



City of Peoria, Illinois Audit Closing Discussion

WEALTH ADVISORY | OUTSOURCING
AUDIT, TAX, AND CONSULTING

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an SEC-registered investment advisor

Financial Statement Highlights

- Highlights for 2020:
 - Page 1 – Audit Report, Unmodified (Clean) Opinion
 - Two pension funds and Foreign Fire Insurance Fund audited by other auditors, who issued unmodified (clean) opinions
 - Page 4 – Management’s Discussion & Analysis



Financial Statement Highlights

- Highlights for 2020 (continued):
 - Page 15 – Government-Wide Statements (full accrual basis)
 - Assets plus deferred outflows of \$573m, liabilities plus deferred inflows of \$858m, net position of (\$285m) (deficit position).
 - \$147m ERO liability for Combined Sewer Overflow
 - Change in net position of (\$149m) in FY20 and (\$2.6m) in FY19



Financial Statement Highlights

- Highlights for 2020 (continued):
 - Page 19 – Governmental Fund Financial Statements
 - Major Governmental Funds: General, Capital Improvement, Police and Fire Pension Levy
 - Change in total fund balances of (\$98k) in FY20 and \$27m in FY19 (due to bond issuance activity)



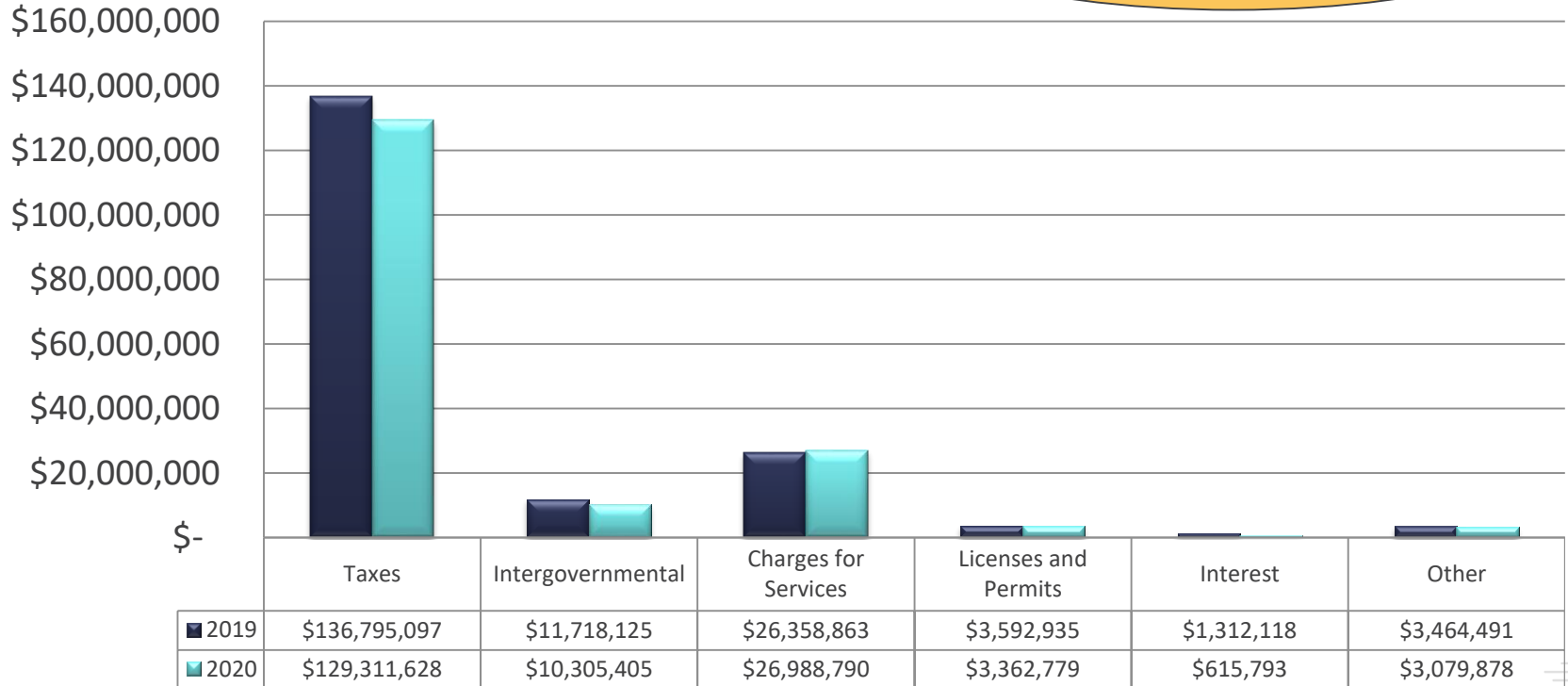
Financial Statement Highlights

- Highlights for 2020 (continued):
 - Page 27 – Proprietary Fund Financial Statements
 - Storm Water Utility Fund experienced a \$7.3m increase in net position during FY20. FY19 experienced a \$3.7m increase.



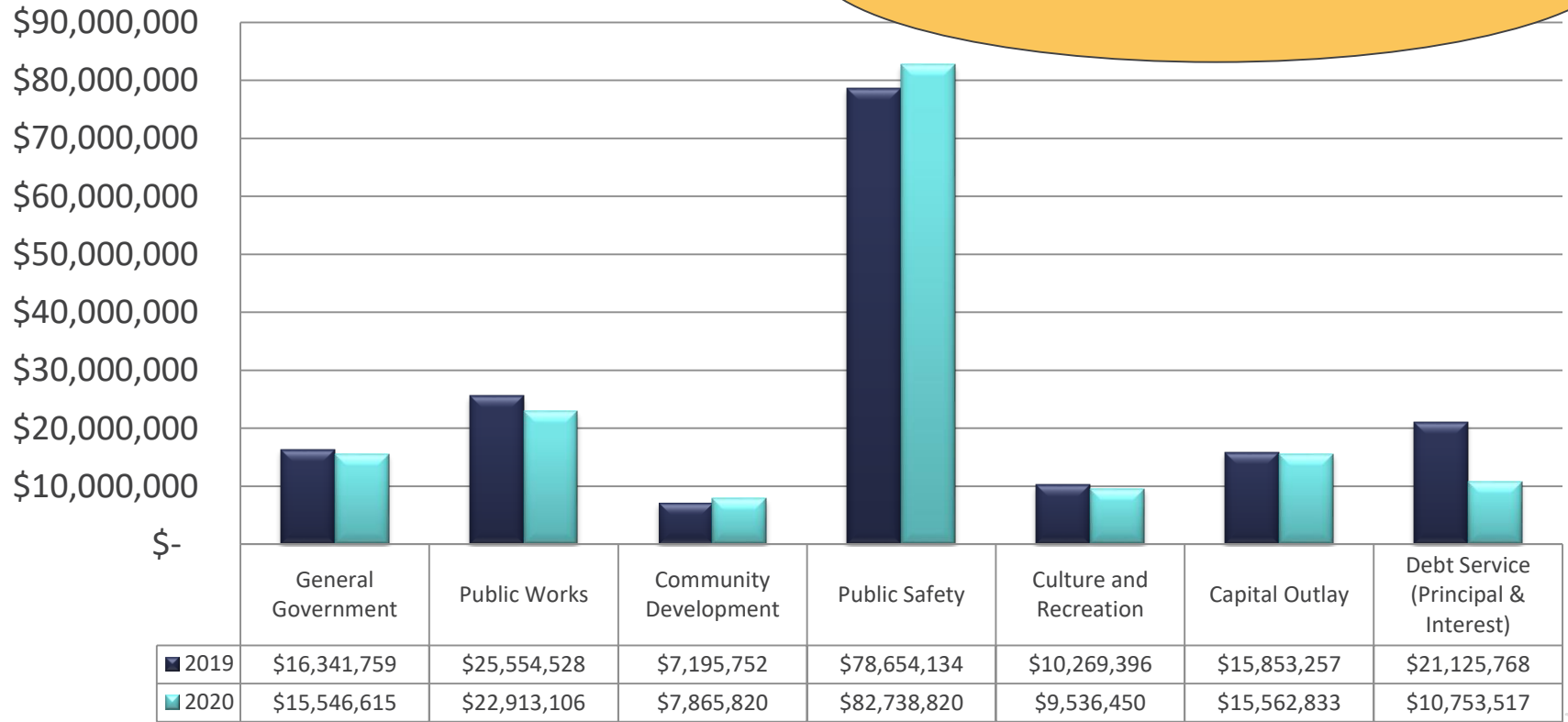
Revenue – Governmental Funds

Multiple tax categories experienced a decrease in FY20, the largest being Hotel, Restaurant, and Amusement Taxes of \$4M due to COVID-19 pandemic. Intergovernmental revenue increased slightly due to an increase in governmental grants and reimbursements.

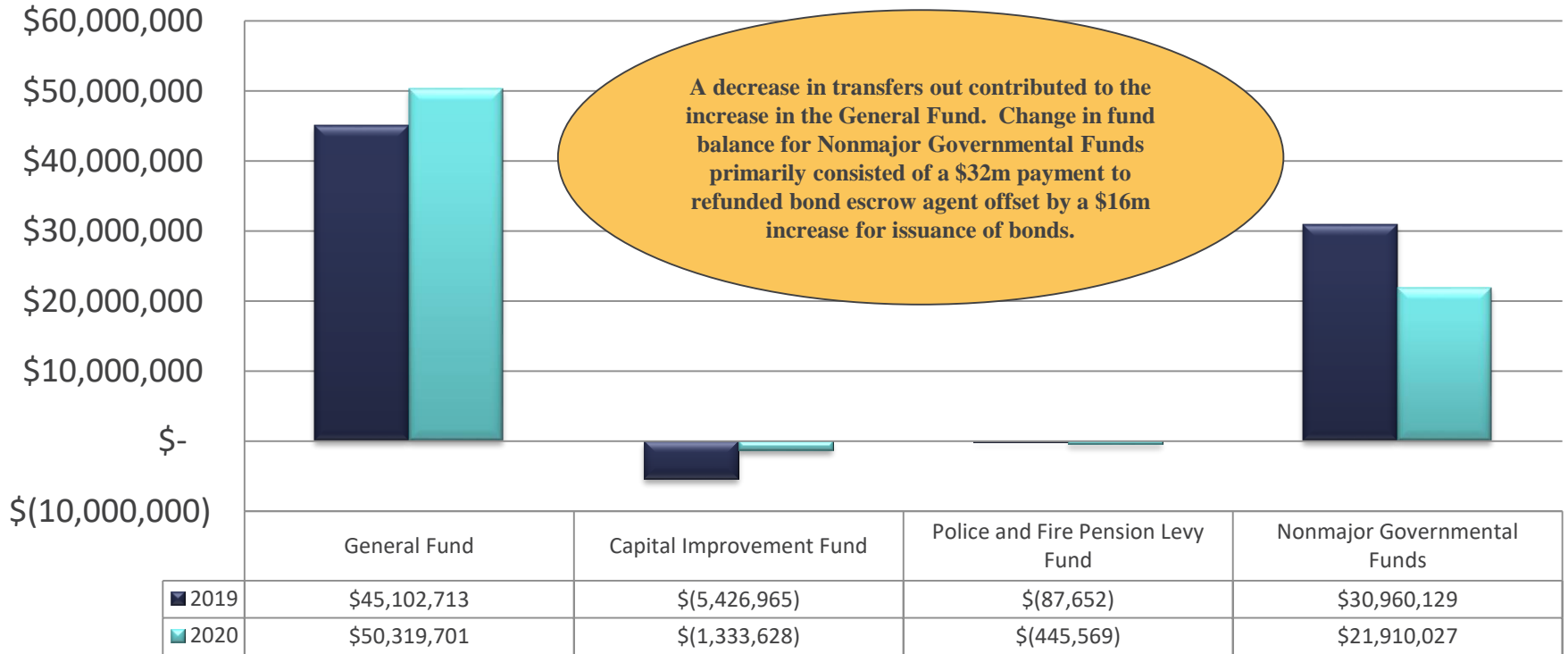


Expenditures by Function - Governmental Funds

The largest variance in expense category is debt service, due to paying off a significant amount of “old” debt when issuing refunding bonds.



Fund Balances – Governmental Funds



Single Audit Report

- Unmodified (Clean) Opinion & No federal findings
- Material Weaknesses:
 - Audit Adjustments
 - Most adjustments were to assist in converting modified accrual to full accrual



Management Letter (other deficiencies)

○ Depreciation Expense

- During recalculation of depreciation expense for a sample of capital assets, we identified several assets in the City's system were calculated incorrectly. These errors were related to the transition to the new software in 2019.



Governance Letter

- No changes in accounting policies, or disagreements with management.
- The completion of the audit was delayed due to turnover of key positions in the Finance Department, which caused delays in the City providing supporting workpapers.



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