

To: **Mayor and City Council**
 Through: **Ryan Schroeder, City Manager**
 From: **Charlene Stark, Finance Director**
 Date: **June 22, 2020**

2019 Comprehensive Annual Financial Report (CAFR)

BACKGROUND INFORMATION:

The audit firm, Abdo, Eick & Meyers, LLC, completed an audit of the City’s 2019 finances. Bonnie Schwieger from Abdo, Eick & Meyers LLC will be here to present the results of this year’s audit in detail.

Included in this memo is an update on the City’s Cash to Debt and the City’s Financial Cash plan. These plans are being reported here as of Dec. 31, 2019. The impact of the spring shutdown is not reflected in these numbers. I reported earlier this year a projection of the shutdown impacts out to September. In July, when we come back with the 2021-2022 budget I will bring a new update to our current budget cycle.

Cash to Debt ratio is a schedule that shows the City’s cash less the total outstanding debt. Our goal is that the City will have more cash on hand at the end of the year than outstanding debt payments. Prior to this year, positive net cash had been projected to occur in 2028. We are currently trending for this to occur one year earlier. Our actual ending net value is \$-28,727,539 vs. the projected amount of \$-31,483,285.

Financial Plan- this is the plan the City has been working towards improving the overall cash balances in each of the funds (or cost centers) of the City. We started back in 2018, with an overall goal of \$39,521,201 and a shortage of that goal by (\$18,636,230). In 2019, we are reporting a shortage of (\$14,309,068) which is a gain in cash of \$4,327,162. By 2025, the projection indicates the City overall goal will be met. On an individual fund basis there will be additional work needed to have all funds meet their individual cash goals.

FISCAL IMPACT:

		Amount
Fund:		
Department:		
Account:		

STAFF RECOMMENDATION:

Attachment: 2019 Comprehensive Annual Financial Report
Management Letter
Other Required Reports
Auditor's presentation
2019 Cash to Debt
2019 Financial Plan Update