

CITY OF SAINT PETER

AUDIT REPORT

YEAR ENDED DECEMBER 31, 2014

James H. Eichten, CPA





AUDITOR'S ROLE

- **Opinion on Financial Statements**
 - Financial statements are fairly presented in accordance with accounting principles generally accepted in the United States of America
- **Testing of Internal Controls and Compliance**
 - Internal Controls over Financial Reporting
 - Internal Controls over Compliance with Laws and Regulations related to Financial Reporting



AUDITOR'S ROLE (CONT.)

- **Minnesota Legal Compliance Testing**
- **Single Audit of Federal Awards**
 - **Schedule of Federal Awards is fairly presented, in all material respects, in relation to the basic financial statements**
 - **Internal controls over federal award programs**
 - **Testing of the City's compliance with laws and regulations related federal programs**



AUDIT RESULTS

- **Financial Statement Opinion**
 - **Unmodified (Clean) Opinion**

- **Findings – Internal Controls**
 - **Segregation of duties**

- **Findings – Minnesota Legal Compliance**
 - **None**

- **Findings – Single Audit of Federal Awards**
 - **None**



MANAGEMENT REPORT

■ Audit Summary

- Auditor's Responsibility For Component Units
- Planned Scope and Timing of Audit
- Audit Opinions and Findings
- Uncorrected Misstatements
- Accounting Estimates
- No Difficulties in Performing the Audit



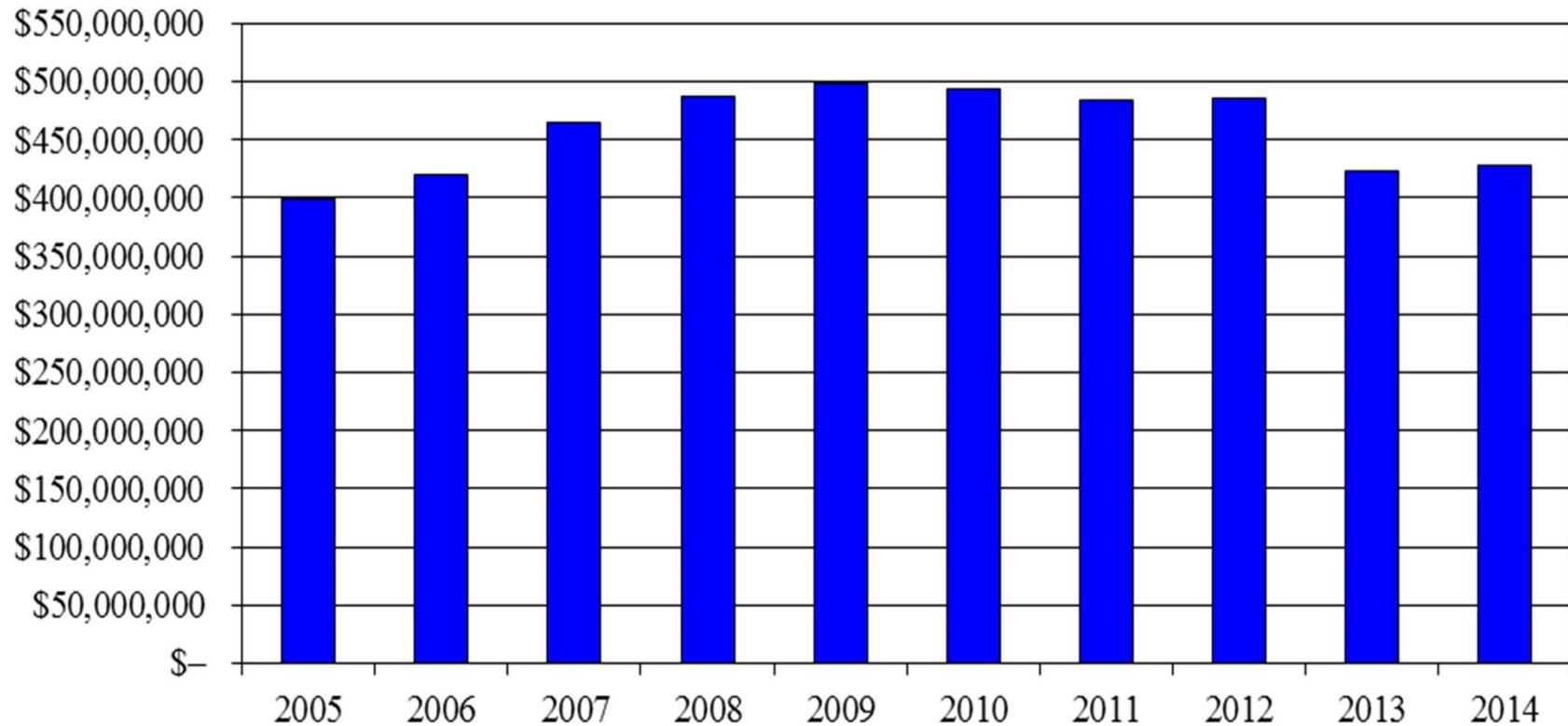
MANAGEMENT REPORT (CONT.)

- **Audit Summary**
- **Property Taxes**



MANAGEMENT REPORT (CONT.)

Taxable Market Value





MANAGEMENT REPORT (CONT.)

Tax Rates

Rates expressed as a percentage of net tax capacity

	<u>All Cities State-Wide</u>		<u>City of Saint Peter</u>	
	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>
Average tax rate				
City	48.8	48.8	50.7	51.1
County	48.5	47.6	52.0	51.2
School	28.5	28.9	16.8	17.2
Special taxing	<u>7.2</u>	<u>7.3</u>	<u>0.5</u>	<u>0.5</u>
Total	<u><u>133.0</u></u>	<u><u>132.6</u></u>	<u><u>120.0</u></u>	<u><u>120.0</u></u>



MANAGEMENT REPORT (CONT.)

- **Audit Summary**
- **Property Taxes**
- **Governmental Funds Overview**



MANAGEMENT REPORT (CONT.)

Governmental Funds Revenue per Capita With State-Wide Averages by Population Class

Year	State-Wide			City of Saint Peter		
	December 31, 2013			2012	2013	2014
Population	2,500–10,000	10,000–20,000	20,000–100,000	11,503	11,445	11,445
Property taxes	\$ 422	\$ 388	\$ 423	\$ 193	\$ 197	\$ 204
Tax increments	30	42	40	59	59	59
Franchise and other taxes	31	39	34	11	11	12
Special assessments	63	58	72	13	9	44
Licenses and permits	27	26	38	14	17	28
Intergovernmental revenues	253	268	148	391	334	449
Charges for services	109	84	91	32	35	41
Other	56	33	30	118	96	86
Total revenue	\$ 991	\$ 938	\$ 876	\$ 830	\$ 757	\$ 922



MANAGEMENT REPORT (CONT.)

Governmental Funds Expenditures per Capita With State-Wide Averages by Population Class

Year	State-Wide			City of Saint Peter		
	December 31, 2013			2012	2013	2014
Population	2,500–10,000	10,000–20,000	20,000–100,000	11,503	11,445	11,445
Current						
General government	\$ 129	\$ 100	\$ 83	\$ 99	\$ 102	\$ 104
Public safety	244	235	239	208	218	228
Street maintenance and lighting	123	121	91	103	110	109
Parks and recreation	83	99	85	126	132	136
All other	66	73	91	58	66	65
	<u>\$ 645</u>	<u>\$ 628</u>	<u>\$ 589</u>	<u>\$ 594</u>	<u>\$ 628</u>	<u>\$ 642</u>
Capital outlay and construction	<u>\$ 303</u>	<u>\$ 288</u>	<u>\$ 219</u>	<u>\$ 176</u>	<u>\$ 411</u>	<u>\$ 432</u>
Debt service						
Principal	\$ 164	\$ 133	\$ 102	\$ 108	\$ 122	\$ 90
Interest and fiscal	55	43	39	27	24	30
	<u>\$ 219</u>	<u>\$ 176</u>	<u>\$ 141</u>	<u>\$ 135</u>	<u>\$ 146</u>	<u>\$ 120</u>



MANAGEMENT REPORT (CONT.)

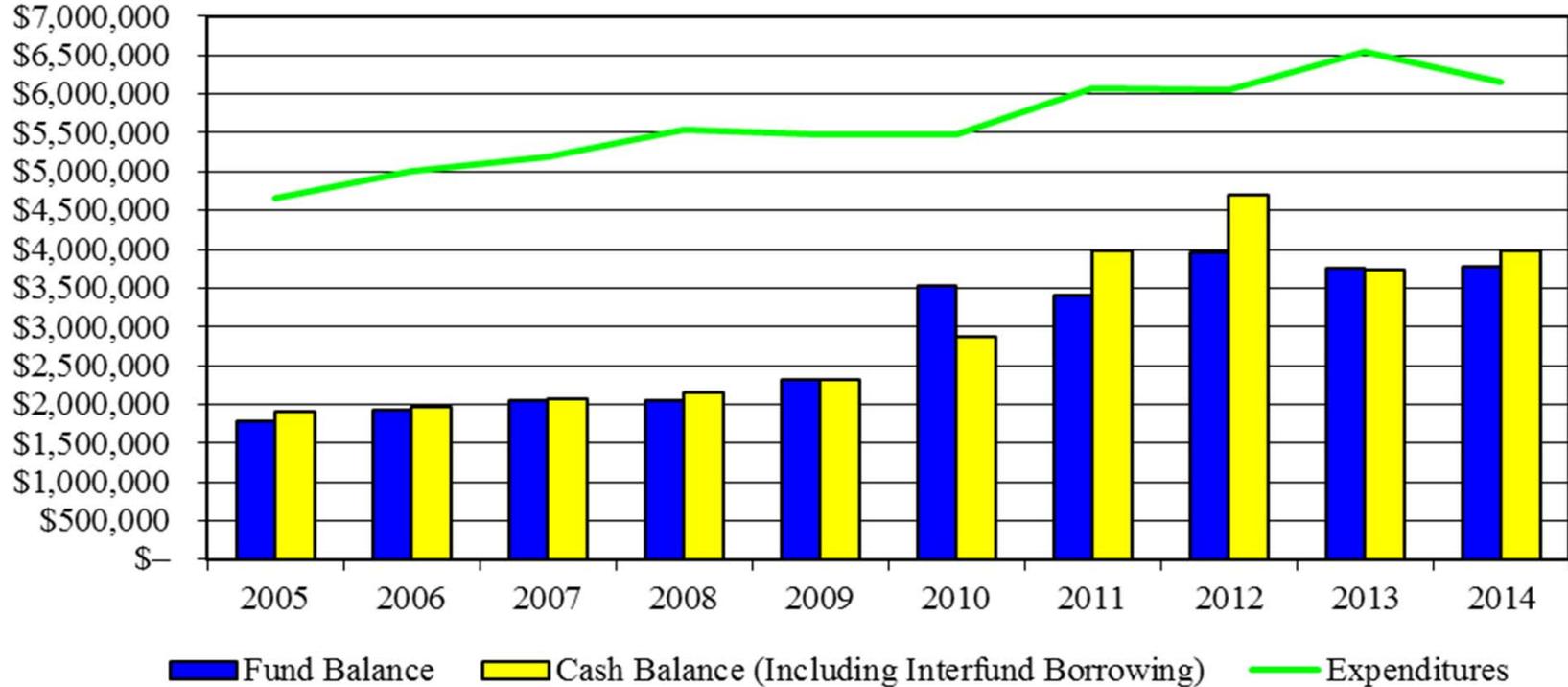
Governmental Funds Change in Fund Balance

	Fund Balance as of December 31,		Increase (Decrease)
	2013	2014	
Fund balances of governmental funds			
Total by classification			
Nonspendable	\$ 10,183	\$ 3,942	\$ (6,241)
Restricted	6,673,510	5,236,855	(1,436,655)
Committed	1,015,420	1,041,022	25,602
Assigned	336,914	336,979	65
Unassigned	2,875,406	3,238,045	362,639
Total governmental funds	<u>\$ 10,911,433</u>	<u>\$ 9,856,843</u>	<u>\$ (1,054,590)</u>
Total by fund			
General	\$ 3,746,297	\$ 3,775,595	\$ 29,298
Capital Projects – Permanent Improvement	3,414,224	1,340,368	(2,073,856)
Nonmajor	3,750,912	4,740,880	989,968
Total governmental funds	<u>\$ 10,911,433</u>	<u>\$ 9,856,843</u>	<u>\$ (1,054,590)</u>



MANAGEMENT REPORT (CONT.)

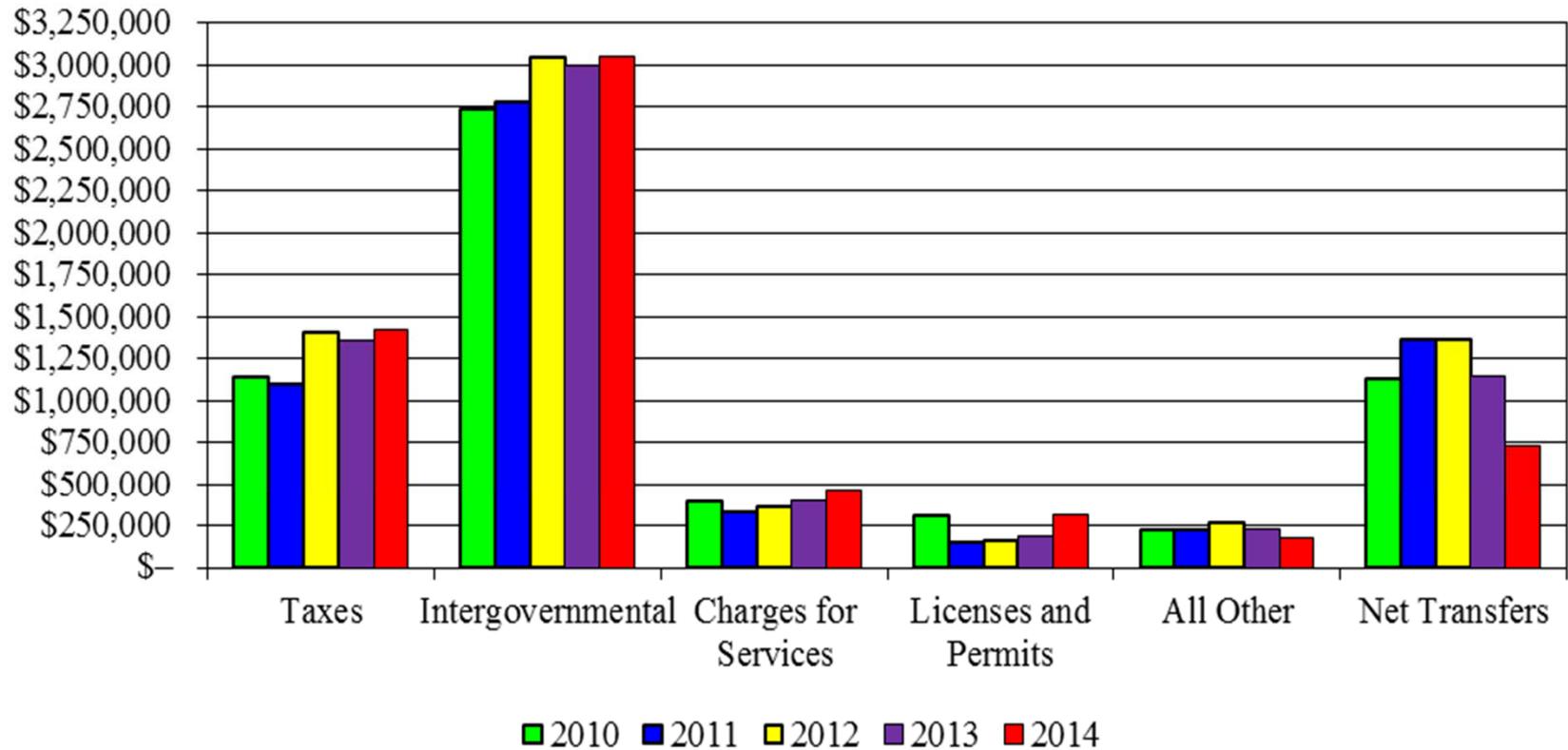
General Fund Financial Position
Year Ended December 31,





MANAGEMENT REPORT (CONT.)

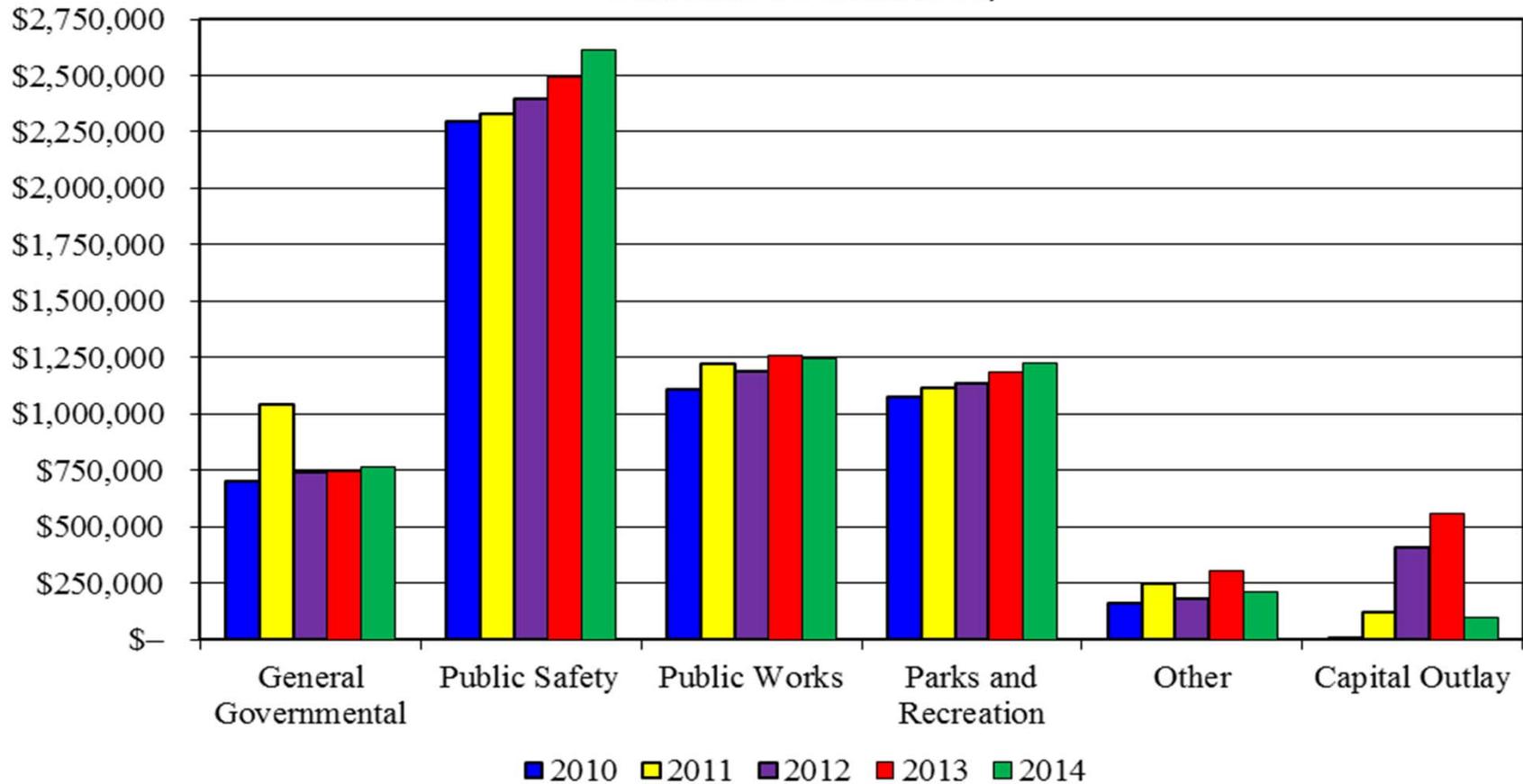
General Fund Revenue by Source
Year Ended December 31,





MANAGEMENT REPORT (CONT.)

General Fund Expenditures by Function
Year Ended December 31,





MANAGEMENT REPORT (CONT.)

- **Audit Summary**
- **Property Taxes**
- **Governmental Funds Overview**
- **Enterprise Funds Overview**



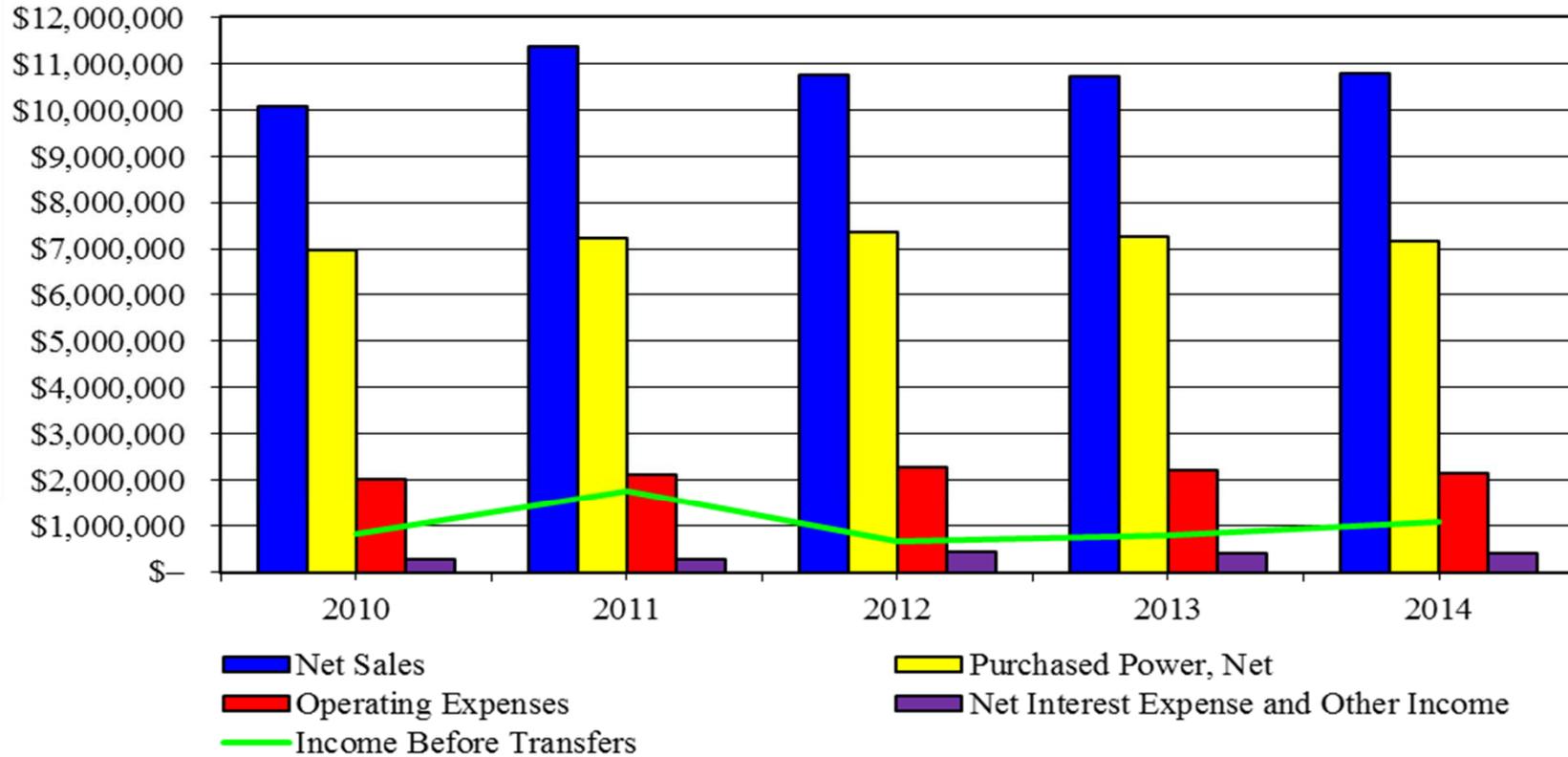
MANAGEMENT REPORT (CONT.)

Enterprise Funds Change in Financial Position

	Net Position as of December 31,		Increase (Decrease)
	2013	2014	
Net position of enterprise funds			
Total by classification			
Net investment in capital assets	\$ 44,773,771	\$ 44,999,081	\$ 225,310
Restricted for debt service	1,168,228	1,168,228	—
Restricted for capital replacement	485,506	533,955	48,449
Unrestricted	4,499,956	4,654,770	154,814
Total enterprise funds	<u>\$ 50,927,461</u>	<u>\$ 51,356,034</u>	<u>\$ 428,573</u>
Total by fund			
Electric	\$ 16,359,251	\$ 16,684,308	\$ 325,057
Water	9,446,289	9,177,541	(268,748)
Environmental Services	273,296	280,697	7,401
Wastewater	17,136,240	17,536,568	400,328
Heartland Transit	19,176	147,924	128,748
Storm Water	5,264,527	5,188,290	(76,237)
Telecommunications Conduit	243,616	229,733	(13,883)
Long-Term Care Facility	(765,663)	(758,003)	7,660
Medical Office Building	2,950,729	2,868,976	(81,753)
Total enterprise funds	<u>\$ 50,927,461</u>	<u>\$ 51,356,034</u>	<u>\$ 428,573</u>

MANAGEMENT REPORT (CONT.)

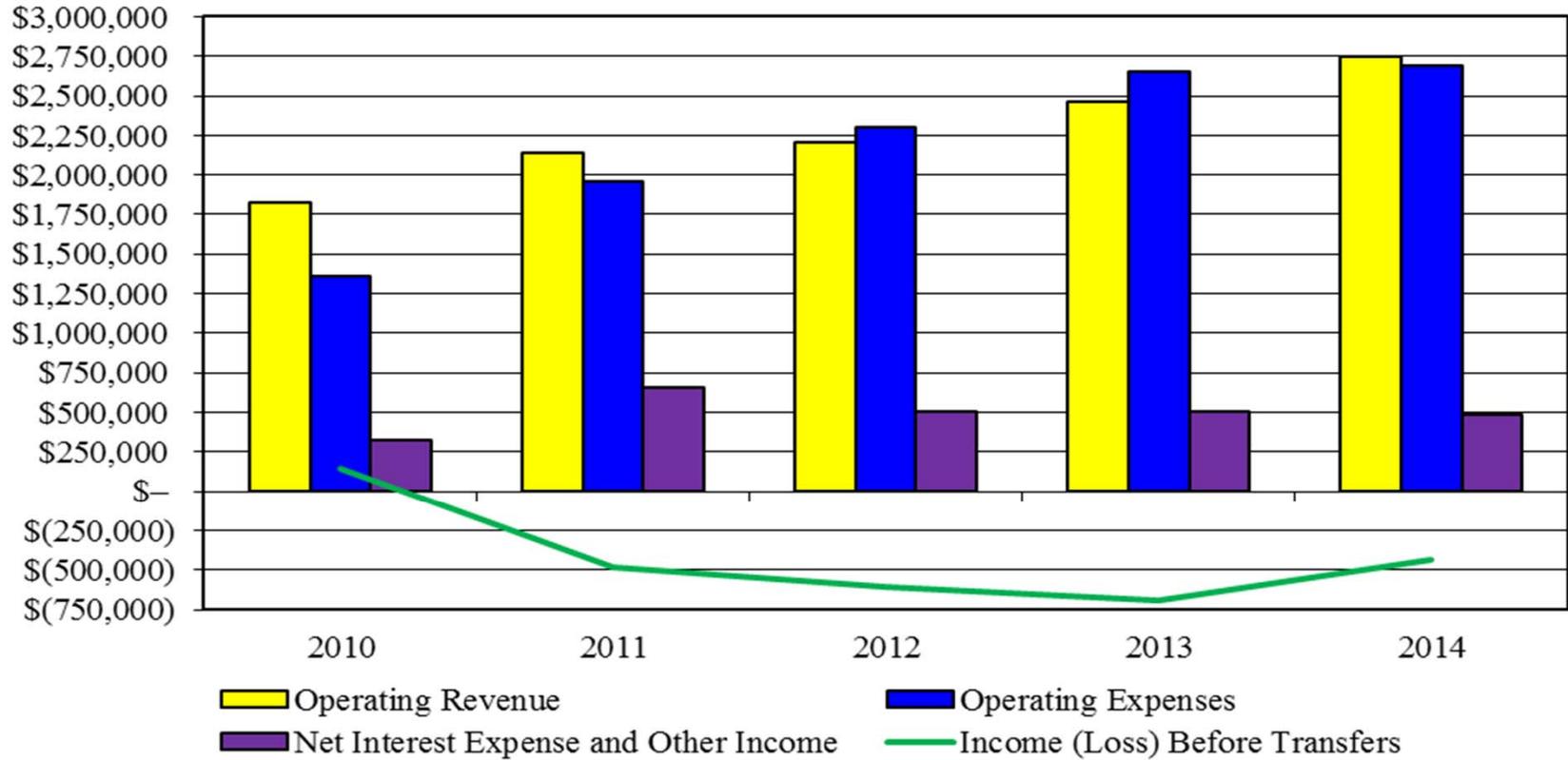
Electric Fund Operation
 Year Ended December 31,





MANAGEMENT REPORT (CONT.)

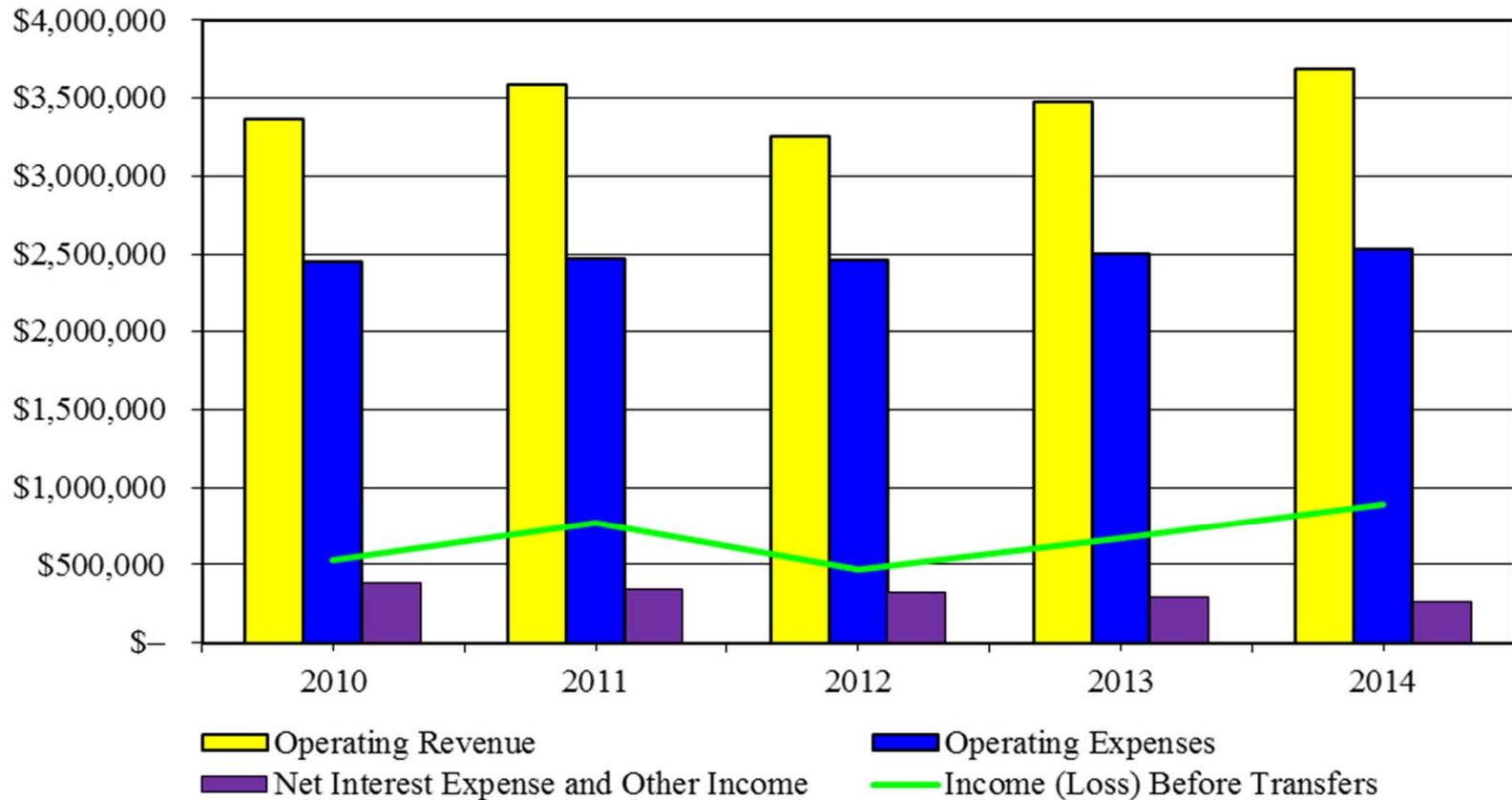
Water Fund Operation
Year Ended December 31,





MANAGEMENT REPORT (CONT.)

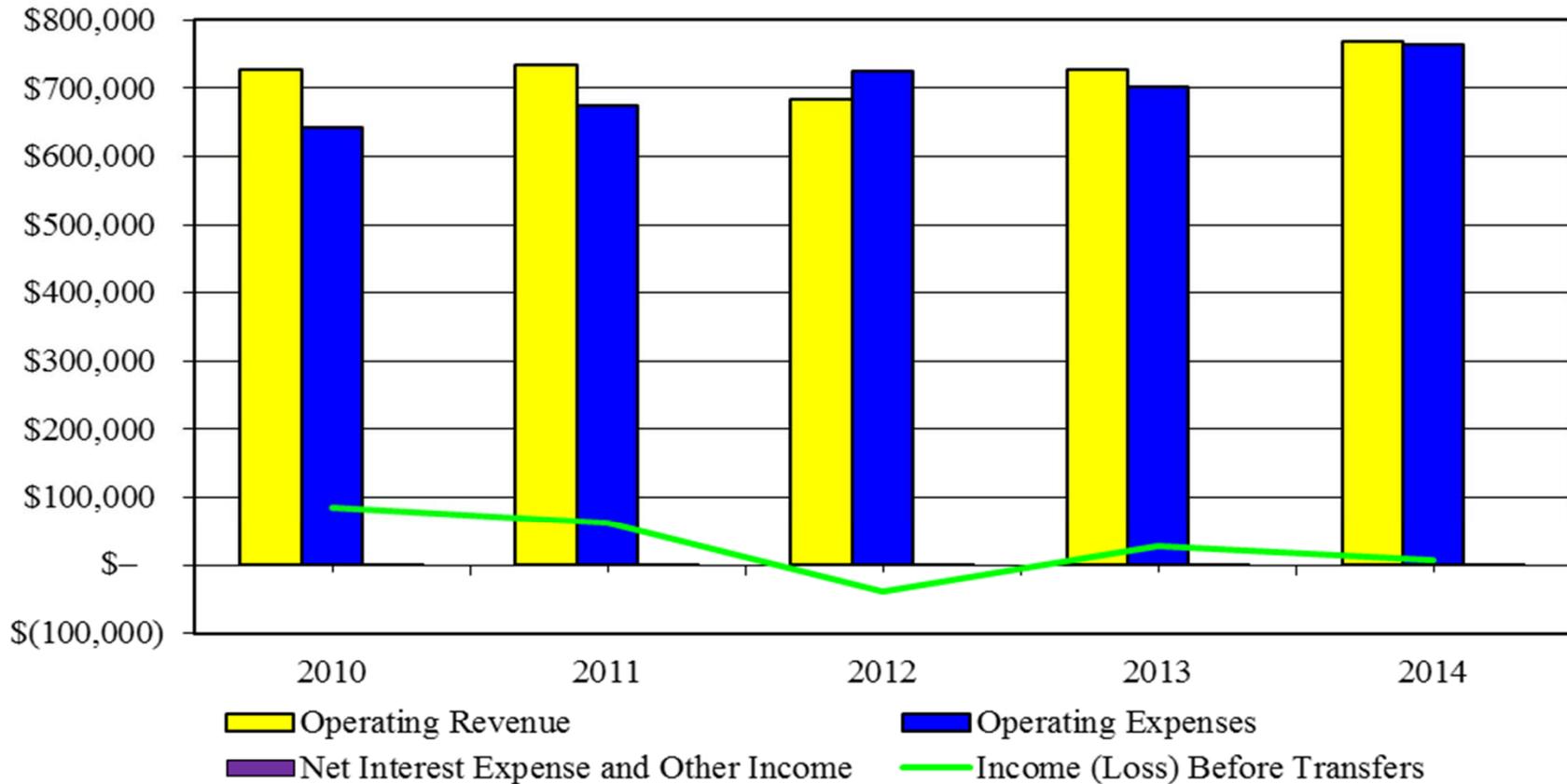
Wastewater Fund
Year Ended December 31,





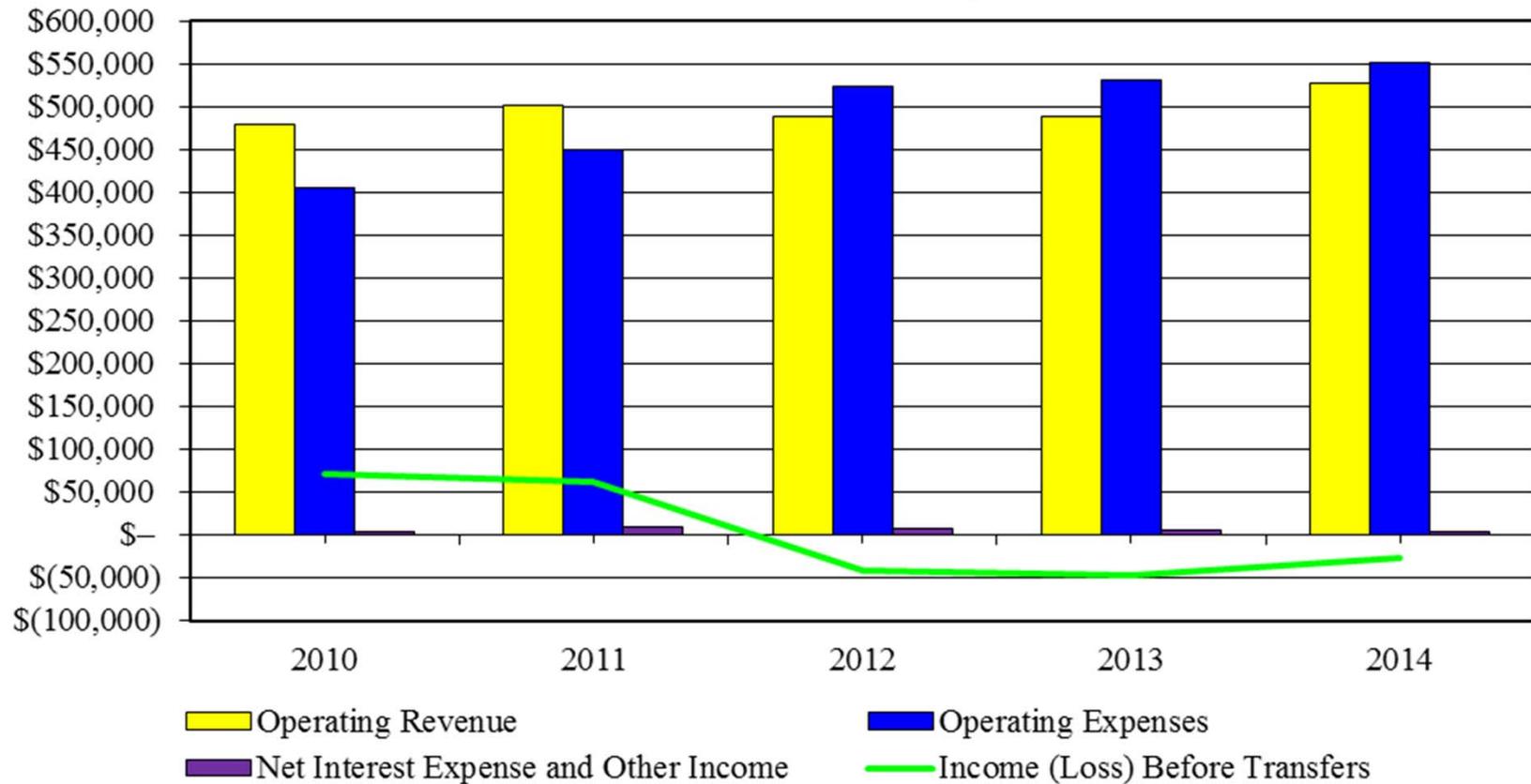
MANAGEMENT REPORT (CONT.)

Environmental Services Fund
Year Ended December 31,



MANAGEMENT REPORT (CONT.)

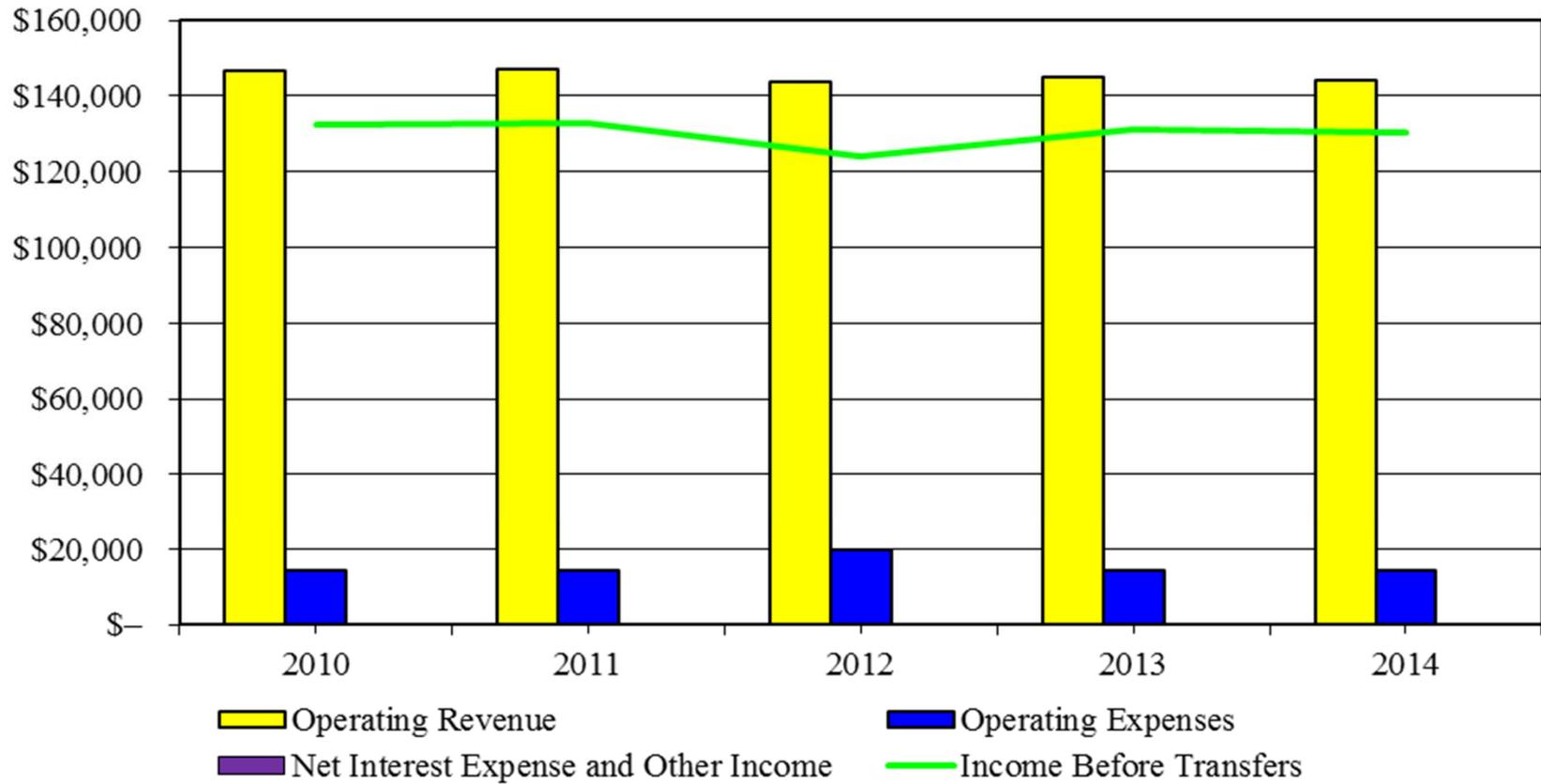
Storm Water Fund
 Year Ended December 31,





MANAGEMENT REPORT (CONT.)

Telecommunications Conduit Fund
Year Ended December 31,





MANAGEMENT REPORT (CONT.)

Outstanding Debt per Capita
Governmental Activities
With State-Wide Comparable Information

Bond Type	State-Wide as of December 31,		City of Saint Peter as of December 31,		
	2012	2013	2012	2013	2014
General obligation	\$ 465	\$ 460	\$ 237	\$ 246	\$ 233
Tax increment	111	100	362	392	341
Special assessment	503	497	3	–	–
G.O. revenue	384	374	13	412	412
Revenue	268	264	–	–	–
Other	14	10	–	–	–
Governmental activities total	<u>\$ 1,745</u>	<u>\$ 1,705</u>	<u>\$ 615</u>	<u>\$ 1,050</u>	<u>\$ 986</u>



MANAGEMENT REPORT (CONT.)

Outstanding Debt per Capita
Enterprise Funds
With State-Wide Comparable Information

Fund	State-Wide as of December 31,		City of Saint Peter as of December 31,		
	2012	2013	2012	2013	2014
Electric	\$ 472	\$ 435	\$ 902	\$ 844	\$ 777
Water	196	216	1,713	1,669	1,621
Wastewater	213	220	1,115	1,015	917
Storm water	31	29	30	24	17
Total enterprise funds	<u>\$ 912</u>	<u>\$ 900</u>	<u>\$ 3,760</u>	<u>\$ 3,552</u>	<u>\$ 3,333</u>
Entity-wide totals	<u>\$ 2,657</u>	<u>\$ 2,605</u>	<u>\$ 4,375</u>	<u>\$ 4,602</u>	<u>\$ 4,319</u>



MANAGEMENT REPORT

- **Audit Summary**
- **Property Taxes**
- **Governmental Funds Overview**
- **Enterprise Fund Overview**
- **Accounting and Auditing Updates**



MANAGEMENT REPORT (CONT.)

- **GASB Statement #68**
 - **Accounting and Financial Reporting for Pensions**
- **Federal Grant Requirements**
 - **COSO Internal Control Framework**



SUMMARY

- **Clean Opinion on Basic Financial Statements**
- **One Finding**
- **Financial Results Indicate Adherence to Budget**
- **Administration Continues Ongoing Assessment of Financial Projections, Debt Management, and Financial Results including Tax increment Districts and Enterprise Funds**