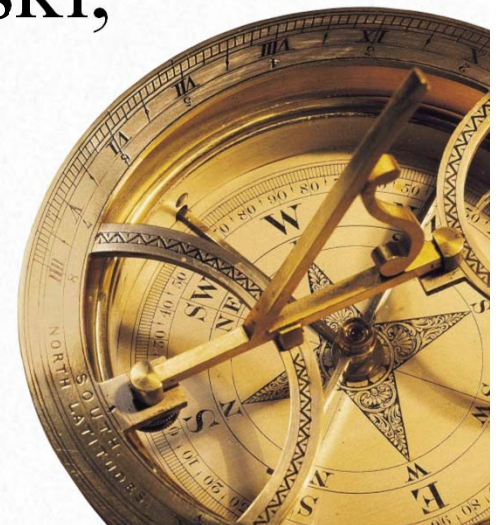




City of New Hope  
Audit Report  
Year Ended December 31, 2020

Malloy Montague, Karnowski,  
Radosevich, & Co., P.A.





# Auditor's Role

- **Opinion on Basic Financial Statements**
  
- **“Single Audit” of Federal Awards**
  
- **Test Internal Controls and Compliance**
  - **Financial Statement Audit**
  - **Federal Single Audit**
  - **Minnesota Laws and Regulations**



# Audit Results – Financial Statement Audit

- **Basic Financial Statements**
  - *Unmodified “Clean” Opinion*
- **Internal Control over Financial Reporting**
  - *No Findings for 2020*
- **Compliance – Financial Statement Audit**
  - *No Findings for 2020*
- **Minnesota Legal Compliance**
  - *No Findings for 2020*





# Audit Results – Federal Single Audit

- **Clean Opinion on Schedule of Federal Awards**
  - *Fairly stated in relation to basic financial statements*
  - *Coronavirus Relief Fund audited as major program*
- **Internal Control over Federal Compliance**
  - *No Findings for 2020*
- **Compliance – Federal Program Requirements**
  - *No Findings for 2020*



# Audit Results – Other Recommendations

- **Electronic Funds Transfers (EFTs)**
  - *Increased fraud risk in this area*
  - *Importance of internal controls over EFTs and cybersecurity in general*
  
- **Federal Program Internal Controls**
  - *Written “Uniform Guidance” controls required*
  - *Micro-purchase threshold potentially increasing*
  - *Subrecipient monitoring controls*
  
- **Council Approval of Claims**
  - *Detail of claims, including EFTs and credit card payments should be available for Council review*



# Governmental Funds

## Change in Fund Balances

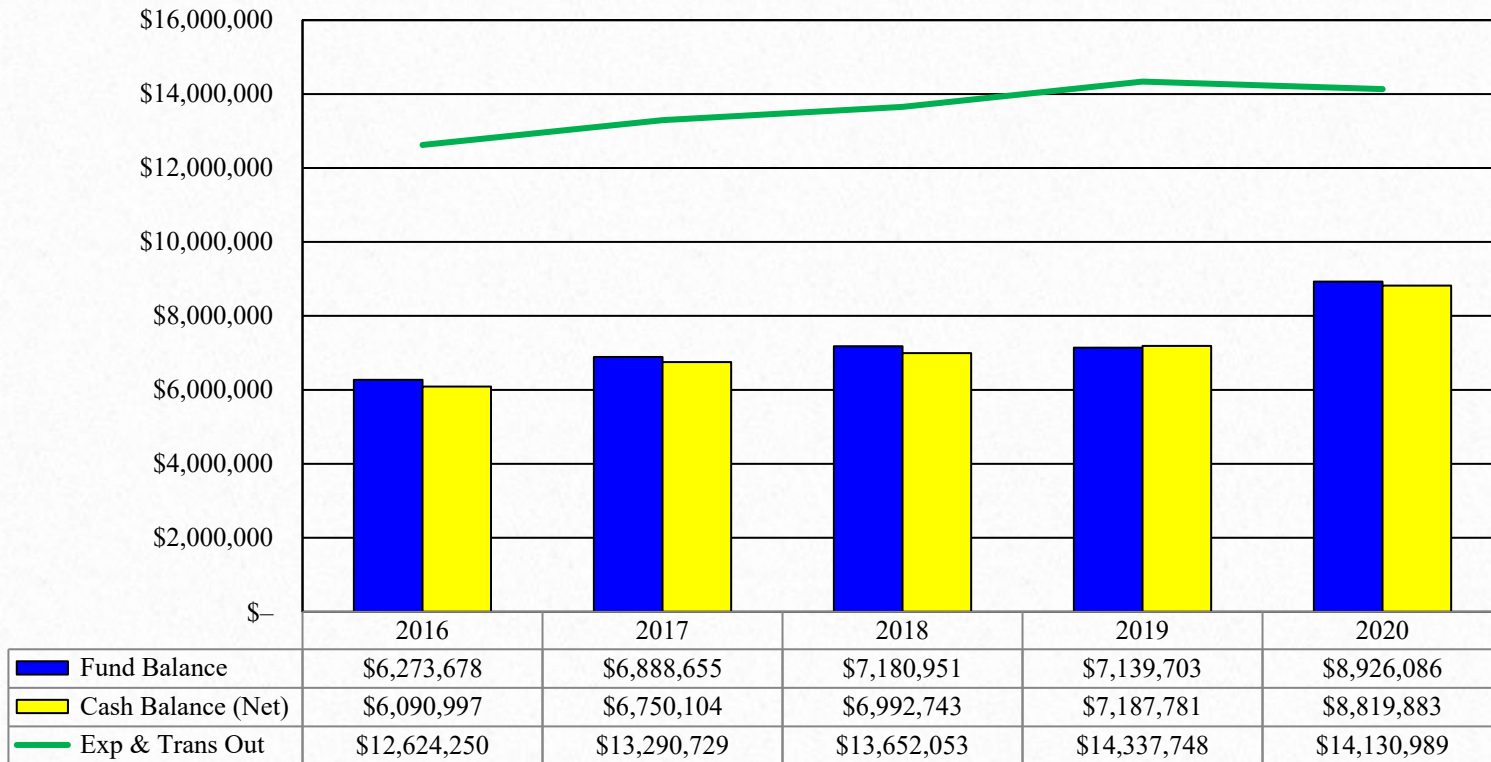
	Fund Balance as of December 31,		
	2020	2019	Change
Total by classification			
Nonspendable	\$ 24,499	\$ 22,980	\$ 1,519
Restricted	9,016,306	13,304,922	(4,288,616)
Committed	4,639,390	5,033,555	(394,165)
Assigned	6,993,400	6,248,128	745,272
Unassigned	6,781,656	4,641,403	2,140,253
Total governmental funds	<u>\$ 27,455,251</u>	<u>\$ 29,250,988</u>	<u>\$ (1,795,737)</u>
Total by fund			
General	\$ 8,926,086	\$ 7,139,703	\$ 1,786,383
EDA Special Revenue	4,320,456	4,721,758	(401,302)
HRA Construction Capital Projects	5,379,088	4,655,140	723,948
City Hall CIP Capital Projects	1,217,360	1,794,294	(576,934)
Street Infrastructure Capital Projects	250,697	15,854	234,843
Park/Pool Improvement Capital Projects	650,336	5,316,815	(4,666,479)
HRA Bonds Debt Service	(2,119,802)	(2,244,096)	124,294
Nonmajor funds	8,831,030	7,851,520	979,510
Total governmental funds	<u>\$ 27,455,251</u>	<u>\$ 29,250,988</u>	<u>\$ (1,795,737)</u>





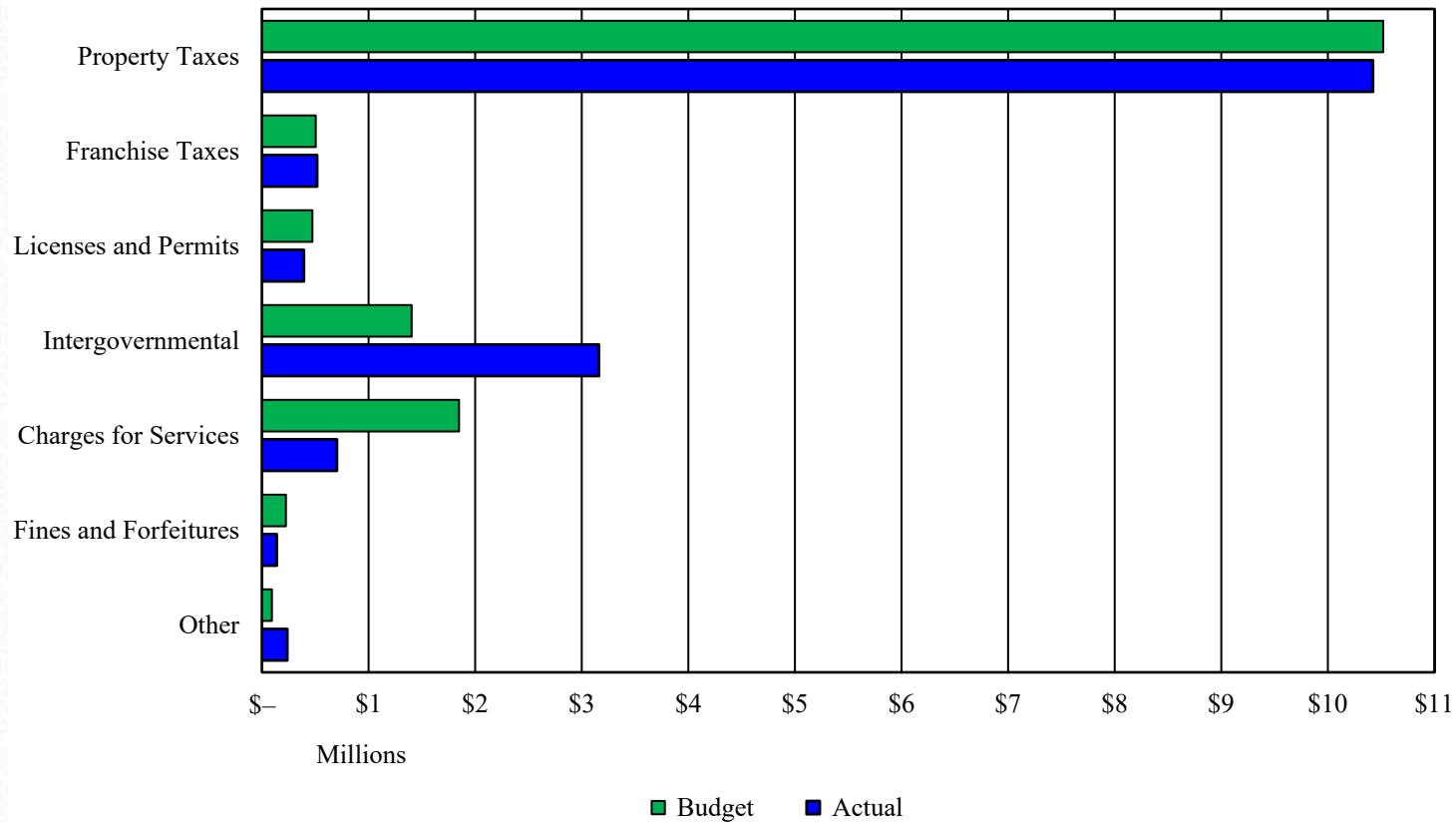
# General Fund Financial Position

Year Ended December 31,





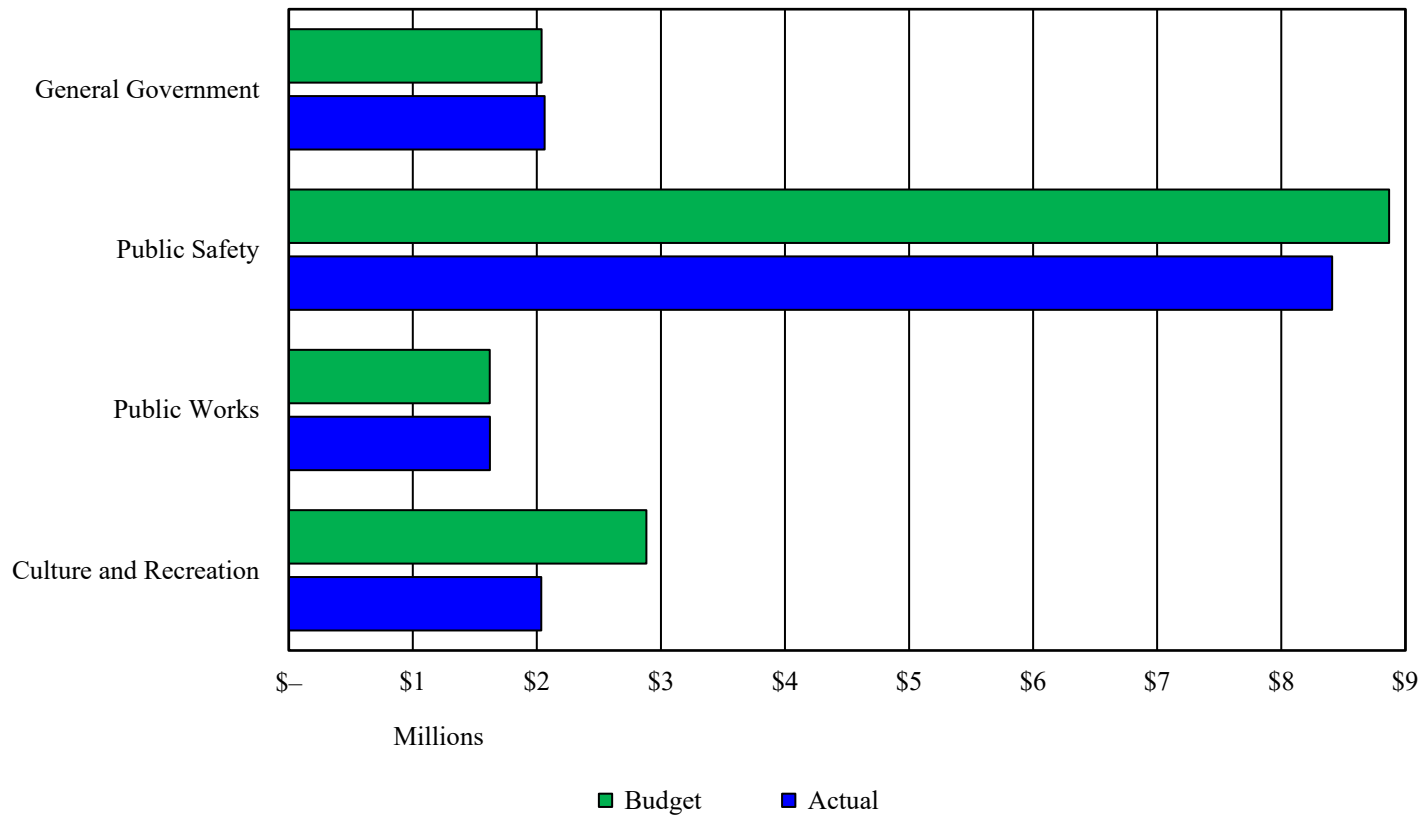
# General Fund Revenues – Budget and Actual







# General Fund Expenditures – Budget and Actual





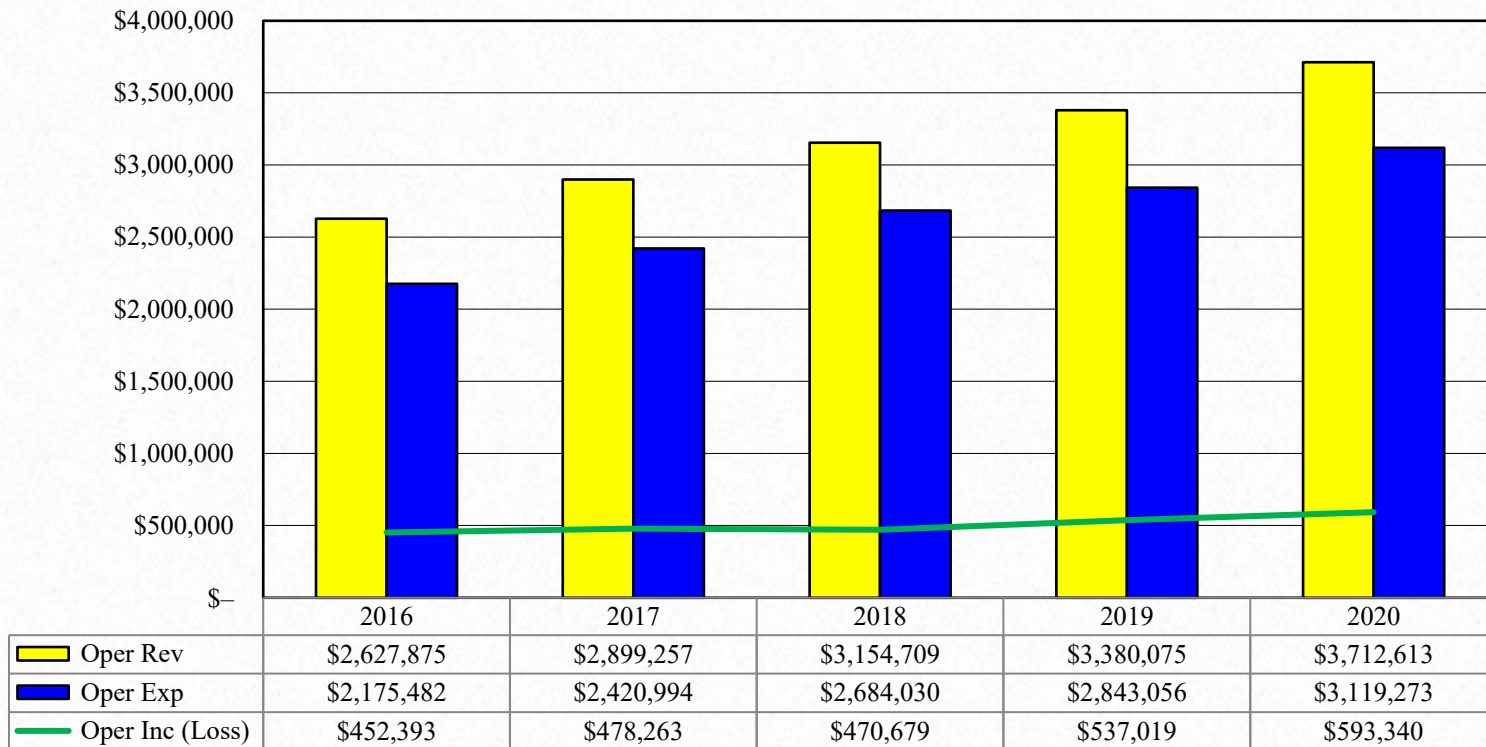
# Enterprise Funds – Change in Net Position

	Net Position as of December 31,		Change
	2020	2019	
Total by classification			
Net investment in capital assets	\$ 20,127,288	\$ 19,315,353	\$ 811,935
Restricted	1,560,053	1,358,401	201,652
Unrestricted	4,792,042	3,511,168	1,280,874
Total enterprise funds	<u>\$ 26,479,383</u>	<u>\$ 24,184,922</u>	<u>\$ 2,294,461</u>
Total by fund			
Sewer Utility	\$ 5,030,413	\$ 4,395,720	\$ 634,693
Water Utility	8,678,102	7,456,222	1,221,880
Golf Course	615,689	525,574	90,115
Ice Arena	3,663,197	3,669,781	(6,584)
Storm Water	8,051,028	7,726,231	324,797
Street Lighting	440,954	411,394	29,560
Total enterprise funds	<u>\$ 26,479,383</u>	<u>\$ 24,184,922</u>	<u>\$ 2,294,461</u>



# Sewer Utility Operation

Sewer Utility Operating Results  
Year Ended December 31,

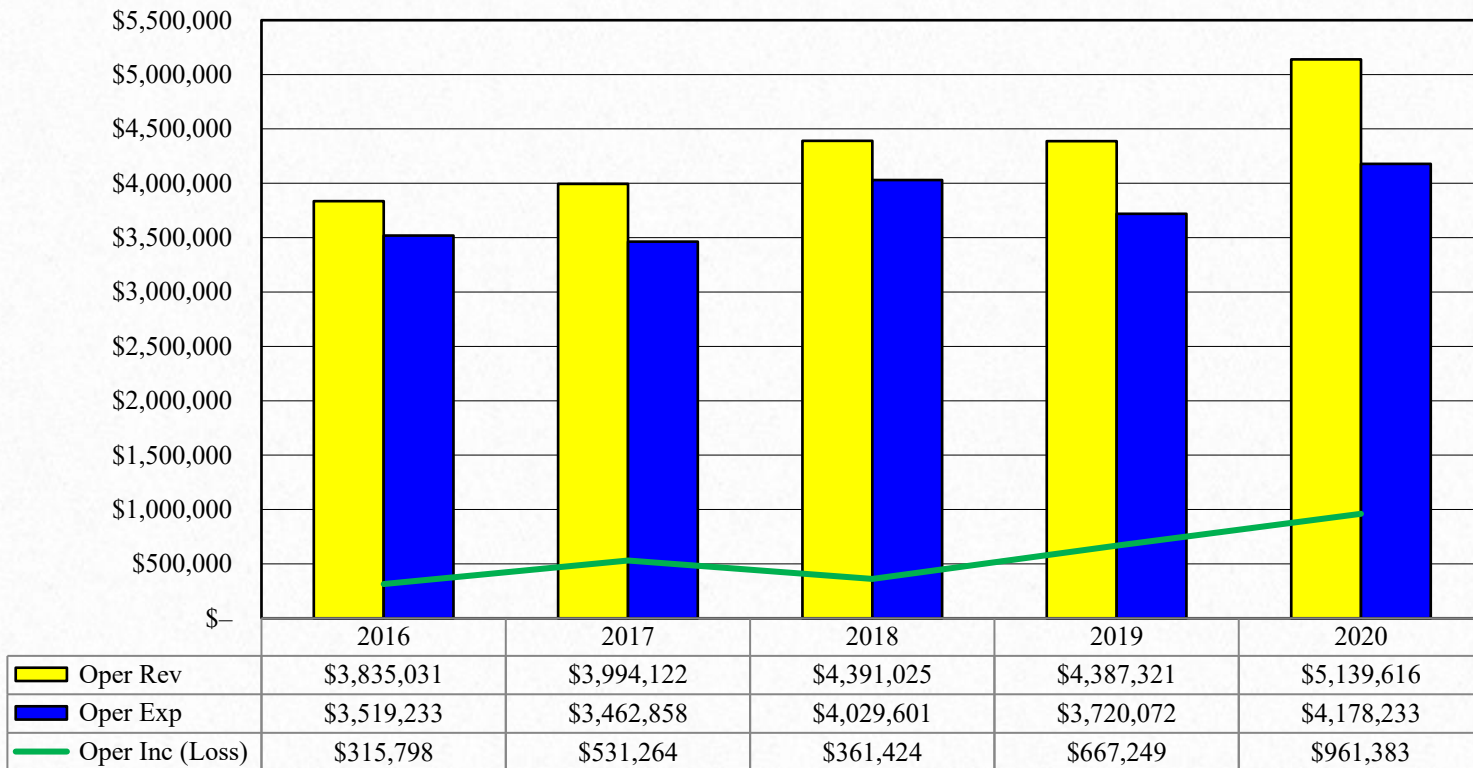






# Water Utility Operation

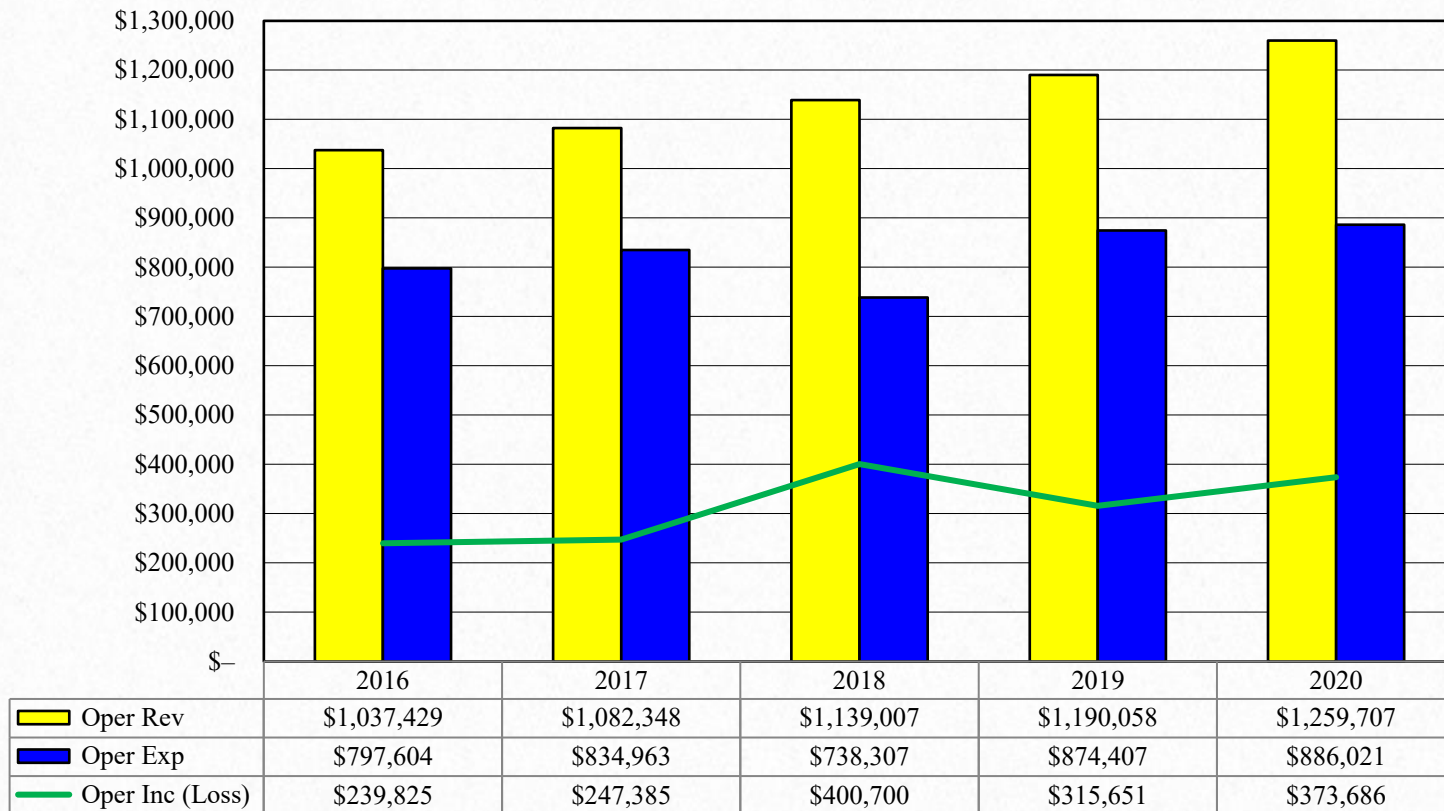
Water Utility Operating Results  
Year Ended December 31,





# Storm Water Fund

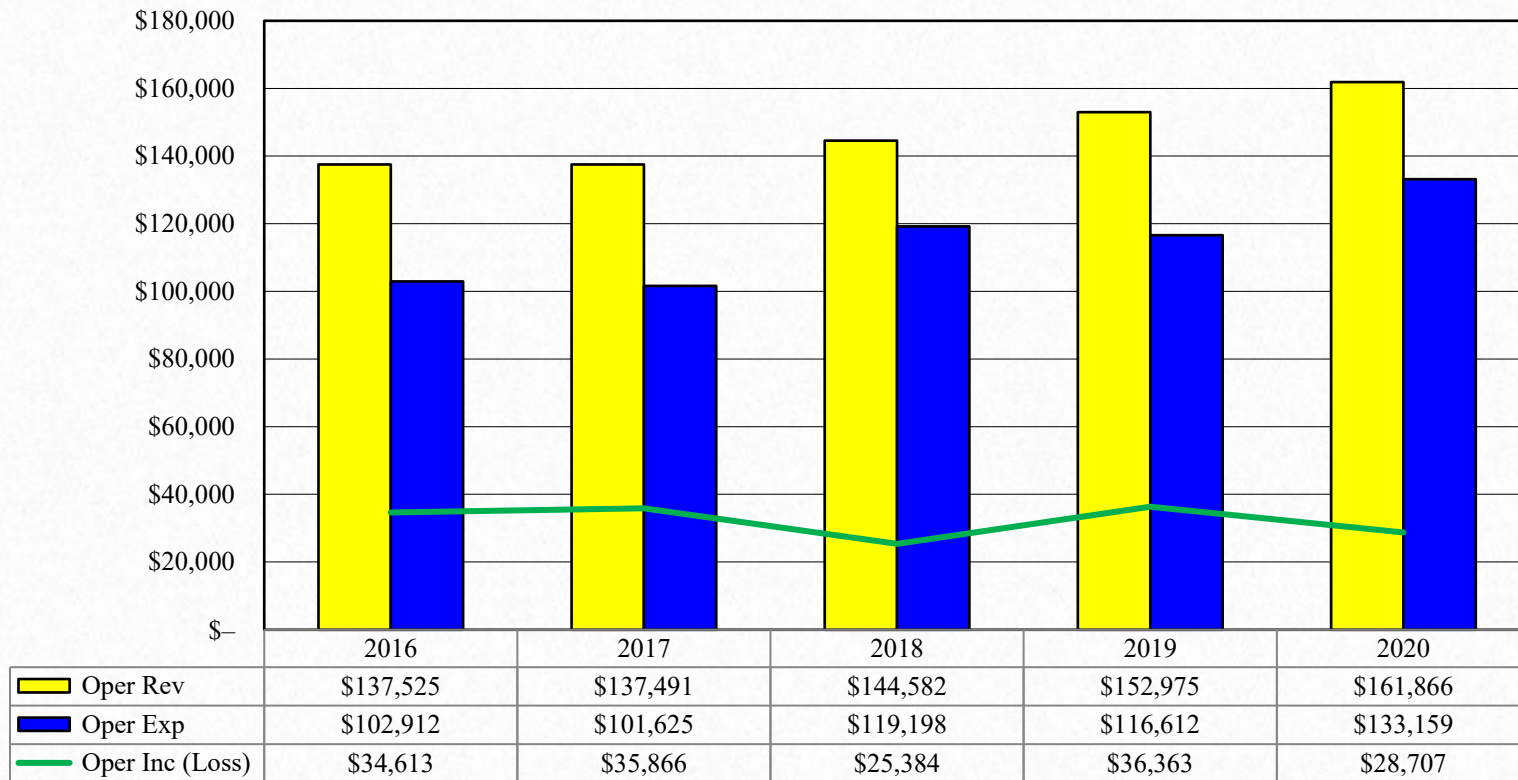
Storm Water Fund  
Year Ended December 31,





# Street Lighting Fund

Street Lighting Fund  
Year Ended December 31,

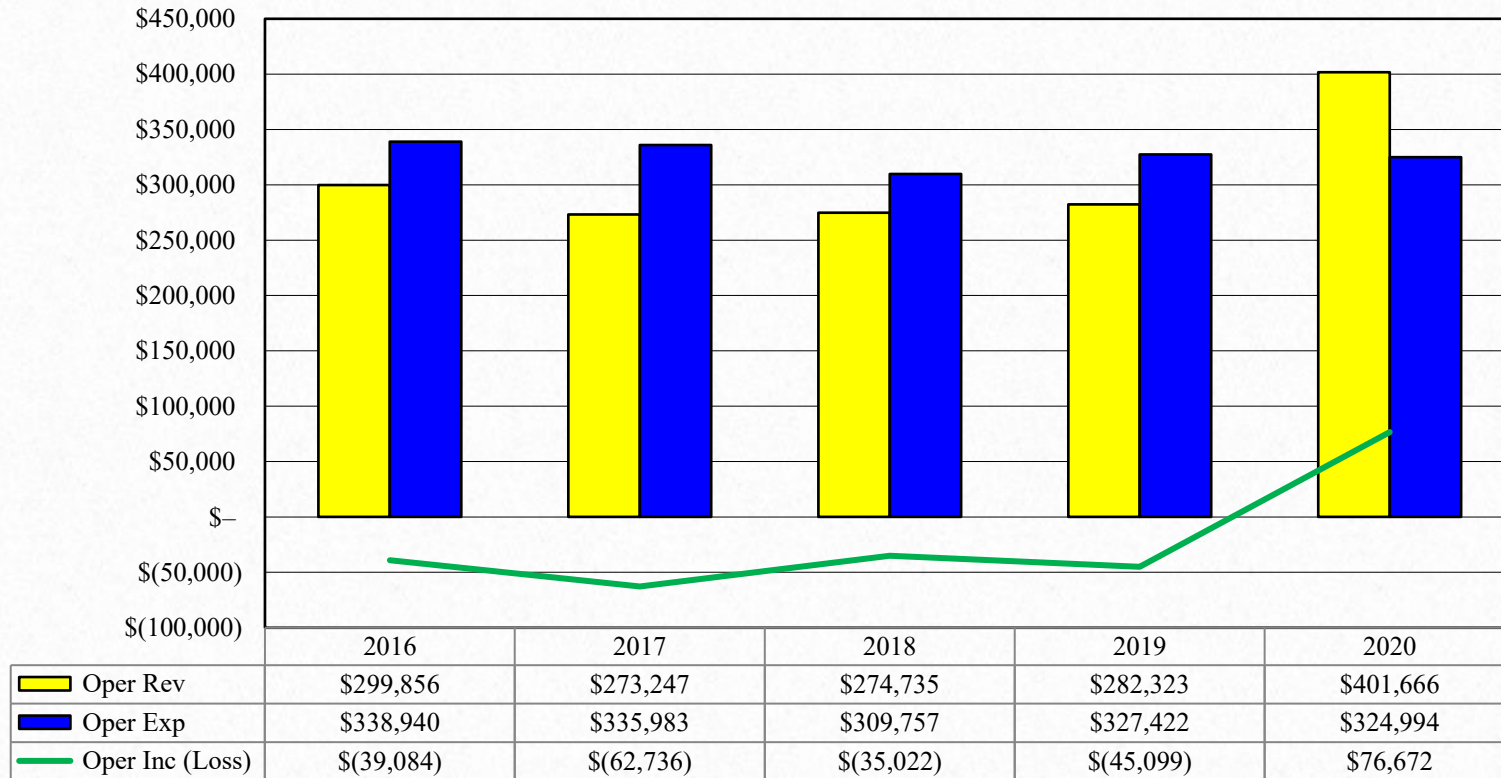






# Golf Course Fund

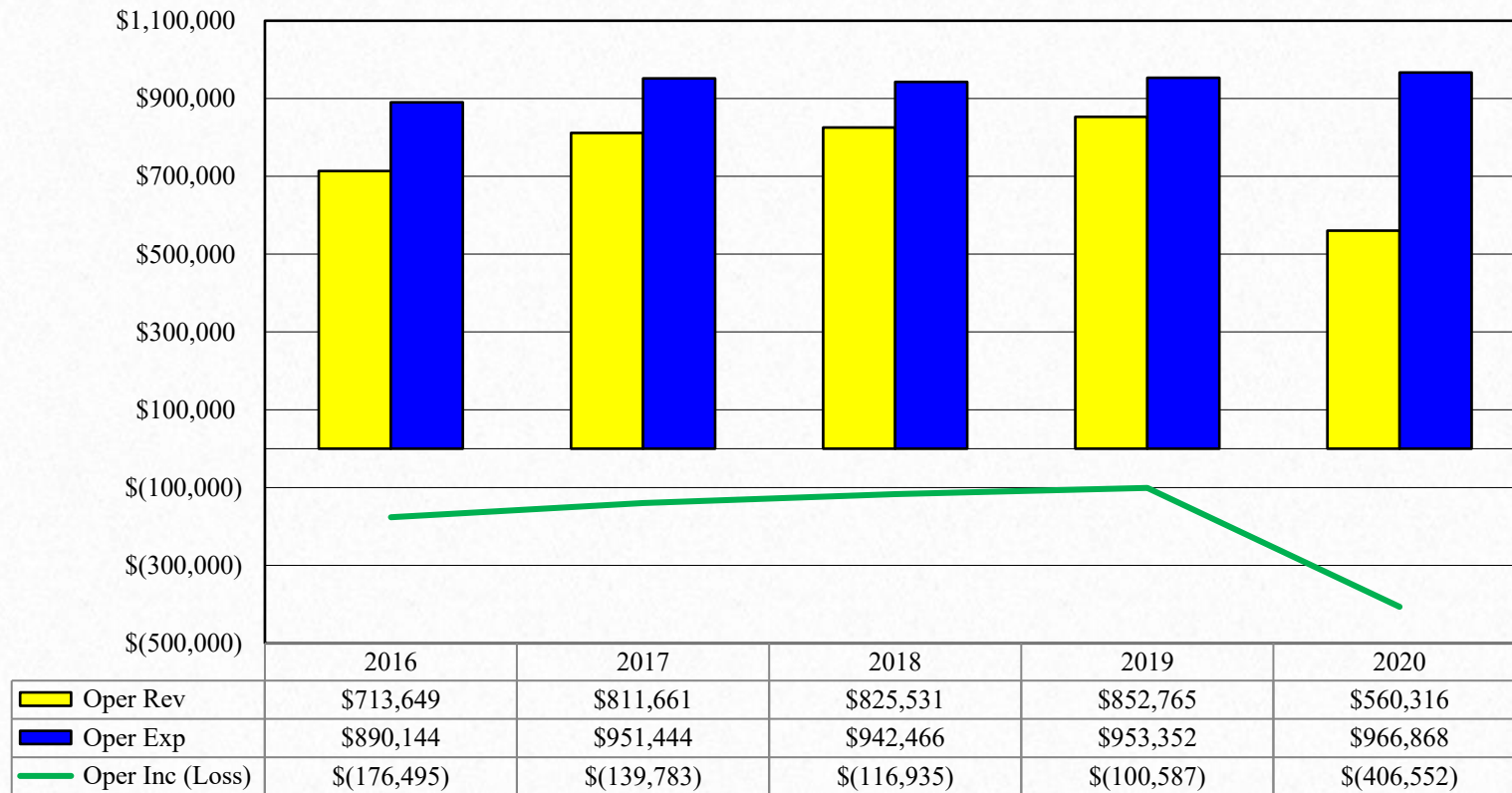
Golf Course Fund  
Year Ended December 31,





# Ice Arena Fund

Ice Arena Fund  
Year Ended December 31,





# Government–Wide Change in Net Position

	As of December 31,		Change
	2020	2019	
Net position			
Governmental activities			
Net investment in capital assets	\$ 31,359,813	\$ 30,139,510	\$ 1,220,303
Restricted	7,740,859	6,628,138	1,112,721
Unrestricted	19,716,696	16,702,142	3,014,554
Total governmental activities	<u>58,817,368</u>	<u>53,469,790</u>	<u>5,347,578</u>
Business-type activities			
Net investment in capital assets	20,127,288	19,315,353	811,935
Restricted	1,560,053	1,358,401	201,652
Unrestricted	4,534,420	3,054,187	1,480,233
Total business-type activities	<u>26,221,761</u>	<u>23,727,941</u>	<u>2,493,820</u>
Total net position	<u>\$ 85,039,129</u>	<u>\$ 77,197,731</u>	<u>\$ 7,841,398</u>