

COUNCIL WORK SESSION MINUTES

**January 20, 2021 – 4:53 p.m.
City Hall via video conferencing**

A Council work session was held to discuss the Fiscal Year 2020 audit.

Attending: Mayor Bill McMurray and Councilmembers Brenda Blessing, Madison Davis, PJ Kovac, Russell Moore, Brian Meyers, Marty Novak, Kent O'Dell and Gary Roach.

Bryan Carter, Acting City Manager/City Attorney; Tom Mahoney, Interim Administrative Services Director; Chris Connally, Police Chief; Mary Robertson, Asst. to the City Manager/Communications & Public Relation Manager; Paul Flury, Network Administrator; Ed Schilling, Multimedia Planner; and Paula Heyde, City Clerk.

Mayor Bill McMurray called the meeting to order.

The Comprehensive Annual Financial Report (CAFR) Fiscal Year 2020 was previously distributed on December 31, 2020.

Tom Mahoney, Interim Administrative Services Director, introduced CliftonLarsonAllen representatives Doug Host, Principal, and Harold Ray, Signing Director.

Mr. Host and Mr. Ray gave the following power point presentation: Audit Presentation Year Ending June 30, 2020 (copy attached).

The meeting adjourned at 5:19 p.m.



Minutes transcribed by Paula Heyde, CMC, City Clerk.

City of St. Joseph, Missouri

Audit Presentation
Year Ending June 30, 2020

WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor

© 2019 CliftonLarsonAllen LLP



Create Opportunities

Audit Team

Your audit team consisted of the following professionals with a focus in governmental accounting and auditing:

- Doug Host – Principal (29 years)
- Harold Ray – Signing Director (12 years)
- Jason Moses – Manager (7 years)
- 10 other Associates and Seniors



Required Communications

- The City received an unmodified opinion for the June 30, 2020 financial statement audit.
- See separate letters for required communications under auditing standards.



Required Communications

Topic	Communication
Significant Accounting Estimates	<ul style="list-style-type: none">• An area of focus under a risk-based audit approach• Estimates determined by management based on their knowledge and experience, and outside consultants as necessary• No management bias indicated• Estimates were deemed reasonable



Internal Control Items

Material Weaknesses – deficiencies in internal control such that there is a reasonable possibility that a **material misstatement** would not be prevented or detected and corrected on a timely basis.

- **Audit Adjustments**

Significant Deficiencies - deficiencies in internal control that are **less severe than material weaknesses**, yet important enough to **merit attention by those charged with governance**.

- **Journal Entries**



Audit over Major Federal Programs

- Total federal awards expended = \$15,927,130
- CLA audited six major programs
 - Military Construction, National Guard
 - ◇ Expenditures totaled \$1,720,445
 - Community Development Block Grant
 - ◇ Expenditures totaled \$1,570,205
 - Highway Planning & Construction Cluster
 - ◇ Expenditures totaled \$753,465
 - Federal Transit Cluster
 - ◇ Expenditures totaled \$3,318,701
 - Capitalization Grants for Clean Water State Revolving Fund
 - ◇ Expenditures totaled \$5,684,915
 - Disaster Grants
 - ◇ Expenditures totaled \$1,081,992



Federal Award Findings and Questioned Costs

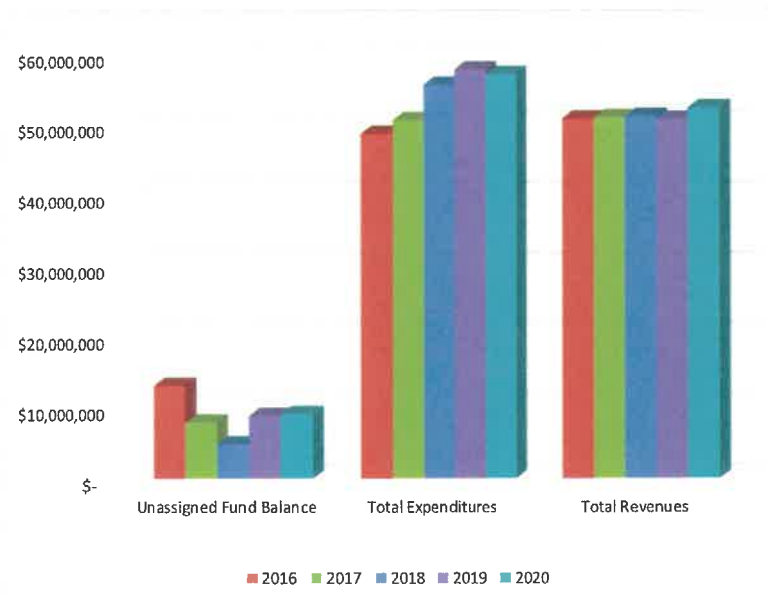
A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

- **Suspension and Debarment**



General Fund Financial Results

General Fund Revenues, Expenditures and Fund Balance

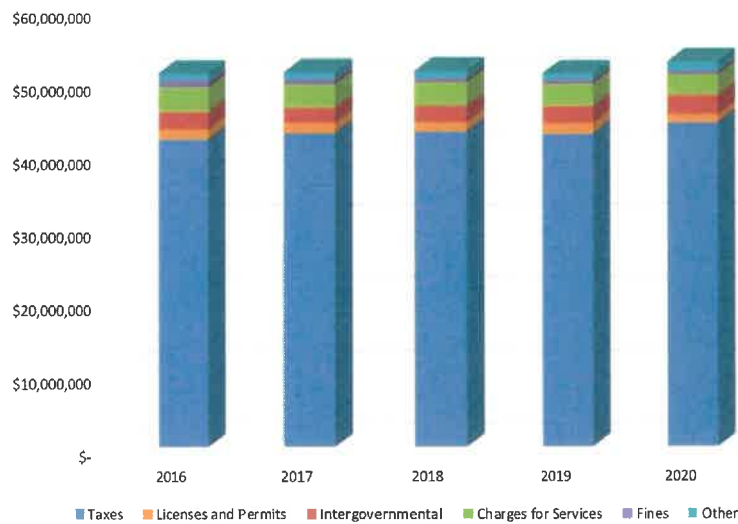


- Expenditures exceeded revenues by \$4.8 million in 2020.
- Net transfers into the fund of \$5.4 million funded the shortfall



General Fund Financial Results

Total General Fund Revenues



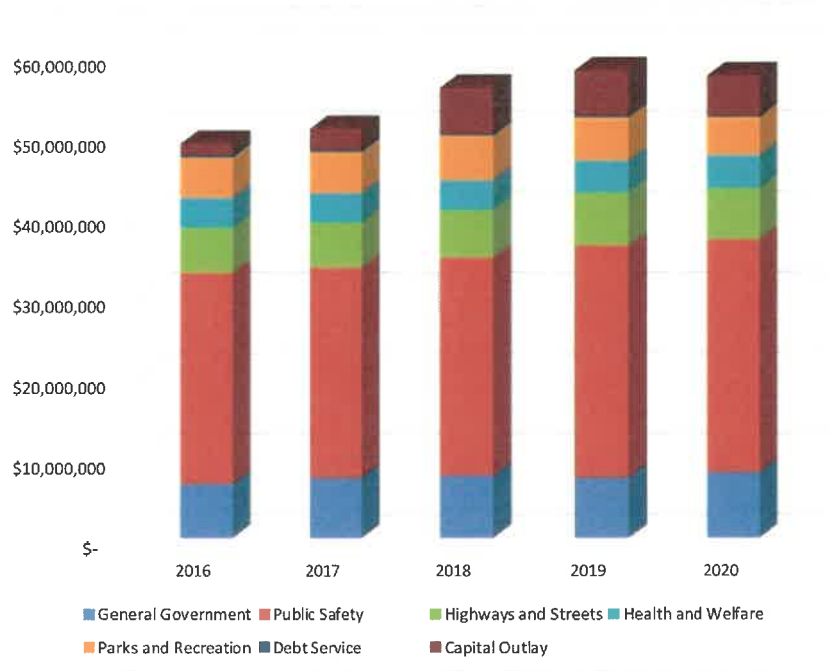
- Revenues under budget by \$411,000
- Taxes approximately 84% of total revenue.
- Charges for services approximately 5%.
- Intergovernmental approximately 5%.



General Fund Financial Results

Total General Fund Expenditures

© 2019 CliftonLarsonAllen LLP



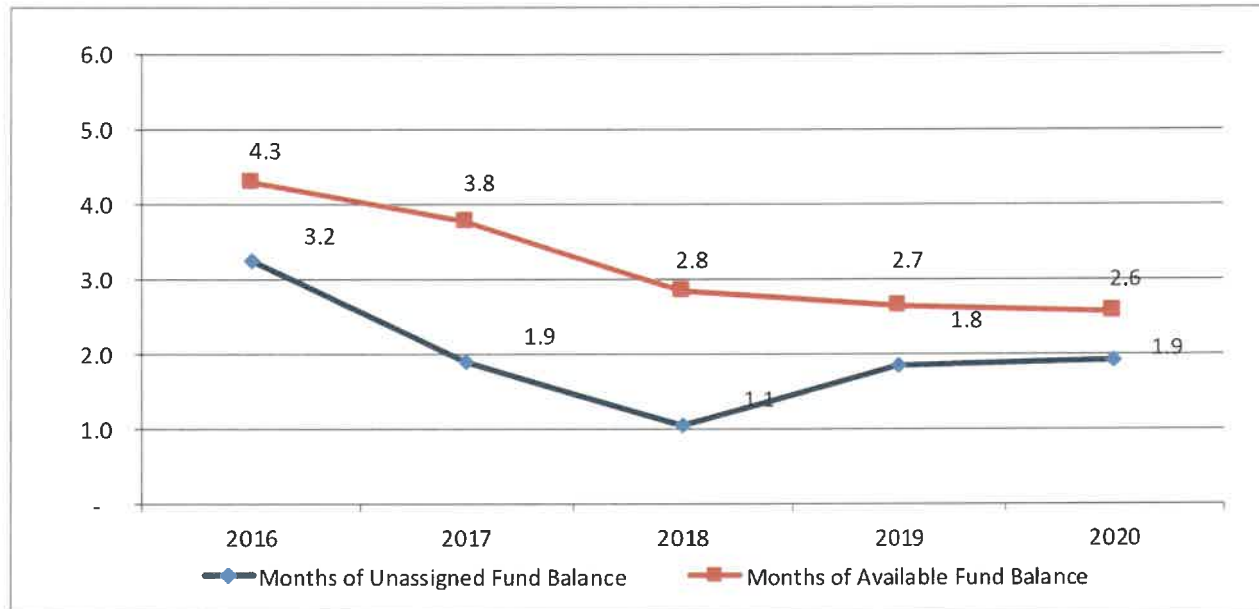
- Total current year expenditures were 95% of budget.
- Decrease of \$683,000 compared to 2019 (GAAP basis)
- Under budget by \$3.1M (Non-GAAP basis)



Financial Results

General Fund Months Expenditures in Fund Balance

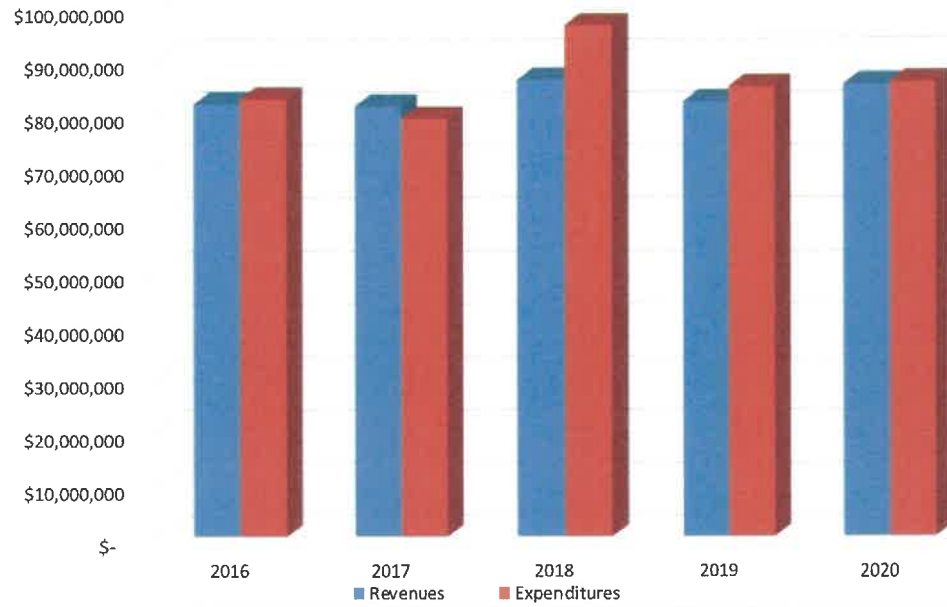
©2019 CliftonLarsonAllen LLP



Financial Results

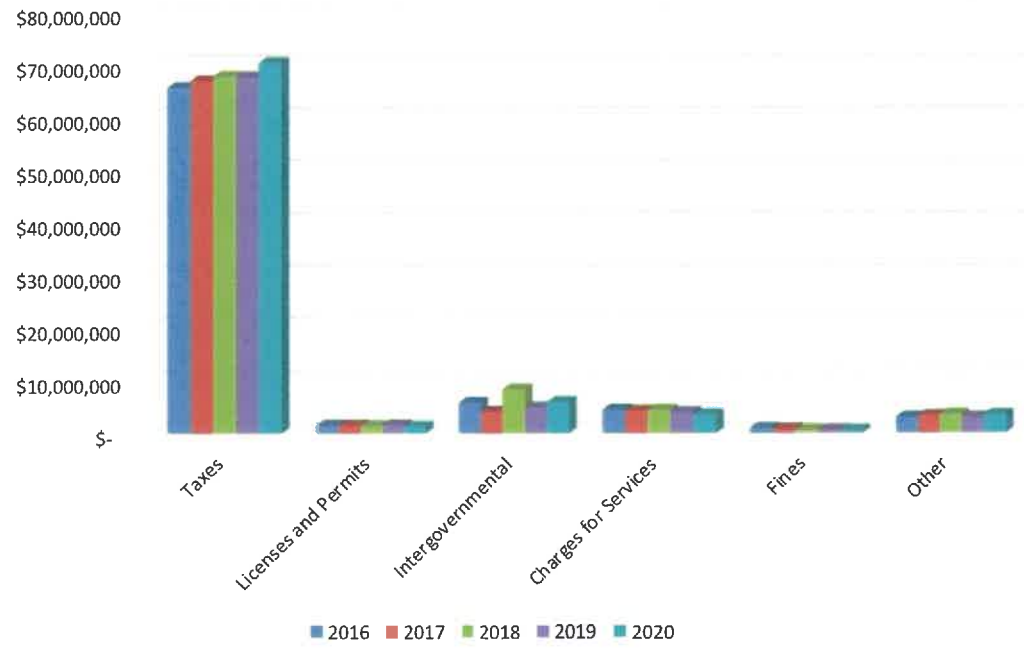
Total Revenues and Expenditures for all Governmental Funds

© 2019 CliftonLarsonAllen LLP



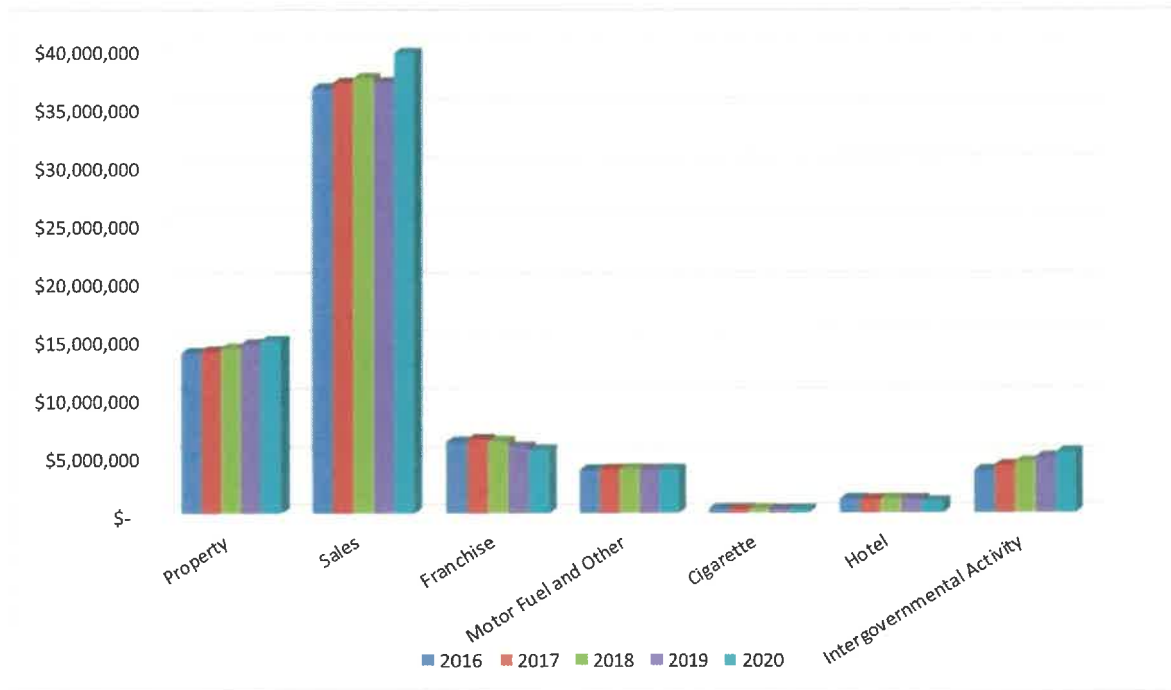
Financial Results

Total Revenue – Governmental Funds



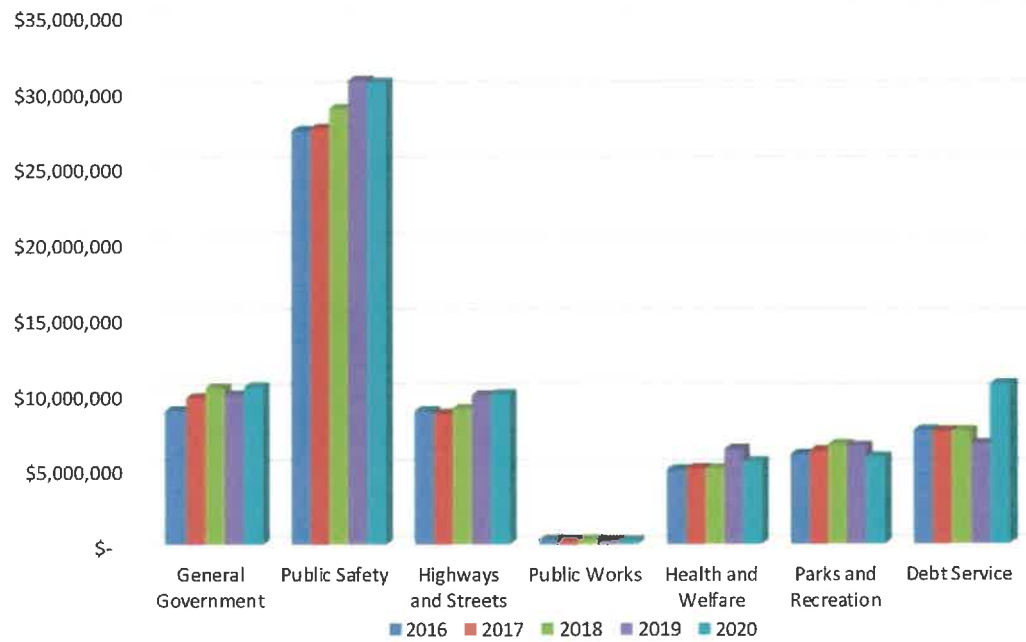
Financial Results

Taxes by Type – Governmental Funds



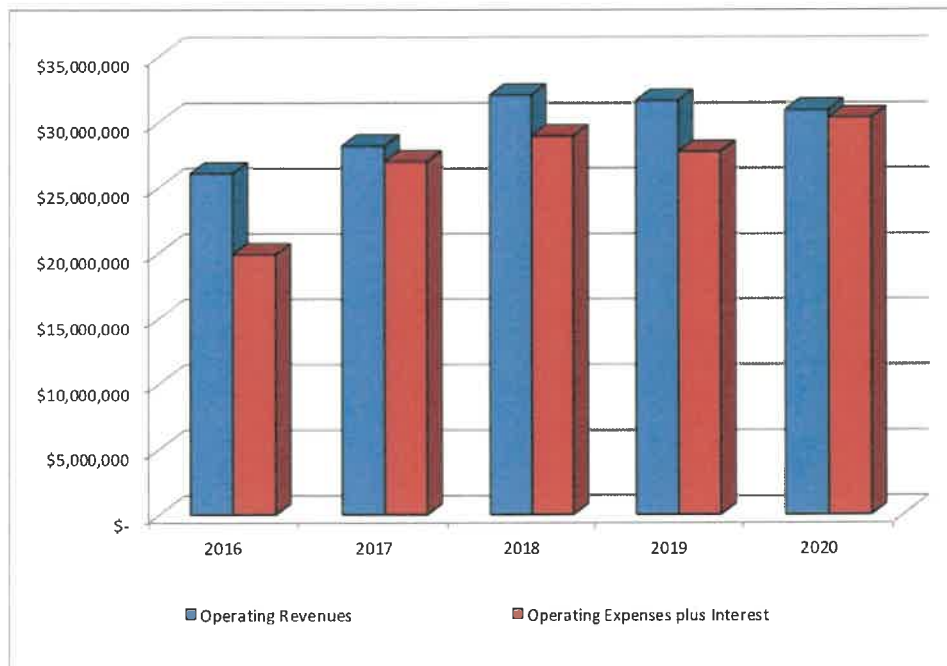
Financial Results

Total Expenditures – Governmental Funds



Financial Results

Water Protection Fund

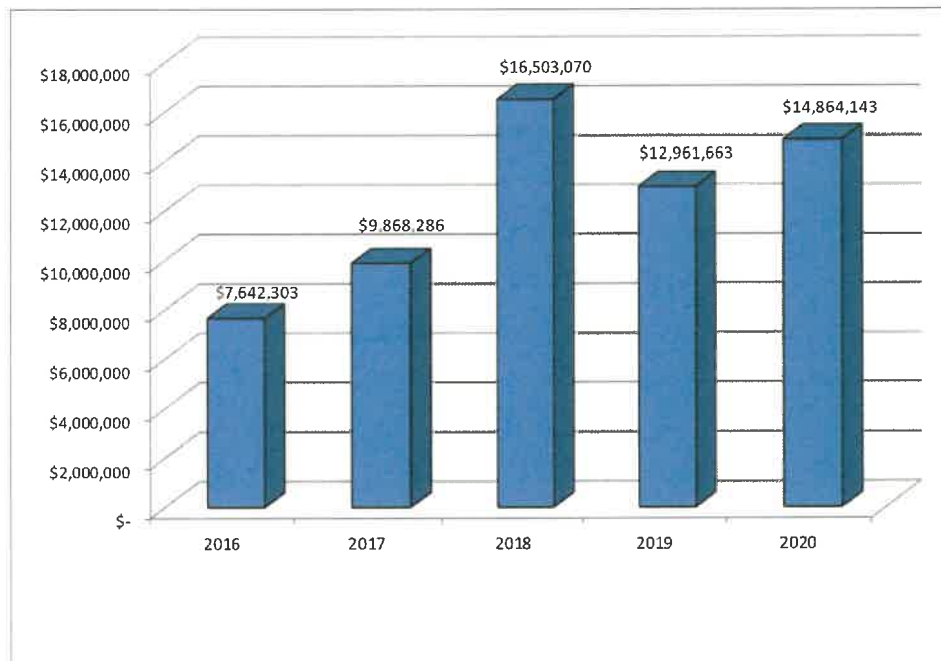


- Operating revenues decreased 2.3% from prior year.
- Total operating expenses plus interest increased 9.4%



Financial Results

Water Protection Fund – Cash Flows from Operations

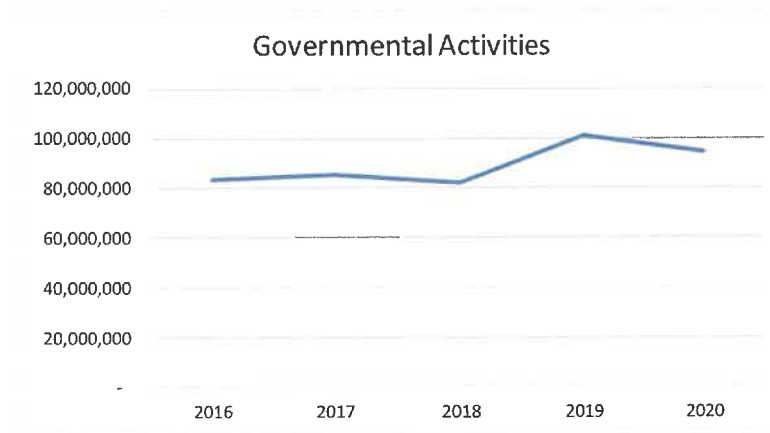


- Cash provided by operations of \$14.9M in 2020.
- Total cash and investments of \$45.3M but unrestricted cash and investments of \$9.5M.



Debt Levels

Governmental Activities

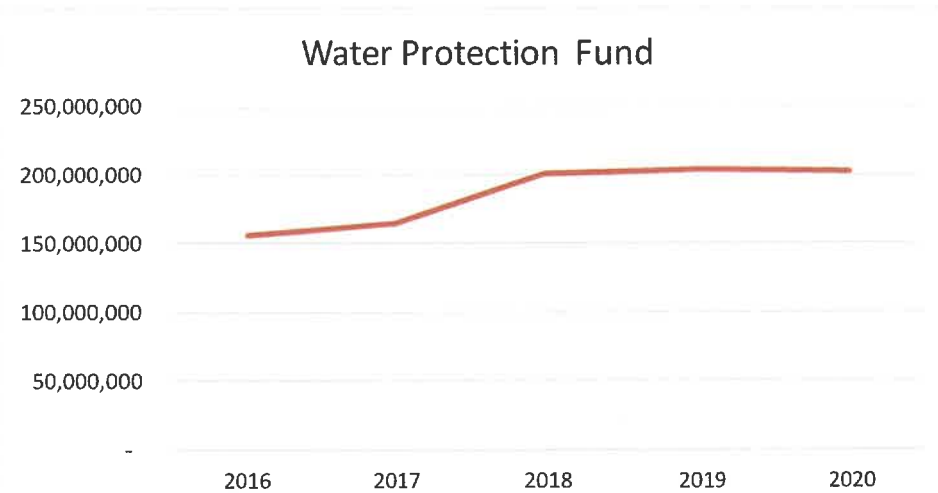


	2016	2017	2018	2019	2020
Public Building Authority Bonds					
IDA Bonds	35,245,000	33,560,000	31,760,000	20,945,000	15,700,000
Infrastructure Facility Revenue Bonds	10,820,000	9,670,000	8,495,000	7,285,000	6,030,000
MDFB Bonds	1,260,000	1,125,000	985,000	840,000	685,000
Discount	(129,639)	(115,534)	(101,429)	(29,936)	(23,158)
Developer Obligations	32,034,429	34,612,468	34,261,156	62,139,100	59,859,708
Capital Lease Obligations	260,637	197,704	102,180	2,282,620	2,132,330
Compensated Absences	1,630,301	1,679,867	1,689,161	1,668,480	1,737,057
OPEB Obligation	1,183,069	3,364,907	3,597,559	3,513,171	6,536,827
Claims	1,426,781	1,511,701	1,549,930	2,226,796	2,122,736
Governmental Activities	83,730,578	85,606,113	82,338,557	100,870,231	94,780,500



Debt Levels

Water Protection Fund

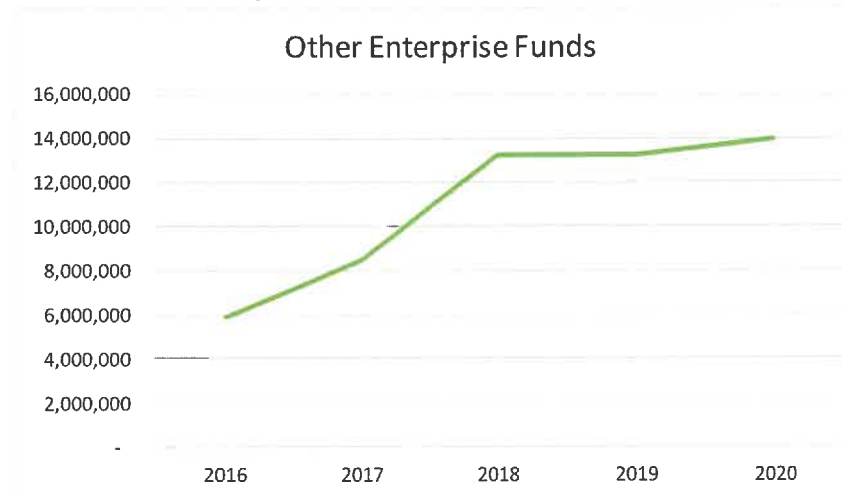


	2016	2017	2018	2019	2020
Revenue Bonds	98,288,292	109,110,424	147,705,348	154,199,642	154,999,053
IDA Bonds	29,090,000	28,135,000	26,590,000	24,980,000	23,310,000
Infrastructure Facility Revenue Bonds	19,580,000	18,960,000	18,315,000	17,645,000	16,950,000
MDFB Bonds	6,485,000	5,850,000	5,195,000	4,520,000	3,825,000
Discount	(89,736)	(85,376)	(81,016)	(76,656)	(72,296)
Premium	3,370,774	3,079,260	3,199,865	2,887,744	2,575,623
Capital leases	903	11,643	8,308	4,909	1,442
Compensated Absences	137,372	127,444	137,293	153,686	135,775
OPEB Obligation	136,174	390,026	424,812	418,703	792,178
Water Protection Fund	156,998,779	165,578,421	201,494,610	204,733,028	202,516,775



Debt Levels

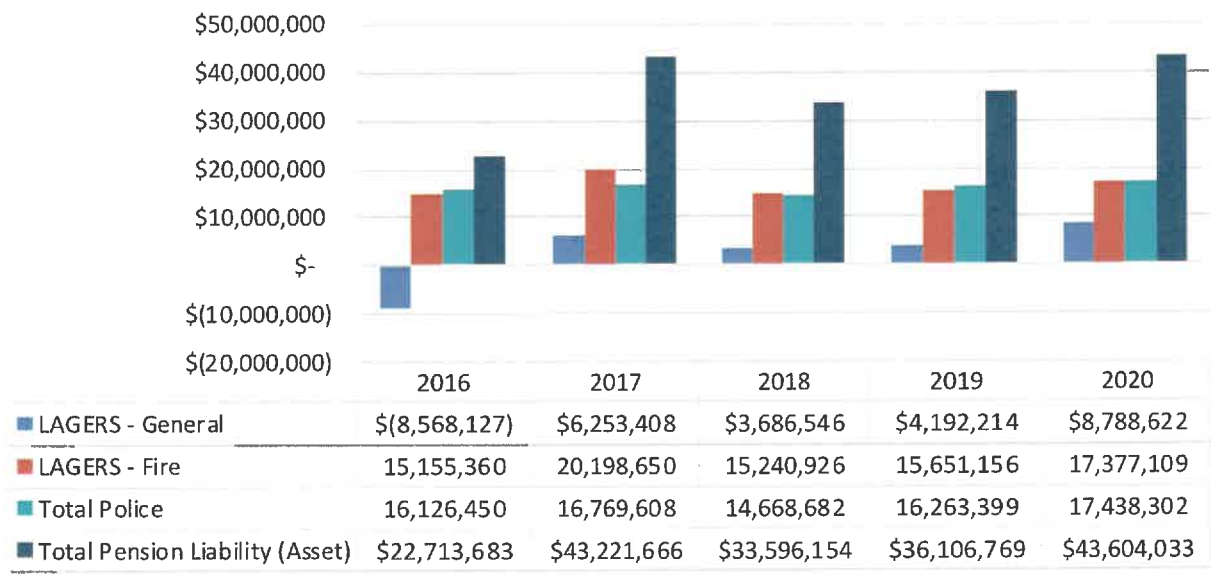
Other Enterprise Funds



	2016	2017	2018	2019	2020
Capital Leases	156,188	111,659	145,938	108,487	423,465
Other Obligations		2,545,560	2,058,654	1,887,149	1,708,991
Closure/Post Closure	5,582,993	5,524,141	10,713,978	10,964,764	11,385,383
Compensated absences	122,897	106,386	100,087	79,951	82,131
OPEB Obligation	70,370	197,941	211,970	201,770	375,017
Other Enterprise Funds	5,932,448	8,485,687	13,230,627	13,242,121	13,974,987
Business type activities	162,931,227	174,064,108	214,725,237	217,975,149	216,491,762



Net Pension Liability (Asset)



Financial Results

- Other Financial Highlights
 - Comprehensive Annual Financial Report was submitted to the GFOA before the deadline of December 31.





CLAconnect.com

Thank you for allowing us to serve you!

Contact Information:

Doug Host, CPA

816-232-8441 x12948

Doug.Host@CLAconnect.com

Harold Ray, CPA

816-232-8441 x18924

Harold.Ray@CLAconnect.com



© 2019 CliftonLarsonAllen LLP