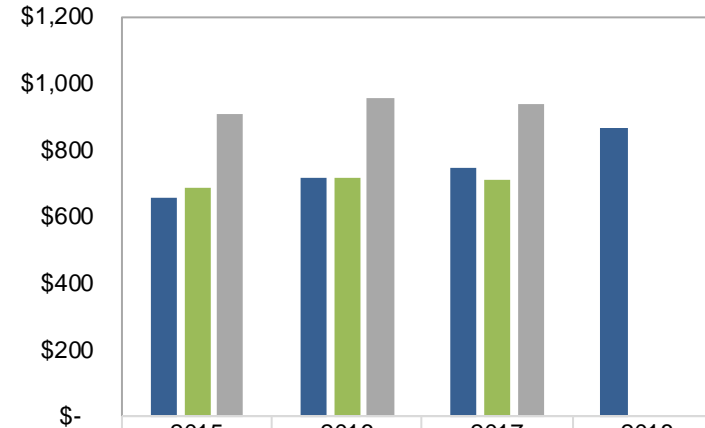


	2015	2016	2017	2018
■ City Of Loretto	\$546	\$534	\$560	\$600
■ Class 5 Cities	\$367	\$378	\$386	
■ Cities in Hennepin County	\$879	\$913	\$934	

Key City Ratios

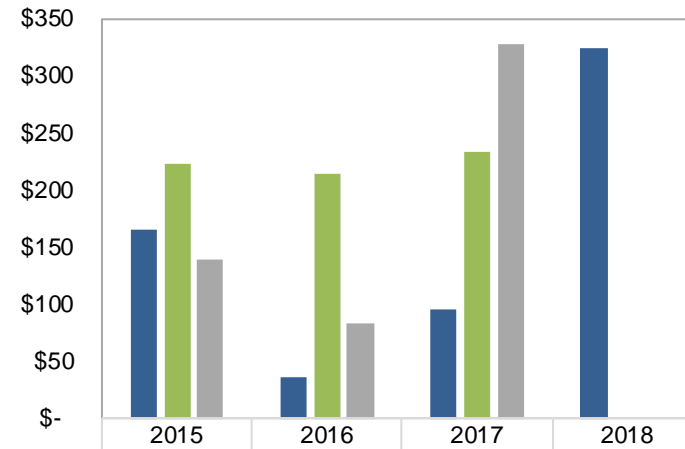


Current Expenditure per Capita



	2015	2016	2017	2018
■ City Of Loretto	\$656	\$715	\$743	\$862
■ Class 5 Cities	\$683	\$714	\$712	
■ Cities in Hennepin County	\$906	\$957	\$938	

Capital Expenditure per Capita

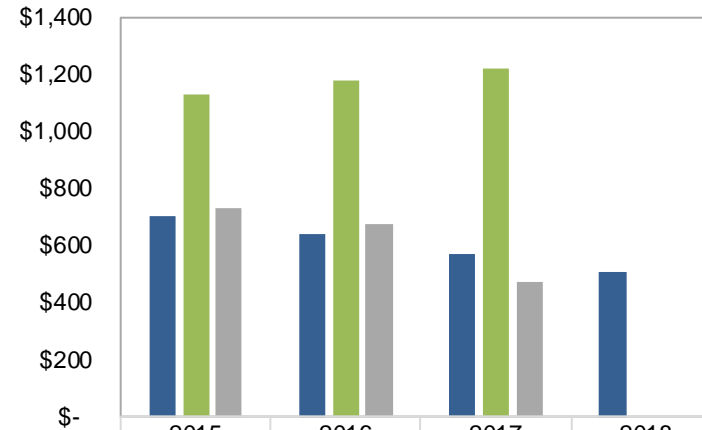


	2015	2016	2017	2018
■ City Of Loretto	\$166	\$36	\$96	\$324
■ Class 5 Cities	\$223	\$213	\$233	
■ Cities in Hennepin County	\$139	\$83	\$328	

Key City Ratios

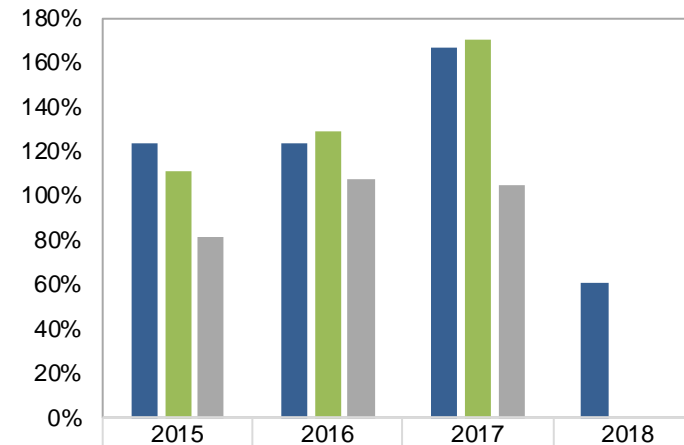


Debt per Capita



	2015	2016	2017	2018
■ City Of Loretto	\$703	\$639	\$570	\$505
■ Class 5 Cities	\$1,128	\$1,177	\$1,219	
■ Cities in Hennepin County	\$732	\$672	\$472	

Water Fund Debt Service Coverage

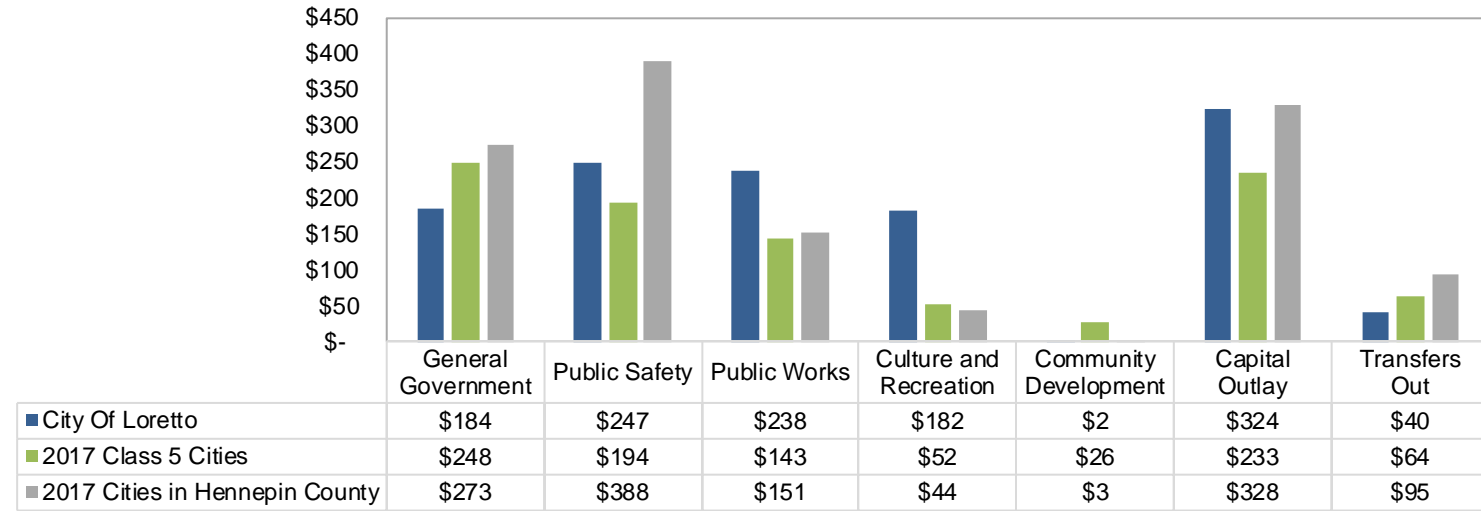


	2015	2016	2017	2018
■ City Of Loretto	124%	123%	167%	61%
■ Class 5 Cities	111%	129%	171%	
■ Cities in Hennepin County	81%	107%	105%	

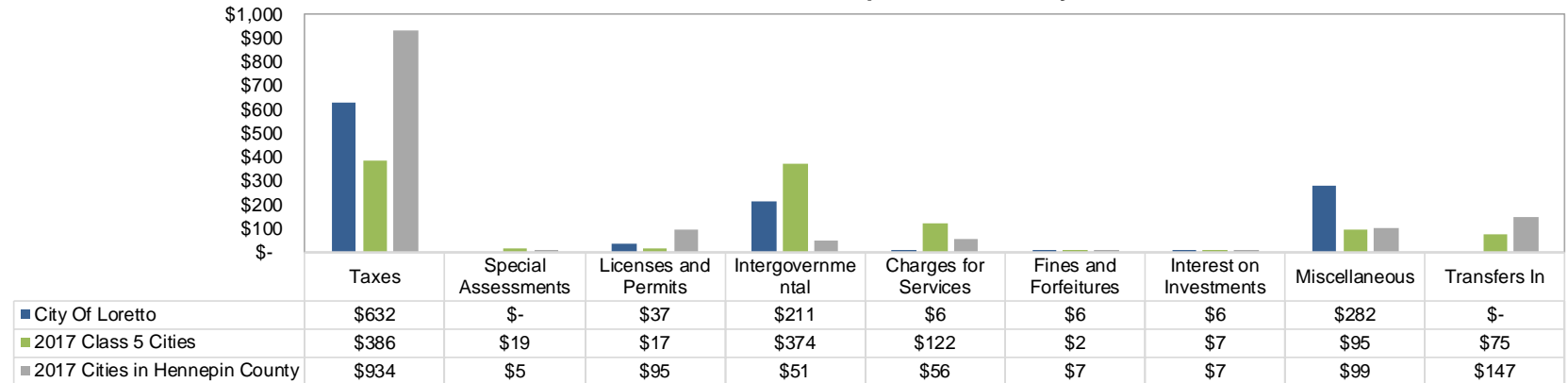
Key City Ratios



Expenditures by Program per Capita



Per Capita Revenues by Source



Key City Ratios



Taxes per Capita (Funding Ratio)

This dollar amount is arrived at by dividing the total tax revenues by the population of the city and represents the amount of taxes for each citizen of the city for the year. The higher this amount is, the more reliant the city is on taxes to fund its operations.

Current Expenditures per Capita (Funding Ratio)

This dollar amount is arrived at by dividing the total current governmental expenditures by the population of the City and represents the amount of governmental expenditure for each citizen of the City during the year. Since this is generally based on ongoing expenditures, we would expect consistent annual per capita results.

Capital Expenditures per Capita (Funding Ratio)

This dollar amount is arrived at by dividing the total governmental capital outlay expenditures by the population of the City and represents the amount of capital expenditure for each citizen of the City during the year. Since projects are not always recurring, the per capita amount will fluctuate from year to year.

Debt per Capita (Funding Ratio)

This dollar amount is arrived at by dividing the total bonded debt by the population of the city and represents the amount of bonded debt obligation for each citizen of the city at the end of the year. The higher the amount, the more resources are needed in the future to retire these obligations through taxes, assessments or user fees.

Debt Service Coverage Ratio (Solvency Ratio)

The debt coverage ratio is a comparison of cash generated by operations to total debt service payments (principal and interest) of enterprise funds. This ratio indicates if there are sufficient cash flows from operations to meet debt service obligations. Except in cases where other nonoperating revenues (i.e. taxes, assessments, transfers from other funds, etc.) are used to fund debt service payments, an acceptable ratio would be above 100 percent.

Expenditures by Program per Capita (Funding Ratio)

This dollar amount is arrived at by dividing the governmental program expenditures by the population of the City and represents the amount of program expenditure for each citizen of the City during the year.

Revenues by Source per Capita (Funding Ratio)

This dollar amount is arrived at by dividing the governmental revenues by sources by the population of the City and represents the amount of revenues for each citizen of the City during the year.

Questions?