

**CITY OF NISSWA  
AGENDA – CITY COUNCIL WORKSHOP  
TUESDAY, APRIL 20, 2021  
6:30 P.M. – CITY HALL**

**A.** Call to Order

**B.** Ryan Schmidt, Schlenner Wenner & Co. – Presentation of the 2020 Audited Financial Statements for the City of Nisswa (Council Information)

**C.** Adjourn

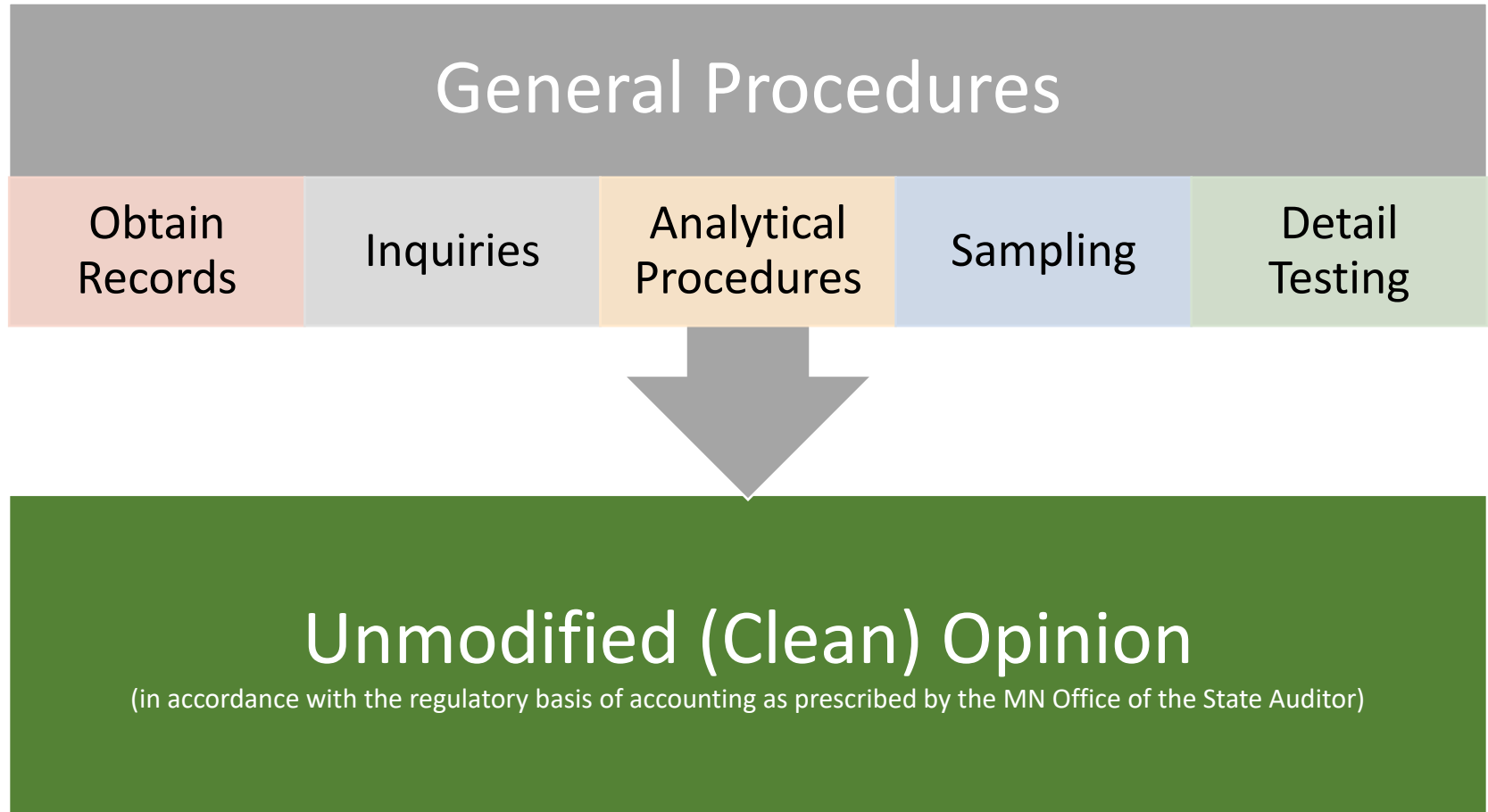


# City of Nisswa, Minnesota

Presentation of the Audited Financial Statements

Fiscal Year Ended December 31, 2020

# Audit Process and Opinion



## Required Communications



Audit went smoothly



Positive Working Relationship with  
Management



Nothing unusual noted in terms of  
recorded transactions or  
accounting policies/treatments



Significant Estimates for: Net Pension  
Liability and Related Balances

# Controls and Compliance



## AUDIT ADJUSTMENTS

- Audit adjustments primarily consisted of cash to accrual adjustments



## INTERNAL CONTROLS

- Your City has a lack of proper segregation of duties, which is very common for a City of your size
- Schlenner Wenner & Co. prepares your City's financial statements



## MINNESOTA LEGAL COMPLIANCE

- No instances of noncompliance were identified as a result of our procedures

# Single Audit (Federal Program Compliance)

## Major Programs Tested

- Capitalization Grants for Clean Water State Revolving Funds (PFA)

## Opinion

- Unmodified (Clean) Opinion on the Schedule of Expenditures of Federal Awards

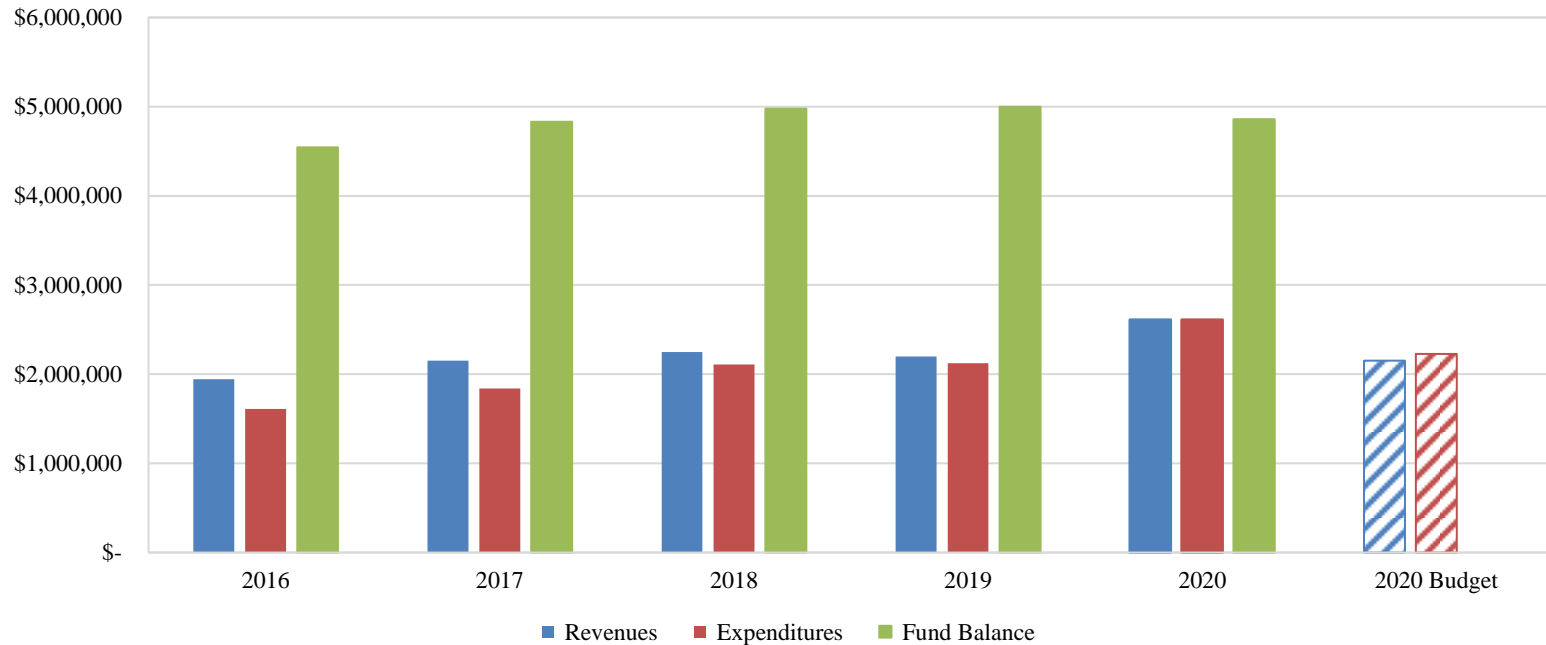
## Compliance

- No Findings Identified

## Internal Control Over Compliance

- No Findings Identified

## General Fund - Trend Analysis & Budgetary Comparison



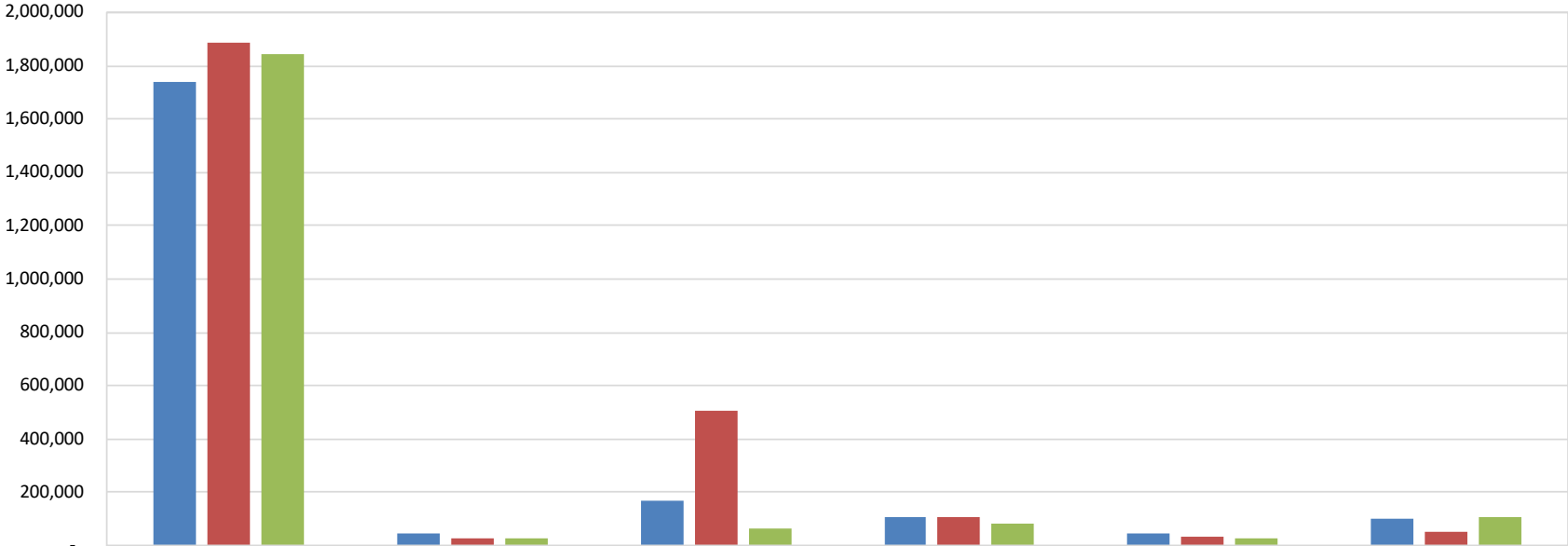
❑ Revenues exceeded budgeted amounts by \$459,576

❑ Expenditures exceeded budgeted amounts by \$385,516

	2019	2020	2020 Budget
Revenues	\$ 2,198,864	\$ 2,609,825	\$ 2,150,249
Expenditures	2,121,364	2,611,171	2,225,655
Other Sources (Uses)	(55,893)	(139,501)	39,615
Change in Fund Balance	21,607	(140,847)	(35,791)
Fund Balance	\$ 4,998,276	\$ 4,857,429	N/A

# General Fund

# Detailed Revenue Analysis

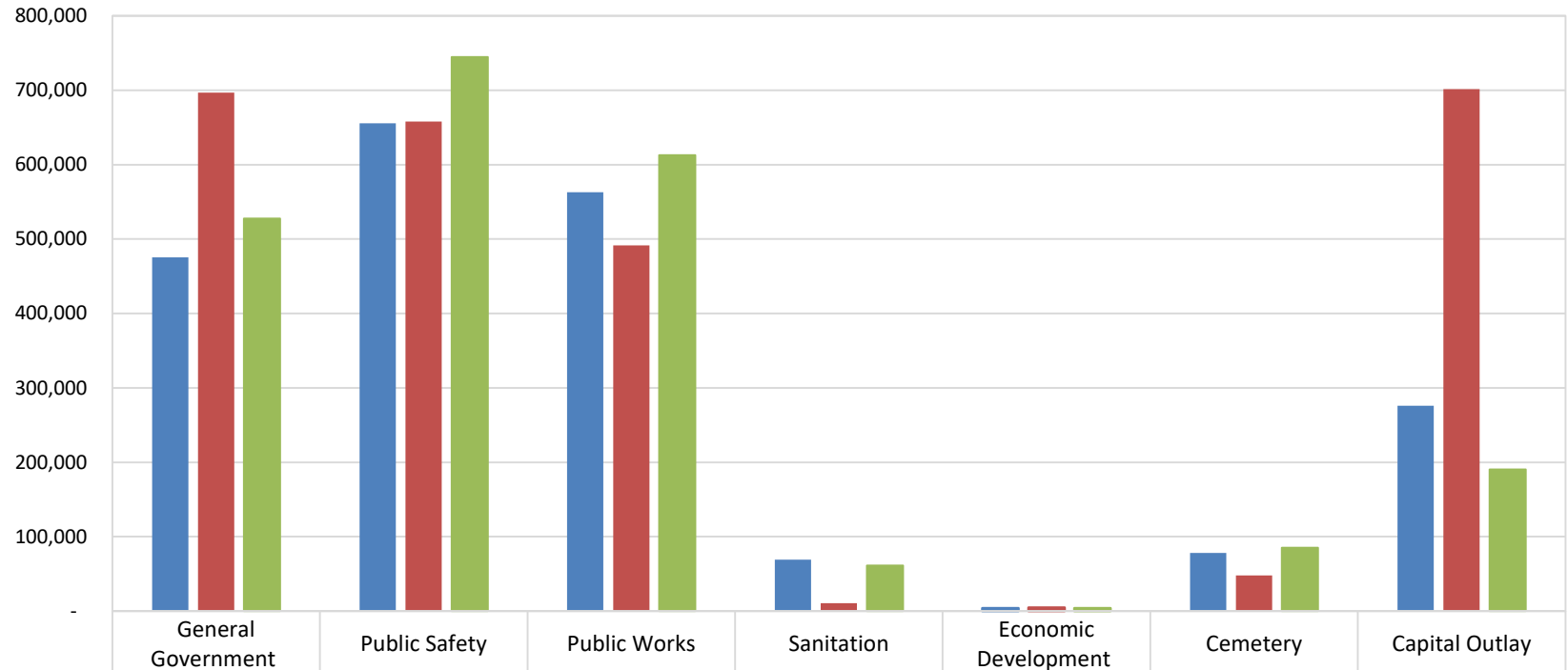


■ 2019	1,737,139	44,109	166,906	104,441	46,824	99,445
■ 2020	1,888,519	26,844	507,595	104,956	33,176	48,735
■ 2020 Final Budget	1,842,216	28,400	62,833	80,800	30,000	106,000



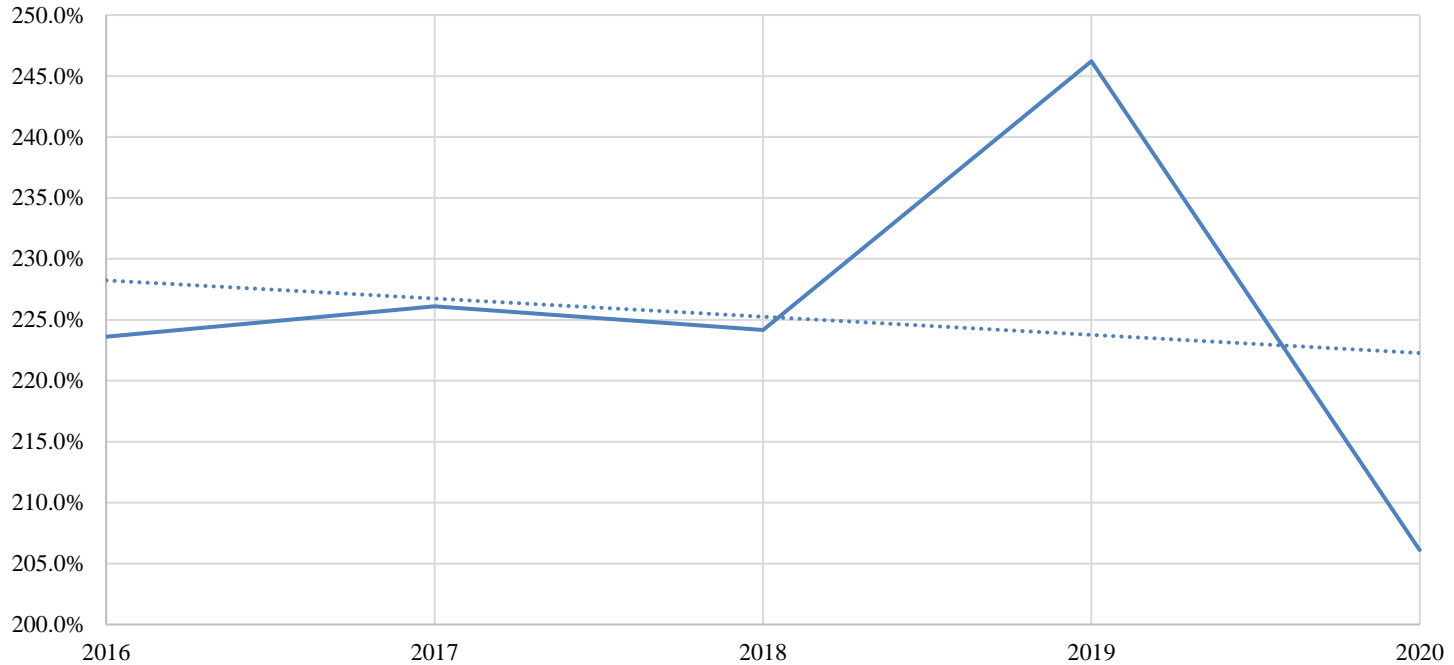
# General Fund

## Detailed Expenditure Analysis



■ 2019	475,497	655,620	562,823	69,244	3,895	78,133	276,152
■ 2020	697,059	657,863	491,674	10,405	4,595	47,951	701,624
■ 2020 Final Budget	527,520	744,654	612,914	61,200	4,000	85,167	190,200

## Unassigned Fund Balance as a Percentage of the Annual Budget

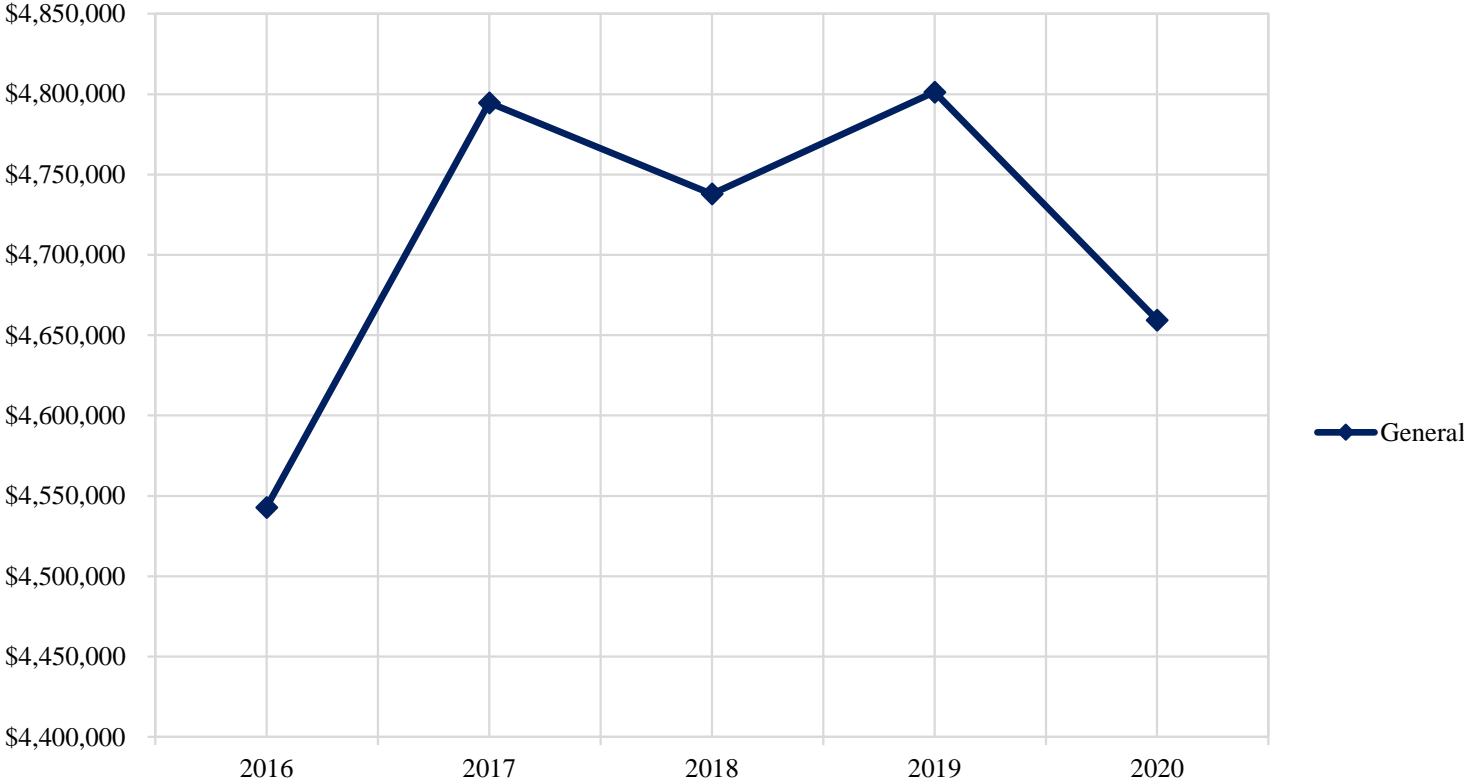


<u>Year</u>	<u>Percentage</u>
2016	223.6%
2017	226.1%
2018	224.2%
2019	246.2%
2020	206.1%

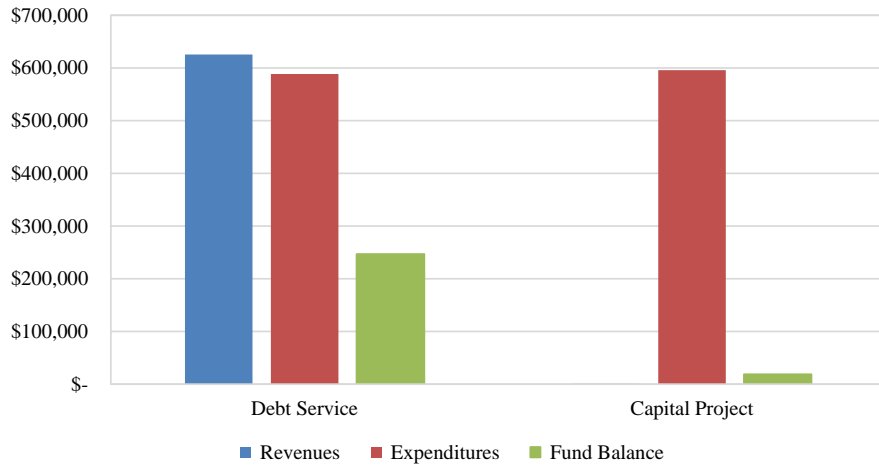
- The City has adopted a policy under which it strives to maintain a minimum unassigned fund balance in the General Fund equal to 100 percent of the annual budgeted expenditures.

# General Fund

# Cash Trend Analysis



# Financial Highlights Other Governmental Funds

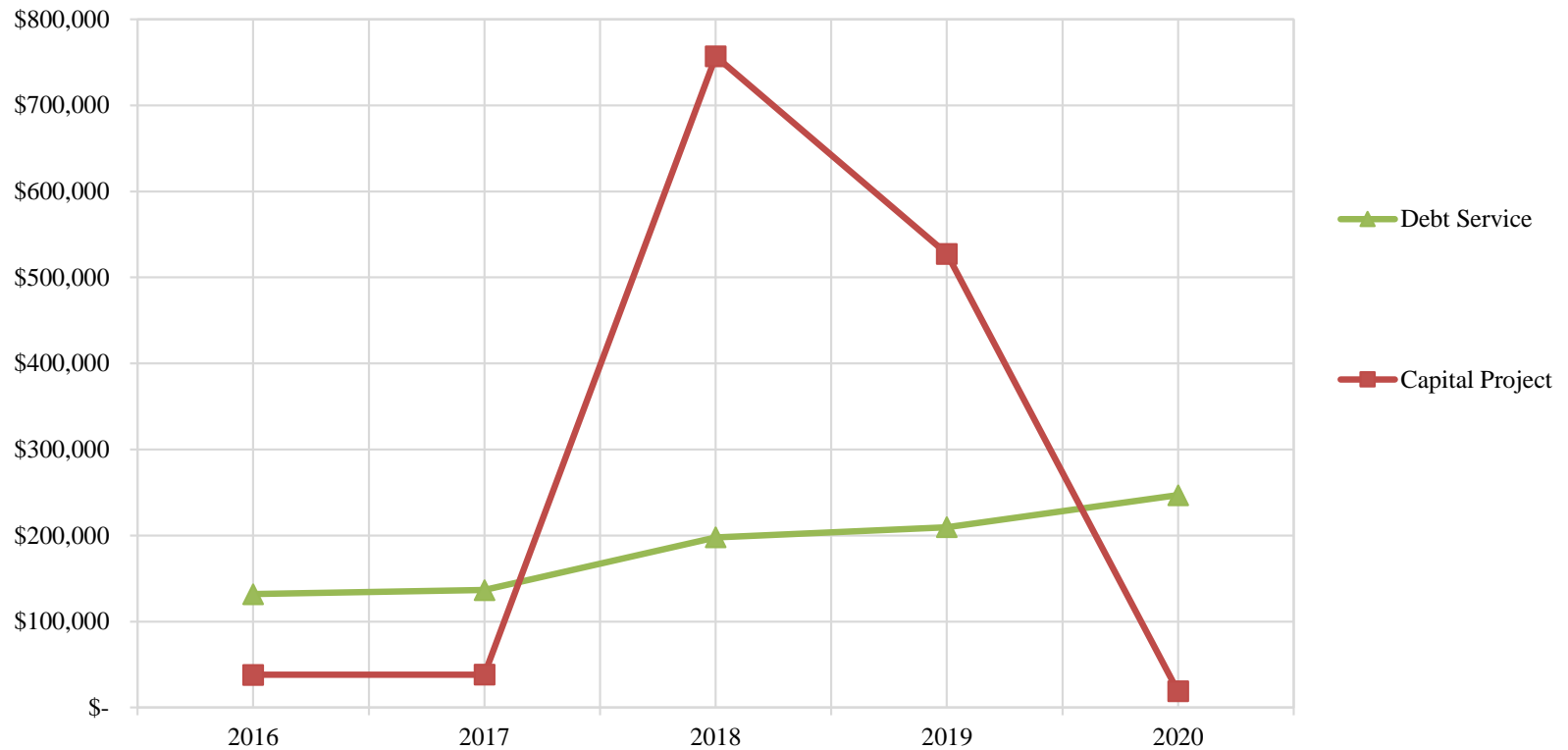


	Debt Service	Capital Project
Revenues	\$ 625,653	\$ 348
Expenditures	588,507	595,679
Other Sources (Uses)	-	86,776
Change in Fund Balance	37,146	(508,555)
Fund Balance	\$ 246,871	\$ 18,865

\*Financial data for remaining nonmajor funds can be found beginning on page 43 of the Audited Financial Statements.

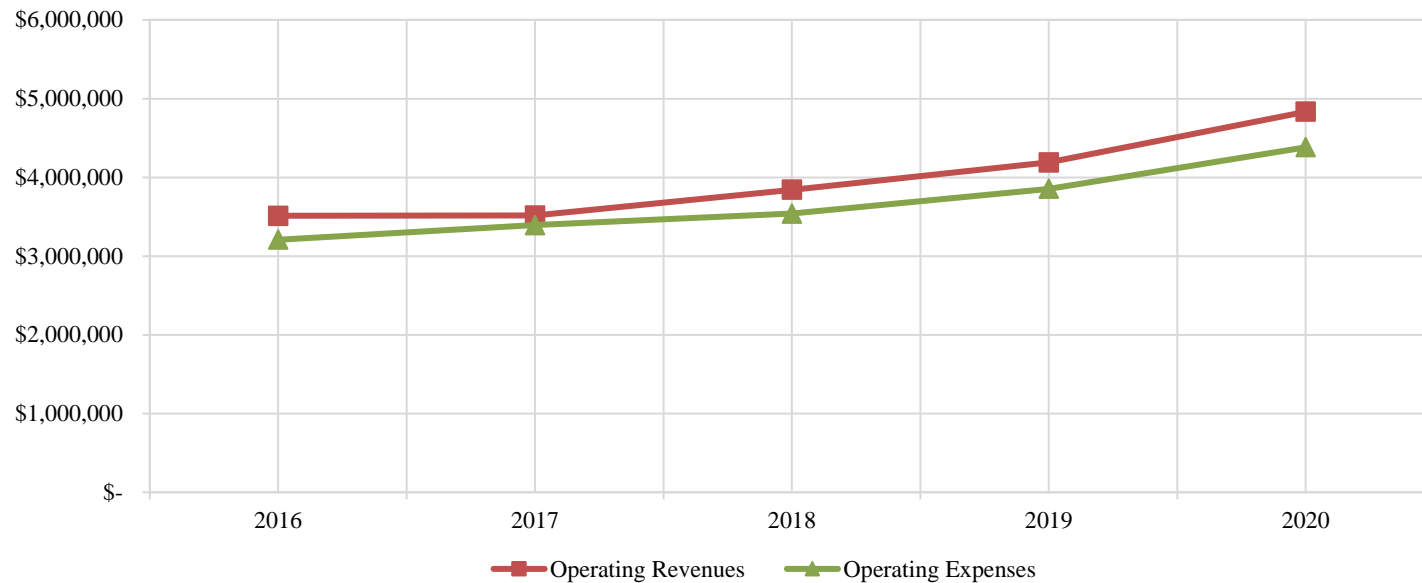
# Other Governmental Funds

## Cash Trend Analysis



# Liquor Enterprise Fund

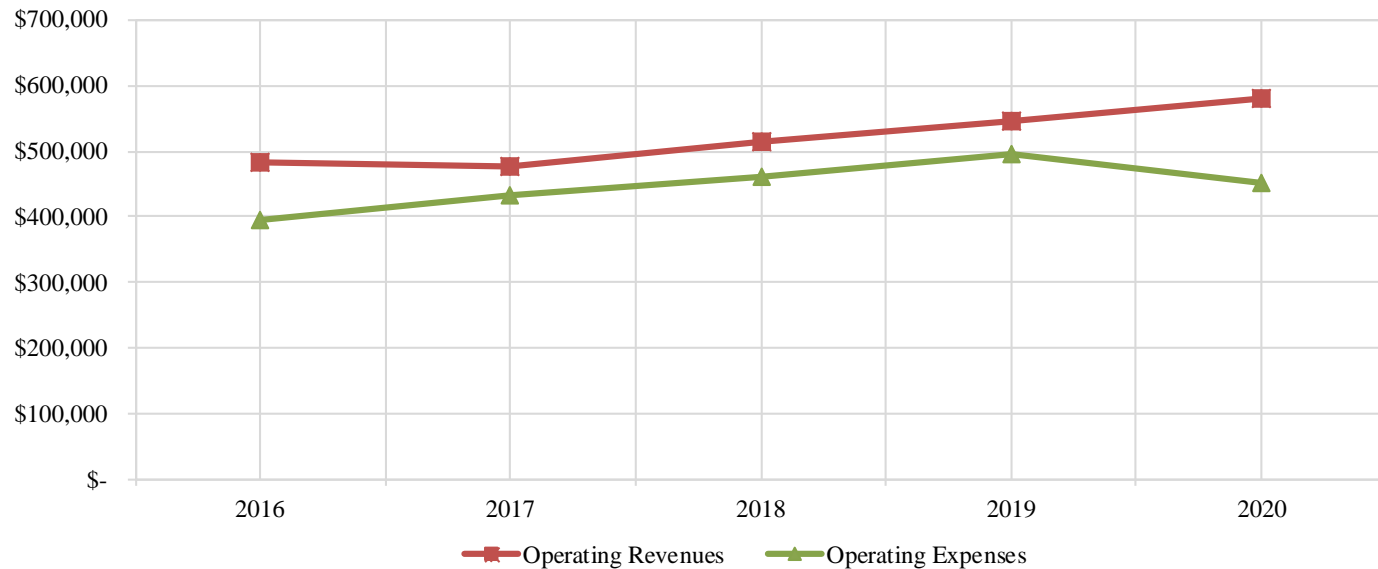
## Financial Highlights



	2016	2017	2018	2019	2020
Operating Revenues	\$ 3,512,358	\$ 3,516,208	\$ 3,842,907	\$ 4,189,477	\$ 4,834,445
Operating Expenses	<u>3,208,465</u>	<u>3,392,917</u>	<u>3,540,005</u>	<u>3,855,917</u>	<u>4,383,387</u>
Operating Income (Loss)	303,893	123,291	302,902	333,560	451,058
Nonoperating Revenues & Transfers In	3,772	2,384	5,313	3,348	5,593
Nonoperating Expenses & Transfers Out	<u>240,626</u>	<u>235,000</u>	<u>235,000</u>	<u>235,000</u>	<u>260,000</u>
Change In Net Position	67,039	(109,325)	73,215	101,908	196,651
Ending Net Position	\$ 470,979	\$ 361,654	\$ 434,869	\$ 536,777	\$ 733,428

# Sewer Enterprise Fund

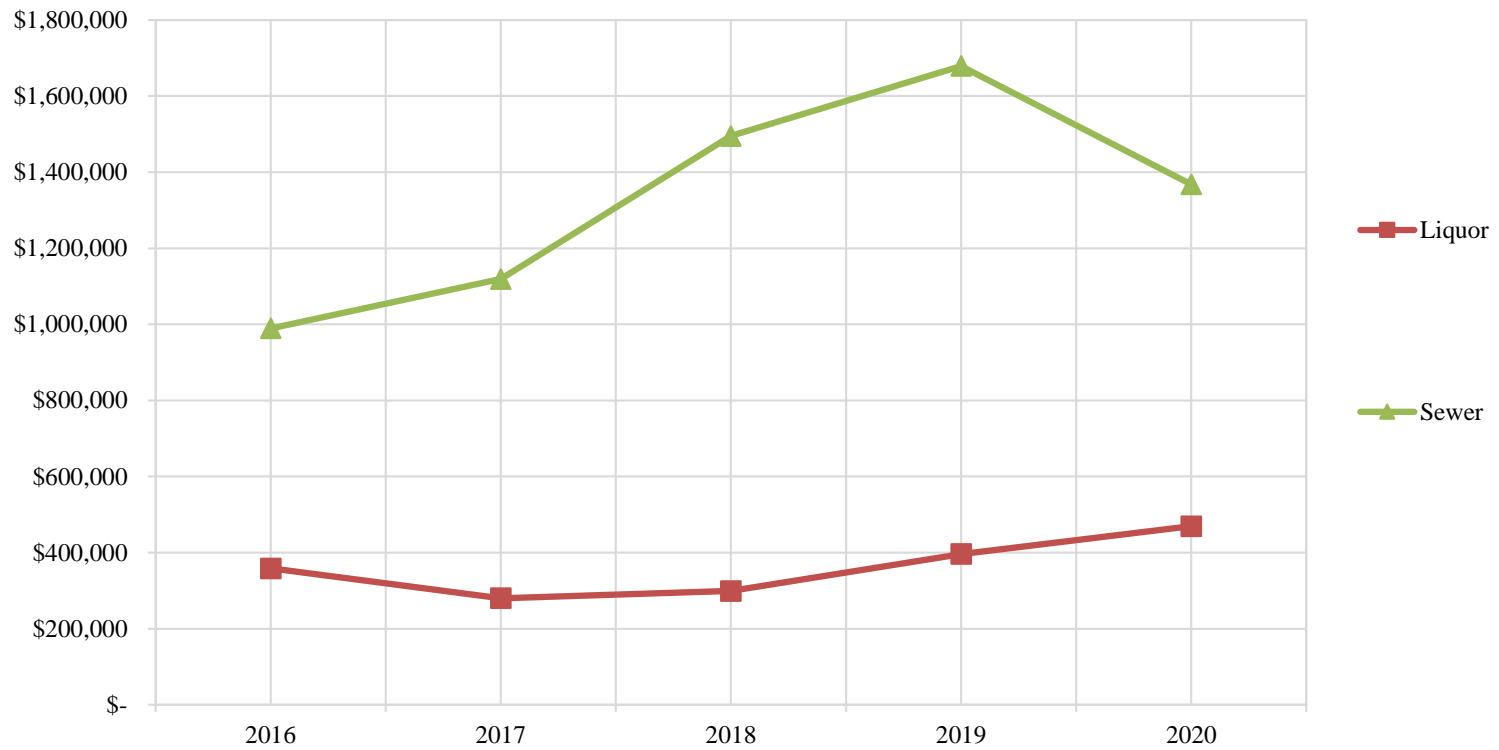
## Financial Highlights



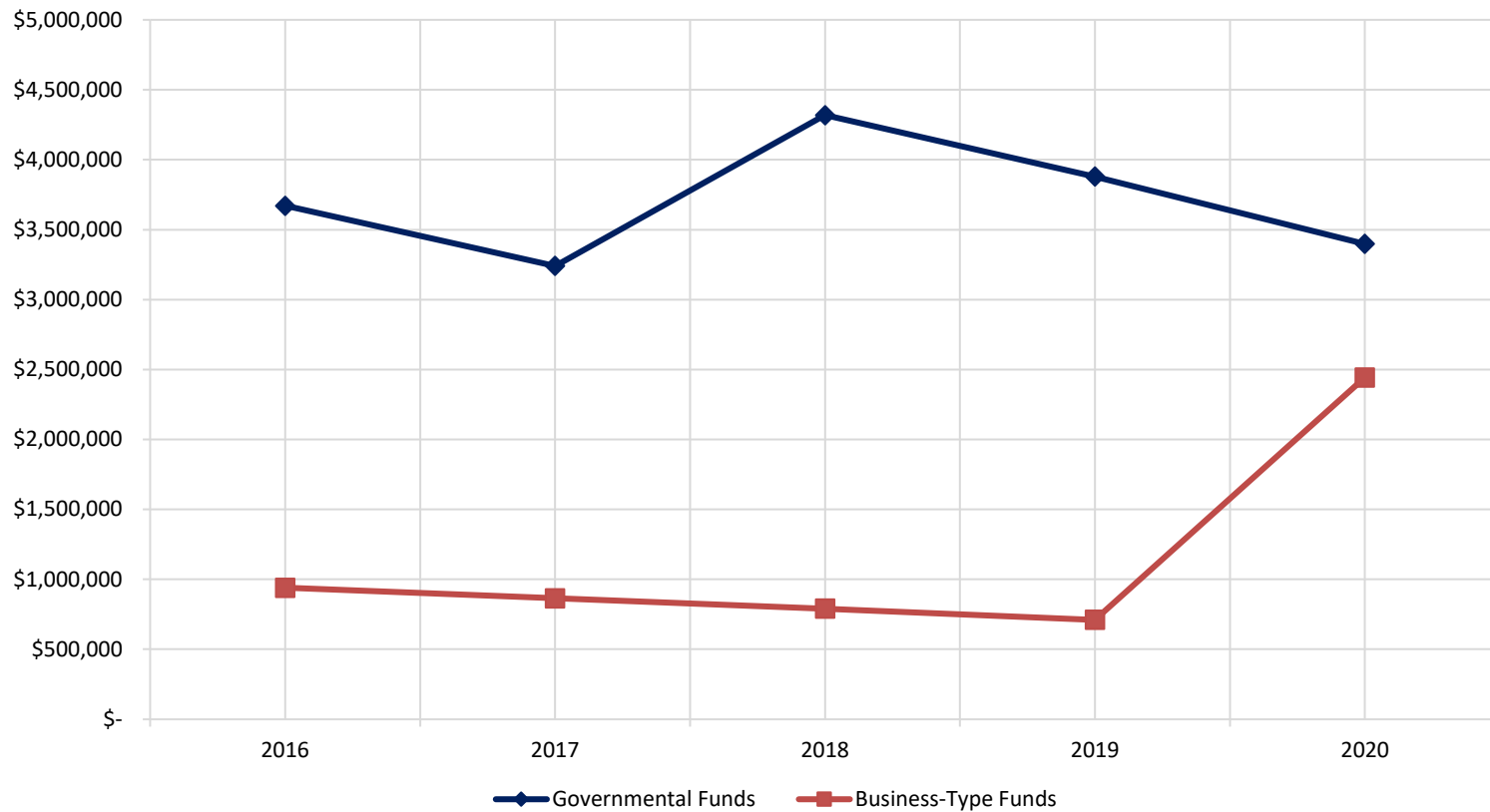
	2016	2017	2018	2019	2020
Operating Revenues	\$ 483,222	\$ 477,447	\$ 514,389	\$ 546,640	\$ 580,008
Operating Expenses	<u>393,363</u>	<u>431,727</u>	<u>462,332</u>	<u>496,095</u>	<u>451,622</u>
Operating Income (Loss)	89,859	45,720	52,057	50,545	128,386
Nonoperating Revenues & Transfers In	22,773	58,586	327,046	308,592	140,798
Nonoperating Expenses & Transfers Out	<u>18,748</u>	<u>18,231</u>	<u>17,525</u>	<u>16,700</u>	<u>15,231</u>
Change In Net Position	93,884	86,075	361,578	342,437	253,953
Ending Net Position	\$ 3,279,877	\$ 3,365,952	\$ 3,727,530	\$ 4,069,967	\$ 4,323,920

# Enterprise Funds

## Cash Trend Analysis







## Long Term Debt Outstanding

See future debt service payments on page 24 of the Audited Financial Statements

- Governmental debt payments extend through 2032
- Business-Type debt payments extend through 2040

Questions?

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Senior Manager

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