



Le Sueur County, MN

Tuesday, September 27, 2016

Board Meeting

Item 2

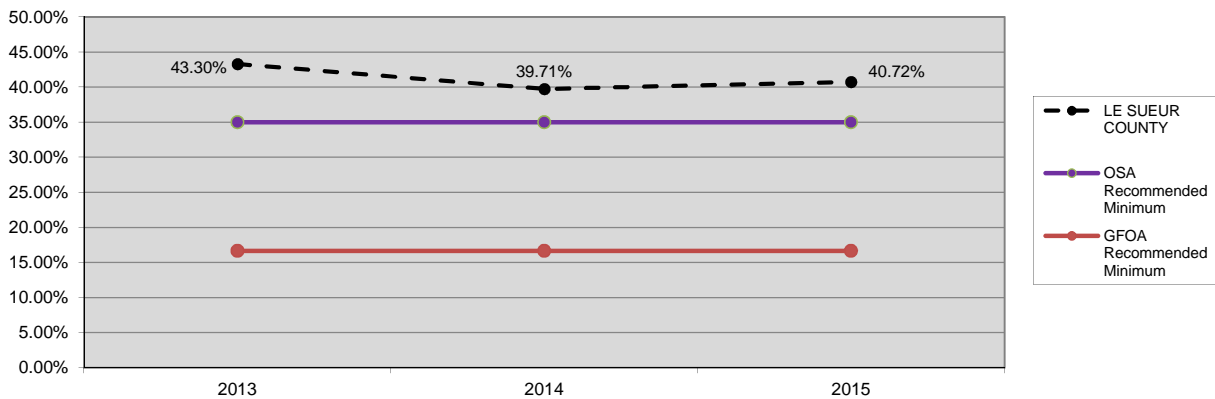
9:05 a.m. Ryan Engelstad, Baker Tilly Virchow Krause, LLP (30 min)

Staff Contact:

LE SUEUR COUNTY
2015 FINANCIAL STATEMENT HIGHLIGHTS

GENERAL FUND	2015
Details of Fund Balance	
<u>Nonspendable</u> <i>includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.</i>	\$ 25,156
<u>Restricted</u> <i>consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations or other governments or 2) law through constitutional provisions or enabling legislation.</i>	1,100,226
<u>Assigned</u> <i>includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed.</i>	79,340
<u>Unassigned</u> <i>includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories.</i>	5,106,826
Total Fund Balance (page 3)	\$ 6,311,548
General Fund Expenditures (page 5)	\$ 12,737,440
Assigned and Unassigned Fund Balance	\$ 5,186,166
Assigned and Unassigned General Fund - Fund Balance as % of above Expenditures	40.72%

Available or Assigned/Unassigned Fund Balance as a Percentage of Expenditures

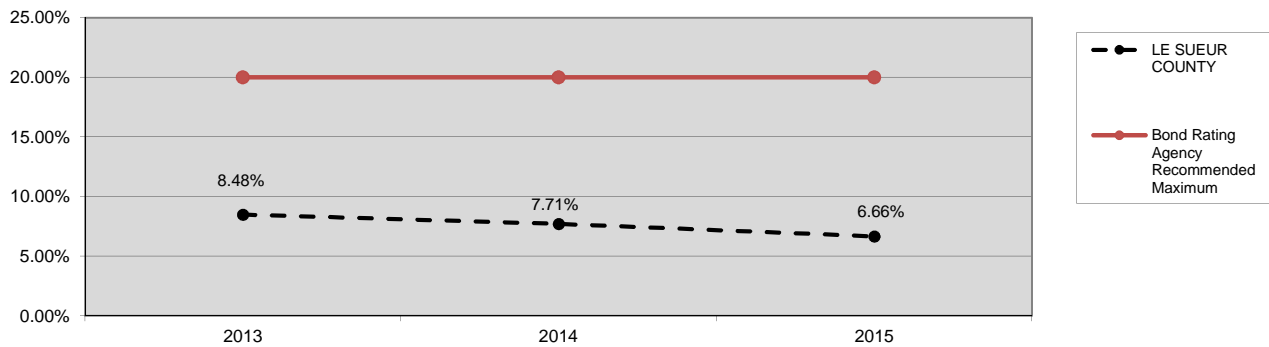


General Fund Summarized Income Statement (page 45)	2015 Budget	2015 Actual	2014 Actual
Revenues and other financing sources	\$ 12,676,353	\$ 13,283,423	\$ 11,811,265
Expenditures and other financing uses	(12,689,353)	(12,753,685)	(11,973,760)
NET CHANGE IN FUND BALANCE	\$ (13,000)	\$ 529,738	\$ (162,495)
CASH AND INVESTMENTS	2015	2014	2013
Cash and Investments			
Unrestricted	\$ 20,701,755	\$ 17,494,605	\$ 19,850,069
Fiduciary Funds	1,456,359	1,433,822	1,450,154
Total Cash and Investments (page 22)	\$ 22,158,114	\$ 18,928,427	\$ 21,300,223

LE SUEUR COUNTY
2015 FINANCIAL STATEMENT HIGHLIGHTS (cont.)

MAJOR SPECIAL REVENUE FUND - ROAD & BRIDGE	2015	2014	2013
Total Fund Balances (Deficit) (page 3)	\$ 3,050,445	\$ (1,957,741)	\$ 1,378,982
MAJOR SPECIAL REVENUE FUND - HUMAN SERVICES	2015	2014	2013
Total Fund Balances (page 3)	\$ 6,074,170	\$ 6,057,164	\$ 5,431,366
MAJOR SPECIAL REVENUE FUND - ENVIRONMENTAL HEALTH	2015	2014	2013
Total Fund Balances (page 3)	\$ 2,278,354	\$ 1,917,340	\$ 1,983,895
MAJOR SPECIAL REVENUE FUND - COUNTY DITCH	2015	2014	2013
Total Fund Balances (Deficit) (page 3)	\$ (546,202)	\$ (119,937)	\$ 28,598
GENERAL LONG-TERM DEBT	2015	2014	2013
Outstanding General Obligation (G.O.) Debt, less amount available in debt service fund	\$ 18,625,453	\$ 10,614,012	\$ 12,462,438
Total G.O. Debt Capacity	109,979,391	107,335,590	100,973,613
Percent of Debt Limit	16.94%	9.89%	12.34%
	2015	2014	2013
Percentage of Debt Service to Non-Capital Expenditures - Governmental Funds	6.66%	7.71%	8.48%

Debt Service to Non-Capital Expenditures



Le Sueur County

Review of 2015 Audits

September 27, 2016

This report is intended solely for the use of the County Board and Management.

Agenda



Candor. Insight. Results.

- > Status of Engagements
- > Required Audit Communications
- > Other Management Letter Points
- > Review of Financial Statements Audit
- > Review of Federal Awards Compliance Audit
- > Questions

> Audit of Financial Statements

- Draft reports finalized – issued
- Publication of necessary info and submission of electronic report State Auditor's office completed by Auditor/Treasurer's office

> Audit of Federal Award Programs

- Draft reports finalized – issued
- Electronic filing of Data Collection Form and Audit Report to the Federal Audit Clearinghouse to be completed

> Audit of Compliance with State Statutes

- Included with the compliance report noted above – no findings to report

Required Audit Communications



Candor. Insight. Results.

- > Auditors' responsibility
 - Findings similar to prior year, which are common for local governments of your size
- > Documents containing audited financial statements
- > No changes to planned scope and timing
- > Accounting policies
 - GASB 68 and 71 implemented
- > Accounting estimates
 - Net pension liability
- > Financial statement disclosures are neutral, clear and consistent
- > No difficulties in performing the audit
- > Audit adjustments
 - Some were material and a complete list is attached
- > No disagreements with management
- > No consultations with other accountants
- > Management representations
- > Independence
- > Other findings or issues in normal course of audit
- > Other matters
- > Restriction on use

Other Management Letter Points



Candor. Insight. Results.

- > Two-way communication regarding your audit
 - Planning mechanism for next year's engagement
- > Other recommendations and informational points
 - Decentralized cash collections
 - Fraud prevention and detection
 - Cyber risk assessment
 - Interpreting your financial statements post-GASB 68
 - GASB updates (Statements 72 through 82 and other projects)
 - New resources for governing boards

- > Independent Auditors' Report
 - Unmodified opinion
- > Management's Discussion and Analysis
- > Basic financial statements
 - Full accrual Statement of Net Position and Statement of Activities (similar to how a business would report)
 - Modified accrual fund statements (similar to budget basis)
 - Footnotes (standard disclosures)
- > Required supplementary information
 - Budget to actual schedules for General Fund and major special revenue funds
 - PERA contributions and share of net pension liability schedules
- > Supplementary information
 - Combining statements and schedules
 - Budget to actual schedules for remaining governmental funds
 - Schedule of Intergovernmental Revenues
- > See [Handbook for Accounting](#)

Federal Awards/Grant Programs Audit

- > Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and *Minnesota Legal Compliance*
 - Identifies material weakness findings similar to prior years (as mentioned previously)
- > Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance: and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance
 - No findings identified
- > Schedule of Findings and Questioned Costs
 - Summarizes results
 - Identifies the major grant programs tested (Child Support and Medical Assistance)
- > Schedule of Expenditures of Federal Awards
 - Lists all federal grants and amounts expended for each
 - Total expenditures were \$2,383,013 (programs noted above represented 50% of total)

Questions?

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