



*Lighting the path forward*

# City of Le Center

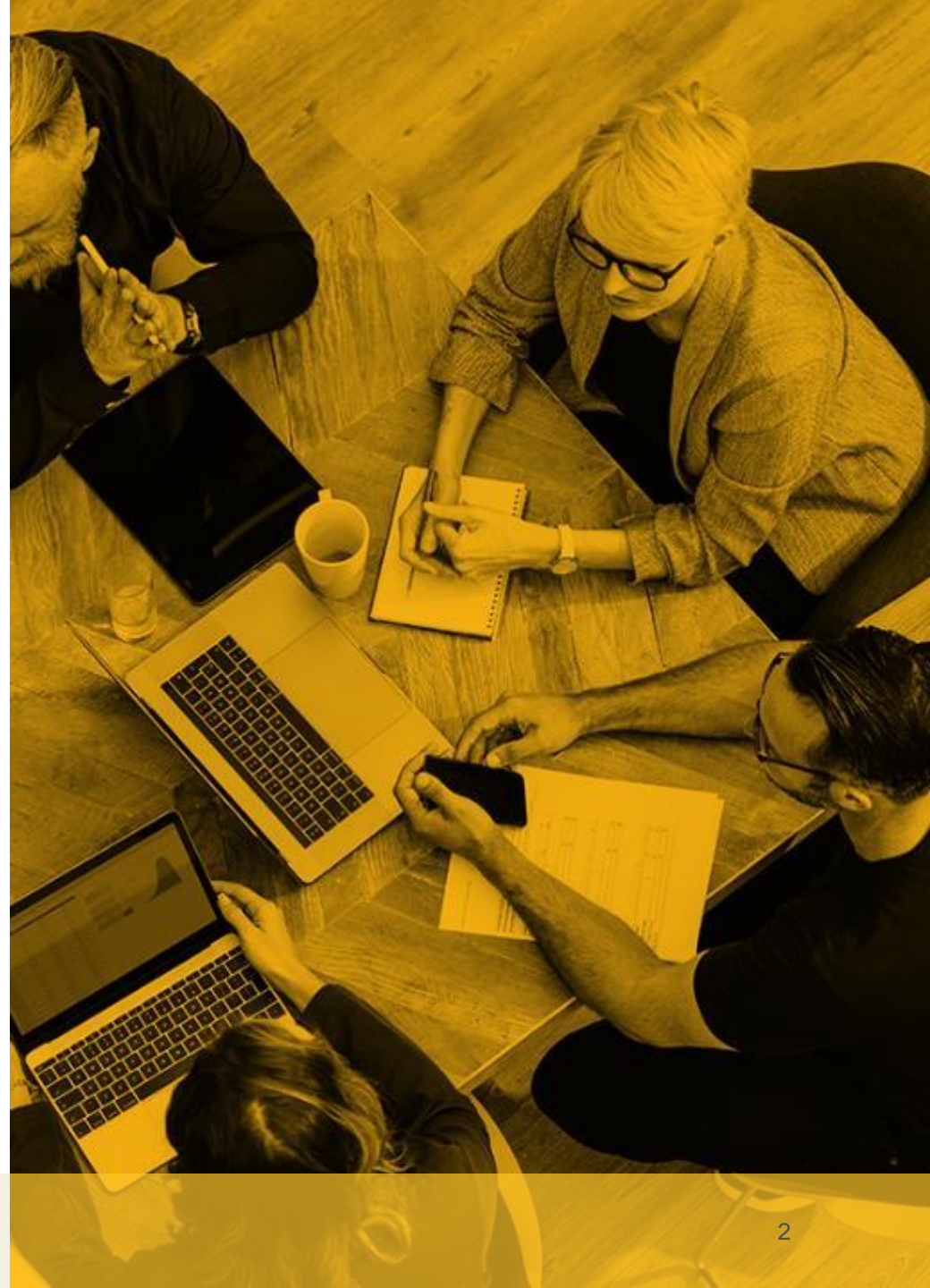
2022 Financial Statement Audit



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# Introduction

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



# Audit Results

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**Auditor's Opinion**



Unmodified Opinion

**Minnesota Legal  
Compliance**



No Instances of  
noncompliance noted

# Audit Results

## 2022 Audit Findings

- Preparation of Financial Statements
  - Internal Control Finding
- Limited Segregation of Duties
  - Internal Control Finding
- Liquor Store Inventory Reconciliation
  - Internal Control Finding
- Material Audit Adjustments
  - Internal Control Finding

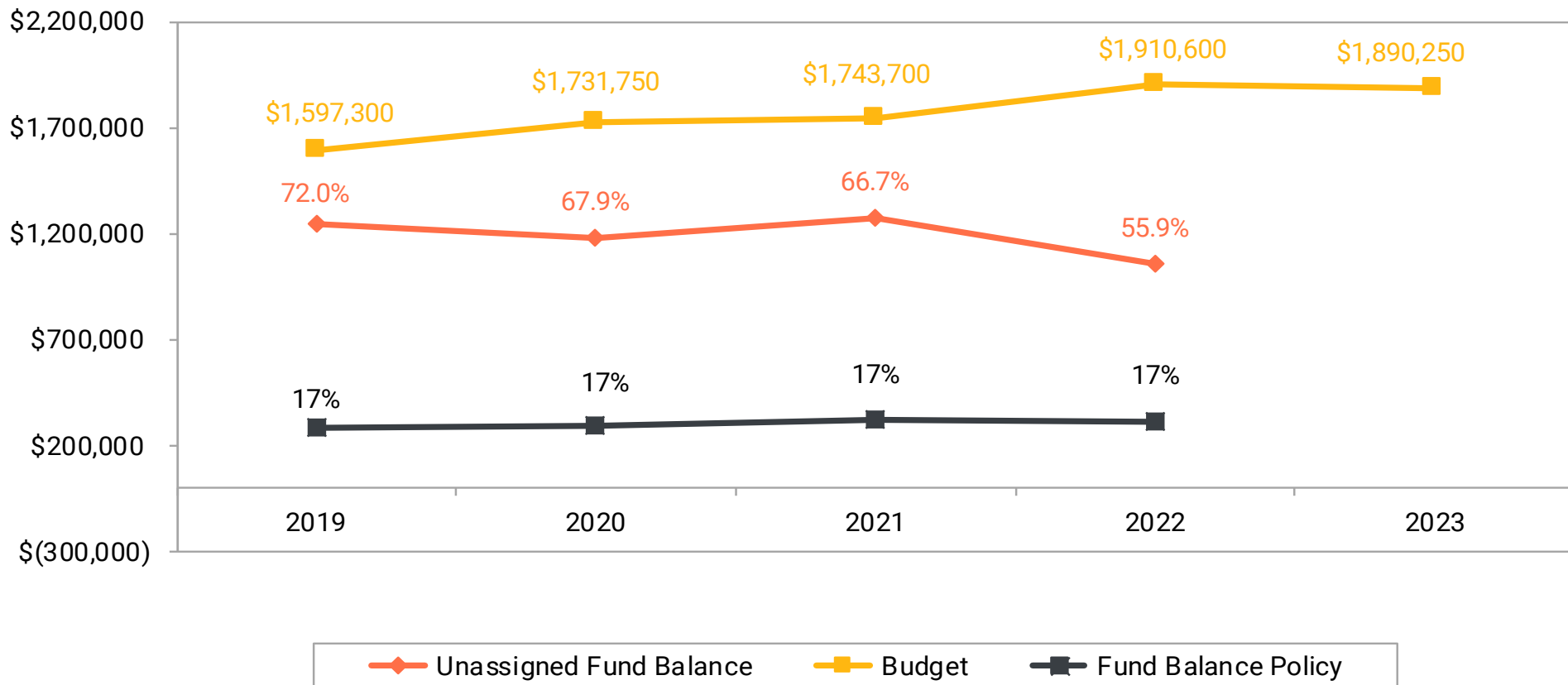




# Auditor Recommendations

- Tax Increment – 9 Country Neighbors district has been decertified and \$87,830 needs to be returned to the County. The City will receive 1/3 of this back with no restrictions.
- The General fund owes the EDA Revolving fund \$350,000, consider paying back to increase cash in the EDA Revolving fund.
- Potential increase of capitalization threshold from \$2,500 to \$5,000.

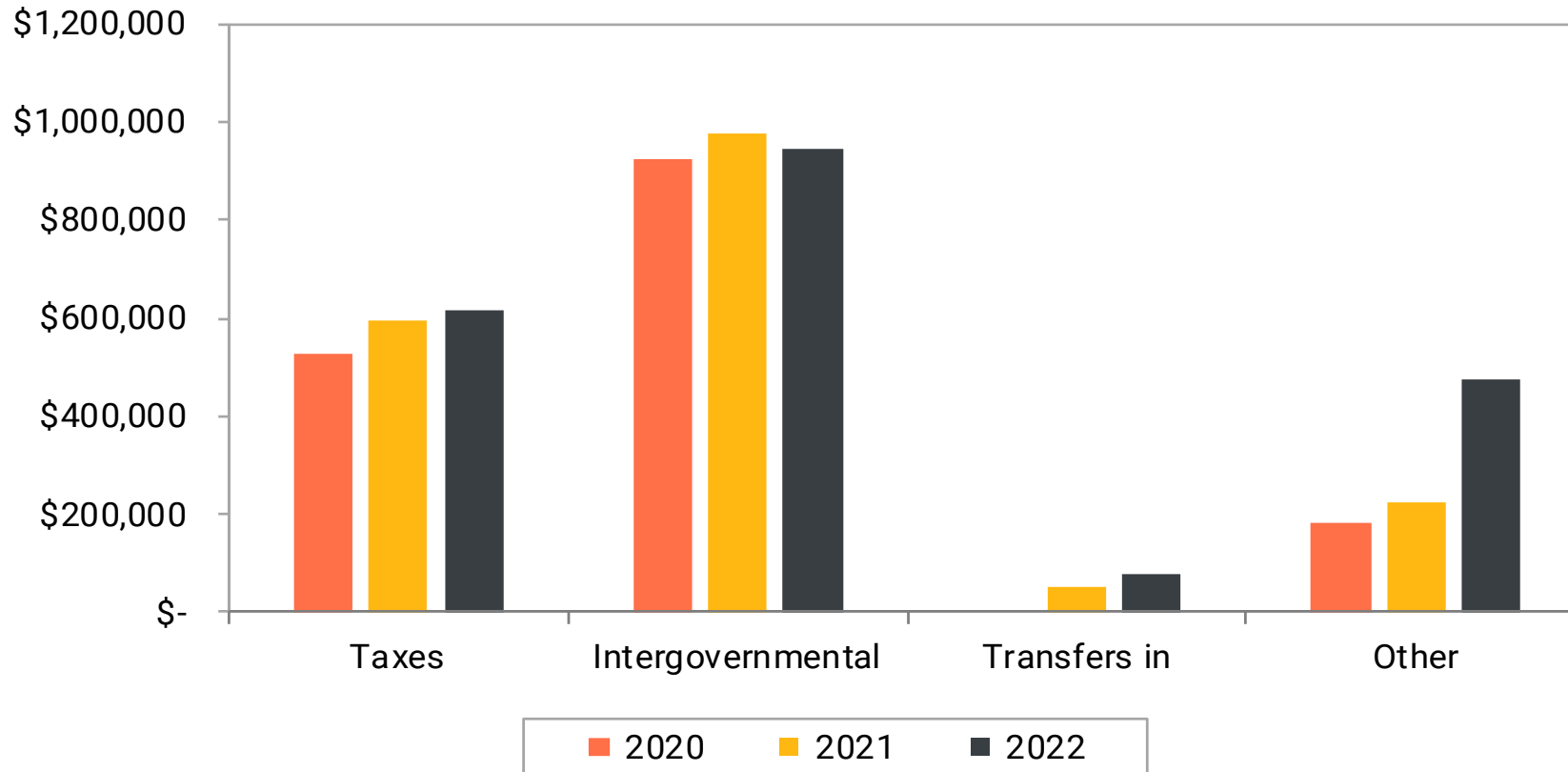
# General Fund Fund Balances



# General Fund Budget to Actual

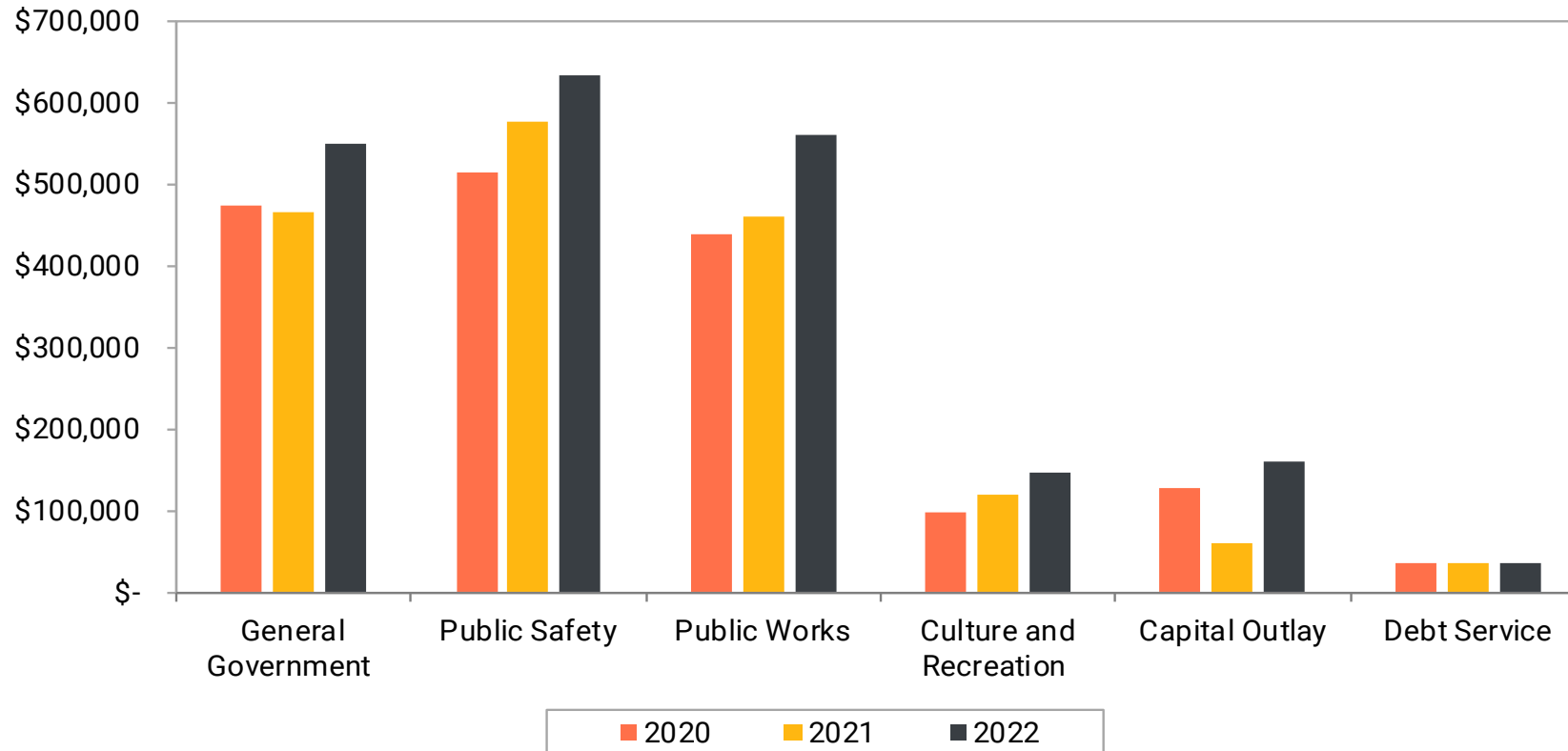
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues	\$ 1,642,304	\$ 1,750,761	\$ 108,457
Expenditures	<u>1,910,600</u>	<u>2,086,477</u>	<u>(175,877)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(268,296)</u>	<u>(335,716)</u>	<u>(67,420)</u>
Other Financing Sources (Uses)			
Sale of capital assets	-	283,643	283,643
Transfers in	60,000	78,283	18,283
Transfers out	-	(400,000)	(400,000)
Total Other Financing Sources (Uses)	<u>60,000</u>	<u>(38,074)</u>	<u>(98,074)</u>
Net Change in Fund Balances	<u>\$ (208,296)</u>	(373,790)	<u>\$ (165,494)</u>
Fund Balances, January 1		<u>1,555,299</u>	
Fund Balances, December 31		<u>\$ 1,181,509</u>	

# General Fund Revenues by Type

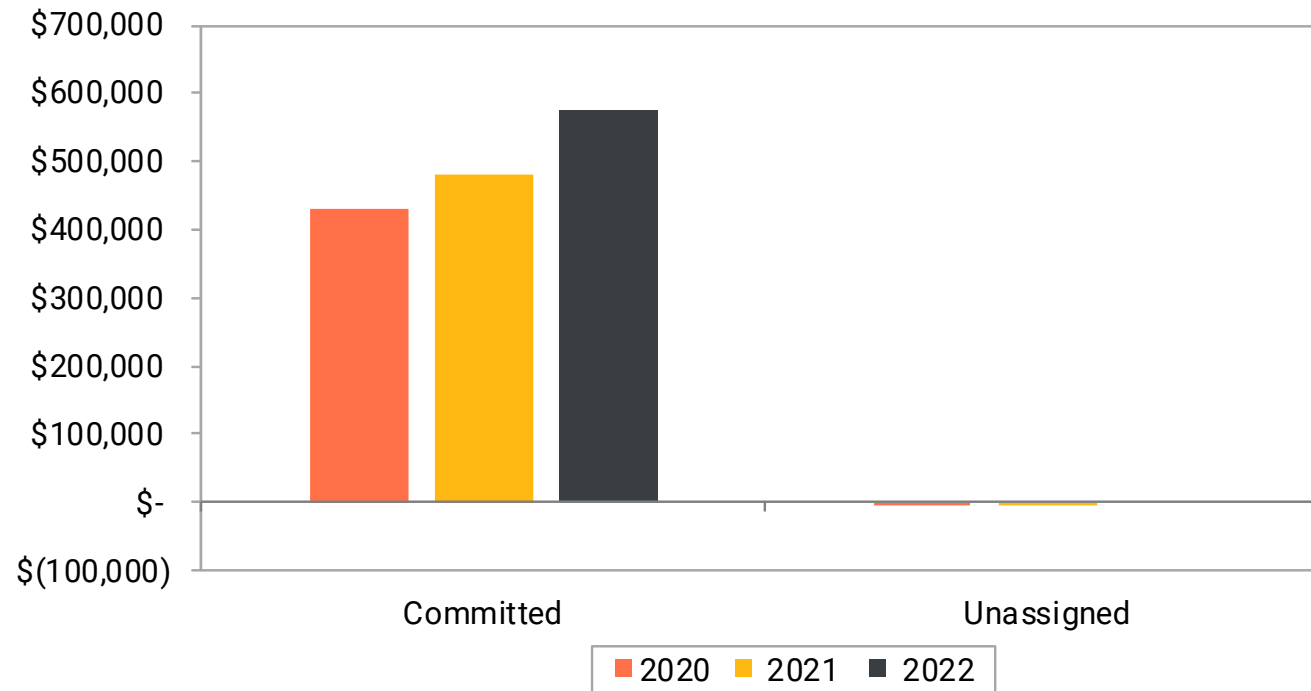




# General Fund Expenditures by Type

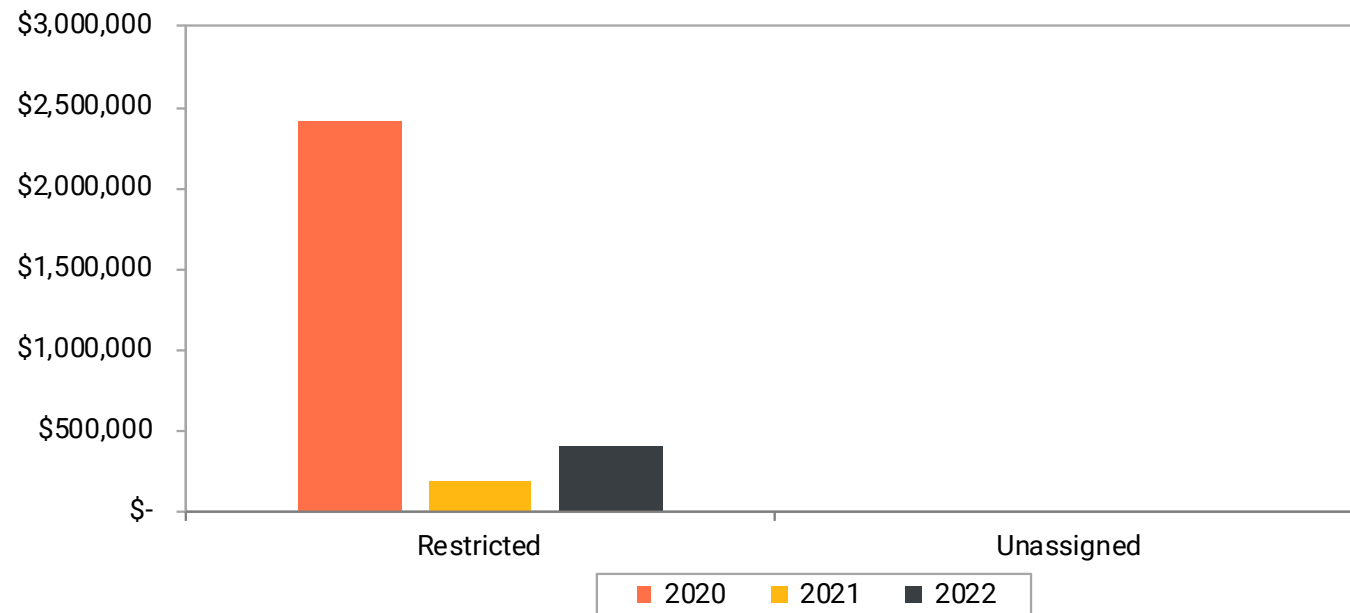


Fund	Fund Balances December 31,		Increase (Decrease)
	2022	2021	
COVID	\$ -	\$ -	\$ -
EDA Revolving	470,711	466,190	4,521
Tax Increment - 9 County Neighbors	83,738	104,215	(20,477)
Tax Increment - 16 Horizon Place	-	(375)	375
<b>Total</b>	<b>\$ 554,449</b>	<b>\$ 570,030</b>	<b>\$ (15,581)</b>



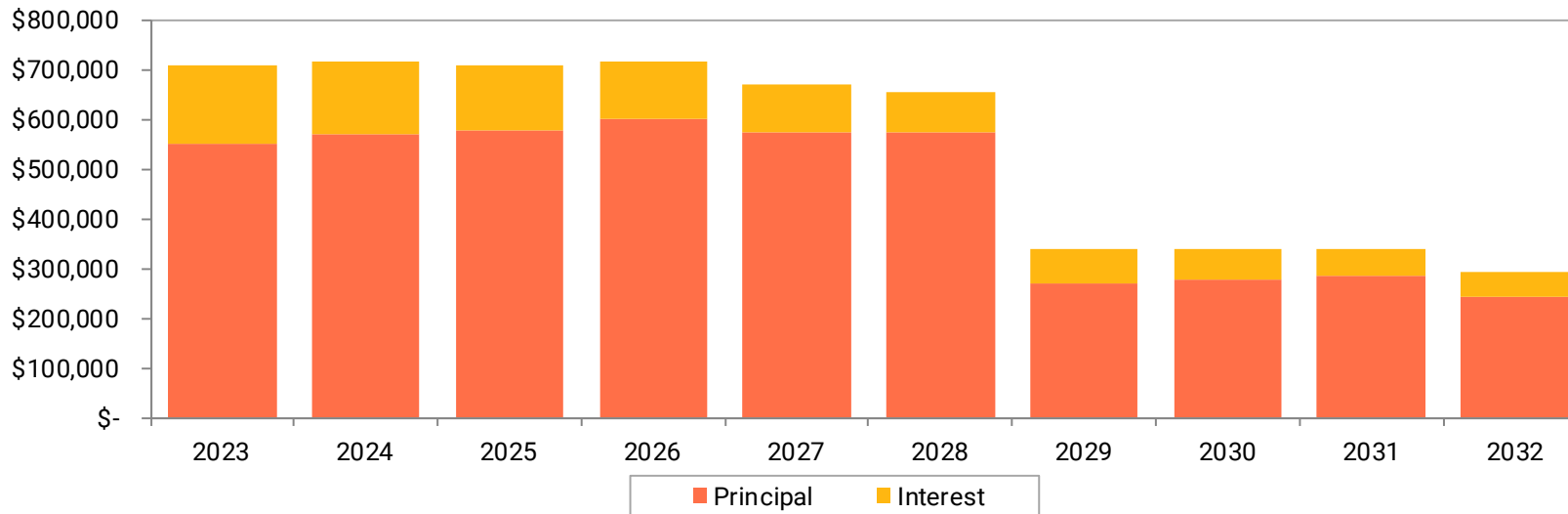
# Special Revenue Fund Balances

Fund	Fund Balances December 31,		Increase (Decrease)
	2022	2021	
Capital Improvement Fund	\$ 400,000	\$ -	\$ 400,000
2020 Street Project	-	187,320	(187,320)
<b>Total</b>	<b>\$ 400,000</b>	<b>\$ 187,320</b>	<b>\$ 212,680</b>



# Capital Project Fund Balances

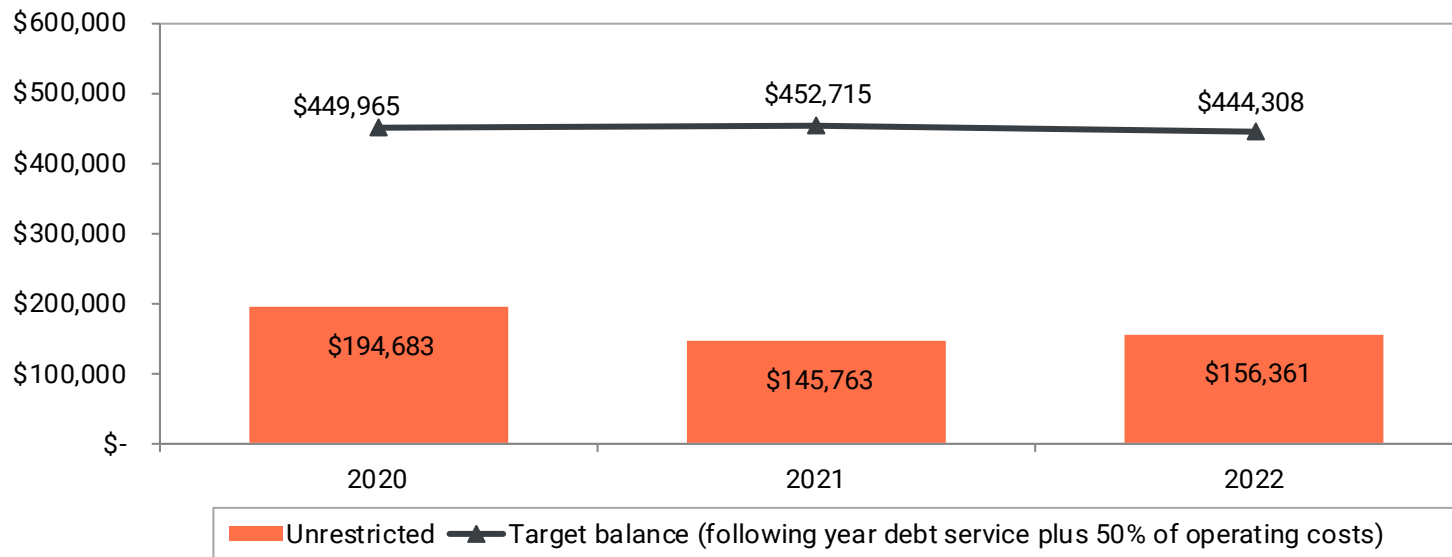
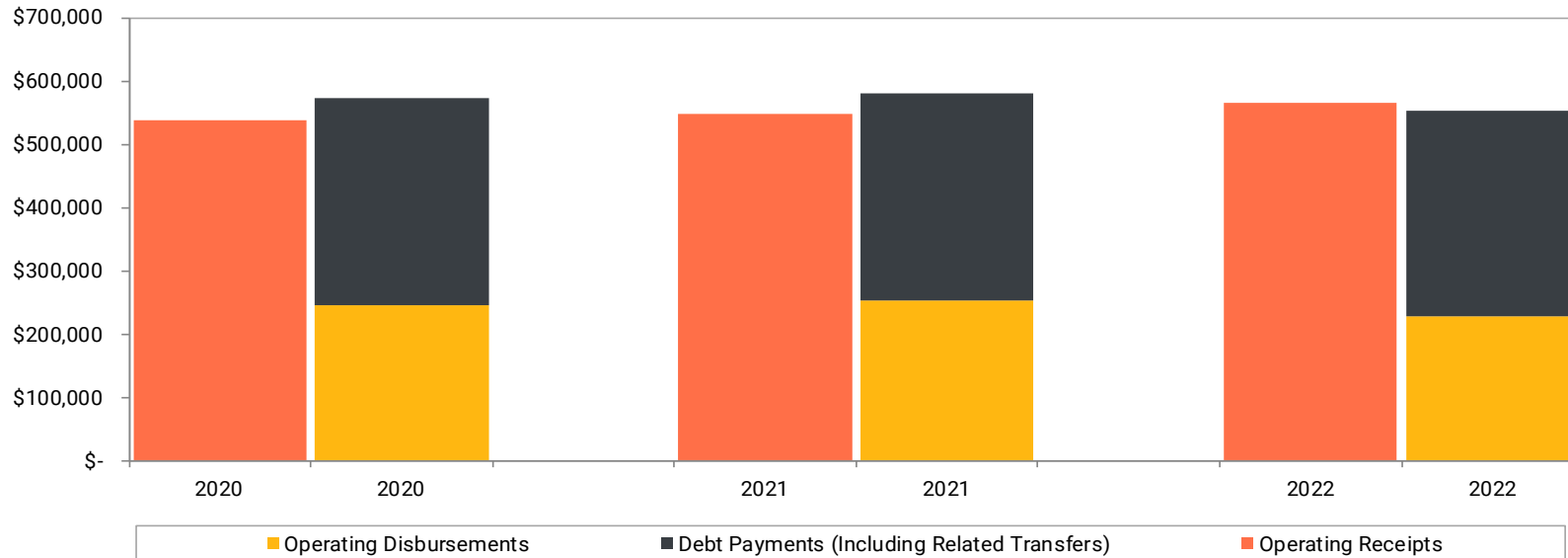
Description	Total Cash and Investments	Total Assets	Bonds Outstanding	Year of Maturity
307 Tax Increment - 7 Royal American	\$ 339,101	\$ 339,101	\$ -	Matured
324 2010C G.O. Improvement Refunding Bonds	86,326	110,023	620,000	2026
325 2016A G.O. Improvement Bonds	311,153	565,575	512,394	2037
326 2014B G.O. Improvement Refunding Bonds	41,508	155,555	1,345,000	2028
329 2017A G.O. Improvement Refunding Bonds	119,932	219,264	395,000	2031
330 2020A G.O. Improvement Bonds	360,943	910,457	3,930,000	2041
<b>Total</b>	<b>\$ 1,258,963</b>	<b>\$ 2,299,975</b>	<b>\$ 6,802,394</b>	
		<b>Total Remaining Interest Payments</b>	<b>\$ 1,180,845</b>	



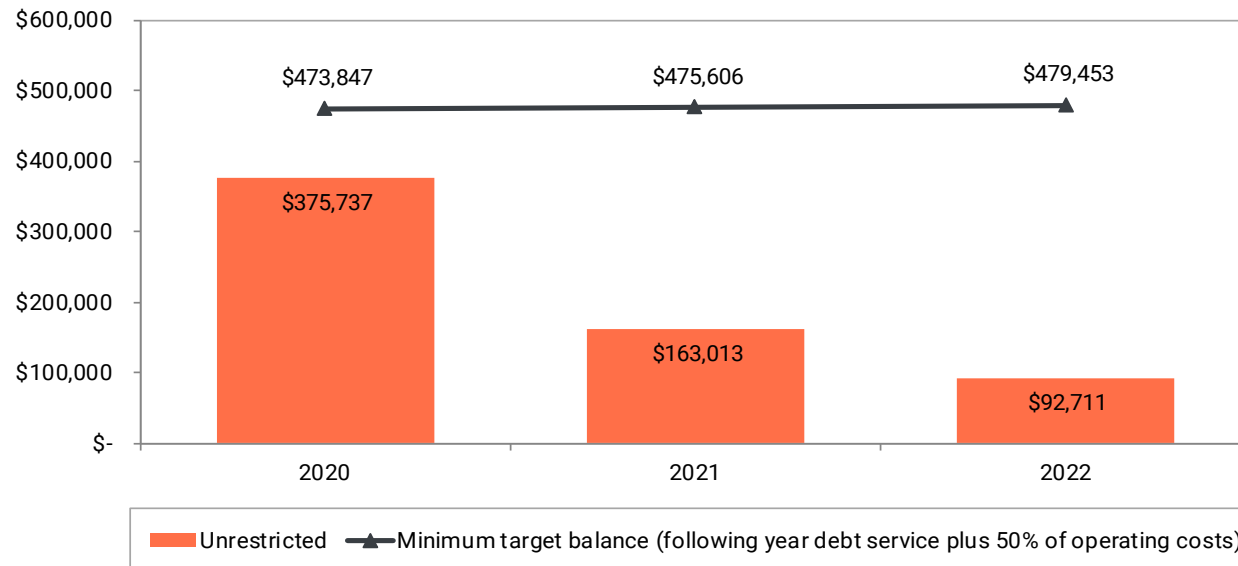
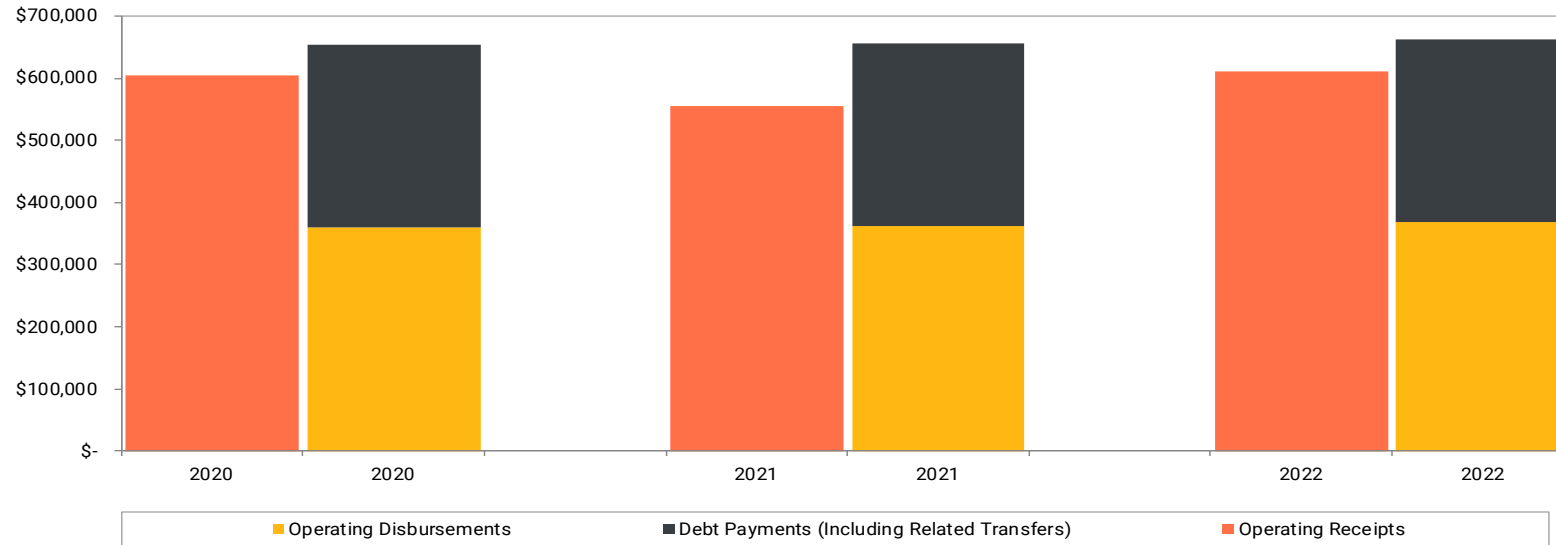
# Debt Service

# Water Fund

## Cash Flows from Operations and Cash Balances



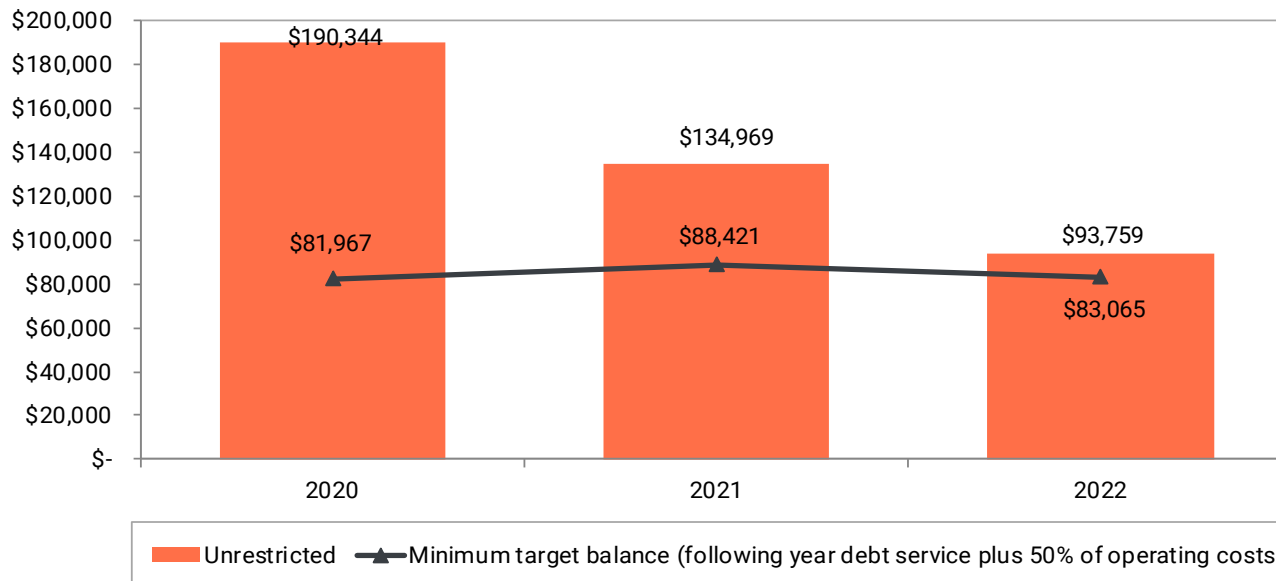
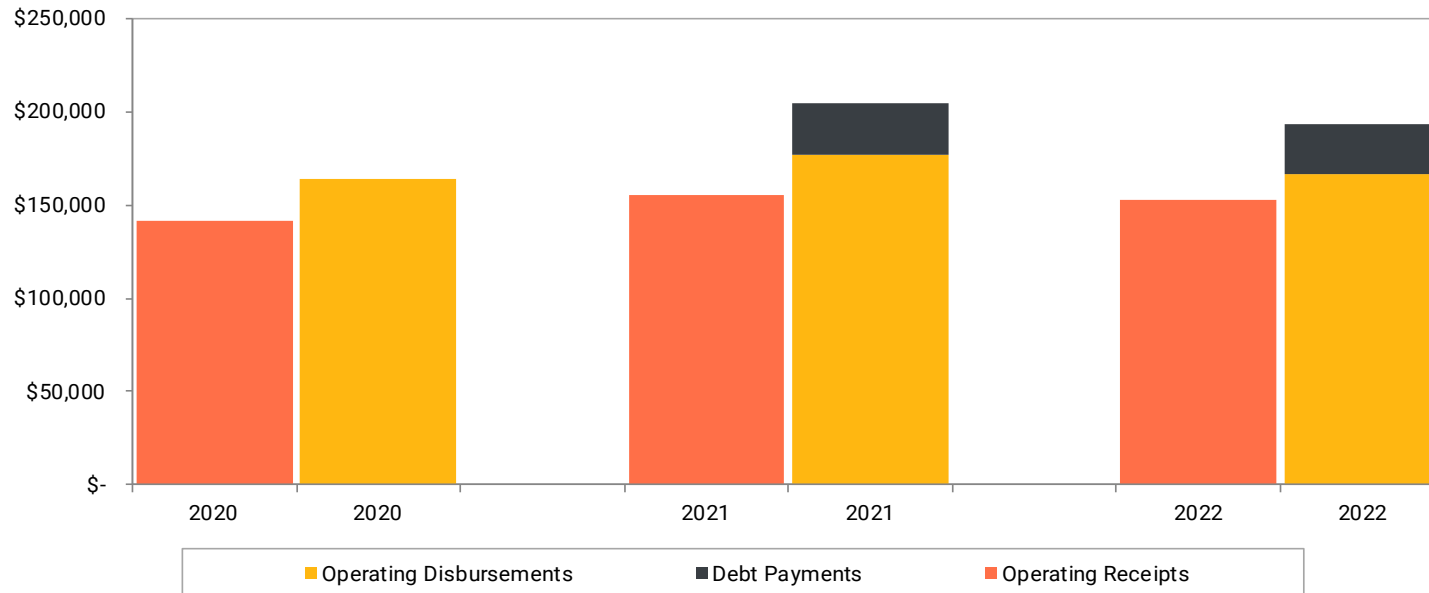
# Sewer Fund



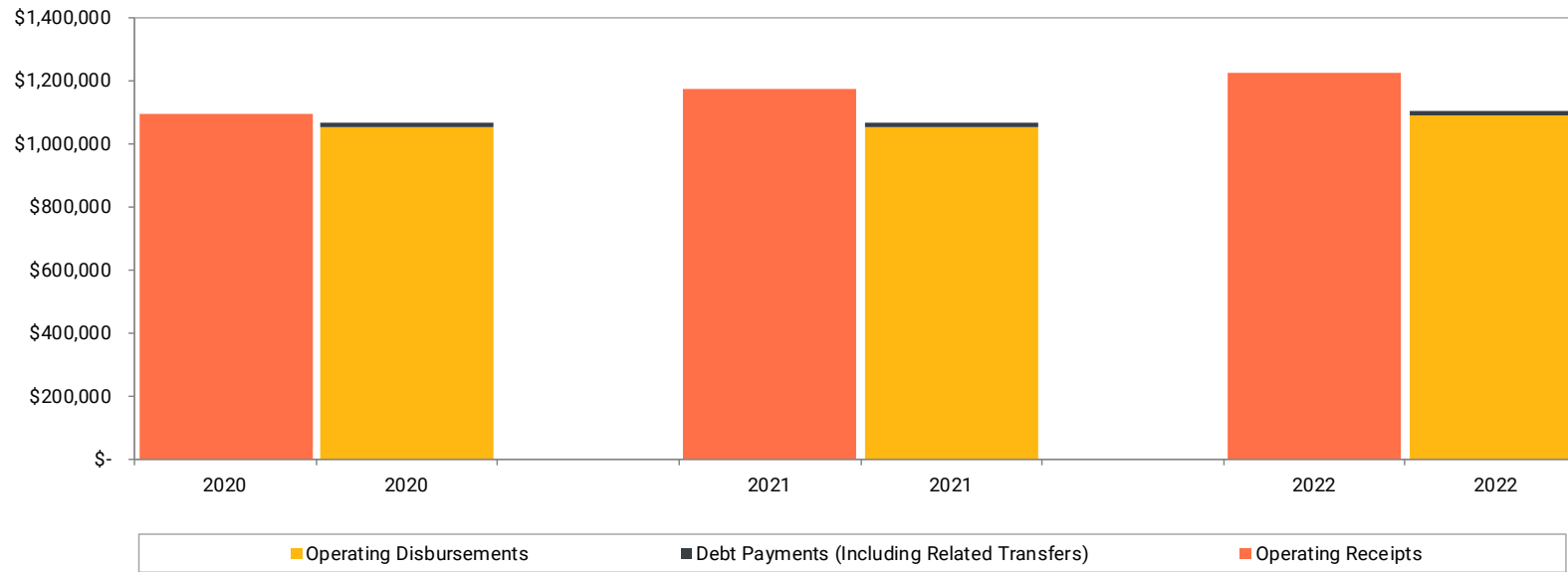
## Cash Flows from Operations and Cash Balances

# Refuse Fund

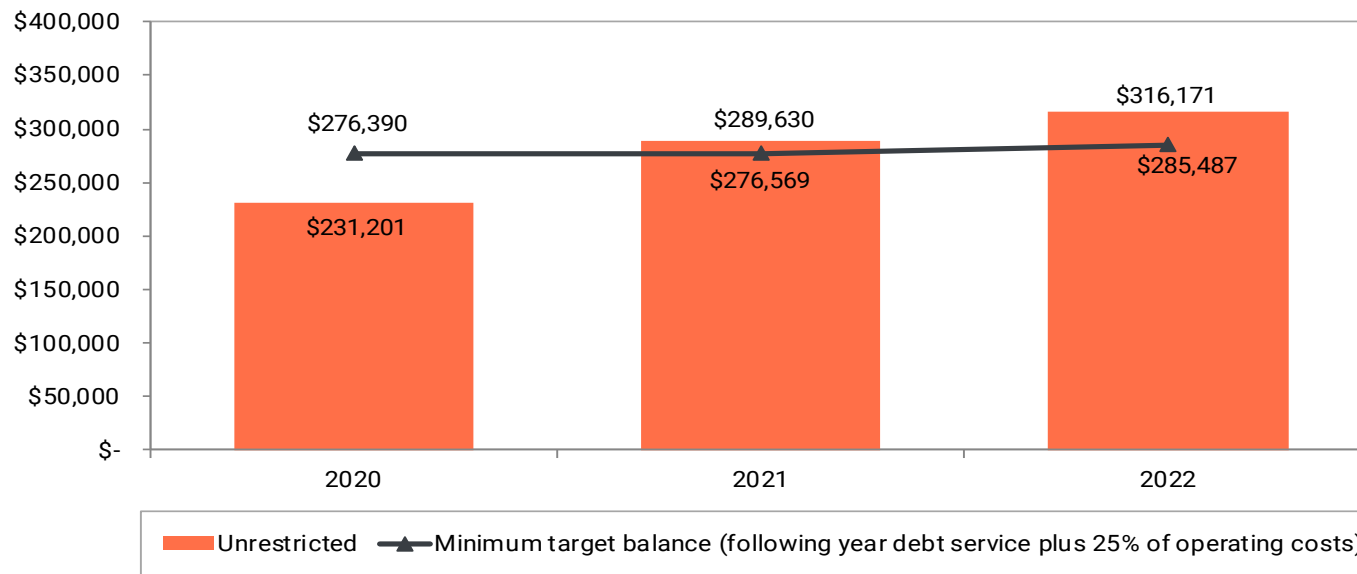
## Cash Flows from Operations and Cash Balances



# Liquor Fund



## Cash Flows from Operations and Cash Balances





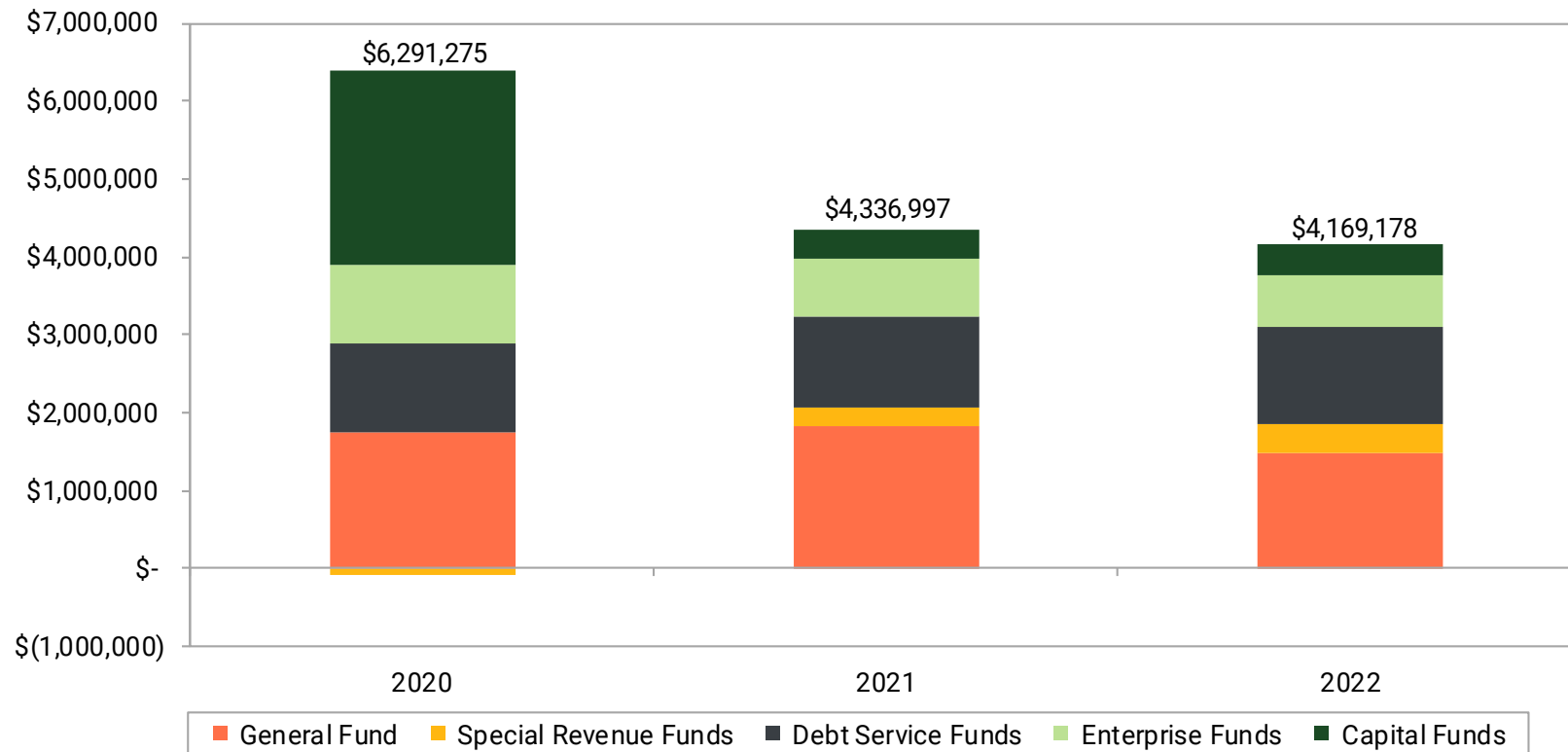
# Liquor Fund – Le Center and Statewide Averages

	2020	City of Le Center 2021	2022
	Percent of Sales	Percent of Sales	Percent of Sales
Sales	100.0 %	100.0 %	100.0 %
Cost of sales	(69.1)	(68.8)	(65.8)
Gross profit	30.9	31.2	34.2
Operating expenses	(32.6)	(28.2)	(32.2)
Operating income (loss)	(1.7)	3	2.0
Nonoperating income	6.3	8.7	6.4
Income Before Transfers	<u>4.6 %</u>	<u>11.7 %</u>	<u>8.4 %</u>

	Statewide Averages On-Sale and Off-Sale		
	2019	2020	2021
	Percent of Sales	Percent of Sales	Percent of Sales
Sales	100.0 %	100.0 %	100.0 %
Cost of Sales	(59.9)	(64.9)	(61.7)
Gross profit	40.1	35.1	38.3
Operating Expenses	(36.4)	(32.7)	(31.8)
Operating income	3.7	2.4	6.5
Nonoperating Revenues (Expenses)	0.7	1.6	1.8
Income Before Transfers	<u>4.9 %</u>	<u>4.5 %</u>	<u>8.3 %</u>

Source: Analysis of Municipal Liquor Store Operations, for the year ended December 31, 2021.  
Published by the Minnesota Office of the State Auditor.

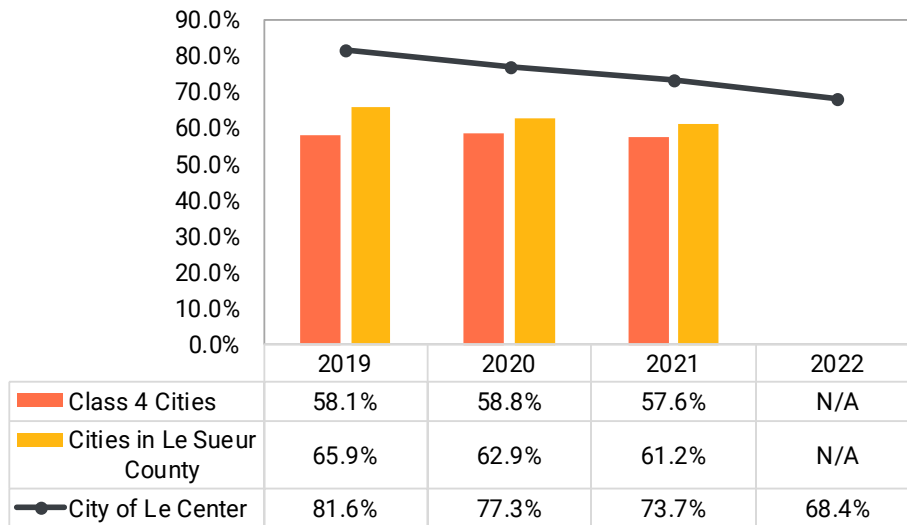
# City Cash and Investments Balances by Fund Type



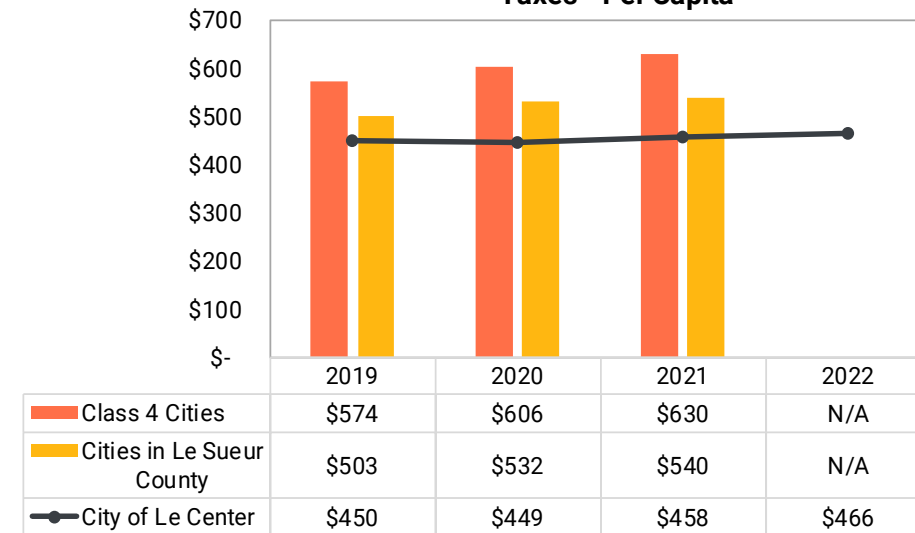
# Taxes

## Key Performance Indicators

**Tax Rate**



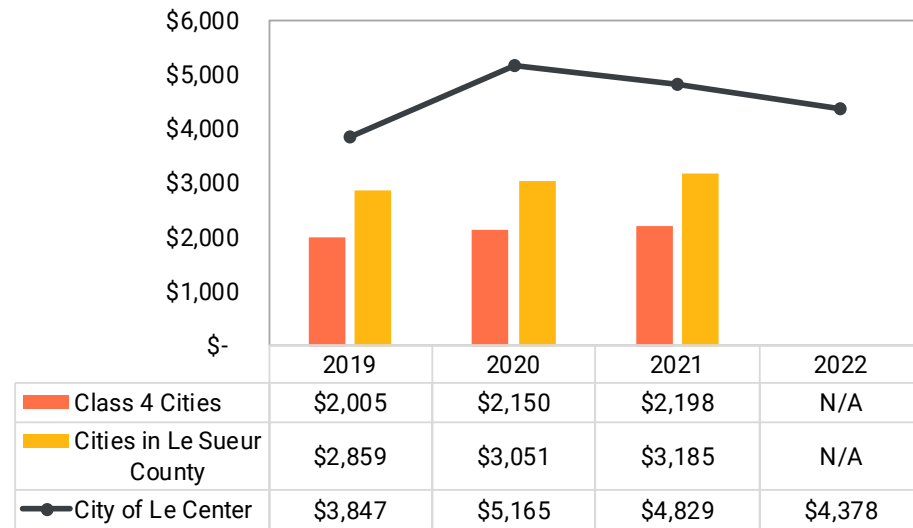
**Taxes - Per Capita**



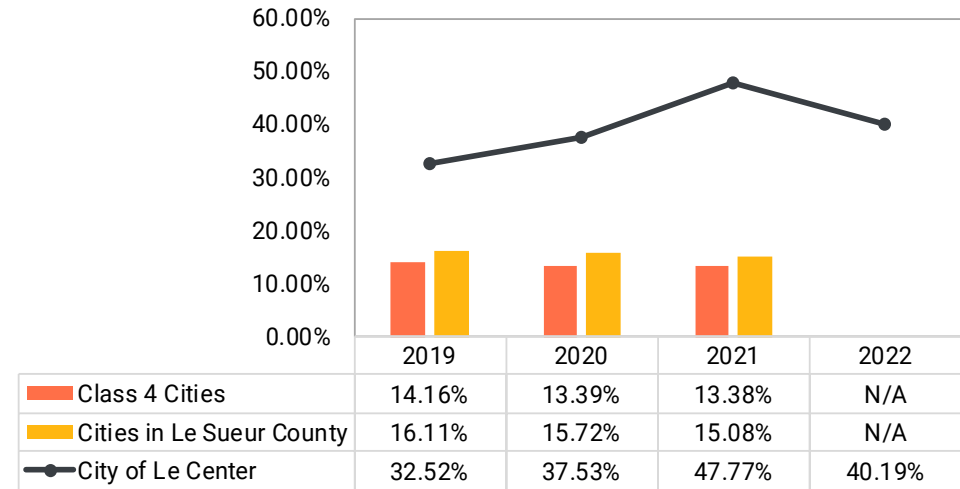
# Debt

## Key Performance Indicators

Long Term Debt Per Capita



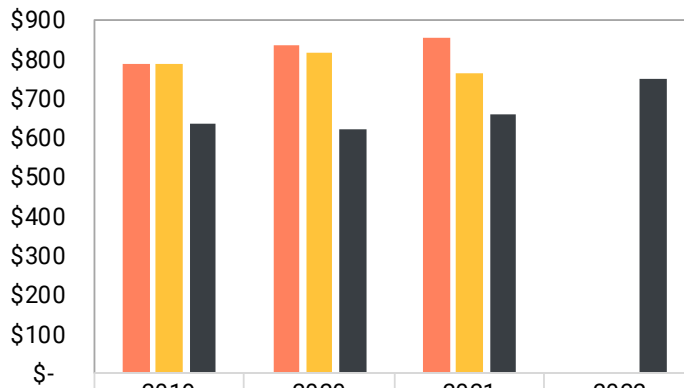
Debt Service Expenditures as a Percent of Current Expenditures



# Expenditures

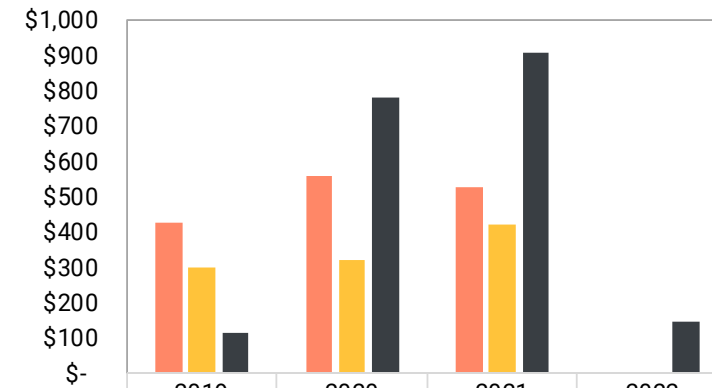
## Key Performance Indicators

**Current Expenditures - Per Capita**



	2019	2020	2021	2022
■ Class 4 Cities	\$791	\$839	\$856	N/A
■ Cities in Le Sueur County	\$792	\$818	\$768	N/A
■ City of Le Center	\$635	\$621	\$660	\$753

**Capital Expenditures - Per Capita**

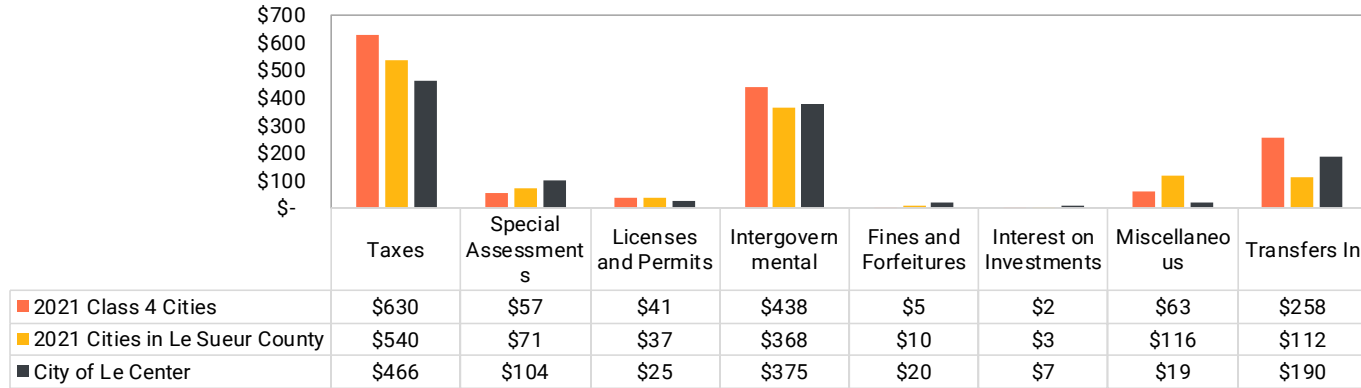


	2019	2020	2021	2022
■ Class 4 Cities	\$426	\$558	\$527	N/A
■ Cities in Le Sueur County	\$299	\$321	\$423	N/A
■ City of Le Center	\$116	\$780	\$910	\$144

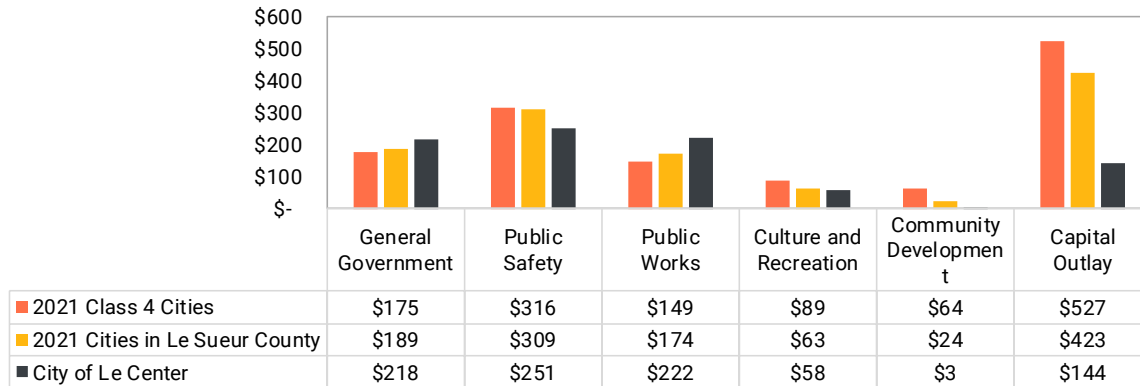
# Revenues and Expenditures

## Key Performance Indicators

Per Capita Revenues by Source



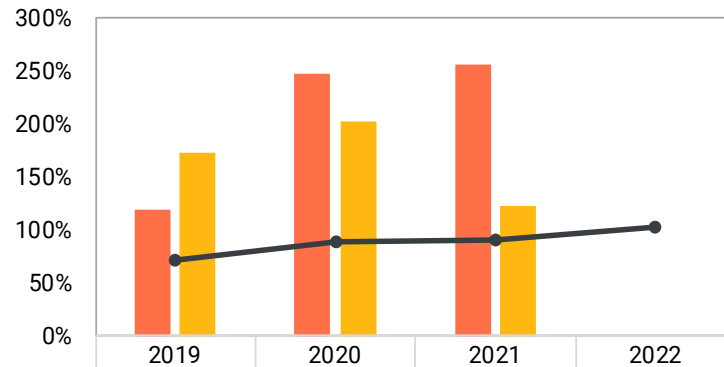
Expenditures by Program - Per Capita



# Enterprise Funds

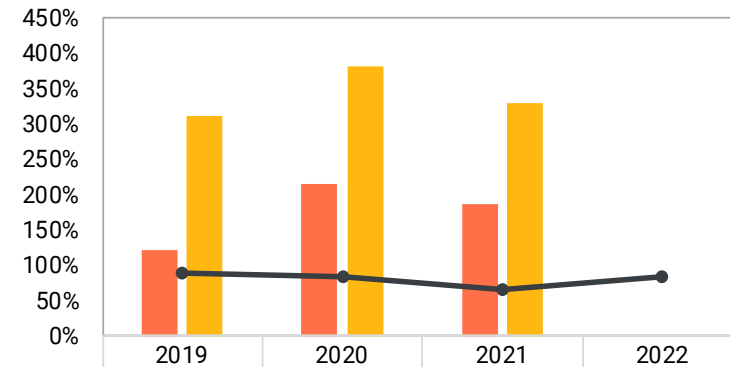
## Key Performance Indicators

**Water Fund Debt Service Coverage**



	2019	2020	2021	2022
Class 4 Cities	119%	248%	257%	N/A
Cities in Le Sueur County	172%	203%	123%	N/A
City of Le Center	71%	89%	90%	103%

**Sewer Fund Debt Service Coverage**



	2019	2020	2021	2022
Class 4 Cities	120%	216%	187%	N/A
Cities in Le Sueur County	311%	382%	329%	N/A
City of Le Center	88%	83%	65%	82%

# Your Abdo Team



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