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City of Princeton

Audit Presentation

December 31, 2019

**Steve Wischmann, CPA/CFF, CFE
Audit Partner**

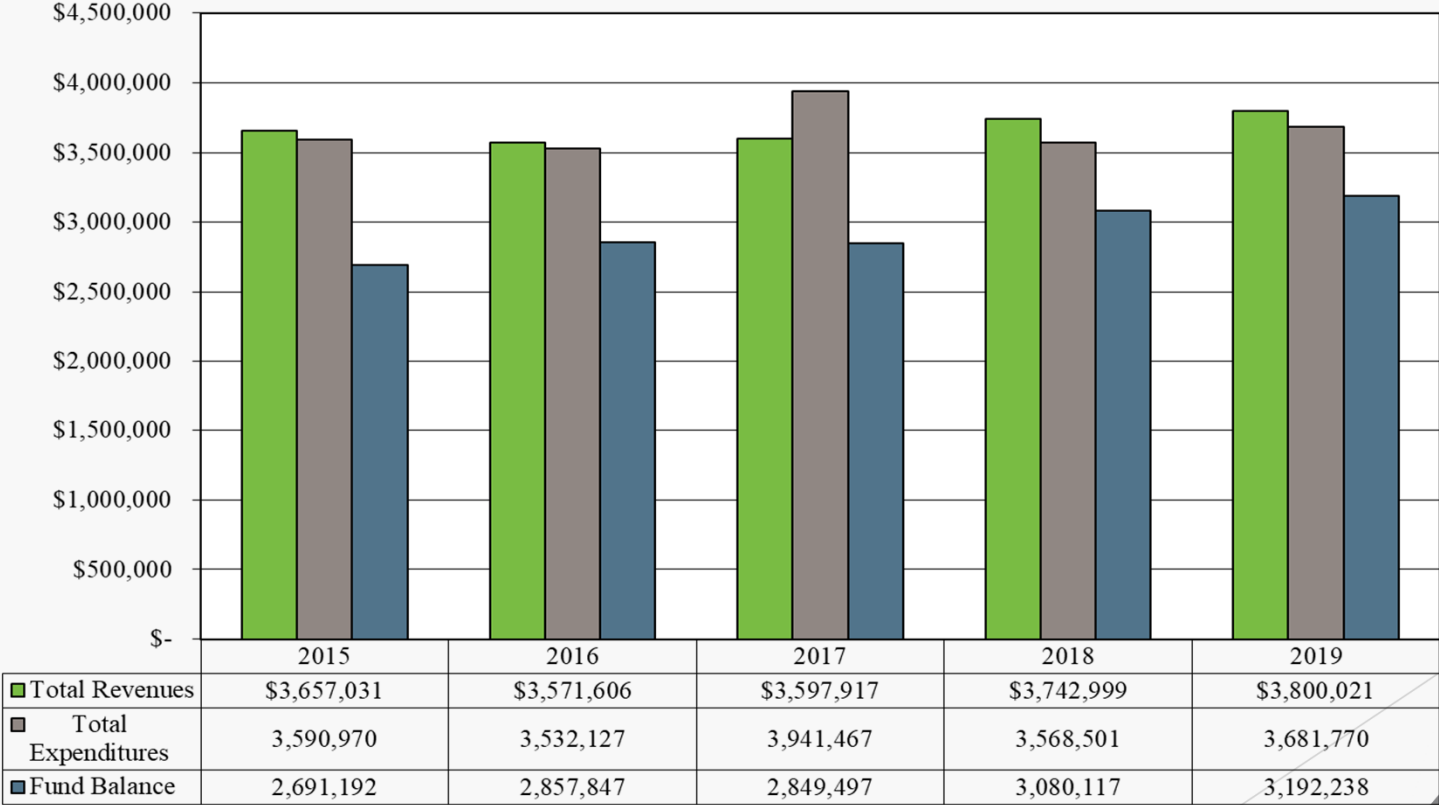
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Independent Auditor's Reports

- **Opinion on the City's Basic Financial Statements – Pgs 2-4**
 - Management's and BerganKDV's responsibilities defined
 - Unmodified – highest level of assurance
- **Report on the *Minnesota Legal Compliance* – Pg 107** -Closed meetings and related recording due to non functioning equipment
- **Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* – Pgs 105-106**
 - Internal control finding – Lack of Segregation of Accounting Duties
- **Communications Letter – Separate Document**
 - Management recommendation – Negative Fund Balances & Inactive Funds, Continue Liquor Inventory Management Recommendations

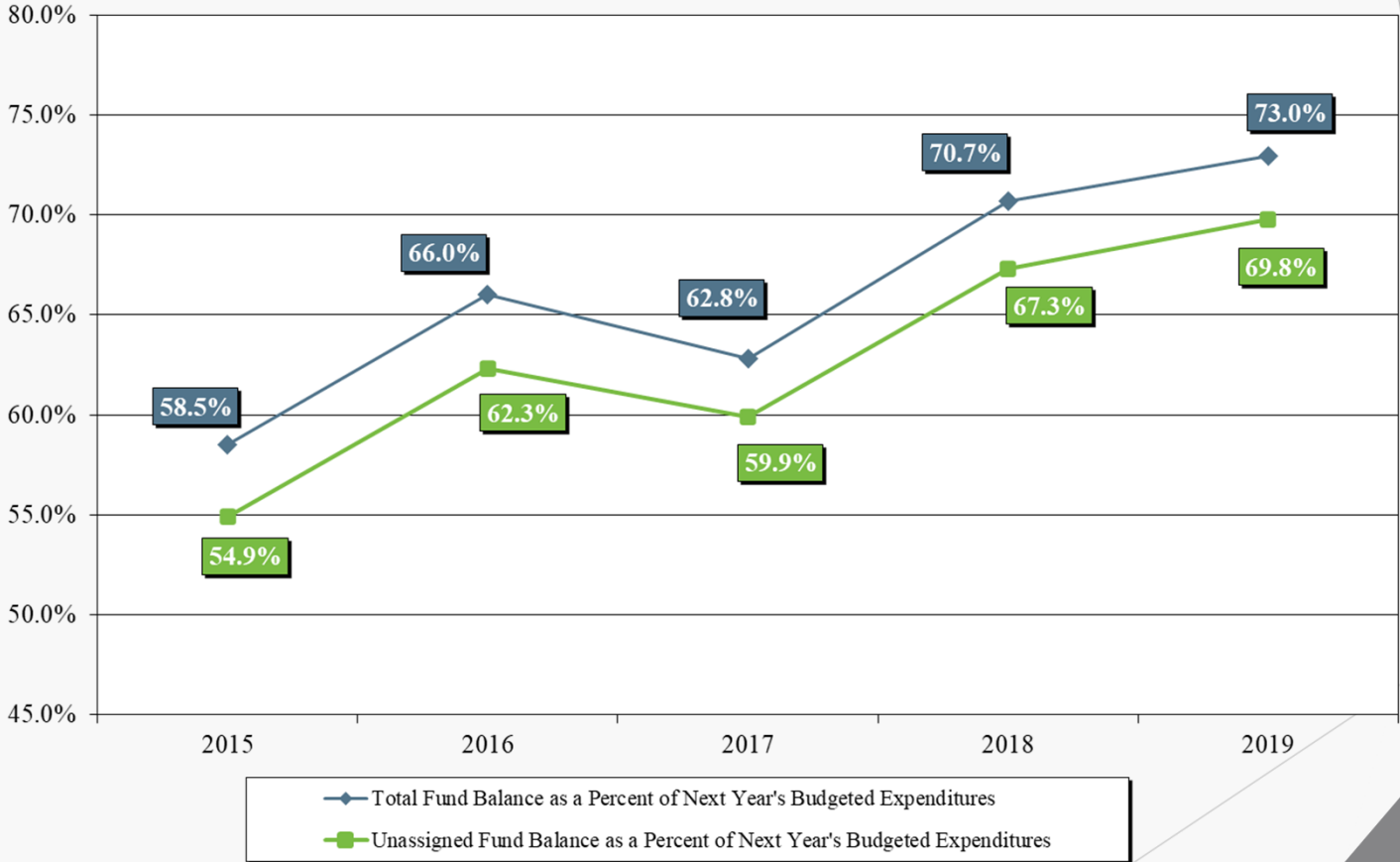
General Fund Operations

**General Fund Revenues,
Expenditures and Fund Balance**



General Fund Operations

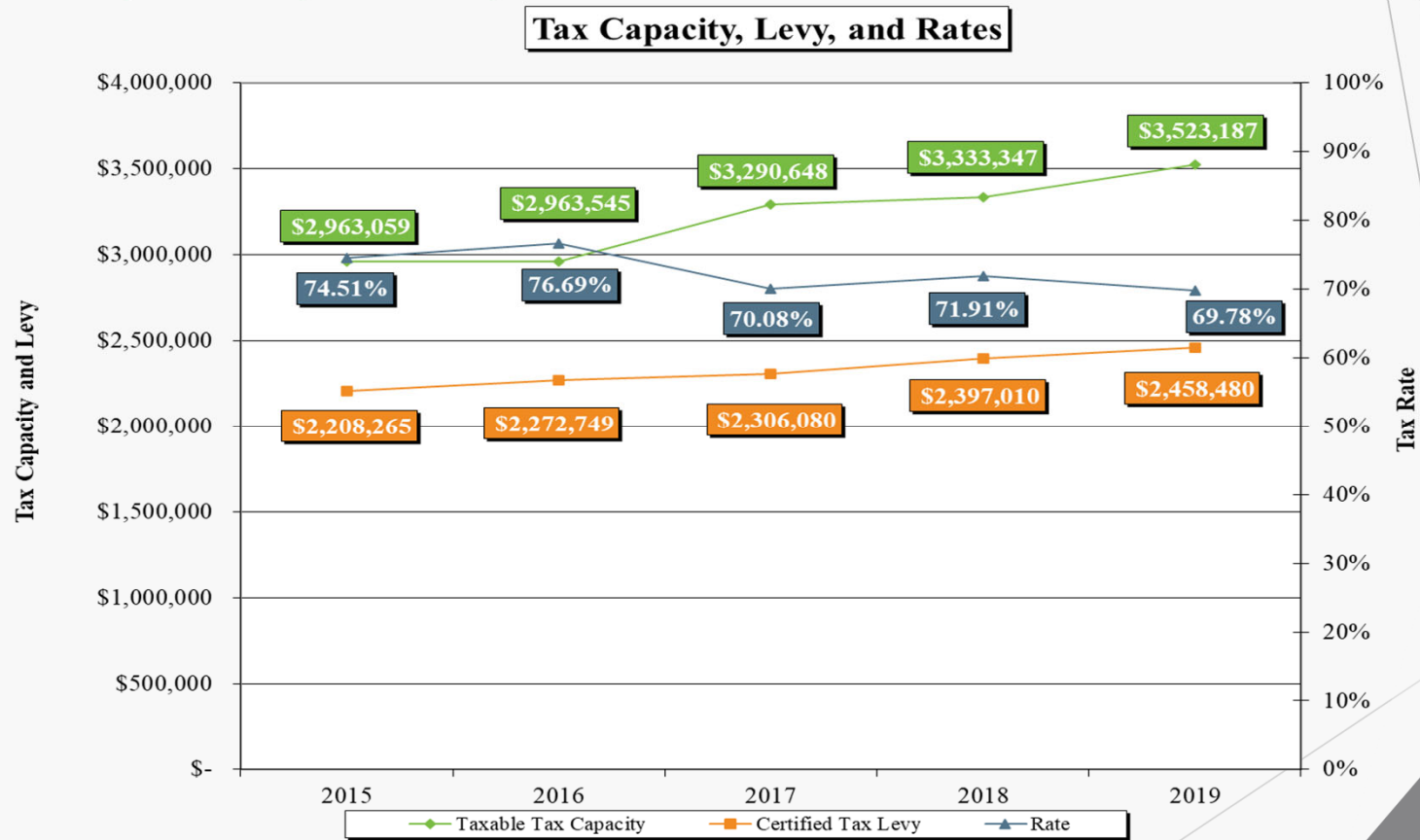
Fund Balance as a Percent of Next Year's Budgeted Expenditures



Budget and Actual Results

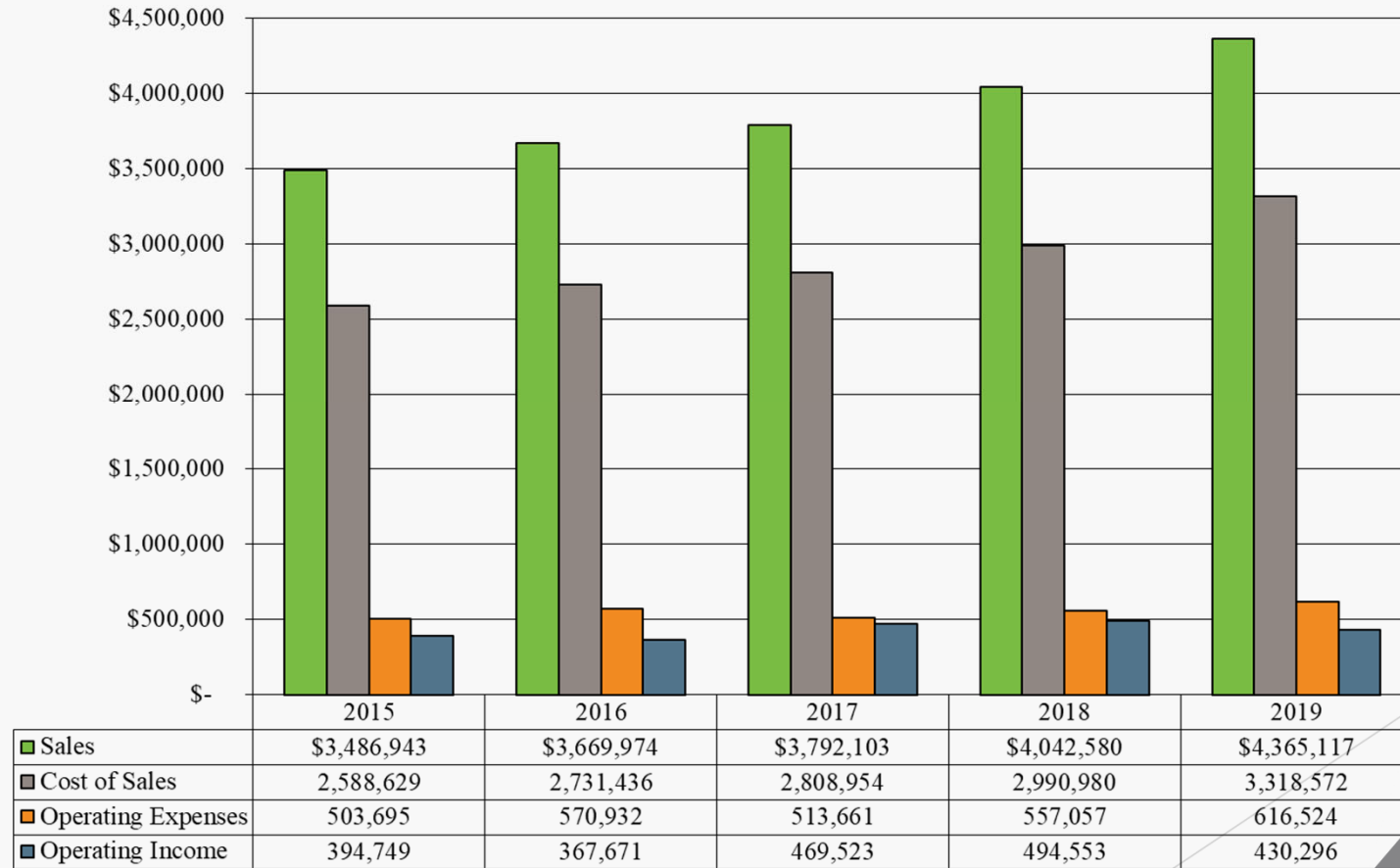
City of Princeton Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund Year Ended December 31, 2019				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
Revenues				
Property taxes	\$ 2,110,240	\$ 2,109,240	\$ 2,120,859	\$ 11,619
Licenses and permits	181,790	230,585	202,079	(28,506)
Intergovernmental	1,065,835	993,590	1,008,335	14,745
Charges for services	262,410	264,485	275,628	11,143
Fines and forfeitures	24,000	27,000	31,882	4,882
Miscellaneous revenues				
Investment income	8,750	12,270	29,164	16,894
Other	121,050	272,860	132,074	(140,786)
Total revenues	<u>3,774,075</u>	<u>3,910,030</u>	<u>3,800,021</u>	<u>(110,009)</u>
Expenditures				
Current				
General government	942,510	871,970	676,510	(195,460)
Public safety	1,843,760	1,757,965	1,797,336	39,371
Cemetery	-	-	651	651
Public works	781,905	754,435	771,372	16,937
Parks and recreation	247,275	219,245	237,080	17,835
Economic development	-	-	7,617	7,617
Capital outlay				
General government	188,500	87,600	33,599	(54,001)
Public safety	204,425	130,925	117,563	(13,362)
Public works	5,000	14,000	14,120	120
Parks and recreation	143,000	89,000	25,922	(63,078)
Total expenditures	<u>4,356,375</u>	<u>3,925,140</u>	<u>3,681,770</u>	<u>(243,370)</u>
Excess of revenues over (under) expenditures	(582,300)	(15,110)	118,251	133,361
Other Financing Sources (Uses)				
Payment in lieu of taxes - component unit	52,500	52,500	52,500	-
Transfers in	572,925	321,525	-	(321,525)
Transfers out	(42,330)	(46,700)	(58,630)	(11,930)
Total other financing sources (uses)	<u>583,095</u>	<u>327,325</u>	<u>(6,130)</u>	<u>(333,455)</u>
Net change in fund balances	\$ 795	\$ 312,215	112,121	\$ (200,094)
Fund Balances				
Beginning of year			3,080,117	
End of year			<u>\$ 3,192,238</u>	

Tax Capacity, Levy and Rates



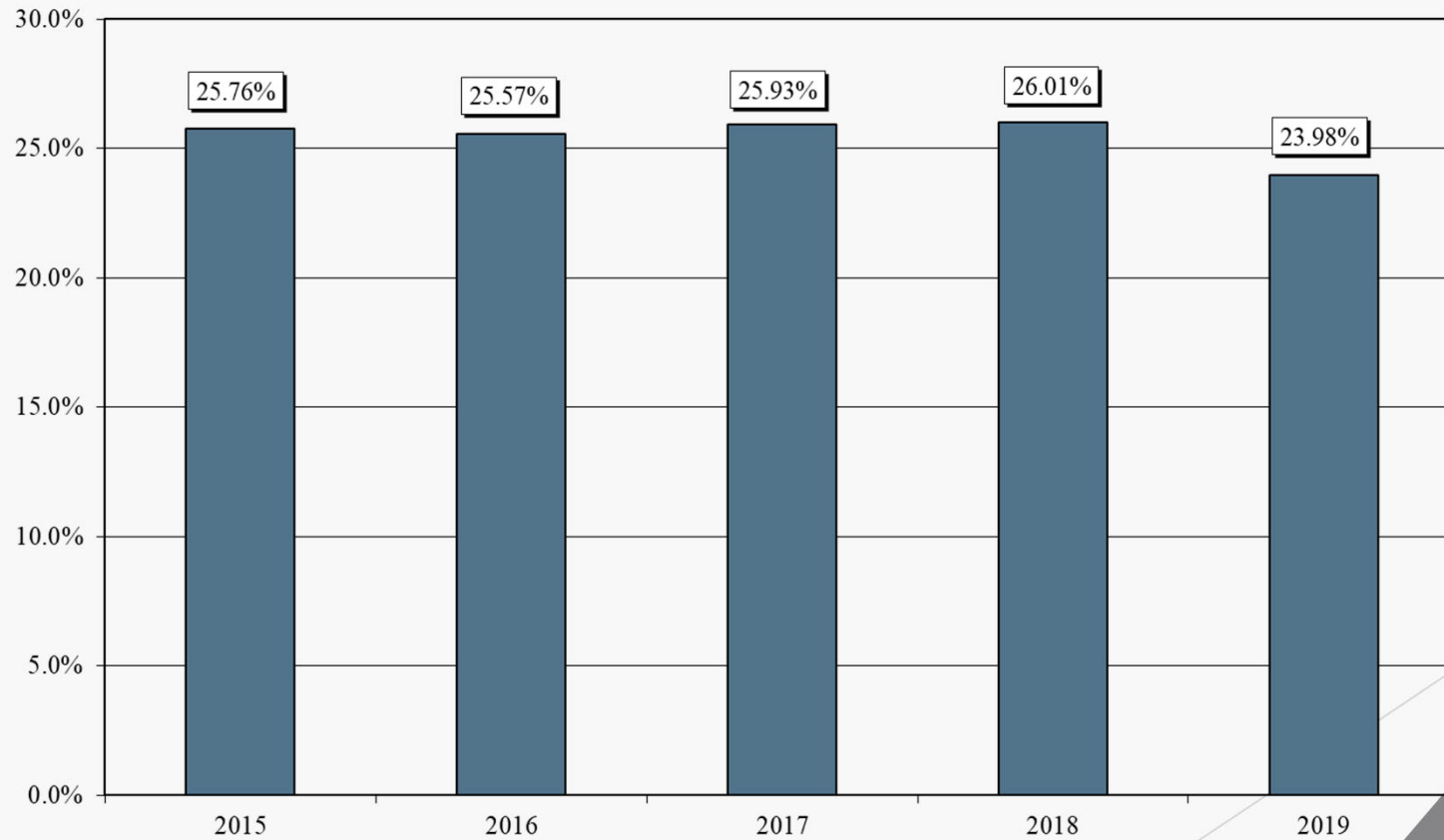
Liquor Fund Operations

Liquor Fund



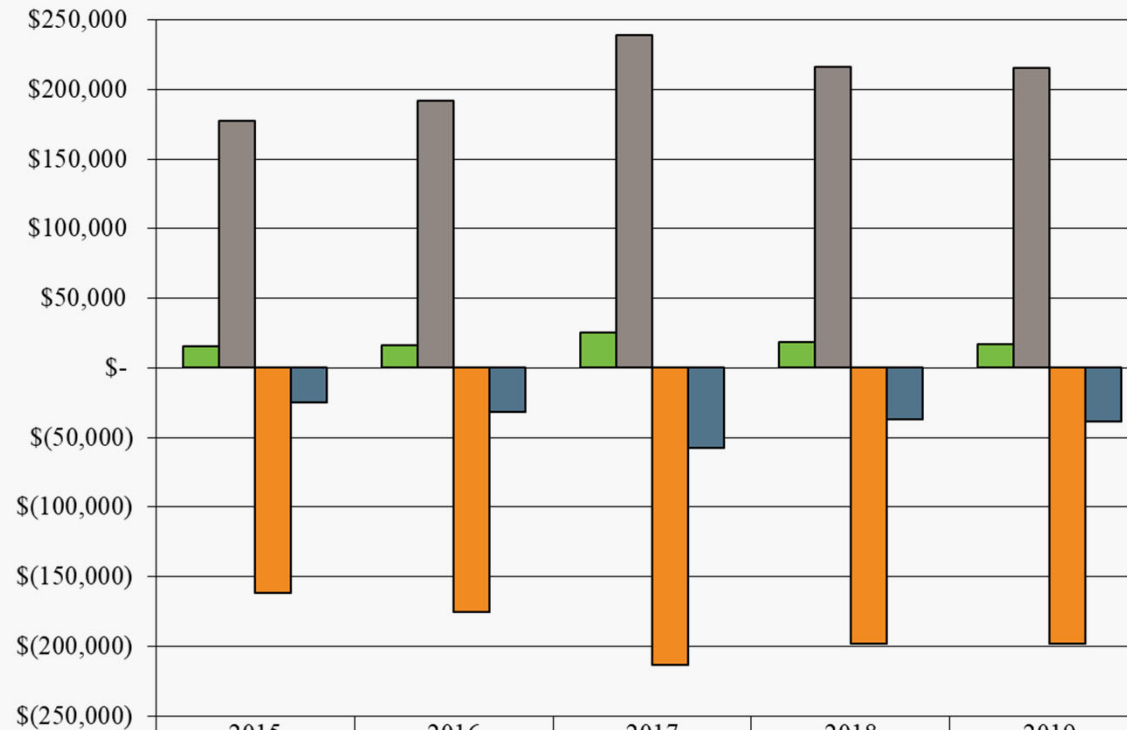
Liquor Fund Gross Profit

**Liquor Fund
Gross Profit Percentage**



Airport Fund Operations

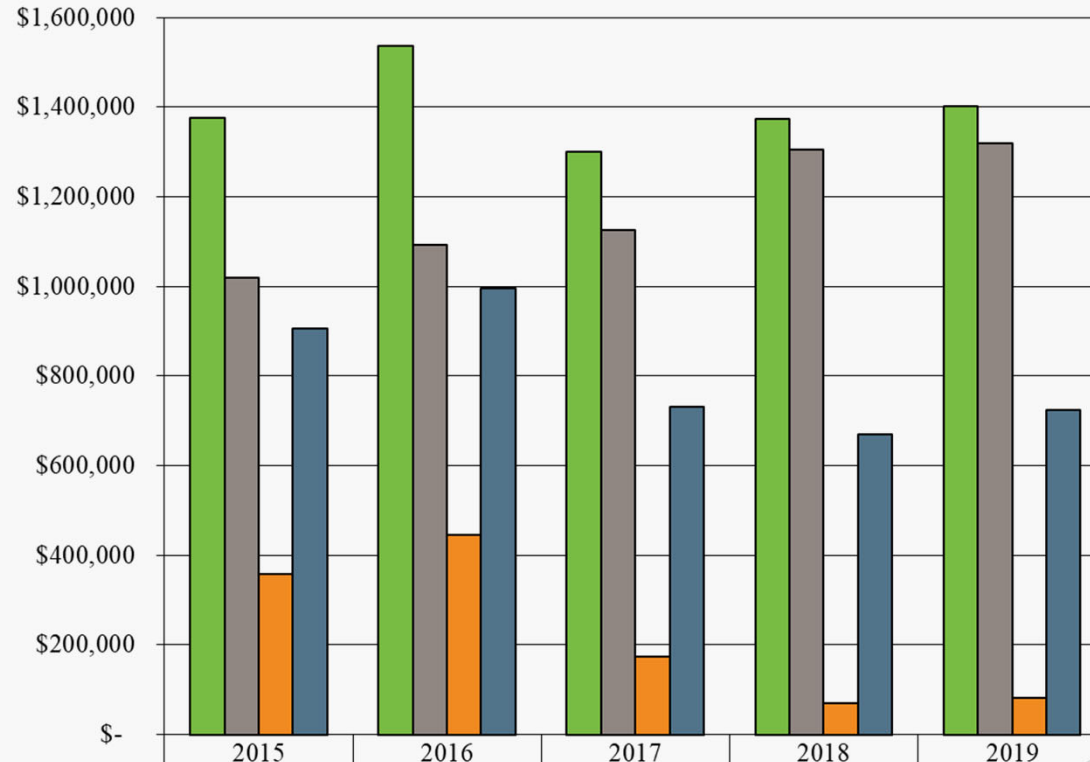
Airport Fund Operations



	2015	2016	2017	2018	2019
■ Gross Profit and Operating Revenues	\$15,491	\$16,029	\$25,395	\$18,350	\$16,921
■ Operating Expenses	177,347	191,679	239,197	216,641	215,252
■ Operating Loss with Depreciation	(161,856)	(175,470)	(213,802)	(198,291)	(198,331)
■ Operating Loss without Depreciation	(24,495)	(31,666)	(57,564)	(37,250)	(38,817)

Sewer Fund Operations

Sewer Fund



■ Operating Revenues	\$1,376,736	\$1,536,698	\$1,299,237	\$1,374,025	\$1,400,945
■ Operating Expenses	1,018,537	1,091,516	1,125,314	1,305,135	1,318,504
■ Operating Income with Depreciation	358,199	445,182	173,923	68,890	82,441
■ Operating Income without Depreciation	904,779	995,748	731,049	670,642	723,267

Q&A

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