

CITY OF MINNEOTA
SUMMARY FINANCIAL REPORT

The purpose of this report is to provide a summary of financial information concerning the City of Minneota to interested citizens. The complete financial statements may be examined at the City Office at 129 East 1st Street. Questions about this report should be directed to Shirley Teigland, City Administrator at 507-872-6144

REVENUES AND EXPENDITURES
(GOVERNMENTAL FUNDS)

| | 2017 | 2016 | Percent Increase (Decrease) |
|---|---------------------|---------------------|-----------------------------------|
| REVENUES | | | |
| General Property Taxes | \$ 513,729 | \$ 491,338 | 4.56% |
| TIF District Property Taxes | 54,493 | 49,961 | 9.07% |
| Licenses and Permits | 4,508 | 4,078 | 10.56% |
| Franchise Fees | 447 | 574 | -22.07% |
| Intergovernmental Aid | 985,286 | 1,252,239 | -21.32% |
| Plum Creek Library System | 12,500 | 12,500 | 100.00% |
| Charges for Services | 140,055 | 92,203 | 51.90% |
| Fines and Forfeits | 3,094 | 3,718 | -16.78% |
| Contributions and Donations | 5,219 | 3,413 | 52.92% |
| Grants Received | | 10,975 | -100.00% |
| Interest | 1,351 | 2,780 | -51.40% |
| Special Assessments | 61,860 | 30,680 | 101.63% |
| Rents | 5,824 | 6,266 | -7.06% |
| Rehab Grant/Loan/Contract for Deed Repayments | 25,493 | 22,960 | 11.03% |
| Insurance Dividend | 4,492 | 18,779 | -76.08% |
| Miscellaneous | 115 | 494 | -76.84% |
| Total Revenues | <u>\$ 1,818,464</u> | <u>\$ 2,002,957</u> | <u>-9.21%</u> |
| Per Capita | <u>\$ 1,306</u> | <u>\$ 1,439</u> | <u>-9.21%</u> |
| EXPENDITURES | | | |
| General Government | \$ 198,134 | \$ 199,983 | -0.92% |
| Public Safety | 254,101 | 298,251 | -14.80% |
| Public Works | 378,546 | 292,195 | 29.55% |
| Recreation | 97,375 | 100,332 | -2.95% |
| Library | 50,128 | 64,111 | -21.81% |
| Debt Service | 309,434 | 297,866 | 3.88% |
| Capital Outlay | (215,064) | 940,800 | -122.86% |
| Capital Outlay for Enterprise Funds | 371,479 | 1,220,944 | 100.00% |
| Housing and Economic Development | 15,581 | 12,639 | 23.27% |
| Miscellaneous | 31,211 | 121,668 | -74.35% |
| Total Expenditures | <u>\$ 1,490,925</u> | <u>\$ 3,548,789</u> | <u>-57.99%</u> |
| Per Capita | <u>\$ 1,071</u> | <u>\$ 2,549</u> | <u>-57.99%</u> |
| Total Long-Term Indebtedness | <u>\$ 2,788,999</u> | <u>\$ 3,032,515</u> | <u>-8.03%</u> |
| Per Capita | <u>\$ 2,004</u> | <u>\$ 2,179</u> | <u>-8.03%</u> |
| ENDING FUND BALANCE | | | |
| Nonspendable | \$ 31,242 | \$ 37,136 | -15.87% |
| Restricted | 284,984 | 340,783 | -16.37% |
| Committed | 1,143,993 | 1,030,052 | 11.06% |
| Unassigned | 240,340 | (209,768) | -214.57% |
| Total Fund Balance | <u>\$ 1,700,560</u> | <u>\$ 1,198,202</u> | <u>41.93%</u> |
| Per Capita | <u>\$ 1,222</u> | <u>\$ 861</u> | <u>41.93%</u> |

CITY OF MINNEOTA
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2017

| | BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS | | | |
|--|---|---------------------|------------------|---------------------|
| | WATER FUND | SEWER FUND | GARBAGE FUND | TOTAL |
| ASSETS | | | | |
| CURRENT ASSETS | | | | |
| Cash and Cash Equivalents | | | | |
| Cash on Hand | \$ 150 | | | \$ 150 |
| Cash in Checking | 4,689 | \$ 105,318 | \$ 1,592 | 111,599 |
| Investment Certificates | | 65,991 | | 65,991 |
| Accounts Receivable | 40,163 | 44,039 | 35,819 | 120,021 |
| Other Receivables | | 1,125 | | 1,125 |
| Interest Receivable | | 104 | | 104 |
| Prepaid Expense | 1,830 | 2,032 | 51 | 3,913 |
| Total Current Assets | <u>\$ 46,833</u> | <u>\$ 218,610</u> | <u>\$ 37,462</u> | <u>\$ 302,905</u> |
| CAPITAL ASSETS | | | | |
| Land | \$ 975 | \$ 88,207 | | \$ 89,182 |
| Buildings | 12,109 | 4,110 | | 16,219 |
| Improvements Other than Buildings | 2,303,669 | 5,807,538 | | 8,111,207 |
| Equipment | 236,270 | 134,253 | | 370,523 |
| Total Capital Assets | <u>\$ 2,553,022</u> | <u>\$ 6,034,109</u> | <u>\$ -</u> | <u>\$ 8,587,131</u> |
| Less: Accumulated Depreciation | 1,871,756 | 2,720,604 | | 4,592,361 |
| Net Capital Assets | <u>\$ 681,266</u> | <u>\$ 3,313,504</u> | <u>\$ -</u> | <u>\$ 3,994,770</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Deferred Outflows of Resources from PERA (GERF) | \$ 15,018 | \$ 11,557 | \$ - | \$ 26,575 |
| Total Deferred Outflows of Resources | <u>\$ 15,018</u> | <u>\$ 11,557</u> | <u>\$ -</u> | <u>\$ 26,575</u> |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | | | |
| | <u>\$ 743,117</u> | <u>\$ 3,543,672</u> | <u>\$ 37,462</u> | <u>\$ 4,324,251</u> |
| LIABILITIES | | | | |
| CURRENT LIABILITIES | | | | |
| Accounts Payable | \$ 5,933 | \$ 412 | \$ 10,866 | \$ 17,211 |
| Salaries and Wages Payable | 566 | 589 | | 1,155 |
| Accrued Compensated Absences | 9,210 | 6,261 | | 15,471 |
| Taxes Payable | 499 | | 3,489 | 3,988 |
| Due To Other Funds | 47,049 | | | 47,049 |
| Customer Deposits | 2,730 | 500 | | 3,230 |
| Total Current Liabilities | <u>\$ 65,986</u> | <u>\$ 7,762</u> | <u>\$ 14,356</u> | <u>\$ 88,104</u> |
| LONG-TERM LIABILITIES | | | | |
| Net Pension Liability | \$ 34,338 | \$ 26,322 | | \$ 60,660 |
| Net Long-Term Liabilities | <u>\$ 34,338</u> | <u>\$ 26,322</u> | <u>\$ -</u> | <u>\$ 60,660</u> |
| Total Liabilities | <u>\$ 100,324</u> | <u>\$ 34,084</u> | <u>\$ 14,356</u> | <u>\$ 148,764</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Deferred Inflows of Resources from PERA (GERF) | \$ 11,340 | \$ 8,357 | \$ - | \$ 19,697 |
| NET POSITION | | | | |
| Net Investment in Capital Assets | \$ 681,266 | \$ 3,313,504 | | \$ 3,994,770 |
| Restricted for Sewer System Maintenance | | 62,929 | | 62,929 |
| Unrestricted | (49,813) | 124,797 | \$ 23,106 | 98,090 |
| Total Net Position | <u>\$ 631,453</u> | <u>\$ 3,501,231</u> | <u>\$ 23,106</u> | <u>\$ 4,155,790</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION | | | | |
| | <u>\$ 743,117</u> | <u>\$ 3,543,672</u> | <u>\$ 37,462</u> | <u>\$ 4,324,251</u> |

CITY OF MINNEOTA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

| | BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS | | | |
|--|---|----------------------------|-------------------------|----------------------------|
| | WATER FUND | SEWER FUND | GARBAGE FUND | TOTAL |
| OPERATING REVENUES | | | | |
| Customer Charges | \$ 169,462 | \$ 129,385 | \$ 134,084 | \$ 432,931 |
| Total Operating Revenues | <u>\$ 169,462</u> | <u>\$ 129,385</u> | <u>\$ 134,084</u> | <u>\$ 432,931</u> |
| OPERATING EXPENSES | | | | |
| Salaries | \$ 32,503 | \$ 24,133 | | \$ 56,636 |
| Payroll Taxes | 7,041 | 5,149 | | 12,190 |
| Employee Benefits | 3,131 | 2,130 | | 5,261 |
| Contracted Services | | | \$ 65,379 | 65,379 |
| Audit | 1,100 | 1,100 | 1,100 | 3,300 |
| Communications | 723 | 706 | | 1,429 |
| Gas and Oil | 804 | 1,055 | | 1,859 |
| Insurance | 2,882 | 3,109 | 84 | 6,075 |
| Lab Fees/Pest Control | 1,373 | 1,340 | | 2,713 |
| Legal Fees | 56 | | | 56 |
| Repairs and Supplies | 2,211 | 11,250 | | 13,461 |
| Travel and Training | 60 | 1,245 | | 1,305 |
| Utilities | 1,241 | 2,004 | | 3,245 |
| Usage Fee/Landfill Fees | 66,777 | | 33,413 | 100,190 |
| Property Taxes | | 1,428 | | 1,428 |
| Miscellaneous | 2,298 | 349 | 1,029 | 3,675 |
| Depreciation | 58,681 | 109,061 | | 167,741 |
| Total Operating Expenses | <u>\$ 180,880</u> | <u>\$ 164,058</u> | <u>\$ 101,004</u> | <u>\$ 445,942</u> |
| OPERATING INCOME (LOSS) | <u>\$ (11,418)</u> | <u>\$ (34,673)</u> | <u>\$ 33,080</u> | <u>\$ (13,011)</u> |
| NONOPERATING REVENUE (EXPENSES) | | | | |
| Interest Income | | \$ 176 | | \$ 176 |
| Debt Payment Surcharge | | 56,557 | | 56,557 |
| Rental Income | | 4,755 | | 4,755 |
| Penalties and Finance Charges | \$ 1,769 | 1,412 | \$ 1,338 | 4,519 |
| State Revenue (PERA) | 12 | 9 | | 21 |
| Miscellaneous Income | 3 | | | 3 |
| Total Nonoperating Revenue (Expenses) | <u>\$ 1,784</u> | <u>\$ 62,910</u> | <u>\$ 1,338</u> | <u>\$ 66,032</u> |
| INCOME (LOSS) BEFORE TRANSFERS | \$ (9,634) | \$ 28,237 | \$ 34,418 | \$ 53,021 |
| Transfers to Other Funds | <u>(25,200)</u> | <u>(70,279)</u> | <u>(34,000)</u> | <u>(129,479)</u> |
| CHANGE IN NET POSITION | \$ (34,834) | \$ (42,043) | \$ 418 | \$ (76,459) |
| NET POSITION - January 1 | 636,134 | 3,201,948 | 22,688 | 3,860,770 |
| Fixed Assets Constructed and Contributed by Governmental Funds | <u>30,153</u> | <u>341,326</u> | | <u>371,479</u> |
| NET POSITION - December 31 | <u><u>\$ 631,453</u></u> | <u><u>\$ 3,501,231</u></u> | <u><u>\$ 23,106</u></u> | <u><u>\$ 4,155,790</u></u> |

CITY OF MINNEOTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

| | BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS | | | |
|---|---|--------------------------|------------------------|--------------------------|
| | WATER FUND | SEWER FUND | GARBAGE FUND | TOTAL |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | | |
| Cash Received from Customers | \$ 169,780 | \$ 134,473 | \$ 133,970 | \$ 438,222 |
| Cash Received from Other Income | 12 | 9 | | 20 |
| Cash Paid to Suppliers | (88,143) | (29,009) | (100,541) | (217,693) |
| Cash Paid for Payroll | (31,670) | (23,582) | | (55,253) |
| Net Cash Flow from Operating Activities | <u>\$ 49,978</u> | <u>\$ 81,889</u> | <u>\$ 33,430</u> | <u>\$ 165,297</u> |
| CASH FLOWS USED IN CAPITAL AND RELATED FINANCING ACTIVITIES: | | | | |
| Cash Received from Debt Payment Surcharge | | \$ 56,556 | | \$ 56,556 |
| Cash Paid for Purchase of Fixed Assets | \$ (17,418) | | | (17,418) |
| Cash Paid for Transfers to Other Funds | (25,200) | (70,279) | \$ (34,000) | (129,479) |
| Net Cash Flow Used in Capital and Related Financing Activities | <u>\$ (42,618)</u> | <u>\$ (13,723)</u> | <u>\$ (34,000)</u> | <u>\$ (90,342)</u> |
| NET INCREASE (DECREASE) IN CASH | \$ 7,359 | \$ 68,166 | \$ (570) | \$ 74,955 |
| BEGINNING CASH - January 1 | (2,520) | 37,152 | 2,162 | 36,794 |
| ENDING CASH - December 31 | <u>\$ 4,839</u> | <u>\$ 105,318</u> | <u>\$ 1,592</u> | <u>\$ 111,749</u> |
| ANALYSIS OF CASH - December 31 | | | | |
| Cash on Hand | \$ 150 | | | \$ 150 |
| Cash in Checking | 4,689 | \$ 105,318 | \$ 1,592 | 111,599 |
| Total | <u>\$ 4,839</u> | <u>\$ 105,318</u> | <u>\$ 1,592</u> | <u>\$ 111,749</u> |
| SCHEDULE RECONCILING EARNINGS TO NET CASH FLOW PROVIDED BY OPERATING ACTIVITIES: | | | | |
| Operating Income (Loss) | \$ (11,418) | \$ (34,673) | \$ 33,080 | \$ (13,011) |
| Other Revenue | 1,784 | 6,176 | 1,338 | 9,298 |
| Noncash Items Included in Net Income: | | | | |
| Depreciation | 58,681 | 109,061 | | 167,742 |
| (Increase) Decrease in Accounts Receivable | (1,454) | (1,080) | (1,452) | (3,987) |
| (Increase) Decrease in Other Receivables | | (1,125) | | (1,125) |
| (Increase) Decrease in Special Assessments Receivable | | 626 | | 626 |
| (Increase) Decrease in Prepaid Expense | (23) | 310 | 14 | 301 |
| (Increase) Decrease in Deferred Outflows of Resources from PERA | 2,192 | 1,585 | | 3,777 |
| Increase (Decrease) in Accounts Payable | (755) | (163) | 193 | (725) |
| Increase (Decrease) in Accrued Salaries and Wages | 241 | 51 | | 292 |
| Increase (Decrease) in Accrued Compensated Absences | 592 | 500 | | 1,092 |
| Increase (Decrease) in Taxes Payable | 31 | | 256 | 287 |
| Increase (Decrease) in Deposits | (60) | 500 | | 440 |
| Increase (Decrease) in Net Pension Liability | (6,981) | (5,051) | | (12,033) |
| Increase (Decrease) in Deferred Inflows of Resources from PERA | 7,149 | 5,174 | | 12,323 |
| Net Cash Flow Provided by Operating Activities | <u>\$ 49,978</u> | <u>\$ 81,889</u> | <u>\$ 33,430</u> | <u>\$ 165,297</u> |
| NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES: | | | | |
| Interest Earned and Added to Investment Certificates | \$ - | \$ 131 | \$ - | \$ 131 |
| Fixed Assets Contributed from Capital Projects Funds | <u>\$ 30,153</u> | <u>\$ 341,326</u> | <u>\$ -</u> | <u>\$ 371,479</u> |