


**Saint Anthony Village**  
2021 Audit  
June 28, 2022

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**Reports Issued**

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- Annual Comprehensive Financial Report
  - Includes the Independent Auditor's Report
- State Legal Compliance Report
- Report on Internal Controls
- Communication with Those Charged with Governance

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### Opinion on Financial Statements – Audit Process

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- **Audit Fieldwork – auditor performs tests to verify:**
  - Occurrence: recorded transactions and events pertain to the City
  - Completeness: all transactions and events that should have been recorded were recorded
  - Accuracy, Cutoff, Classification: amounts are accurately recorded in the correct year and in the correct accounts
- **Data mining techniques**
  - Journal entries
  - Disbursement register
- **Unmodified (“clean”) opinion on the financial statements**

### State Legal Compliance Report

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- **Required by Minnesota Statute §6.65**
- **OSA audit guide covers seven categories**
  - 1) contracting and bidding
  - 2) deposits and investments
  - 3) conflicts of interest
  - 4) public indebtedness
  - 5) claims and disbursements
  - 6) other miscellaneous provisions
  - 7) tax increment provisions
- **No compliance findings**

## Report on Internal Control

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- 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.
- How did we do it?
  - Obtain narratives of controls on each major class of transaction and account balance.
  - Perform walkthroughs and other tests to determine adherence to controls in place and effectiveness.
- What is the result?
  - No internal control findings

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## Communication with Those Charged with Governance

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- Required Communications:
  - No new accounting standards were adopted by the City
  - The City updated its fund balance policy during 2021, increasing the targeted range for unassigned general fund balance to 35% - 50% of the ensuing year's budgeted expenditures
  - Net pension liability is an estimate
  - Sensitive footnotes: Note 6 – long-term debt, Note 19 – subsequent events

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Communication with Those Charged with Governance

- Required Communications:
  - No difficulties encountered during the audit, no disagreements with management
  - No corrected misstatements identified during the audit
  - The Apache TIF district (Walmart) now has positive fund balance for the first time (\$151,357 at 12/31/21)

Financial Results

General Fund:

– Fund balance increased \$478,796 during 2021

	Final Budget	Actual	Favorable (Unfavorable) Variance
Revenues	\$7,401,000	\$8,416,000	\$1,015,000
Expenditures	7,465,000	7,657,000	(192,000)
Revenues over (under) expenditures	(64,000)	759,000	823,000
Other financing sources (uses):			
Transfers from other funds	265,000	275,000	10,000
Transfers to other funds	(187,000)	(555,000)	(368,000)
Total change in General Fund balance	\$14,000	\$479,000	\$465,000

**Financial Results**

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- An allocation of the \$3,876,786 General Fund balance as of December 31, 2021 is as follows:

Nonspendable - prepaid items/inventory	\$146,580
Unassigned	<u>3,730,206</u>
<b>Total fund balance</b>	<b><u><u>\$3,876,786</u></u></b>

**Financial Results**

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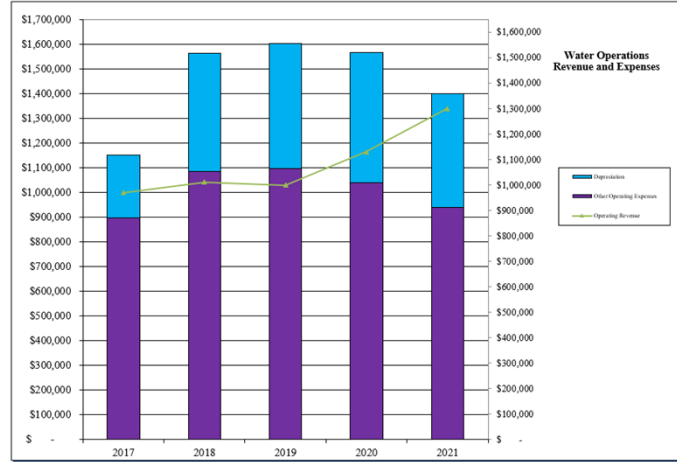
- The fund balance available as of December 31, 2021 is sufficient to meet the City's policy for minimum unassigned fund balances as follows:

2022 expenditure budget	\$8,013,767
Less:	
Police services to other cities	(802,283)
Financial services to MWMO	<u>(110,789)</u>
Net 2022 budget	7,100,695
Minimum balance (35-50%)	<u>35%</u>
 City minimum working capital fund balance	 <u>\$2,485,243</u>
 Net unassigned amount available at 12/31/21	 <u><u>\$3,730,206</u></u>
 Actual percent of net budget	 <u>53%</u>

### Financial Results

#### Water and Sewer Enterprise Fund:

– Water operations for the past five years are as follows:



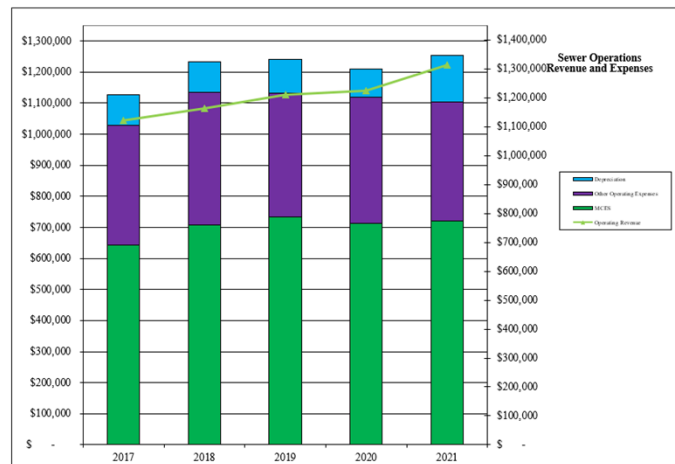
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### Financial Results

#### Water and Sewer Enterprise Fund:

– Sewer operations for the past five years are as follows:



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## Financial Results

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### Liquor Fund:

- 2021 operating income was \$447,295
- \$250,000 transferred to the General Fund
- \$405,000 increase in cash balance

	2021		2020	
Sales	\$7,259,565	100.0%	\$7,015,974	100.0%
Cost of sales	5,431,563	74.8%	5,252,004	74.9%
Gross margin	1,828,002	25.2%	1,763,970	25.1%
Operating expenses	1,380,707	19.0%	1,380,231	19.7%
Income from operations	447,295	6.2%	383,739	5.5%
Investment income & other	(2,440)	0.0%	22,621	0.3%
Transfers out	(250,000)	-3.4%	(250,000)	-3.6%
Net income	194,855	2.7%	156,360	2.2%