

# City of Scandia



December 31, 2010  
Auditor Communications

Craig Popenhagen, Principal  
Brady Hoffman, Manager

# Agenda

- Required Communications
- Audit Results
- Financial Highlights
- New Pronouncements



# Required Communications

- Audit provides reasonable, but not *absolute* assurance
- Significant accounting estimates
  - Useful lives of capital assets
- Passed Adjustment
- Received full cooperation from management



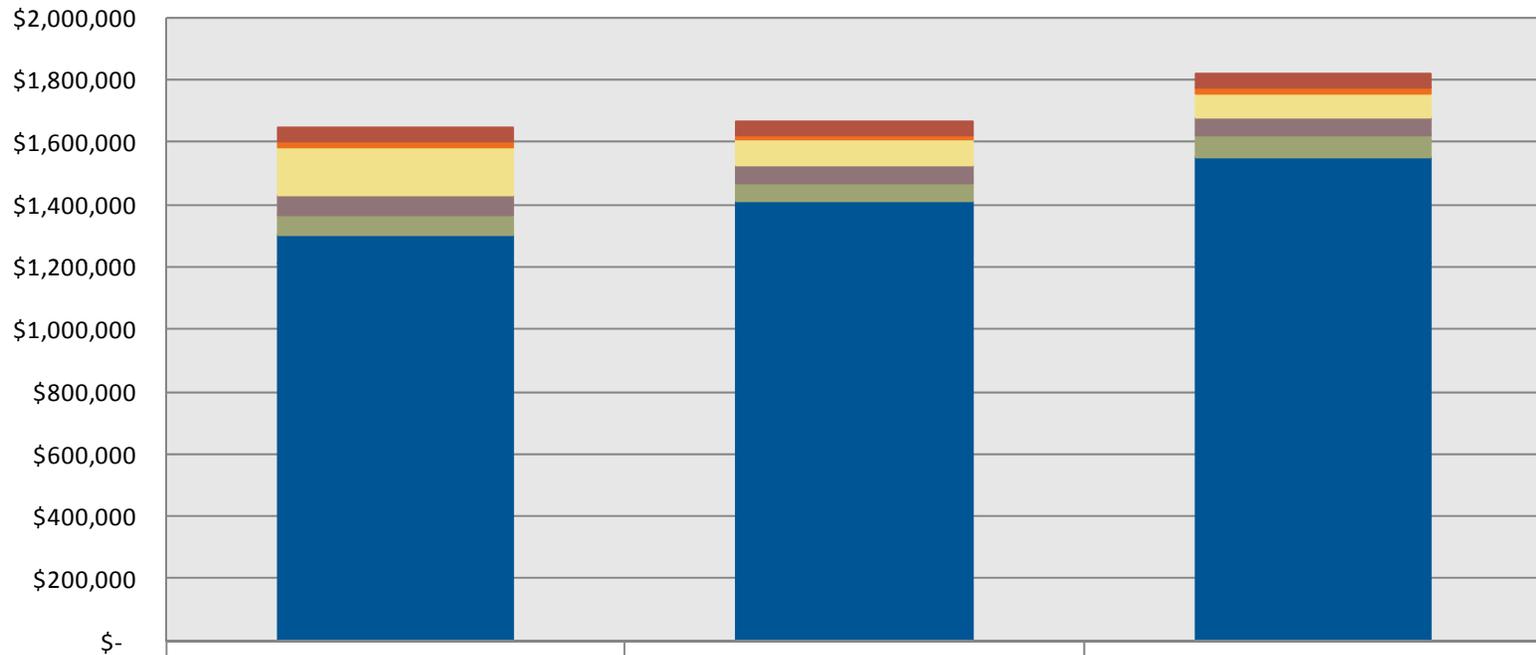
# Audit Results

- Financial statements – Unqualified (i.e. “clean”) opinion on financial statements
- Internal controls
  - Segregation of duties
  - Oversight of the financial reporting process
  - Audit adjustments
- Minnesota legal compliance
  - Out of State Travel Policy



# Financial Highlights

## General Fund Revenues

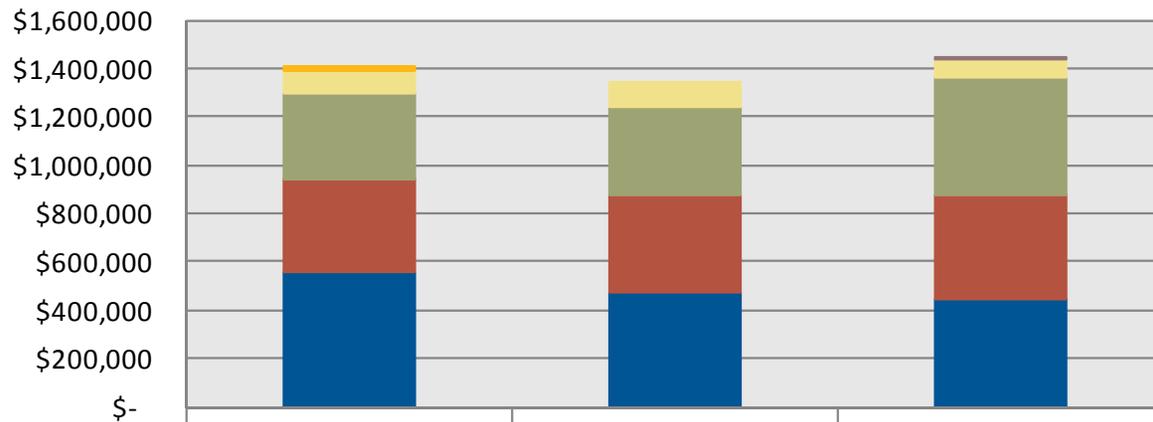


	2008	2009	2010
Miscellaneous	\$48,280	\$42,035	\$43,336
Fines	\$15,953	\$12,392	\$19,694
Charges for Service	\$151,870	\$85,582	\$77,741
Intergovernmental	\$63,259	\$58,075	\$56,826
Licenses and Permits	\$66,132	\$57,543	\$73,939
Property Taxes	\$1,301,526	\$1,408,652	\$1,546,679



# Financial Highlights (cont'd)

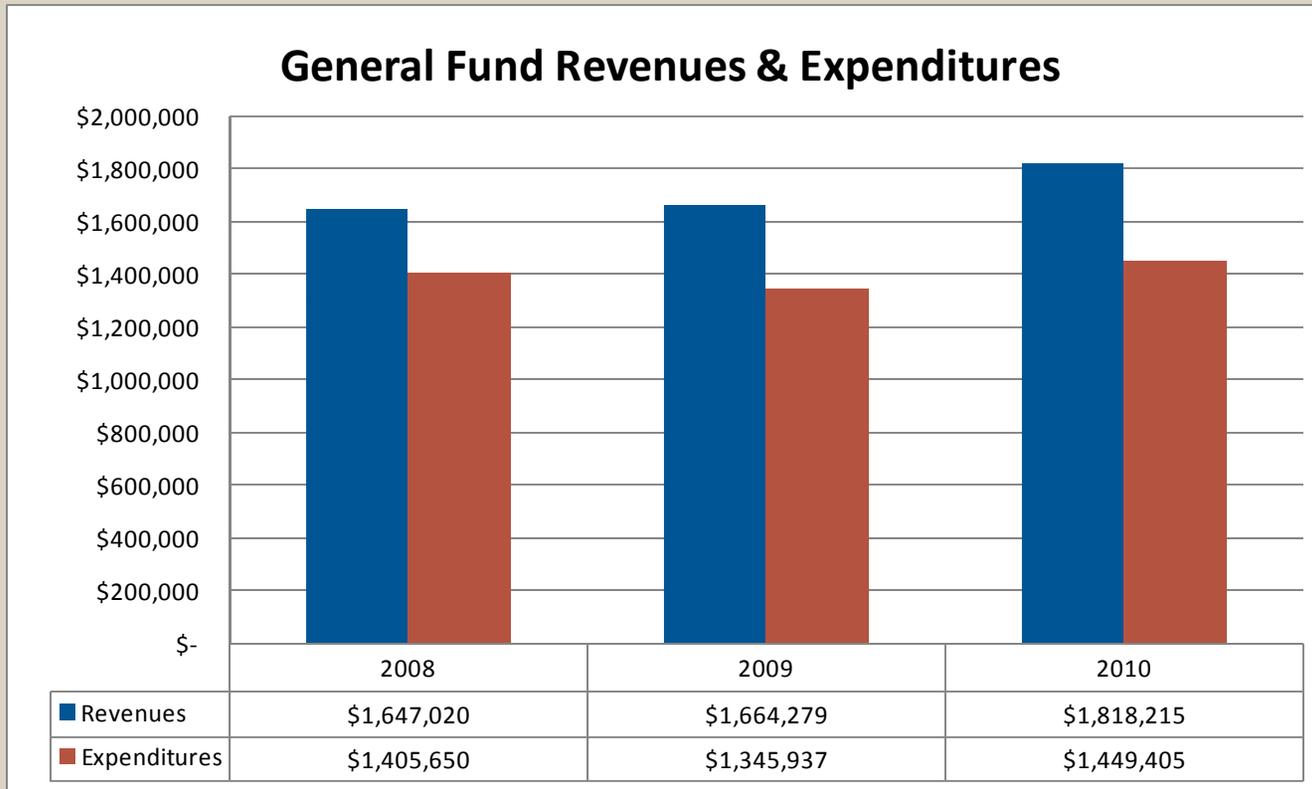
## General Fund Expenditures



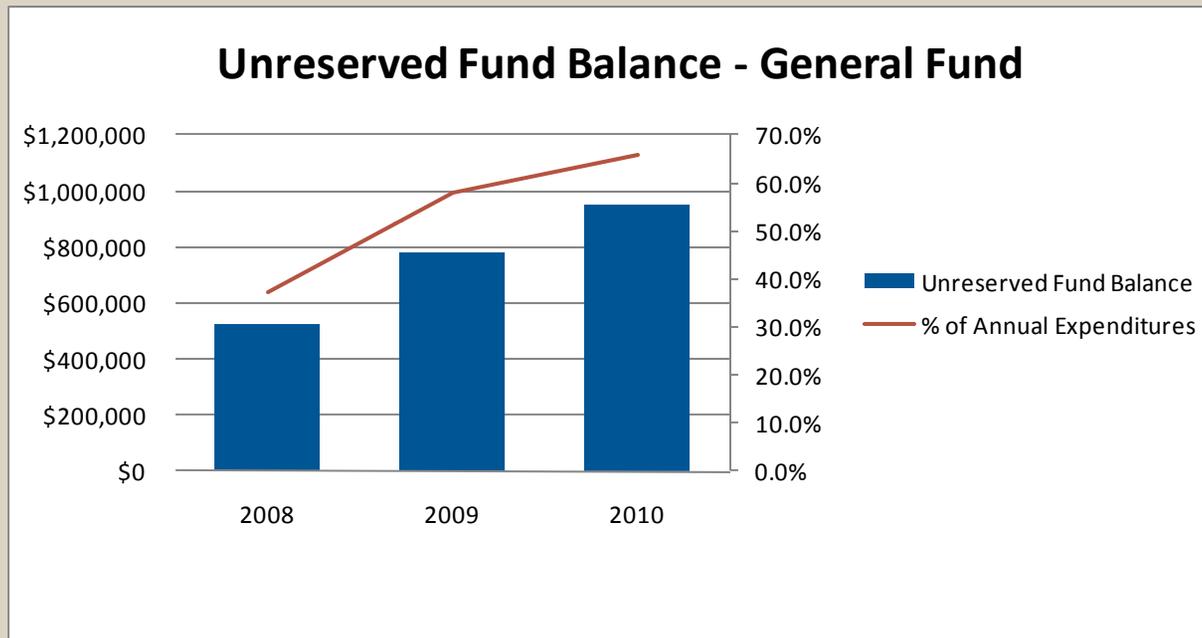
	2008	2009	2010
■ Debt Service	\$20,590	\$-	\$-
■ Capital Outlay	\$-	\$-	\$9,176
■ Recreation and Parks	\$86,333	\$104,202	\$78,382
■ Public Works	\$360,461	\$370,212	\$490,079
■ Public Safety	\$385,665	\$395,511	\$425,414
■ General Government	\$552,601	\$476,012	\$446,354



# Financial Highlights (cont'd)

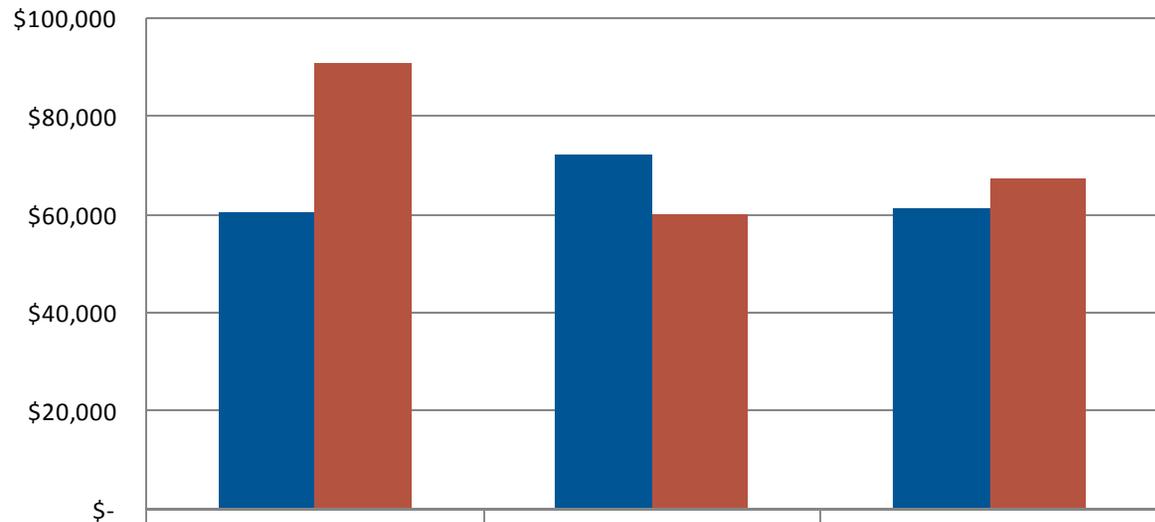


# Financial Highlights (cont'd)



# Financial Highlights (cont'd)

**Sewer Enterprise Fund Operating Income and Operating Expense**

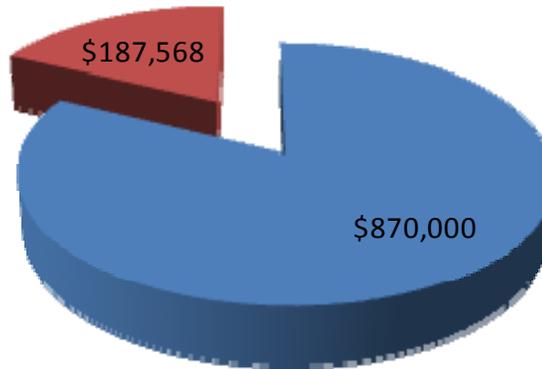


	2008	2009	2010
Operating Income	\$60,338	\$72,220	\$61,236
Operating Expense	\$90,983	\$60,030	\$67,359



# Financial Highlights (cont'd)

## Sewer Enterprise Fund - Asset Breakdown



- Invested in Capital Assets, Net of Related Debt (Nonspendable)
- Unrestricted (Spendable)



# New Pronouncements

- GASB 54 – *Fund Balance Reporting and Governmental Fund Type Definitions*
  - Effective for fiscal year ending December 31, 2011
  - Distinguishes between fund balance amounts that are considered *non-spendable*, such as fund balance associated with inventories, and other amounts that are classified based on the relative ability to be spent.



# New Pronouncements (cont'd)

- Beginning with the most non-spendable classification, fund balances will be reported in the following classifications:
  - *Restricted*—amounts constrained by external parties, constitutional provision, or enabling legislation.
  - *Committed*—includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority
  - *Assigned*—amounts a government intends to use for a particular purpose. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed.
  - *Unassigned*—amounts that are not constrained at all will be reported in the general fund or to report deficit balances in other governmental funds.



# Questions and Feedback

**Thank you!**

Craig Popenhagen, Principal  
Ph. 612/397-3087  
cpopenhagen@larsonallen.com

Brady Hoffman, Manager  
Ph. 612/376-4665  
bhoffman@larsonallen.com

