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City of Minnetrista

December 31, 2022

Auditor Communications

Michelle Hoffman, Principal

Lucas Chase, Director

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Agenda

- Required Communications
- Audit Results
- Financial Results
- Other Items



Required Communications

- Audit provides reasonable, but not *absolute* assurance
- Significant accounting estimates
 - Useful lives of capital assets
 - Valuation of investments
 - Postemployment benefits
 - Net pension liability and related deferred outflows and deferred inflows
- Accounting Policies
 - GASB 87 was adopted in 2022
- Received full cooperation from management



Audit Results

- Unmodified (i.e. “clean”) opinion on the financial statements
- Internal controls – No exceptions noted
- Minnesota legal compliance – No exceptions noted



Emerging Issues

- Statement No. 96 - subscription-based information technology arrangements
 - December 31, 2023
 - Requires recognition of assets and liabilities for certain subscription-based information technology arrangements
- Statement No. 101 – compensated absences
 - December 31, 2024
 - Will make calculation of liability of sick, comp time, and various other forms of compensated absences more like the previous calculation of the vacation liability
 - Could result in a slight increase in the liability recorded



Statement on Auditing Standards (SAS) Updates

SAS 143

Auditing Accounting Estimates and Related Disclosures

- Auditors will be diving further into the accounting estimates and overall risk assessment
- Effective for periods ending on or after 12/15/23 (**2023**)

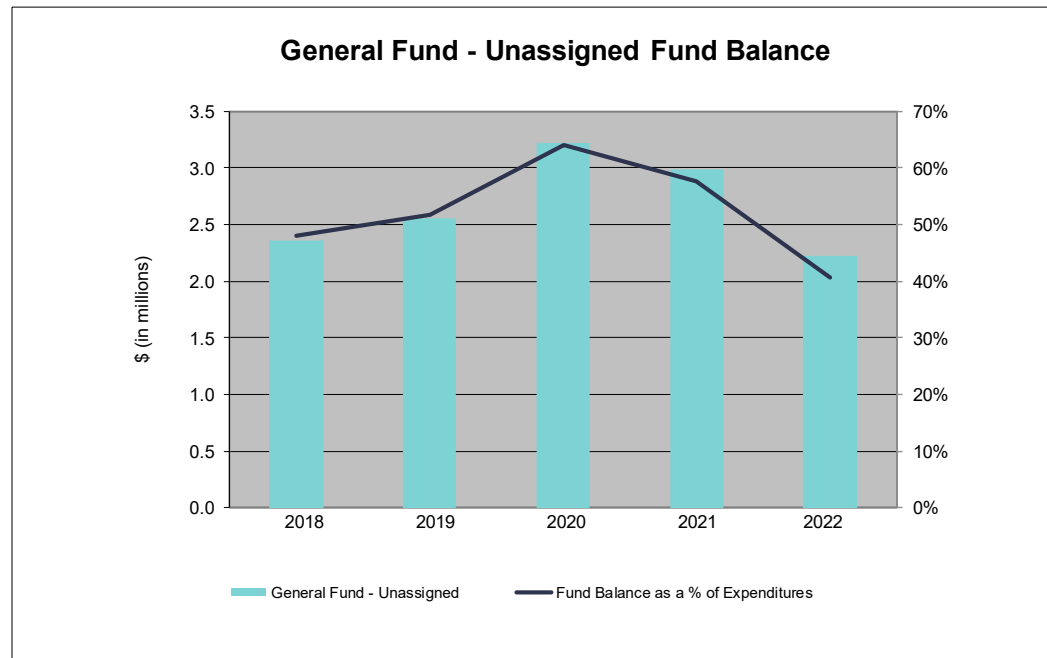
SAS 145

Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement

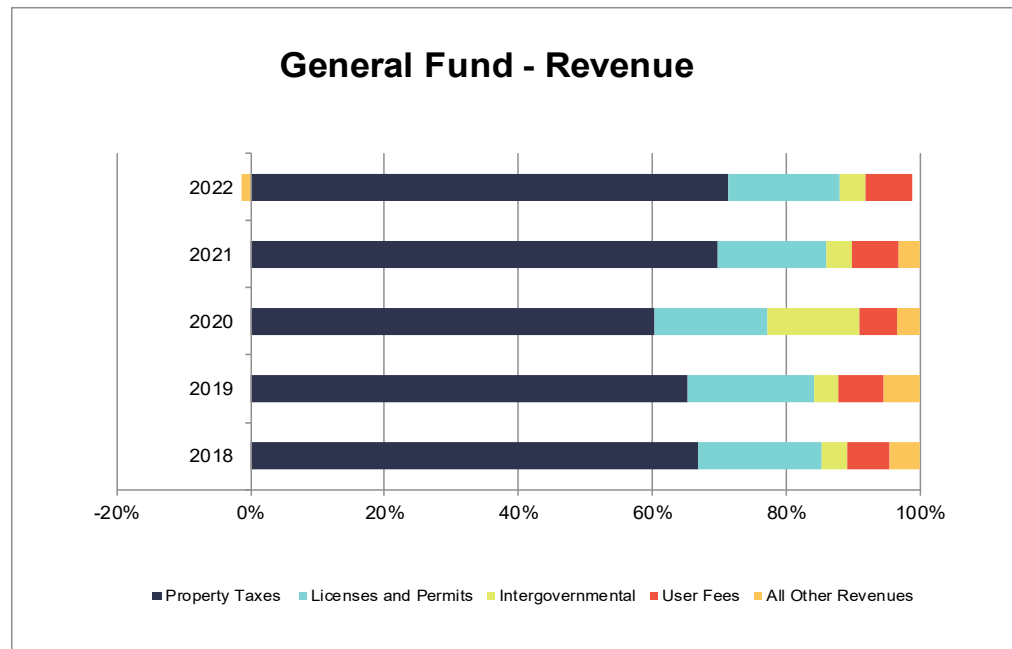
- Enhances certain aspects of the identification and risk assessment of material misstatement
- **Significant increase in IT auditing and consideration of IT general controls**
- Effective for periods ending on or after 12/15/23 (**2023**)



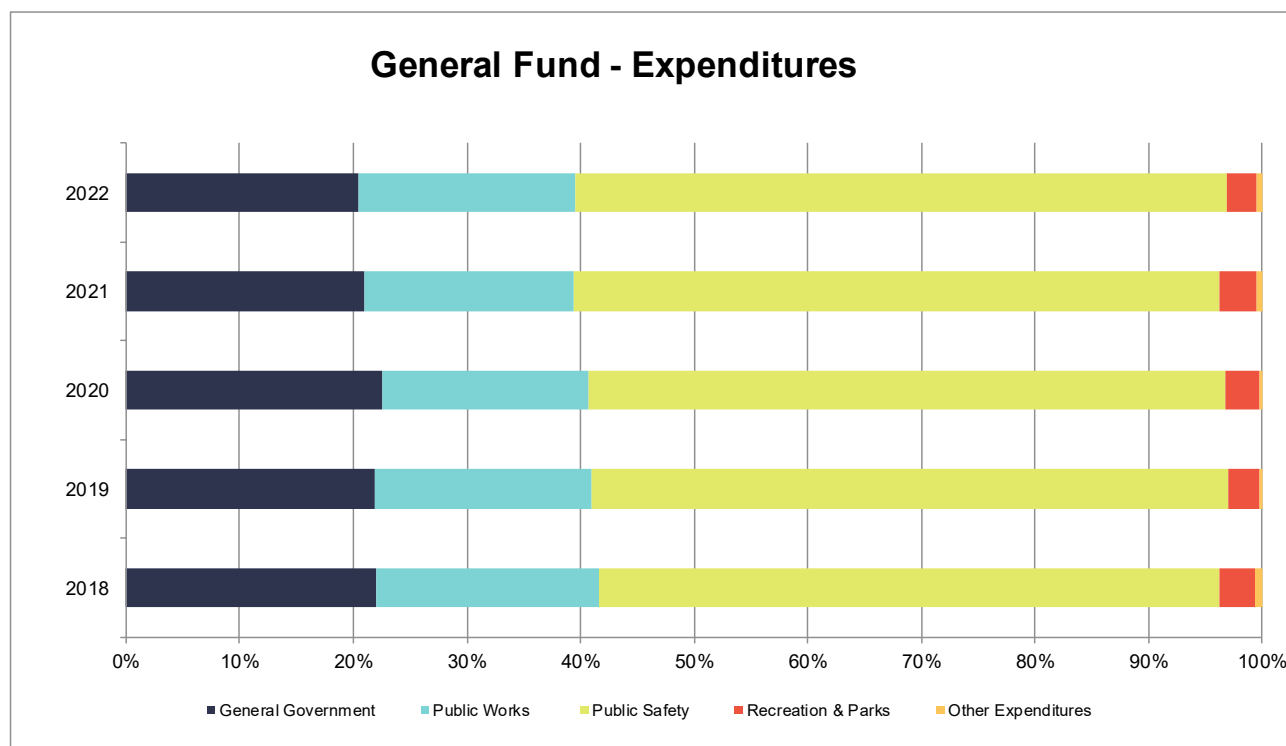
Financial Results



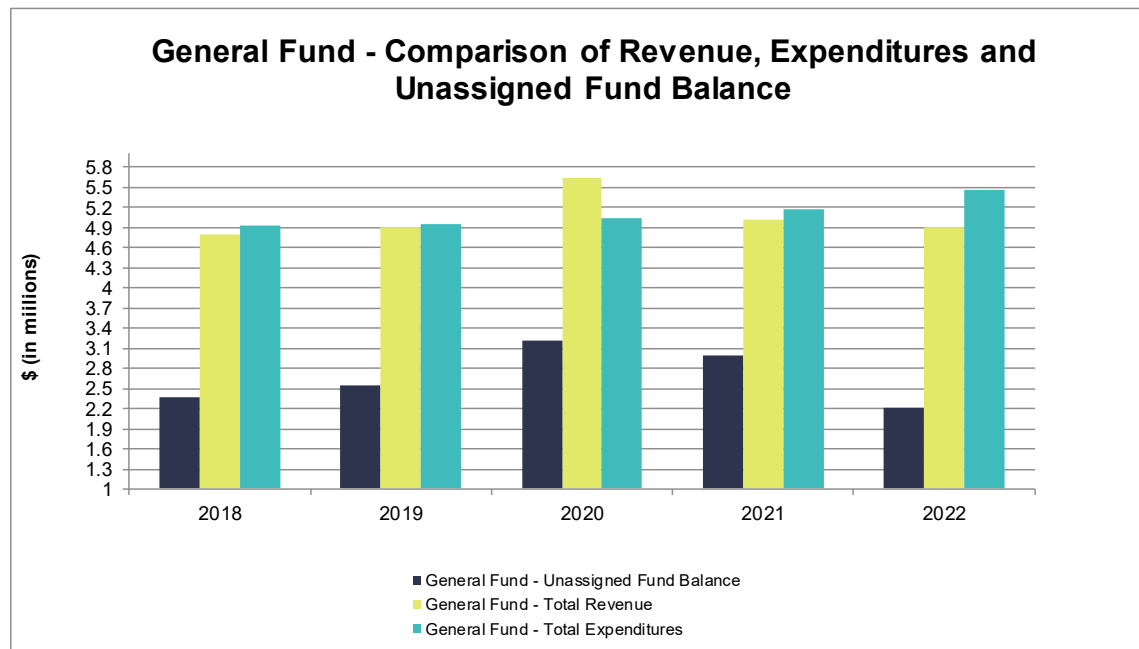
Financial Results (Continued)



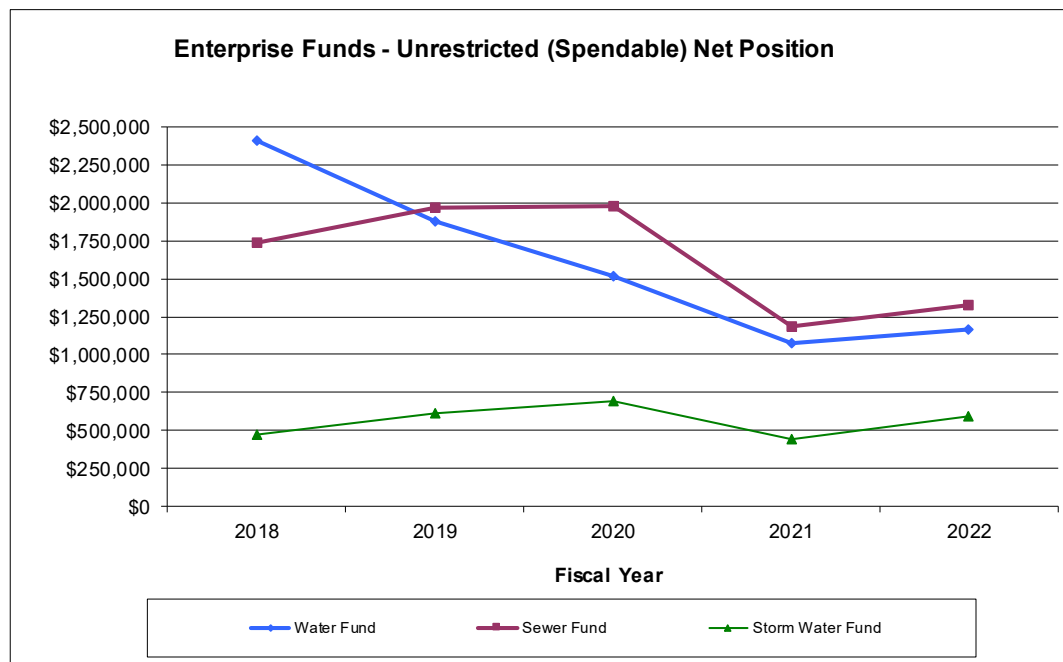
Financial Results (Continued)



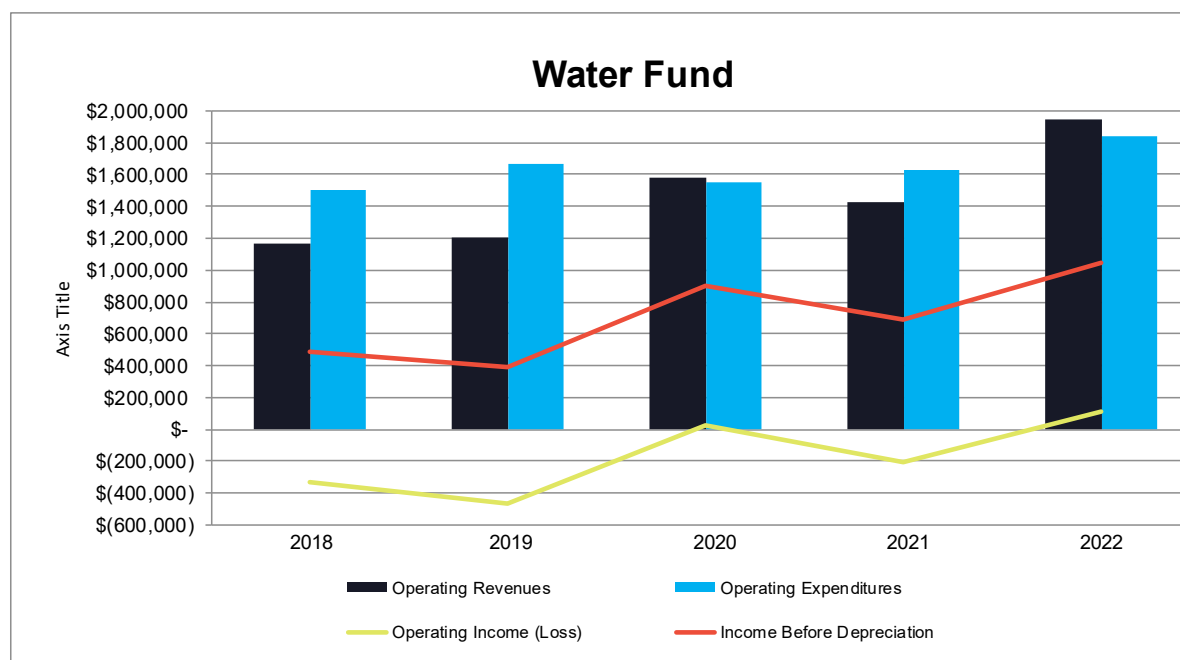
Financial Results (Continued)



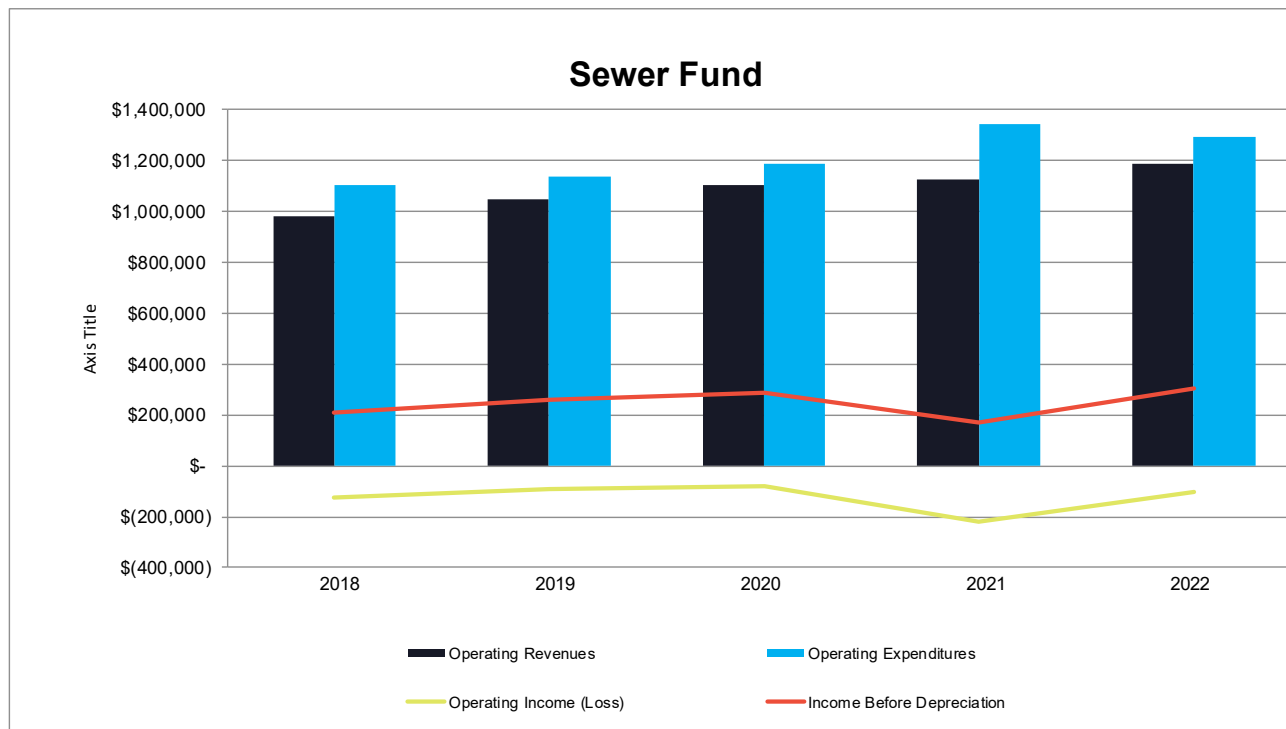
Financial Results (Continued)



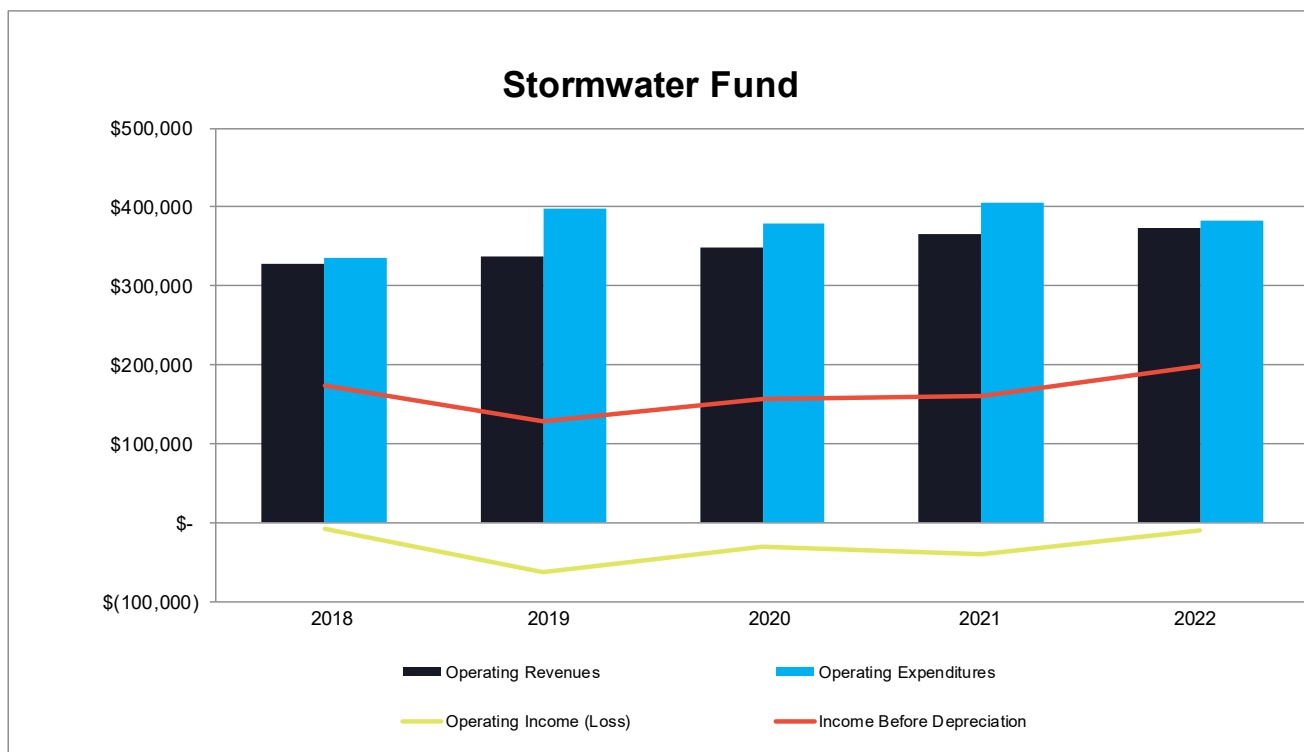
Financial Results (Continued)



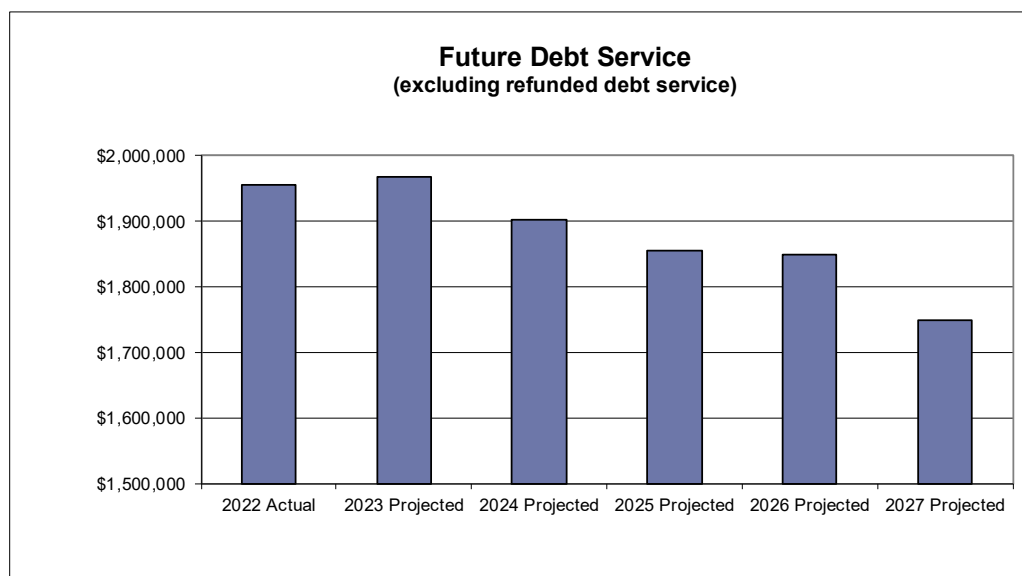
Financial Results (Continued)



Financial Results (Continued)



Financial Results (Continued)

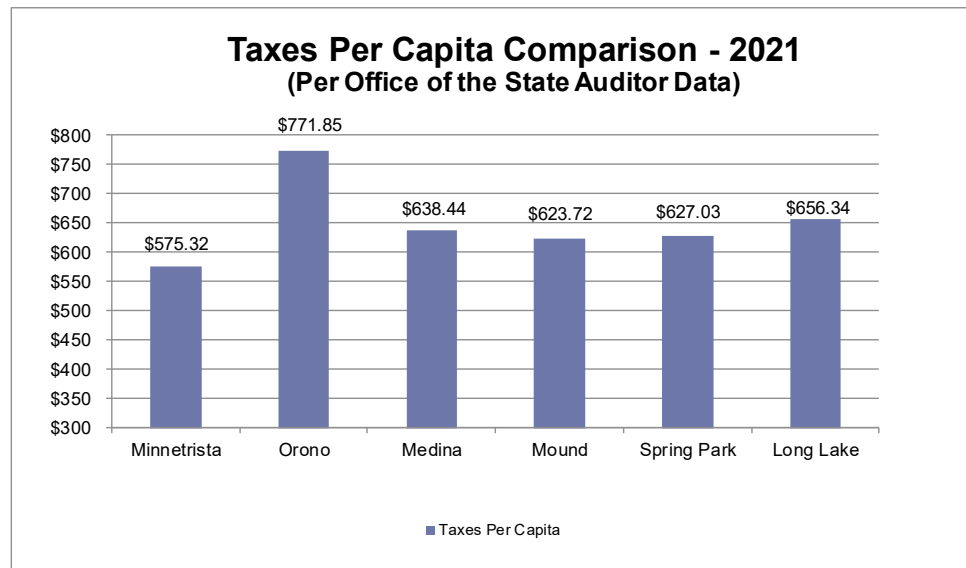


* 2021 Total Debt: \$18,913,544. 2022 Total Debt: \$17,360,544. Total Principal Paid: \$1,553,000

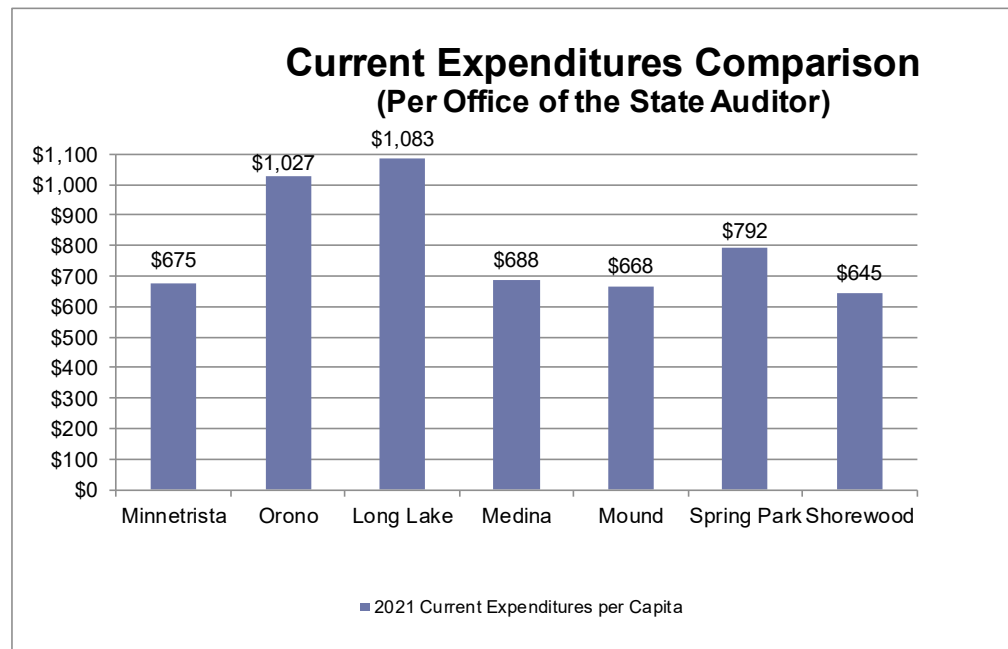
* Subsequent event note for issuance of \$6,790,000 of 2023A GO Bonds in April.



Financial Results (Continued)



Financial Results (Continued)



Thank you!

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