

# CITY OF FRIDLEY, MINNESOTA

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2022 AUDIT REVIEW

JUNE 12, 2023



REDPATH

# 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?**

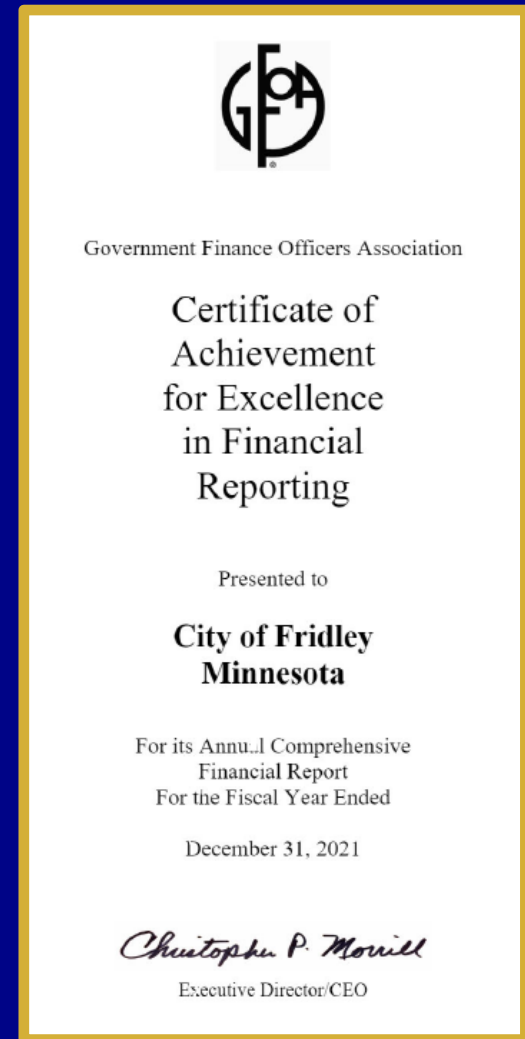
- Plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

## ▪ **What is the result?**

- An unmodified or “clean” opinion was issued on the 2022 financial statements.

# GFOA AWARD FOR EXCELLENCE IN FINANCIAL REPORTING

- The City has received this award every year since 2011.



# 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?**

- One finding – audit adjustments.

# 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.**
  - *GASB 87 - Leases*
- **Accounting estimates in the financial statements.**
  - Pension Liability
- **Financial statement adjustments identified**
  - Adjustments made for intergovernmental revenues, lease receivable and developer deposit recognition.
- **No difficulties encountered in performing the audit.**
- **No disagreements with management.**
- **Other Matters**
  - Market value adjustments for investments

# 2022 FINANCIAL SUMMARY

Fund Type	Revenues	Expenditures	Bonds Issued	Interfund Transfers (Net)	Change in Fund Balance	Fund Balance 12/31/22
General	\$19,520,000	\$19,657,000	\$ -	\$260,000	\$123,000	\$10,848,000
Special Revenue	1,712,000	1,721,000	-	-	(9,000)	1,572,000
Debt Service	4,307,000	4,129,000	-	-	178,000	3,713,000
Capital Project	3,298,000	3,987,000	22,212,000	79,000	21,602,000	43,146,000
<b>Total</b>	<b>\$28,837,000</b>	<b>\$29,494,000</b>	<b>\$22,212,000</b>	<b>\$339,000</b>	<b>\$21,894,000</b>	<b>\$59,279,000</b>



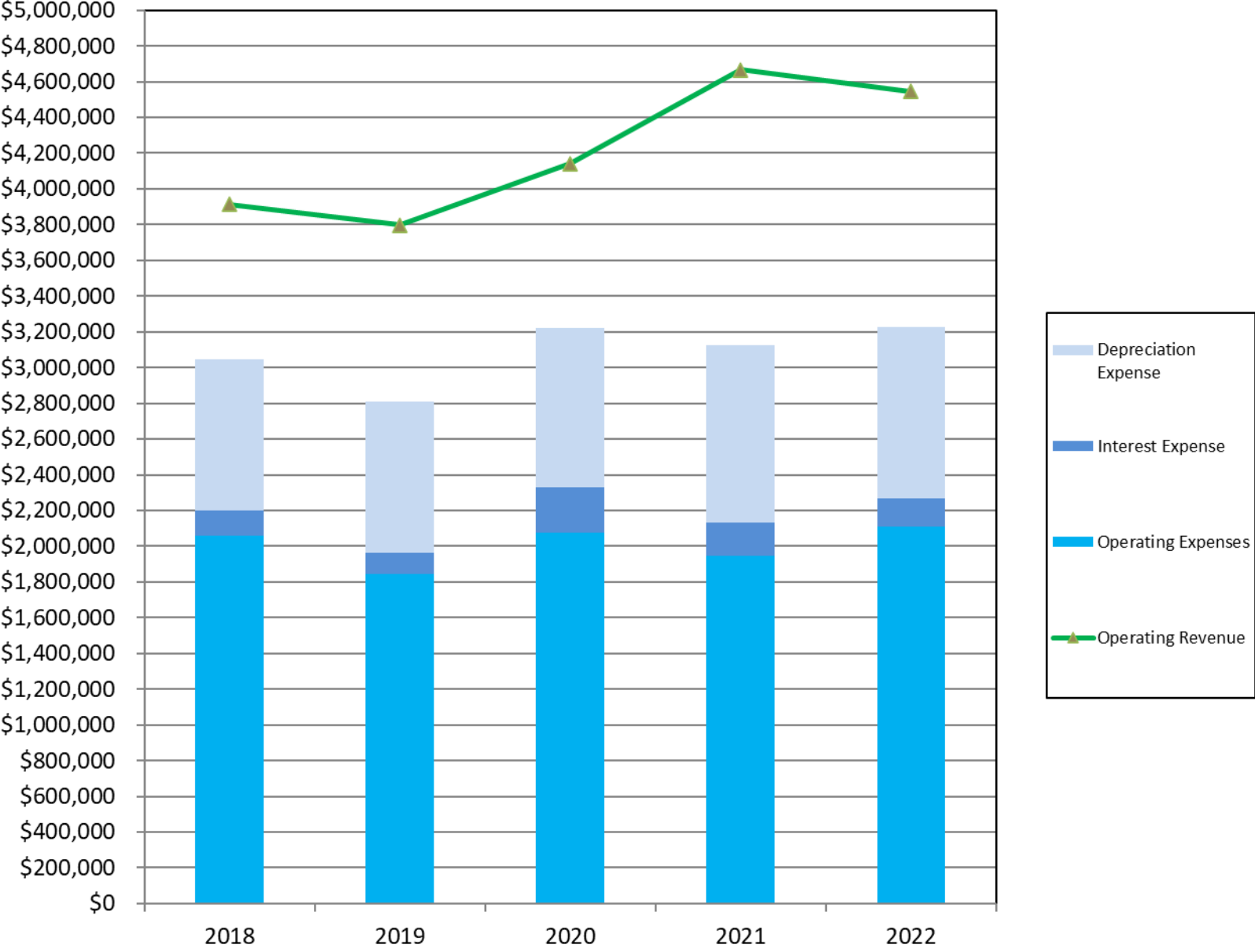
# GENERAL FUND BUDGET PERFORMANCE

	<u>Budget</u>	<u>Actual</u>	<u>Budget Variance</u>
Revenues	\$20,012,000	\$19,520,000	(\$492,000)
Expenditures	<u>20,276,000</u>	<u>19,657,000</u>	<u>619,000</u>
Revenues over (under) expenditures	<u>(264,000)</u>	<u>(137,000)</u>	<u>127,000</u>
Transfers from other funds	264,000	260,000	(4,000)
Transfers to other funds	-	-	-
Total transfers	<u>264,000</u>	<u>260,000</u>	<u>(4,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$123,000</u>	<u>\$123,000</u>

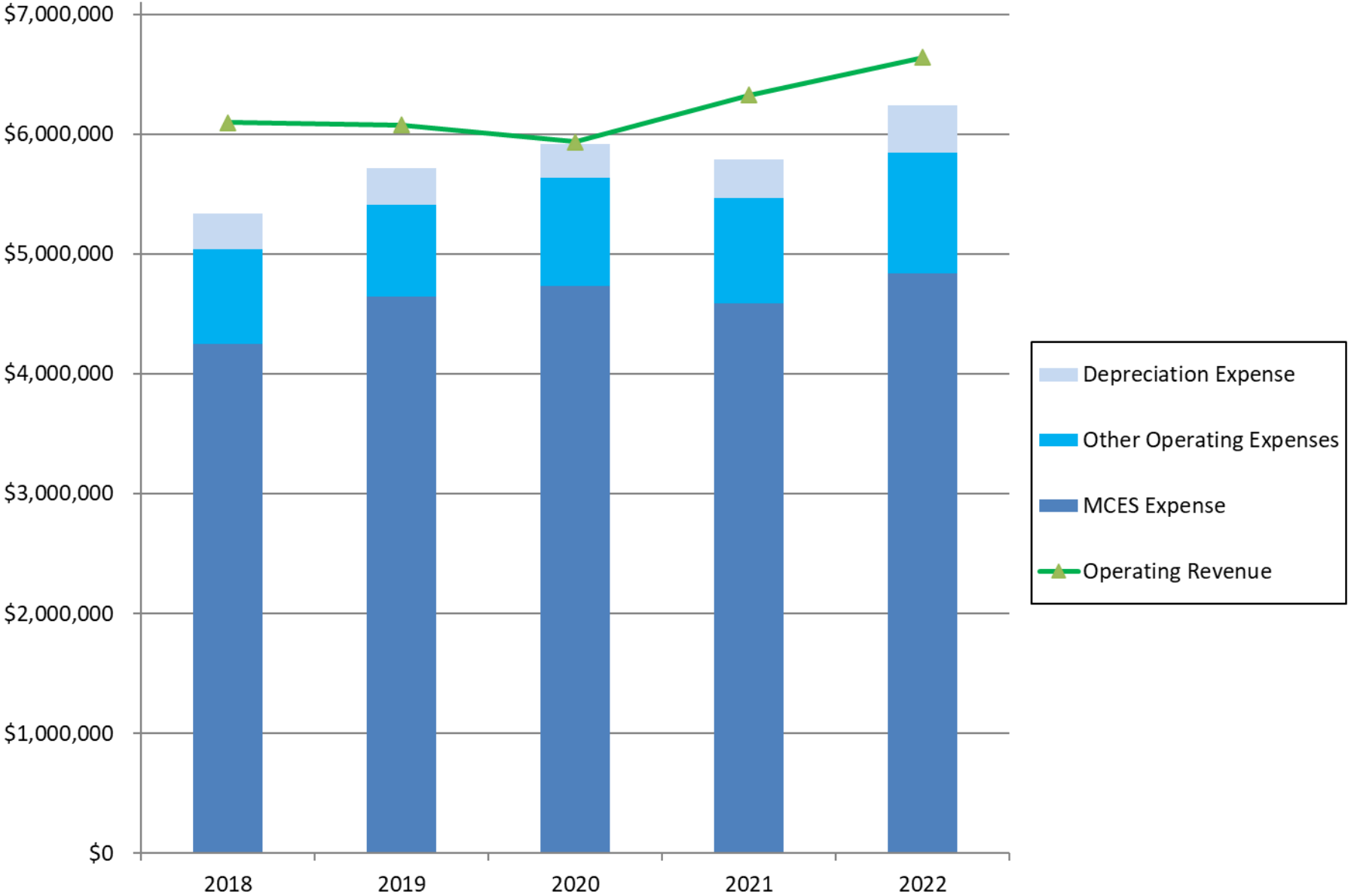
# GENERAL FUND BALANCE

<u>Fund Balance Component</u>	<u>December 31, 2022 Amount</u>
Nonspendable	\$225,418
Restricted	58,765
Unassigned:	
Cash flow purposes (50%)	10,527,250
Remaining balance	36,400
Total	<u><u>\$10,847,833</u></u>

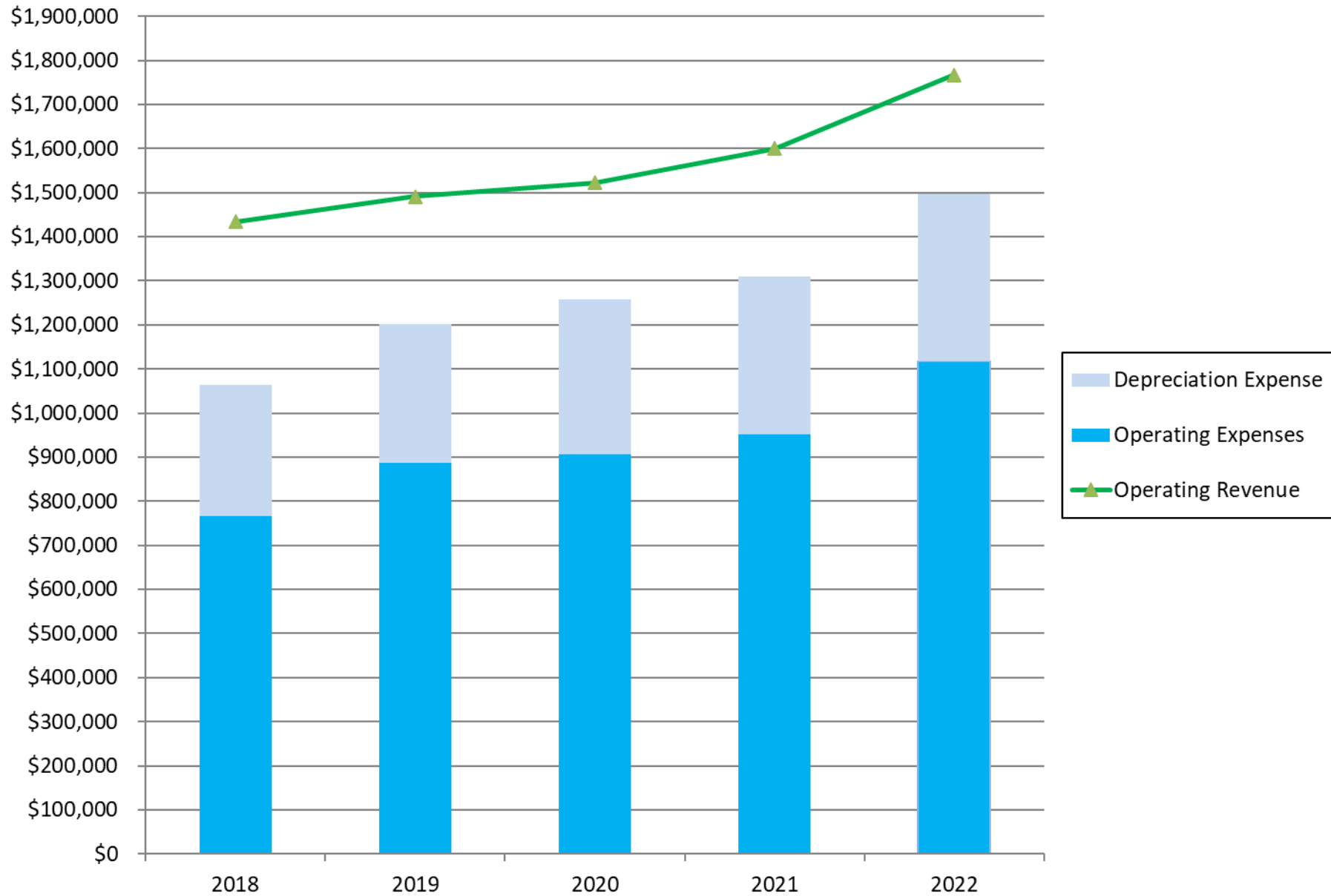
# Water Operations



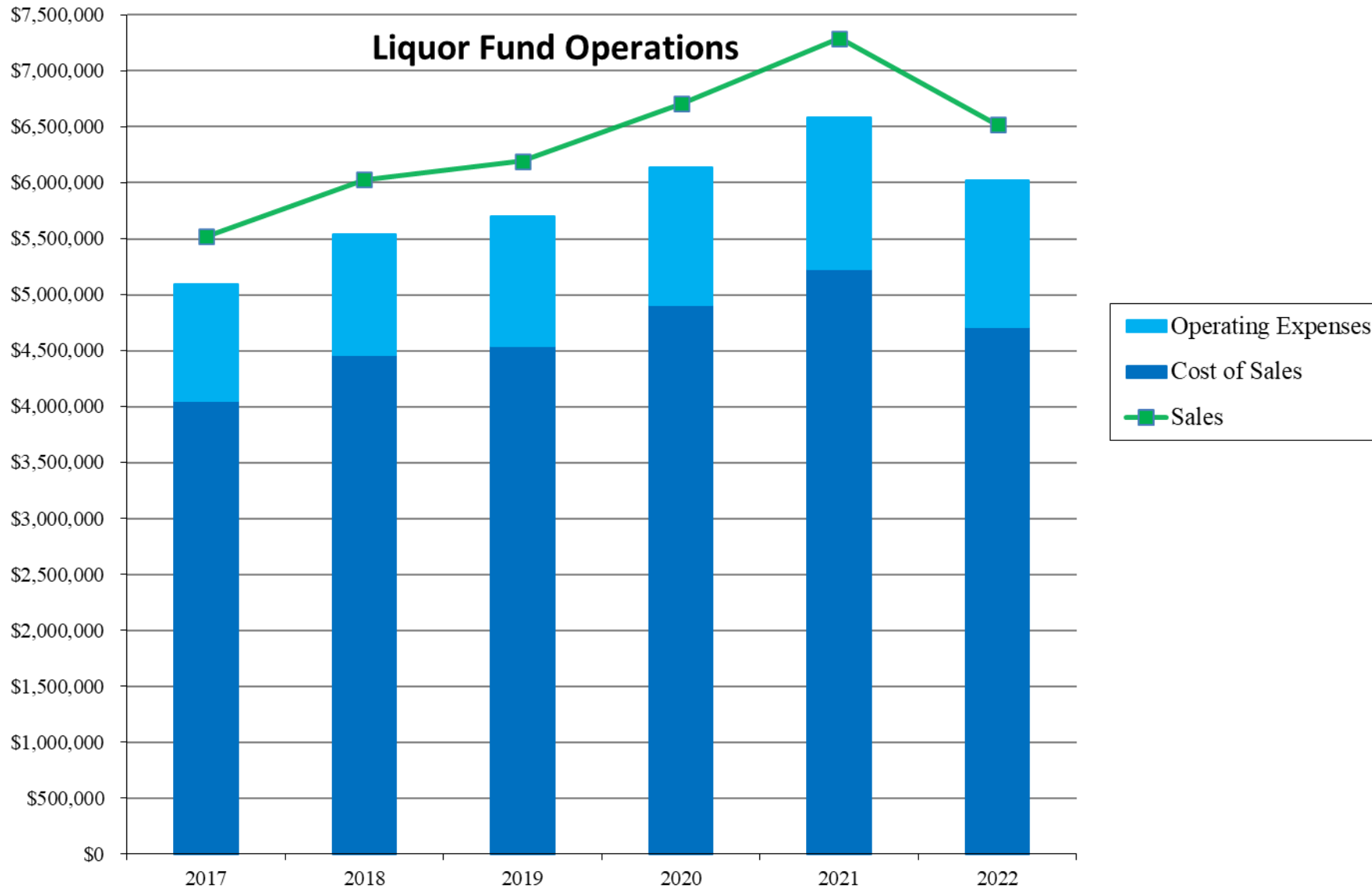
# Sewer Operations



## Storm Sewer Operations



## Liquor Fund Operations



# THANK YOU!

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## QUESTIONS?