

City of Norwood  
Young America  
2018 Financial  
Statement Audit

# Introduction

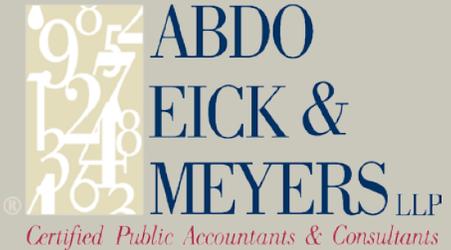
Audit Opinion and Responsibility

General Fund Results

Other Governmental Funds

Enterprise Funds

Ratios



# Audit Results

## Auditor's Responsibility

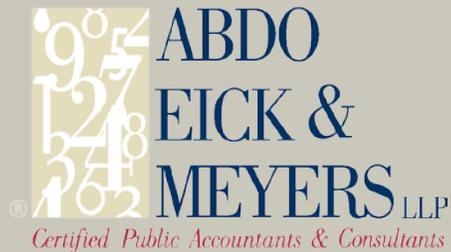


## Minnesota Legal Compliance



# Audit Results

## 2018 Audit Findings



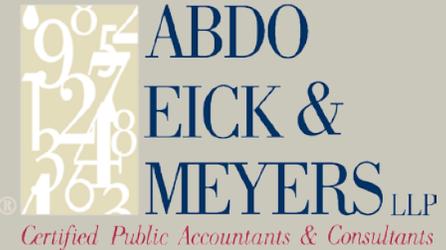
### Preparation of Financial Statements

- Internal Control Finding

### Limited Segregation of Duties

- Internal Control Finding

# Results From Prior Year

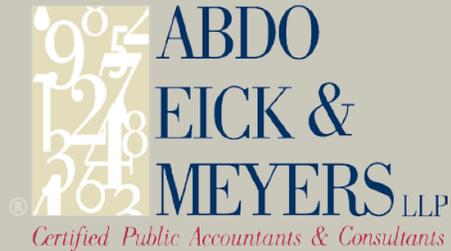


## Prior Year Finding

Credit Card Purchases:  
*Incurring late fees and interest charges*

In 2018, the City implemented auto pay for credit card payments and did not incur interest or late fees.

# Results From Prior Year

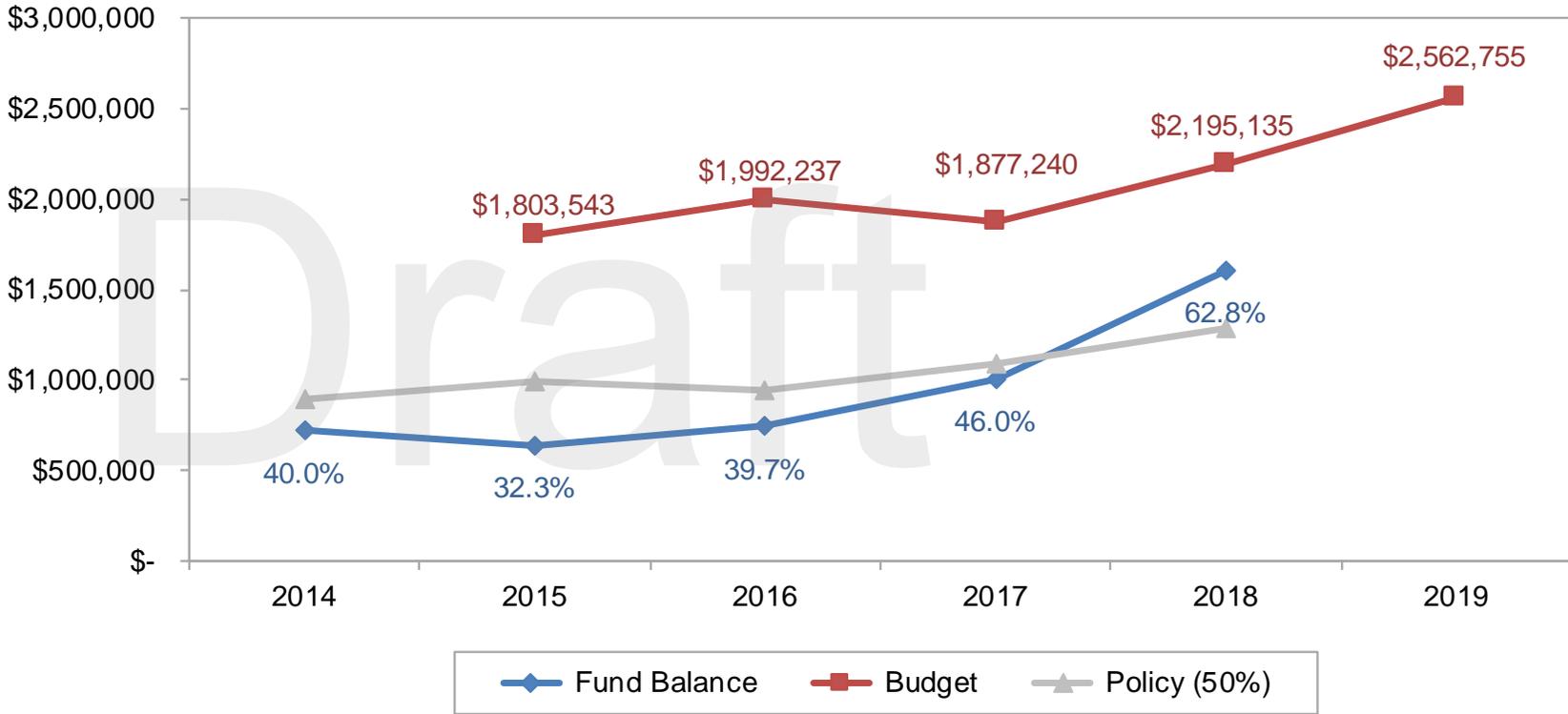
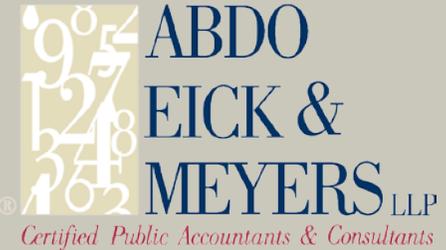


## Prior Year Finding

### Material Audit Adjustments

- In 2018, the total number of auditor provided adjustments decreased from 44 to 18, many of which were made for financial statement reporting purposes and are provided annually by the auditors.
- Material audit adjustments to the City's trail balance were not necessary during the 2018 audit.

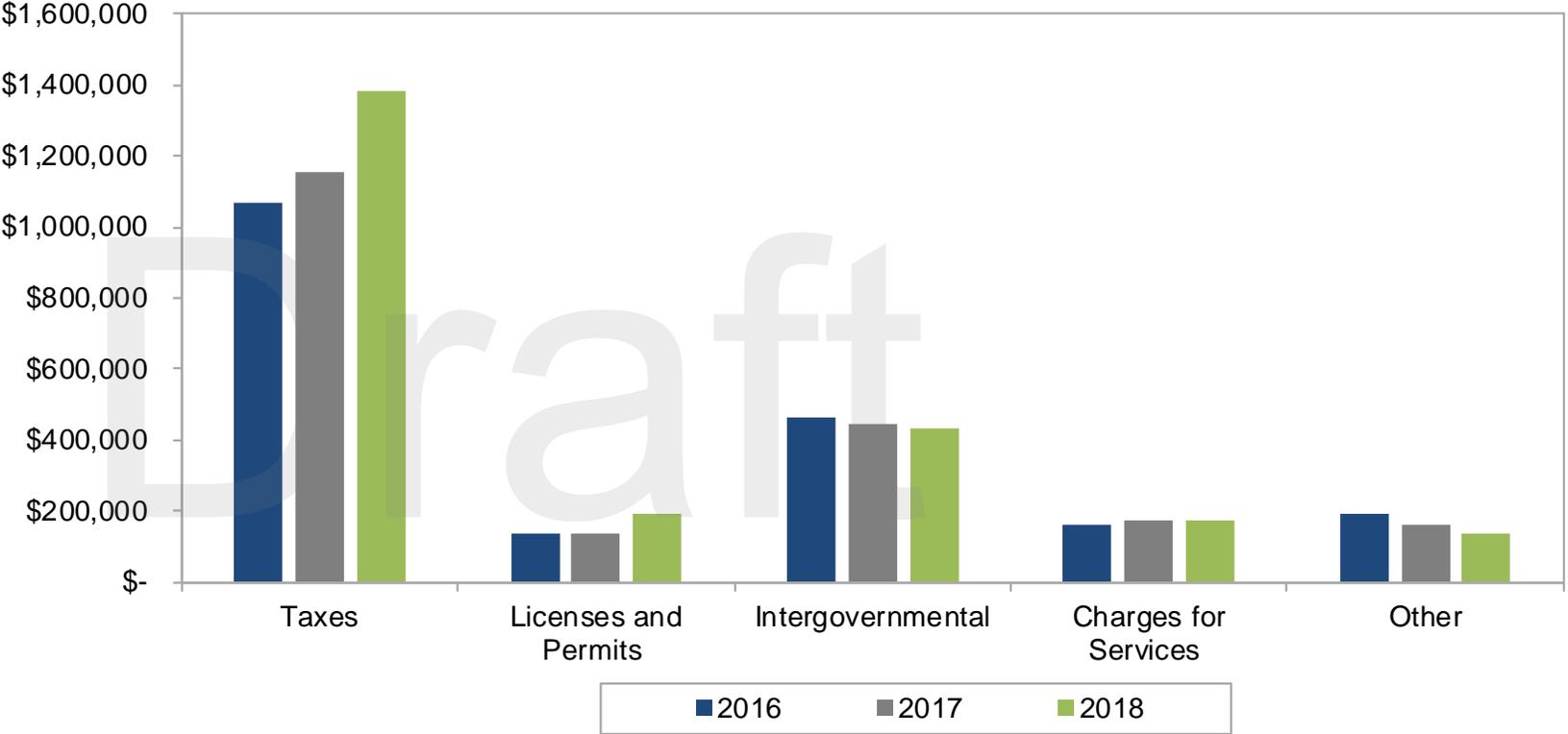
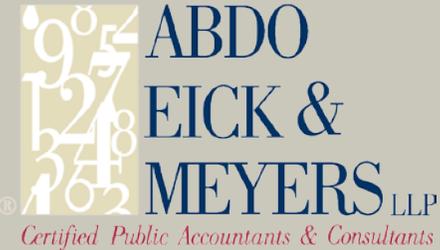
# General Fund – Fund Balances



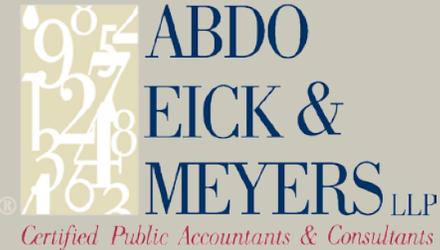
# General Fund Budget to Actual

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues	\$ 2,270,635	\$ 2,319,089	\$ 48,454
Expenditures	<u>2,146,635</u>	<u>2,132,238</u>	<u>14,397</u>
Excess of Revenues Over Expenditures	<u>124,000</u>	<u>186,851</u>	<u>62,851</u>
Other Financing Sources (Uses)			
Sale of capital assets	413,000	5,050	(407,950)
Transfers in	41,000	-	(41,000)
Transfers out	<u>(48,500)</u>	<u>-</u>	<u>48,500</u>
Total Other Financing Sources (Uses)	<u>405,500</u>	<u>5,050</u>	<u>(400,450)</u>
Net Change in Fund Balances	529,500	191,901	(337,599)
Fund Balances, January 1	<u>1,665,623</u>	<u>1,665,623</u>	<u>-</u>
Fund Balances, December 31	<u><u>\$ 2,195,123</u></u>	<u><u>\$ 1,857,524</u></u>	<u><u>\$ (337,599)</u></u>

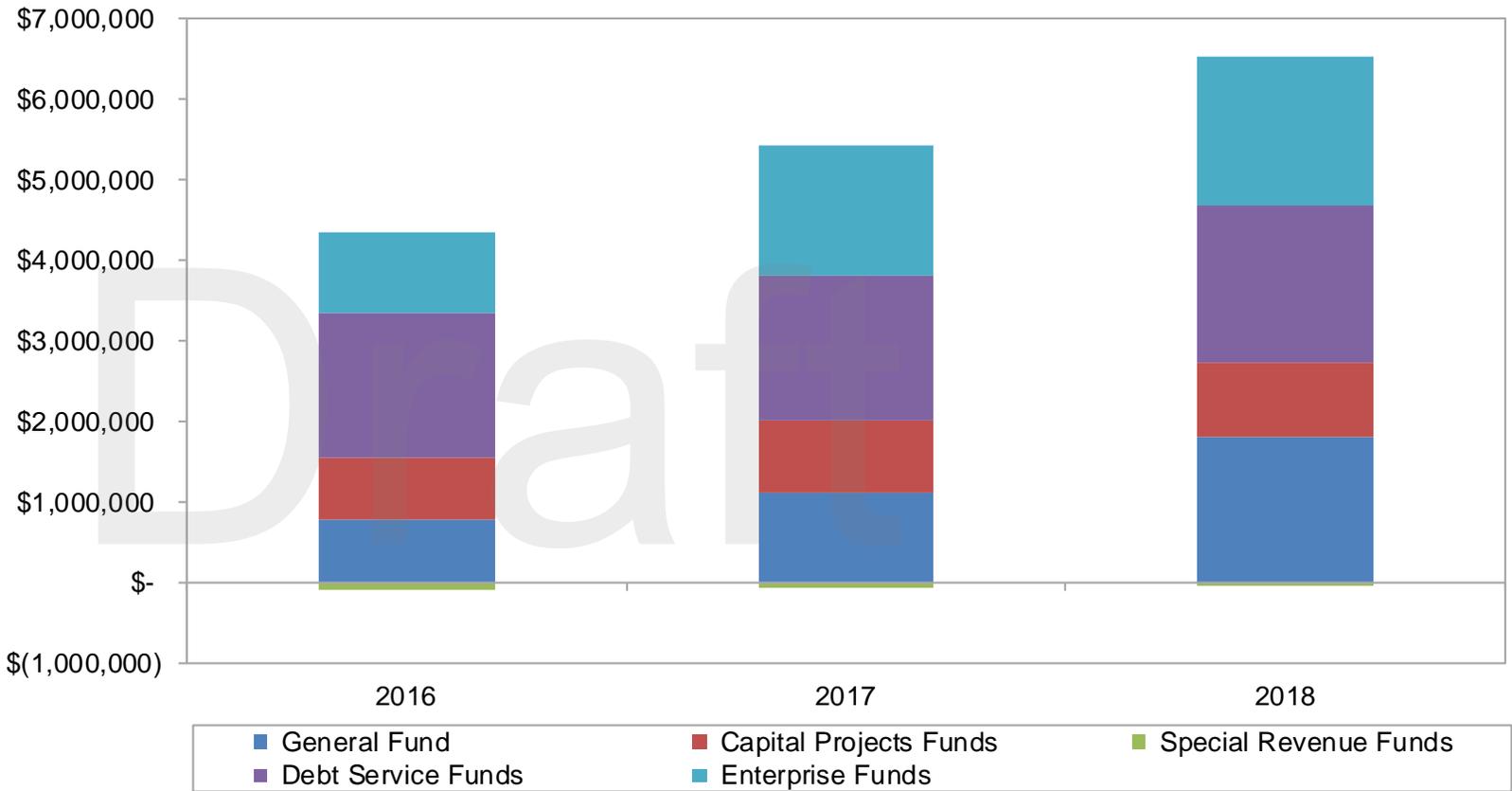
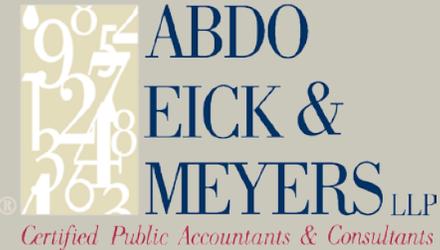
# General Fund Revenues by Type



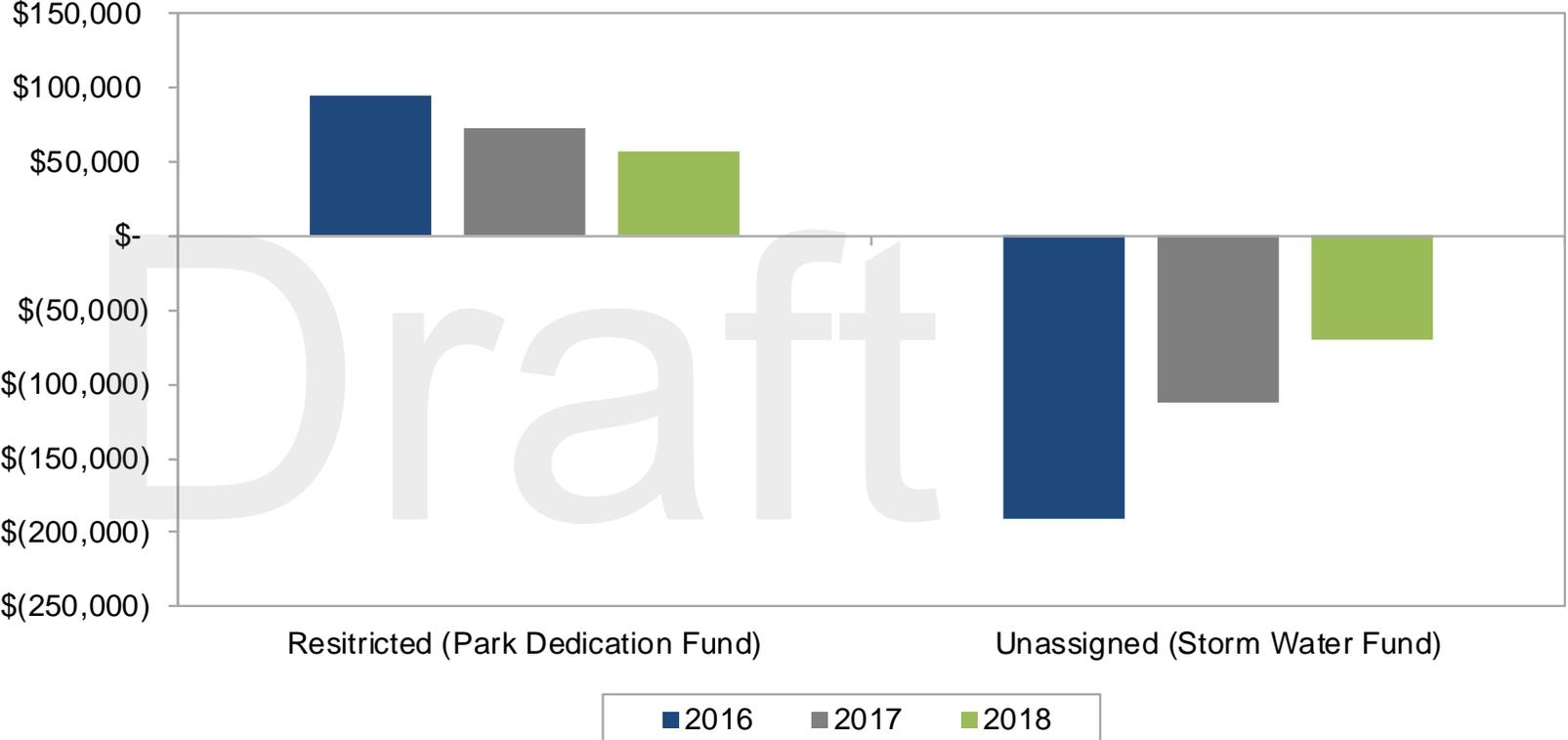
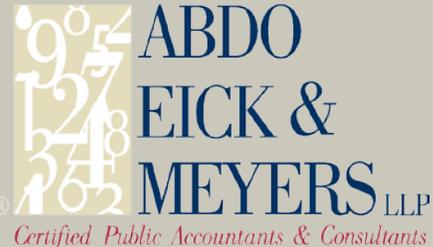
# General Fund Expenditures by Type



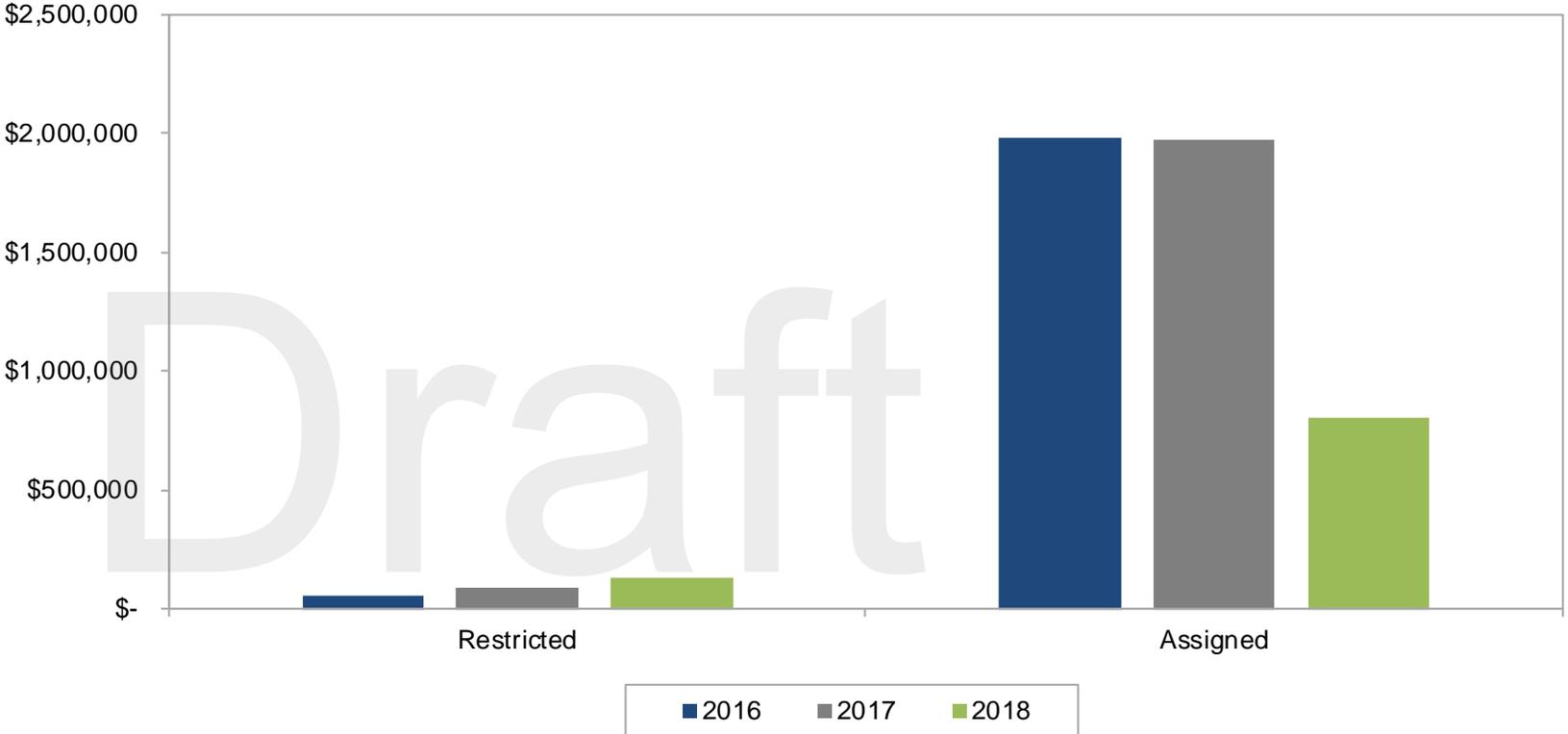
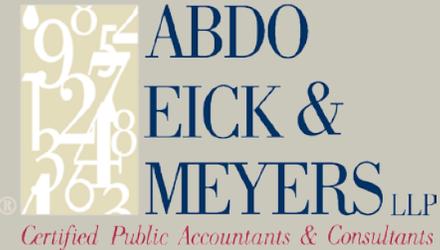
# City Cash and Investments Balances by Fund Type



# Special Revenue Fund Balances



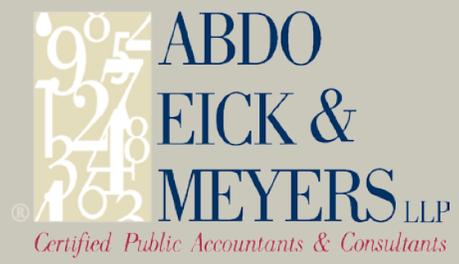
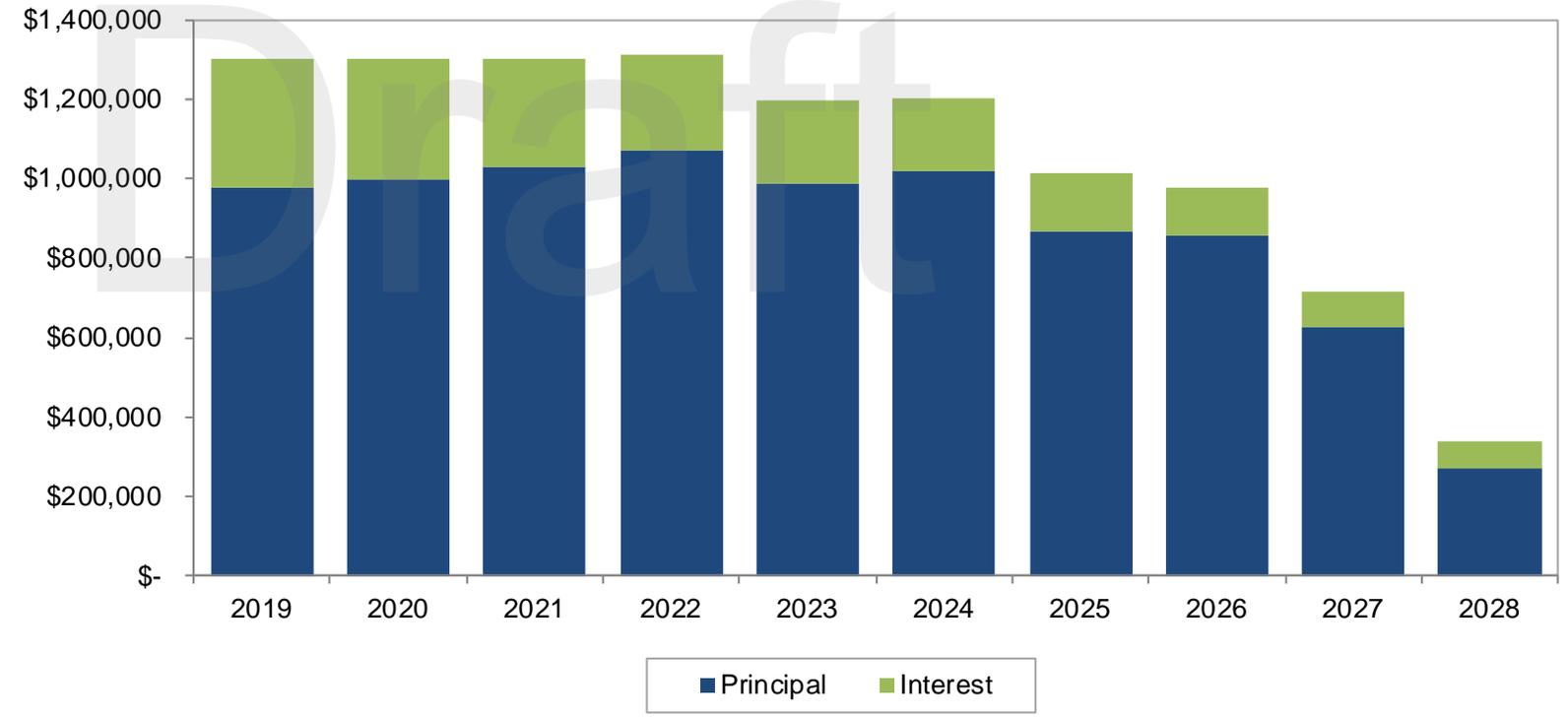
# Capital Projects Fund Balances



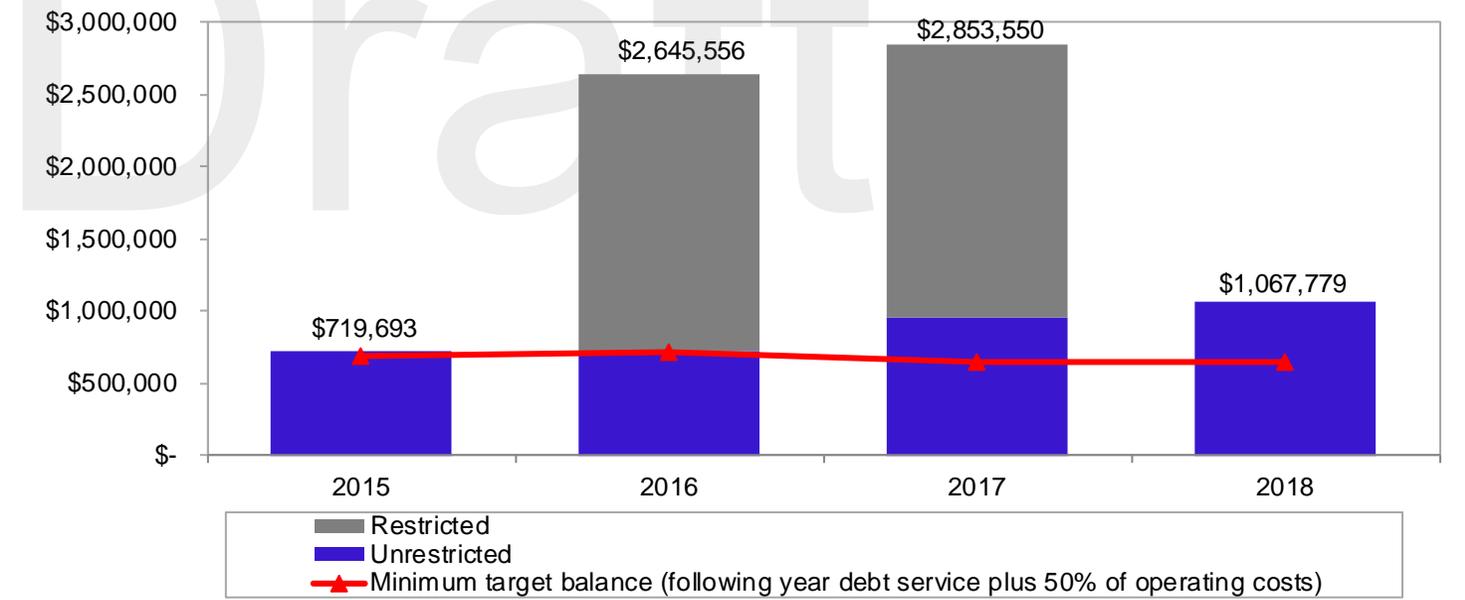
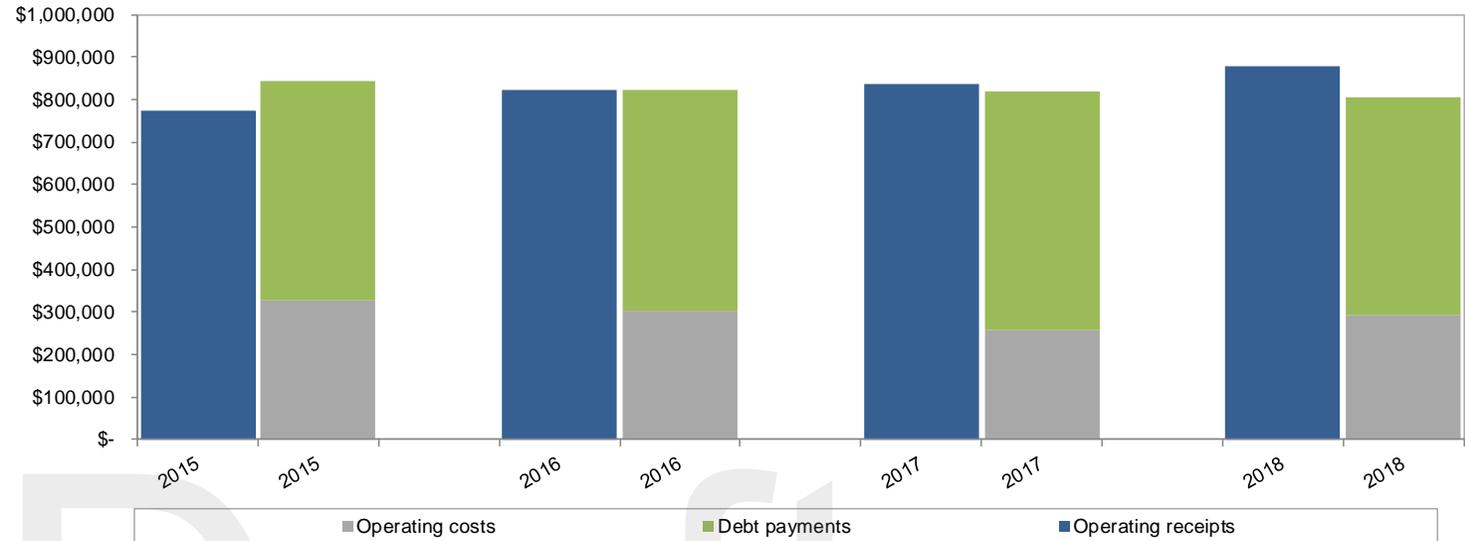
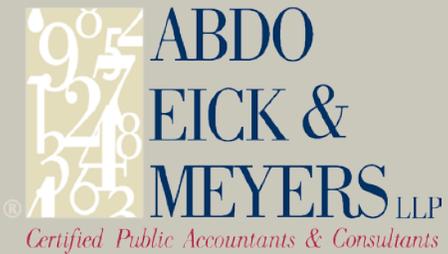
Tax Increment Financing funds have a combined deficit fund balance of **\$1,692,152** and are not included in the above chart. This deficit is supported with an interfund loan from the City's Capital Project fund.

# Debt Service Funds

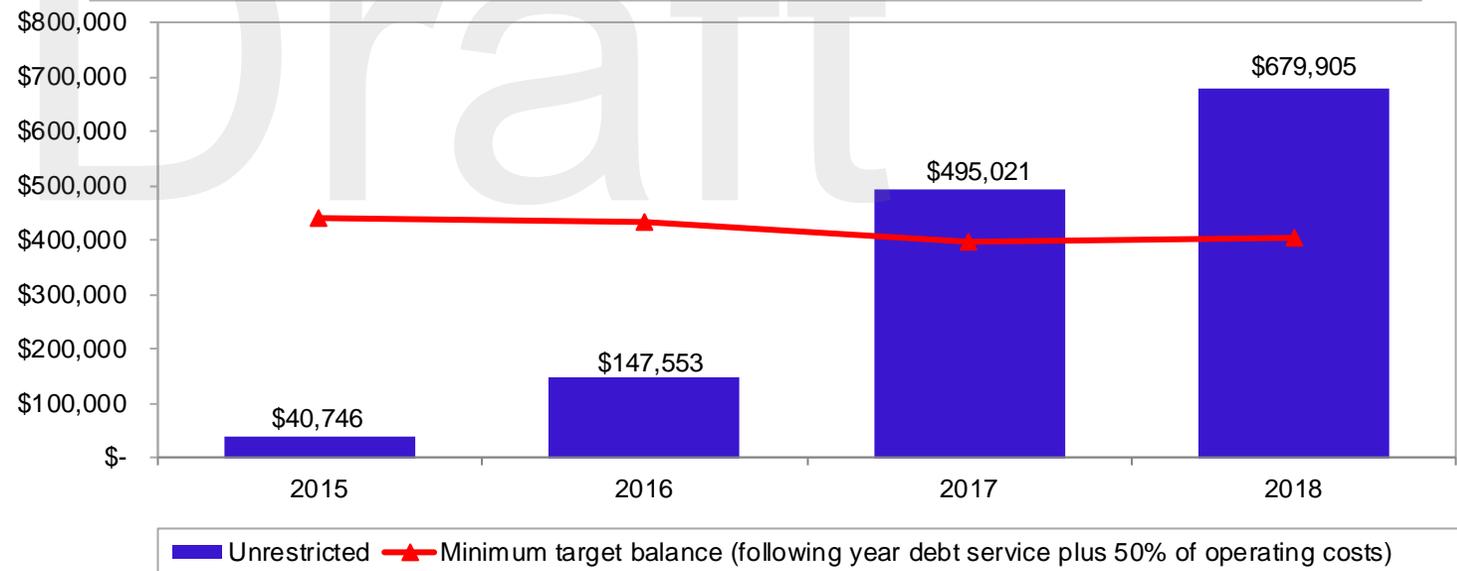
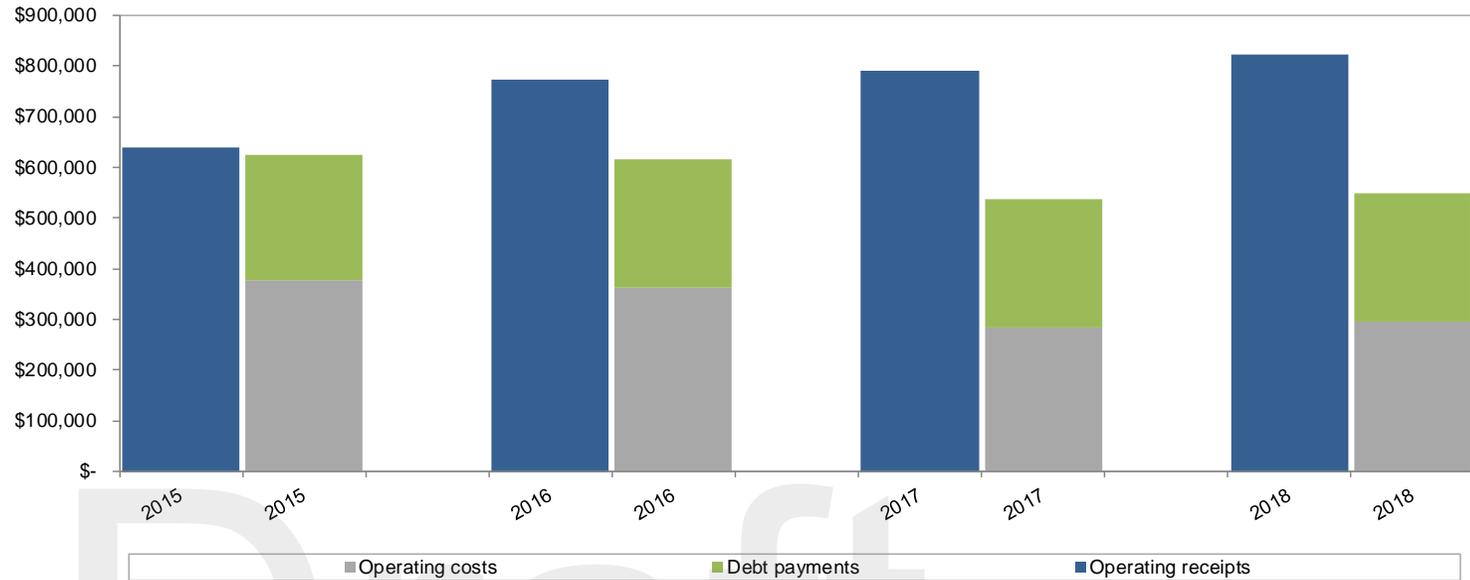
		Total Cash	Total Assets	Bonds Outstanding	Maturity Date
501	2010 Infrastructure Debt Service	\$ 59,311	\$ 108,963	\$ 360,000	2026
517	Oak Grove Debt Service	276,355	276,355	1,510,000	2031
518	2010B GO Refunding Debt Service	999,829	1,058,824	3,750,000	2027
519	2011A GO Improvement Debt Service	334,226	470,172	1,925,000	2032
520	2013B Infrastructure Debt Service	137,505	255,585	985,000	2024
521	2016A Refunding Debt Service	142,459	189,077	1,850,000	2035
<b>Total</b>		<b>\$ 1,949,685</b>	<b>\$ 2,358,976</b>	<b>\$ 10,380,000</b>	



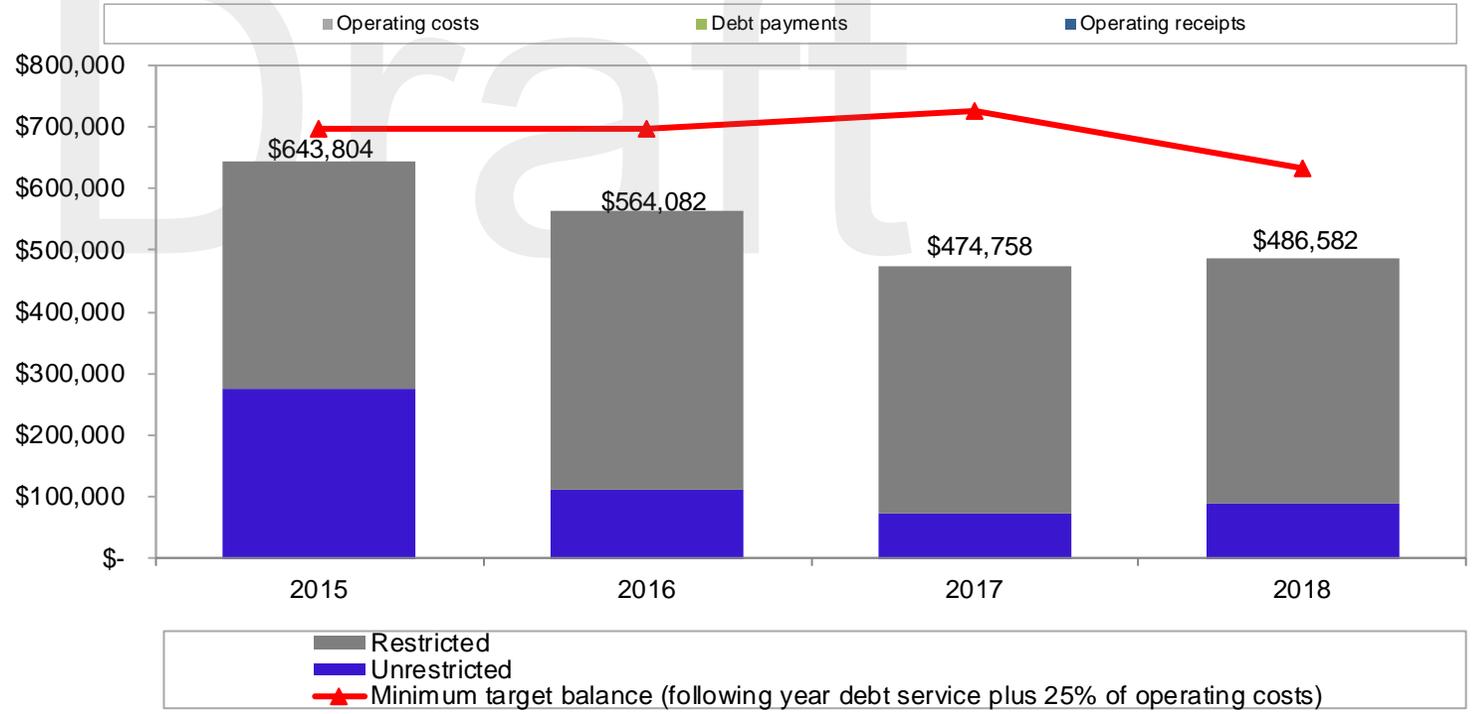
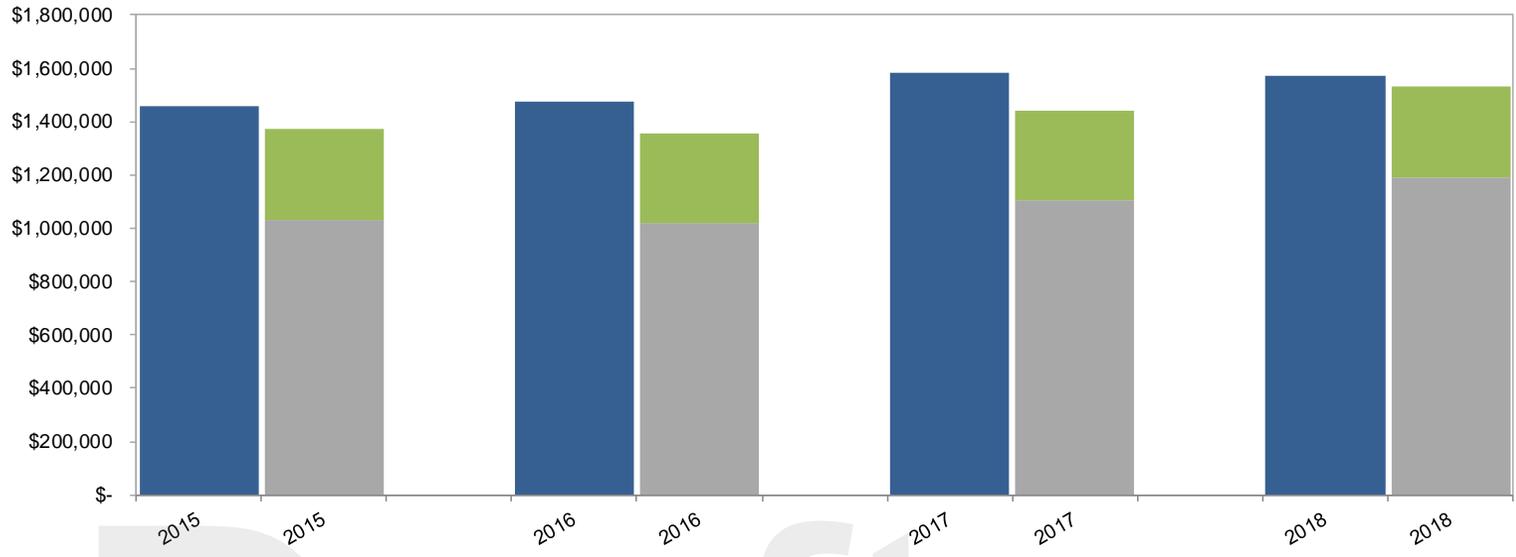
# Water Fund



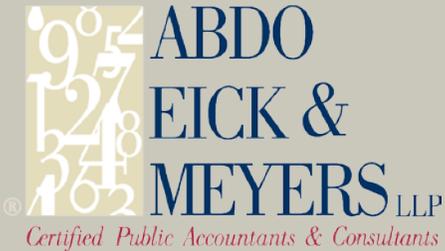
# Sewer Fund



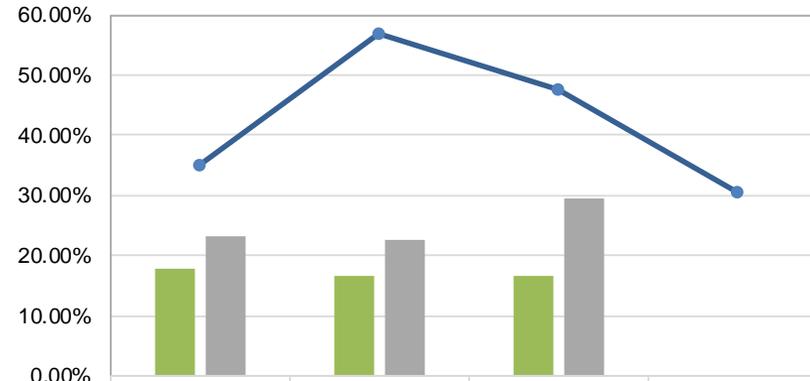
# Harbor at Peace Fund



# Key City Ratios

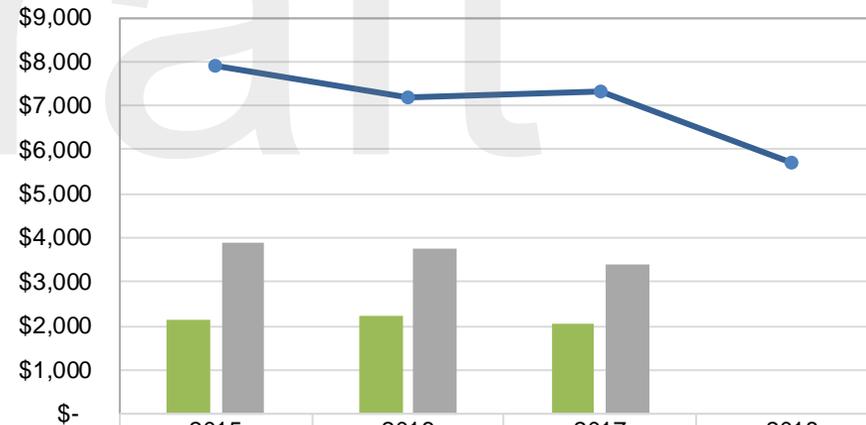


**Debt Service Expenditures as a Percent of Total Expenditures**



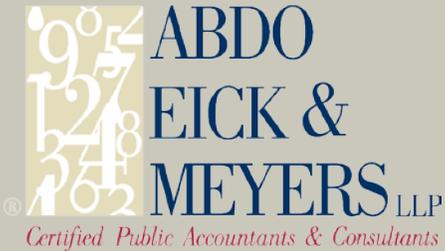
	2015	2016	2017	2018
Class 4 Cities	17.74%	16.63%	16.50%	N/A
Cities in Carver County	23.30%	22.75%	29.39%	N/A
City of Norwood Young America	35.00%	56.84%	47.53%	30.43%

**Debt Expenditures - Per Capita**

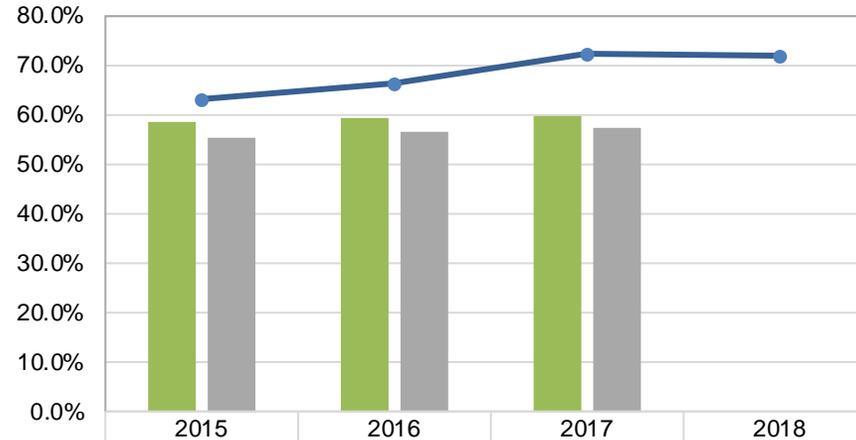


	2015	2016	2017	2018
Class 4 Cities	\$2,115	\$2,223	\$2,040	N/A
Cities in Carver County	\$3,884	\$3,743	\$3,374	N/A
City of Norwood Young America	\$7,921	\$7,190	\$7,321	\$5,703

# Key City Ratios

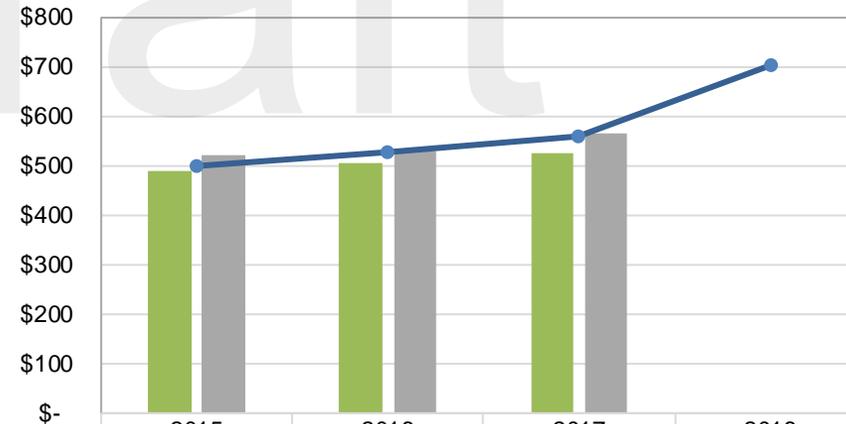


### Tax Rate



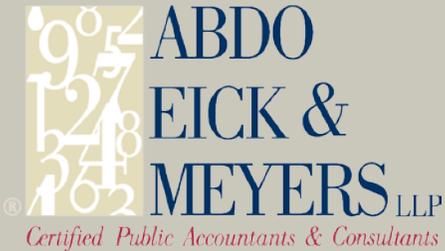
	2015	2016	2017	2018
Class 4 Cities	58.4%	59.1%	59.8%	N/A
Cities in Carver County	55.3%	56.4%	57.1%	N/A
City of Norwood Young America	63.0%	66.4%	72.1%	71.9%

### Taxes - Per Capita



	2015	2016	2017	2018
Class 4 Cities	\$488	\$507	\$524	N/A
Cities in Carver County	\$522	\$531	\$565	N/A
City of Norwood Young America	\$498	\$526	\$559	\$702

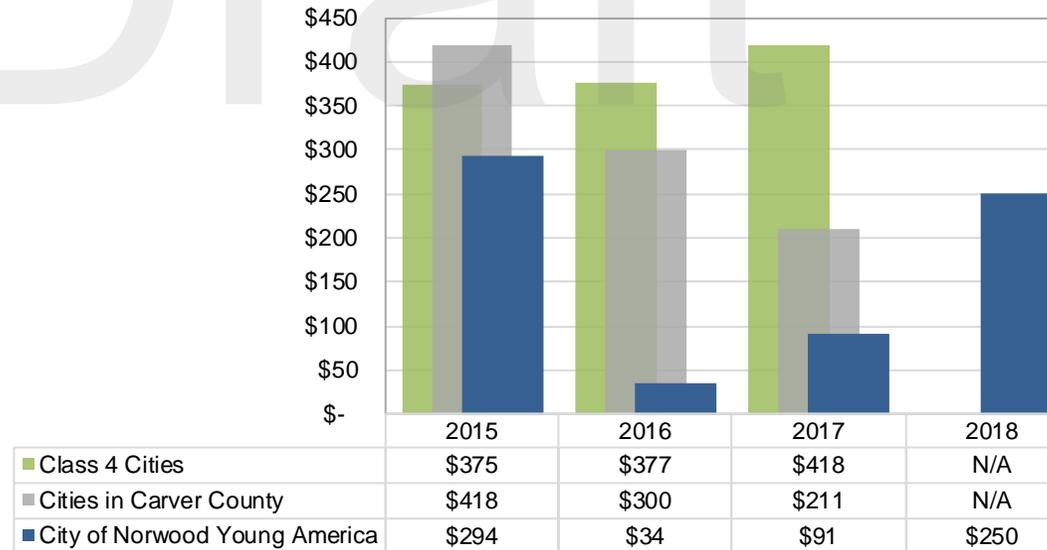
# Key City Ratios



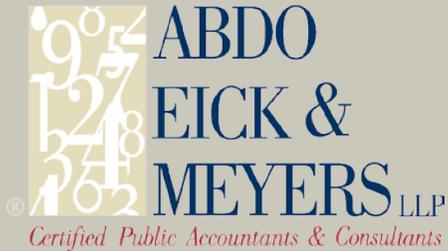
### Current Expenditures - Per Capita



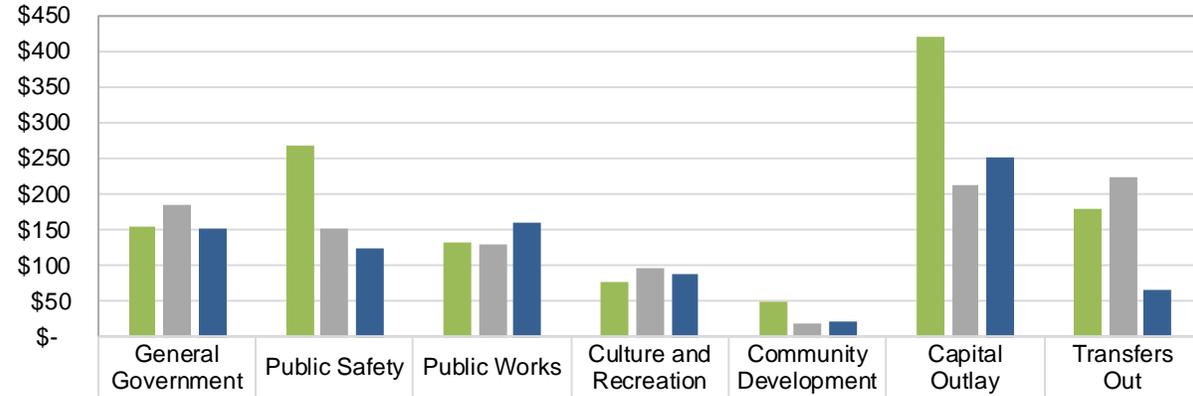
### Capital Expenditures - Per Capita



# Key City Ratios

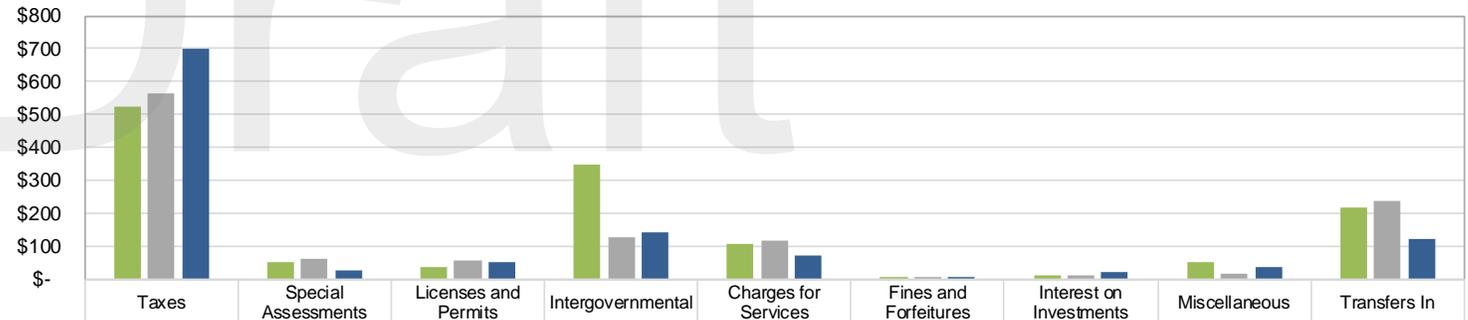


## Expenditures by Program - Per Capita



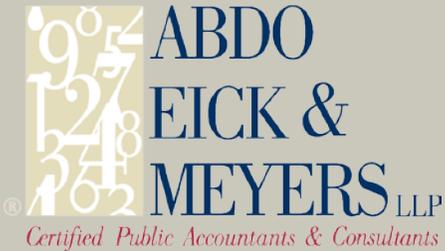
■ 2017 Class 4 Cities	\$153	\$267	\$133	\$77	\$50	\$418	\$178
■ 2017 Cities in Carver County	\$185	\$150	\$131	\$96	\$18	\$211	\$224
■ City of Norwood Young America	\$153	\$124	\$160	\$88	\$22	\$250	\$65

## Per Capita Revenues by Source

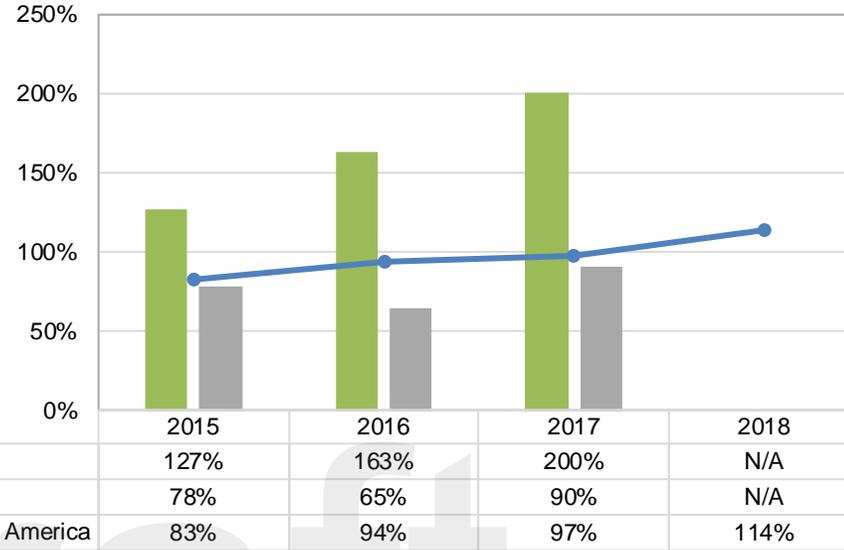


■ 2017 Class 4 Cities	\$524	\$53	\$35	\$348	\$105	\$6	\$13	\$50	\$218
■ 2017 Cities in Carver County	\$565	\$63	\$58	\$125	\$119	\$3	\$11	\$19	\$237
■ City of Norwood Young America	\$702	\$25	\$51	\$144	\$74	\$2	\$22	\$36	\$121

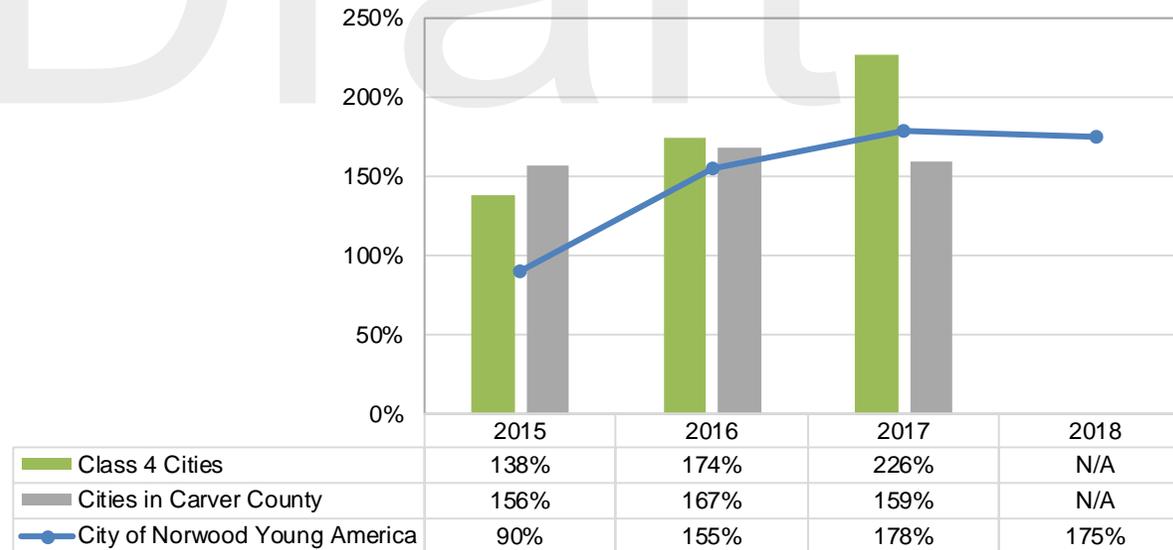
# Key City Ratios



### Water Fund Debt Service Coverage



### Sewer Fund Debt Service Coverage



Audit Team

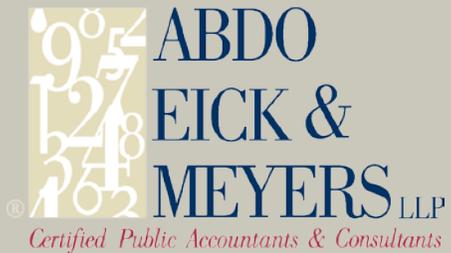
Brad Falteysek

Bonnie Schwieger

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Tia Johnson

Tomi McDonald - Admin



Draft  
Questions?