



Lighting the path forward

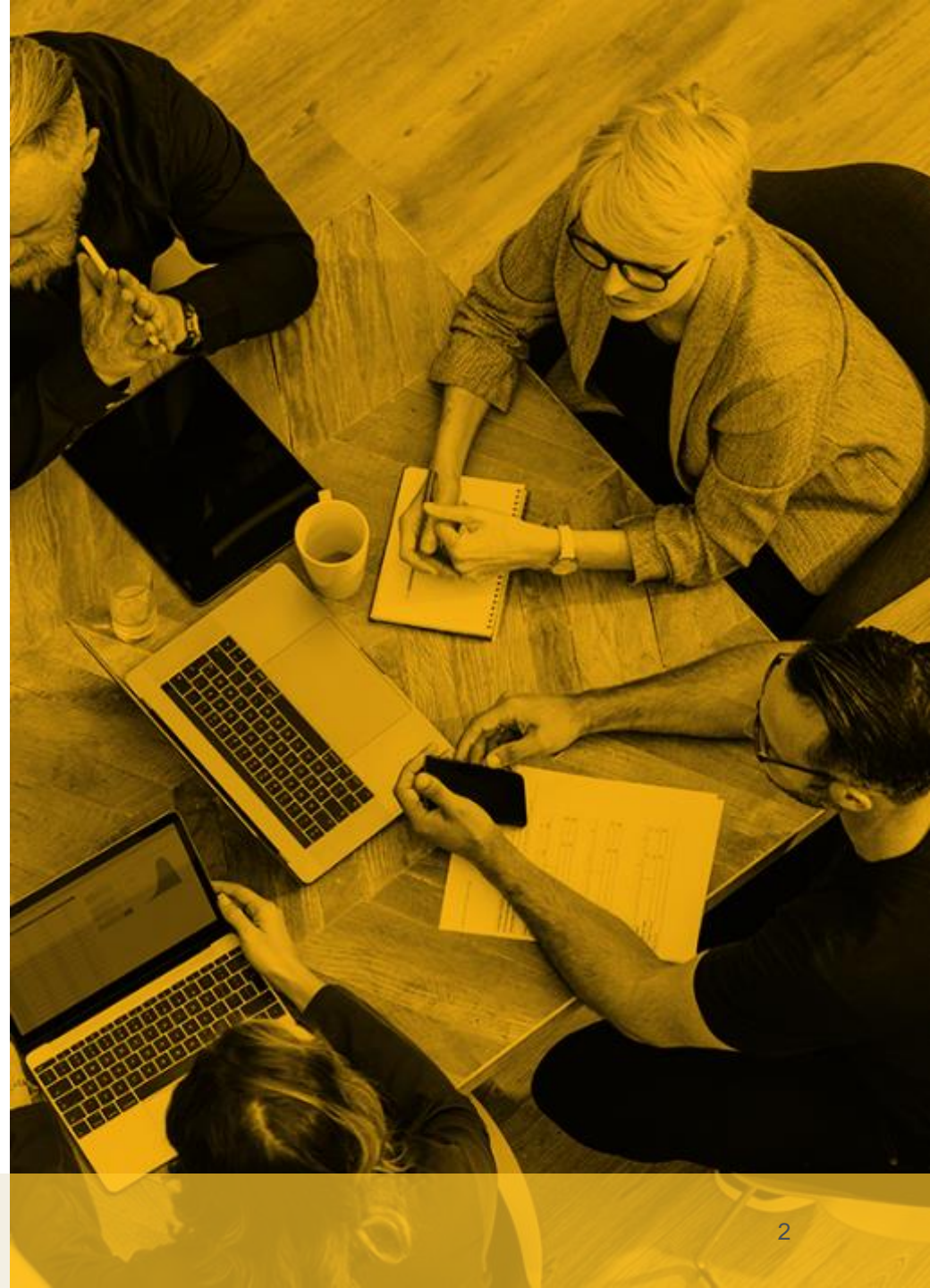
City of Loretto

2021 Financial Statement Audit



Introduction

- Audit Opinion and Responsibility
- General Fund Results
- Enterprise Funds
- Key Performance Indicators



Audit Results

Auditor's Opinion



Adverse Opinion under GAAP
Unqualified Opinion - under the
Regulatory Basis of Accounting

Minnesota Legal Compliance



No instances of
noncompliance

Audit Results

2021 Audit Findings

- Preparation of Financial Statements
 - Internal Control Finding
- Limited Segregation of Duties
 - Internal Control Finding

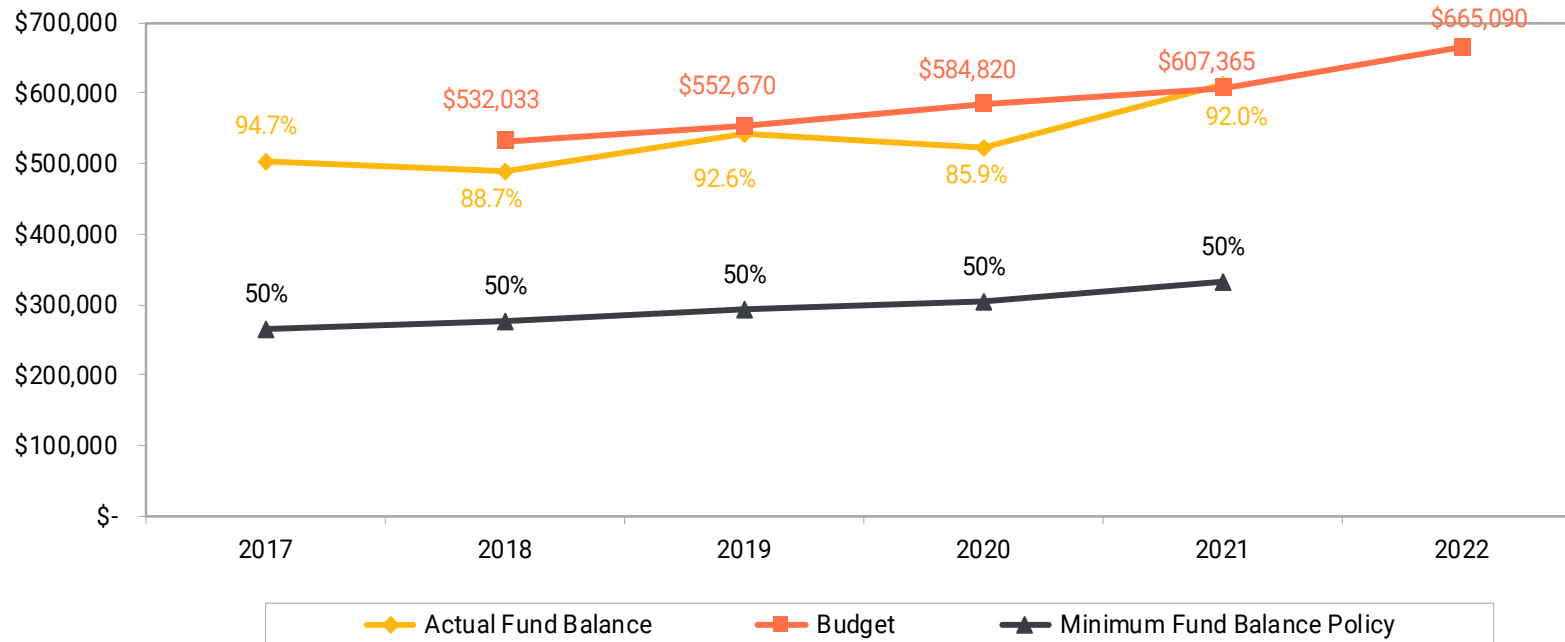


Results from Prior Year 2020 Audit Findings

- Preparation of Financial Statements
 - Internal Control Finding
- Limited Segregation of Duties
 - Internal Control Finding
- Collateral Coverage
 - Legal Compliance Finding



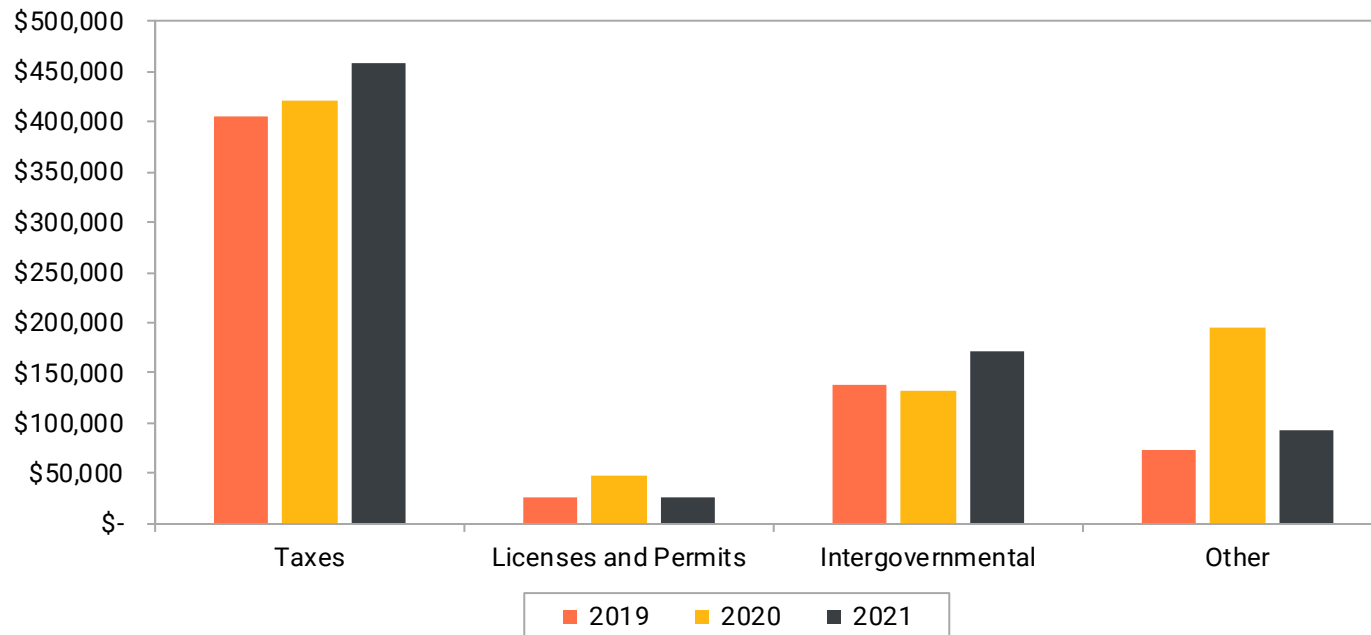
General Fund Fund Balances



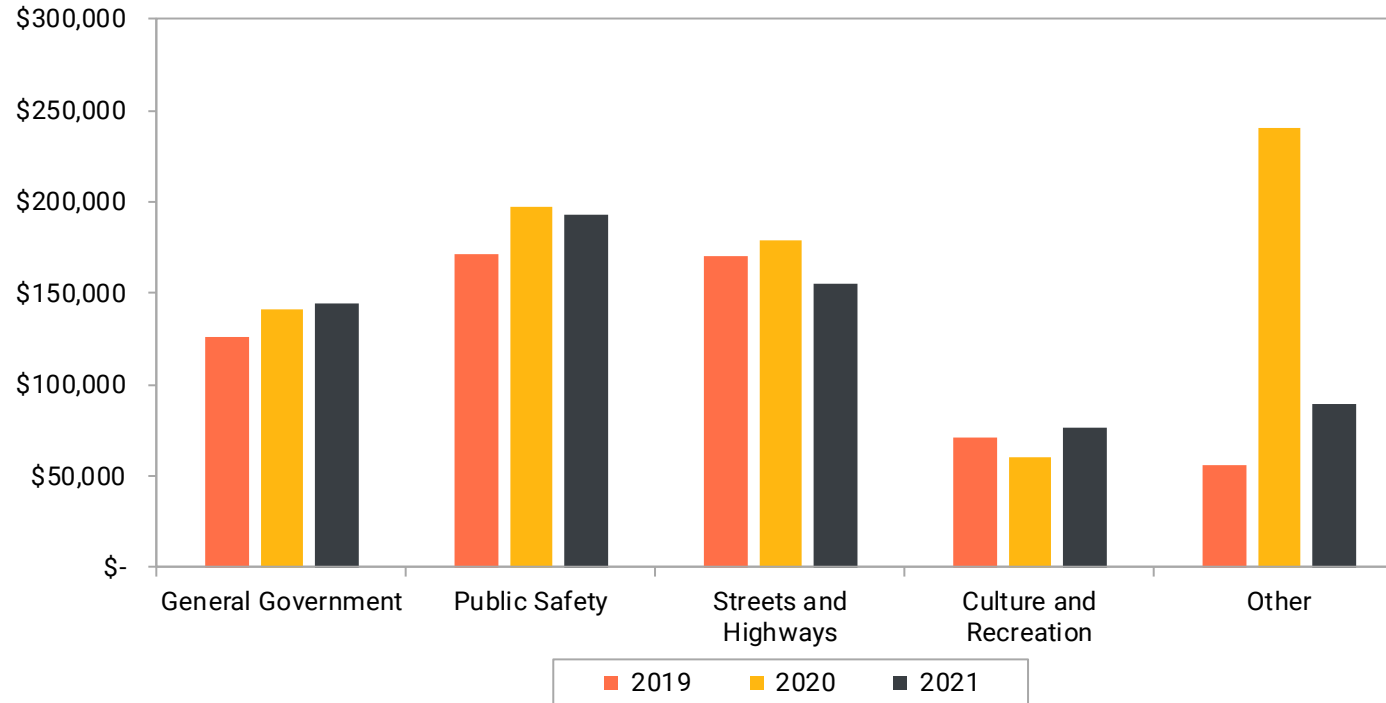
General Fund Budget to Actual

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Receipts	\$ 607,365	\$ 607,365	\$ 723,516	\$ 116,151
Disbursements	588,365	588,365	602,706	(14,341)
Excess of Receipts over Disbursements	19,000	19,000	120,810	101,810
Other Financing Sources (Uses)				
Transfers in	-	-	25,587	25,587
Transfers out	(19,000)	(19,000)	(56,000)	(37,000)
Total Other Financing Sources (Uses)	(19,000)	(19,000)	(30,413)	(11,413)
Net Change in Cash Fund Balances	-	-	90,397	90,397
Cash Fund Balances, January 1	521,620	521,620	521,620	-
Cash Fund Balances, December 31	<u>\$ 521,620</u>	<u>\$ 521,620</u>	<u>\$ 612,017</u>	<u>\$ 90,397</u>

General Fund Revenues by Type

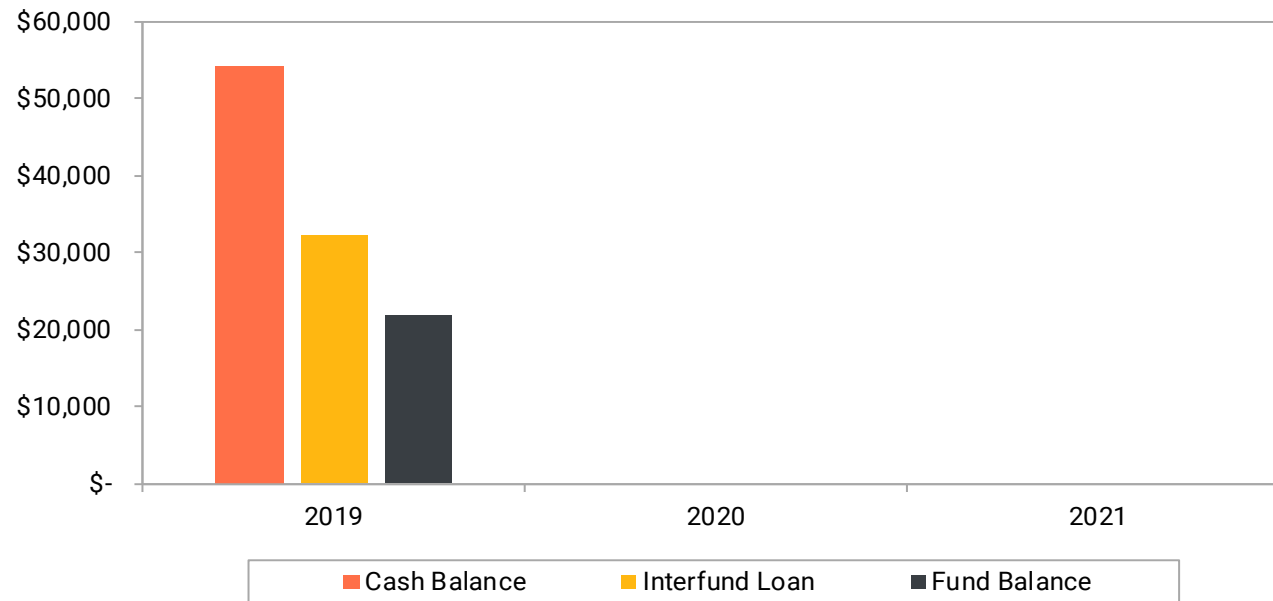


General Fund Expenditures by Type

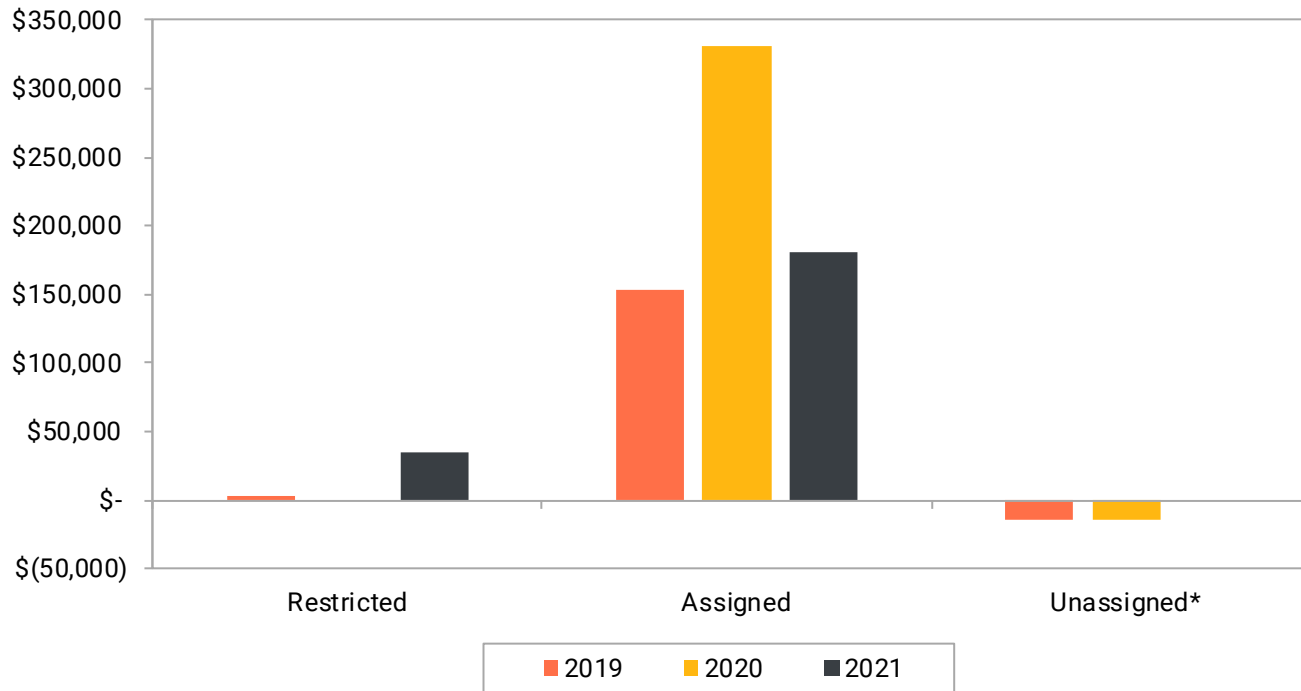


Special Revenue Fund

TIF District 1



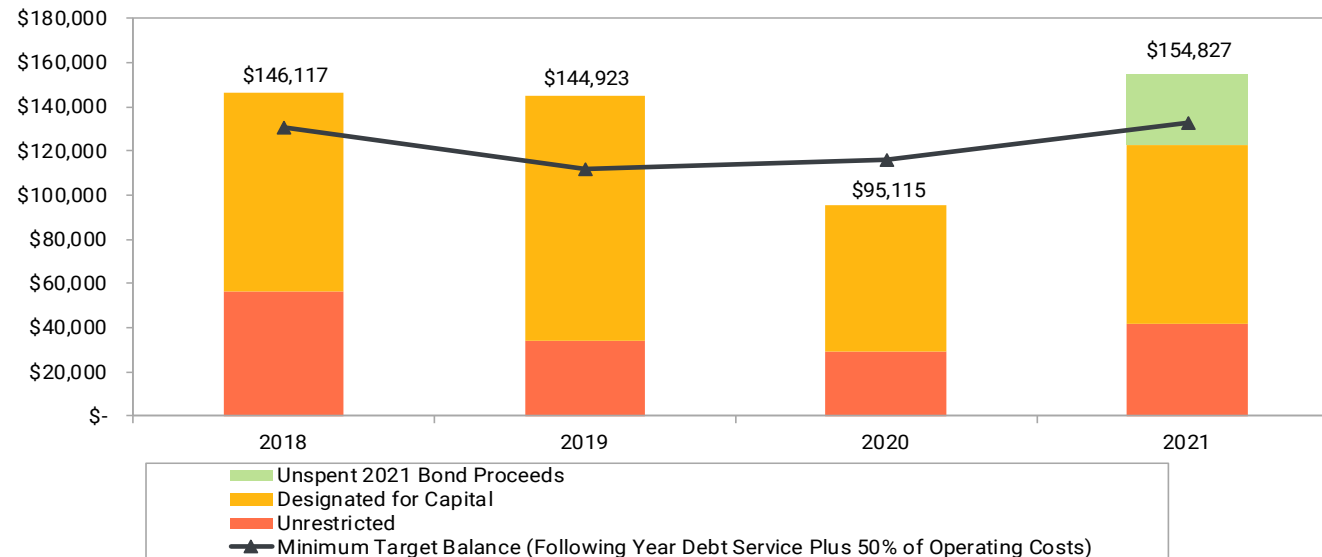
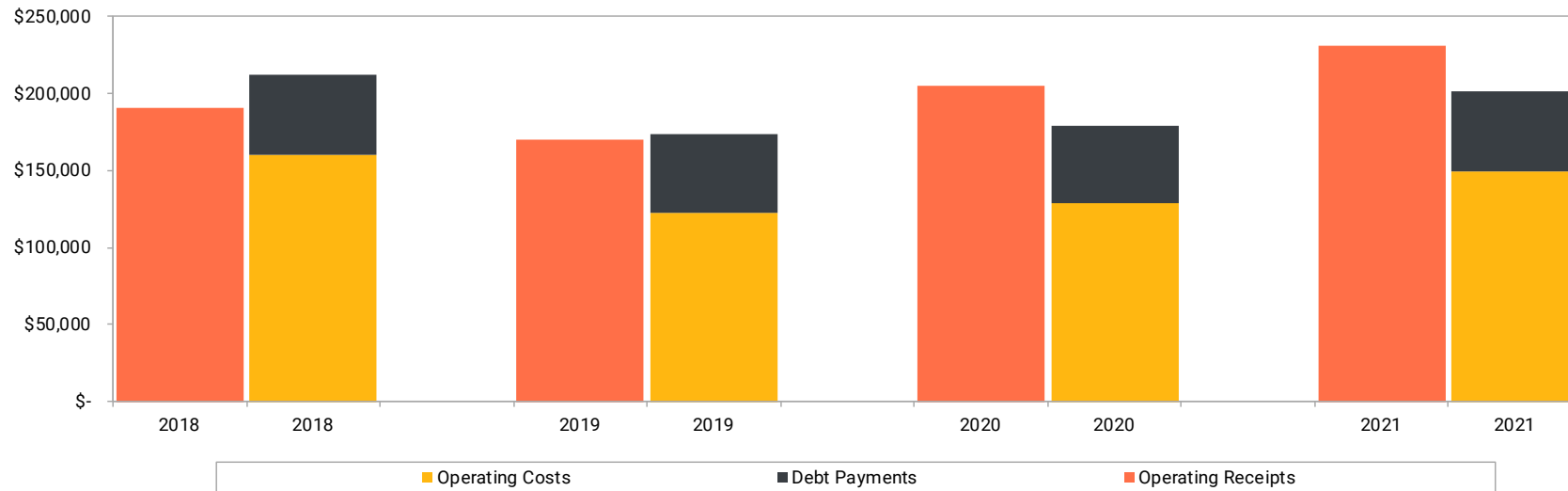
Fund	Fund Balance December 31,		Increase (Decrease)
	2021	2020	
Major			
Capital Improvements	\$ 180,709	\$ 331,176	\$ (150,467)
2021 Street Improvement Project	\$ 34,731	\$ -	\$ 34,731
Nonmajor			
Lions Park	\$ -	\$ (13,800)	\$ 13,800



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

Capital Project Fund Balance

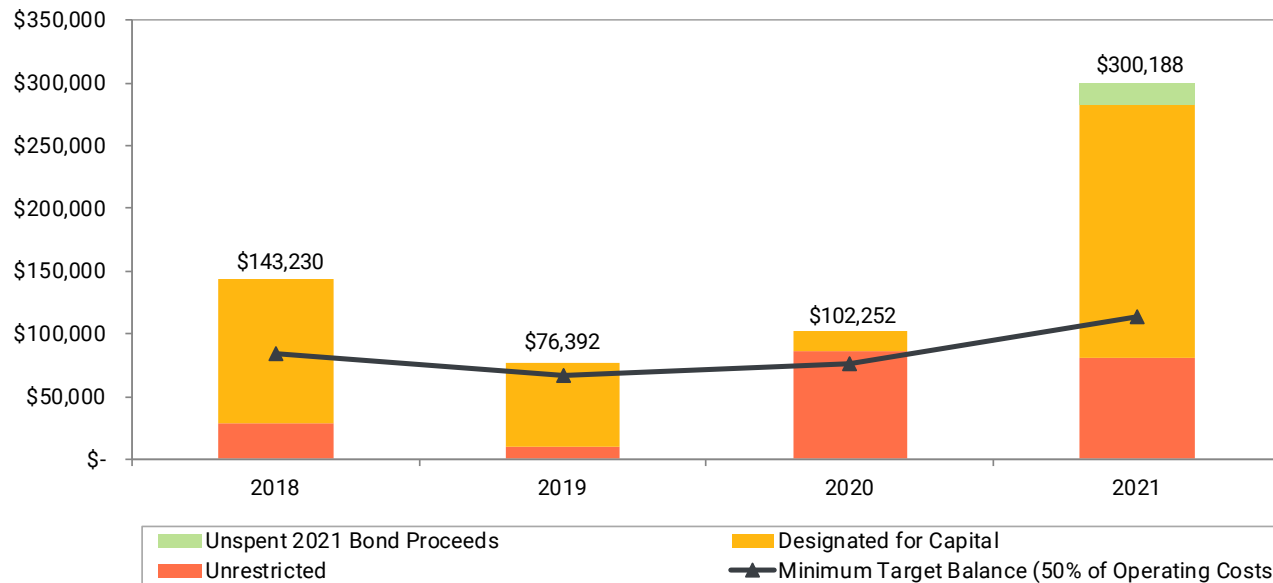
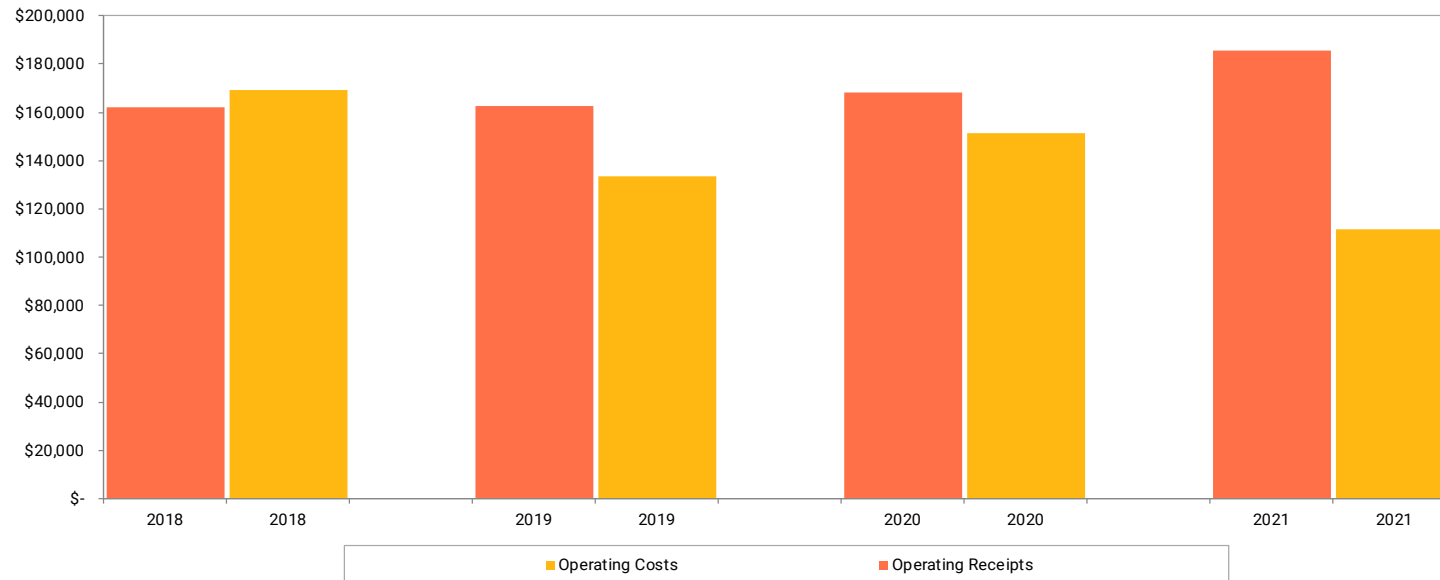
Water Fund



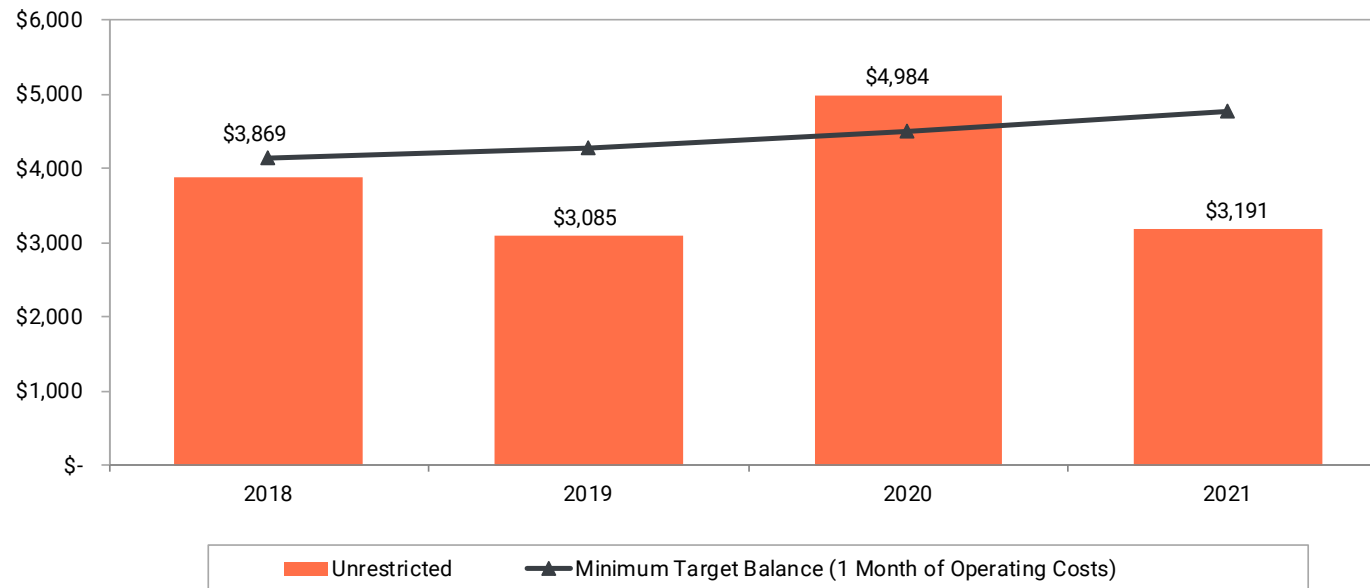
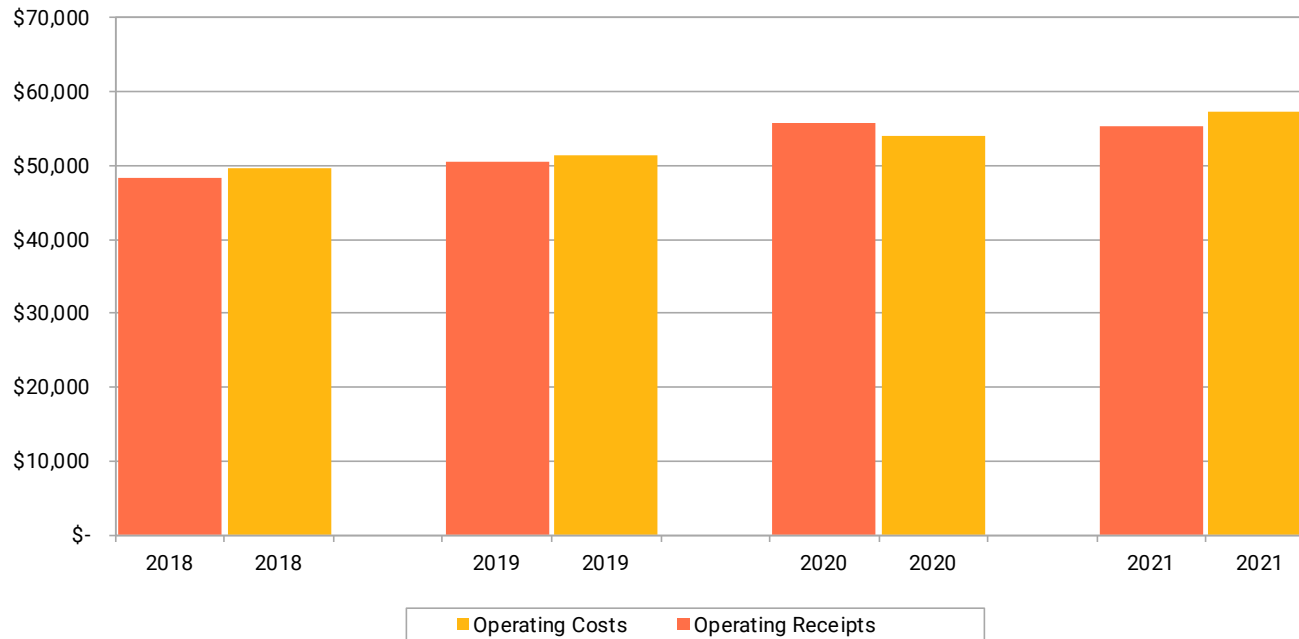
Cash Flows from Operations and Cash Balances

Wastewater Fund

Cash Flows from Operations and Cash Balances



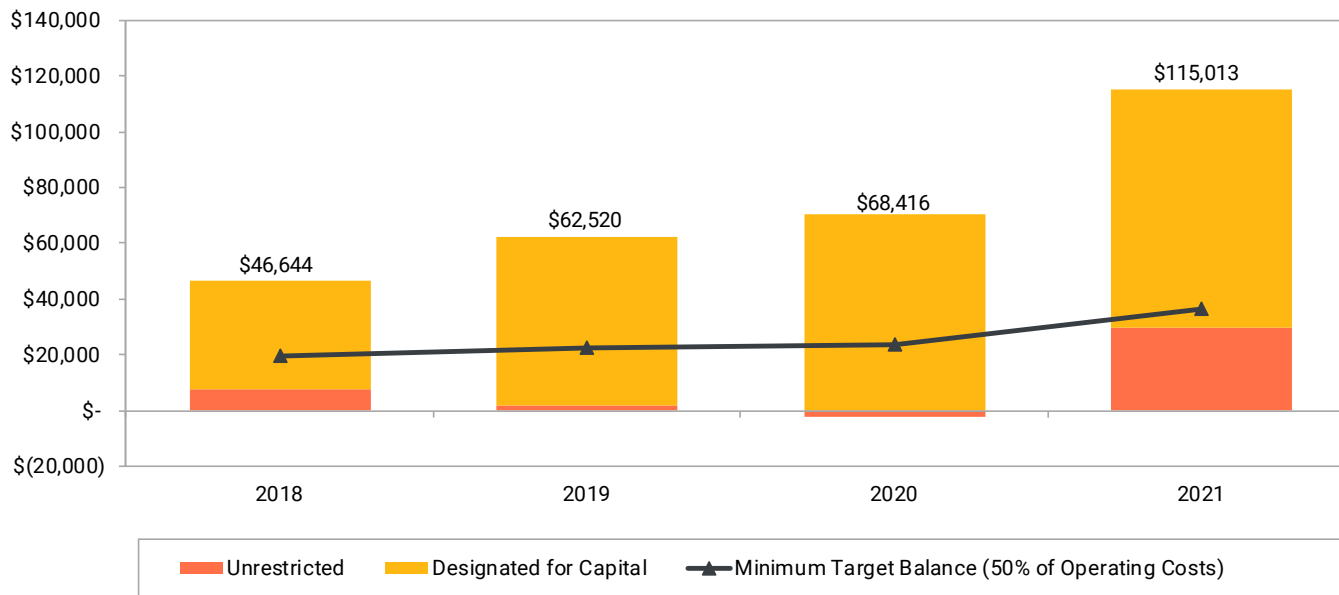
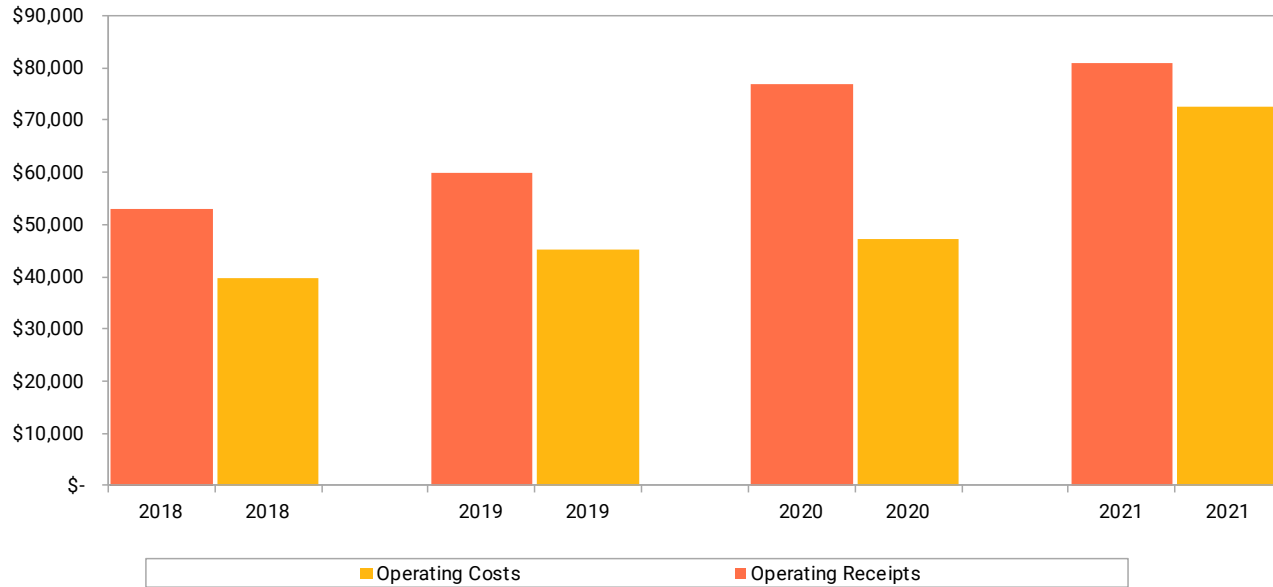
Garbage Fund



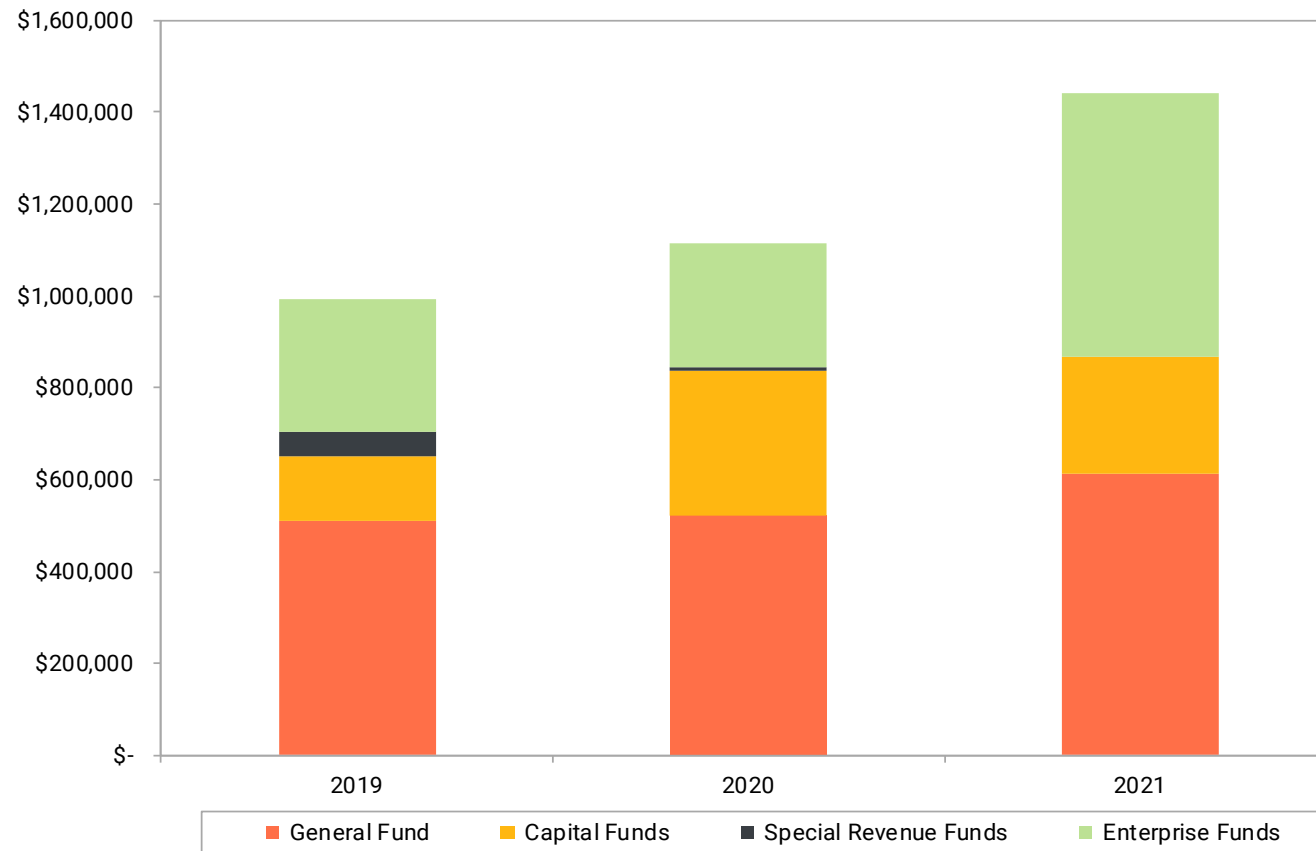
Cash Flows from Operations and Cash Balances

Storm Water Fund

Cash Flows from Operations and Cash Balances



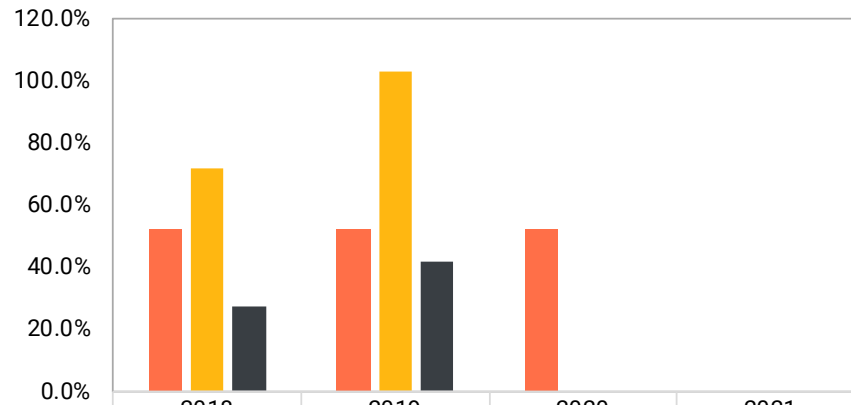
Cash and Investments Balances by Fund Type



Taxes

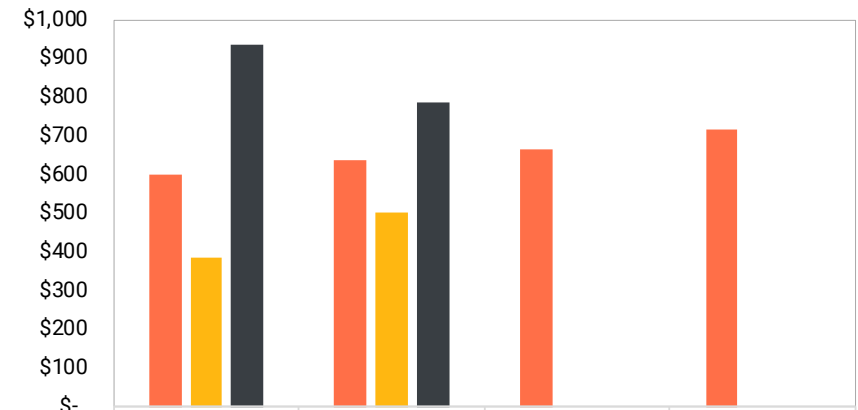
Key Performance Indicators

Tax Rate



■ City of Loretto	52.0%	51.9%	51.9%	0%
■ Class 5 Cities	71.6%	103.0%		
■ Cities in Hennepin County	26.9%	41.5%		

Taxes per Capita

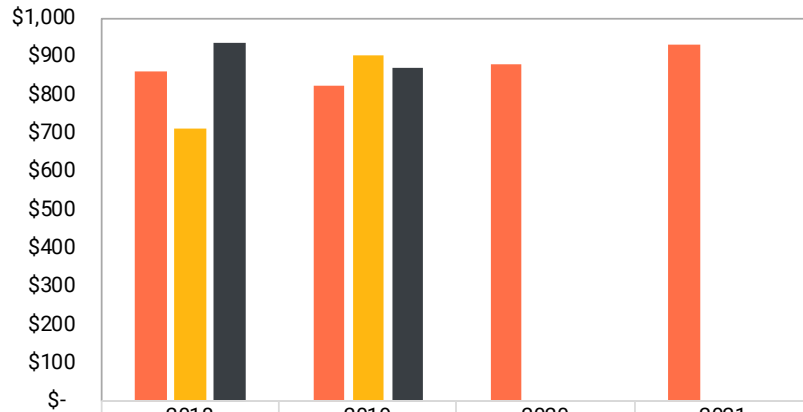


■ City of Loretto	\$600	\$637	\$667	\$718
■ Class 5 Cities	\$386	\$503		
■ Cities in Hennepin County	\$934	\$785		

Expenditures

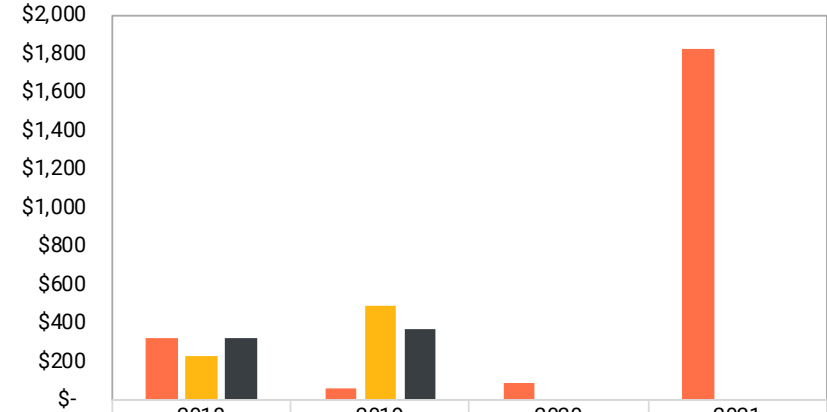
Key Performance Indicators

Current Expenditure per Capita



	2018	2019	2020	2021
City of Loretto	\$862	\$823	\$879	\$930
Class 5 Cities	\$712	\$902		
Cities in Hennepin County	\$938	\$872		

Capital Expenditure per Capita

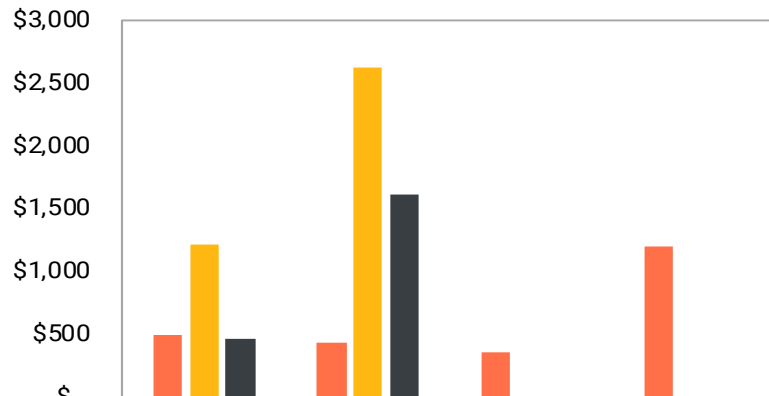


	2018	2019	2020	2021
City of Loretto	\$324	\$61	\$95	\$1,828
Class 5 Cities	\$233	\$493		
Cities in Hennepin County	\$328	\$369		

Debt

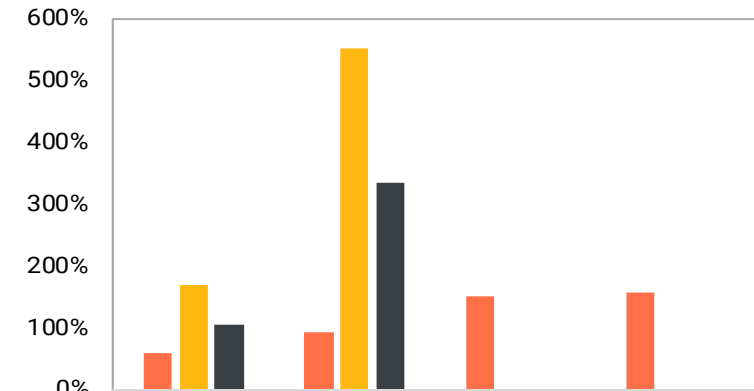
Key Performance Indicators

Debt per Capita



	2018	2019	2020	2021
City of Loretto	\$505	\$430	\$361	\$1,204
Class 5 Cities	\$1,219	\$2,624		
Cities in Hennepin County	\$472	\$1,622		

Water Fund Debt Service Coverage



	2018	2019	2020	2021
City of Loretto	61%	92%	152%	159%
Class 5 Cities	171%	552%		
Cities in Hennepin County	105%	335%		

Explanations

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.

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