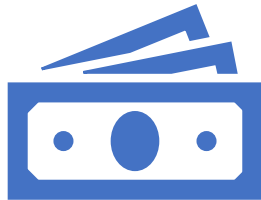




City of Pine City
Audit Presentation
Year Ended December 31, 2024

Responsibilities for Financial Reporting



Management's Responsibilities

Accounting decisions that affect financials

Design procedures to protect assets

Detect and correct errors in financial records



Auditor's Responsibilities

Provide a financial opinion using *GAGAS*

Identify limitation in internal controls

Test and report on compliance

Summarized Audit Results



Financial opinion

Unmodified “*Clean*” audit opinion



Internal control limitations

Material audit adjustments



Compliance findings

Improper acceptance of donations

Required Communications

Auditor Assurance:

- Reasonable but not absolute

Significant Accounting Policies:

- Adoption of GASB 100, and 101.
- No unusual transactions.

Judgments & Estimates:

- Capital assets, wage allocation, compensated absences, pension liability, receivable allowances.

Misstatements:

- 41 journal entries (17 audit adjustments, 10 material).

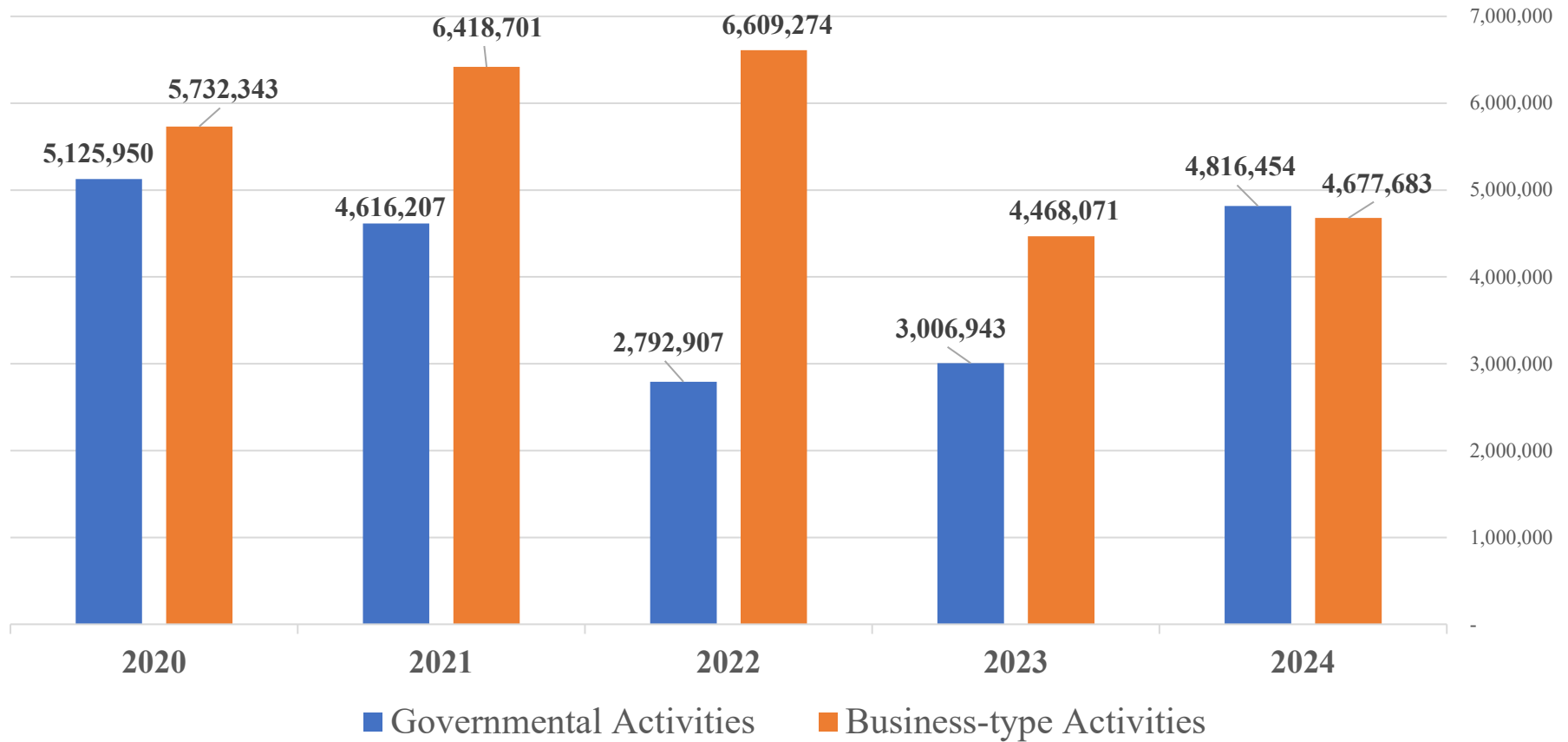
Audit Difficulties:

- Management was cooperative, good record condition and availability.

Financial Trends of the City



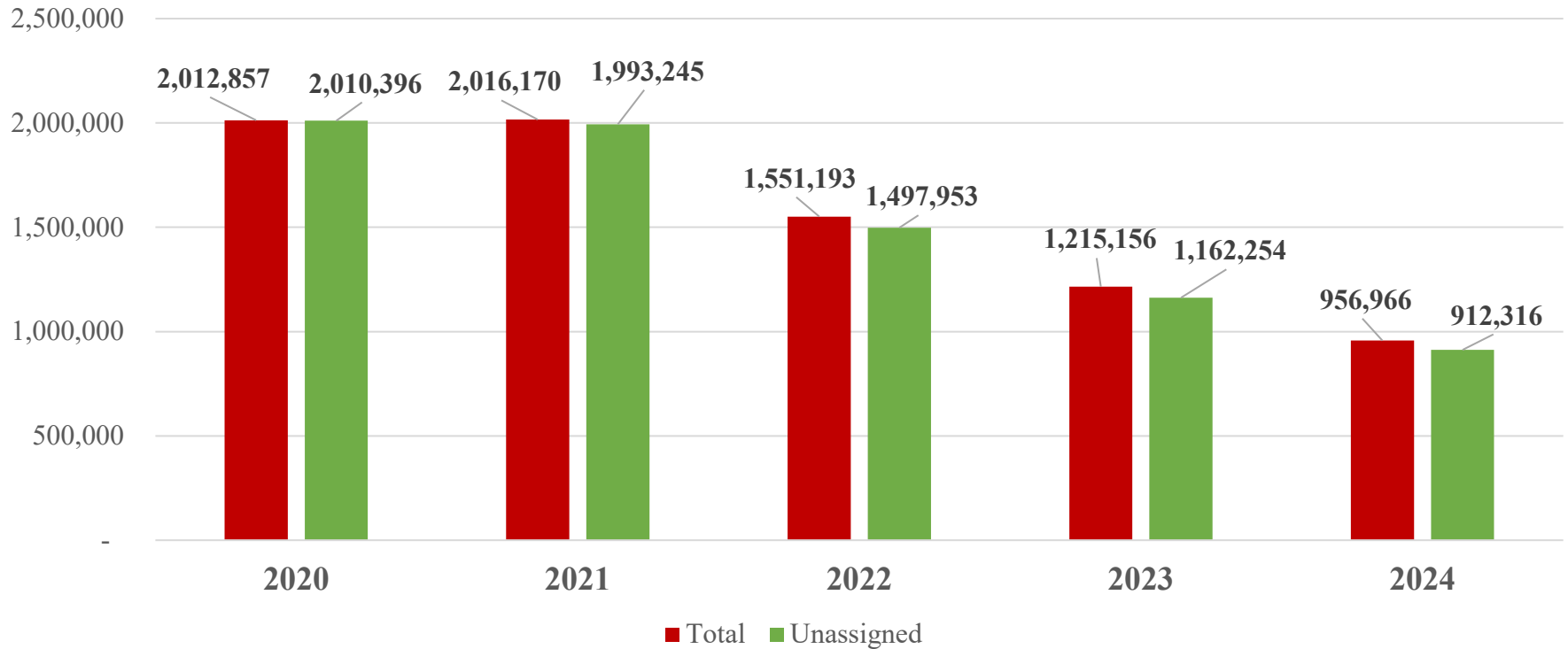
Cash and Investment Balances



Days of Reserves

	2020	2021	2022	2023	2024
Governmental	334	301	182	196	314
Business-type	1,054	1,180	1,215	821	860

Components of Fund Balance – General Fund



	2020	2021	2022	2023	2024
Fund balance percentage	89%	83%	49%	40%	33%
OSA recommended fund balance	\$ 1,132,000	\$ 1,199,000	\$ 1,540,000	\$ 1,469,000	\$ 1,371,000
Auditor recommended fund balance	\$ 1,697,000	\$ 1,799,000	\$ 2,310,000	\$ 2,204,000	\$ 2,056,000
Excess/(deficiency)	\$ 313,000	\$ 194,000	\$ (812,000)	\$ (1,042,000)	\$ (1,144,000)

Budget and Actual - General Fund

	Budget	Actual	Variance with Budget
Revenues	\$ 2,704,208	\$ 3,015,473	\$ 311,265
Expenditures			
Current	2,694,208	2,680,121	(14,087)
Capital outlay	40,000	61,624	21,624
Total expenditures	2,734,208	2,741,745	7,537
Revenues over (under) expenditures	(30,000)	273,728	303,728
Other financing sources (uses):			
Transfers	30,000	(532,118)	(562,118)
Sale of capital assets	-	200	200
Change in fund balance	\$ -	\$ (258,190)	\$ (258,190)

Cash Flows - Enterprise Funds

	Water	Sewer	Liquor
Cash provided from operating activities	\$ 987,490	\$ 419,822	\$ 95,631
Interfund activity	(290,852)	(290,852)	(60,000)
Capital asset activity	(439,958)	(631,220)	-
Special assessment collections	18,542	17,910	-
Debt service payments	(614,837)	(117,113)	-
Debt proceeds	523,400	496,600	-
Investment activity	49,672	39,380	5,998
Increase (decrease) in cash	\$ 233,457	\$ (65,473)	\$ 41,629
Cash and Investment balance - 12/31/2024	\$ 2,723,374	\$ 1,545,182	\$ 409,127
Historical increases (decreases)	Water	Sewer	Liquor
2023	\$ (602,375)	\$ (1,369,841)	\$ (169,987)
2022	33,160	86,336	71,078
2021	337,100	290,292	58,966
2020	694,400	284,334	(4,382)
Five year average	\$ 139,148	\$ (154,870)	\$ (539)

Your Audit Team

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Certified Public Accountants

Thank you for your time!

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