

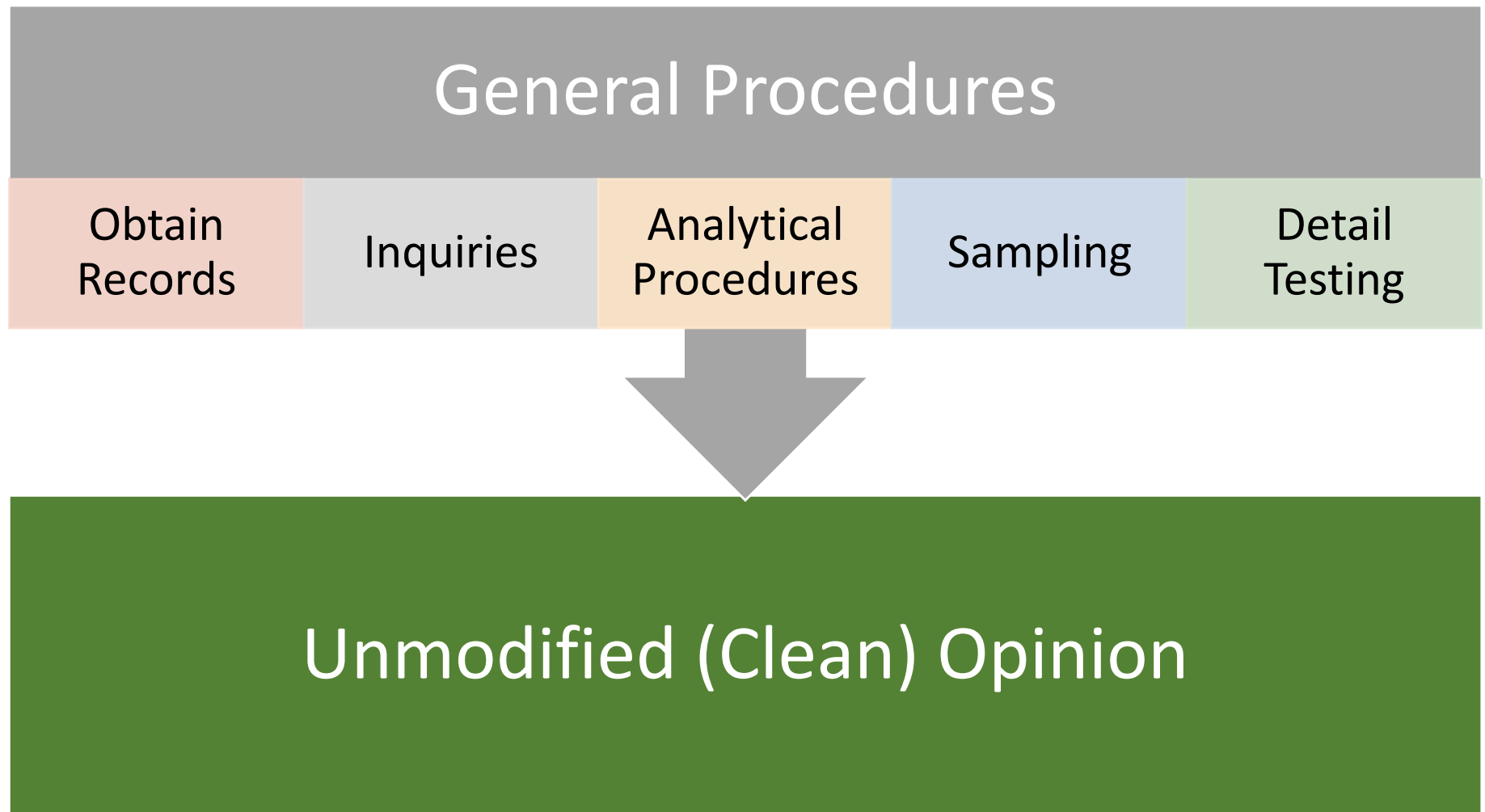


City of Foley, Minnesota

Presentation of the Audited Financial Statements

Fiscal Year Ended December 31, 2023

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 include the
calculation of Net Pension
Asset/Liability and related balances

Controls and Compliance



AUDIT ADJUSTMENTS

- Various adjustments recorded during our audit process, the majority of which were not material



INTERNAL CONTROLS

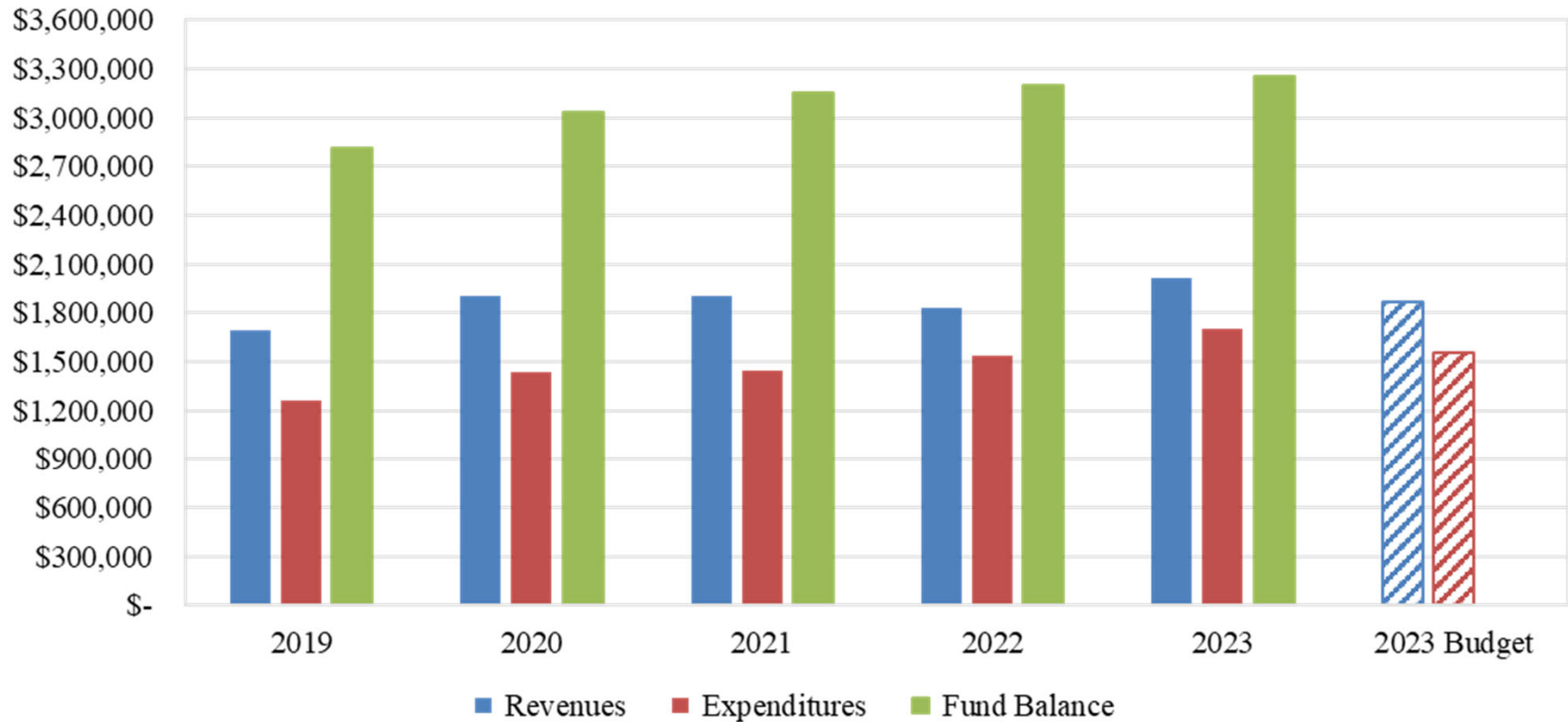
- Your City has a lack of proper segregation of duties, which is very common for a City of your size
- Schlenner Wenner & Co. has drafted your City's financial statements



MINNESOTA LEGAL COMPLIANCE

- No instances of noncompliance were identified as a result of our procedures, except for:
 - Broker Acknowledgement Certification
 - Sweep Account Compliance/Deposits in Excess of Insured Limits

General Fund - Trend Analysis & Budgetary Comparison

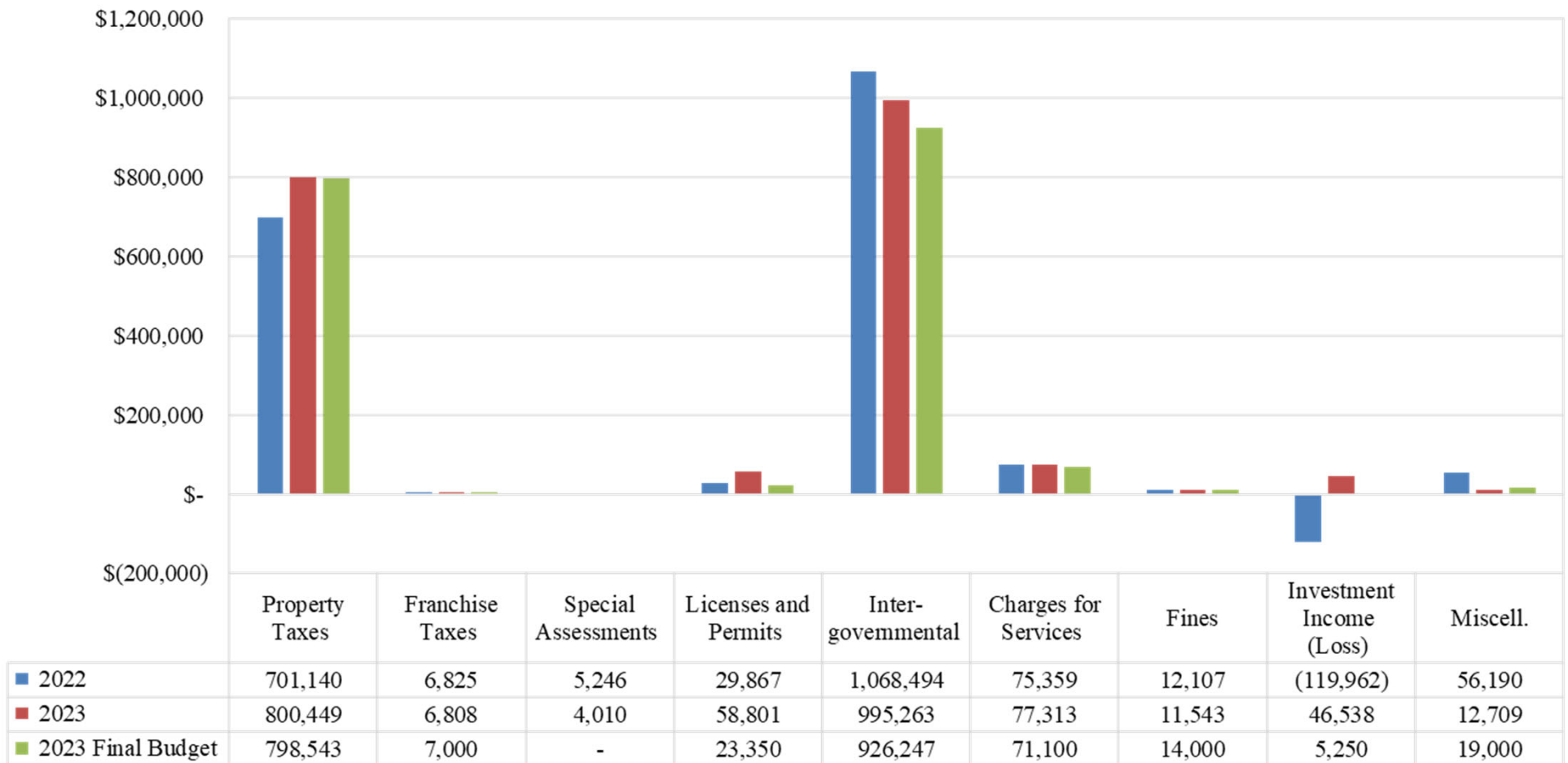


- Revenues exceeded budget, primarily due to unbudgeted State Grants and Investment Income.
- Actual expenditures exceeded budget, primarily due to unbudgeted Public Works and Public Safety expenditures.

| | 2022 | 2023 | 2023 Budget |
|------------------------|--------------|--------------|--------------|
| Revenues | \$ 1,835,266 | \$ 2,013,434 | \$ 1,864,490 |
| Expenditures | 1,533,578 | 1,706,669 | 1,553,090 |
| Other Uses | (250,630) | (256,005) | (311,400) |
| Change in Fund Balance | 51,058 | 50,760 | - |
| Fund Balance | \$ 3,199,591 | \$ 3,250,351 | |

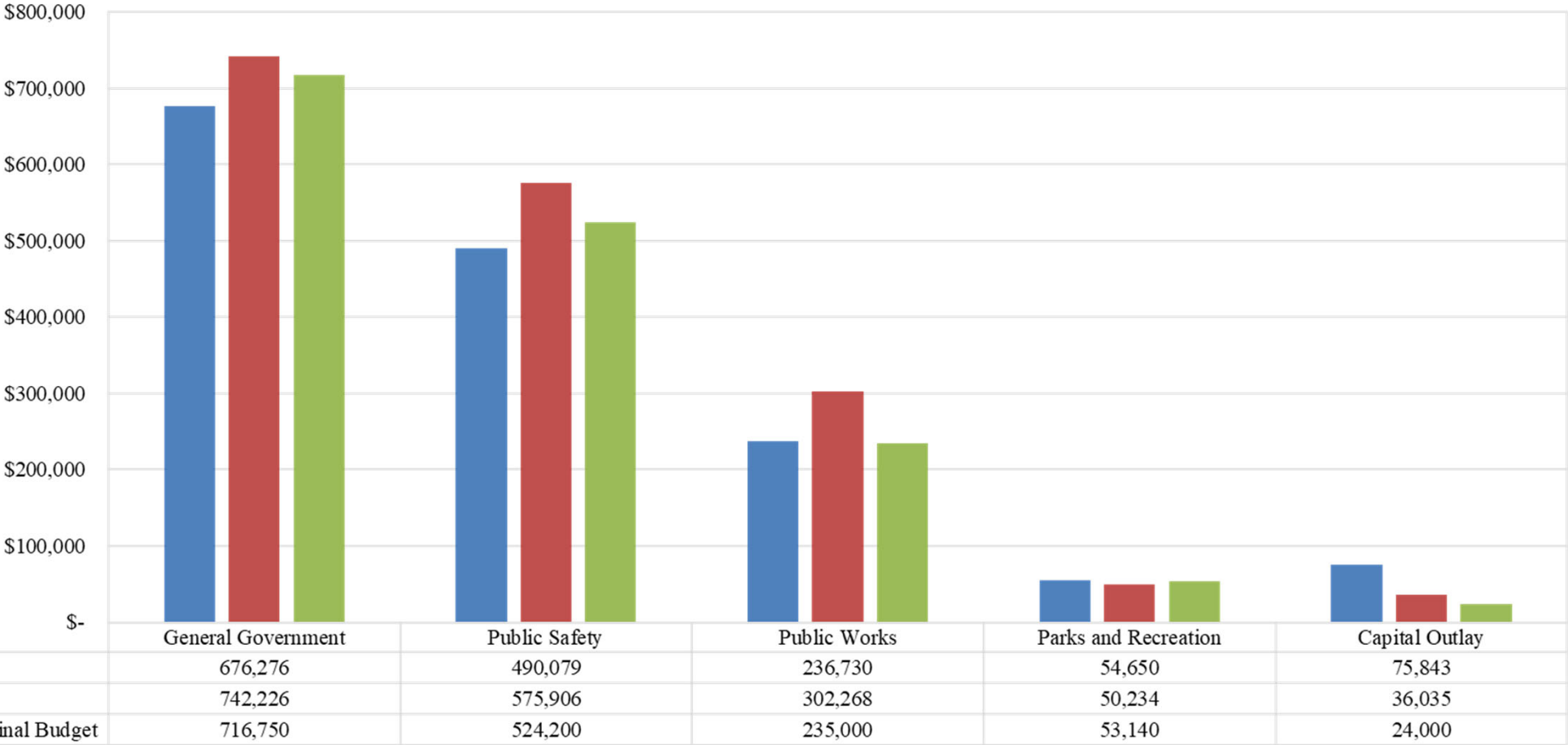
General Fund

Detailed Revenue Analysis

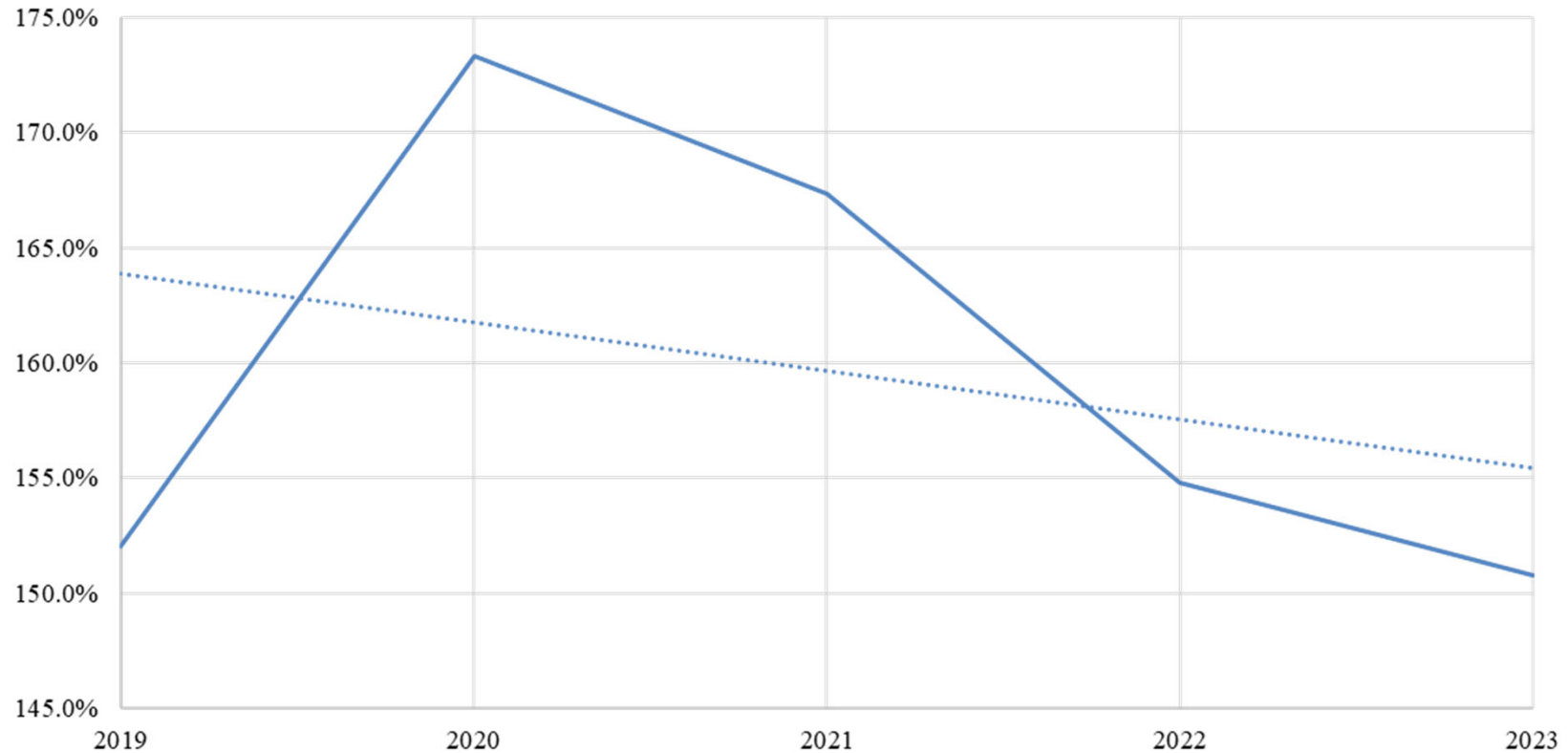


General Fund

Detailed Expenditure Analysis



Unassigned Fund Balance as a Percentage of the Annual Budget

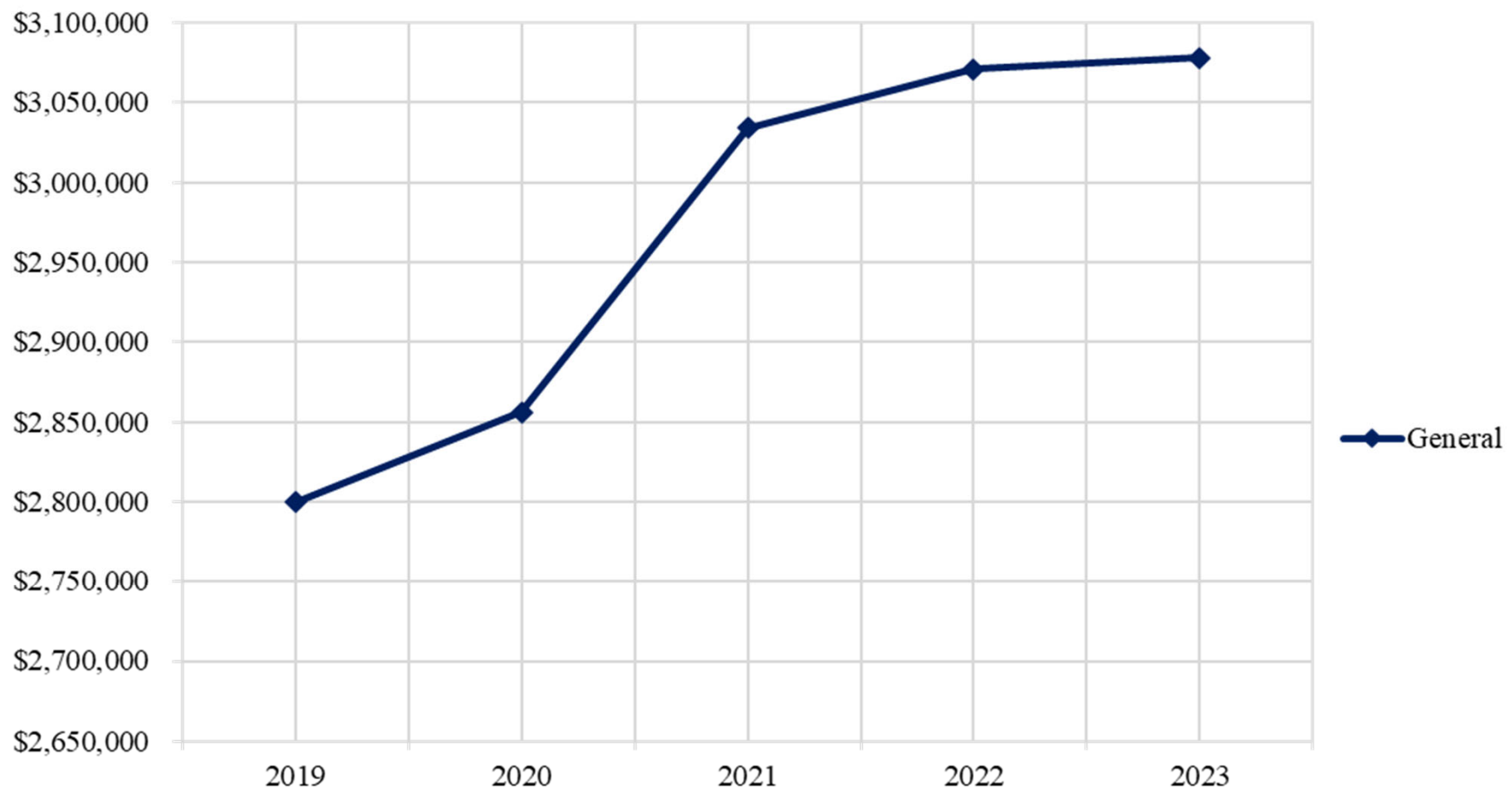


| <u>Year</u> | <u>Percentage</u> |
|-------------|-------------------|
| 2019 | 152.0% |
| 2020 | 173.3% |
| 2021 | 167.3% |
| 2022 | 154.8% |
| 2023 | 150.8% |

- Fund balance policy sets a target fund balance of approximately 50% to 65% of annual budgeted operating expenditures.

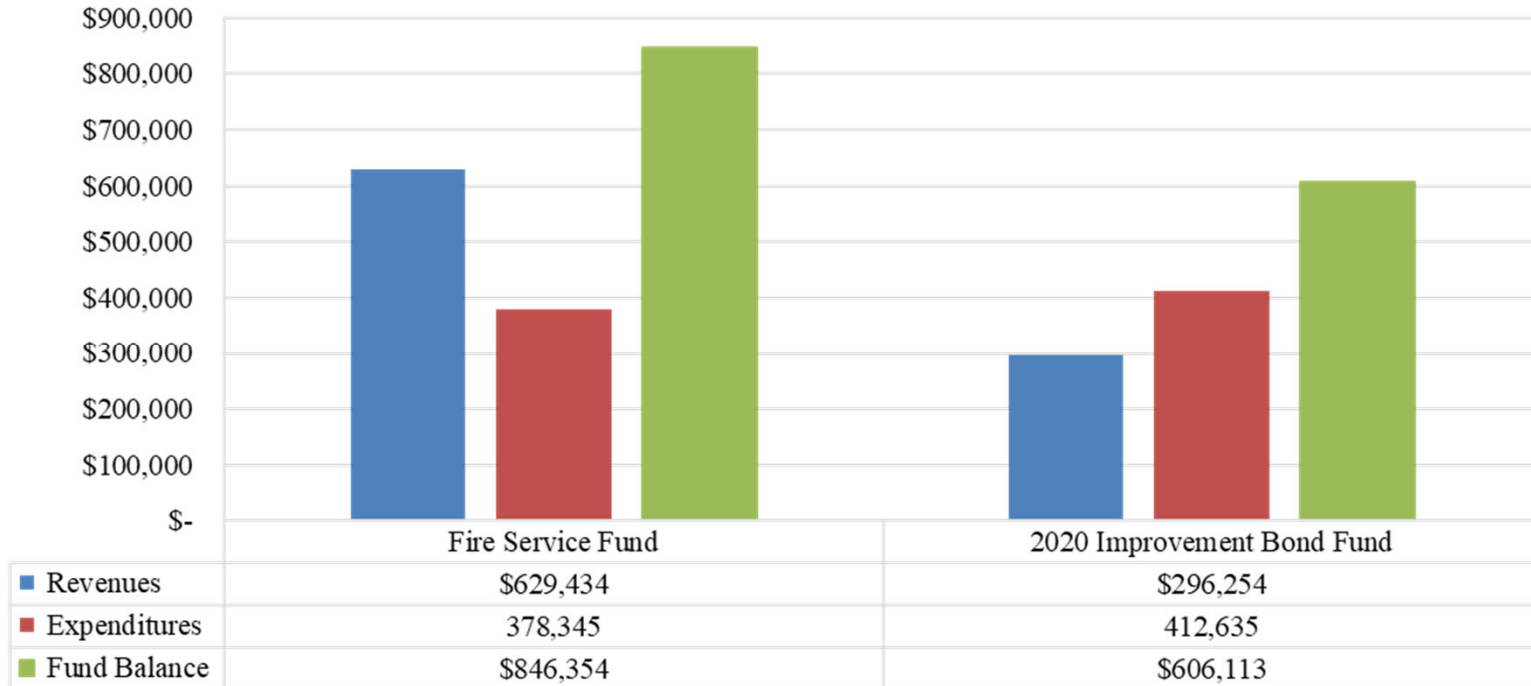
General Fund

Cash Trend Analysis



Financial Highlights

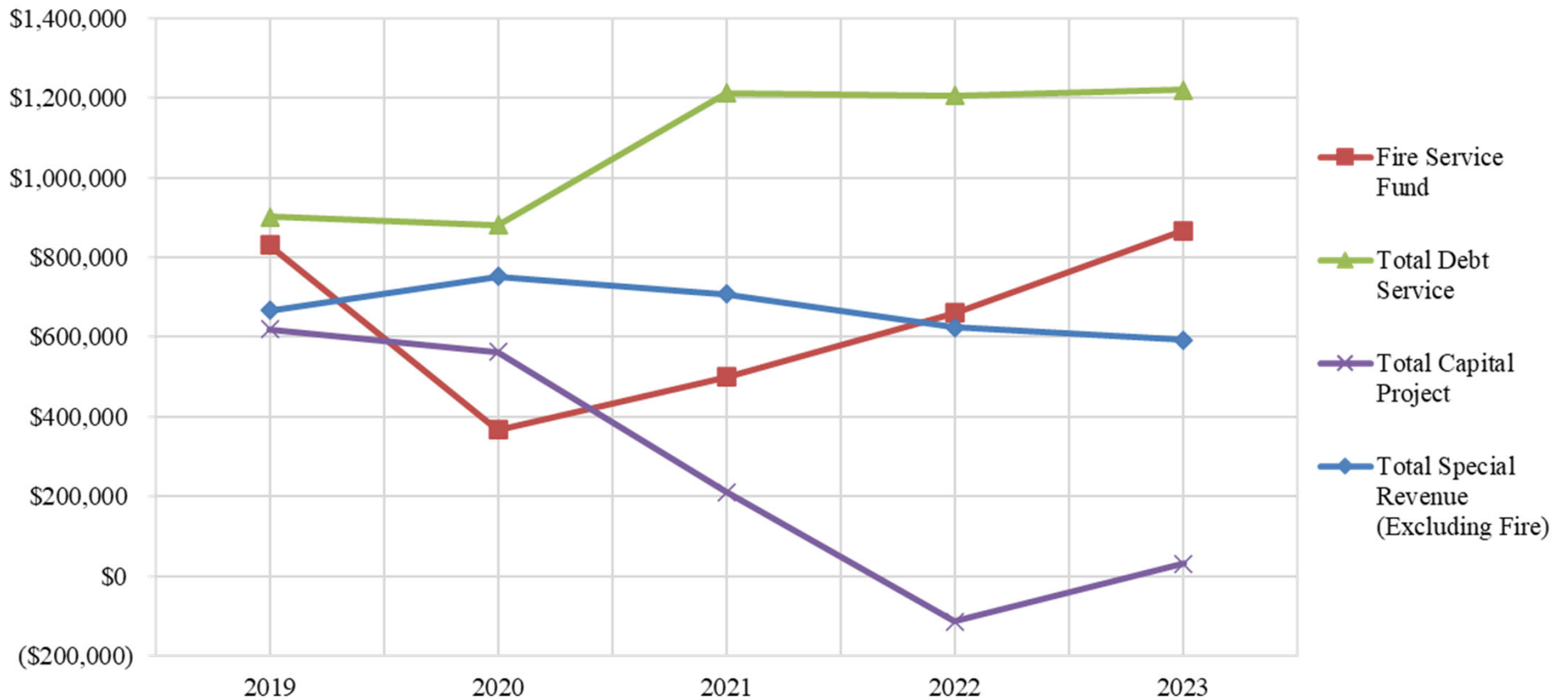
Remaining Governmental Funds



* Details for remaining nonmajor governmental funds can be found on pages 75-82 in the audited financial statements.

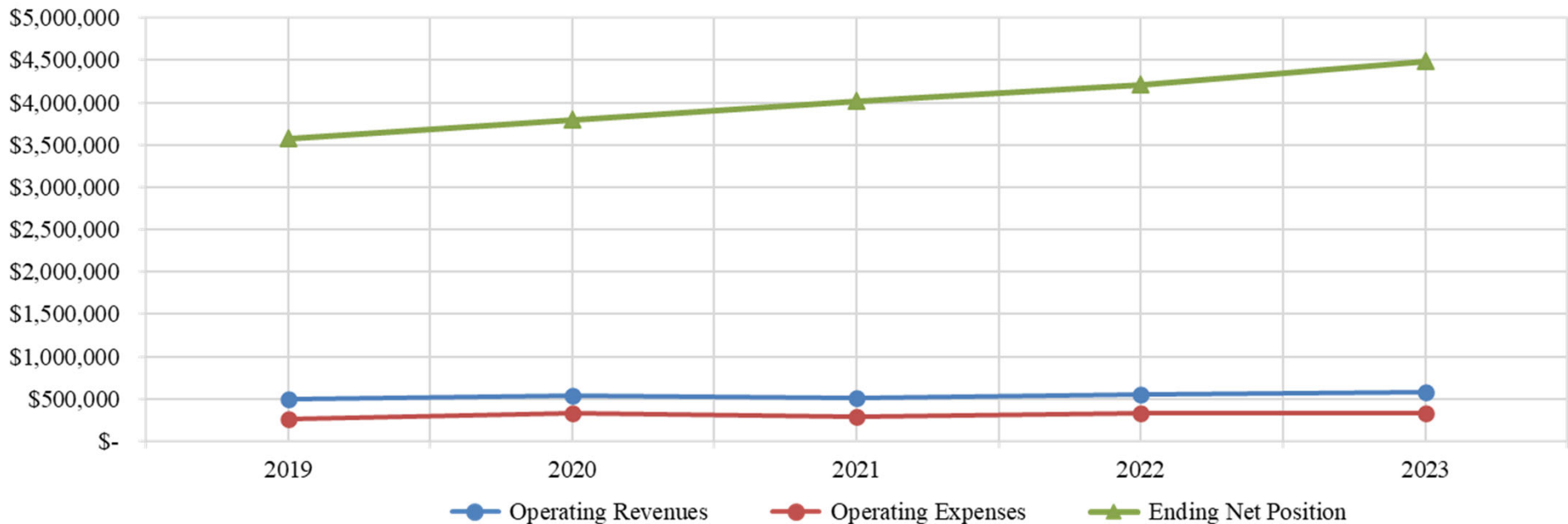
Remaining Governmental Funds

Cash Trend Analysis



Water Fund

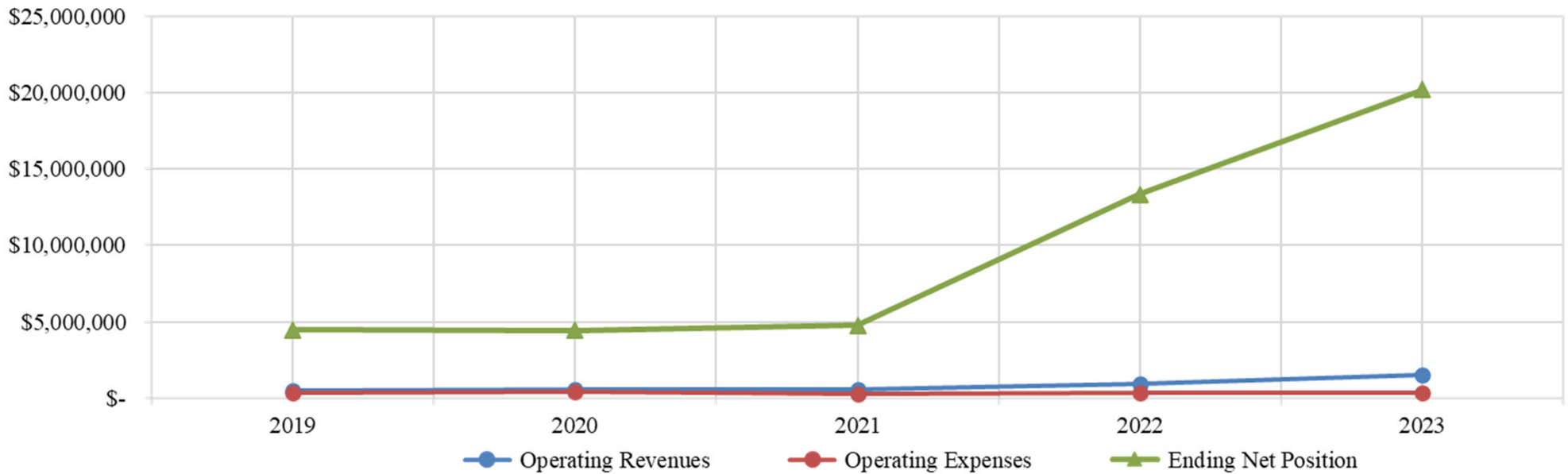
Historical Trends



| | 2019 | 2020 | 2021 | 2022 | 2023 |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Operating Revenues | \$ 502,196 | \$ 533,880 | \$ 506,393 | \$ 548,410 | \$ 579,358 |
| Operating Expenses | 260,361 | 337,806 | 292,963 | 328,472 | 333,539 |
| Operating Income (Loss) | 241,835 | 196,074 | 213,430 | 219,938 | 245,819 |
| Nonoperating Revenues & Transfers In | 597,921 | 21,429 | 12,384 | 1,733 | 24,289 |
| Nonoperating Expenses & Transfers Out | - | - | (6,563) | (21,970) | - |
| Change In Net Position | \$ 839,756 | \$ 217,503 | \$ 219,251 | \$ 199,701 | \$ 270,108 |
| Ending Net Position | \$ 3,579,526 | \$ 3,797,029 | \$ 4,016,280 | \$ 4,215,981 | \$ 4,486,089 |

Sewer Fund

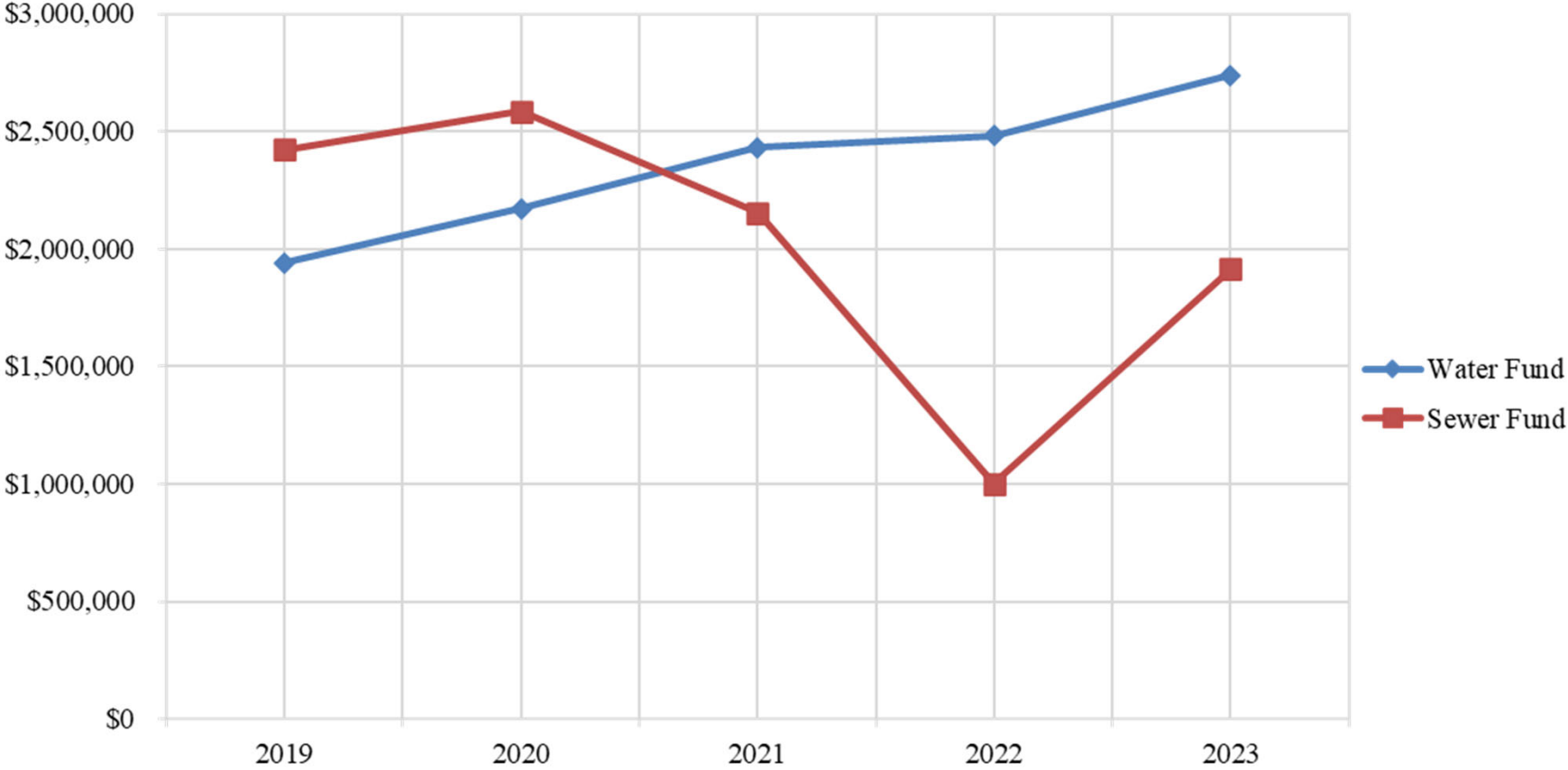
Historical Trends

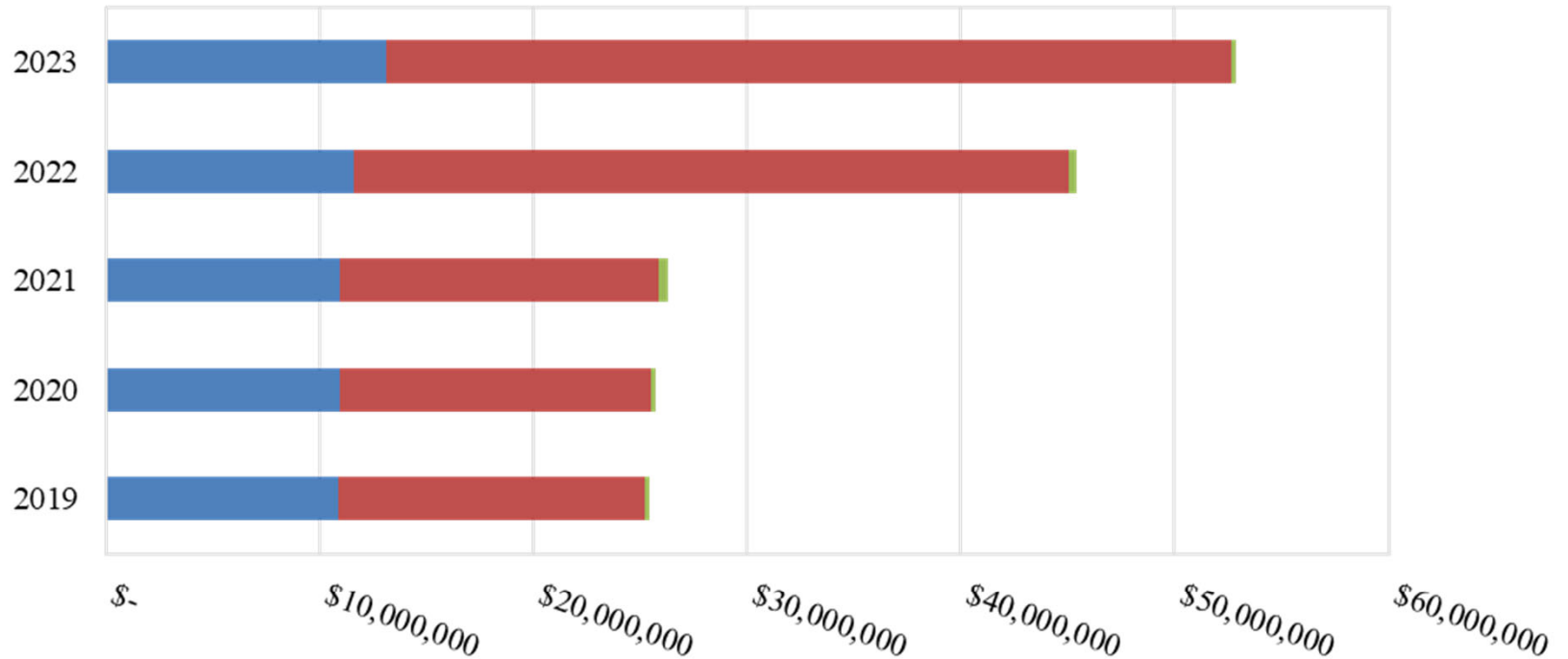


| | 2019 | 2020 | 2021 | 2022 | 2023 |
|---------------------------------------|--------------|--------------|--------------|---------------|---------------|
| Operating Revenues | \$ 504,701 | \$ 561,072 | \$ 592,007 | \$ 971,425 | \$ 1,496,047 |
| Operating Expenses | 327,705 | 439,501 | 257,601 | 354,447 | 356,775 |
| Operating Income (Loss) | 176,996 | 121,571 | 334,406 | 616,978 | 1,139,272 |
| Nonoperating Revenues & Transfers In | 513,527 | 14,349 | 11,203 | 8,031,683 | 5,949,176 |
| Nonoperating Expenses & Transfers Out | - | (164,000) | (25,106) | (80,048) | (222,188) |
| Change In Net Position | \$ 690,523 | \$ (28,080) | \$ 320,503 | \$ 8,568,613 | \$ 6,866,260 |
| Ending Net Position | \$ 4,478,369 | \$ 4,450,289 | \$ 4,770,792 | \$ 13,339,405 | \$ 20,205,665 |

Enterprise Funds

Cash Trend Analysis



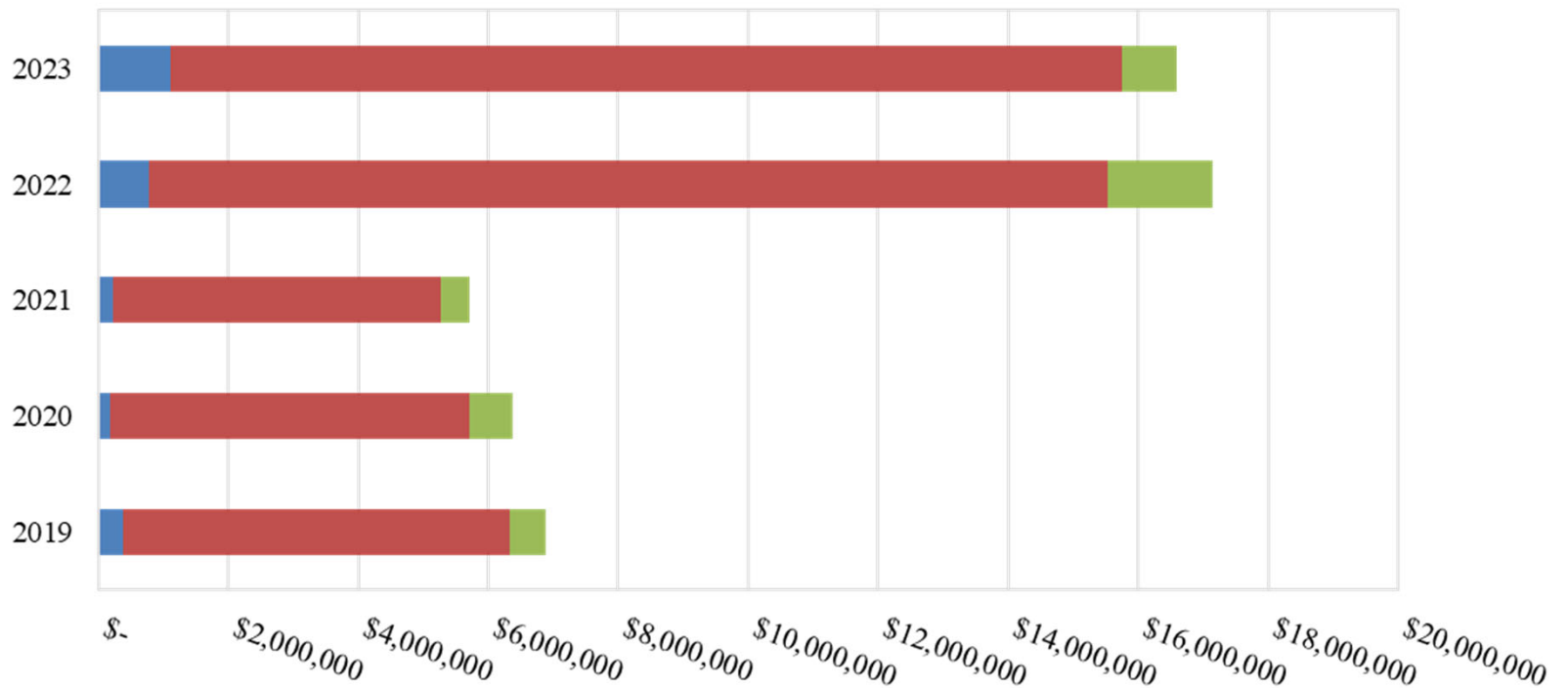


| | 2019 | 2020 | 2021 | 2022 | 2023 |
|----------------------|--------------|--------------|--------------|--------------|--------------|
| ■ Current Assets | \$10,909,540 | \$10,973,279 | \$10,963,990 | \$11,574,244 | \$13,128,189 |
| ■ Capital/Noncurrent | \$14,284,454 | \$14,522,134 | \$14,917,436 | \$33,446,770 | \$39,513,018 |
| ■ Net Pension Asset | \$217,396 | \$238,818 | \$402,168 | \$372,219 | \$246,761 |

Financial Highlights

Total Government-Wide Assets

- Increase in total assets is primarily due to various capital related equipment purchases and construction in progress in the current year.



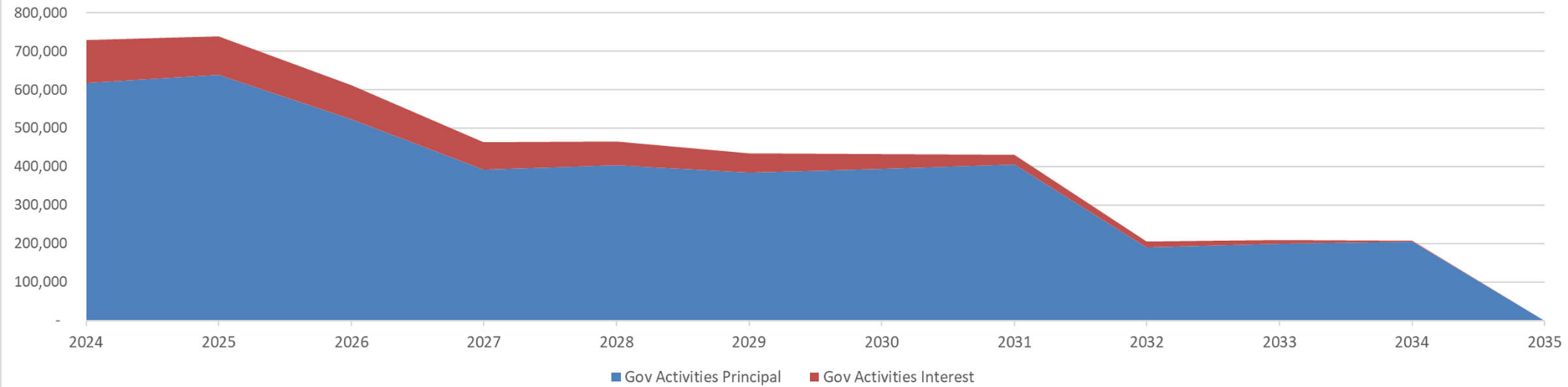
| | 2019 | 2020 | 2021 | 2022 | 2023 |
|-------------------------|-------------|-------------|-------------|--------------|--------------|
| ■ Current Liabilities | \$376,089 | \$184,477 | \$220,130 | \$788,858 | \$1,121,213 |
| ■ Debt/Noncurrent | \$5,963,231 | \$5,519,045 | \$5,048,155 | \$14,743,582 | \$14,622,742 |
| ■ Net Pension Liability | \$546,570 | \$674,160 | \$443,025 | \$1,611,407 | \$856,783 |

Financial Highlights

Total Government-Wide Liabilities

- Your City's long-term liabilities decreased in the current year. More detail on this is shown on the next two pages.

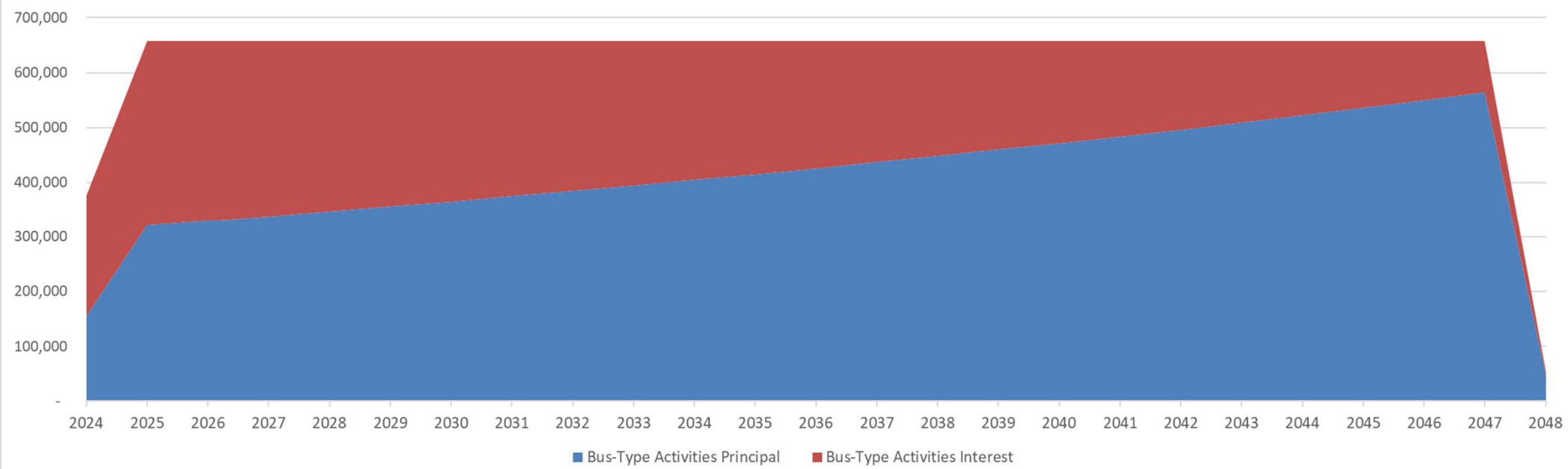
Governmental Activities Future Debt Payments



Long Term Debt Outstanding

- G.O. Bonds, 2015A
- G.O. Improvement Bonds, 2018A
- G.O. Improvement Refunding Bonds, 2020A
- Industrial Park Land Financing Arrangement

Business-Type Activities Future Debt Payments



Long Term Debt
Outstanding

- G.O. Sewer Revenue Note, 2022A

Questions?

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Manager

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