

CITY OF FRIDLEY, MINNESOTA

2021 AUDIT REVIEW

MAY 23, 2022



REPORTS ISSUED BY AUDITOR

- Opinion on the Fair Presentation of the Financial Statements
- Report on Internal Controls
- Report on Minnesota Legal Compliance
- Communication to Those Charged with Governance

OPINION ON FINANCIAL STATEMENTS

▪ **What did we do?**

- Determine the financial statements are presented in accordance with established accounting principles and free of material misstatement.

▪ **How did we do it?**

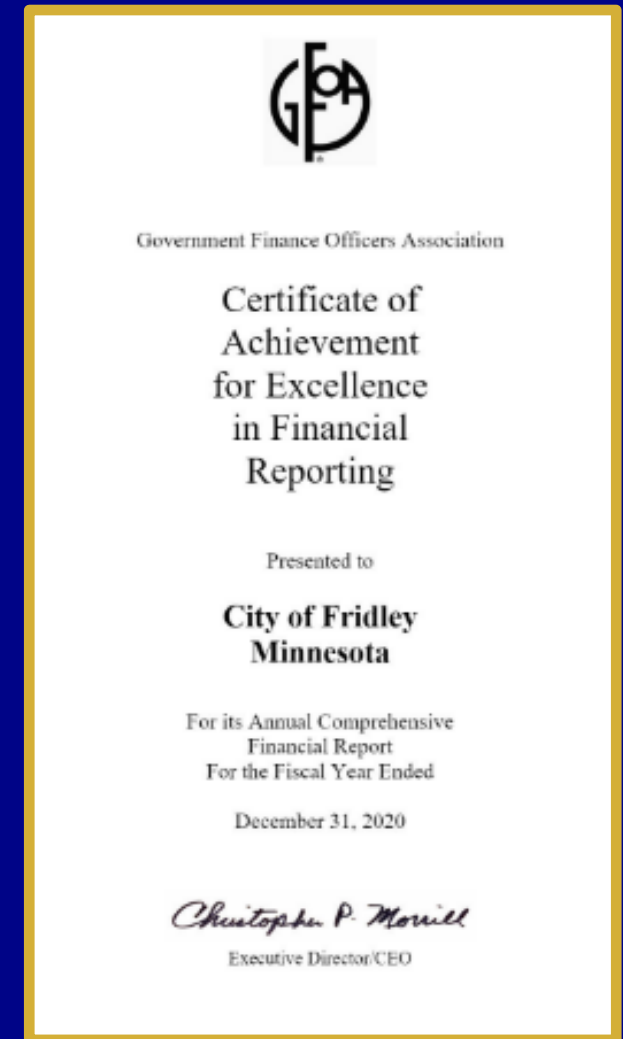
- Plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

▪ **What is the result?**

- An unmodified or “clean” opinion was issued on the 2021 financial statements.

GFOA AWARD FOR EXCELLENCE IN FINANCIAL REPORTING

- The City has received this award for ten consecutive years.



REPORT ON INTERNAL CONTROLS

- **What did we do?**

- We gained an understanding of internal controls in place and their effectiveness in order to design our audit procedures for expressing an opinion on the financial statements.

- **What is the result?**

- No items noted.

REPORT ON MINNESOTA LEGAL COMPLIANCE

▪ **What did we do?**

- Determine the City complied with certain Minnesota Statutes that pertain to financial transactions.
- Followed the audit guide published by the Office of the State Auditor, which consists of seven sections:

• **How did we do it?**

- Select sample of transactions to test for compliance with statutory provisions.

▪ **What is the result?**

- No findings of noncompliance.

COMMUNICATION TO THOSE CHARGED WITH GOVERNANCE

- **Accounting policies used and/or changed.**
 - No changes for 2021
- **Accounting estimates in the financial statements.**
- **Financial statement adjustments identified**
 - adjustments made for grant revenue recognition and land purchase
- **No difficulties encountered in performing the audit.**
- **No disagreements with management.**
- **Other Matters**

2021 FINANCIAL SUMMARY

Fund Type	Revenues	Expenditures	Interfund Transfers (Net)	Change in Fund Balance	Fund Balance 12/31/21
General	\$19,347,000	\$18,184,000	(\$4,132,000)	(\$2,969,000)	\$10,725,000
Special Revenue	1,837,000	1,879,000	-	(42,000)	1,580,000
Debt Service	4,278,000	4,177,000	-	101,000	3,536,000
Capital Project	2,608,000	1,956,000	4,470,000	5,122,000	21,545,000
Total	\$28,070,000	\$26,196,000	\$338,000	\$2,212,000	\$37,386,000

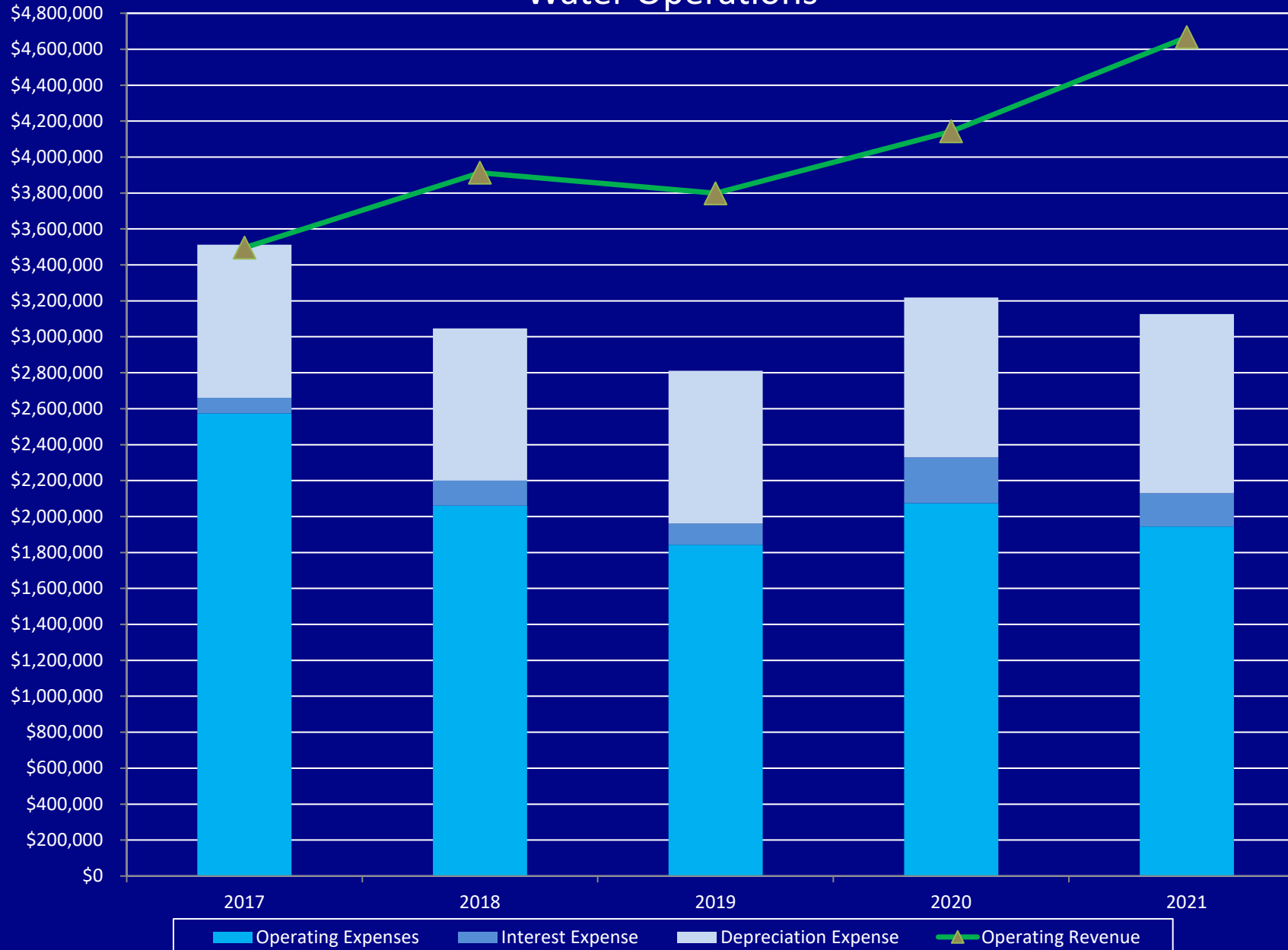
GENERAL FUND BUDGET PERFORMANCE

	<u>Budget</u>	<u>Actual</u>	<u>Budget Variance</u>
Revenues	\$18,378,000	\$19,347,000	\$969,000
Expenditures	<u>18,564,000</u>	<u>18,184,000</u>	<u>380,000</u>
Revenues over (under) expenditures	<u>(186,000)</u>	<u>1,163,000</u>	<u>1,349,000</u>
Transfers from other funds	186,000	189,000	3,000
Transfers to other funds	<u>-</u>	<u>(4,321,000)</u>	<u>(4,321,000)</u>
Total transfers	<u>186,000</u>	<u>(4,132,000)</u>	<u>(4,318,000)</u>
Net change in fund balance	<u><u>\$ -</u></u>	<u><u>(\$2,969,000)</u></u>	<u><u>(\$2,969,000)</u></u>

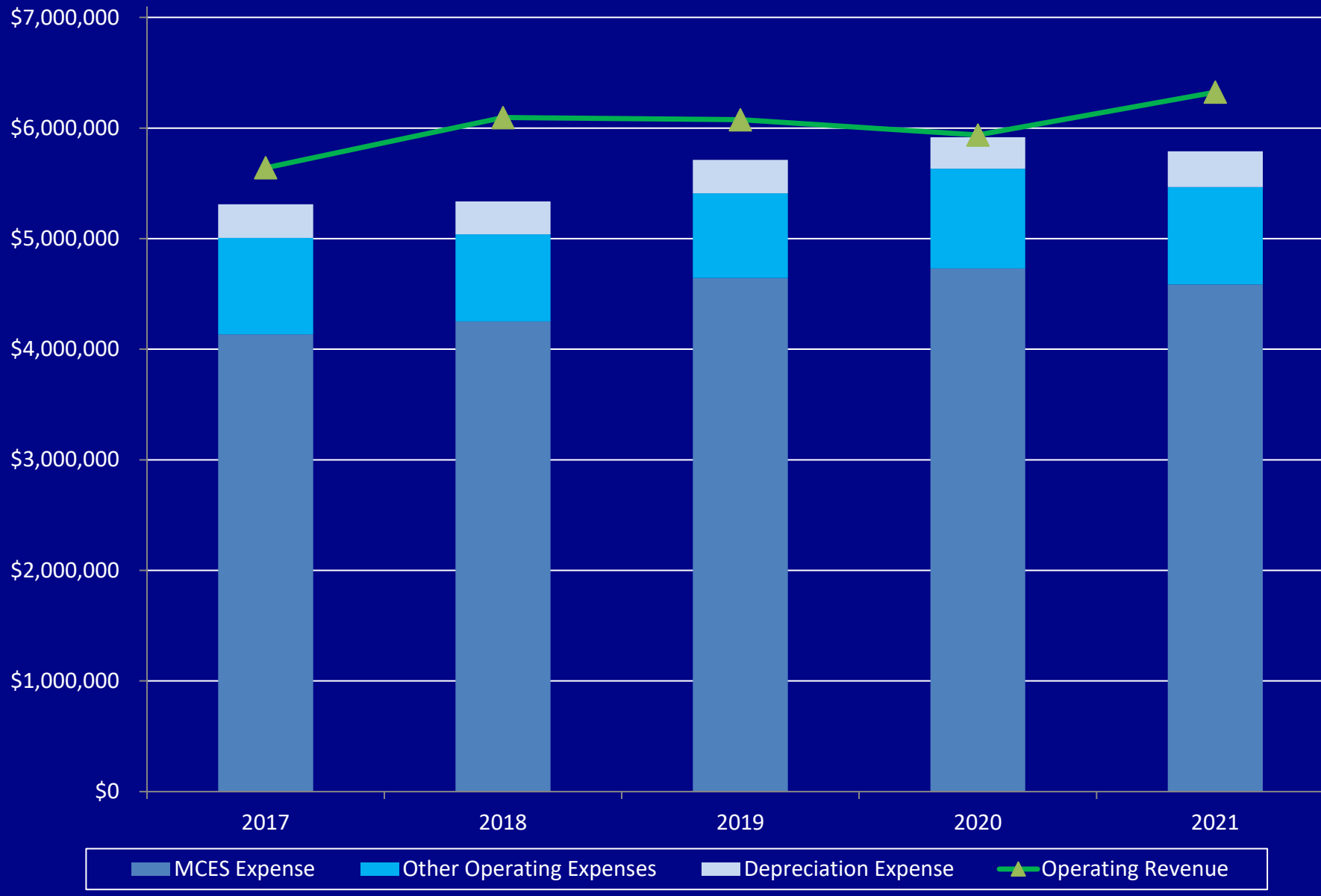
GENERAL FUND BALANCE

<u>Fund Balance Component</u>	<u>December 31, 2021 Amount</u>
Nonspendable	\$105,578
Restricted	20,849
Unassigned:	
Cash flow purposes (50%)	9,816,950
Remaining balance	781,962
Total	<u>\$10,725,339</u>

Water Operations



Sewer Operations



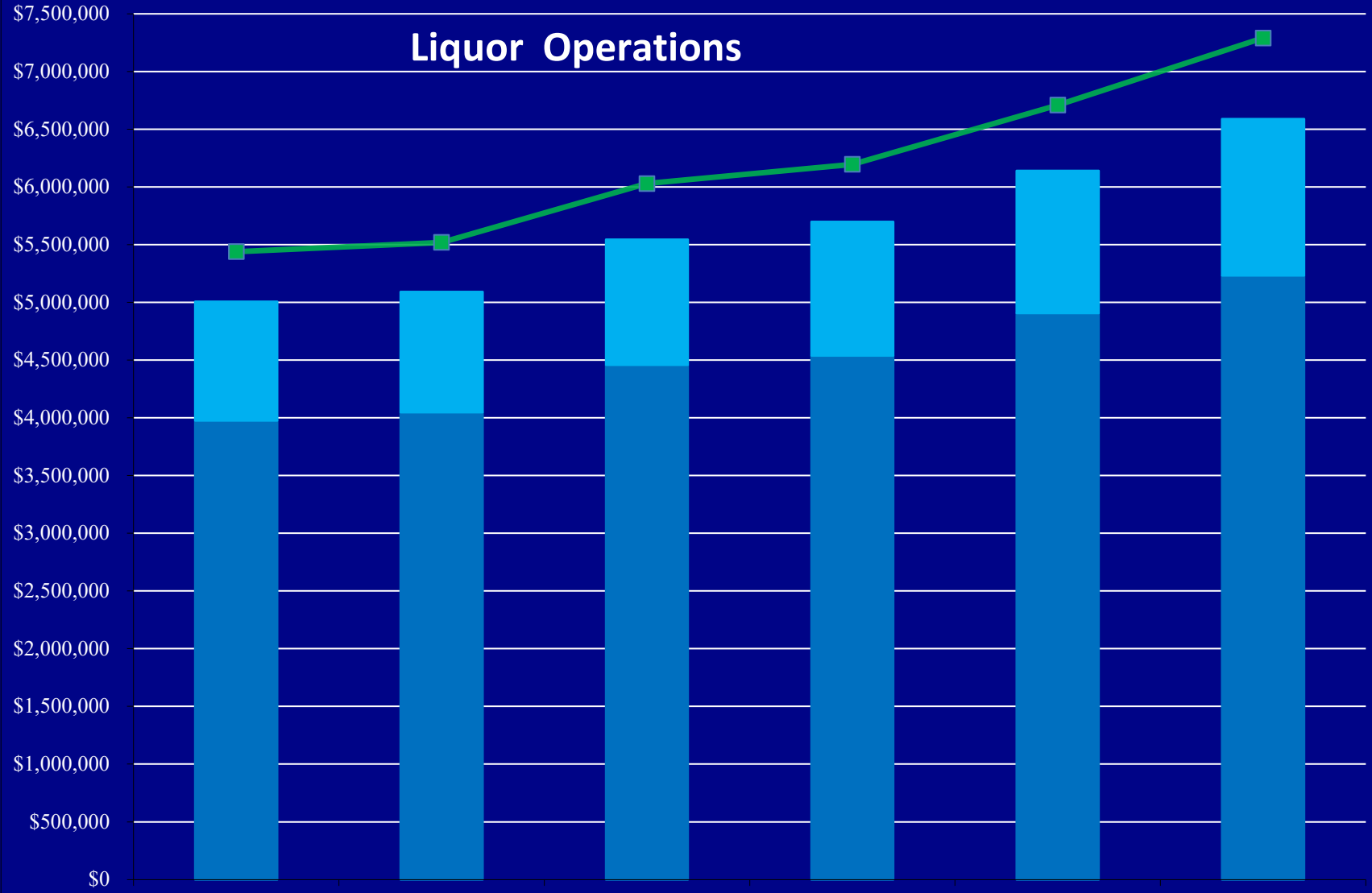
Storm Sewer Operations



Operating Expenses Depreciation Expense Operating Revenue



Liquor Operations



■ Cost of Sales ■ Operating Expenses ■ Sales

THANK YOU!

QUESTIONS?