

2018 Annual Audit

MCDIRMIT  DAVIS

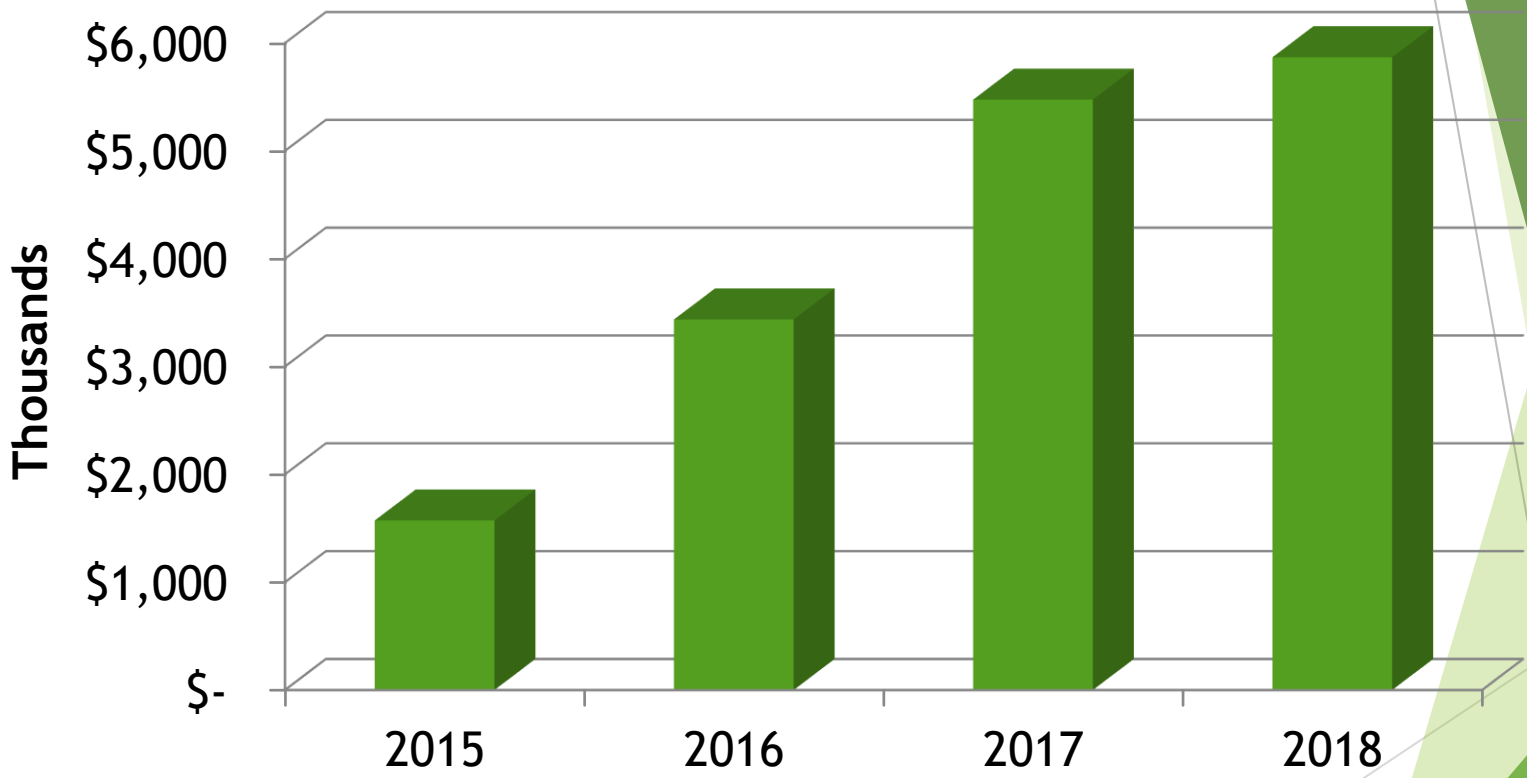
HIGHLIGHTS

- ▶ Total Net position for the city increased \$2.3 Million
- ▶ General Fund increased 393,000 in 2018 primarily due to transfers in.
- ▶ Unassigned fund balance in the General Fund was \$814,491
- ▶ Restricted fund balance was \$4.6 Million.
 - ▶ \$2.6 Million restricted for capital improvements-impact fees
 - ▶ \$2 Million restricted for building inspections
- ▶ Total fund balance is 72% of general fund expenditures, and unassigned fund balance is 10% of expenditures.
- ▶ Actual revenues were \$358,000 more than budgeted projections.
- ▶ Actual expenditures were \$973,000 less than budgeted.

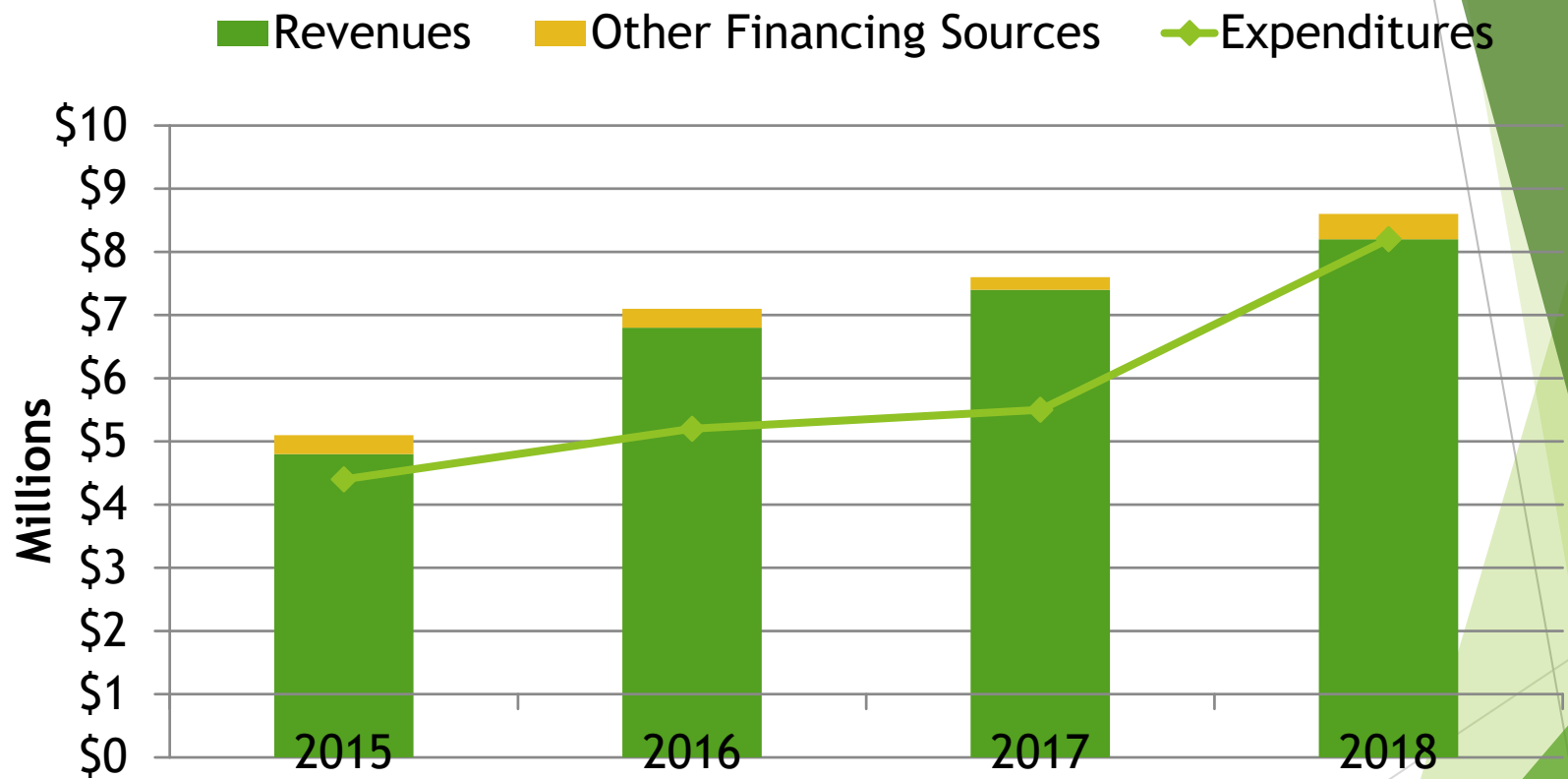
HIGHLIGHTS

- ▶ The Utility Fund net position increased \$596,000 primarily due to increased grant revenues
- ▶ The Utility Fund in 2018 continues to have an operating loss as in prior years. Since impact fees and capital contributions are restricted, the City may consider raising water/sewer rates so that operating expenses are covered by operating revenue.
- ▶ Unrestricted net position- deficit \$473,000
- ▶ Large balance due to the general fund \$885,000

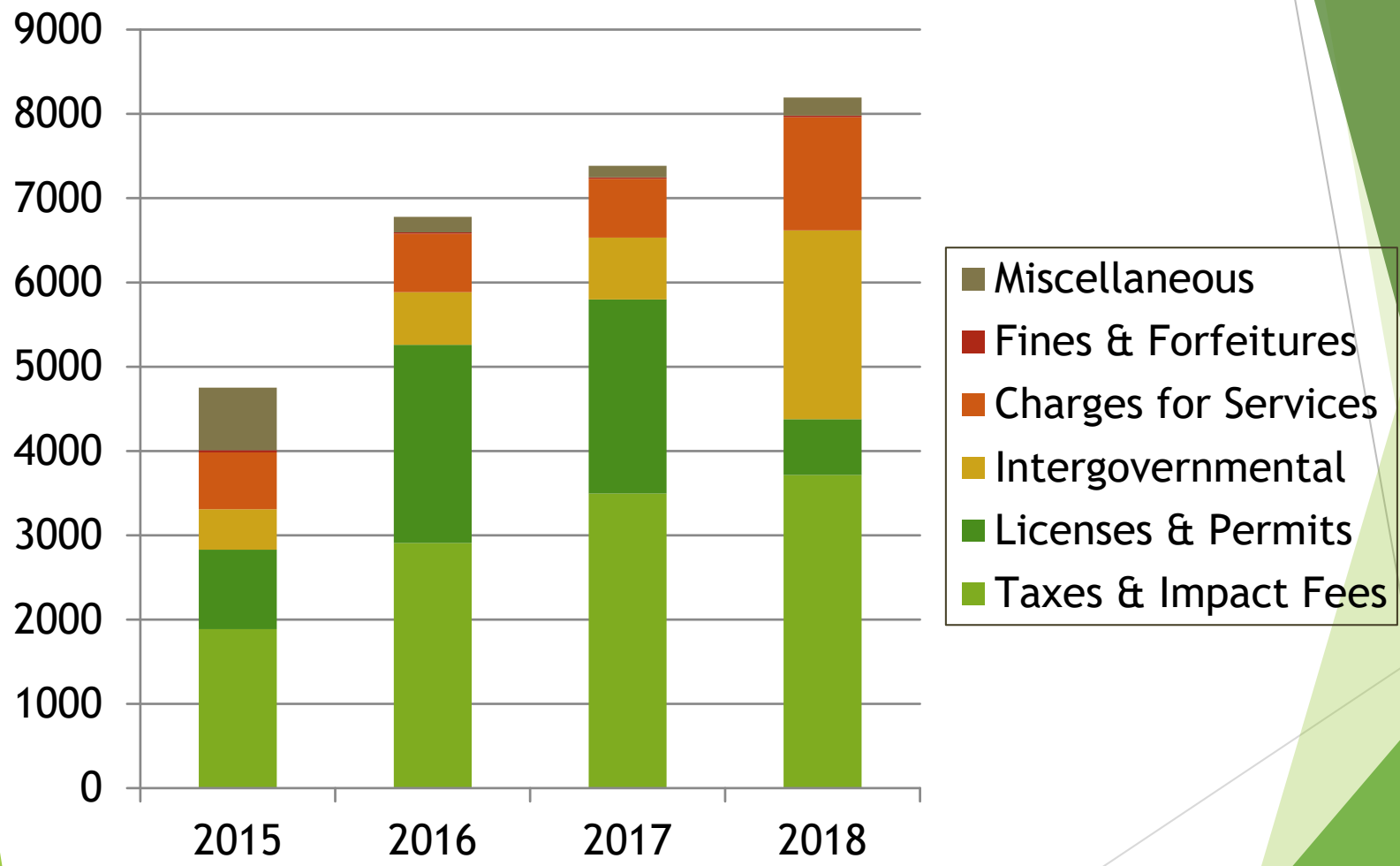
General Fund Total Fund Balance



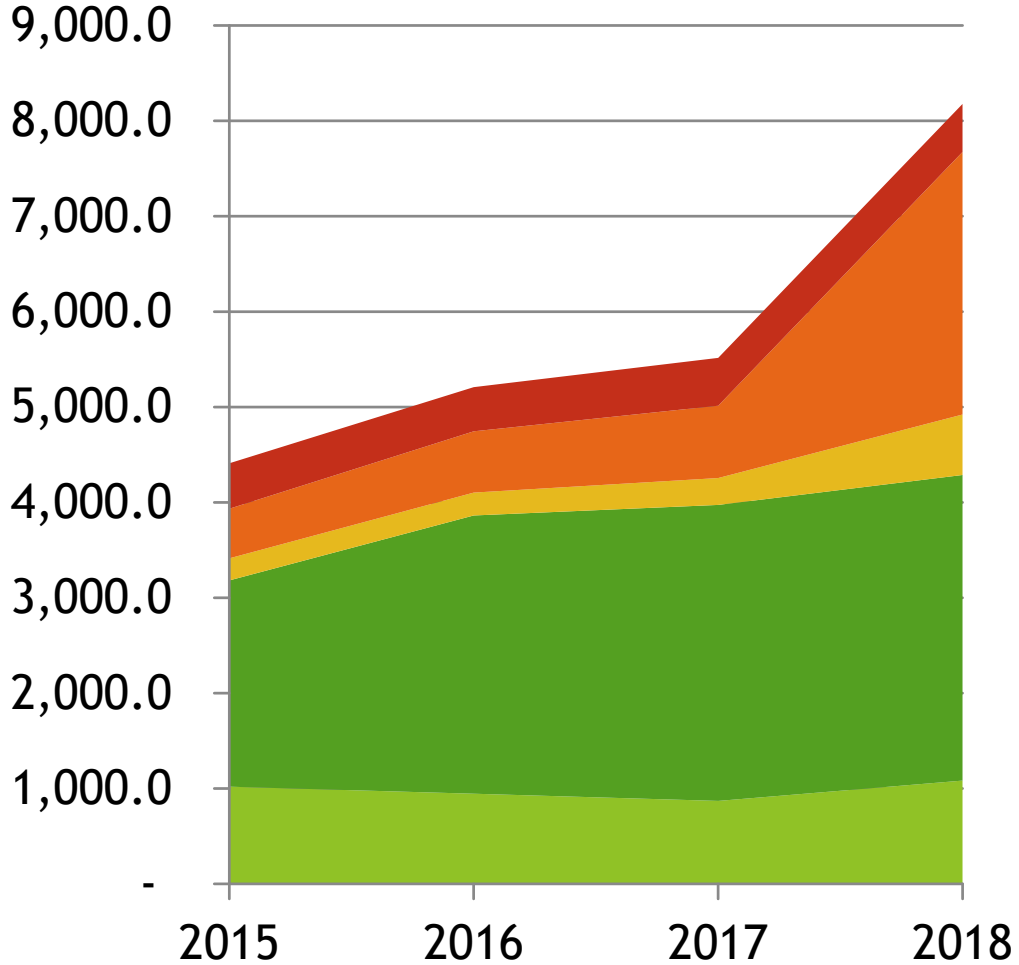
General Fund Revenues and Expenditures over Time



Governmental Revenues Composition over Time

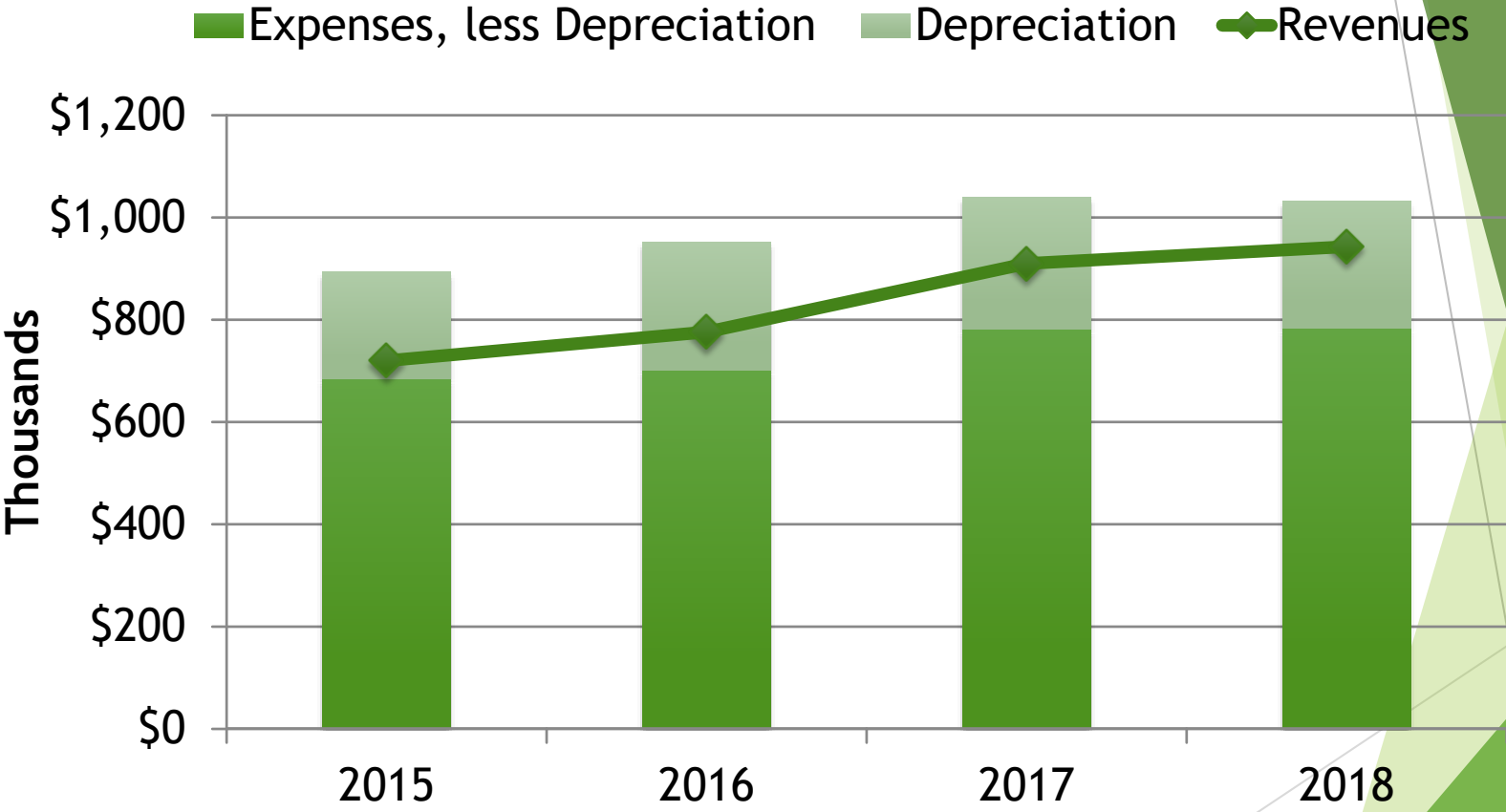


Governmental Expenditures Composition over Time

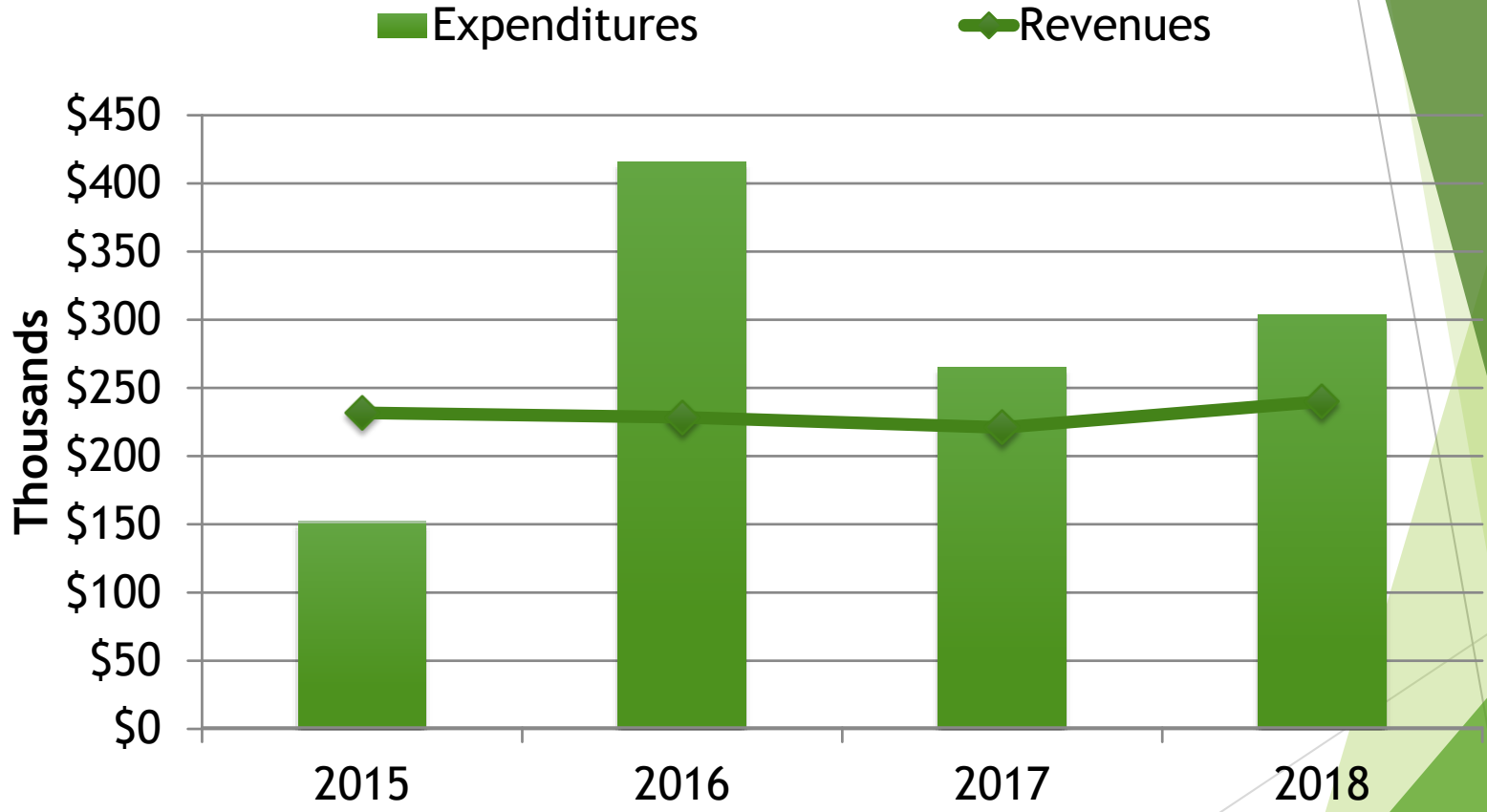


- Sanitation
- Culture & Recreation
- Transportation
- Public Safety
- General Government

Utility Fund Revenues and Operating Expenses over Time



Community Redevelopment Fund Revenues and Expenses over Time



HIGHLIGHTS

- ▶ Audit Opinion - **unmodified**
- ▶ City has submitted the FY18 CAFR to the GFOA for the Certificate of Achievement in Financial Reporting
- ▶ City was subject to a State Single audit
 - ▶ Major program was the Wastewater Interconnect Project
 - ▶ No findings related to the single audit.
- ▶ Other Reports state that City is in compliance with laws and regulations however there are some deficiencies in internal control which are significant deficiencies.

HIGHLIGHTS

- ▶ Comments related to the Pension Fund are the same as last year.
 - ▶ Pension investments should be completely segregated from city funds
 - ▶ Pension valuations should be done every 2 years
- ▶ New comment related to the City's investment policy.