



*Lighting the path forward*

# City of Hibbing

2021 Financial Statement Audit

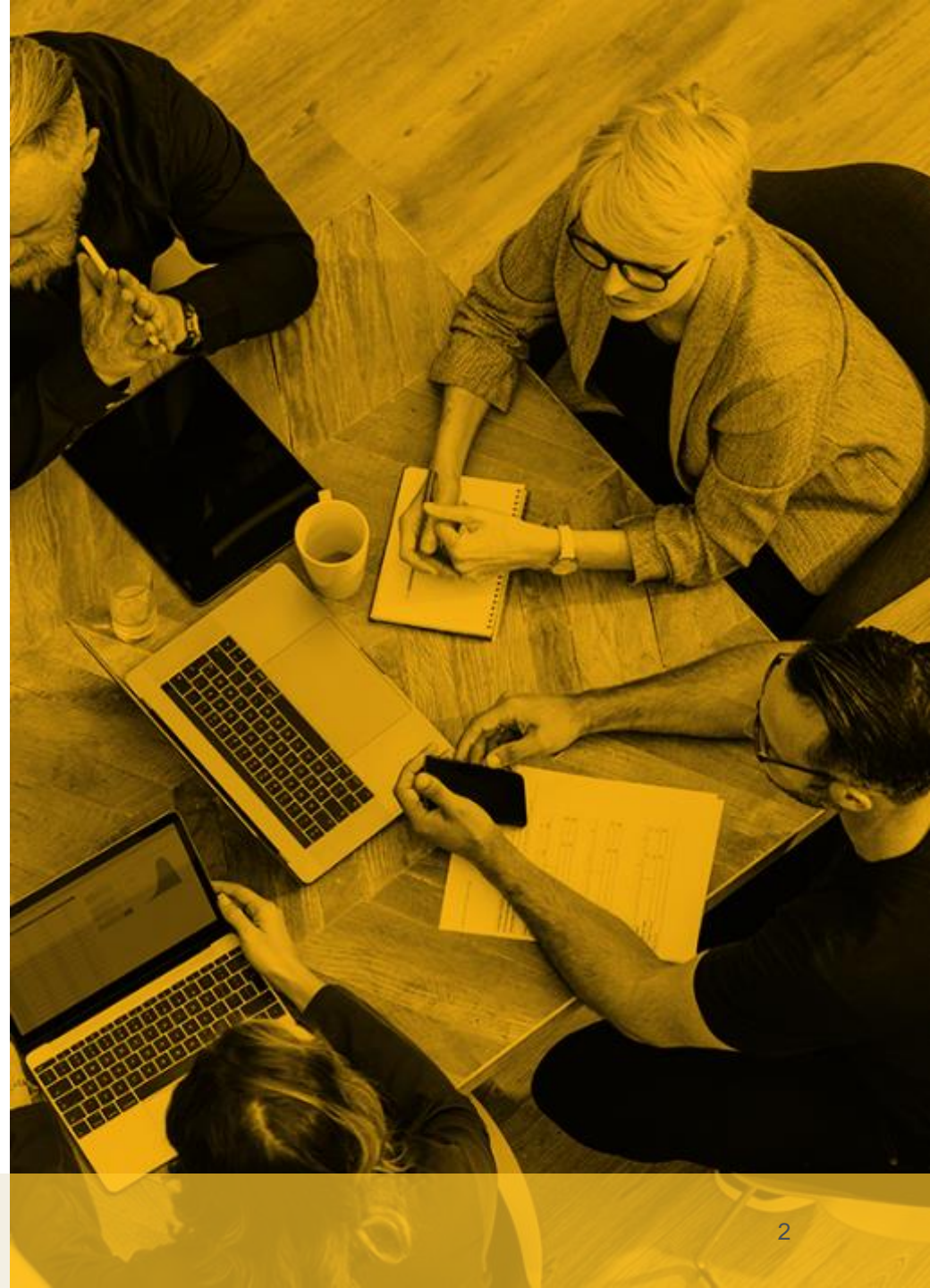
---



---

# Introduction

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



# Audit Results

---

**Auditor's Opinion**



Unmodified  
Opinion

**Minnesota Legal  
Compliance**



No Instances of  
Noncompliance

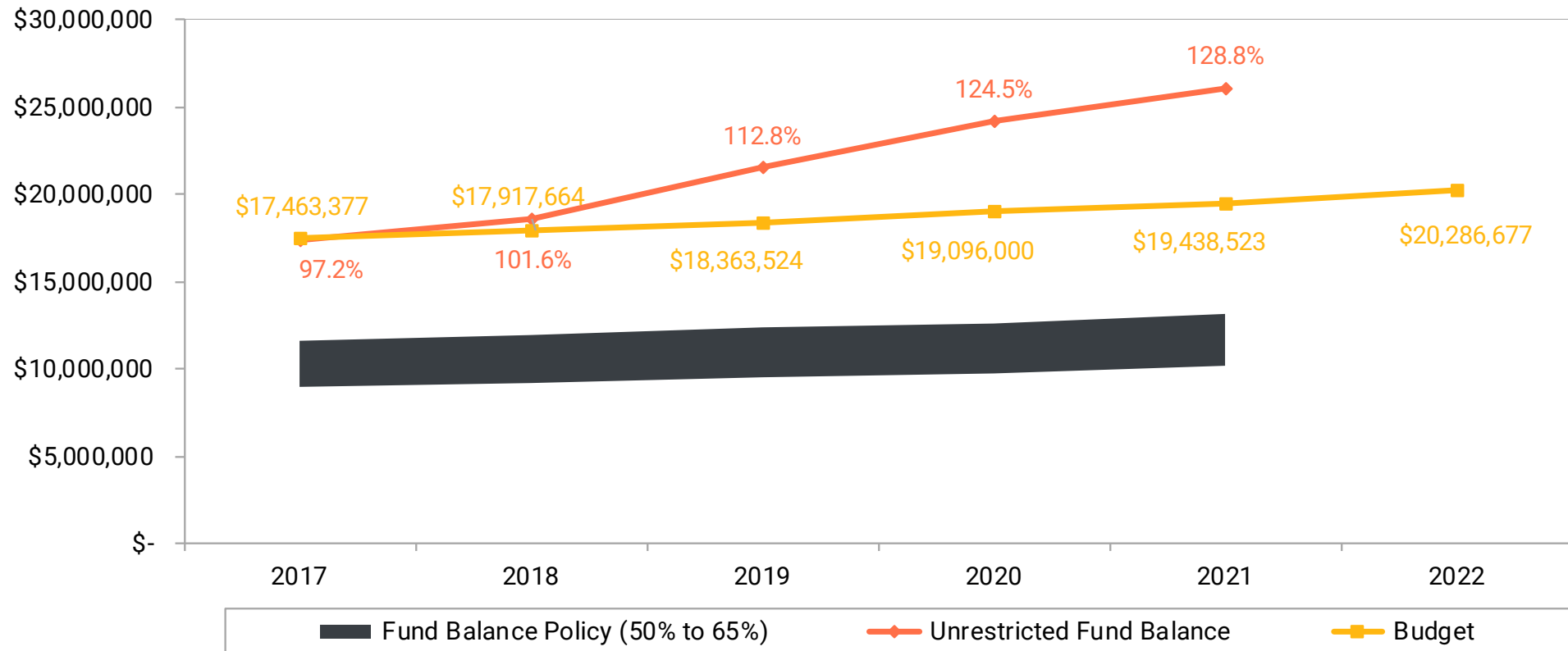
# Audit Results

## 2021 Audit Findings

- Preparation of Financial Statements
  - Internal Control Finding



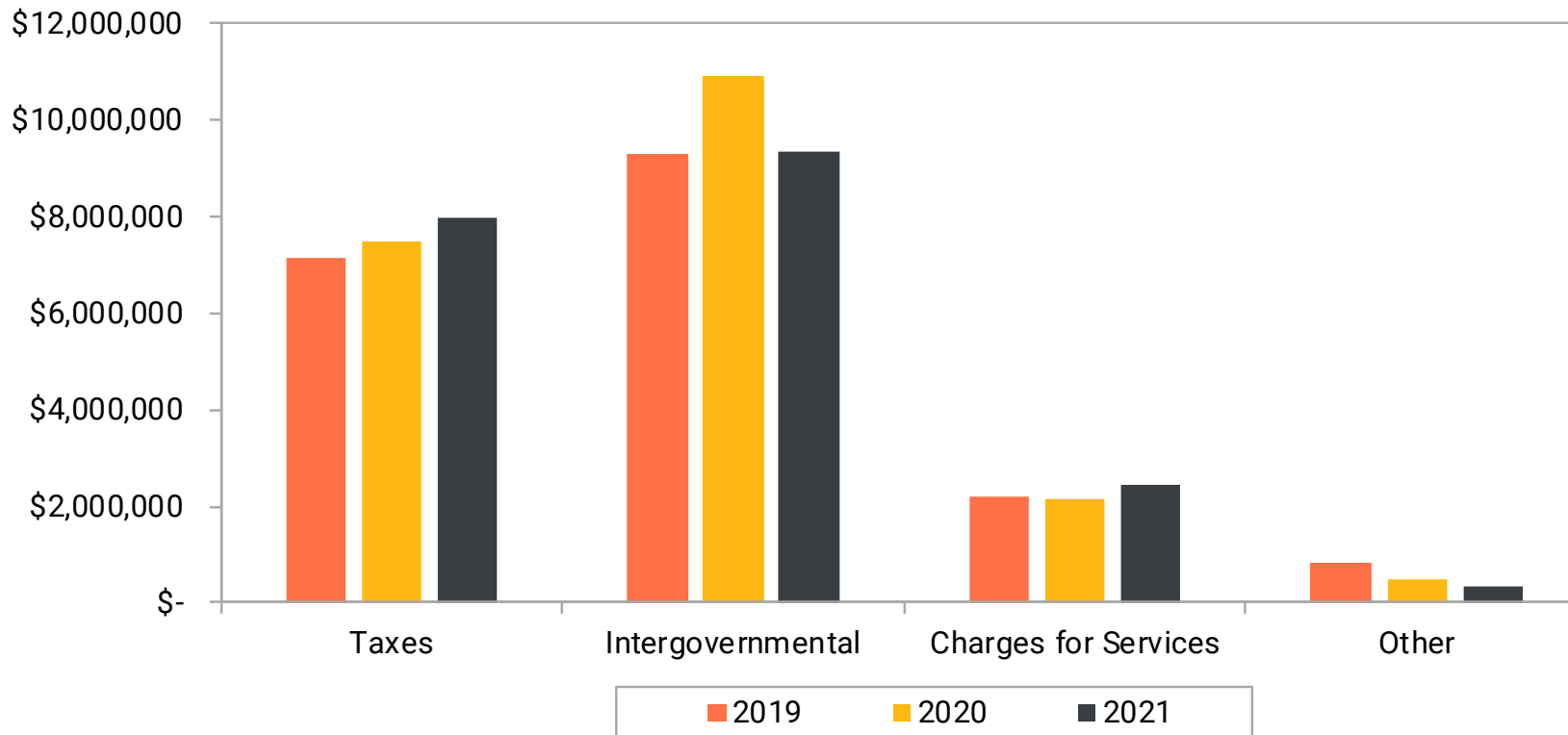
# General Fund Fund Balances



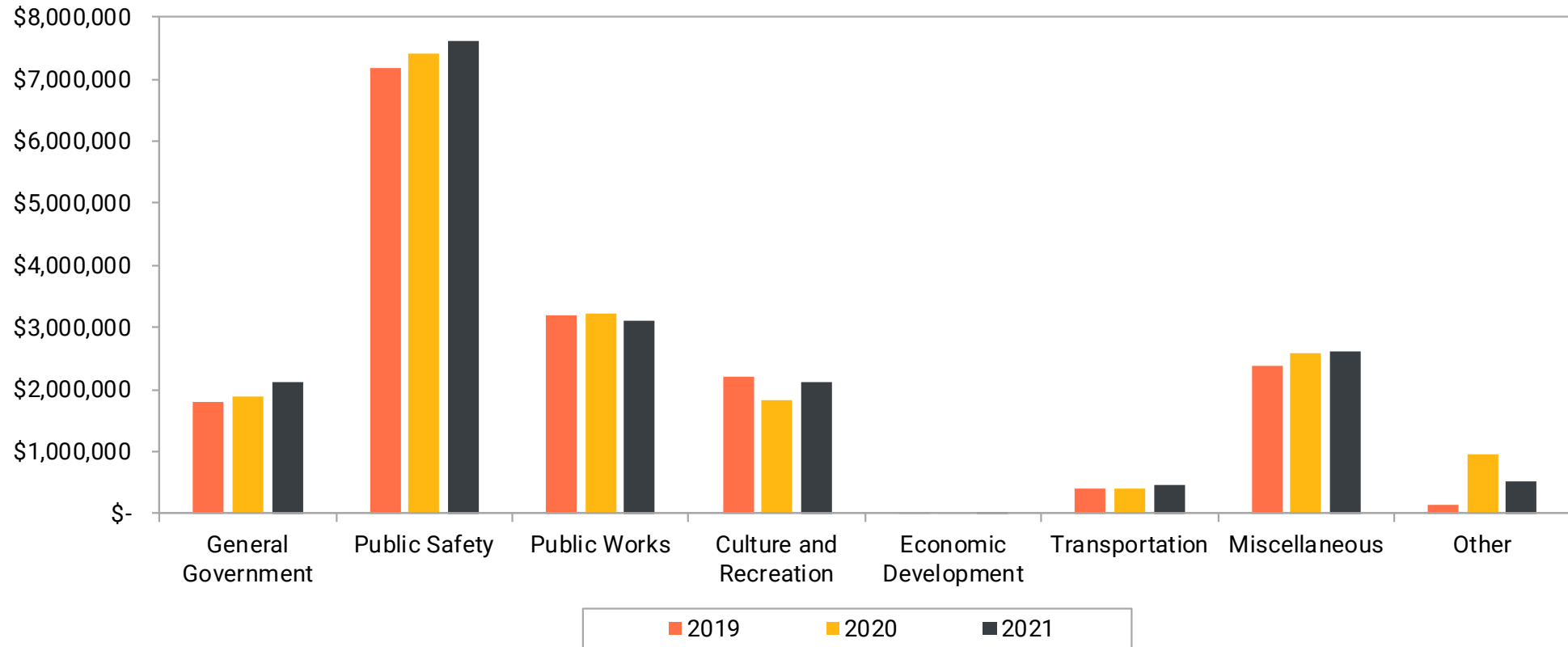
# General Fund Budget to Actual

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues	\$ 19,438,523	\$ 20,117,004	\$ 678,481
Expenditures	19,288,800	18,019,105	1,269,695
Excess of Revenues Over Expenditures	<u>149,723</u>	<u>2,097,899</u>	<u>1,948,176</u>
Other Financing Sources (Uses)			
Transfers out	(149,723)	(510,815)	(361,092)
Sale of capital assets	-	28,043	28,043
Total Other Financing Sources (Uses)	<u>(149,723)</u>	<u>(482,772)</u>	<u>(333,049)</u>
Net Change in Fund Balances	-	1,615,127	1,615,127
Fund Balances, January 1	<u>24,613,728</u>	<u>24,613,728</u>	<u>-</u>
Fund Balances, December 31	<u>\$ 24,613,728</u>	<u>\$ 26,228,855</u>	<u>\$ 1,615,127</u>

# General Fund Revenues by Type



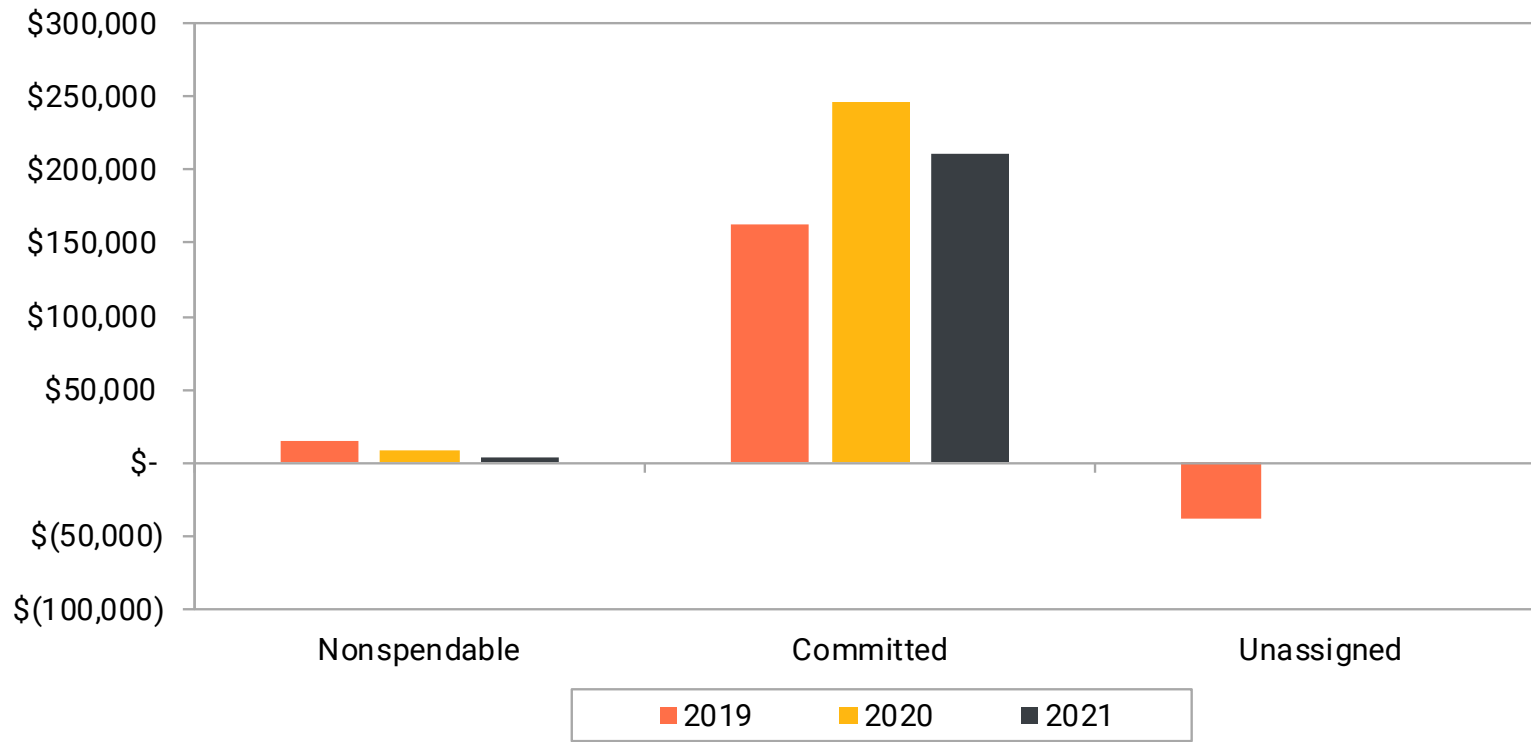
# General Fund Expenditures by Type



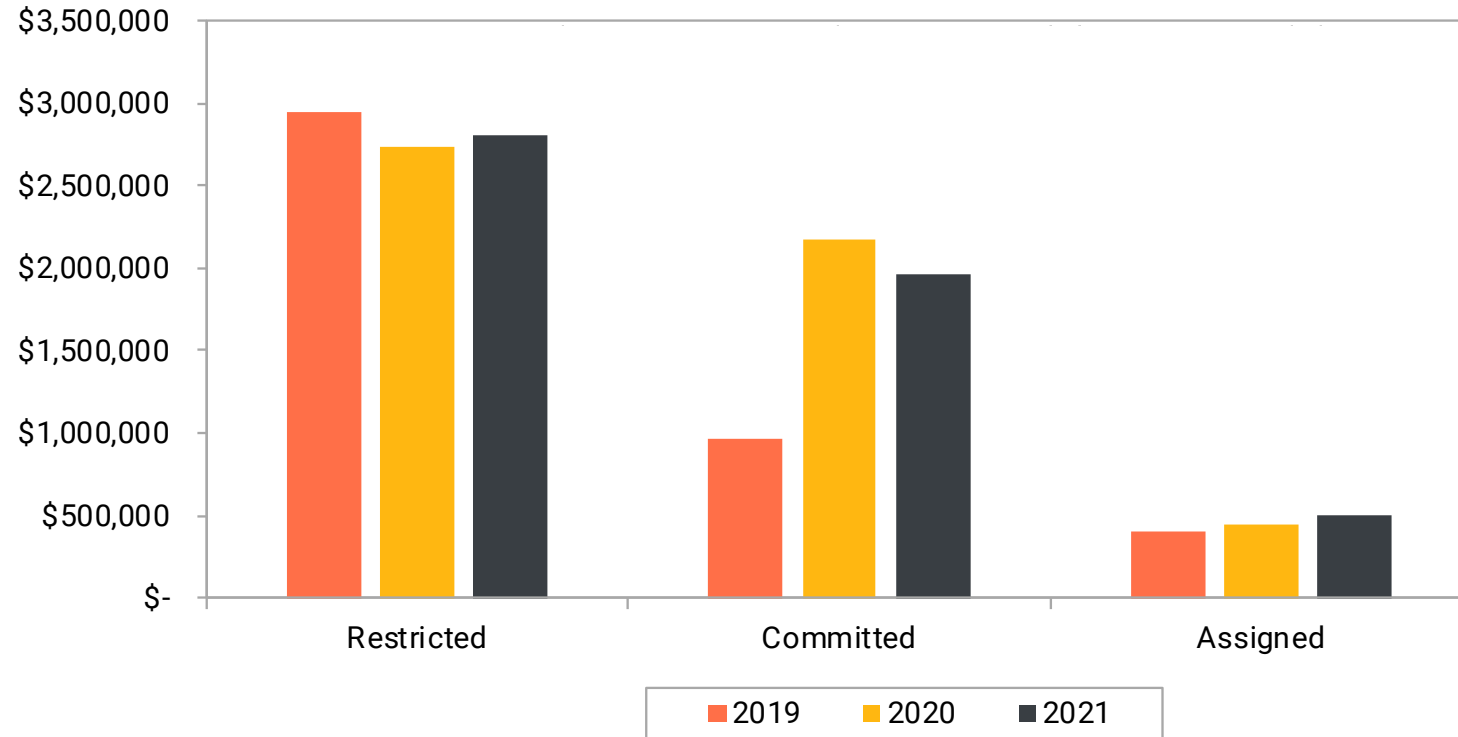


# Special Revenue Fund Balances

Fund	Fund Balances December 31,		Increase (Decrease)
	2020	2021	
Nonmajor			
Library	\$ 92,196	\$ 51,605	\$ (40,591)
Housing Incentive	51,688	51,806	118
Small Cities Development	26,526	26,586	60
Minnesota Investment Revolving Loans	84,853	84,857	4
<b>Total</b>	<b>\$ 255,263</b>	<b>\$ 214,854</b>	<b>\$ (40,409)</b>

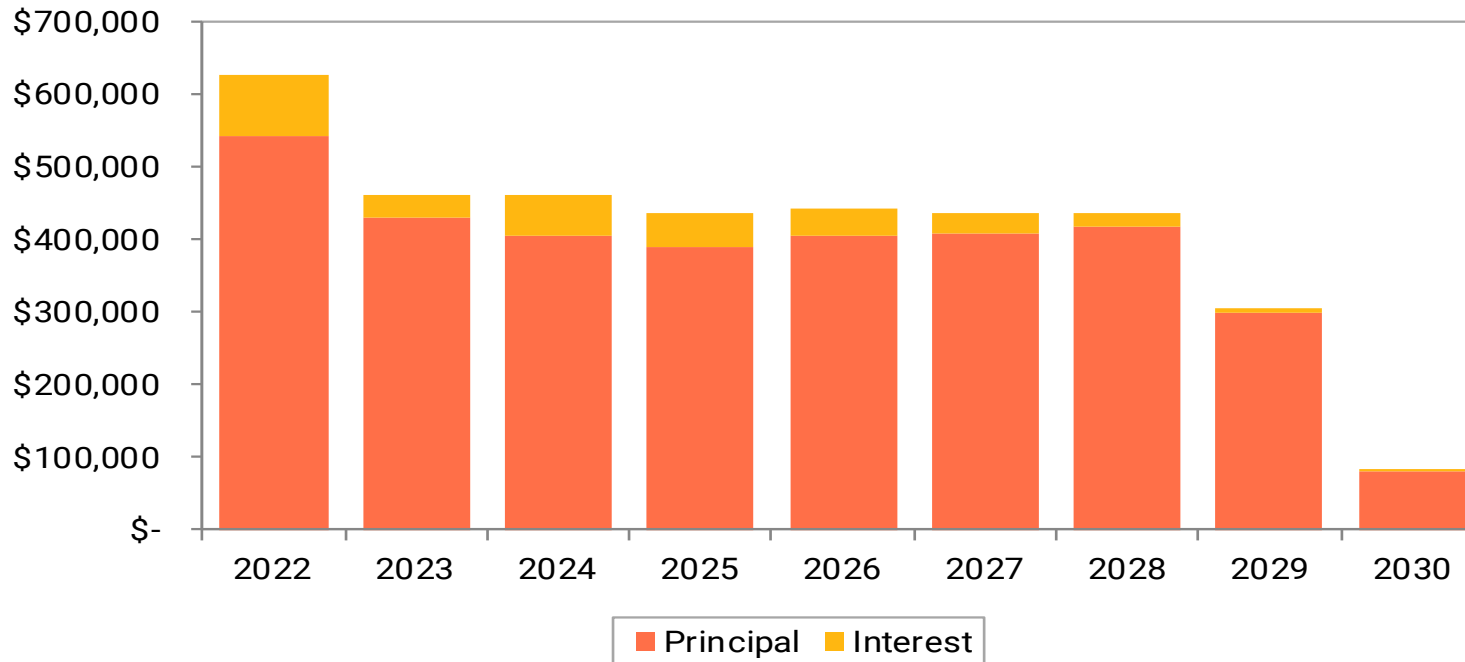


Fund	Fund Balances December 31,		Increase (Decrease)
	2020	2021	
Nonmajor			
Permanent Improvement	\$ 1,205,030	\$ 1,077,176	\$ (127,854)
Privately Financed	15,787	38,200	22,413
Memorial Building	26,358	36,991	10,633
Capital Equipment and Improvement	3,368,461	3,165,305	(203,156)
Mining Effects	715,269	911,749	196,480
Raceway	20,305	20,305	-
MDI Maintenance	22,325	22,544	219
<b>Total</b>	<b>\$ 5,373,535</b>	<b>\$ 5,272,270</b>	<b>\$ (101,265)</b>

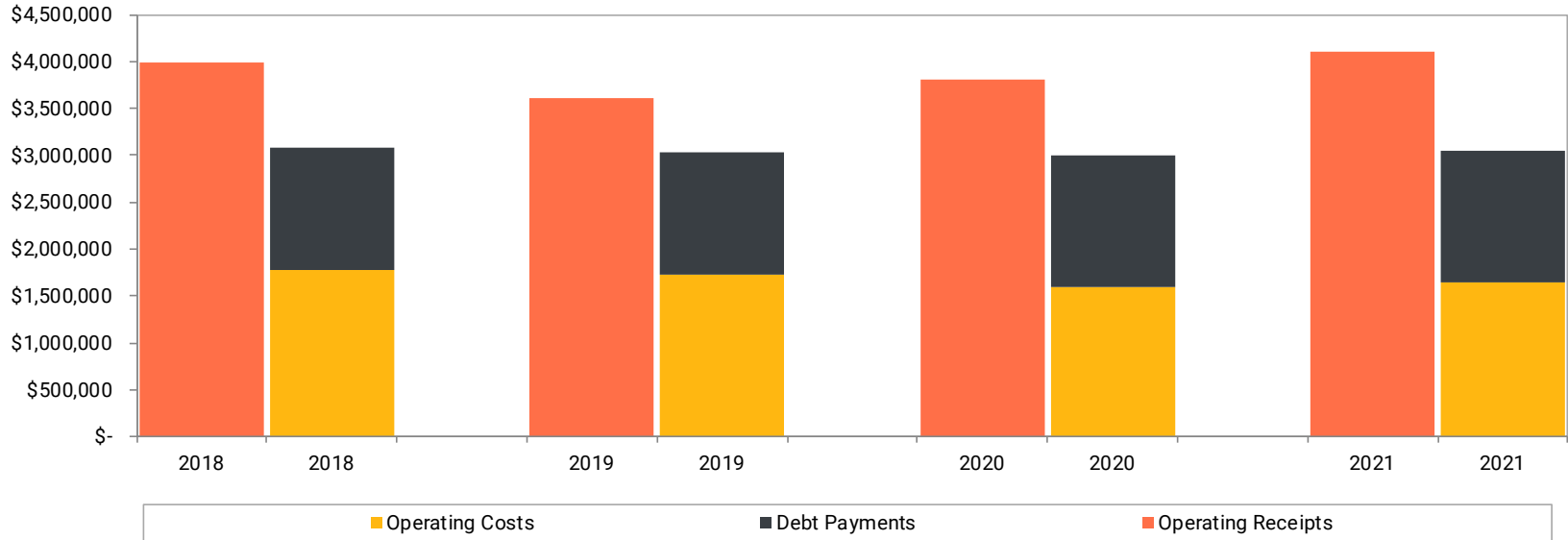


# Capital Projects Fund Balances

Fund	Bonds Outstanding	Maturity Date
2012A G.O. Bonds	\$ 125,000	2/1/21
2018A G.O. Bonds	915,000	2/1/39
2020A G.O. Bonds	60,000	2/1/23
2020A G.O. Bonds	1,615,000	2/1/29
2020A G.O. Bonds	670,000	2/1/30
<b>Total</b>	<b><u>\$ 3,385,000</u></b>	

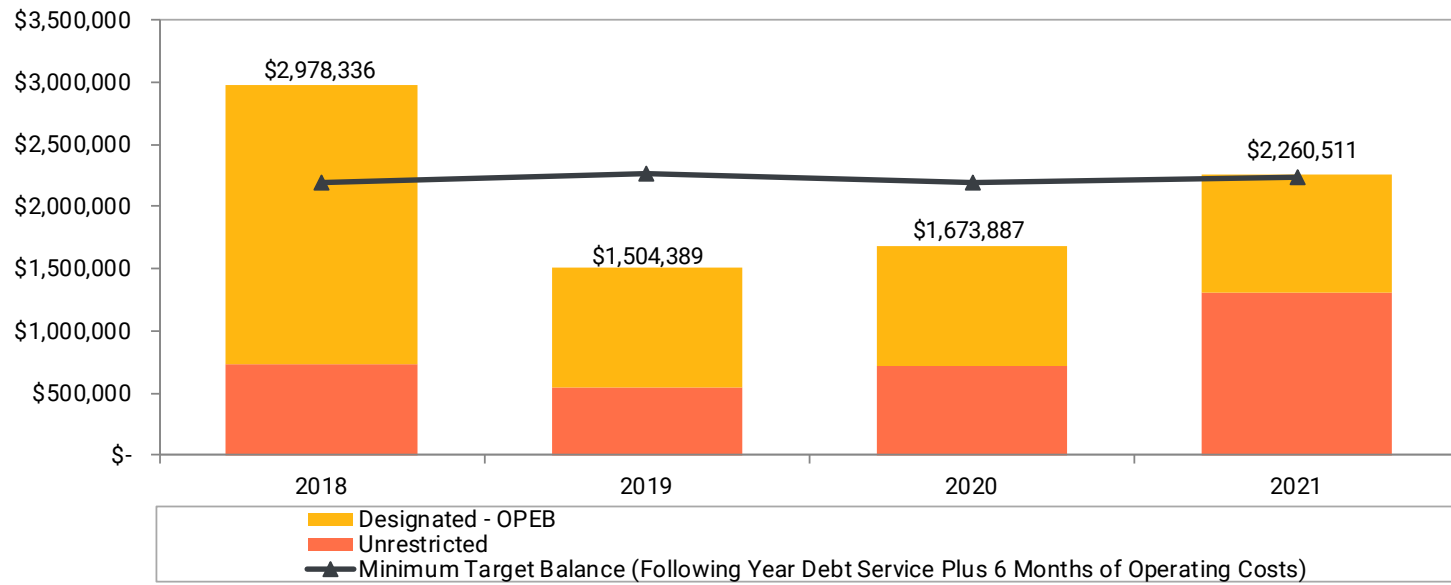


# Debt Service Funds



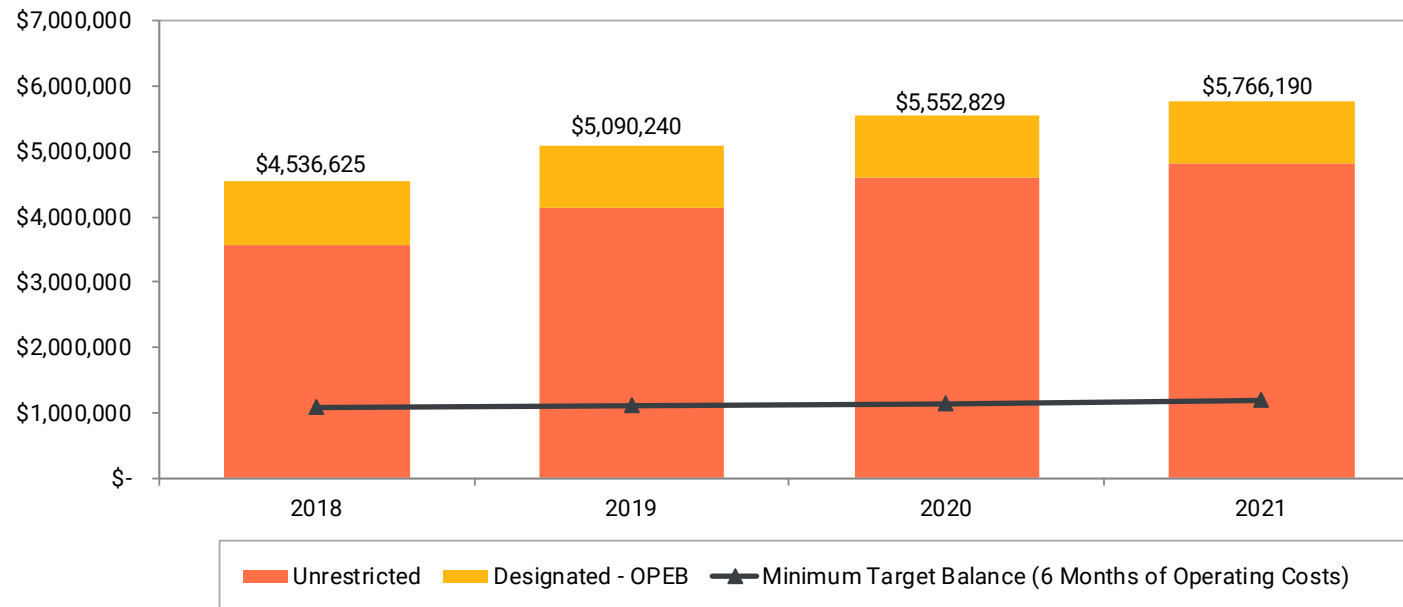
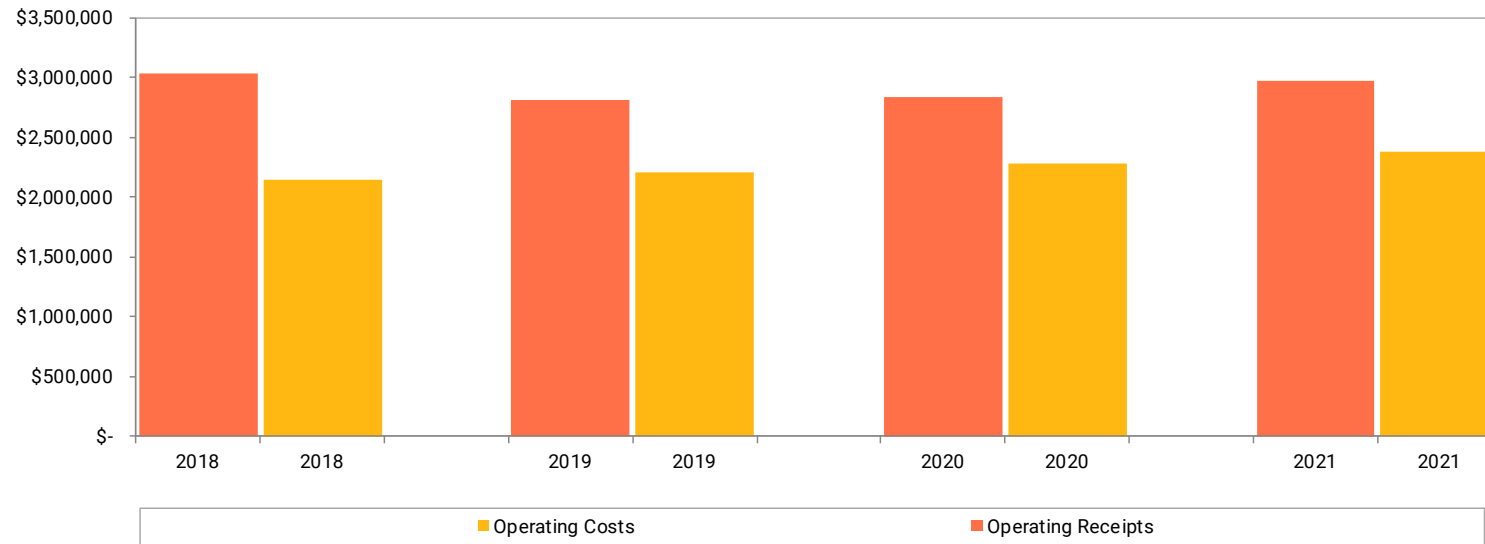
# Sewer Operating and Maintenance Fund

*Cash Flows from Operations and Cash Balances*

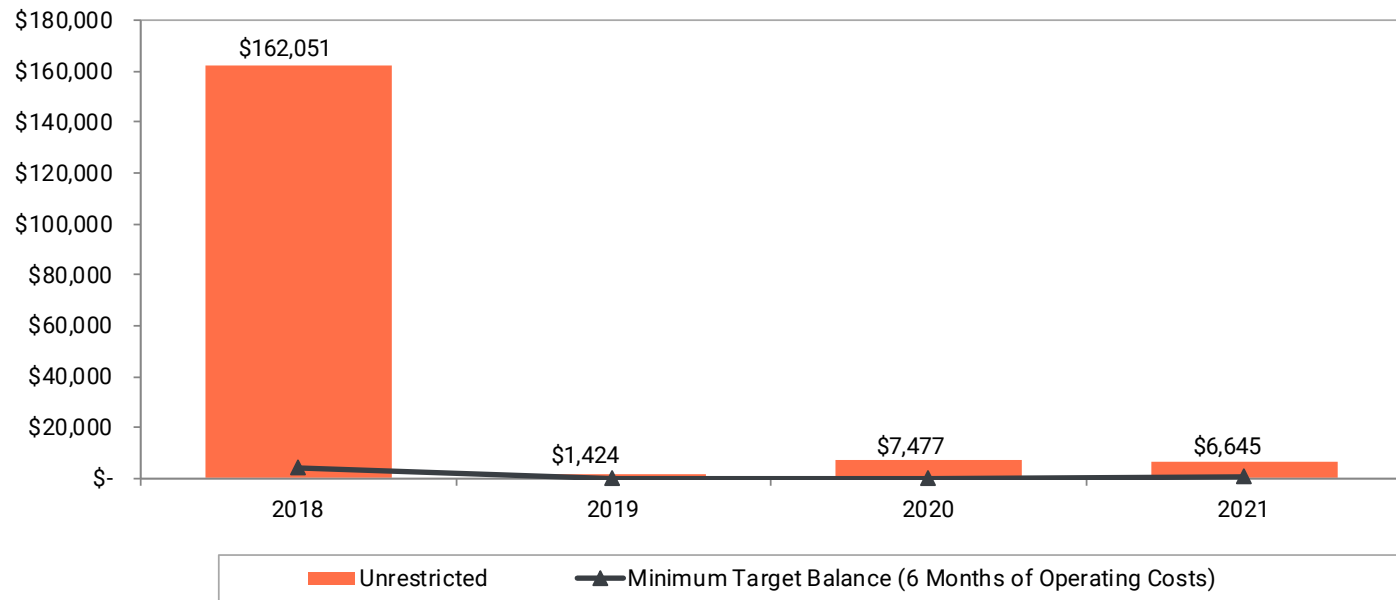
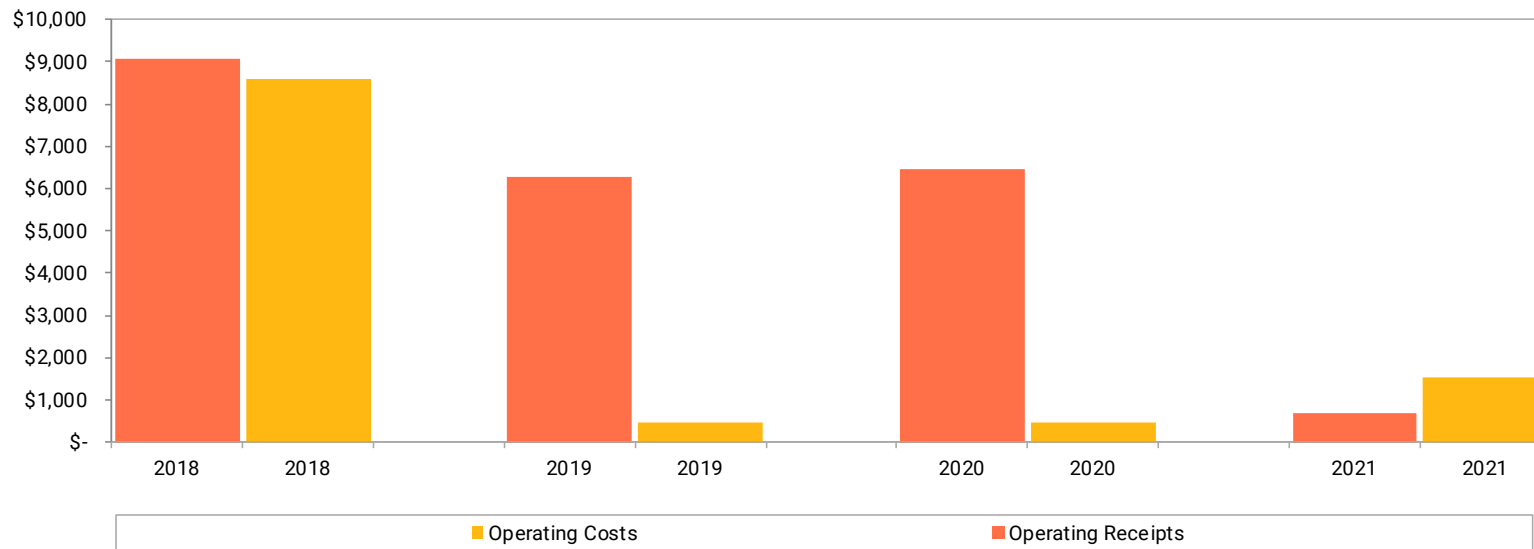


# Garbage and Refuse Collection Fund

*Cash Flows from Operations and Cash Balances*



# Memorial Building Fund

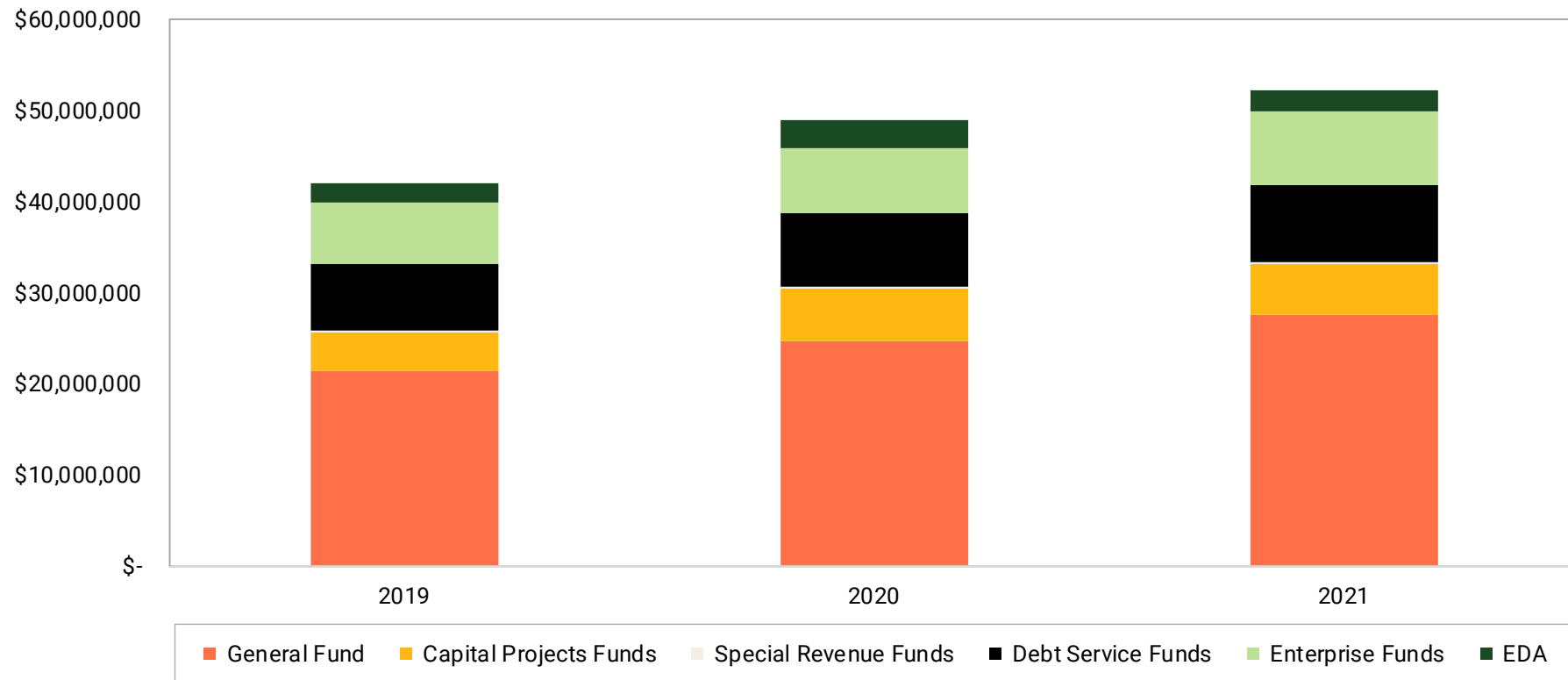


*Cash Flows from Operations and Cash Balances*

# Economic Development Authority Fund

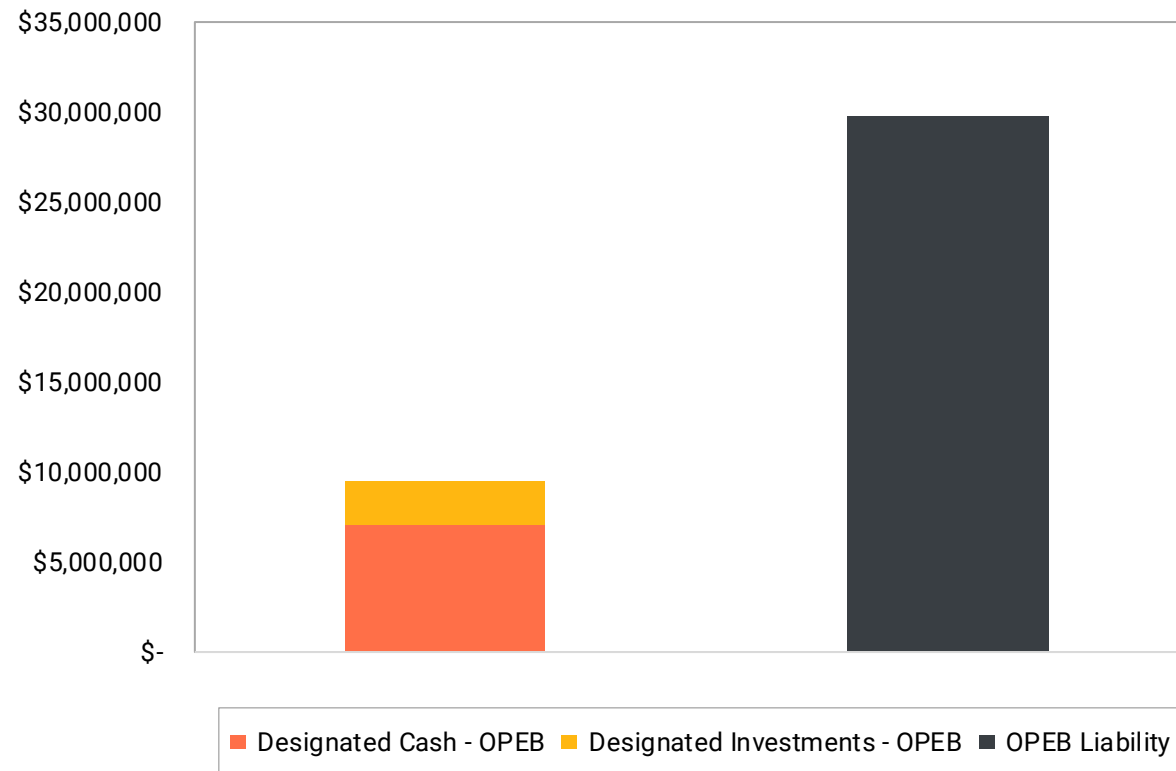
Fund	Fund Balances/Net Position December 31,		Increase (Decrease)
	2020	2021	
General Fund	\$ 551,522	\$ 526,667	\$ (24,855)
Special Revenue			
Economic Development	3,543,584	3,590,142	46,558
Debt Service			
Tax Increment XII	751,408	30,515	(720,893)
Capital Projects			
Animal Shelter	160,497	160,499	2
Storefront Renovation Project	204,253	212,092	7,839
District VIII Tax Increment	142,987	157,846	14,859
Tax Abatement	118,348	135,806	17,458
Business Type			
1111 7th Ave East	26,449	53,642	27,193
<b>Total</b>	<b>\$ 5,499,048</b>	<b>\$ 4,867,209</b>	<b>\$ (631,839)</b>

# Cash and Investments Balances by Fund Type





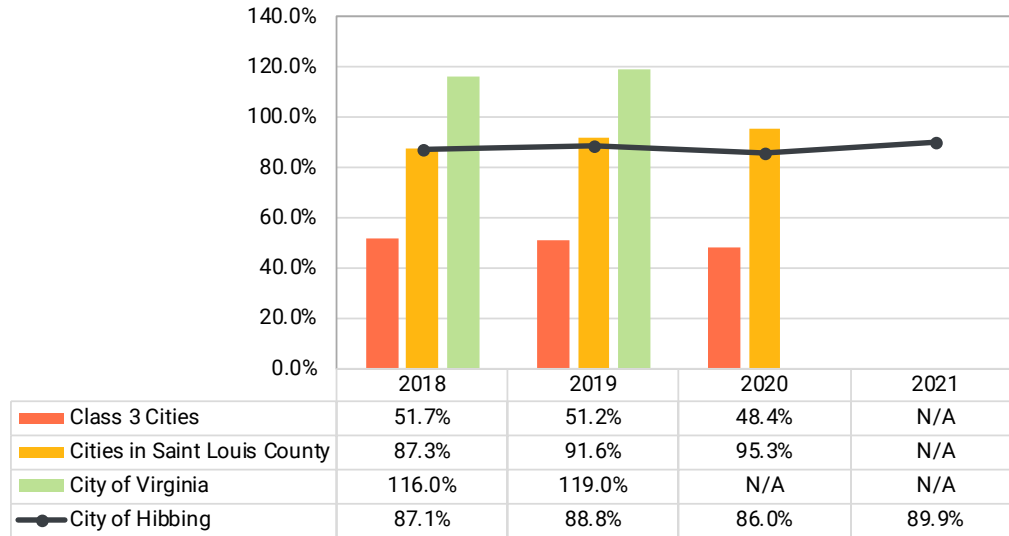
# OPEB Cash and Investments in Comparison with Liability



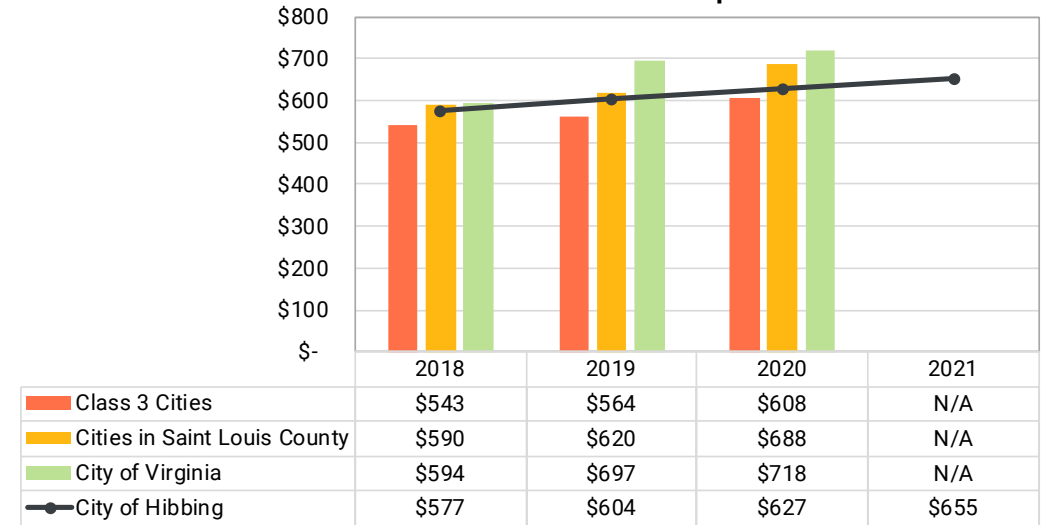
# Taxes

## Key Performance Indicators

**Tax Rates**



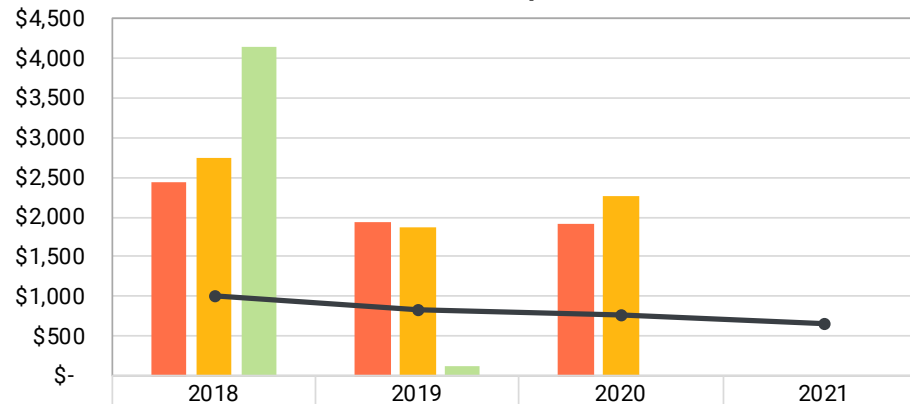
**Taxes Per Capita**



# Debt

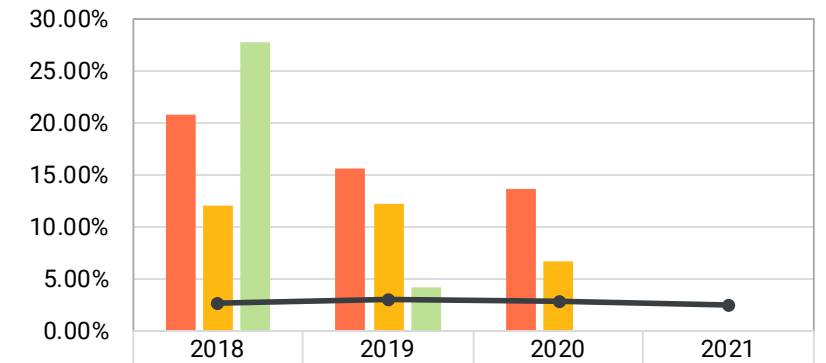
## Key Performance Indicators

Debt Per Capita



	2018	2019	2020	2021
Class 3 Cities	\$2,437	\$1,939	\$1,905	N/A
Cities in Saint Louis County	\$2,739	\$1,874	\$2,257	N/A
City of Virginia	\$4,151	\$114	N/A	N/A
City of Hibbing	\$1,011	\$827	\$767	\$668

Debt Service Expenditures as a Percent of Total Expenditures

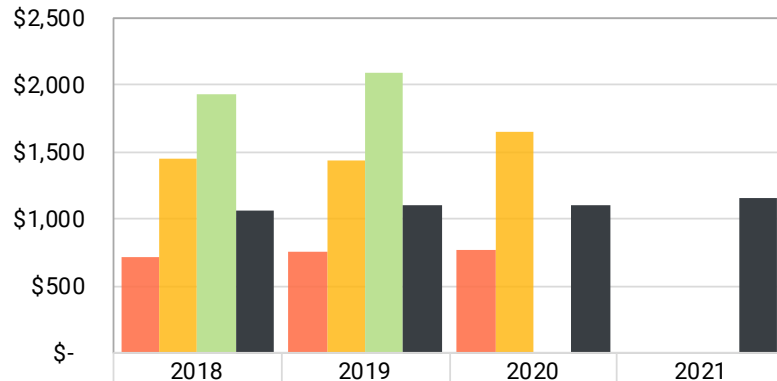


	2018	2019	2020	2021
Class 3 Cities	20.85%	15.65%	13.65%	N/A
Cities in Saint Louis County	12.09%	12.22%	6.70%	N/A
City of Virginia	27.73%	4.11%	N/A	N/A
City of Hibbing	2.61%	3.01%	2.82%	2.39%

# Expenditures

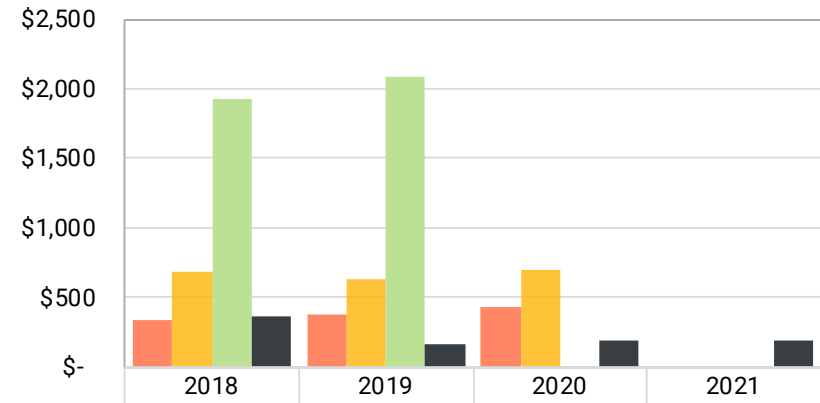
## Key Performance Indicators

**Current Expenditures Per Capita**



	2018	2019	2020	2021
Class 3 Cities	\$708	\$759	\$770	N/A
Cities in Saint Louis County	\$1,442	\$1,435	\$1,645	N/A
City of Virginia	\$1,931	\$2,086	N/A	N/A
City of Hibbing	\$1,060	\$1,096	\$1,103	\$1,159

**Capital Expenditures Per Capita**

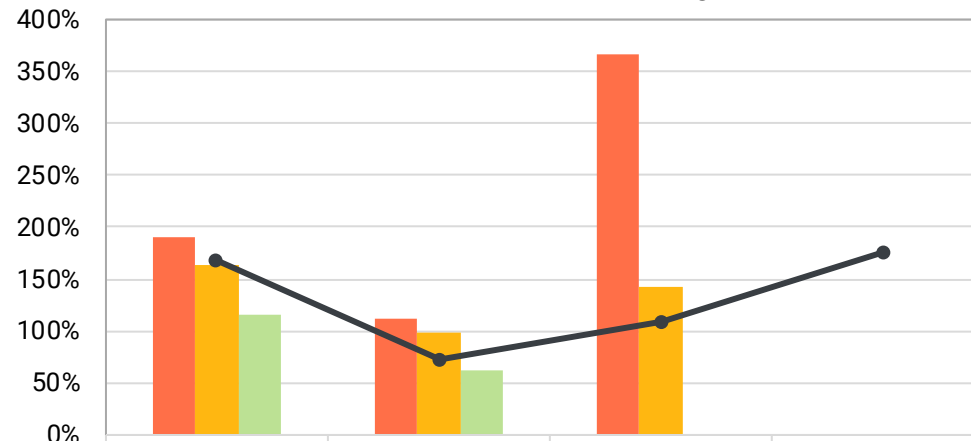


	2018	2019	2020	2021
Class 3 Cities	\$340	\$379	\$434	N/A
Cities in Saint Louis County	\$691	\$627	\$694	N/A
City of Virginia	\$1,931	\$2,086	N/A	N/A
City of Hibbing	\$369	\$164	\$187	\$197

# Enterprise Funds

## Key Performance Indicators

Sewer Fund Debt Service Coverage



	2018	2019	2020	2021
Class 3 Cities	190%	111%	366%	N/A
Cities in Saint Louis County	163%	99%	143%	N/A
City of Virginia	116%	61%	N/A	N/A
City of Hibbing	169%	72%	110%	176%

# Your Abdo Team



**Andy Berg, CPA**  
Partner

[andrew.berg@abdosolutions.com](mailto:andrew.berg@abdosolutions.com)



**Bonnie Schwieger, CPA**  
Senior Manager

[bonnie.schwieger@abdosolutions.com](mailto:bonnie.schwieger@abdosolutions.com)



**Jill Knutson**  
Associate

[jill.knutson@abdosolutions.com](mailto:jill.knutson@abdosolutions.com)



**John Stachel**  
Associate

[john.stachel@abdosolutions.com](mailto:john.stachel@abdosolutions.com)



**Alex Trippel**  
Associate

[alex.trippel@abdosolutions.com](mailto:alex.trippel@abdosolutions.com)