



Lighting the path forward

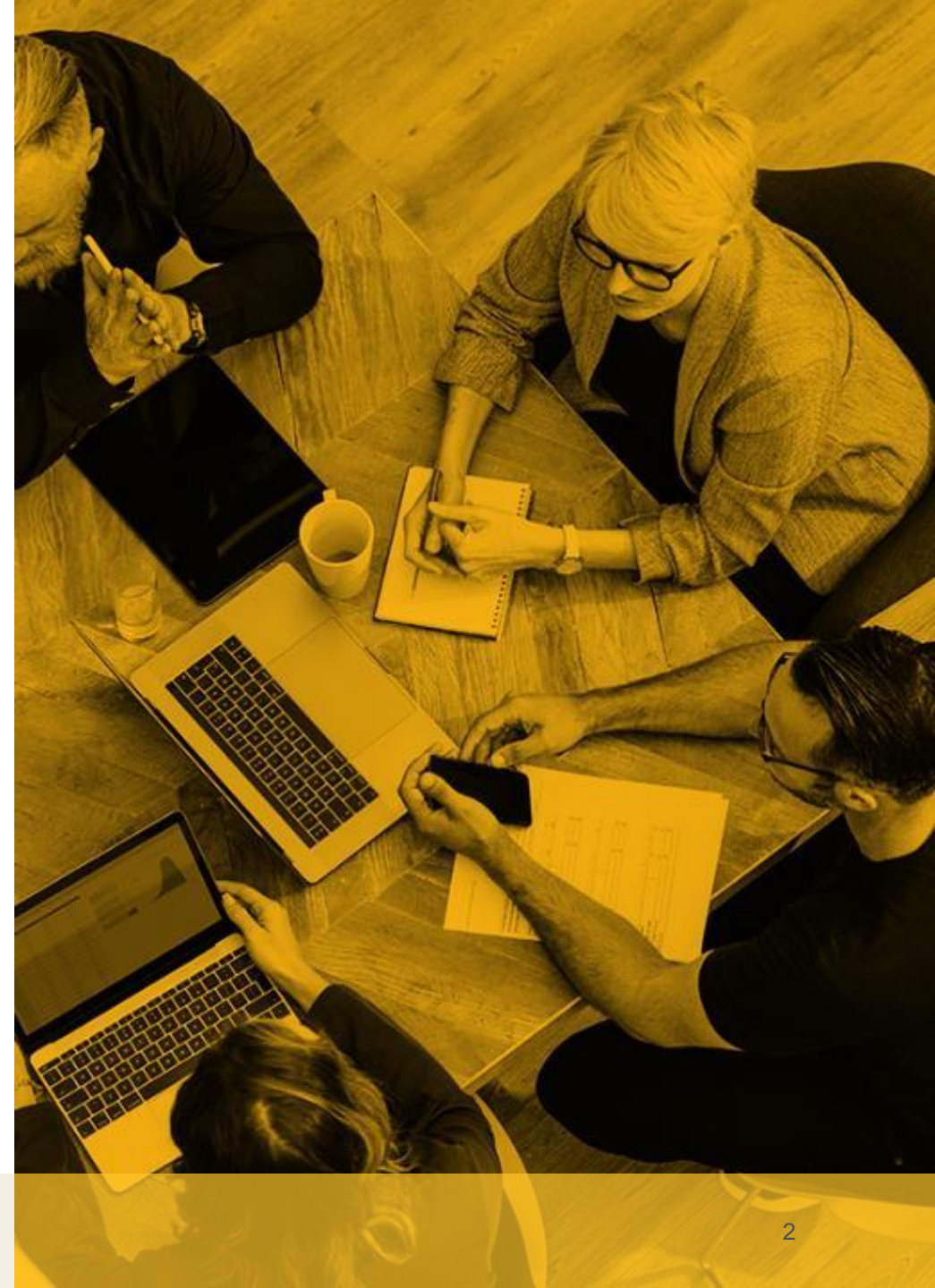
City of Henderson

2022 Financial Statement Audit



Introduction

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



Audit Results

Auditor's Opinion



Unmodified under GAAP

Minnesota Legal Compliance



One instance of noncompliance noted

Audit Results

2022 Audit Findings

- Material Audit Adjustments
 - Internal Control Finding
- Limited Segregation of Duties
 - Internal Control Finding
- Installment Note Issuance
 - Legal Compliance Finding



Audit Results Fiscal Year 2021 Findings

- Material Audit Adjustments
 - Internal Control Finding
 - Remains for 2022
- Limited Segregation of Duties
 - Internal Control Finding
 - Remains for 2022





Auditor Recommendations

Written Policies and Procedures

- We recommend the City continue to update policies and procedures including, but not limited to, investment, accounting, internal control, budget and other financial, personnel management, loss control and similar policies.

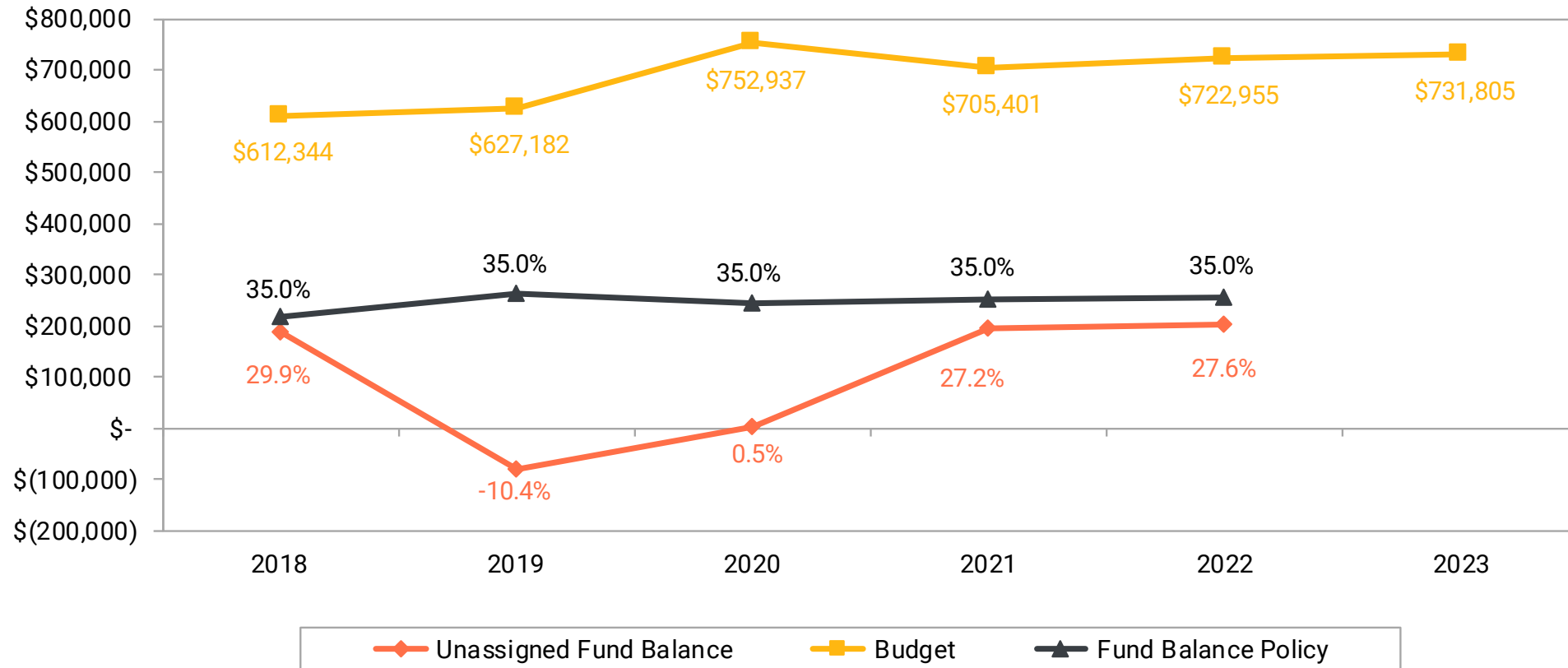


Auditor Recommendations

Overall Financial Concerns

- We recommend the City implement a budget process and long-term financial plan to increase the City's financial condition, increase cash reserves, eliminate any future fund deficits and ensure future financial stability.
- The current City fund balance policy has a minimum of 20% of next years budget. We, along with the League of Minnesota Cities, recommend the City target a minimum of 50%.
- The City has numerous other funds with deficit fund balance at year-end.

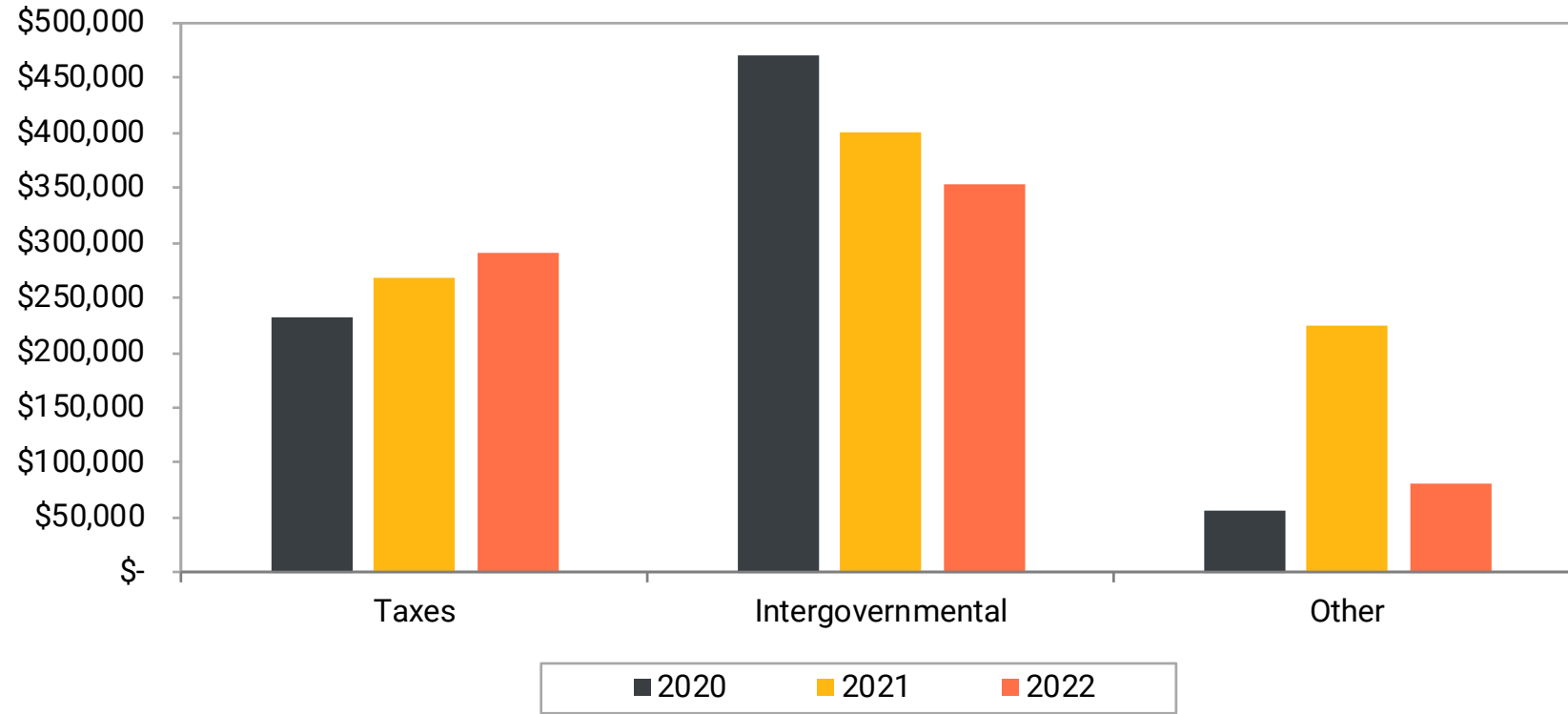
General Fund Fund Balances



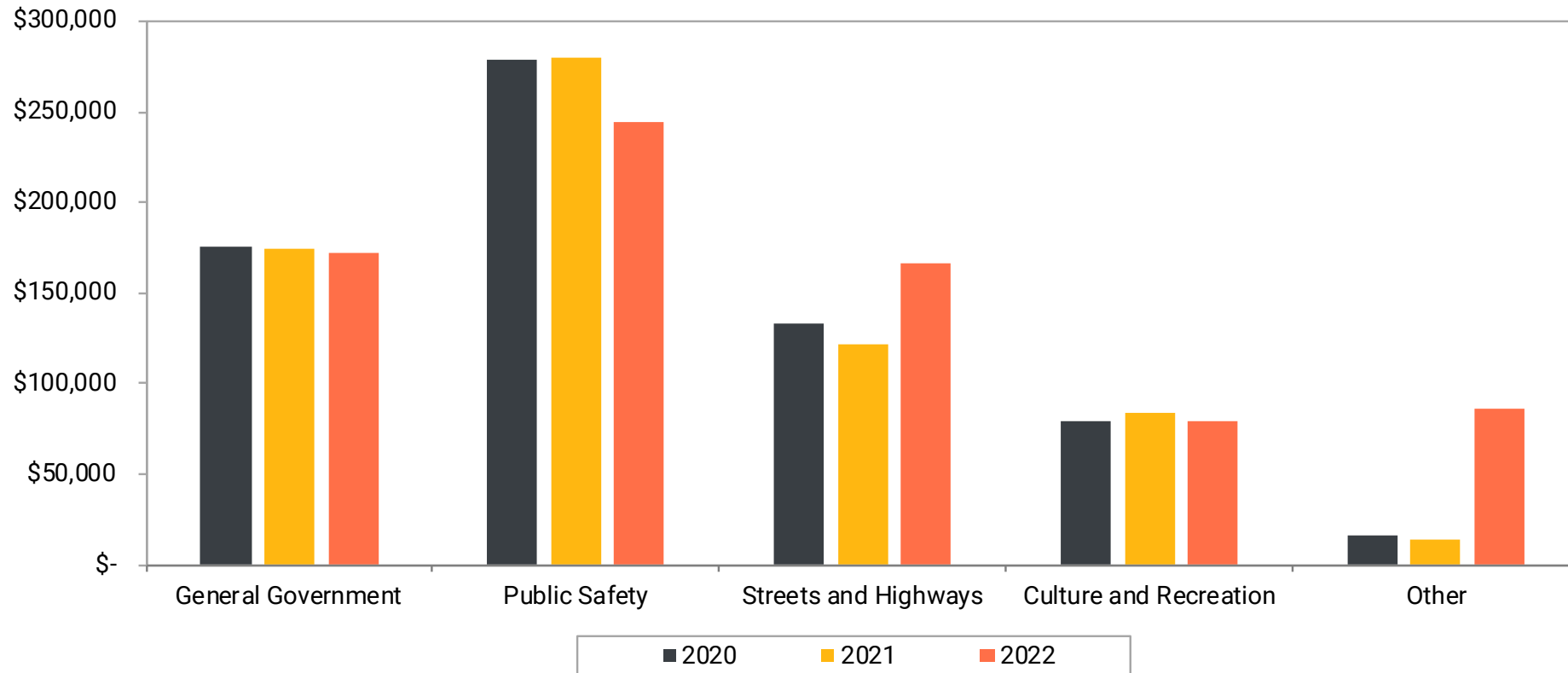
General Fund Budget to Actual

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues	\$ 712,250	\$ 714,600	\$ 726,434	\$ 11,834
Expenditures	<u>722,955</u>	<u>713,845</u>	<u>749,471</u>	<u>(35,626)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,705)	755	(23,037)	(23,792)
Special Item Transfer of Operations	<u>-</u>	<u>-</u>	<u>35,745</u>	<u>35,745</u>
Net Change in Fund Balances	<u>\$ (10,705)</u>	<u>\$ 755</u>	12,708	<u>\$ 11,953</u>
Fund Balances, January 1			<u>224,821</u>	
Fund Balances, December 31			<u>\$ 237,529</u>	

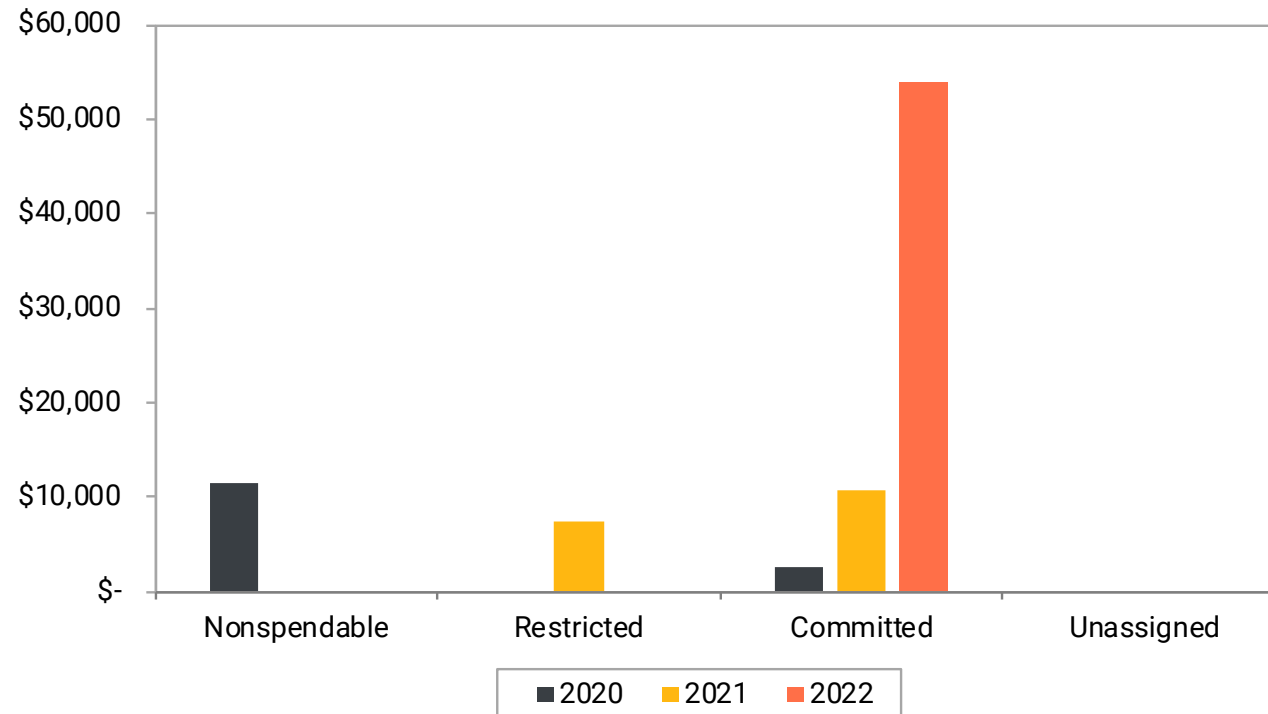
General Fund Revenues by Type



General Fund Expenditures by Type

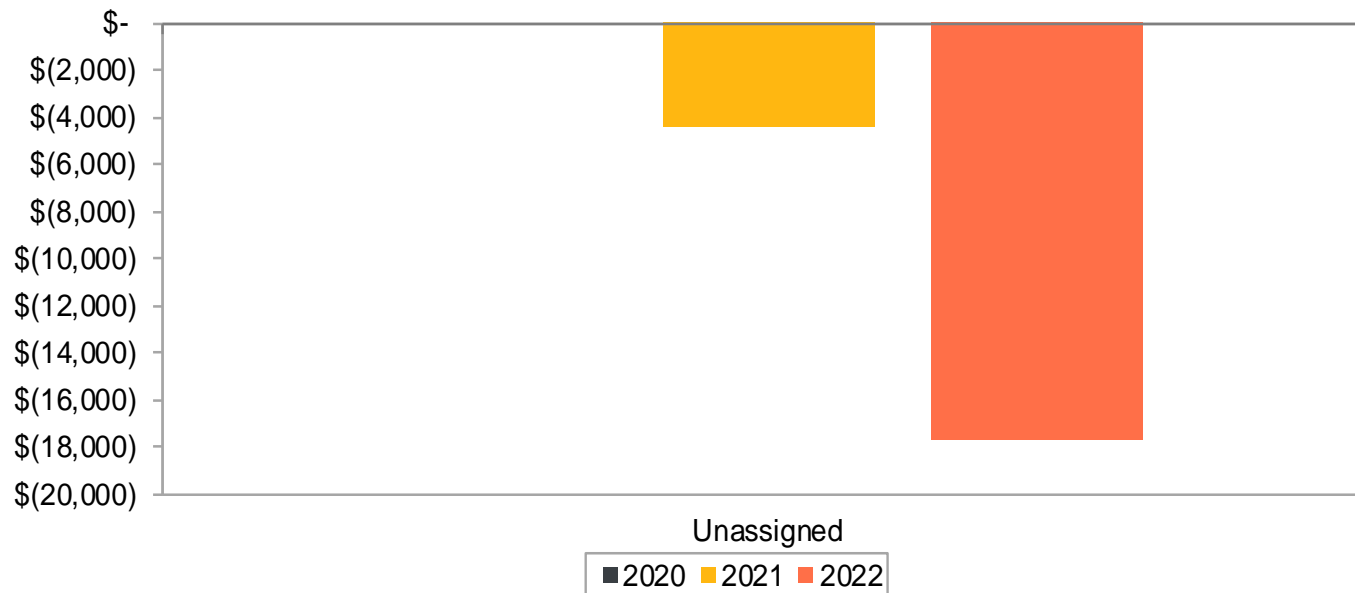


Special Revenue Fund	Fund Balances December 31		Increase (Decrease)
	2022	2021	
Nonmajor			
ARPA	\$ -	\$ -	\$ -
Economic Development Authority	11,206	18,133	(6,927)
Library	42,844	-	42,844
Total	<u>\$ 11,206</u>	<u>\$ 18,133</u>	<u>\$ (6,927)</u>



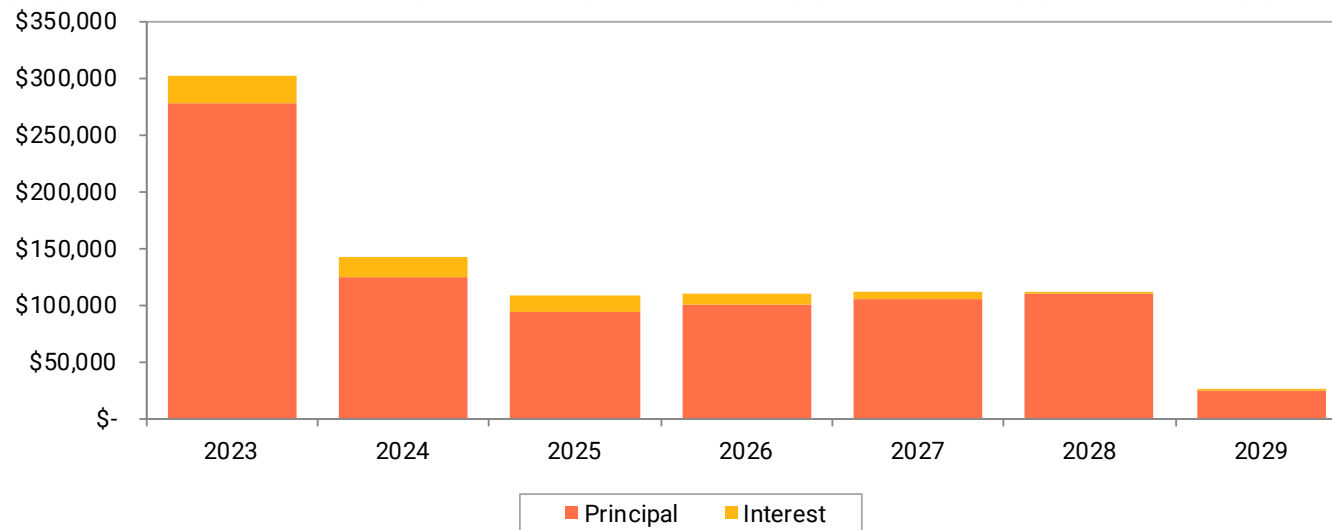
Nonmajor Fund Balances – Special Revenue

Capital Projects Fund	Fund Balances December 31		Increase (Decrease)
	2022	2021	
Nonmajor			
Henderson Trail	\$ (17,751)	\$ (4,351)	\$ (13,400)
TH93 Levee	-	-	-
Total	<u>\$ (17,751)</u>	<u>\$ (4,351)</u>	<u>\$ (13,400)</u>



Nonmajor Fund Balance – Capital Projects

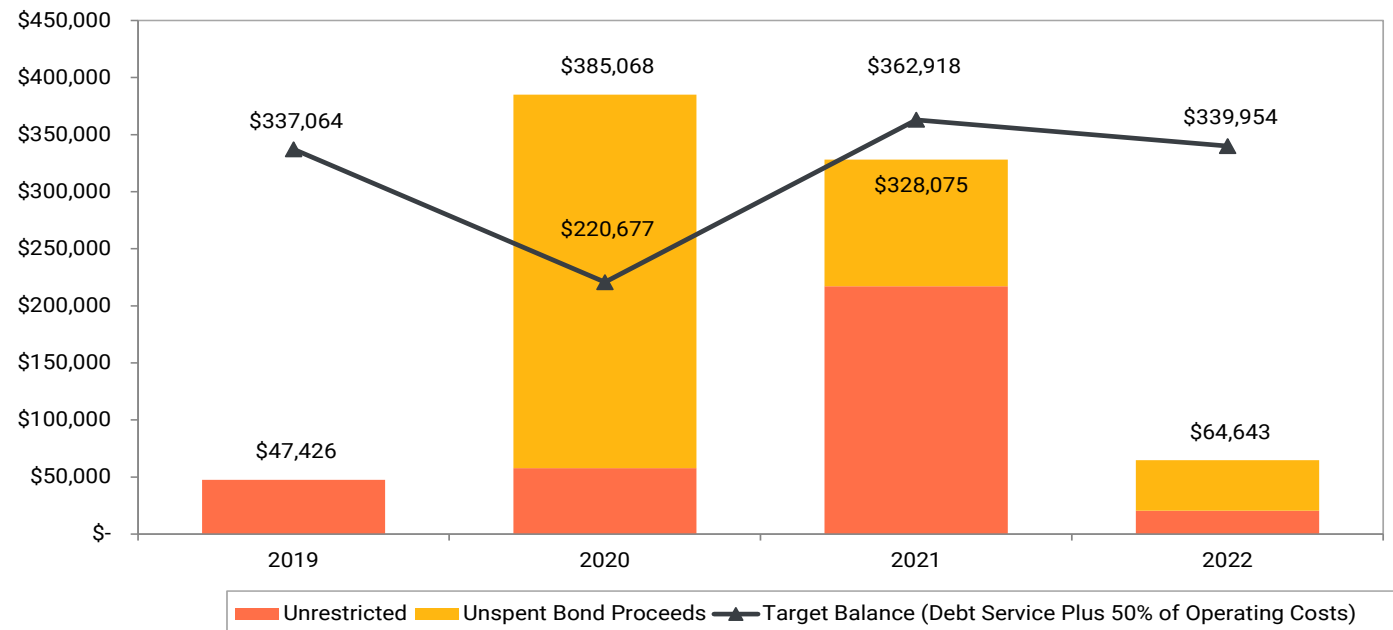
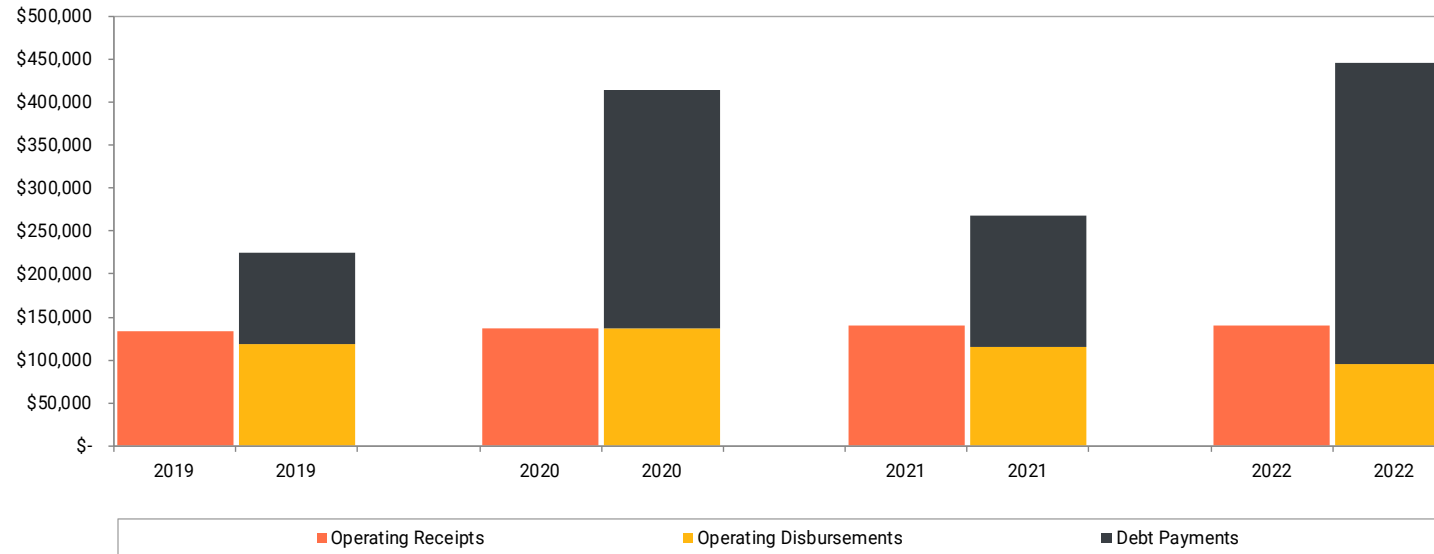
Debt Description		Total Cash and Investments	Total Assets	Bonds/Notes Outstanding	Year of Maturity
301	Permanent Improvement Revolving	\$ 121,140	\$ 288,177	\$ 240,000	2024
379	G.O. Tax Increment Bonds of 2007	638	638	-	Matured
375	G.O. Refunding Bonds of 2011B (2002A)	13,182	13,182	55,000	2023
303	G.O. Refunding Bonds of 2011B (2003A)	12,532	12,532	15,000	2023
307	2011C G.O. Tax Abatement Bonds	24,558	24,558	230,000	2023
308	2013A G.O. Equipment Certificates	6,581	16,781	10,000	2023
309	2014A G.O. Improvement Bonds	90	90	60,000	2024
311	2018A G.O. Equipment Certificates	373	159,966	220,000	2028
312	2018A G.O. Tax Abatement Bonds	28,860	28,860	175,000	2029
313	2019A G.O. Equipment Certificates	39	39	73,000	2023
Total		<u>\$ 207,993</u>	<u>\$ 544,823</u>	<u>\$ 1,078,000</u>	
Total Remaining Interest Payments				<u>\$ 76,380</u>	



Debt Service

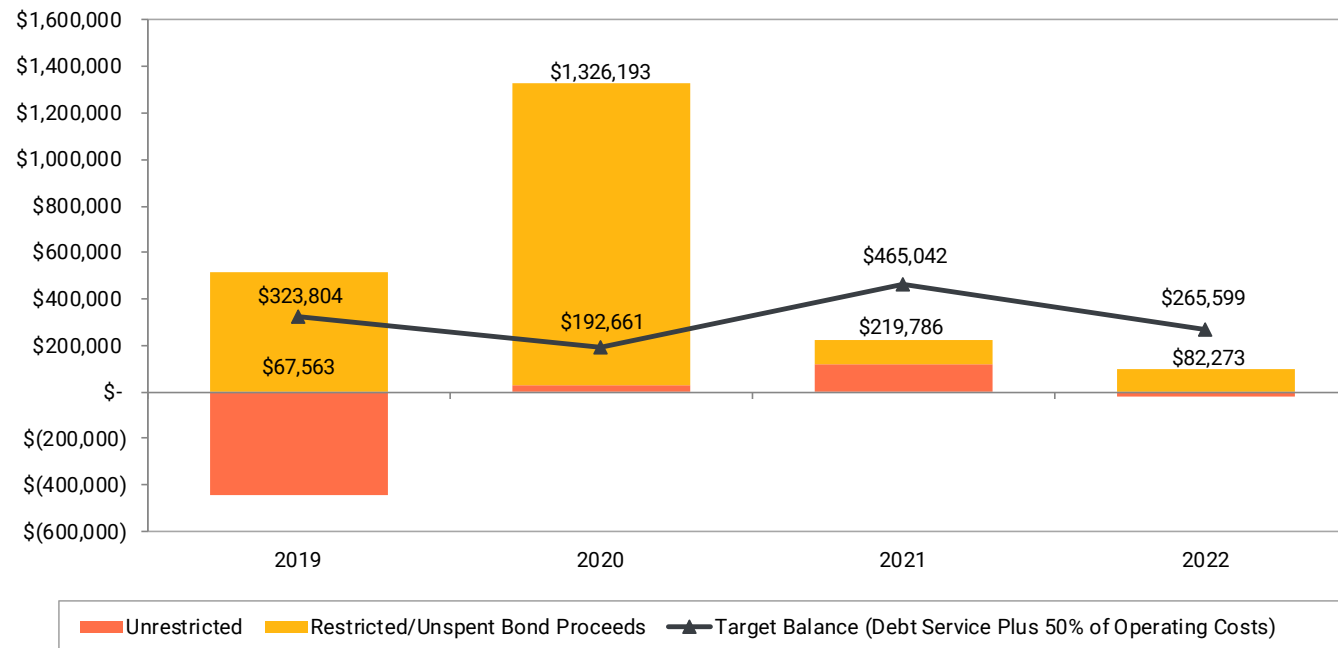
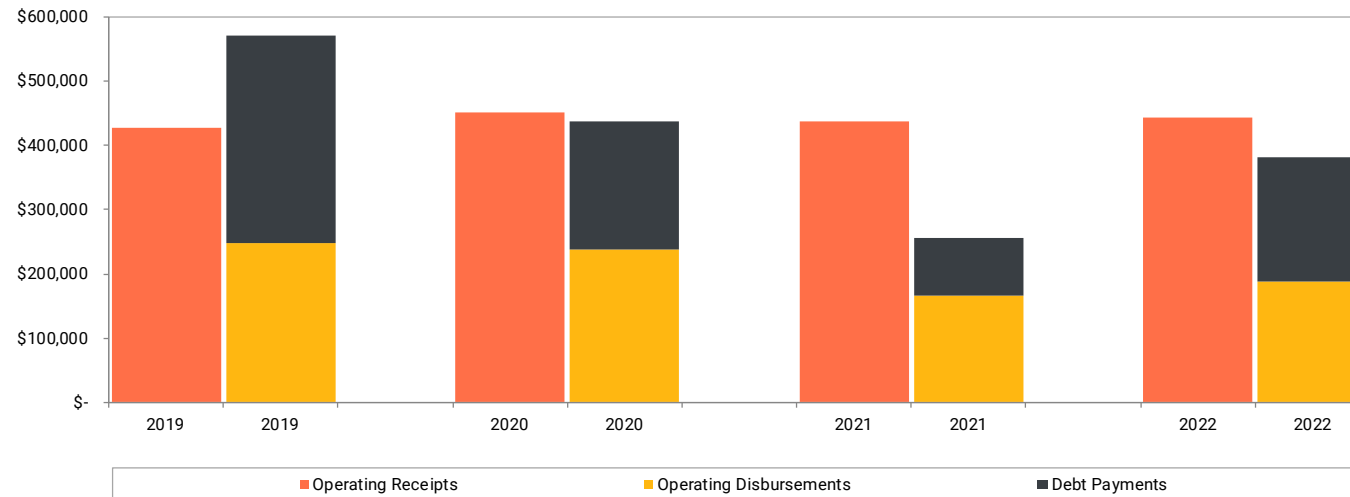
Water Fund

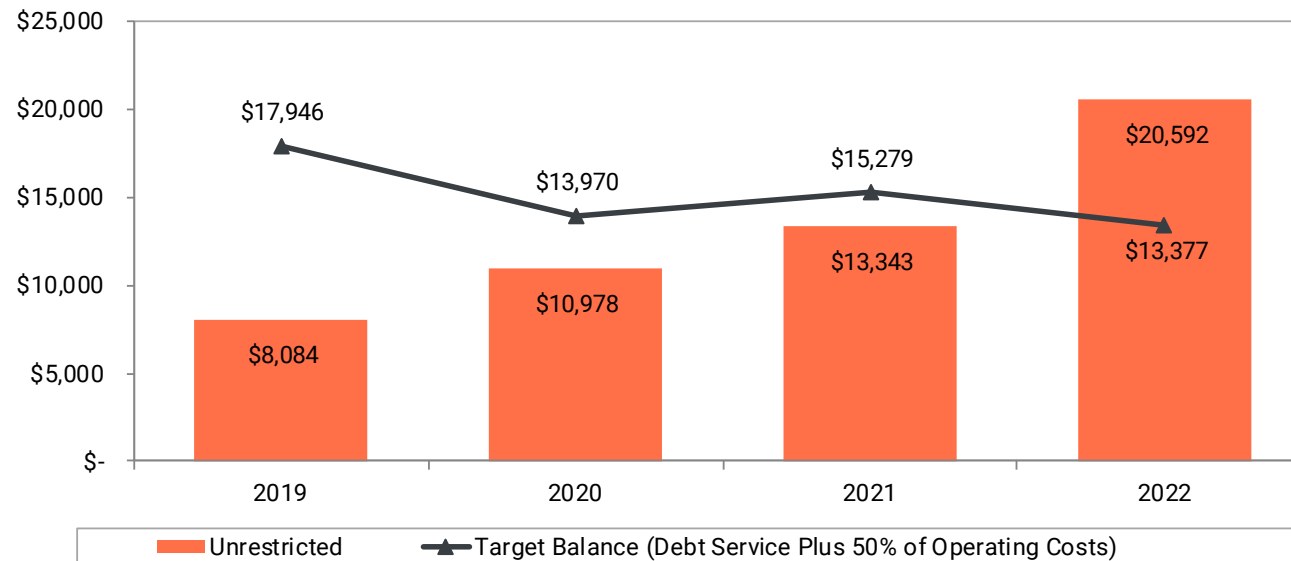
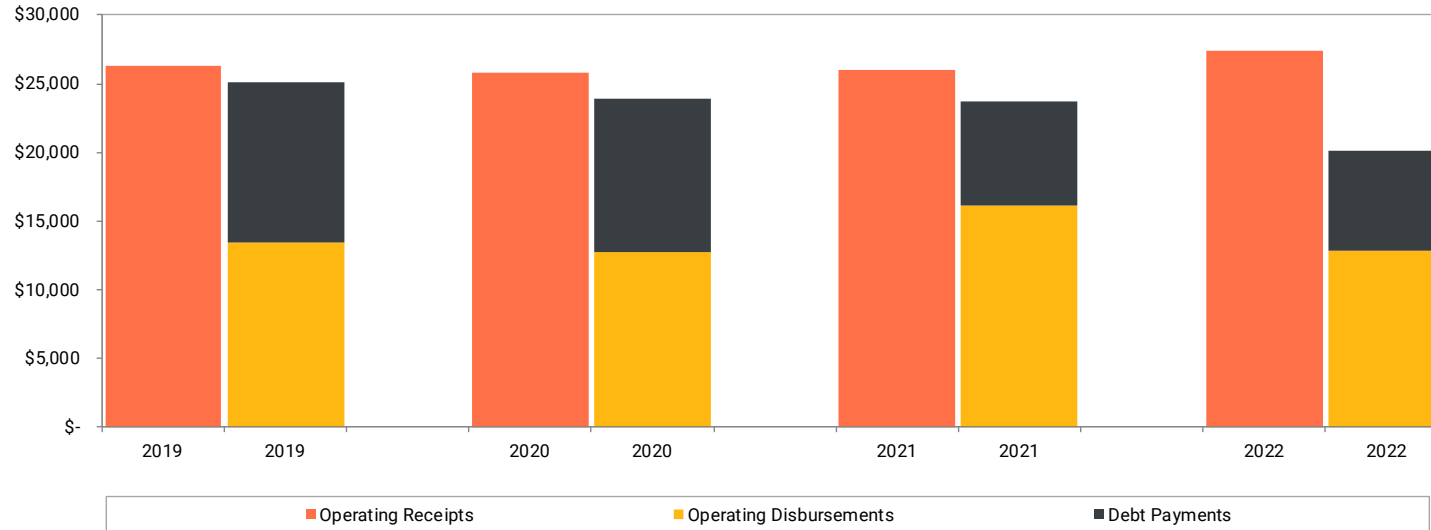
Cash Flows from Operations and Cash Balances



Sewer Fund

Cash Flows from Operations and Cash Balances

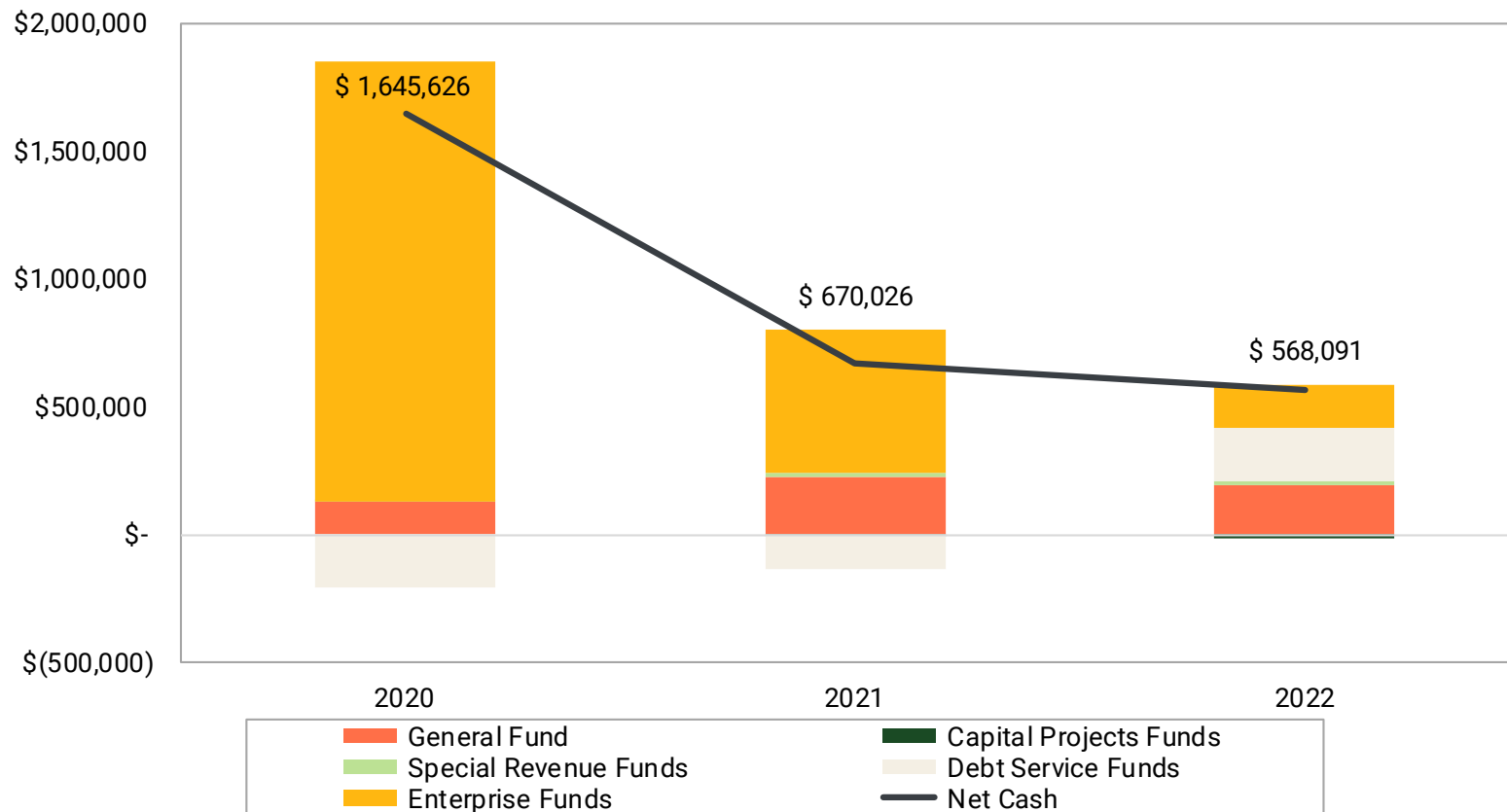




Environmental Services Fund

Cash Flows from Operations and Cash Balances

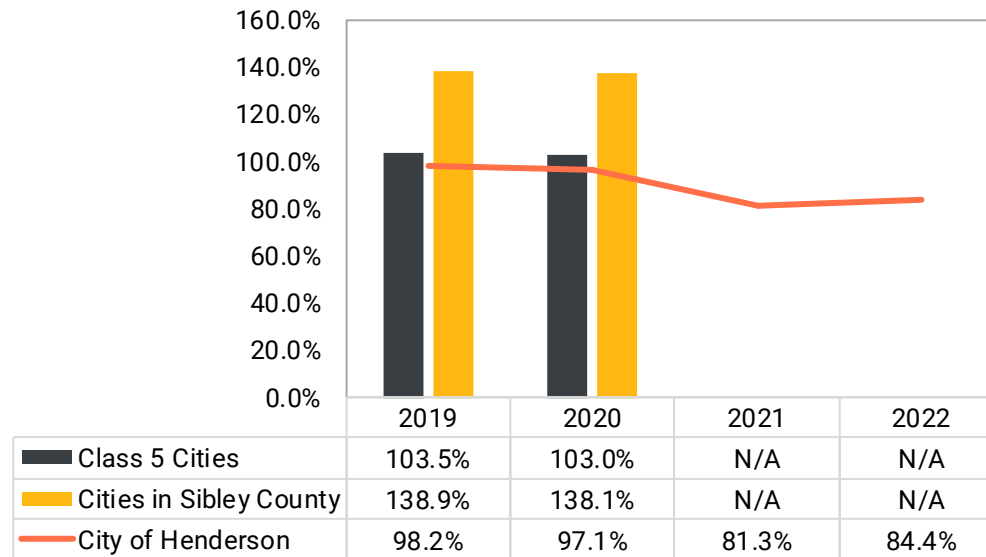
Cash and Investments Balances by Fund Type



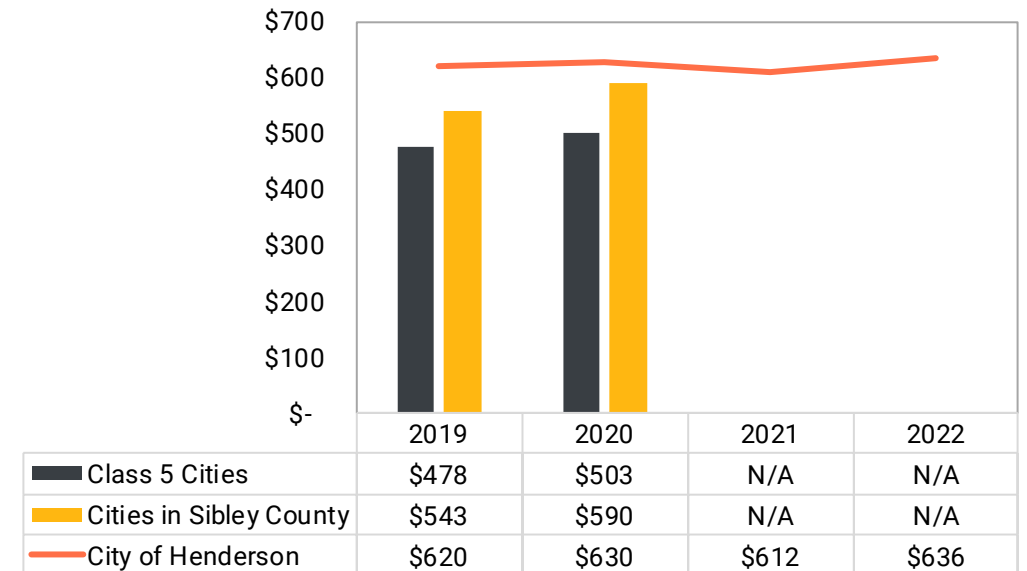
Taxes

Key Performance Indicators

Tax Rates



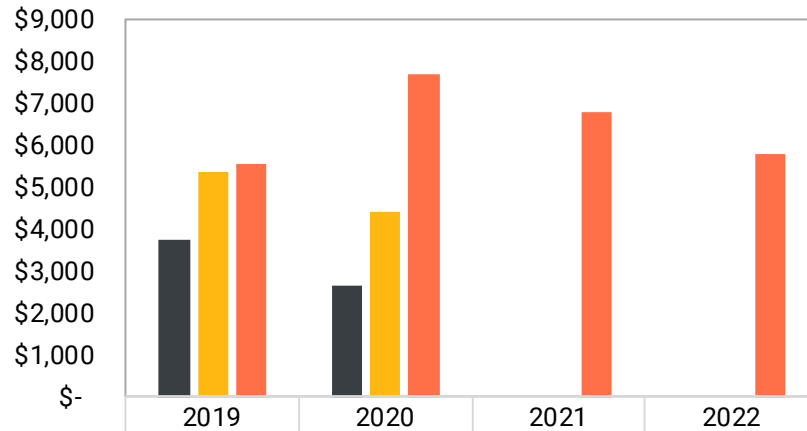
Taxes Per Capita



Debt

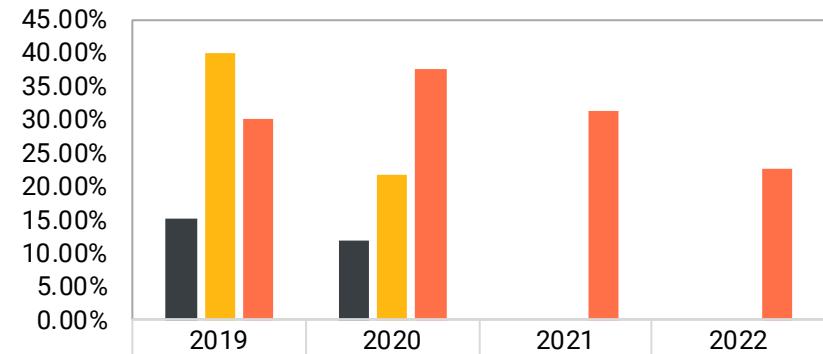
Key Performance Indicators

Debt Per Capita



	2019	2020	2021	2022
■ Class 5 Cities	\$3,733	\$2,671	N/A	N/A
■ Cities in Sibley County	\$5,386	\$4,422	N/A	N/A
■ City of Henderson	\$5,560	\$7,715	\$6,801	\$5,788

Debt Service Expenditures as a Percent of Total Expenditures

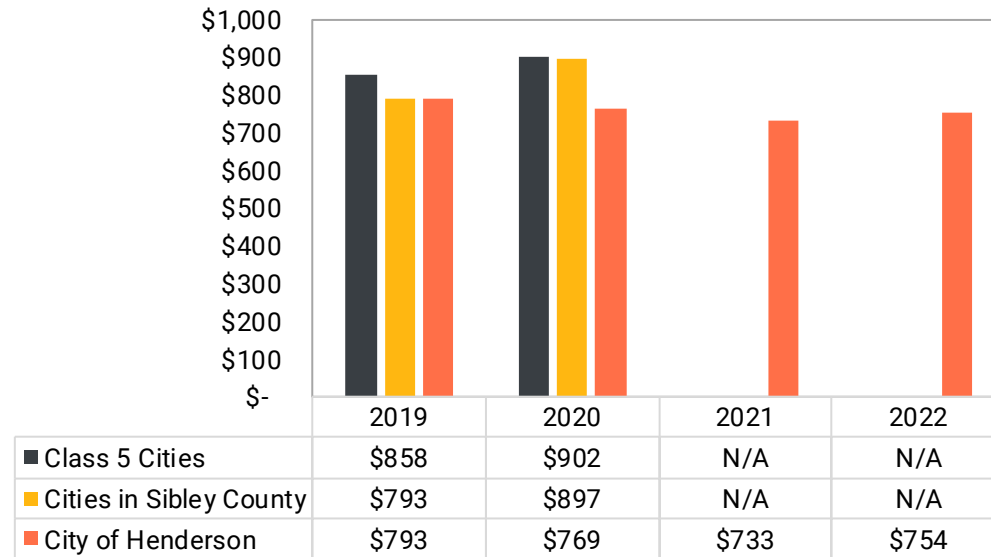


	2019	2020	2021	2022
■ Class 5 Cities	15.09%	11.72%	N/A	N/A
■ Cities in Sibley County	39.91%	21.71%	N/A	N/A
■ City of Henderson	29.97%	37.57%	31.29%	22.71%

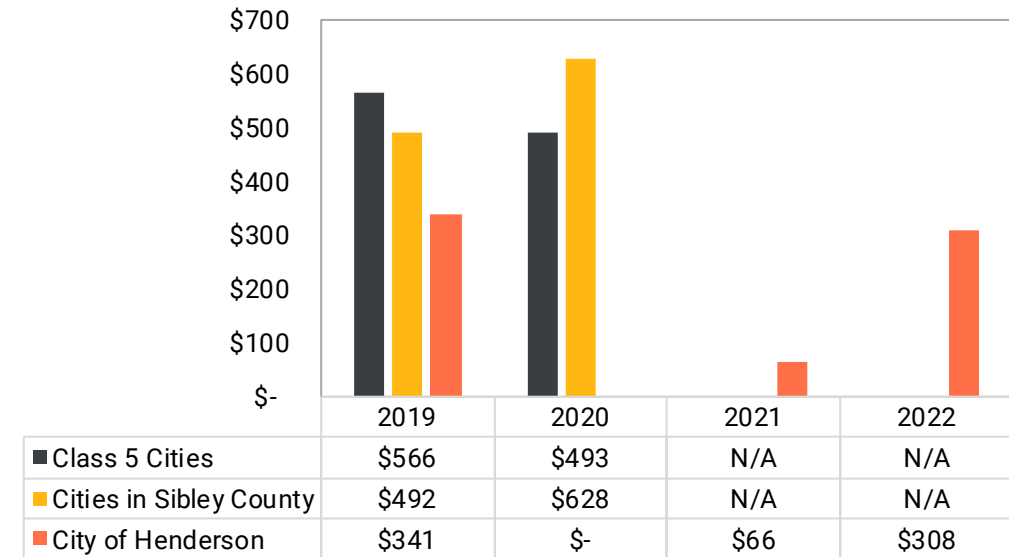
Expenditures

Key Performance Indicators

Current Expenditures Per Capita



Capital Expenditures Per Capita



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