



*Lighting the path forward*

# City of Harmony

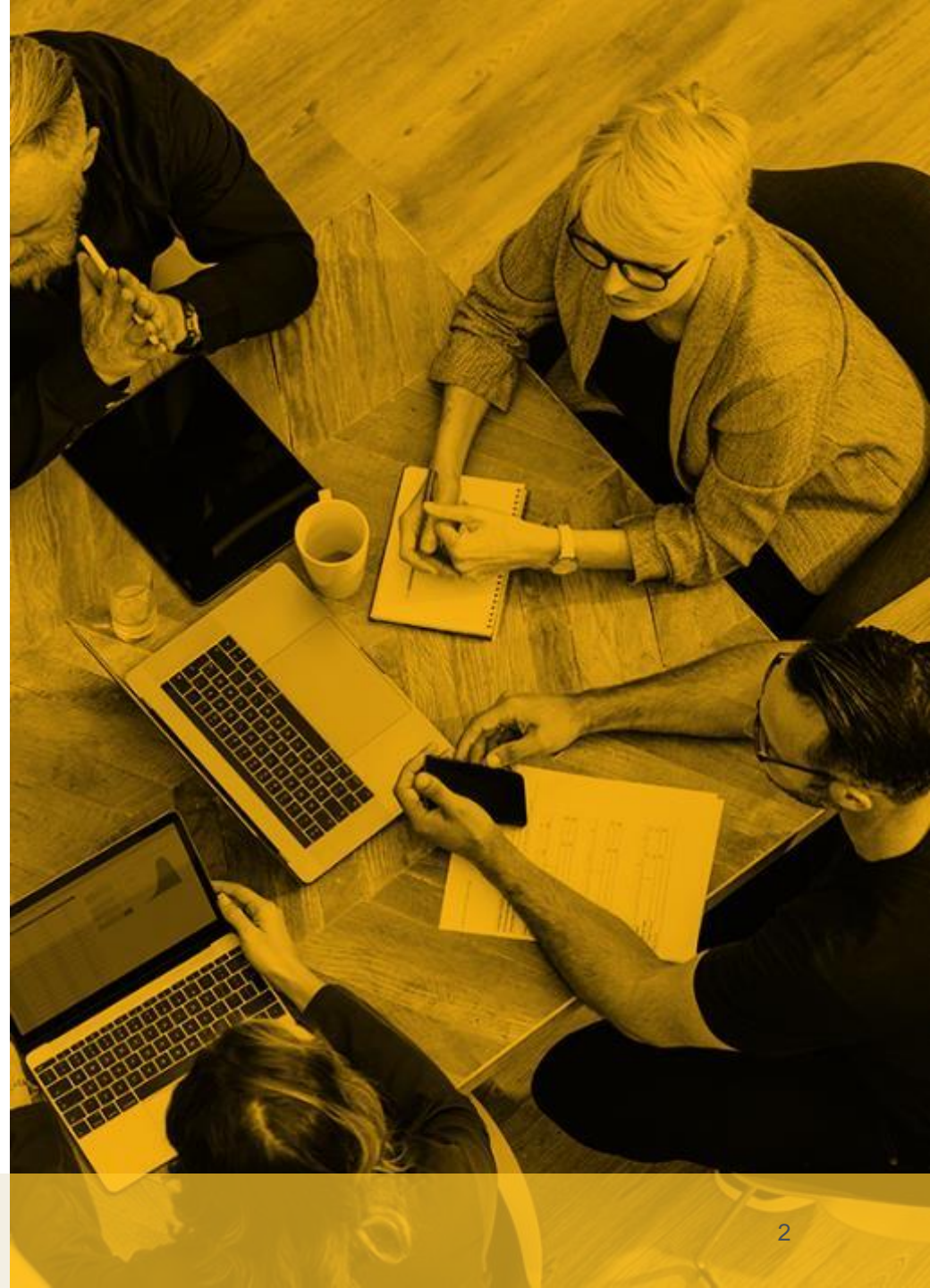
2022 Financial Statement Audit



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# Introduction

- Audit Opinion and Responsibility
- General Fund Results
- Other Governmental Funds
- Enterprise Funds
- Key Performance Indicators



# Audit Results

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## Auditor's Opinion



Qualified Opinion  
under GAAP

## Minnesota Legal Compliance



No instances of  
noncompliance

# Audit Results

## 2022 Audit Findings

- Preparation of Financial Statements
  - Internal Control Finding
- Limited Segregation of Duties
  - Internal Control Finding
- Material Audit Adjustments
  - Internal Control Finding

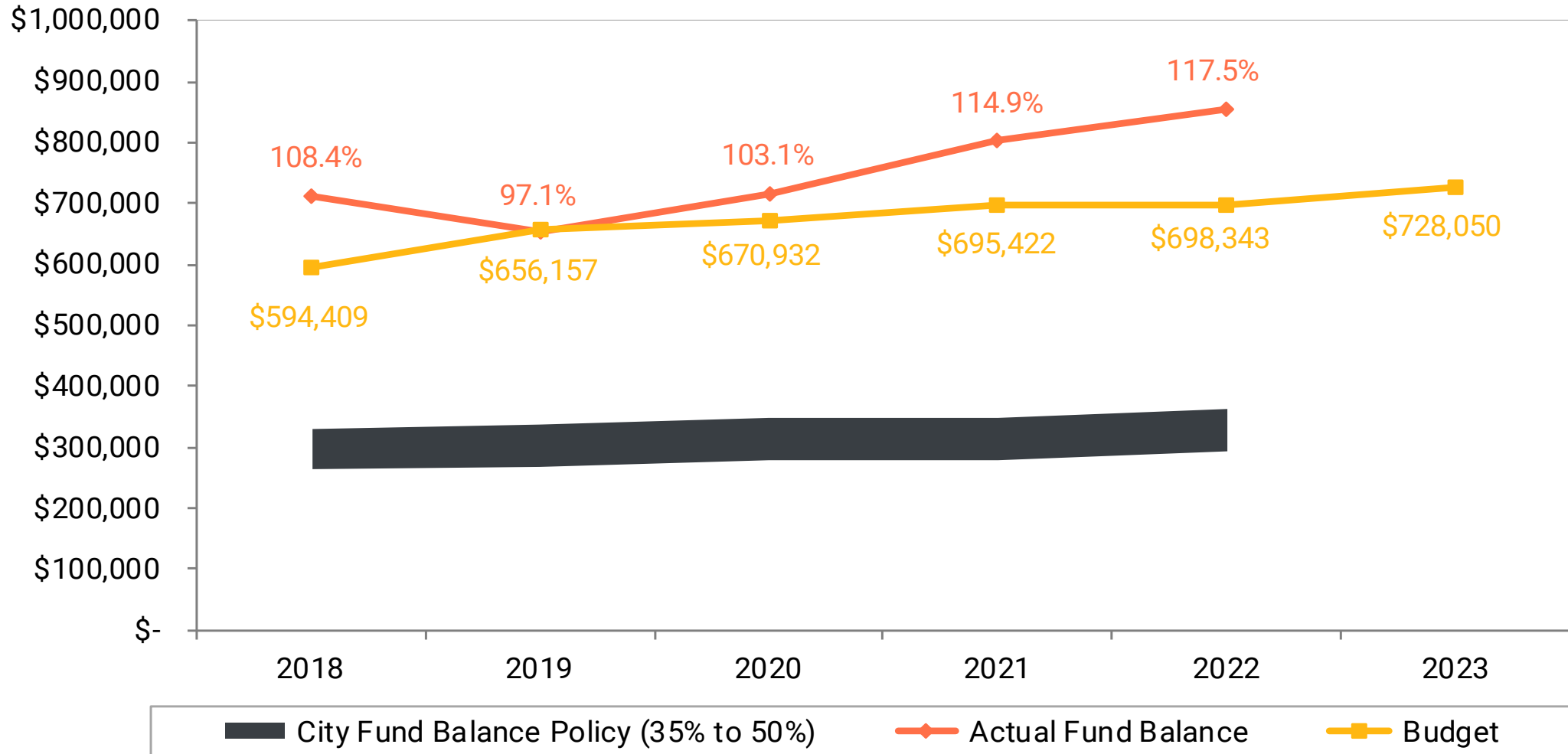


# Results from Prior Year 2021 Audit Findings

- Preparation of Financial Statements
  - Internal Control Finding
- Limited Segregation of Duties
  - Internal Control Finding
- Claims Approval
  - Legal Compliance Finding



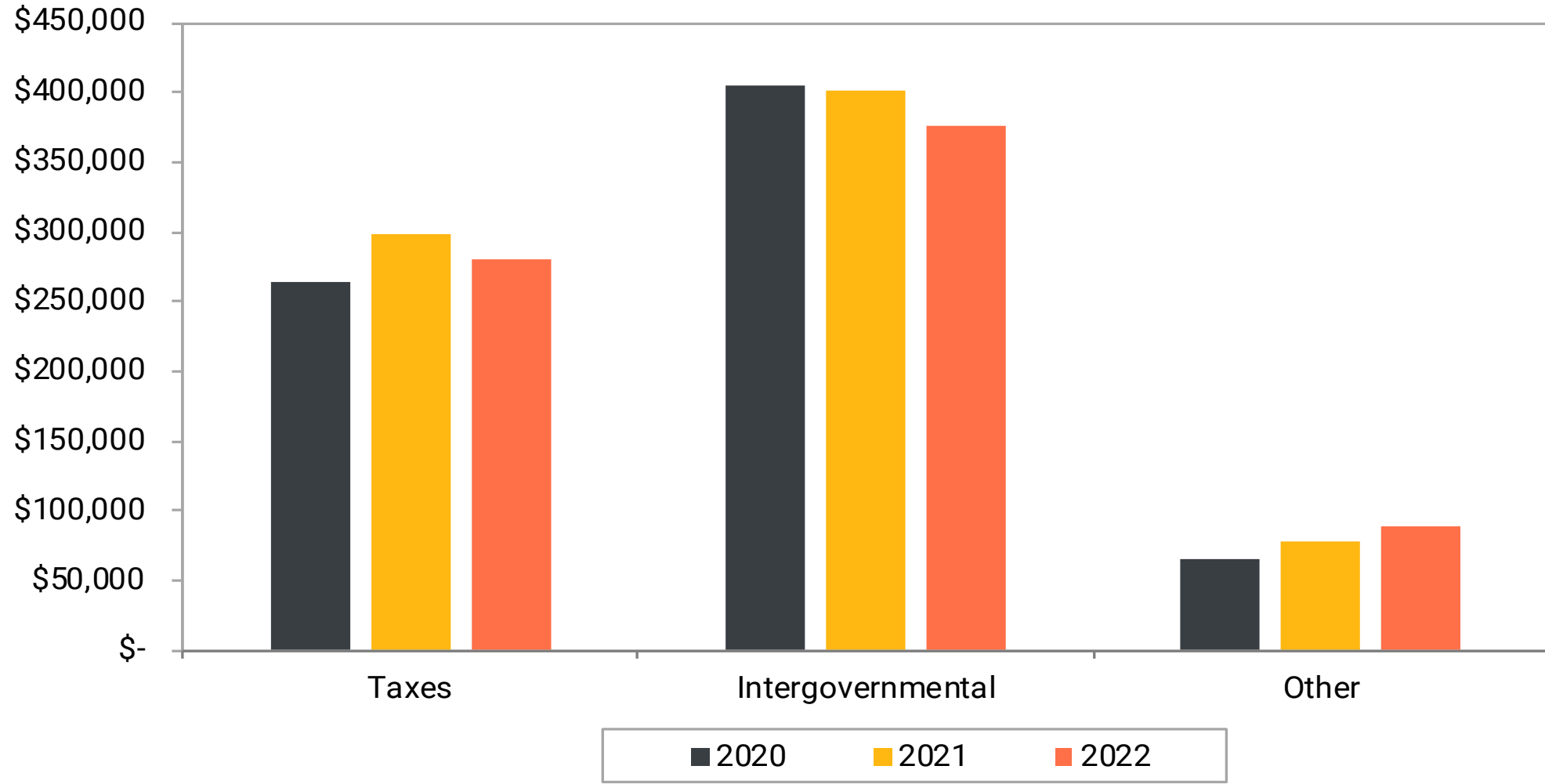
# General Fund - Fund Balances



# General Fund Budget to Actual

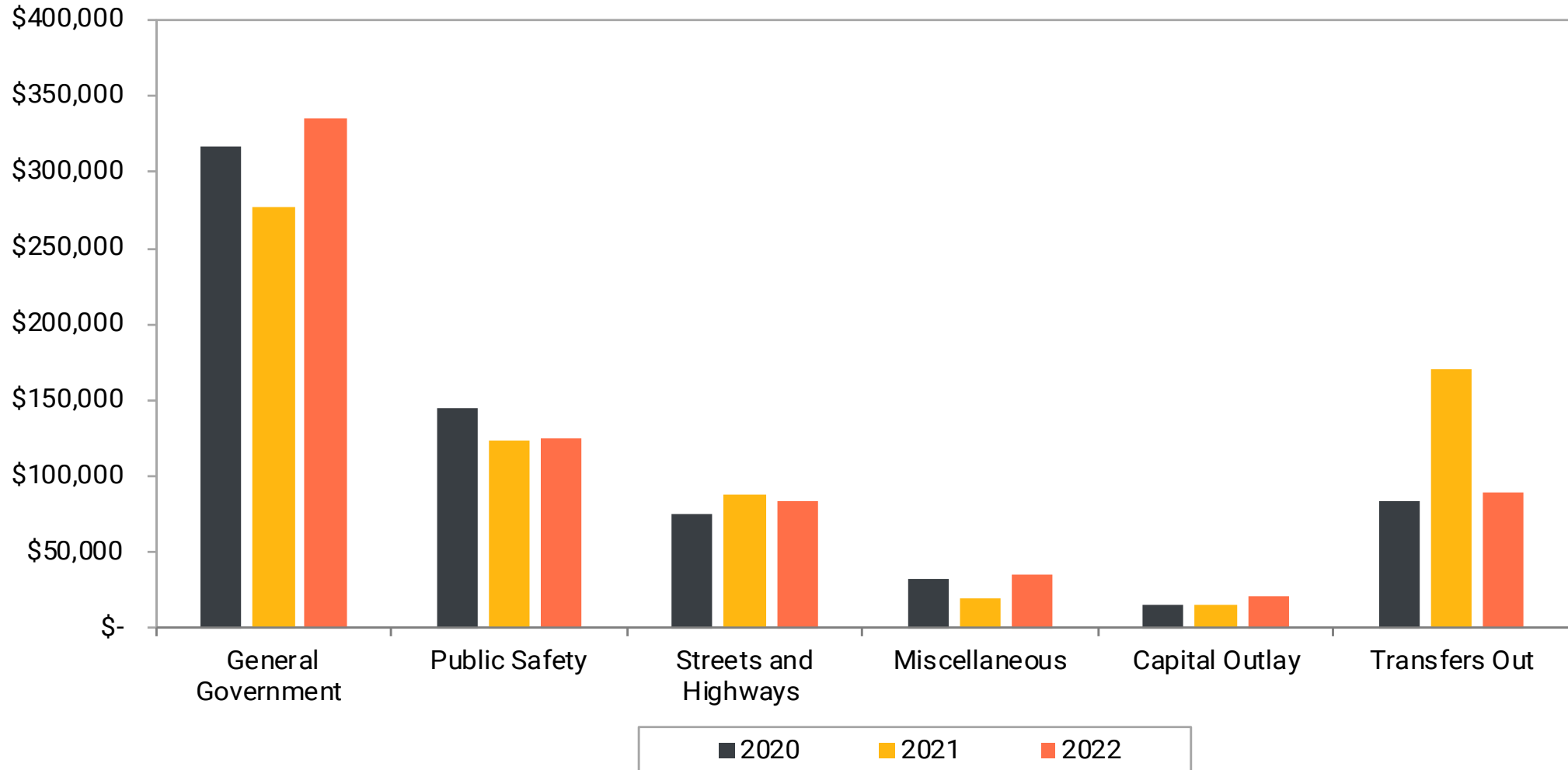
|                                      | Final<br>Budgeted<br>Amounts | Actual<br>Amounts        | Variance with<br>Final Budget |
|--------------------------------------|------------------------------|--------------------------|-------------------------------|
| Revenues                             | \$ 692,977                   | \$ 733,615               | \$ 40,638                     |
| Expenditures                         | <u>614,843</u>               | <u>601,064</u>           | <u>13,779</u>                 |
| Excess of Revenues Over Expenditures | <u>78,134</u>                | <u>132,551</u>           | <u>54,417</u>                 |
| Other Financing Sources (Uses)       |                              |                          |                               |
| Transfers in                         | 10,000                       | 10,000                   | -                             |
| Transfers out                        | <u>(83,500)</u>              | <u>(89,598)</u>          | <u>(6,098)</u>                |
| Total Other Financing Sources (Uses) | <u>(73,500)</u>              | <u>(79,598)</u>          | <u>(6,098)</u>                |
| Net Change in Fund Balances          | 4,634                        | 52,953                   | 48,319                        |
| Fund Balances, January 1             | <u>802,228</u>               | <u>802,228</u>           | <u>-</u>                      |
| Fund Balances, December 31           | <u><u>\$ 806,862</u></u>     | <u><u>\$ 855,181</u></u> | <u><u>\$ 48,319</u></u>       |

# General Fund Revenues by Type

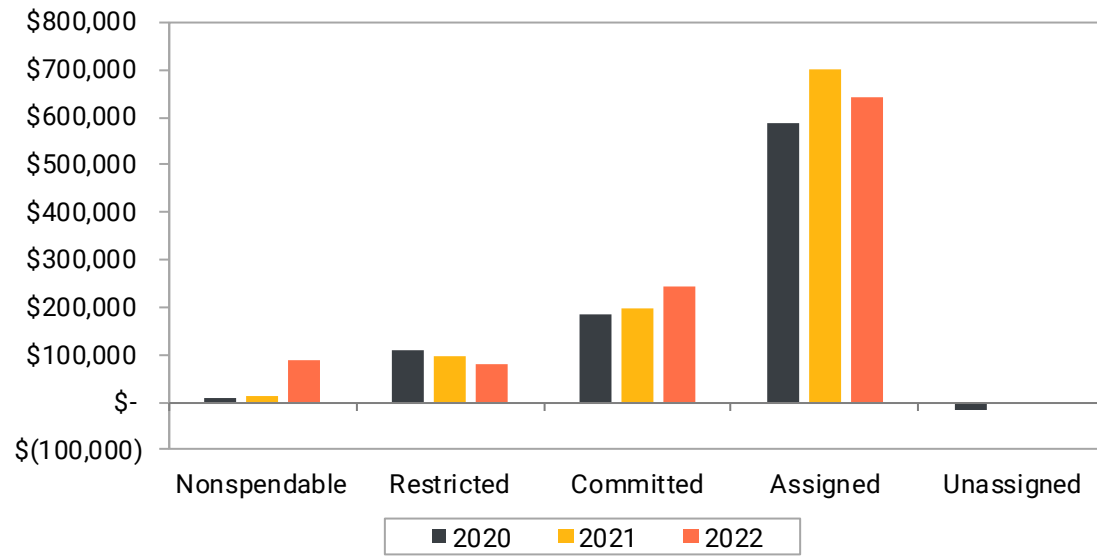




# General Fund Expenditures by Type

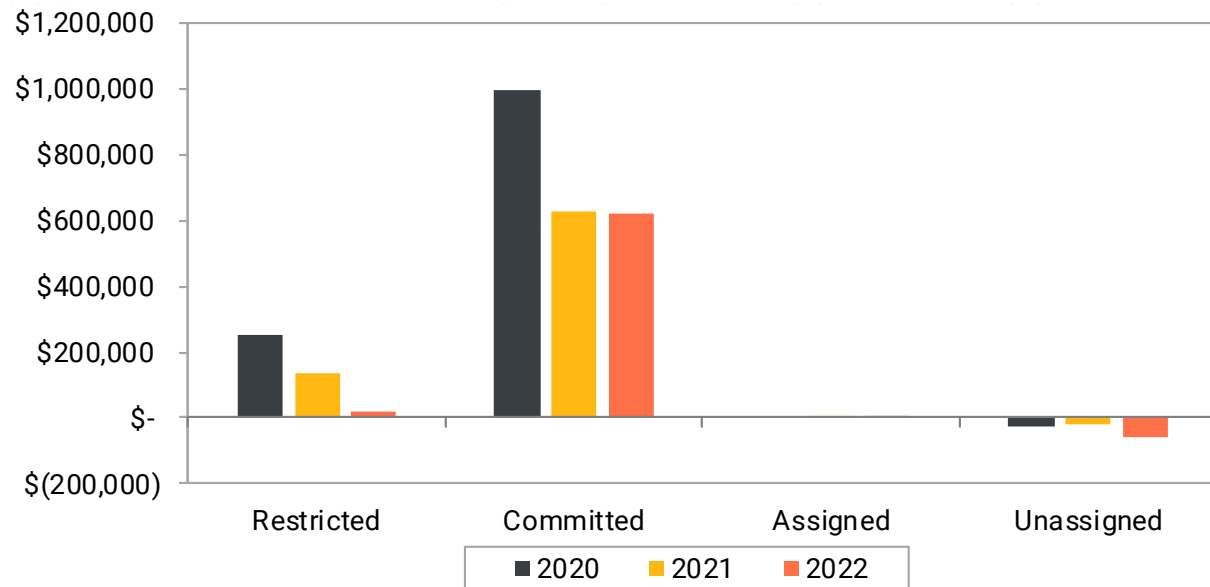


| Fund                           | Fund Balances<br>December 31 |                     | Increase<br>(Decrease) |
|--------------------------------|------------------------------|---------------------|------------------------|
|                                | 2022                         | 2021                |                        |
| <b>Major</b>                   |                              |                     |                        |
| Ambulance                      | \$ 217,718                   | \$ 152,995          | \$ 64,723              |
| Economic Development Authority | 202,877                      | 169,082             | 33,795                 |
| <b>Total Major</b>             | <b>420,595</b>               | <b>322,077</b>      | <b>98,518</b>          |
| <b>Nonmajor</b>                |                              |                     |                        |
| Revolving Loan                 | 368,610                      | 363,282             | 5,328                  |
| Small Cities Grant             | 92,751                       | 108,712             | (15,961)               |
| Library Fund                   | 29,436                       | 28,994              | 442                    |
| Fire                           | 67,269                       | 57,290              | 9,979                  |
| Park Fund                      | 60,997                       | 118,436             | (57,439)               |
| Arts Fund                      | 14,169                       | 11,519              | 2,650                  |
| <b>Total Nonmajor</b>          | <b>633,232</b>               | <b>688,233</b>      | <b>(55,001)</b>        |
| <b>Total Fund Balances</b>     | <b>\$ 1,053,827</b>          | <b>\$ 1,010,310</b> | <b>\$ 43,517</b>       |



# Special Revenue Fund Balances

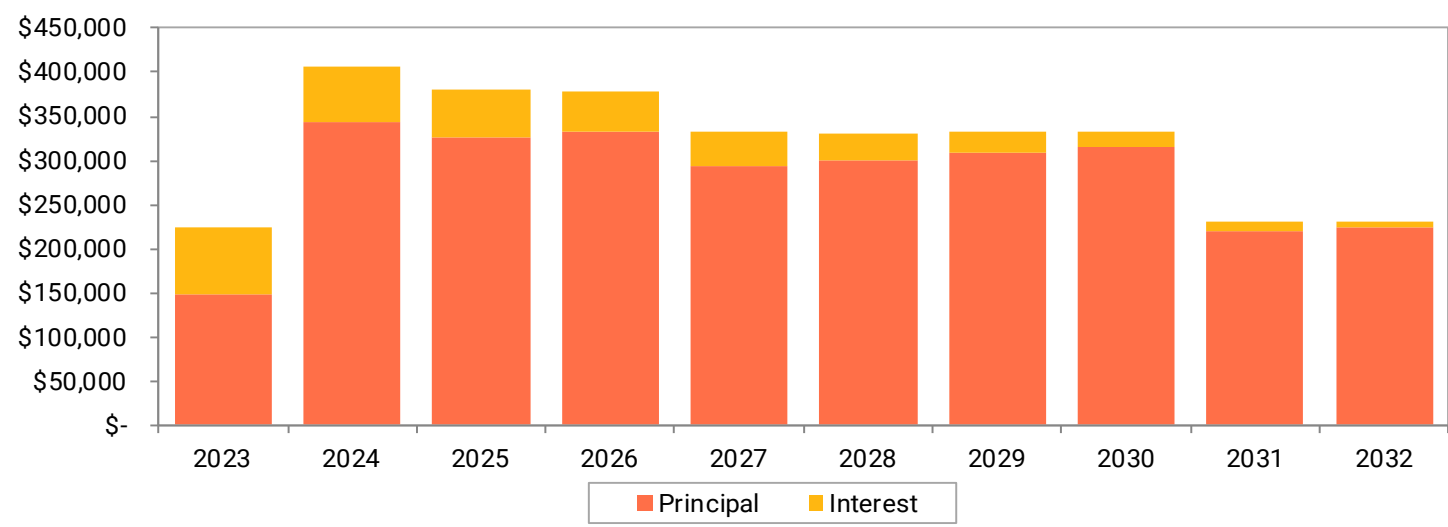
| Fund                | Fund Balances<br>December 31 |                   | Increase<br>(Decrease) |
|---------------------|------------------------------|-------------------|------------------------|
|                     | 2022                         | 2021              |                        |
| Major               |                              |                   |                        |
| Capital Projects    | \$ 646,005                   | \$ 732,865        | \$ (86,860)            |
| Nonmajor            |                              |                   |                        |
| TIF District #6     | -                            | (10,807)          | 10,807                 |
| TIF District #7     | (54,057)                     | 33,483            | (87,540)               |
| TIF District #8     | (6,251)                      | (5,956)           | (295)                  |
| Trailhead Project   | 139                          | 138               | 1                      |
| Total Nonmajor      | <u>585,836</u>               | <u>749,723</u>    | <u>(77,027)</u>        |
| Total Fund Balances | <u>\$ 585,836</u>            | <u>\$ 749,723</u> | <u>\$ (163,887)</u>    |



# Capital Project Fund Balances

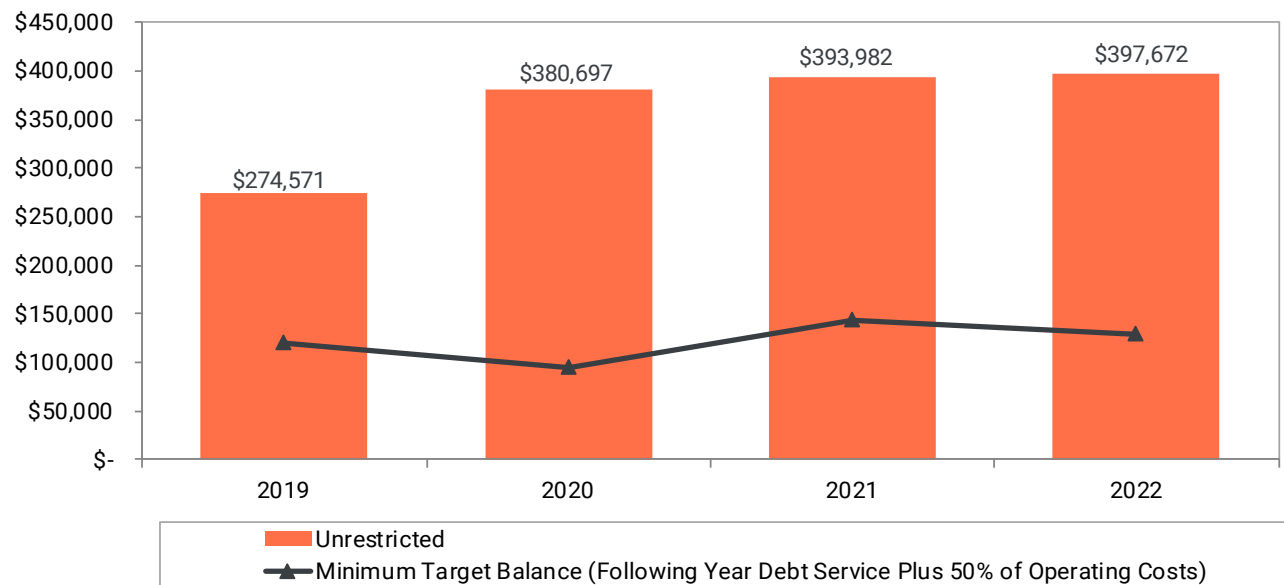
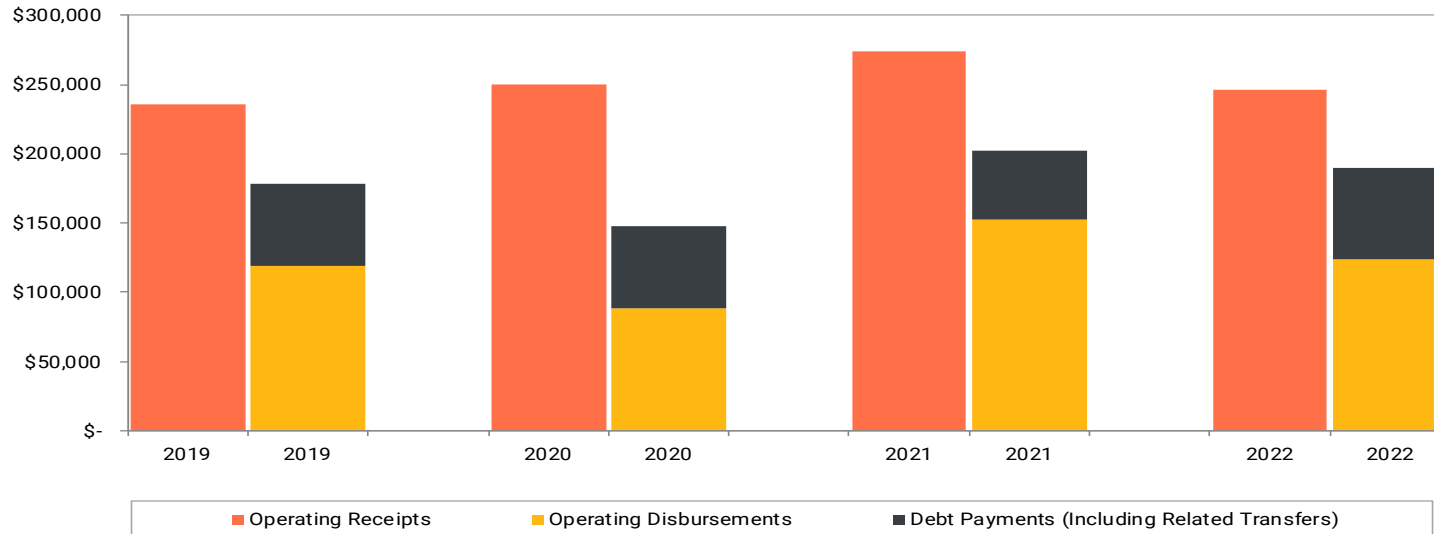
# Debt Service

| Description                                     | Total Cash and Investments | Total Assets      | Bonds Outstanding                        | Year of Maturity  |
|---|----------------------------|-------------------|--|-------------------|
| G.O. Special Assessment Bonds                   |                            |                   |  |                   |
| 318 G.O. Improvement Notes of 2017A             | \$ 211,010                 | \$ 309,739        | \$ 1,816,800                             | 2028              |
| 319 G.O. Improvement Bonds of 2020              | 406,170                    | 632,443           | 575,000                                  | 2031              |
| 321 G.O. Tax Increment Loans of 2021A/B         | -                          | -                 | 322,675                                  | 2032              |
| 315 G.O. Tax Abatement Refunding Bonds of 2013A | 37,018                     | 37,478            | 32,000                                   | 2024              |
| <b>Total</b>                                    | <b>\$ 654,198</b>          | <b>\$ 979,660</b> | <b>\$ 2,746,475</b>                      |                   |
|   |                            |                   | <b>Total Remaining Interest Payments</b> | <b>\$ 187,873</b> |



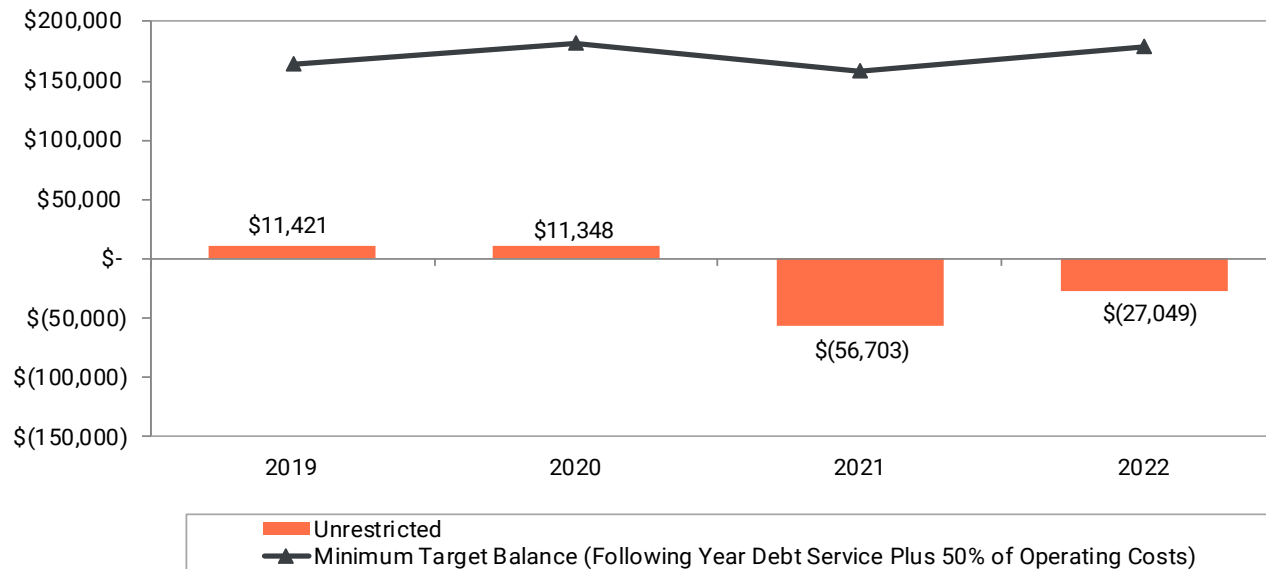
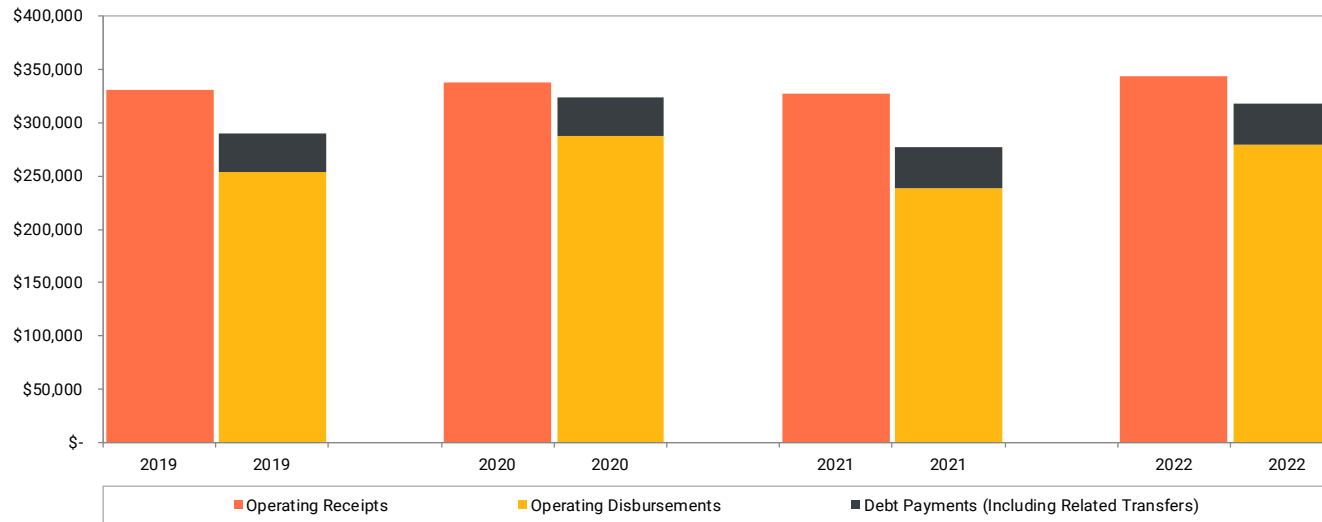
# Water Fund

## Cash Flows from Operations and Cash Balances

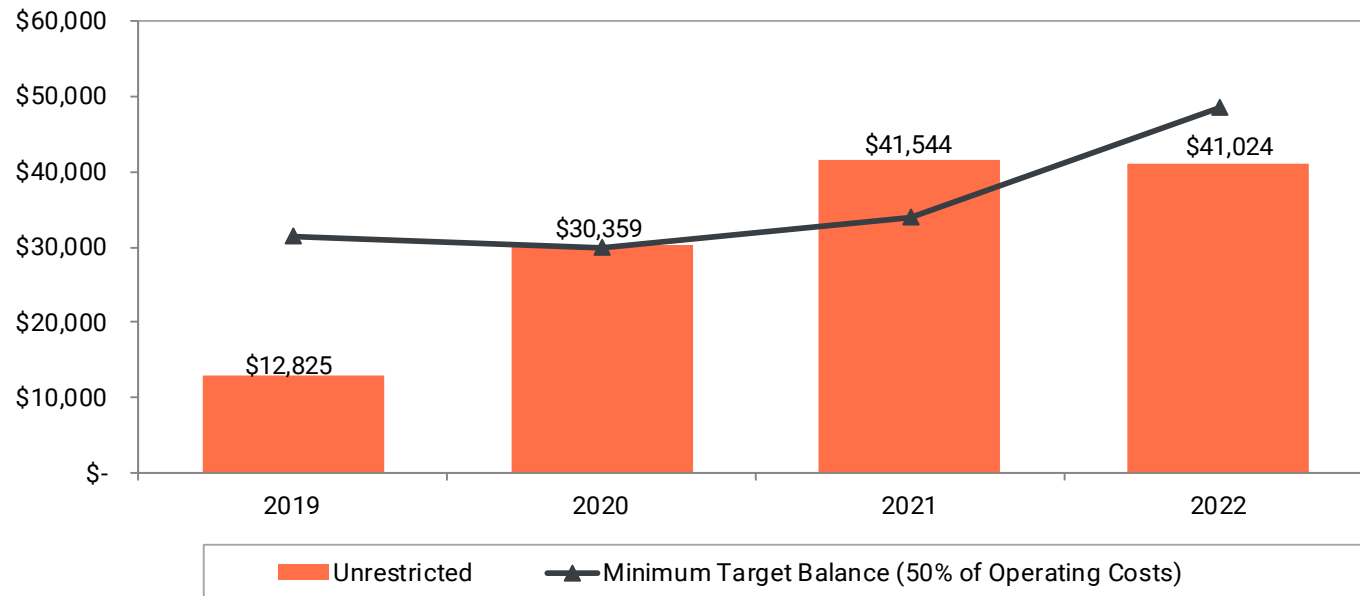
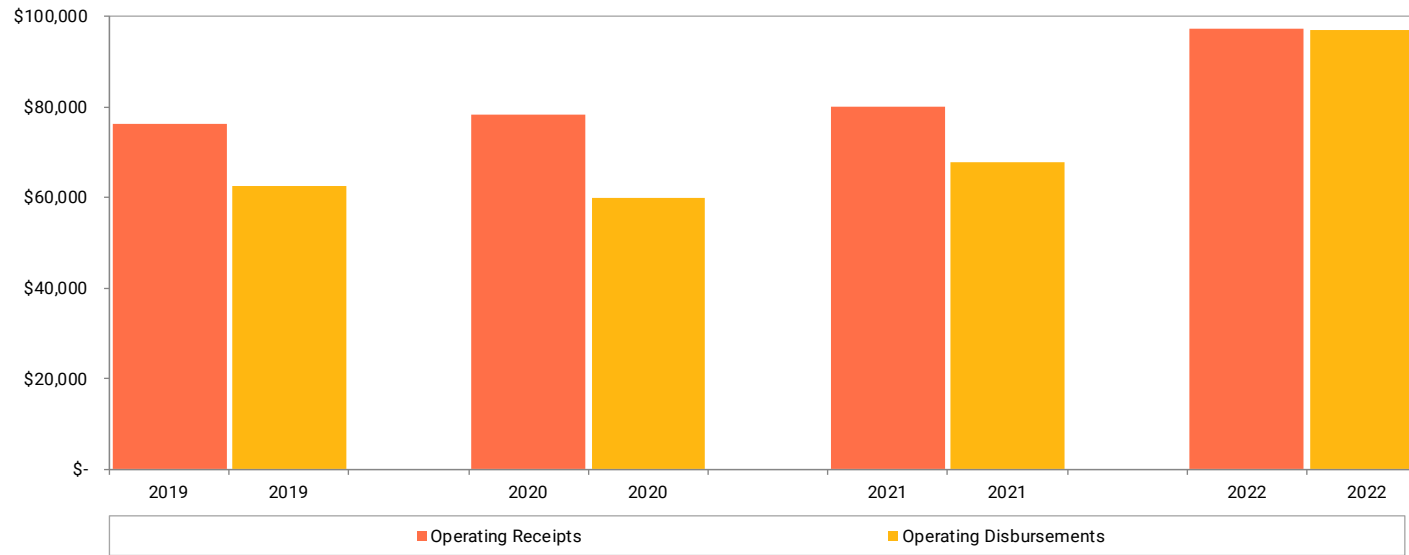


# Sewer Fund

## Cash Flows from Operations and Cash Balances



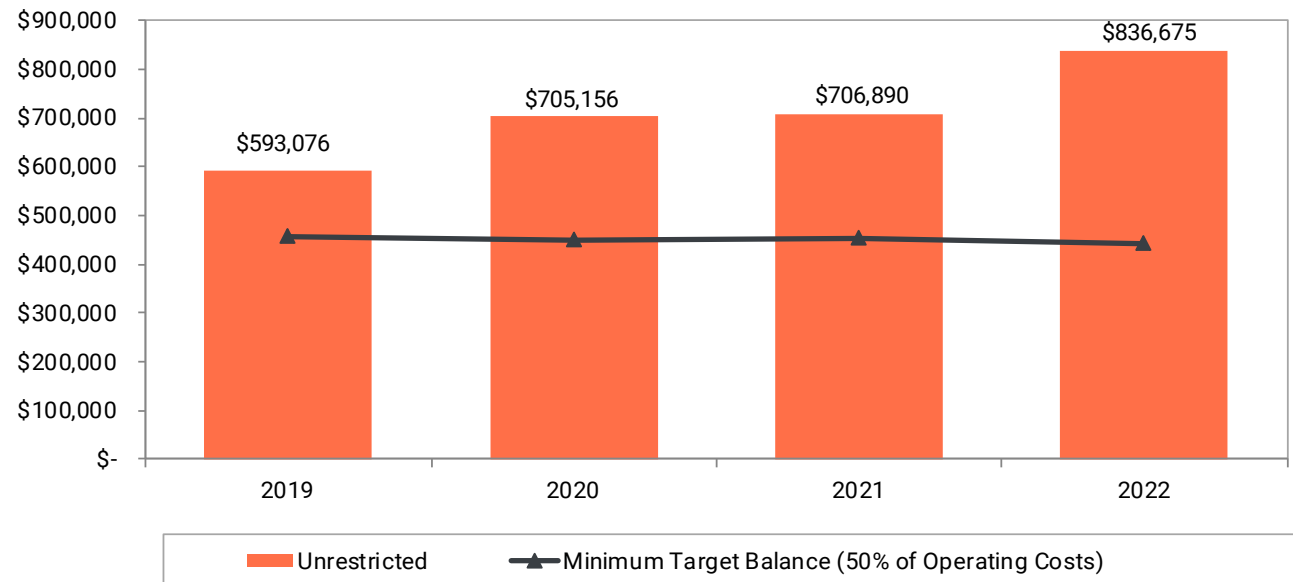
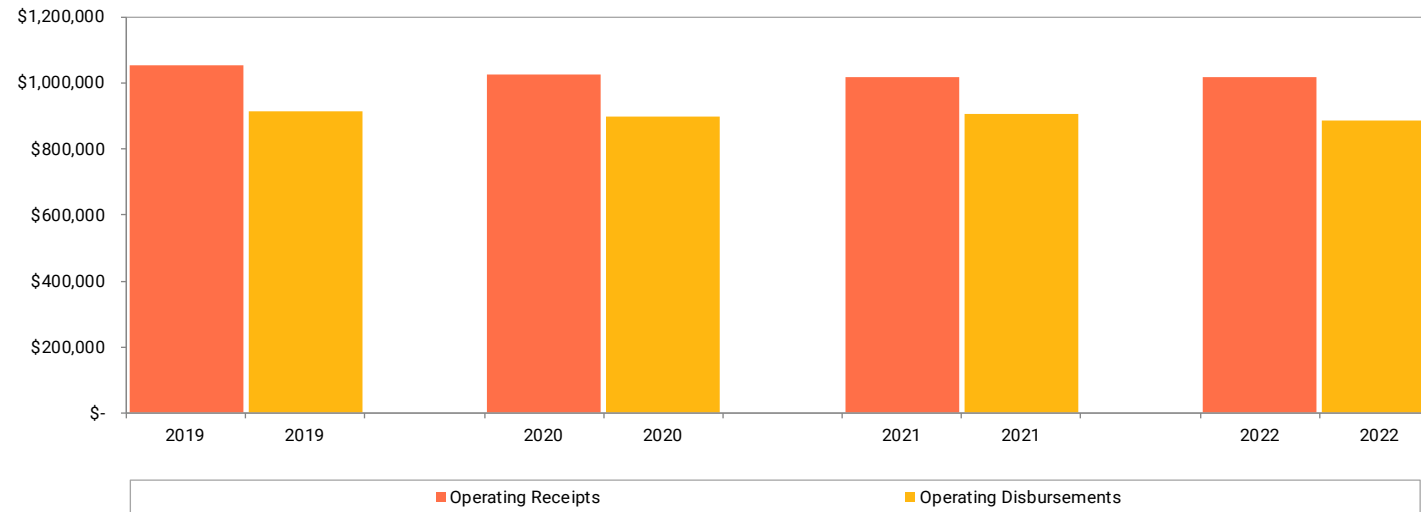
# Refuse Fund



## Cash Flows from Operations and Cash Balances

# Electric Fund

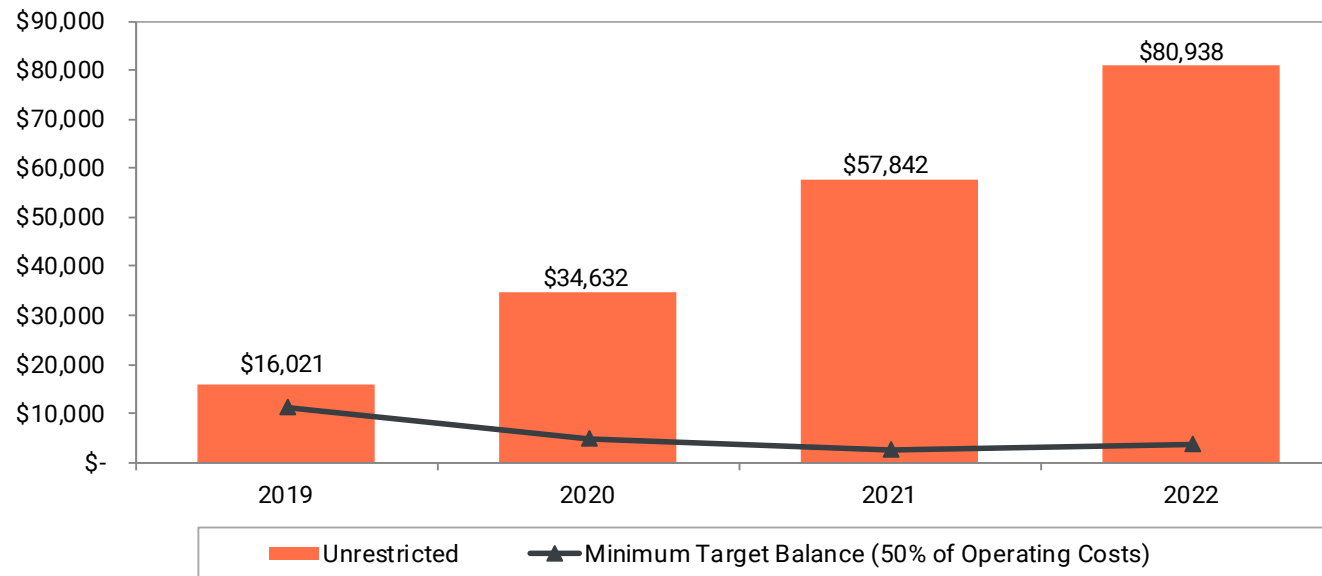
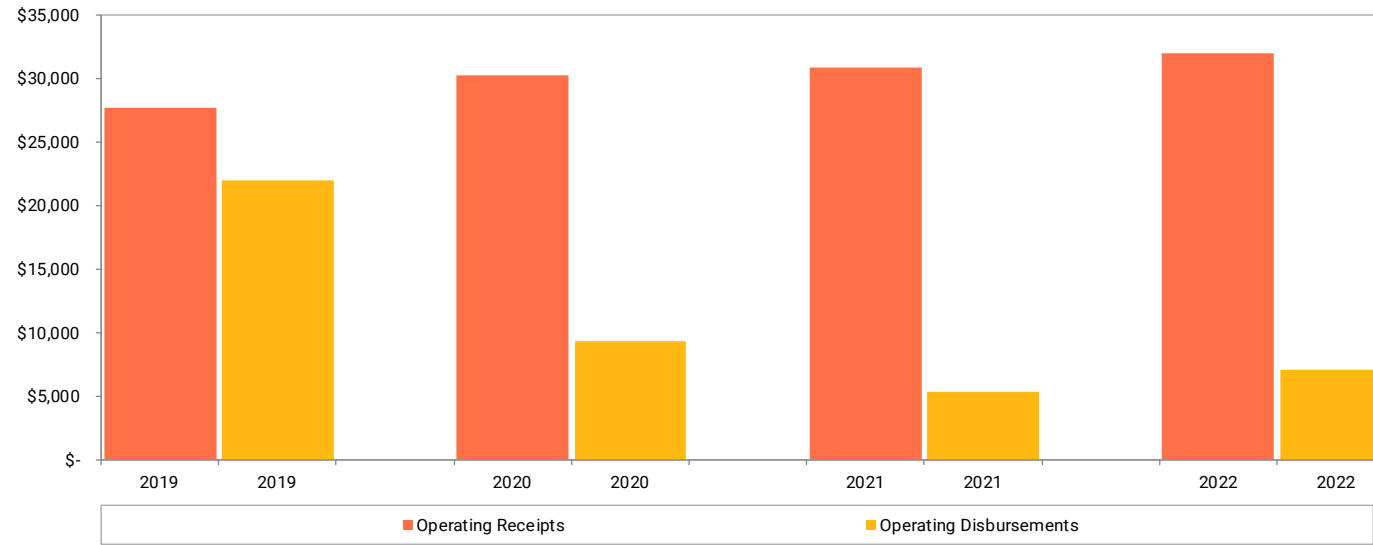
## Cash Flows from Operations and Cash Balances



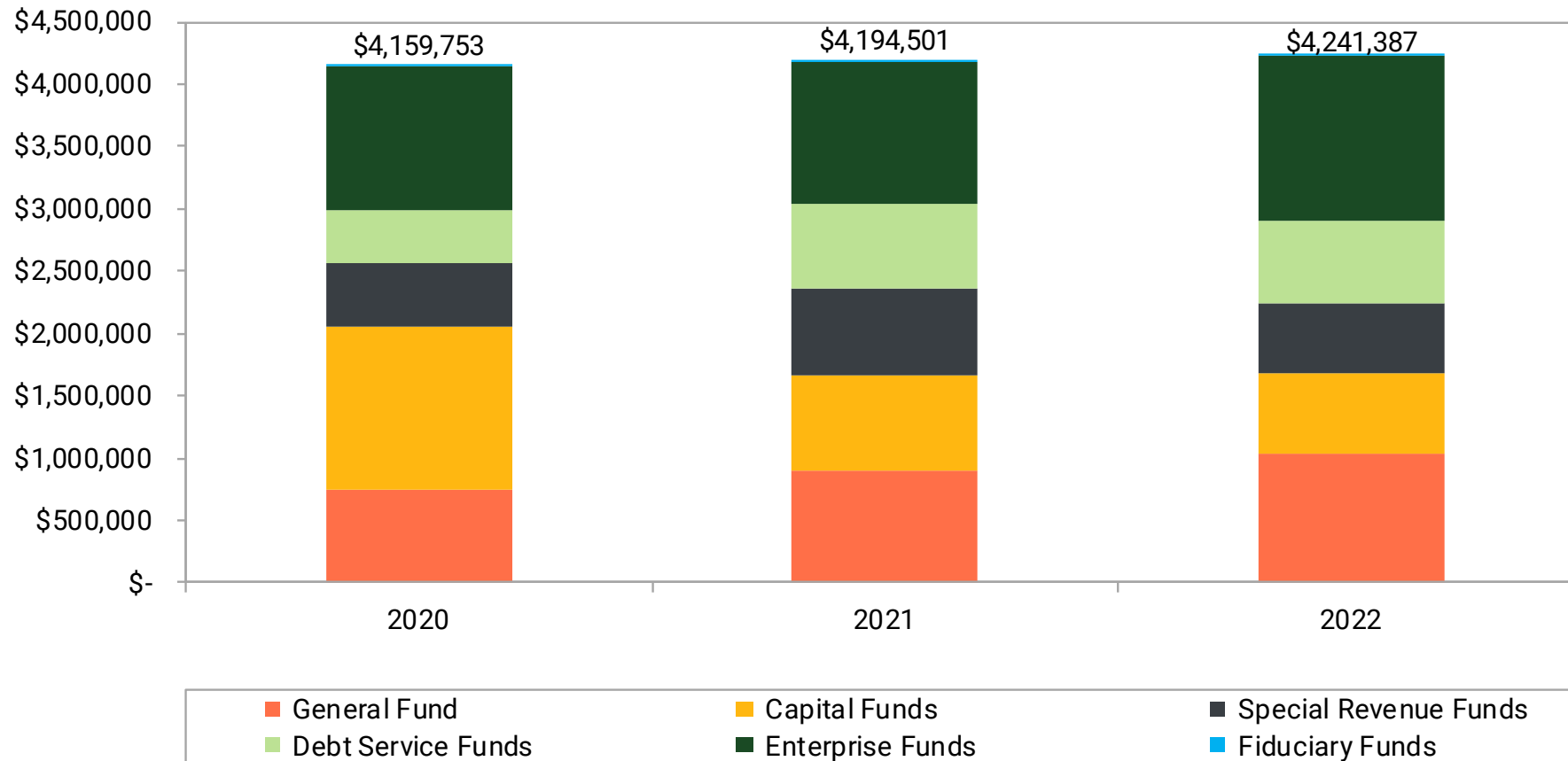


# Storm Water Fund

## Cash Flows from Operations and Cash Balances



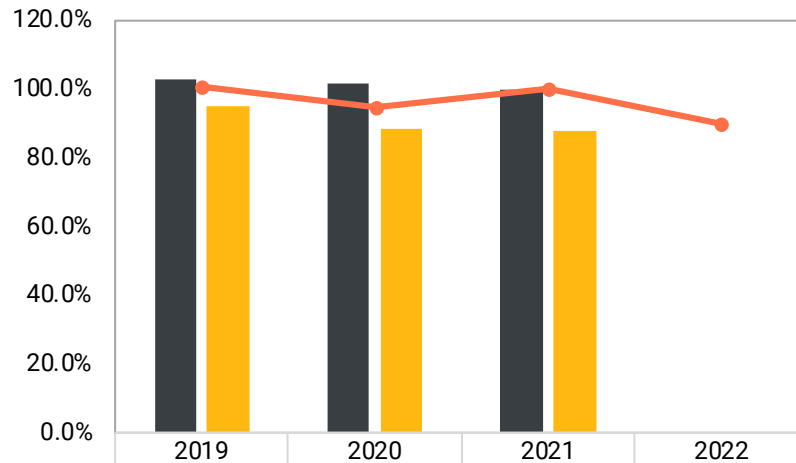
# Cash and Investments Balances by Fund Type



# Taxes

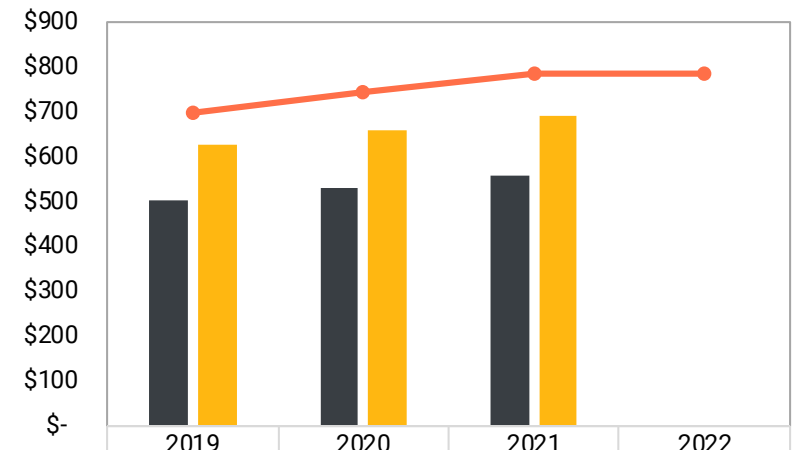
## Key Performance Indicators

**Tax Rate**



|                             |        |        |        |       |
|-----------------------------|--------|--------|--------|-------|
| ■ Class 5 Cities            | 103.0% | 101.8% | 100.0% | N/A   |
| ■ Cities in Fillmore County | 95.0%  | 88.7%  | 88.0%  | N/A   |
| ● City of Harmony           | 100.7% | 95.1%  | 100.3% | 90.0% |

**Taxes - Per Capita**

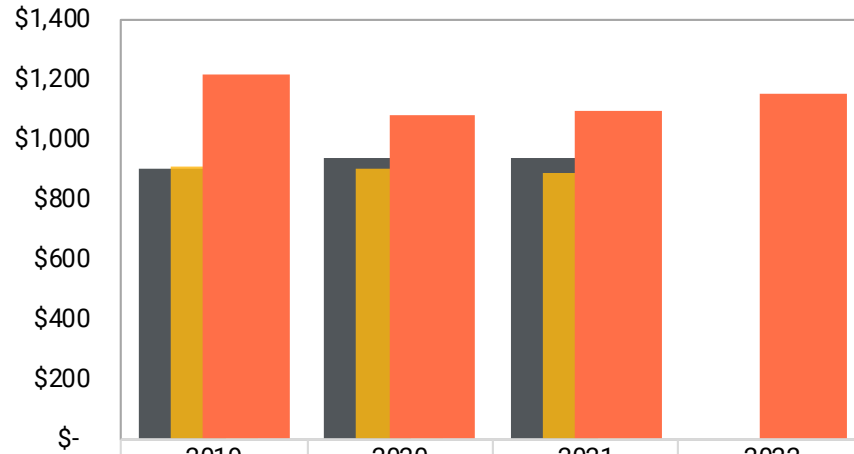


|                             |       |       |       |       |
|-----------------------------|-------|-------|-------|-------|
| ■ Class 5 Cities            | \$503 | \$533 | \$559 | N/A   |
| ■ Cities in Fillmore County | \$626 | \$661 | \$694 | N/A   |
| ● City of Harmony           | \$699 | \$743 | \$786 | \$787 |

# Expenditures

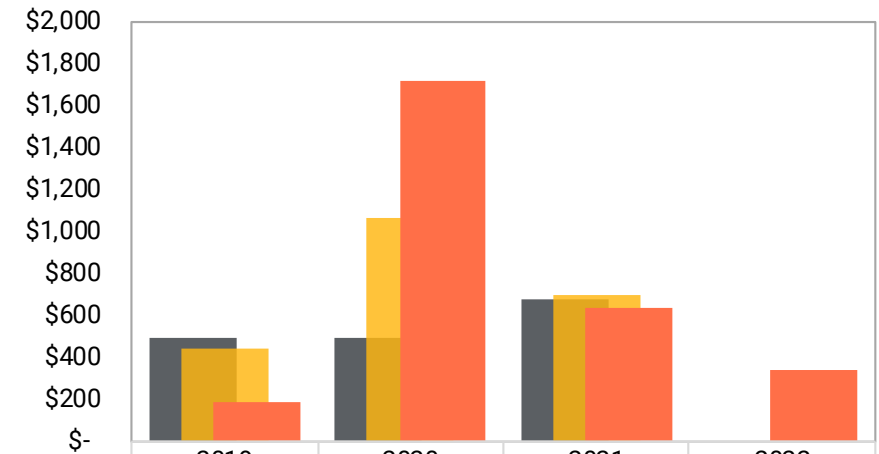
## Key Performance Indicators

**Current Expenditures - Per Capita**



|                             | 2019    | 2020    | 2021    | 2022    |
|-----------------------------|---------|---------|---------|---------|
| ■ Class 5 Cities            | \$902   | \$943   | \$937   | N/A     |
| ■ Cities in Fillmore County | \$913   | \$905   | \$893   | N/A     |
| ■ City of Harmony           | \$1,219 | \$1,085 | \$1,099 | \$1,158 |

**Capital Expenditures - Per Capita**



|                             | 2019  | 2020    | 2021  | 2022  |
|-----------------------------|-------|---------|-------|-------|
| ■ Class 5 Cities            | \$493 | \$491   | \$683 | N/A   |
| ■ Cities in Fillmore County | \$441 | \$1,066 | \$701 | N/A   |
| ■ City of Harmony           | \$184 | \$1,721 | \$641 | \$342 |

# Your Abdo Team



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