



CPAS & ADVISORS

# Mid- Minnesota Development Commission

Audit Report

June 30, 2022

# Independent Auditor's Report

## Pages 2-4:

- **Financial statements are presented fairly in our opinion**
- Conducted audit in accordance with Generally Accepted Auditing Standards and Government Auditing Standards
- Financial statements are the responsibility of the Commission's management
- Our responsibility is to express opinions on these financial statements based on our audit
- Obtain reasonable assurance financials are free of material misstatement

# Independent Auditor's Report (Cont'd)

## Pages 2-4:

- MD&A, Schedule of Proportionate Share of the Net Pension Liability, Schedule of Employer Contributions, and related notes are required supplementary information and unaudited
- Supplementary information is fairly stated in relation to financial statements taken as a whole

# Management's Discussion and Analysis (MD&A)

## Pages 5-12:

- Executive summary written by management
- Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$2,346,641
- General Fund fund balance increased by \$33,196
- Legacy Revolving Loan Special Revenue Fund fund balance increased by \$7,009
- CARES Revolving Loan Special Revenue Fund fund balance increased by \$71,420

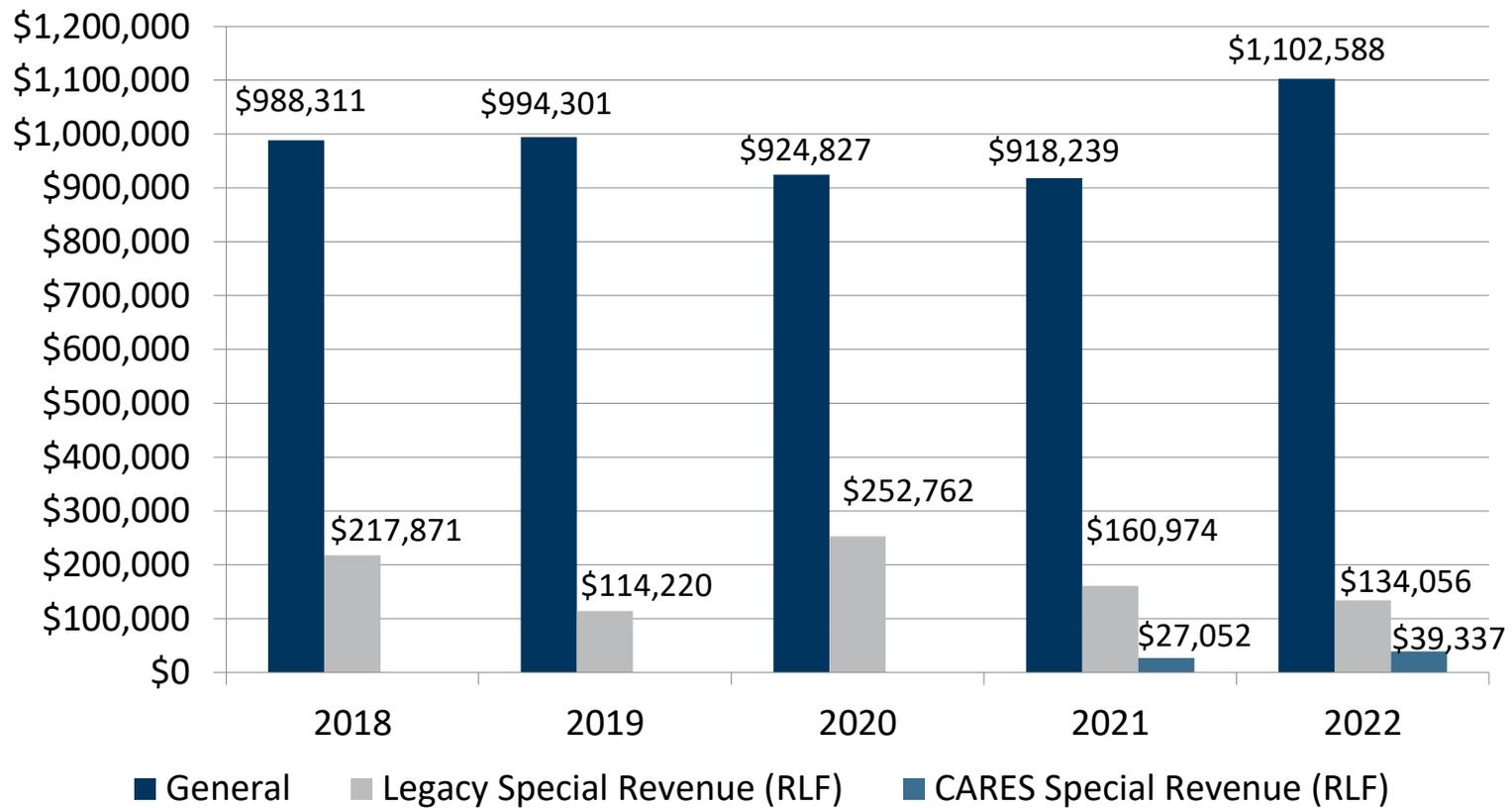
# Statement of Net Position

	<u>2022</u>	<u>2021</u>	<u>Change</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Assets			
Current	\$ 3,112,309	\$ 2,930,760	\$ 181,549
Capital	103,611	134,758	(31,147)
Total Assets	<u>3,215,920</u>	<u>3,065,518</u>	<u>150,402</u>
Deferred Outflows of Resources			
Related to Pensions	<u>300,653</u>	<u>85,837</u>	<u>214,816</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 3,516,573</u>	<u>\$ 3,151,355</u>	<u>\$ 365,218</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION			
Liabilities			
Current Liabilities	\$ 84,747	\$ 28,012	\$ 56,735
Long-Term Liabilities	414,676	519,647	(104,971)
Total Liabilities	<u>499,423</u>	<u>547,659</u>	<u>(48,236)</u>
Deferred Inflows of Resources			
Property Taxes Levied for Subsequent Year	\$ 378,999	\$ 368,193	10,806
Related to Pensions	291,510	16,383	275,127
Total Deferred Inflows of Resources	<u>670,509</u>	<u>384,576</u>	<u>285,933</u>
Net Position			
Net Investment in Capital Assets	29,627	38,538	(8,911)
Restricted for Revolving Loan Fund	869,218	797,798	71,420
Unrestricted	1,447,796	1,382,784	65,012
Total Net Position	<u>2,346,641</u>	<u>2,219,120</u>	<u>127,521</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 3,516,573</u>	<u>\$ 3,151,355</u>	<u>\$ 365,218</u>

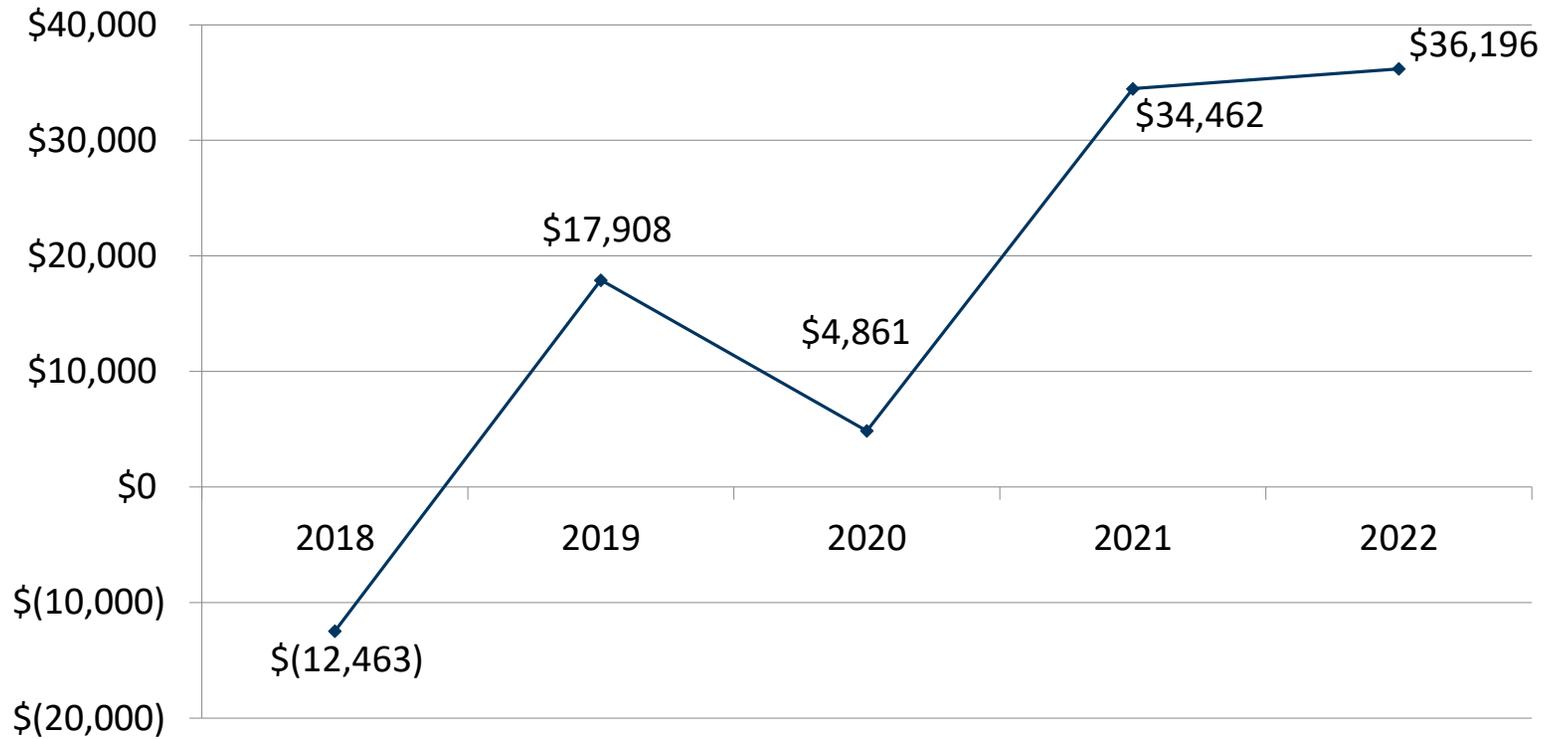
# Statement of Activities

	2022	2021	Change
<b>REVENUES</b>			
Program Revenues			
Charges for Services	\$ 99,466	\$ 176,044	\$ (76,578)
Operating Grants and Contributions	546,259	1,243,341	(697,082)
General Revenues			
Taxes	374,185	358,314	15,871
Other	10,880	8,294	2,586
Total Revenues	<u>1,030,790</u>	<u>1,785,993</u>	<u>(755,203)</u>
<b>EXPENSES</b>			
Administration	136,118	113,917	22,201
Technical Assistance	146,353	139,619	6,734
Transportation Planning	87,556	91,411	(3,855)
Economic Development Administration	290,924	373,926	(83,002)
Revolving Loan Fund Administration	32,444	47,886	(15,442)
Regional Transportation Coordinating Council	203,901	149,575	54,326
Administrative Services	5,973	1,147	4,826
Total Expenses	<u>903,269</u>	<u>917,481</u>	<u>(14,212)</u>
Change in Net Position	127,521	868,512	(740,991)

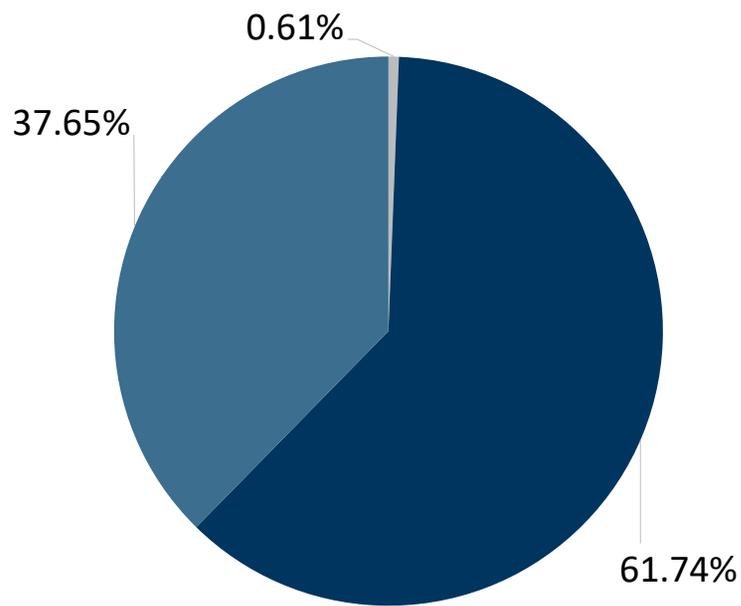
# Cash and Investments



# General Fund – Change in Fund Balance



# General Fund Balance Breakdown



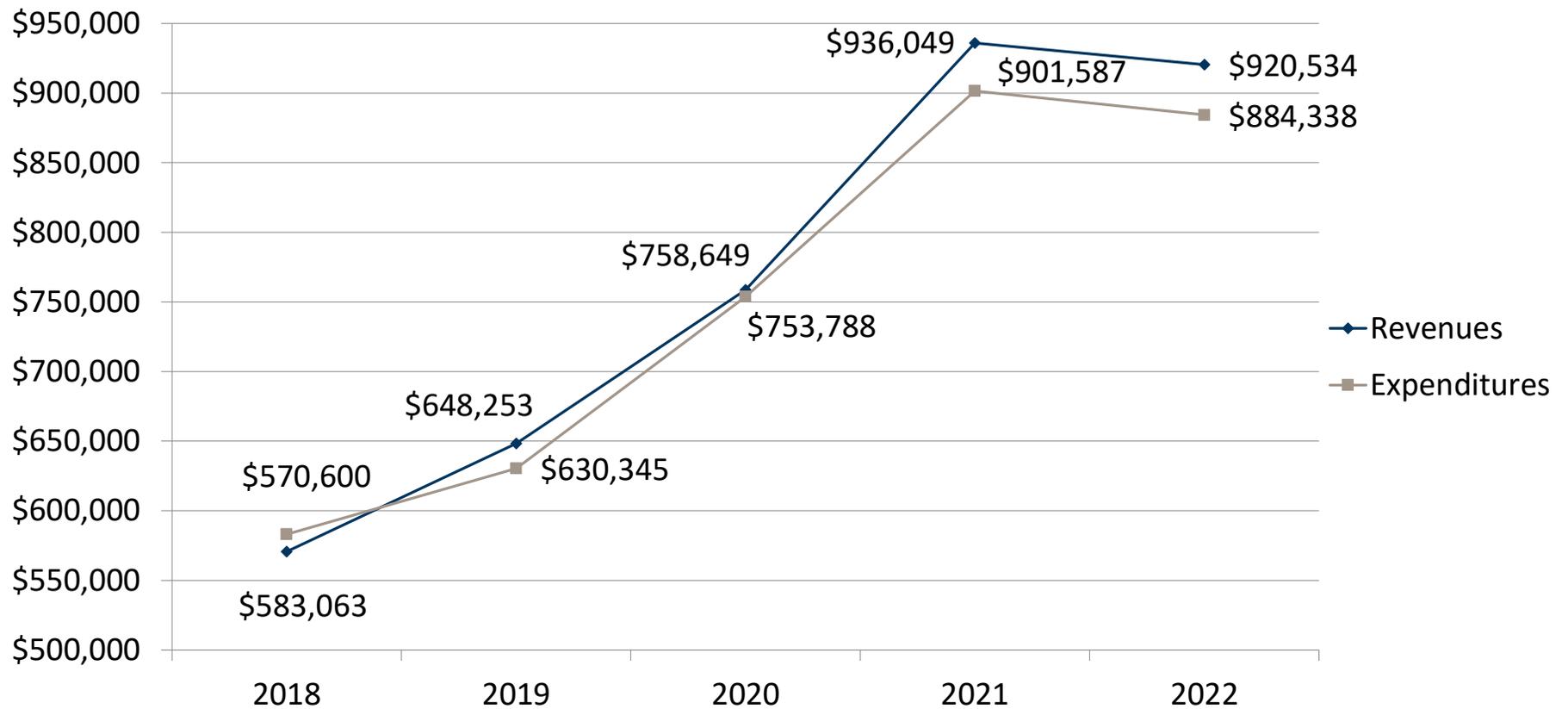
■ Nonspendable   ■ Committed   ■ Unassigned

	<u>2022</u>	<u>2021</u>
Nonspendable	\$ 5,651	\$ 18,874
Committed	573,828	561,328
Unassigned	349,877	312,958
<b>Total</b>	<b><u>\$ 929,356</u></b>	<b><u>\$ 893,160</u></b>

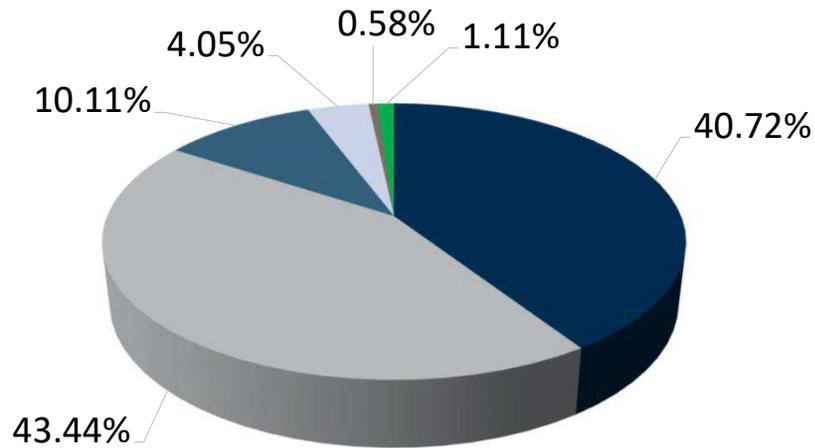
## Breakdown of Committed Funds

Emergency Staff Coverage	\$ 45,000	\$ 30,000
Succession Fund		30,000
Unemployment	37,500	30,000
Operating Capital	245,000	245,000
Facilities Fund	75,117	75,117
Community Enhancement	121,211	101,211
Planning Assistance	50,000	50,000
<b>Total</b>	<b><u>\$ 573,828</u></b>	<b><u>\$ 561,328</u></b>

# General Fund Revenues and Expenditures



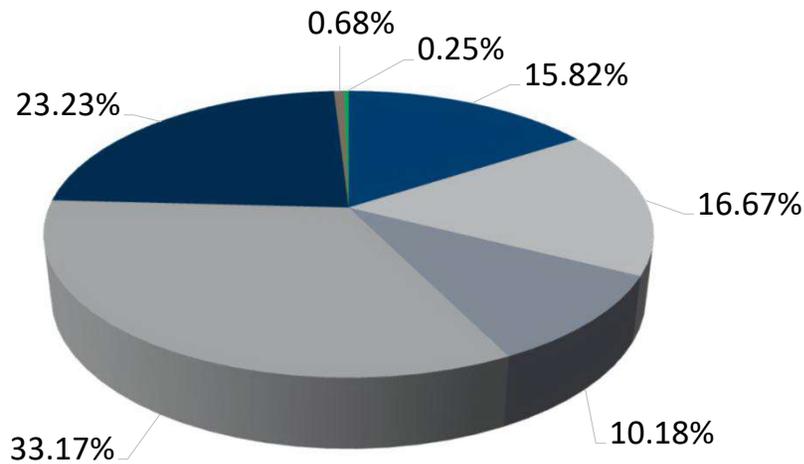
# General Fund Revenues



- Property Tax Levies      ■ Federal Sources      ■ State Sources
- Local Sources          ■ Interest              ■ Other

	<u>2022</u>	<u>2021</u>
Property Tax Levies	\$ 374,802	\$ 358,351
Federal Sources	399,847	444,770
State Sources	93,048	90,112
Local Sources	37,325	34,522
Interest	5,321	5,774
Other	10,191	2,520
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Total	<u><u>\$ 920,534</u></u>	<u><u>\$ 936,049</u></u>

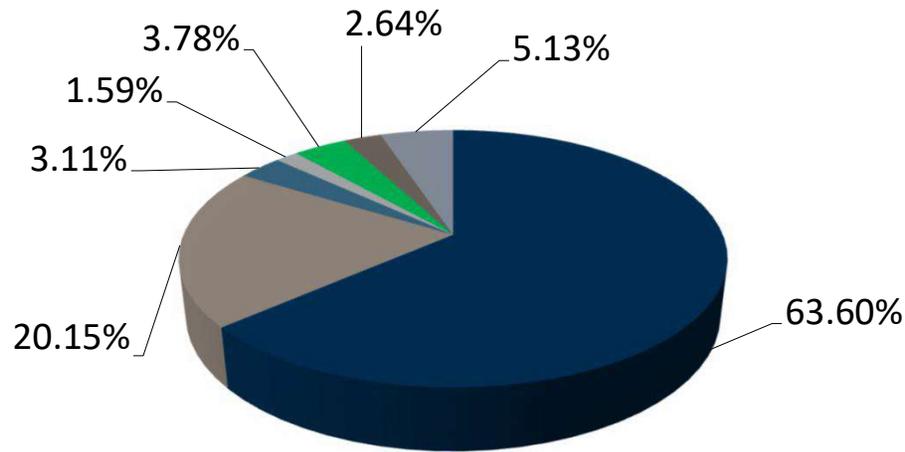
# General Fund Expenditures by Program



	<u>2022</u>	<u>2021</u>
Administration	\$ 139,941	\$ 113,419
Technical Assistance	147,426	141,202
Transportation Planning	89,983	92,511
EDA Administration	293,350	378,337
RTCC	205,392	151,006
Administrative Services	6,022	1,163
Capital Outlay	2,224	23,949
<b>Total</b>	<b>\$ 884,338</b>	<b>\$ 901,587</b>

- Administration
- Technical Assistance
- Transportation Planning
- EDA Administration
- RTCC
- Administrative Services
- Capital Outlay

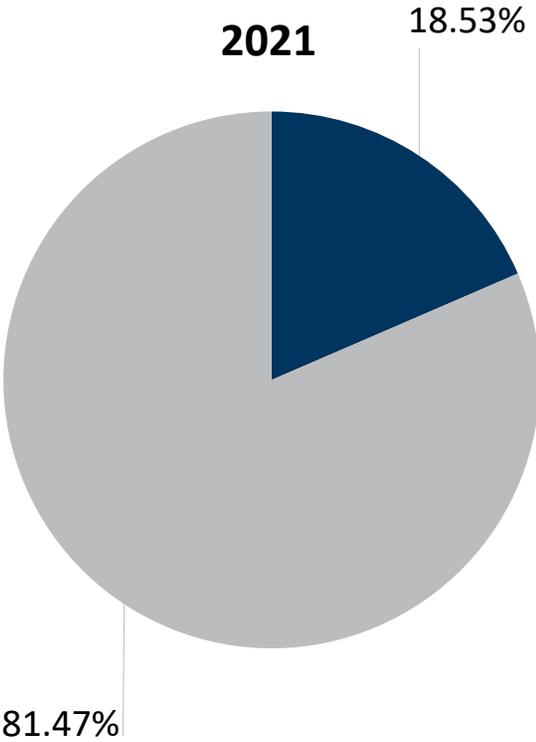
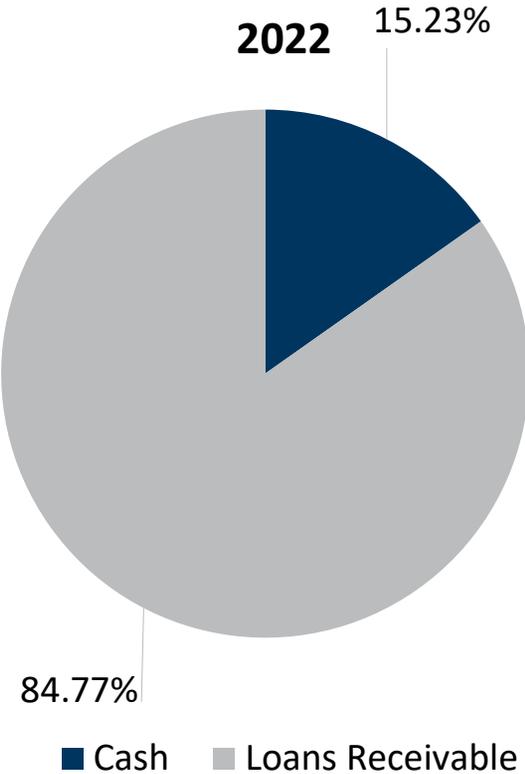
# General Fund Expenditures by Object Code



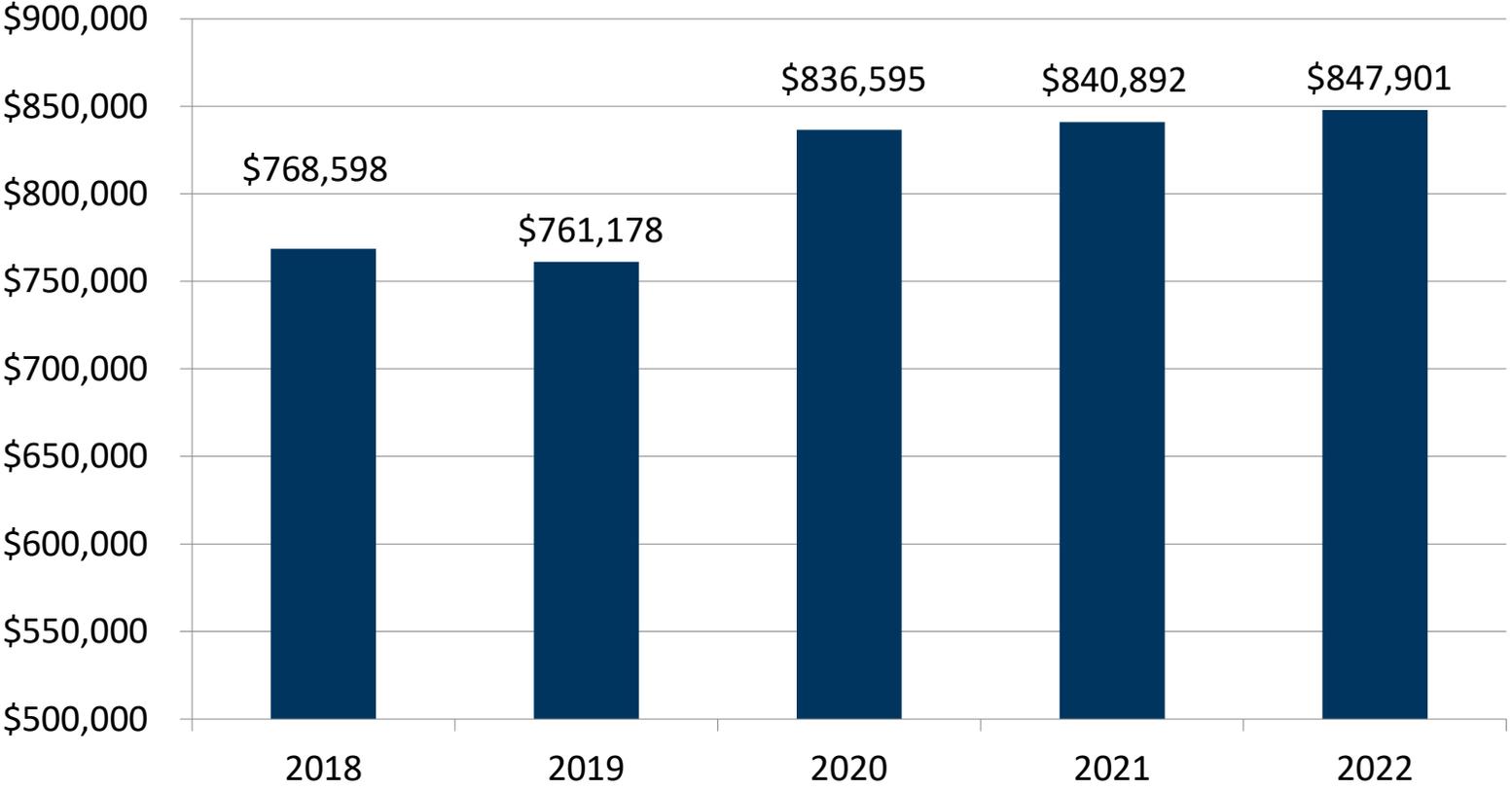
	<u>2022</u>	<u>2021</u>
Salary and Wages	\$ 562,440	\$ 565,945
Employee Benefits	178,165	175,224
Occupancy	27,470	31,102
Transportation and Mileage	14,055	5,525
Office	33,443	65,906
Professional Services	23,358	20,649
Other	45,407	37,236
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Total	<u>\$ 884,338</u>	<u>\$ 901,587</u>

- Salary and Wages
- Employee Benefits
- Occupancy
- Transportation and Mileage
- Office
- Professional Services
- Other

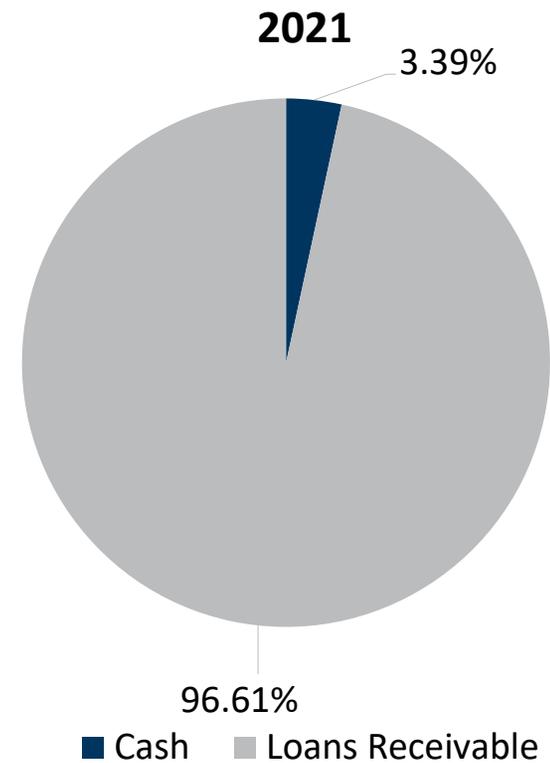
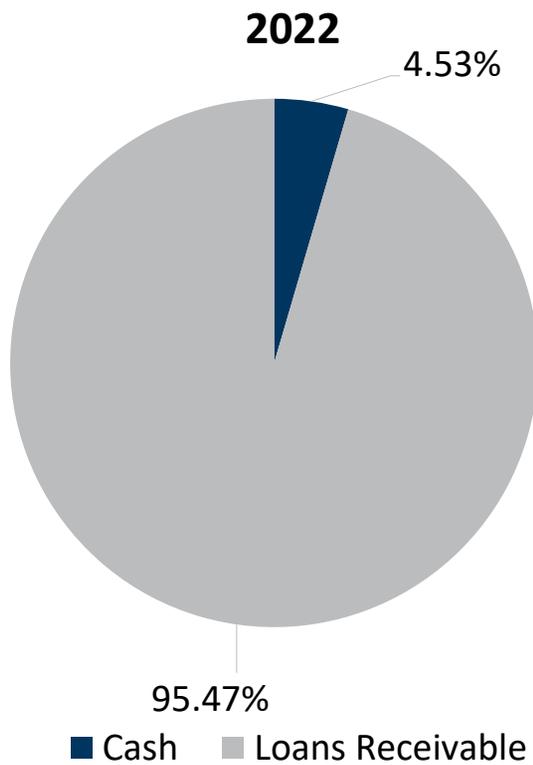
# Legacy Revolving Loan Fund Percentages (Comparative)



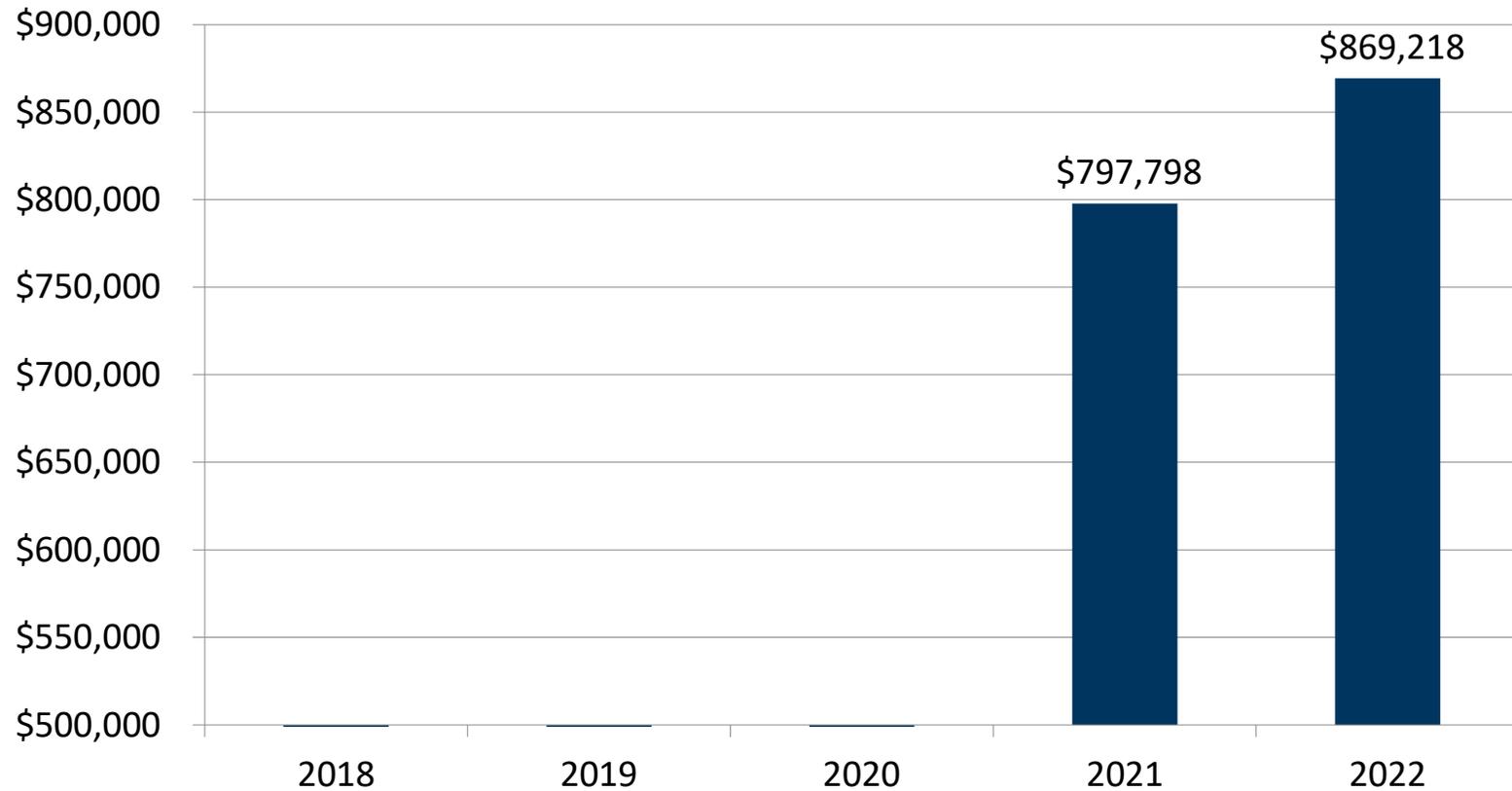
# Legacy Revolving Loan Fund - Fund Balance



# CARES Revolving Loan Fund Percentages (Comparative)



# CARES Revolving Loan Fund - Fund Balance



# Compliance Section

## **Minnesota Legal Compliance (page 57)**

- In accordance with Audit Guide issued by OSA
- No compliance issues noted

## **Government Auditing Standards (pages 58-59)**

- Internal Control
  - Material Weaknesses
    - 2022-001 Limited Segregation of Duties
    - 2022-002 Auditor Prepared Financial Statements
  - Compliance and Other Matters
    - No instances of noncompliance noted

# Compliance Section (Cont'd)

## **Single Audit (pages 60-62)**

- Compliance - No issues noted
- Internal Control over Compliance
  - No material weaknesses noted

## **Schedule of Findings and Questioned Costs (pages 63-65)**

- Federal program tested as major:
  - Economic Adjustment Assistance (RLF)

# Communications

- Accounting Practices
- No Difficulties Encountered
- Corrected and Uncorrected Misstatements
- No Disagreements with Management
- Management Representations
- No Management Consultations with Other Accountants
- Other Audit Findings or Issues

# Management Letter

- Government Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*

# Questions or Comments?

## Contact Information:

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