

COMPREHENSIVE ANNUAL
FINANCIAL REPORT
OF THE CITY OF
MORA, MINNESOTA
FOR THE
FISCAL YEAR ENDED
December 31, 2008

PREPARED BY FINANCE DEPARTMENT
MASON HJELLE, DIRECTOR OF FINANCE
MEMBER GOVERNMENT FINANCE OFFICERS ASSOCIATION
OF THE UNITED STATES AND CANADA

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City of Mora, Minnesota

COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended December 31, 2008
Table of Contents

	<u>REFERENCE</u>	<u>PAGE</u>
INTRODUCTORY SECTION		
Letter of Transmittal		i
Certificate of Achievement for Excellence in Financial Reporting		vii
Organizational Chart		vii
Organization		xi
FINANCIAL SECTION		
Independent Auditor's Report		1
Management's Discussion and Analysis		5
Basic Financial Statements		
Government-wide Financial Statements		
Statement of Net Assets	Form A-1	15
Statement of Activities	Form A-2	16
Fund Financial Statements		
Balance Sheet - Governmental Funds	Form B-1	20
Reconciliation of Net Assets in the Government-wide Financial Statements and Fund Balances in the Fund Financial Basis Financial Statements	Form B-2	23
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	Form B-3	24
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	Form B-4	27
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual:		
General Fund	Form B-5	28
Statement of Net Assets - Proprietary Funds	Form C-1	30
Statement of Revenues, Expenses, and Changes in Fund Net Assets - Proprietary Funds	Form C-2	31
Statement of Cash Flows - Proprietary Funds	Form C-3	32
Component Unit		
Balance Sheet - Economic Development Authority	Form D-1	35
Statement of Revenues, Expenditures, and Changes in Fund Balance - Economic Development Authority	Form D-2	36
Notes to Financial Statements		38
Combining and Individual Fund Statements and Schedules Non-Major Funds		
Combining Balance Sheet - Nonmajor Governmental Funds	Form E-1	64
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	Form E-2	72
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Storm Water Utility Fund	Form E-3	82
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Cemetery Fund	Form E-4	83
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Economic Development Revolving Loan	Form E-5	84
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - TIF 1-7 EPC	Form E-6	85
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - TIF 2-2 Intrepid	Form E-7	86

COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended December 31, 2008
Table of Contents

	<u>REFERENCE</u>	<u>PAGE</u>
FINANCIAL SECTION (Continued)		
Combining and Individual Fund Statements and Schedules (Continued)		
Schedule of Revenues, Expenditures, and Changes in Fund		
Balances - Budget and Actual - TIF 1-8 Torborg Apartments	Form E-8	87
Schedule of Revenues, Expenditures, and Changes in Fund		
Balances - Budget and Actual - TIF 1-9 Housing CMHP	Form E-9	88
Schedule of Revenues, Expenditures, and Changes in Fund		
Balances - Budget and Actual - TIF 2-10 Clinic	Form E-10	89
Schedule of Revenues, Expenditures, and Changes in Fund		
Balances - Budget and Actual - TIF 1-11 KSB	Form E-11	90
Schedule of Revenues, Expenditures, and Changes in Fund		
Balances - Budget and Actual - TIF 1-12 Industrial Park	Form E-12	91
Schedule of Revenues, Expenditures, and Changes in Fund		
Balances - Budget and Actual - TIF 1-13 Dalbec	Form E-13	92
Schedule of Revenues, Expenditures, and Changes in Fund		
Balances - Budget and Actual - TIF 1-174 HRA/Nelson	Form E-14	93
Schedule of Revenues, Expenditures, and Changes in Fund		
Balances - Budget and Actual - Future Fire Equipment	Form E-15	95
Schedule of Revenues, Expenditures, and Changes in Fund		
Balances - Budget and Actual - Future Improvements	Form E-16	96
Schedule of Revenues, Expenditures, and Changes in Fund		
Balances - Budget and Actual - City Hall Improvements 2005	Form E-17	97
Schedule of Revenues, Expenditures, and Changes in Fund		
Balances - Budget and Actual - Airport Land Acquisition	Form E-18	98
Schedule of Revenues, Expenditures, and Changes in Fund		
Balances - Budget and Actual - Airport Environmental Assessment	Form E-19	99
Schedule of Revenues, Expenditures, and Changes in Fund		
Balances - Budget and Actual - Airport Construction 2006	Form E-20	100
Schedule of Revenues, Expenditures, and Changes in Fund		
Balances - Budget and Actual - Highway 23-65	Form E-21	101
Schedule of Revenues, Expenditures, and Changes in Fund		
Balances - Budget and Actual - East Side Utility Extension	Form E-22	102
Schedule of Revenues, Expenditures, and Changes in Fund		
Balances - Budget and Actual - HRA Senior Campus	Form E-23	103
Schedule of Revenues, Expenditures, and Changes in Fund		
Balances - Budget and Actual - Street Construction 2007	Form E-24	104
Schedule of Revenues, Expenditures, and Changes in Fund		
Balances - Budget and Actual - Howe Avenue Reconstruction	Form E-25	105
Schedule of Revenues, Expenditures, and Changes in Fund		
Balances - Budget and Actual - Downtown Feed Mill Redevelopment	Form E-26	106
Schedule of Revenues, Expenditures, and Changes in Fund		
Balances - Budget and Actual - Street Construction 2008	Form E-27	107
Schedule of Revenues, Expenditures, and Changes in Fund		
Balances - Budget and Actual - Airport Kastenbauer House	Form E-28	108
Schedule of Revenues, Expenditures, and Changes in Fund		
Balances - Budget and Actual - Police Station	Form E-29	109

City of Mora, Minnesota

COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended December 31, 2008
Table of Contents

	<u>REFERENCE</u>	<u>PAGE</u>
FINANCIAL SECTION (Continued)		
Combining and Individual Fund Statements and Schedules (Continued)		
Schedule of Revenues, Expenditures, and Changes in Fund		
Balances - Budget and Actual - G.O. Waste Water Facility	Form E-30	111
Schedule of Revenues, Expenditures, and Changes in Fund		
Balances - Budget and Actual - Maple Avenue West	Form E-31	112
Schedule of Revenues, Expenditures, and Changes in Fund		
Balances -Budget and Actual - Street Reconstruction 2003	Form E-32	113
Schedule of Revenues, Expenditures, and Changes in Fund		
Balances - Budget and Actual - Fire Station 2003	Form E-33	114
Schedule of Revenues, Expenditures, and Changes in Fund		
Balances - Budget and Actual - Street Construction 2004	Form E-34	115
Schedule of Revenues, Expenditures, and Changes in Fund		
Balances of Budget and Actual - Street Construction 2006	Form E-35	116
Schedule of Revenues, Expenditures, and Changes in Fund		
Balances - Budget and Actual - Municipal Liquor Store	Form F-1	119
Schedule of Revenues, Expenditures, and Changes in Fund		
Balances - Budget and Actual - Electric Utility Fund	Form F-2	120
Schedule of Revenues, Expenditures, and Changes in Fund		
Balances - Budget and Actual - Water Utility Fund	Form F-3	121
Schedule of Revenues, Expenditures, and Changes in Fund		
Balances - Budget and Actual - Wastewater Utility Fund	Form F-4	122
 SUPPLEMENTARY FINANCIAL INFORMATION		
Schedule of Gross Sales, Net profit, Transfers Out, and Retained		
Earnings - Municipal Liquor Store Fund	Schedule 1	125
Schedule of Gross Sales, Net profit, Transfers Out, and Retained		
Earnings - Electric Utility Enterprise Fund	Schedule 2	126
Schedule of Services, Billing, KWH, and Revenues per KWH-		
Electric Utility Fund	Schedule 3	127
Schedule of Gross Sales, Net Profit, Transfers In, Out, and		
Retained Earnings - Water Utility Enterprise Fund	Schedule 4	128
Schedule of Gross Sales, Net Profit, Transfers In, Out, and		
Retained Earnings - Wastewater Utility Enterprise Fund	Schedule 5	129
 STATISTICAL SECTION		
Net Assets by Component	Table 1	132
Changes in Net Assets	Table 2	133
Fund Balances, Governmental Funds	Table 3	135
Changes in Fund Balances, Govenrmental Funds	Table 4	136
Taxable Assessed Value of Taxable Property	Table 5	137
Direct and Overlapping Property Tax Rates		
as a % of Net Tax Capacity	Table 6	138

City of Mora, Minnesota

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2008

Table of Contents

	<u>REFERENCE</u>	<u>PAGE</u>
STATISTICAL SECTION (Continued)		
Principal Property Tax Payers	Table 7	139
Property Tax Levies and Collections	Table 8	140
Ratios of Outstanding Debt by Type	Table 9	141
 Ratios of General Bonded Debt Outstanding	 Table 10	 142
Direct and Overlapping Governmental Activities Debt	Table 11	143
Legal Debt Margin Information	Table 12	144
Pledged-Revenue Coverage	Table 13	145
Demographic and Economic Statistics	Table 14	146
Principal Employers	Table 15	147
Full-Time Equivalent Employees by Function/Program	Table 16	148
Operating Indicators by Function/Program	Table 17	149
Capital Asset Statistics by Function/Program	Table 18	150
 AUDITOR'S REPORT SECTION		
Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards and the Minnesota Legal Compliance Audit Guide		 154

City of Mora, Minnesota
INTRODUCTORY SECTION
December 31, 2008



CITY OF MORA MORA MUNICIPAL UTILITIES

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Fax 320.679.3862

320.679.1451

The Honorable Mayor
Members of the City Council
Members of the Public Utilities Commission

May 30, 2009

I am submitting the comprehensive annual financial report of the City of Mora, Minnesota and Mora Municipal Utilities for the fiscal year ended December 31, 2008. The staff of the city's finance department prepared this report pursuant to Minnesota Statute 471.697, Subdivision 1. The City of Mora is responsible for the accuracy, the completeness, and the fairness of this report. I believe the report is accurate in all material aspects. It is presented in a manner designed to fairly set forth the financial position and the results of operations of the city and Mora Municipal Utilities. The report includes all disclosures necessary to enable the reader to gain the maximum understanding of the city's financial condition.

The comprehensive annual financial report consists of three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter, the government's organizational chart, and a list of principal officials. The financial section includes the independent auditor's report, management's discussion and analysis, financial statements, and financial schedules. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

For a discussion of the financial information, please refer to the management's discussion and analysis.

General Information

The city is a municipal corporation, incorporated May 19, 1882. It operates as an optional plan A statutory city (fourth class) under authority of Minnesota Statutes, Chapter 412. This option utilizes a strong council/weak mayor form of government with bi-annual elections of a mayor and four council members to staggered four-year terms. The council and the public utilities commission hire a city administrator to handle the day-to-day affairs of the city. An appointed clerk-treasurer (finance director) is responsible for the city and utility accounting and financial reporting system.

Mora, the county seat of Kanabec County, is located approximately 65 miles north of Minneapolis and St. Paul at the intersection of Minnesota Highways No. 65 and 23. The city has a population of 3699 according to the 2008 state demographer's report. The city covers an area of 4.31 square miles.

Local Economy

In 2008 the local economy suffered as in other small, rural Minnesota communities.

While the largest industrial, commercial, and service employers maintained their employee counts, many construction jobs were lost. Unemployment rose to 14% largely due to the construction job losses. Except for the reconstruction of one home damaged by fire, there were no homes built in the city in 2008. Home foreclosures increased, and property tax delinquency rose to over 6%. A restaurant which had been a city landmark for over thirty years closed its doors in December. Two commercial developments were stalled indefinitely.

Accounting System and Budgetary Control

This report, with its accompanying financial statements and statistical tables, was prepared in conformance with statement one, governmental accounting and financial reporting principles developed by the Governmental Accounting Standards Board.

Specific funds account for all financial transactions of the city. The city's accounting records are maintained on the accrual or the modified accrual basis, as appropriate. The notes to the financial statements (Note 1) present a summary of the significant accounting policies.

In developing and evaluating the city's accounting system, internal controls are evaluated. The city's internal accounting controls adequately safeguard the assets and provide proper recording of all financial transactions.

Formal budgeting is used as a management control device for the General Fund, the debt service funds, and certain special revenue funds. Beginning in 1990, all cities, counties, and school districts in Minnesota were required to comply with a Truth In Taxation process in accordance with the 1989 Special Session Tax Bill. The city held its TNT hearing on December 1, 2008.

Reporting Entity and Its Services

This report contains the financial information relating to all funds and account groups of the City of Mora and its component units. The City of Mora provides a full range of municipal services. This includes police, fire protection, building inspection, streets, storm drainage, electricity, water, wastewater treatment, recreation, cemetery, liquor sales, municipal airport, public improvements, and general administrative services.

General Government Functions (Form B)

The General Fund is used to account for all financial transactions not included in another fund. The fund includes expenditures for government, public safety, streets, recreation, airport, insurance, and contributions.

Table III of the statistical section of this report shows property tax levies and collections for the past ten years. Property tax levies were allocated as follows:

	2008	2007	2006	2005	2004
General Fund	\$362,312	\$333,850	\$261,991	\$207,228	\$207,228
Debt Service Funds	\$185,838	\$166,866	\$208,524	\$203,112	\$197,054

Special Revenue Funds (Forms C, D, E, F, G, H, I, and J)

Cemetery Fund

Twenty percent of the price of a lot is transferred to a fund balance account designated for permanent care. Street department personnel and seasonal summer employees maintain the cemetery. Interments are performed on a contract basis.

EPC Tax Increment Fund

The EPC Tax Increment Fund accounts for the receipt and the disbursement of tax increments from Redevelopment TIF District No. 1-7 (1994 EPC expansion.) The city pays EPC ninety per cent of the tax increments received. The city retains the remaining ten per cent as reimbursement for costs associated with the facilitation of the project expansion. All obligations to EPC end in the year 2008.

Economic Development Authority

The Economic Development Authority, included as a component unit of the City of Mora, was established on March 3, 1992 and reconstituted in 2004. The EDA is governed by a board of eight commissioners who represent the city council, the public utilities commission, and the community.

Economic Development Revolving Loan Fund

The Economic Development Revolving Loan Fund was established in 1995 to account for a \$500,000 grant from the MN Economic Recovery Grant program. The city in turn loaned the \$500,000 to EPC for equipment and machinery purchases. The first \$100,000 of loan principal was repaid to the city in 2005. The repaid funds have been used to establish a revolving loan fund. The purpose of the revolving loan fund is to further economic development and to create jobs for low and moderate income persons.

Tax Increment District No. 2-2

Tax Increment District No. 2-2 Fund was created to account for the TIF revenue note of \$772,000 issued February 2, 1998. These funds were reimbursed to Intrepid Development Corporation for eligible costs of site improvements on the former creamery site at Park Street and Forest Avenue. The note is payable solely from tax increments received from the fifty-five unit Park Forest Estates apartment building.

Tax Increment District No. 1-8

Tax Increment District No. 1-8 Fund was established in 2001 to account for the tax increments from TIF 1-8, Whispering Pines Apartments at 500 West Maple Avenue. Ninety per cent of the increment is paid to the developer, Torborg Builders, on a \$154,107 pay-as-you-go note.

Tax Increment District No. 1-9

Tax Increment District No. 1-9 Fund was established in 2001 to account for the tax

increments from TIF 1-9, North Crest Townhomes at 501 Ninth Street. The city purchased the land for the project for \$30,000. Through tax increments, the city was reimbursed. North Crest Townhomes began receiving increment payments in 2004.

Tax Increment District No. 2-10

Tax Increment District No. 2-10 was established in 2003 for the clinic expansion project adjacent to Kanabec Hospital. The city began receiving tax increments in 2004. Ninety per cent of the increments is paid to Kanabec County on a pay-as-you-go note.

Tax Increment District No. 1-11

Tax Increment District No. 1-11 was established in 2006 for the demolition of the ice cream plant and site preparations for a Kanabec State Bank building. The city and the bank will be reimbursed for allowable expenditures through tax increments beginning in 2010.

Debt Service Funds

See Notes to the Financial Statements and Table 9, Ratios of Outstanding Debt by Type.

Capital Projects Funds

The capital project funds have been established to account for the acquisition or construction of capital facilities other than those financed by enterprise funds.

Future Fire Equipment Fund

The Future Fire Equipment Fund is used to record the annual contributions from the city and the surrounding townships. The funds are invested until expenditures for the capital items are authorized by the city council.

Future Improvement Fund

To reduce the need to incur debt, the city established the Future Improvement Fund in 1984. The council has set aside money for projects listed in capital improvement plans.

Enterprise Funds (Forms N, O, P, and Q)

Enterprise funds are established for the North Country Bottle Shop and for the Electric, Water, and Wastewater Funds of Mora Municipal Utilities. These funds compile the pertinent financial information and show the profitability of each of these specific activities.

Debt Administration

In 2008, Moody's Investors Service affirmed the city's Baa1 rating. Moody's cited strong taxable resources, ample developable land, affordable debt, and strong financial management as reasons for the affirmation. Under state law the general obligation debt

is subject to a legal limitation as shown in the statistical section.

Cash Management

A portion of the city's cash is invested in certificates of deposit and in US government and federal agency bonds in accordance with the city's investment policy. These investments, which are stated at fair market value, have maturities ranging from thirty days to ten years.

Risk Management

As a member of the League of Minnesota Cities, the City of Mora purchases all its insurance (property, casualty, liability, and workers' compensation) through the League of Minnesota Cities Insurance Trust (LMCIT). The only function of LMCIT is to provide adequate and proper insurance for cities in Minnesota. LMCIT offers expanded coverage at a low premium and pays annual dividends to its members.

Long-Term Financial Planning

The city council frequently updates the city's street reconstruction, capital improvement, and fire vehicle replacement plans. The city staff prepares a debt service fund projection schedule which shows the impact of financing on the debt service tax levies.

Independent Audit

Minnesota statutes require an annual audit by the state auditor or an independent certified public accountant. The city selected the CPA firm of Althoff & Nordquist, LLC to complete the audit for 2008. The auditor's opinion is included in this report.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Mora, Minnesota for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2007. The certificate of achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a certificate of achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report whose content conforms to program standards. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

A certificate of achievement is valid for a period of one year. The City of Mora has received a certificate of achievement for twenty-three consecutive years. We believe our current CAFR conforms to certificate of achievement program requirements, and we are submitting it to GFOA for certification.

Acknowledgments

The finance department staff contributed significantly to this report. I wish to thank Carol Allman, Kelly Erickson, and Wendy Akkerman for their assistance and for their dedication to the City of Mora. I also thank the mayor, the city council members, and the public utilities commissioners for handling the financial operations of the city in a responsible and progressive manner.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mason Hjelle". The signature is fluid and cursive, with the first name "Mason" being more prominent than the last name "Hjelle".

Mason Hjelle
City Clerk-Treasurer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Mora
Minnesota

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A handwritten signature in black ink, appearing to read "K. L. R.", is written above the title "President".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer", is written above the title "Executive Director".

Executive Director

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CITY OF MORA, KANABEC COUNTY, MINNESOTA
Staff Organizational Chart
February, 2008



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City of Mora, Minnesota
Organization
December 31, 2008

Elected Officials

Greg Ardner..... Mayor
Beth Hallin..... Council Person
David Chmiel..... Council Person
Mark Gravich..... Council Person
Mike Johnson..... Council Person

Appointed Officials

Joel Dhein..... City Administrator
Mason Hjelle..... Director of Finance-City Clerk/Treasurer
Amy Brosnahan..... City Attorney - Prosecution
Joel Jamnik - Campbell Knutson P.A. City Attorney - Civil

Public Utilities

George Baldwin..... Chair
Dennis Schulz..... Commissioner
Steve Ahlness..... Commissioner

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City of Mora, Minnesota
FINANCIAL SECTION
December 31, 2008

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MEMBERS
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MINNESOTA SOCIETY OF C.P.A.'S

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Council
City of Mora, Minnesota

We have audited the accompanying financial statements of the governmental activities, the business - type activities, each major fund, budgetary comparison information, and the aggregate remaining fund information of the City of Mora, Minnesota, as of and for the year ended December 31, 2008 which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Mora, Minnesota's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business - types activities, each major fund, budgetary comparison information, and the aggregate remaining fund information of the City of Mora, Minnesota, as of December 31, 2008, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 15, 2009 on our consideration of the City of Mora, Minnesota's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of the audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.



The CPA. Never Underestimate The Value.®

The Management's Discussion and Analysis and budgetary information on pages 5 through 13 and 20 through 21, is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. We did not audit the information and express no opinion thereon.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Mora, Minnesota's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, schedules, budgetary comparison, supplementary financial information, statistical section as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, schedules, budgetary comparison, schedule of expenditures of federal awards, and supplementary financial information have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in dark ink, appearing to read "Althoff & Nordquist, LLC", is written over the printed name of the firm.

Althoff & Nordquist, LLC
Pine City, Minnesota
May 15, 2009

City of Mora, Minnesota
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED
December 31, 2008

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City of Mora, Minnesota
Management's Discussion and Analysis - Unaudited

We are providing readers with this narrative overview and analysis of the financial activities of the City of Mora for the fiscal year ended December 31, 2008. We encourage readers to use the information presented here in conjunction with the additional information contained in the city's letter of transmittal and in the financial statements.

Financial Highlights

- * At the close of the fiscal year, the assets of the City of Mora exceeded its liabilities by \$24,638,500 (net assets). Of this amount, \$6,700,427 (unrestricted net assets) may be used to meet the city's ongoing obligations to citizens and creditors.
- * The city's total net assets decreased by \$186,493 in 2008.
- * At the close of the fiscal year, governmental fund balances totaled \$1,443,323.
- * As of December 31, 2008, the unreserved fund balance of the General Fund was \$930,747. This amount was 39.1% of the General Fund's total expenditures in 2008.

Overview of the Financial Statements

Management's Discussion and Analysis introduces the city's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The city also includes in this report additional information to supplement the basic financial statements.

Government-wide Financial Statements

The city's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the city's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The first of these government-wide statements is the Statement of Net Assets. This is the city-wide statement of financial position presenting information that includes all of the city's assets and liabilities, with the difference reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the city as a whole is improving or deteriorating. Evaluation of the overall economic health of the city would extend to other non-financial factors such as diversification of the taxpayer base or the condition of city infrastructure in addition to the financial information provided in this report.

The second government-wide statement is the Statement of Activities, which reports how the city's net assets changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the city's distinct activities or functions on revenues provided by the city's taxpayers.

Both government-wide financial statements distinctively report governmental activities of the city that are principally supported by taxes and intergovernmental revenues, such as grants, and business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, public safety, public services, culture and recreation. Business-type activities include electric utilities, water utilities, waste water utilities, and municipal liquor store.

City of Mora, Minnesota
Management's Discussion and Analysis - Unaudited

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The city uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the city's most significant funds rather than the city as a whole. Major funds are separately reported while all others are combined into a single, aggregate presentation. Individual fund data for non-major funds is provided in the form of combining statements in a later section of this report.

The city has two kinds of funds:

Governmental funds are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the city's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources during the year and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to the government-wide statements to assist in understanding the differences between these two perspectives.

Budgetary comparison statements are included in the basic financial statements for the general fund and major capital project and debt service funds. Budgetary comparison schedules for other special revenue, capital project and debt service funds can be found in a later section of this report. These statements and schedules demonstrate compliance with the city's adopted and final revised budget.

Proprietary funds are reported in the fund financial statements and generally report services for which the city charges customers a fee. There are two kinds of proprietary funds. These are enterprise funds and internal service funds. The city currently has only enterprise funds. Enterprise funds essentially encompass the same functions reported as business-type activities in the government-wide statements. Services, such as, Water Utilities, are provided to customers external to the city organization.

Notes to the financial statements

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin immediately following the basic financial statements.

City of Mora, Minnesota
Management's Discussion and Analysis - Unaudited

Financial Analysis of the City as a Whole

As year-to-year financial information is accumulated on a consistent basis, changes in net assets may be observed and used to discuss the changing financial position of the city as a whole.

The city's net assets as of fiscal year-end were \$24,638,500. This was a \$186,493 decrease over last year's net assets of \$24,824,993. The following table provides a summary of the city's net assets at December 31:

Summary of Net Assets

	Governmental Activities		Business-Type Activities		Totals	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$ 2,272,767	\$ 1,567,888	\$ 8,484,786	\$ 7,702,083	\$ 10,757,553	\$ 9,269,971
Capital assets (net)	11,846,661	11,609,016	10,090,030	11,255,640	21,936,691	22,864,656
Total Assets	14,119,428	13,176,904	18,574,816	18,957,723	32,694,244	32,134,627
Other liabilities	1,240,178	254,252	842,566	1,585,382	2,082,744	1,839,634
Long-term liabilities	3,187,740	2,560,000	2,785,260	2,910,000	5,973,000	5,470,000
Total Liabilities	4,427,918	2,814,252	3,627,826	4,495,382	8,055,744	7,309,634
Net Assets:						
Invested in capital assets, net of related debt	8,457,166	9,049,016	7,022,525	8,349,640	15,479,691	17,398,656
Restricted	434,461	389,763	2,023,921	1,856,242	2,458,382	2,246,005
Unrestricted	799,883	923,873	5,900,544	4,256,459	6,700,427	5,180,332
Total Net Assets	\$ 9,691,510	\$ 10,362,652	\$ 14,946,990	\$ 14,462,341	\$ 24,638,500	\$ 24,824,993

The city reported positive balances in net assets for both governmental and business-type activities. Net assets decreased \$646,948 for governmental activities and increased by \$484,649 for business-type activities. The city's overall financial position declined during 2008 primarily from bond sales related to capital projects from previous years.

Change in Net Assets. The governmental activity's total revenues for the year ended were \$3,307,768. The city's total program expenses were \$4,238,317. The following table provides a summary of the city's changes in net assets for the year ended December 31, 2008:

City of Mora, Minnesota
Management's Discussion and Analysis - Unaudited

Financial Analysis of the City as a Whole (Continued)

Summary of Changes in Net Assets

	Governmental Activities		Business-type Activities		Totals	
	2008	2007	2008	2007	2008	2007
Revenues:						
Program revenues						
Charge for services	\$ 989,088	\$ 942,471	\$ 8,859,218	\$ 8,924,866	\$ 9,848,306	\$ 9,867,337
Operating grants and contributions	1,520,293	2,828,888	--	--	1,520,293	2,828,888
Capital grants and contributions	--	--	--	--	--	--
General revenues						
Property taxes	545,600	504,338	--	--	545,600	504,338
Tax increment	135,418	133,876	--	--	135,418	133,876
Investment earnings	116,099	124,755	269,830	321,282	385,929	446,037
Other revenue	1,270	2,665	--	--	1,270	2,665
Total Revenue	<u>3,307,768</u>	<u>4,536,993</u>	<u>9,129,048</u>	<u>9,246,148</u>	<u>12,436,816</u>	<u>13,783,141</u>
Program Expenses:						
General government	509,568	495,842	--	--	509,568	495,842
Public safety	968,290	880,843	--	--	968,290	880,843
Public works	726,335	649,551	--	--	726,335	649,551
Cemetery	72,685	48,595	--	--	72,685	48,595
Culture and recreation	326,874	279,803	--	--	326,874	279,803
Housing & ED	184,930	189,464	--	--	184,930	189,464
Capital projects	1,280,120	(1,029)	--	--	1,280,120	(1,029)
Miscellaneous	--	--	--	--	--	--
Interest on long-term debt	125,864	103,365	--	--	125,864	103,365
Liquor	--	--	2,046,371	1,977,770	2,046,371	1,977,770
Electric	--	--	5,031,885	5,397,147	5,031,885	5,397,147
Water	--	--	558,998	496,699	558,998	496,699
Wastewater	--	--	717,145	656,818	717,145	656,818
Total Expenses	<u>4,194,666</u>	<u>2,646,434</u>	<u>8,354,399</u>	<u>8,528,434</u>	<u>12,549,065</u>	<u>11,174,868</u>
Increase in net assets before transfers	(886,898)	1,890,559	774,649	717,714	(112,249)	2,608,273
Transfers	240,000	(86,486)	(290,000)	86,486	(50,000)	--
Change in net assets	(646,898)	1,804,073	484,649	804,200	(162,249)	2,608,273
Prior period adjustment	--	1,185,000	--	(1,185,000)	--	--
Beginning net assets	10,338,458	7,373,579	14,462,341	14,843,141	24,800,799	22,216,720
Ending net assets	<u>\$ 9,691,560</u>	<u>\$ 10,362,652</u>	<u>\$ 14,946,990</u>	<u>\$ 14,462,341</u>	<u>\$ 24,638,550</u>	<u>\$ 24,824,993</u>

Significant changes in fund balances and in total net assets:

The total net assets of governmental activities decreased by \$646,948 in 2008. A reduction in operating grant revenues (airport construction grant received in 2007) contributed to the decrease. Expenditures for several capital projects also contributed to the decrease.

Budgetary Highlights

Over the course of the year, the city made no changes to its annual expenditure budget. Significant budgetary variances between the final amended budget and actual results are explained below:

The Fund Balance in the General Fund increased by \$31,665 in 2008. This was a 3.5% increase. The largest contributing factor was the street department operating under budget in expenditures for wages and for street materials. Intergovernmental revenues and airport expenditures exceeded budgets by substantial amounts. This was due to an unbudgeted purchase of a snowplow truck that was funded with an unbudgeted grant.

A schedule showing the original and final budget amounts compared to the city's actual financial activity for the major funds is included in a later section of this report.

City of Mora, Minnesota
Management's Discussion and Analysis - Unaudited

Capital Assets and Debt Administration

Capital Assets. As of December 31, 2008, the city had invested \$21,939,158 in capital assets, including buildings, facilities, vehicles, and equipment. This amount represents a net increase prior to depreciation of \$141,524 from last year. Total depreciation expense for the year was \$1,067,022. The following table provides a summary of the city's capital assets for the year ended:

	Capital Assets					
	Net of Accumulated Depreciation					
	Governmental		Business-type		Totals	
	Activities		Activities			
	2008	2007	2008	2007	2008	2007
Non-Depreciable Assets:						
Land	\$ 1,508,434	\$ 1,447,461	\$ 233,662	\$ 233,662	\$ 1,742,096	\$ 1,681,123
Construction in progress	--	--	--	--	--	--
Depreciable Assets:						
Buildings	2,519,875	2,411,025	1,344,343	1,396,422	3,864,218	3,807,447
Infrastructure	2,951,594	3,066,823	--	--	2,951,594	3,066,823
Improvements	3,658,215	3,603,872	7,321,157	8,313,888	10,979,372	11,917,760
Machinery, equipment, vehicles	1,208,543	1,079,835	1,193,335	1,311,668	2,401,878	2,391,503
Total	<u>\$ 11,846,661</u>	<u>\$ 11,609,016</u>	<u>\$ 10,092,497</u>	<u>\$ 11,255,640</u>	<u>\$ 21,939,158</u>	<u>\$ 22,864,656</u>

For further information, please refer to Note 3: D Capital Assets, pages 46-47.

Debt administration. At year end, the city had \$6,457,000 in general obligation bonds and other long-term debt outstanding, of which \$484,000 is due within one year. The following table presents a summary of the city's outstanding long-term debt for the year ended.

	Outstanding Bonds					
	Governmental		Business-type		Total	
	Activities		Activities			
	2008	2007	2008	2007	2008	2007
General obligation bonds	\$ 3,389,495	\$ 2,560,000	\$ --	\$ --	\$ 3,389,495	\$ 2,560,000
Revenue bonds	--	--	3,067,505	2,910,000	3,067,505	2,910,000
Total	<u>\$ 3,389,495</u>	<u>\$ 2,560,000</u>	<u>\$ 3,067,505</u>	<u>\$ 2,910,000</u>	<u>\$ 6,457,000</u>	<u>\$ 5,470,000</u>

For further information please refer to Note 3: F Long-term Debt, pages 48-50.

City of Mora, Minnesota
Management's Discussion and Analysis - Unaudited

Capital Assets and Debt Administration (Continued)

The City of Mora maintains a Baa1 bond rating from Moody's Investor Service.

Factors Bearing on the City's Future

City Council

The city council purchased the downtown feed mill property from Federated Co-ops. The feed mill was demolished in May. At the end of 2008, the city council had not decided the future use of the property.

The Highway 23 East frontage road improvement project began in August. The project was to be completed in 2009.

The city council sold \$1,385,000 of general obligations bonds to finance the eastside water/wastewater project and the 2007 street reconstruction project.

The City council established TIF 1-14 to provide funding for water, wastewater, and street improvements to the HRA senior complex.

At the November election, incumbents Mark Gravich, Mike Johnson, and Dave Chmiel were elected to four-year

Public Utility Commission

In March, Utilities Superintendent Jagusch resigned. City Administrator served as utilities superintendent for the remainder of 2008.

In April, the PUC approved an agreement with East Central Energy to provide support for MMU's line crew.

In conjunction with a county road improvement project, a water/wastewater line project began in August. The project was to be completed in 2009.

A water and wastewater line extension under Highway 65 South was completed in November.

To reduce budget deficits, the PUC agreed to raise electric rates 3% and water rates 15% in January 2009.

Airport

The city purchased a two-acre tract south of the runway for future airport expansion. The house located on the property was to be rented out until the property was needed for the airport.

City of Mora, Minnesota
Management's Discussion and Analysis - Unaudited

Factors Bearing on the City's Future (Continued)

Annexations

By petition of the owner, the city annexed a one-acre tract with a failing septic system east of Mora.

The city annexed the two-acre parcel that it purchased for the municipal airport.

Parks

The parks department built a 32' x32' gazebo in the Library Park for entertainment and other gatherings.

The city was awarded a \$300,000 grant for developing trails in the Spring Lake/Highway 23 area in the northeast section of Mora.

Police Department

Kanabec State Bank donated its downtown building to the city after the bank moved its operations to a new location. The city council contracted with CNH architectural firm to prepare plans for remodeling the building into a police station.

2008 Budget

Governor Pawlenty reduced the city's 2008 LGA appropriation by \$52,038 in December of 2008.

Contacting the City's Financial Management

This financial report is designed to provide a general overview of the City of Mora finances. Individuals or firms with questions about this report should direct inquiries to the Office of the Finance Director, 101 Lake Street South, Mora, MN 55051.

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CITY OF MORA, MINNESOTA
BASIC FINANCIAL STATEMENTS
December 31, 2008

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City of Mora, Minnesota
Statement of Net Assets
December 31, 2008

	Governmental Activities	Business - Type Activities	2008 Total	Component Unit EDA
ASSETS				
Cash and investments	\$ 1,834,870	\$ 4,986,429	\$ 6,821,299	\$ 31,325
Interest receivable	13,475	52,673	66,148	--
Accounts receivable	116,901	802,954	919,855	--
Due from other governmental units	10,894	--	10,894	--
Due from other funds	--	--	--	--
Inventory	--	486,706	486,706	--
Loan receivable	149,605	--	149,605	--
Prepaid items	46,505	35,401	81,906	42
Special assessments	203	96,702	96,905	--
Restricted Assets:				
Temporary restricted:				
Cash and investments	100,314	1,473,356	1,573,670	--
Permanently restricted:				
Cash and investments	--	550,565	550,565	--
Capital assets, (net of accumulated depreciation)				
Land	1,508,434	3,856	1,512,290	--
Building, machinery, equipment	10,338,227	10,086,174	20,424,401	--
Total assets	<u>14,119,428</u>	<u>18,574,816</u>	<u>32,694,244</u>	<u>31,367</u>
LIABILITIES				
Cash in bank - overdraft	\$ 828,409	\$ --	\$ 828,409	\$ --
Accounts payable	21,560	397,987	419,547	774
Accrued wages payable	60,390	29,894	90,284	--
Accrued interest	125,864	--	125,864	--
Due to other funds	--	--	--	--
Customer meter deposits	--	35,740	35,740	--
Deposits for contractors	2,200	--	2,200	--
Unearned revenue	--	96,700	96,700	--
Noncurrent liabilities:				
Due within one year	201,755	282,245	484,000	--
Due in more than one year	3,187,740	2,785,260	5,973,000	--
Total liabilities	<u>4,427,918</u>	<u>3,627,826</u>	<u>8,055,744</u>	<u>774</u>
NET ASSETS				
Invested in capital assets, net of selected debt	8,457,166	7,022,525	15,479,691	--
Restricted for:				
Debt service	334,147	--	334,147	--
Special revenue	100,314	--	100,314	--
Future operations	--	2,023,921	2,023,921	--
Unrestricted:				
Unrestricted	799,883	5,900,544	6,700,427	30,593
Total net assets	<u>\$ 9,691,510</u>	<u>\$ 14,946,990</u>	<u>\$ 24,638,500</u>	<u>\$ 30,593</u>

See notes to financial statements.

City of Mora, Minnesota
Statement of Activities
For the Year Ended December 31, 2008

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ (509,568)	\$ 798,197	\$ 1,005,927	\$ --
Public safety	(968,290)	--	514,366	--
Public works	(726,335)	--	--	--
Cemetery	(72,685)	73,929	--	--
Culture and recreation	(326,874)	116,962	--	--
Housing & economic development	(184,930)	--	--	--
Capital projects	(1,280,120)	--	--	--
Interest on long-term debt	(125,864)	--	--	--
Total governmental activities	<u>(4,194,666)</u>	<u>989,088</u>	<u>1,520,293</u>	<u>--</u>
Business - type - activities:				
Liquor	2,046,371	2,271,548	--	--
Electric	5,031,885	5,283,769	--	--
Water	558,998	489,423	--	--
Wastewater	717,145	814,478	--	--
Total business - type activities	<u>8,354,399</u>	<u>8,859,218</u>	<u>--</u>	<u>--</u>
Total Primary Government	<u>\$ 4,159,733</u>	<u>\$ 9,848,306</u>	<u>\$ 1,520,293</u>	<u>\$ --</u>
Component Unit				
Economic Development Authority	(43,651)	--	--	--
Total Component Unit	<u>\$ (43,651)</u>	<u>--</u>	<u>--</u>	<u>--</u>
General revenues:				
Property taxes				
Tax increment				
Unrestricted investments earnings				
Gain on sale of capital assets				
Miscellaneous				
Transfers				
Total general revenues and transfers				
Changes in net assets				
Prior period adjustment				
Net assets - beginning				
Net assets - ending				

See notes to financial statements.

Net (Expenses) Revenues and Changes in Net Assets			
Governmental Activities	Business - Type Activities	Total	Component Unit EDA
\$ 1,294,556	\$ --	\$ 1,294,556	\$ --
(453,924)	--	(453,924)	--
(726,335)	--	(726,335)	--
1,244	--	1,244	--
(209,912)	--	(209,912)	--
(184,930)	--	(184,930)	--
(1,280,120)	--	(1,280,120)	--
(125,864)	--	(125,864)	--
<u>(1,685,285)</u>	<u>--</u>	<u>(1,685,285)</u>	<u>--</u>
--	225,177	225,177	--
--	251,884	251,884	--
--	(69,575)	(69,575)	--
--	97,333	97,333	--
<u>--</u>	<u>504,819</u>	<u>504,819</u>	<u>--</u>
<u>(1,685,285)</u>	<u>504,819</u>	<u>(1,180,466)</u>	<u>--</u>
--	--	--	(43,651)
<u>--</u>	<u>--</u>	<u>--</u>	<u>(43,651)</u>
545,600	--	545,600	--
135,418	--	135,418	--
116,049	269,830	385,879	--
1,270	--	1,270	--
--	--	--	50
240,000	(290,000)	(50,000)	50,000
<u>1,038,337</u>	<u>(20,170)</u>	<u>1,018,167</u>	<u>50,050</u>
(646,948)	484,649	(162,299)	6,399
--	--	--	--
<u>10,338,458</u>	<u>14,462,341</u>	<u>24,800,799</u>	<u>24,194</u>
<u>\$ 9,691,510</u>	<u>\$ 14,946,990</u>	<u>\$ 24,638,500</u>	<u>\$ 30,593</u>

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CITY OF MORA, MINNESOTA
FUND FINANCIAL STATEMENTS
December 31, 2008

City of Mora, Minnesota
Governmental Funds
Balance Sheet
December 31, 2008

		Debt Service	
	General Fund	Maple Avenue East	Airport Eastside 2007
ASSETS			
Cash and investments	\$ 731,989	\$ 99,719	\$ --
Interest receivable	5,023	596	--
Taxes receivable - delinquent	38,868	2,981	1,228
Accounts receivable	64,829	--	--
Special assessment receivables -			
Delinquent	--	--	203
Deferred	--	288,609	79,270
Due from other governmental units	10,894	--	--
Due from other funds	--	--	--
Loans to HRA	149,605	--	--
Loan to fire department	--	--	--
Prepaid insurance	45,820	--	--
Cash restricted	--	--	--
Total assets	<u>\$ 1,047,028</u>	<u>\$ 391,905</u>	<u>\$ 80,701</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Cash in bank - overdraft	\$ --	\$ --	\$ 56,964
Accounts payable	17,560	--	--
Other payables	60,390	--	--
Deposits for developers	2,200	--	--
Deferred revenues	36,131	291,351	1,116
Total liabilities	<u>116,281</u>	<u>291,351</u>	<u>58,080</u>
Fund Balances:			
Reserved for:			
Special revenue funds	--	--	--
Debt Service	--	100,554	22,621
Unreserved, undesignated, reported in:			
General fund	930,747	--	--
Special revenue funds	--	--	--
Capital projects	--	--	--
Total fund balances	<u>930,747</u>	<u>100,554</u>	<u>22,621</u>
Total liabilities and fund balances	<u>\$ 1,047,028</u>	<u>\$ 391,905</u>	<u>\$ 80,701</u>

See notes to financial statements.

NonMajor Governmental Funds	Total Governmental Funds
\$ 1,003,162	\$ 1,834,870
7,856	13,475
10,590	53,667
52,072	116,901
--	203
--	367,879
--	10,894
--	--
--	149,605
--	--
685	46,505
100,314	100,314
<u>\$ 1,174,679</u>	<u>\$ 2,694,313</u>

\$ 771,445	\$ 828,409
4,000	21,560
--	60,390
--	2,200
9,833	338,431
<u>785,278</u>	<u>1,250,990</u>

100,314	100,314
210,972	334,147
--	930,747
106,851	106,851
<u>(28,736)</u>	<u>(28,736)</u>
<u>389,401</u>	<u>1,443,323</u>
<u>\$ 1,174,679</u>	<u>\$ 2,694,313</u>

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City of Mora, Minnesota
 Reconciliation of Net Assets in the
 Government-wide Financial Statements and Fund Balances
 in the Fund Basis Financial Statements
 December 31, 2008

Amounts reported for governmental activities in the statement of net assets are different because:

Total governmental fund balances (page 21)		\$ 1,443,323
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental capital assets	18,641,626	
Less: accumulated depreciation	<u>(6,794,965)</u>	11,846,661
Other long-term assets are not available to pay for current - personal expenditures and, therefore, are deferred with funds.		
Delinquent property taxes		(53,667)
Deferred special assessments		(367,879)
Deferred revenues		338,431
Interest on long-term debt is not accrued in governmental funds but rather recognized as an expenditure when due		(125,864)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds payable		<u>(3,389,495)</u>
Net assets of governmental activities (page 15)		<u><u>\$ 9,691,510</u></u>

See notes to financial statements.

City of Mora, Minnesota
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2008

		Debt Service	
	General	Maple	Airport
	Fund	Avenue	Eastside
		East	2007
REVENUES			
Property taxes	\$ 355,557	\$ 46,814	\$ 18,809
Tax increments	--	--	--
Licenses and permits	85,115	--	--
Special assessments	--	18,230	155,637
Intergovernmental	931,121	--	--
Charges for services	589,793	--	--
Fines	59,755	--	--
Investment earnings	32,722	2,558	--
Sale of assets	1,283	--	--
Miscellaneous	33,265	--	--
Total revenues	<u>2,088,611</u>	<u>67,602</u>	<u>174,446</u>
EXPENDITURES			
Current:			
General government	484,113	--	--
Public safety	844,927	--	--
Public works	431,406	--	--
Cemetery	--	--	--
Culture and recreation	322,631	--	--
Housing and economic development	--	--	--
Capital projects	244,276	--	--
Miscellaneous	52,935	--	998,194
Debt Service:			
Principal	--	35,000	--
Interest and other charges	--	43,770	--
Total expenditures	<u>2,380,288</u>	<u>78,770</u>	<u>998,194</u>
Excess (deficiency) of revenues over (under) expenditures	(291,677)	(11,168)	(823,748)
OTHER FINANCING SOURCES (USES)			
Issuance of long-term debt	--	--	1,337,249
Transfers in	376,243	10,000	--
Transfers out	(52,901)	--	(490,880)
Total other financing sources (uses)	<u>323,342</u>	<u>10,000</u>	<u>846,369</u>
Net change in fund balances	31,665	(1,168)	22,621
Fund balances - beginning	899,082	101,722	--
Fund balances - ending	<u>\$ 930,747</u>	<u>\$ 100,554</u>	<u>\$ 22,621</u>

See notes to financial statements.

Other Governmental Funds	Total Governmental Funds
\$ 123,678	\$ 544,858
135,418	135,418
--	85,115
(1,357)	172,510
514,366	1,445,487
73,929	663,722
--	59,755
38,064	73,344
--	1,283
95,720	128,985
<u>979,818</u>	<u>3,310,477</u>
--	484,113
--	844,927
2,194	433,600
59,957	59,957
--	322,631
176,320	176,320
993,675	1,237,951
--	1,051,129
105,000	140,000
53,465	97,235
<u>1,390,611</u>	<u>4,847,863</u>
(410,793)	(1,537,386)
--	1,337,249
664,714	1,050,957
(267,176)	(810,957)
<u>397,538</u>	<u>1,577,249</u>
(13,255)	39,863
402,656	1,403,460
<u>\$ 389,401</u>	<u>\$ 1,443,323</u>

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City of Mora, Minnesota
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
 of Governmental Funds to the Statement of Activities
 For the Year Ended December 31, 2008

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances - total governmental funds (page 25)	\$ 39,863
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period (for additional information see Note 3D of the Notes to Financial Statements, page 46).	237,645
Other miscellaneous items	(66,332)
Bond sale	(969,495)
Change in accrued interest payable	(28,629)
Long-term debt payments for current year	<u>140,000</u>
Changes in net assets of governmental activities (page 17)	<u><u>\$ (646,948)</u></u>

See notes to financial statements.

City of Mora, Minnesota
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	
REVENUES				
Property taxes	\$ 369,812	\$ 369,812	\$ 355,557	\$ (14,255)
Licenses and permits	98,550	98,550	85,115	(13,435)
Intergovernmental	831,614	831,614	931,121	99,507
Charges for services	561,970	561,970	589,793	27,823
Fines	30,700	30,700	59,755	29,055
Investment earnings	18,000	18,000	32,722	14,722
Sale of assets	--	--	1,283	1,283
Miscellaneous	22,300	22,300	33,265	10,965
Total revenues	1,932,946	1,932,946	2,088,611	155,665
EXPENDITURES				
Current:				
General government:				
Council	95,151	95,151	89,785	5,366
City administrator	90,576	90,576	84,222	6,354
Elections	3,300	3,300	3,249	51
Finance director	144,809	144,809	139,732	5,077
Assessing	12,000	12,000	11,935	65
Attorney	28,502	28,502	28,502	--
Planning and zoning	77,523	77,523	67,901	9,622
City hall building	27,798	27,798	31,461	(3,663)
Library building	25,935	25,935	27,326	(1,391)
Total general government	505,594	505,594	484,113	21,481
Public safety:				
Building inspection	71,101	71,101	68,763	2,338
Police protection	656,805	656,805	669,068	(12,263)
Fire protection	89,504	89,504	107,096	(17,592)
Total public safety	817,410	817,410	844,927	(27,517)
Public works:				
Street department	445,936	445,936	399,252	46,684
Street lighting	30,000	30,000	32,154	(2,154)
Total public works	475,936	475,936	431,406	44,530
Culture and recreation:				
Swimming pool	191,719	191,719	181,521	10,198
Park areas	163,026	163,026	141,110	21,916
Total Culture and recreation	354,745	354,745	322,631	32,114
Miscellaneous:				
Forestry and nursery	--	--	--	--
Shade tree program	--	--	--	--
Airport	92,933	92,933	244,276	(151,343)
Loan Pine Community Center	--	--	--	--
Unallocated operating expenses	20,396	20,396	52,935	(32,539)
Total Miscellaneous	113,329	113,329	297,211	(183,882)
Total expenditures	2,267,014	2,267,014	2,380,288	(113,274)
Excess (deficiency) of revenues over (under) expenditures	(334,068)	(334,068)	(291,677)	42,391

City of Mora, Minnesota
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2008

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 387,113	\$ 387,113	\$ 376,243	\$ (10,870)
Transfers out	(47,978)	\$ (47,978)	(52,901)	(4,923)
Total other financing sources (uses)	339,135	339,135	323,342	(15,793)
Net change in fund balances	5,067	5,067	31,665	26,598
Fund balances - beginning	899,082	899,082	899,082	--
Fund balances - ending	<u>\$ 904,149</u>	<u>\$ 904,149</u>	<u>\$ 930,747</u>	<u>\$ 26,598</u>

See notes to financial statements.

City of Mora, Minnesota
Proprietary Funds
Statement of Net Assets
December 31, 2008

	Business - Type Activities - Enterprise Funds				
	Municipal Liquor Fund	Electric Utility Fund	Water Utility Fund	Wastewater Utility Fund	Total
ASSETS					
Current assets:					
Cash and investments	\$ 251,813	\$ 3,537,110	\$ 448,218	\$ 749,288	\$ 4,986,429
Interest receivable	3,410	30,741	8,755	9,767	52,673
Accounts receivable	11,799	591,805	71,753	127,597	802,954
Inventory	217,058	263,922	5,726	--	486,706
Prepaid items	5,924	21,844	3,447	4,186	35,401
Special assessments	--	--	26,394	70,308	96,702
Total current assets	<u>490,004</u>	<u>4,445,422</u>	<u>564,293</u>	<u>961,146</u>	<u>6,460,865</u>
Noncurrent assets:					
Restricted cash and investments	217,351	550,565	719,142	536,863	2,023,921
Total restricted assets	<u>217,351</u>	<u>550,565</u>	<u>719,142</u>	<u>536,863</u>	<u>2,023,921</u>
Capital assets:					
Plant in service	244,907	7,746,339	4,705,940	6,039,591	18,736,777
Less: accumulated depreciation	<u>(165,809)</u>	<u>(5,028,970)</u>	<u>(1,337,965)</u>	<u>(2,114,003)</u>	<u>(8,646,747)</u>
Total Capital assets					
(net of accumulated depreciation)	<u>79,098</u>	<u>2,717,369</u>	<u>3,367,975</u>	<u>3,925,588</u>	<u>10,090,030</u>
Total noncurrent assets	<u>296,449</u>	<u>3,267,934</u>	<u>4,087,117</u>	<u>4,462,451</u>	<u>12,113,951</u>
Total assets	<u>786,453</u>	<u>7,713,356</u>	<u>4,651,410</u>	<u>5,423,597</u>	<u>18,574,816</u>
LIABILITIES					
Current liabilities:					
Accounts payable	19,492	337,930	15,479	25,086	397,987
Accrual wages payable	5,474	14,548	4,936	4,936	29,894
Due to other funds	--	--	--	--	--
Revenue bonds payable	<u>--</u>	<u>--</u>	<u>25,273</u>	<u>256,972</u>	<u>282,245</u>
Total current liabilities	<u>24,966</u>	<u>352,478</u>	<u>45,688</u>	<u>286,994</u>	<u>710,126</u>
Noncurrent liabilities:					
Customer meter deposits	--	35,740	--	--	35,740
Revenue bonds payable	--	--	1,173,938	1,611,322	2,785,260
Unearned revenue	<u>--</u>	<u>--</u>	<u>26,394</u>	<u>70,306</u>	<u>96,700</u>
Total noncurrent liabilities	<u>--</u>	<u>35,740</u>	<u>1,200,332</u>	<u>1,681,628</u>	<u>2,917,700</u>
Total liabilities	<u>24,966</u>	<u>388,218</u>	<u>1,246,020</u>	<u>1,968,622</u>	<u>3,627,826</u>
NET ASSETS					
Invested in capital assets, net					
of related debt	79,098	2,717,369	2,168,764	2,057,294	7,022,525
Restricted:					
Future operations	217,351	550,565	719,142	536,863	2,023,921
Unrestricted:					
Unreserved	<u>465,038</u>	<u>4,057,204</u>	<u>517,484</u>	<u>860,818</u>	<u>5,900,544</u>
Total net assets	<u>\$ 761,487</u>	<u>\$ 7,325,138</u>	<u>\$3,405,390</u>	<u>\$ 3,454,975</u>	<u>\$ 14,946,990</u>

See notes to financial statements.

City of Mora, Minnesota
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Assets
For the Year Ended December 31, 2008

	Business- Type Activities - Enterprise Funds				
	Municipal Liquor Fund	Electric Utility Fund	Water Utility Fund	Wastewater Utility Fund	Total
Operating revenues:					
Sales and charges for services	\$ 2,267,126	\$ 4,644,804	\$ 442,940	\$ 795,073	\$ 8,149,943
Miscellaneous	4,422	638,965	46,483	19,405	709,275
Total operating revenues	<u>2,271,548</u>	<u>5,283,769</u>	<u>489,423</u>	<u>814,478</u>	<u>8,859,218</u>
Operating expenses:					
Cost of sales	1,717,992	3,873,005	--	--	5,590,997
Interest Paid	--	1,412	49,149	72,410	122,971
Maintenance and operations	318,307	928,832	340,307	410,217	1,997,663
Depreciation	10,072	228,636	169,542	234,518	642,768
Total operating expenses	<u>2,046,371</u>	<u>5,031,885</u>	<u>558,998</u>	<u>717,145</u>	<u>8,354,399</u>
Operating income	<u>225,177</u>	<u>251,884</u>	<u>(69,575)</u>	<u>97,333</u>	<u>504,819</u>
Nonoperating revenues (expenses):					
Interest earnings	17,883	159,244	45,019	47,684	269,830
Total nonoperating revenues (expenses)	<u>17,883</u>	<u>159,244</u>	<u>45,019</u>	<u>47,684</u>	<u>269,830</u>
Income (loss) before transfers	243,060	411,128	(24,556)	145,017	774,649
Transfers in	--	--	--	--	--
Transfers out	(270,000)	(20,000)	--	--	(290,000)
Changes in net assets	(26,940)	391,128	(24,556)	145,017	484,649
Total net assets - beginning	788,427	6,934,010	3,429,946	3,309,958	14,462,341
Total net assets - ending	<u>\$ 761,487</u>	<u>\$ 7,325,138</u>	<u>\$ 3,405,390</u>	<u>\$ 3,454,975</u>	<u>\$ 14,946,990</u>

See notes to financial statements.

City of Mora Minnesota
Proprietary Funds
Statement of Cash Flows
For the Year Ended December 31, 2008

	Business - Type Activities - Enterprise Funds				
	Municipal Liquor Fund	Electric Utility Fund	Water Utility Fund	Wastewater Utility Fund	Total Current Year
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 2,274,164	\$ 5,239,132	\$ 462,471	\$ 772,582	\$ 8,748,349
Cash payments for interest expense	--	--	(49,149)	(72,410)	(121,559)
Cash payments to suppliers	(1,841,859)	(4,383,599)	(716,909)	(892,311)	(7,834,678)
Cash payments to employees	(208,907)	(478,792)	(55,281)	(72,588)	(815,568)
Net cash provided by operating activities	223,398	376,741	(358,868)	(264,727)	(23,456)
CASH FLOWS FROM NONCAPITAL FINANCING:					
Transfers in (out)	(270,000)	(20,000)	--	--	(290,000)
Net cash provided by (used in) negotiated activities	(270,000)	(20,000)	--	--	(290,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Bond principal payments	--	--	(15,630)	(242,370)	(258,000)
Bond issuance			182,822	232,683	415,505
Acquisition of capital assets	--	(16,840)	--	(45,032)	(61,872)
Proceeds from sale of capital assets	2,301	--	256,262	326,151	584,714
Net cash provided (used in) capital and related financing activities	2,301	(16,840)	423,454	271,432	680,347
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest income	17,883	159,244	45,019	47,684	269,830
Net increase (decrease) in cash and cash equivalents	(26,418)	499,145	109,605	54,389	636,721
Cash at Beginning of Year, including restricted cash	495,582	3,588,530	1,057,755	1,231,762	6,373,629
Cash at End of Year, including restricted cash	\$ 469,164	\$ 4,087,675	\$ 1,167,360	\$ 1,286,151	\$ 7,010,350

See notes to financial statements.

City of Mora, Minnesota
Proprietary Funds
Statement of Cash Flows
For the Year Ended December 31, 2008

	Business - Type Activities - Enterprise Funds				Total Current Year
	Municipal Liquor Fund	Electric Utility Fund	Water Utility Fund	Wastewater Utility Fund	
Reconciliation of operating income to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 225,177	\$ 251,884	\$ (69,575)	\$ 97,333	\$ 504,819
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	10,072	228,636	169,542	234,518	642,768
(Increase) decrease in interest receivable	(230)	(7,252)	(1,947)	(3,127)	(12,556)
(Increase) decrease in accounts receivable	2,616	(44,637)	(26,952)	(41,896)	(110,869)
(Increase) decrease in other receivables	--	--	6,435	12,009	18,444
(Increase) decrease in inventory	(15,341)	(28,205)	4,775	--	(38,771)
(Increase) decrease in prepaid insurance	15	(2,172)	(2)	(71)	(2,230)
Increase (decrease) in accounts payable	472	(14,439)	6,030	9,007	1,070
Increase (decrease) in accrued wages payable	617	(1,494)	(1,655)	(1,655)	(4,187)
Increase (decrease) in other liabilities	--	(5,580)	(445,519)	(570,845)	(1,021,944)
Total adjustments	(1,779)	124,857	(289,293)	(362,060)	(528,275)
Net cash provided (used) by operating activities	\$ 223,398	\$ 376,741	\$ (358,868)	\$ (264,727)	\$ (23,456)

See notes to financial statements.

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City of Mora, Minnesota
 Component Unit - Economic Development Authority
 Balance Sheet
 For the Year Ended December 31, 2008

	<u>EDA</u>
ASSETS	
Cash and Investments	\$ 31,325
Prepaid Insurance	<u>42</u>
Total Assets	<u><u>\$ 31,367</u></u>
 LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts Payable	<u>\$ 774</u>
Total Liabilities	<u>774</u>
 Fund Balance:	
Unreserved	<u>30,593</u>
Total Fund Balance	<u><u>30,593</u></u>
 Total Liabilities and Fund Balance	<u><u>\$ 31,367</u></u>

See notes to financial statements.

City of Mora, Minnesota
 Component Unit - Economic Development Authority
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 For the Year Ended December 31, 2008

	EDA
REVENUES	
State grants and aids	\$ --
Contributions	--
Investment earnings	50
Total revenues	<u>50</u>
EXPENDITURES	
Professional services	37,914
Supplies	2,189
Miscellaneous	3,548
Total expenditures	<u>43,651</u>
Excess (deficiency) of revenues over (under) expenditures	(43,601)
OTHER FINANCING SOURCES (USES)	
Transfers in	50,000
Total other financing sources (uses)	<u>50,000</u>
Net change in fund balance	6,399
Fund balances - beginning	<u>24,194</u>
Fund balances - ending	<u>\$ 30,593</u>

See notes to financial statements.

CITY OF MORA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

City of Mora, Minnesota
Notes to Financial Statements
December 31, 2008

NOTE 1: Summary of Significant Accounting Policies

The financial statements of the City of Mora, Minnesota have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard - setting body for establishing governmental accounting and financial reporting principles.

The more significant accounting policies follow:

A. Reporting Entity

The City of Mora (government) is a municipal corporation governed by an elected mayor and four council members. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the governments operations.

Component Unit. The Economic Development Authority (EDA) is responsible for improving the community economic condition through job creation, tax base growth, and other means. The EDA is financially supported by the City of Mora, and is managed by an appointed Board of 7 Directors, with one seat reserved for a member of the City Council. The EDA does not provide services exclusively or almost exclusively to the City, therefore is considered a Component Unit of the City of Mora.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the activities of the City. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provided have been met.

City of Mora, Minnesota
Notes to Financial Statements
December 31, 2008

NOTE 1: Summary of Significant Accounting Policies (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be *available* if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, licenses and permits, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

The *general fund* is the government's primary operating fund and always reports as a major fund. It accounts for all financial resources of the City, except those required to be accounted for in another

Airport Eastside - 2007 - Debt Service - To account for revenues and expenditures related to the Airport Eastside project bonds.

Maple Avenue - 2005 - Debt Service - To account for revenues and expenditures, including tax collections and bond payments for the Maple Avenue East bonds.

In addition to funds that meet the major fund criteria, any other governmental or enterprise fund that the government's officials believe is particularly important to financial statement users (for example, because of public interest or consistency) are reported as a major fund.

The City reports the following major proprietary funds:

The *liquor fund* accounts for the operation of the City liquor store.

The *electric utility fund* accounts for the operation of the city owned electric utility system.

The *water utility fund* accounts for the operation of the City owned water utility system.

The *wastewater utility fund* accounts for the operations of the City owned waste water treatment plant.

City of Mora, Minnesota
Notes to Financial Statements
December 31, 2008

NOTE 1: Summary of Significant Accounting Policies(Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation(Continued)

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Government Auditing Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as needed.

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and investments

Cash balances from all funds are combined and invested to the extent available in authorized investments. Earnings from such investments are allocated to respective funds on the basis of applicable cash balance participation by each fund.

Investments are stated at fair value, based upon quoted market prices at the reporting.

Cash and cash equivalents for purposes of the general purpose financial statements includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the City.

2. Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

City of Mora, Minnesota
Notes to Financial Statements
December 31, 2008

NOTE 1: Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, and Net Assets or Equity (Continued)

2. Receivables and payables (Continued)

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available for appropriation and are not expendable available financial resources.

Property tax levies are set by the City Council in December in each year and are certified to Kanabec County for collection in the following year. In Minnesota, counties act as collection agents for all property taxes. The County spreads all levies over taxable property. Such taxes become a lien on January 1, of the following year, and are recorded as receivables by the City at that date. Revenues from property taxes are accrued and recognized in the year collectible, net of delinquencies.

Real property taxes may be paid by taxpayers in two equal installments on May 15 and October 15. Personal property taxes may be paid on February 28 and June 30. The County provides tax settlements to cities and other taxing districts normally during the months of January, June, and

Taxes which remain unpaid at December 31 are classified as delinquent taxes receivable. The net amount of delinquent taxes receivable are fully offset by deferred revenue in the governmental funds of the fund financial statements because they are not known to be available to finance current expenditures.

Special assessment:

Special assessment receivable - delinquent represent the past year of uncollected special assessments and is offset by deferred revenues. Special assessment receivable - deferred are those assessments for property owner improvements made by the City. These assessments are made at various times by City resolution and are collectible over period ranging from one to fifteen years and bear interest at 6% to 8% annually. These are also offset by deferred revenues.

Accounts receivable:

Based on historical collection experience, no allowance has been made for doubtful accounts. Accounts that are determined to be uncollectible are expensed during the period.

3. Inventory

Inventories of the Enterprise Funds are valued at cost (on the first in, first out method), or market, whichever is lower.

City of Mora, Minnesota
Notes to Financial Statements
December 31, 2008

NOTE 1: Summary of Significant Accounting Policies(Continued)

D. Assets, Liabilities, and Net Assets or Equity(Continued)

4. Restricted assets and prepaid items

Restricted assets are deposits held for specifically required purposes and are offset by fund balance reserve accounts.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

5. Capital assets

Capital assets which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as equipment with an initial individual cost of more the \$5,000 and land, buildings, improvements, and infrastructure with an individual cost more than \$25,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed, net of interest earned on the invested debt proceeds over the same period.

Property, plant, and equipment are capitalized when acquired, and depreciation is provided using the straight-line method applied over the following estimated useful lives of the assets.

<u>Assets</u>	<u>Useful Life in Years</u>
Land	Not depreciated
Buildings	40
Infrastructure	20-50
Other improvements	30
Machinery and equipment	5-15

6. Use of estimates

The preparation of financial statements in accordance with generally accepted accounting principles (GAAP) requires management to make estimates that affect amounts reported in the financial statements during the reporting period. Actual results could differ from such estimates.

City of Mora, Minnesota
Notes to Financial Statements
December 31, 2008

NOTE 1: Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, and Net Assets or Equity (Continued)

7. Other Payables

Vacation pay is recorded as an expenditure when earned in both the Governmental and Proprietary Fund Types. Vacation days may be accrued to one and one-half times annual vacation earned. Vacation pay increased from \$87,183 in 2007 to \$87,758 in 2008. Balances for 26 employees increased by \$11,889, while balances for 14 employees decreased by \$11,314. About \$61,780 of the compensated absences is due within one year.

Sick pay can be accumulated up to a maximum of one hundred days; however, current City policy is loss of sick pay upon termination of employment. Because of this fact, sick pay is recognized as an expenditure when payment is made. The amount of actual sick pay on an annual basis is nil.

8. Long-term obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are immaterial and are expensed in the year of bond issuance.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service

9. Fund equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

10. Comparative Data/Reclassification

No comparative data is presented for the prior year.

City of Mora, Minnesota
Notes to Financial Statements
December 31, 2008

Note 2: Stewardship, Compliance, and Accountability

A. Budgetary Information

1. Formal budgetary information is employed as a management control device during the year for the General Fund, Special Revenue (other than TIF funds), Debt Service and Utility Funds. Budgetary control for Capital Projects is accomplished through the use of project controls.
2. Budgets for the General and Special Revenue Funds (other than TIF funds), Debt Service, and Utility Funds are adopted annually on a basis consistent with generally accepted accounting principles.
3. The level of control is the fund.
4. All budgeted appropriations lapse at the end of the year.
5. The city's administrator may approve transfers between allowances within a fund's budget. The extent of such revision is not limited except that the fund's total budget may not be exceeded.

The City Council may increase the budget for expenditures of any fund as the city does not have any ordinances restricting increases. Budgets as adopted, however, are not automatically changed unless it has been demonstrated that a specific need exists and adequate funds are available.

City of Mora, Minnesota
Notes to Financial Statements
December 31, 2008

NOTE 3: Detailed Notes on All Funds

A. Deposits

In accordance with Minnesota Statutes, the City maintains deposits with national banks, insured state banks or thrift institutions as authorized by the City Council.

Balances at December 31, 2007 are as follows:

Peoples National Bank - Checking	\$ (8,931)
Kanabec State Bank - HiFi	100,935
Kanabec State Bank - HiFi	730,325
Wachovia & Smith Barney	5,478,450
Greater Minnesota Credit Union	96,736
Cash on Hand	2,100
Total Deposits	<u>\$ 6,399,615</u>

Minnesota Statutes requires that all City deposits be insured, secured by surety bond or collateralized, and the market value of collateral pledged must equal 110% of the deposits not covered by insurance or surety bonds.

Authorized collateral includes certain state or local government obligations and legal investments described in Section B. Minnesota Statutes also require that securities pledged as collateral be held in safekeeping by the Treasurer, or in a financial institution other than the institution furnishing the

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. The City's policy requires deposits to be 110 percent secured by collateral valued at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance (FDIC). Deposits of the City's reporting entity are insured or collateralized with securities held by the City, its agent, or by the pledging institution's trust department or agent in the name of the City or applicable

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally the City's investing activities are managed under the custody of the City Treasurer and the City Council in accordance with the city's investment policy. The City does not believe that either Credit risk or Interest rate risk pose a material risk.

City of Mora, Minnesota
Notes to Financial Statements
December 31, 2008

NOTE 3: Detailed Notes on All Funds (Continued)

B. Investments

The City is authorized by Minnesota Statutes to invest idle funds as follows:

- (a) Direct obligations or obligations guaranteed by the United States or its agencies.
- (b) Share of investment companies registered under the Federal Investment Company Act of 1940 and whose only investments are in securities described in (a) above.
- (c) General obligations of the State of Minnesota or its municipalities.
- (d) Bankers acceptances of United States banks eligible for purchase by the Federal Reserve System.
- (e) Commercial paper issued by United States corporations or their Canadian subsidiaries, of the highest quality, and maturing in 270 days or less.
- (f) Repurchase agreements with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a reporting dealer to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.
- (g) Money market funds with institutions that have portfolios consisting exclusively of United States Treasury obligations and Federal Agency issues.

City of Mora, Minnesota
Notes to Financial Statements
December 31, 2008

NOTE 3: Detailed Notes on All Funds(Continued)

C. Receivables

Receivables as of year end for the government's individual major funds and nonmajor funds in the aggregate are as follows:

	General	Debt Service	Municipal Liquor	Electric Utility	Water Utility	Wastewater Utility	Nonmajor and other Funds	Total
Receivables:								
Interest	\$ 5,023	\$ 596	\$ 3,410	\$ 30,741	\$ 8,755	\$ 9,767	\$ 7,856	\$ 66,148
Taxes-delinquent	38,868	4,209	--	--	--	--	10,590	53,667
Accounts	64,829	--	11,799	638,504	71,753	127,597	52,072	966,554
Special assessments	--	368,082	--	--	26,394	70,308	--	464,784
Intergovernmental	10,894	--	--	--	--	--	--	10,894
Loan receivable	<u>149,605</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>149,605</u>
Gross receivables	269,219	372,887	15,209	669,245	106,902	207,672	70,518	1,711,652
Less: allowance for *Uncollectibles	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net total receivables	<u>\$ 269,219</u>	<u>\$ 372,887</u>	<u>\$ 15,209</u>	<u>\$ 669,245</u>	<u>\$ 106,902</u>	<u>\$ 207,672</u>	<u>\$ 70,518</u>	<u>\$ 1,711,652</u>

* Based on historical collection experience no allowance has been made for doubtful accounts. Accounts that are determined to be uncollectible are expensed during the period.

City of Mora, Minnesota
Notes to Financial Statements
December 31, 2008

NOTE 3: Detailed Notes on All Funds (Continued)

D. Capital Assets

Capital assets activity for the year ended December 31, 2008 was as follows:

Governmental Activities	Beginning Balances	Increase	Decrease*	Ending Balances
Capital assets, not being depreciated:				
Land	\$ 1,447,461	\$ 60,973	\$ --	\$ 1,508,434
Construction in progress	--	--	--	--
Total capital assets, not being depreciated	<u>1,447,461</u>	<u>60,973</u>	<u>--</u>	<u>1,508,434</u>
Capital assets, being depreciated:				
Land Improvements	5,293,187	201,323	--	5,494,510
Buildings	3,177,251	171,419	--	3,348,670
Infrastructure	5,888,489	--	--	5,888,489
Machinery, Equipment, Vehicles	2,173,339	228,184	--	2,401,523
Total capital assets, being depreciated	<u>16,532,266</u>	<u>600,926</u>	<u>--</u>	<u>17,133,192</u>
Less: accumulated depreciation for:				
Land Improvements	1,689,315	146,980	--	1,836,295
Buildings	766,226	62,569	--	828,795
Infrastructure	2,821,666	115,229	--	2,936,895
Machinery, Equipment, Vehicles	1,093,504	99,476	--	1,192,980
Total accumulated depreciation	<u>6,370,711</u>	<u>424,254</u>	<u>--</u>	<u>6,794,965</u>
Total capital assets, being depreciated, net	<u>10,161,555</u>	<u>176,672</u>	<u>--</u>	<u>10,338,227</u>
Governmental activities capital assets, net	<u>\$ 11,609,016</u>	<u>\$ 237,645</u>	<u>\$ --</u>	<u>\$ 11,846,661</u>

* Assets which were sold, traded in, or junked were removed.

City of Mora, Minnesota
Notes to Financial Statements
December 31, 2008

NOTE 3: Detailed Notes on All Funds (Continued)

D. Capital Assets (Continued)

<u>Business - Type Activities</u>	<u>Beginning Balances</u>	<u>Increase</u>	<u>Decrease*</u>	<u>Ending Balances</u>
Capital assets, not being depreciated:				
Land	\$ 233,662	\$ --	\$ --	\$ 233,662
Total capital assets, not being depreciated	<u>233,662</u>	<u>--</u>	<u>--</u>	<u>233,662</u>
Capital assets, being depreciated:				
Buildings	2,685,722	16,840	--	2,702,562
Other Improvements	11,261,691	12,275	582,413	10,691,553
Equipment and fixtures	<u>5,077,336</u>	<u>32,757</u>	<u>1,092</u>	<u>5,109,001</u>
Total capital assets, being depreciated	<u>19,024,749</u>	<u>61,872</u>	<u>583,505</u>	<u>18,503,116</u>
Less: accumulated depreciated for:				
Buildings	1,289,300	68,919	--	1,358,219
Other Improvements	2,947,803	422,593	--	3,370,396
Equipment and fixtures	<u>3,765,668</u>	<u>151,256</u>	<u>1,259</u>	<u>3,915,665</u>
Total accumulated depreciation	<u>8,002,771</u>	<u>642,768</u>	<u>1,259</u>	<u>8,644,280</u>
Total capital assets being depreciated, net	<u>11,021,978</u>	<u>(580,896)</u>	<u>582,246</u>	<u>9,858,836</u>
Business - type activities capital assets, net	<u>\$ 11,255,640</u>	<u>\$ (580,896)</u>	<u>\$ 582,246</u>	<u>\$ 10,092,498</u>

Depreciation expense was charged to functions/programs as follows:

<u>Governmental Activities</u>	
General government	\$ 25,455
Public safety	80,608
Public works	292,735
Culture and recreation	12,728
Cemetery	4,243
Miscellaneous	8,485
Total depreciation expense - governmental activities	<u>\$ 424,254</u>
<u>Business - Type Activities</u>	
Electric utility	\$ 228,636
Water utility	169,542
Wastewater utility	234,518
Liquor	10,072
Total depreciation expense - business - type activities	<u>\$ 642,768</u>

* Assets which were sold, traded-in, or junked were removed.

City of Mora, Minnesota
Notes to Financial Statements
December 31, 2008

NOTE 3: Detailed Notes on All Funds (Continued)

E. Interfund receivables, payables, and transfers

There were no balances due to or from other funds at December 31, 2008.

Interfund transfers:

	General Fund	Capital Projects	Nonmajor Governmental	Total
Transfer out:				
General fund	\$ --	\$ 22,901	\$ 30,000	\$ 52,901
Nonmajor governmental funds	--	630,342	127,714	758,056
Enterprise funds	270,000	--	20,000	290,000
Total transfers out	<u>\$ 270,000</u>	<u>\$ 653,243</u>	<u>\$ 177,714</u>	<u>\$ 1,100,957</u>

The following is a general description of the interfund transfers:

General Fund:

Transfers from the general fund were completed to fund various programs accounted for in other funds in accordance with budgetary authorization.

Enterprise Funds:

Transfers from the enterprises funds were completed to fund economic development activities and reduce property tax rates.

F. Long-Term Debt

General Obligation Bonds

The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. The original amount of general obligation bonds issued in prior years was \$10,275,000.

City of Mora, Minnesota
Notes to Financial Statements
December 31, 2008

NOTE 3: Detailed Notes on All Funds (Continued)

F. Long-Term Debt (Continued)

General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as 15 to 40 -year bonds with amounts of principal maturing each year. General obligation bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Governmental Activities	2.5 - 6.2%	\$ 1,015,000
Governmental Activities	4.00%	1,405,000
Governmental Activities	4.00%	969,495
Business Type - refunding	3.0 - 5.125	735,000
Business Type Activities	--	1,917,000
Business Type Activities	--	415,505
Total		<u>\$ 6,457,000</u>

Annual debt service requirements to maturity for general obligation bonds are as follows:

<u>Year Ending</u> <u>December 31</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2009	\$ 201,755	\$ 125,864	\$ 282,245	\$ 126,501
2010	196,159	123,104	293,841	110,039
2011	205,536	116,647	305,464	99,698
2012	214,886	109,710	51,114	93,066
2013	219,205	102,344	53,795	90,219
2014-2018	1,184,704	365,086	299,296	425,918
2019-2023	627,476	174,344	369,524	354,942
2024-2028	539,774	51,785	434,226	269,715
2029-2033	--	--	240,000	188,366
2034-2038	--	--	294,000	132,964
2039-2043	--	--	362,000	64,892
2044-2045	--	--	82,000	3,486
Total	<u>\$ 3,389,495</u>	<u>\$ 1,168,884</u>	<u>\$ 3,067,505</u>	<u>\$ 1,959,806</u>

Revenue Bonds

The government also issues bonds where the government pledges income derived from the acquired or constructed assets to pay debt service. Revenue bonds have been issued for business-type activities. The original amount for G.O. water revenue bonds issued in prior years was \$1,615,000 to both expand existing wastewater treatment facilities and construct additional facilities. Revenue bonds outstanding at year end are as follows:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Amount</u>
Water & Sewer	4.250%	\$ 1,562,000
Water & Sewer	4.000%	\$ 355,000

Revenue bond debt service requirements to maturity are as follows:

<u>Year Ending</u> <u>December 31</u>	<u>Principal</u>	<u>Interest</u>
2008	\$ 1,917,000	\$ 1,672,990

City of Mora, Minnesota
Notes to Financial Statements
December 31, 2008

NOTE 3.: Detailed Notes on All Funds(Continued)

F. Long-Term Debt (Continued)

The following is a summary of the following changes in long-term debt obligations for the year ended December 31, 2008:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
GOVERNMENTAL ACTIVITIES					
General obligation bonds					
G.O. Fire Station Bonds	\$ 1,090,000	\$ --	\$ 75,000	\$ 1,015,000	\$ 75,000
G.O. Bond, Series 2006A	1,470,000	--	65,000	1,405,000	75,000
G.O. Bonds, Series 2008A	--	969,495	--	969,495	51,755
Total general obligation bonds-					
Governmental activities long-term liabilities	<u>\$ 2,560,000</u>	<u>\$ 969,495</u>	<u>\$ 140,000</u>	<u>\$ 3,389,495</u>	<u>\$ 201,755</u>
BUSINESS - TYPE ACTIVITIES					
G.O. Water & sewer revenue bonds	365,000	--	10,000	355,000	15,000
G.O. Water & sewer revenue bonds	1,580,000	--	18,000	1,562,000	19,000
G.O. Refunding Bonds, Series 2003B	965,000	--	230,000	735,000	235,000
G.O. Bonds, Series 2008A	--	415,505	--	415,505	13,245
Total bonds payable Business -					
type activities long-term liabilities	<u>\$ 2,910,000</u>	<u>\$ 415,505</u>	<u>\$ 258,000</u>	<u>\$ 3,067,505</u>	<u>\$ 282,245</u>

G. Restricted Assets

Restricted assets are deposits held for specifically required purposes and are offset by fund balance reserve accounts. Balances at December 31, 2008, and descriptions are as follows:

<u>Governmental Funds</u>	
Special Revenue - Cemetery	\$ 100,314
<u>Enterprise Funds - Unrestricted, Designated</u>	
Liquor	219,251
Electric Utility	550,565
Water Utility	719,142
Wastewater Utility	536,863
Total	<u>\$ 2,126,135</u>

H. Tax Increment Financing

Pursuant to Minnesota Statutes (Section 469.175, Subd. 6) the City is required to disclose information relating to its tax increment districts.

The City of Mora is the administering authority for the following tax increment financing districts: Redevelopment Districts No. 1-7, No. 2-10, and No. 2-2; Housing District No. 1-8, and Tax Increment Financing Districts No. 1-11, and No. 1-9. Administrative authority for Tax Increment Financing Districts No. 1-12 and No. 1-13 are pending City Council approval.

1. Redevelopment District No. 1-7 within Development District No. 1 (EPC)

Redevelopment Tax Increment Financing District No. 1-7 established June 21, 1994 under authority of Minnesota Statutes 469.174 Subdivision 10 (a)(1) is a redevelopment district within the Development District No. 1. The duration of the district is 22 years to December 31, 2017.

City of Mora, Minnesota
Notes to the Financial Statements
December 31, 2008

NOTE 3: Detailed Notes on All Funds (Continued)

H. Tax Increment Financing (Continued)

The City, on November 19, 1996, elected to make a contribution of unrestricted funds to pay project costs equal to or in excess of 5% of the tax increment revenues granted from the district for the purpose of exempting the City from any Local Government Aid/Homestead and Agricultural Credit Aid penalty provisions otherwise applicable pursuant to Minnesota Statutes Section 273.1399

Certification Request Date	06/23/1994
Year First Increment Received	1996
Date of Required Decertification	12/31/2017
Tax Increment Revenue - 2008	\$ 15,342
Current Net Tax Capacity	59,218
Original Net Tax Capacity	45,564
Captured Net Tax Capacity	13,654
Captured Net Tax Capacity shared with other taxing jurisdictions	--
Captured Tax Capacity retained by authority	13,654
Financial Obligations:	
Limited Revenue Note – Original Obligation	1,044,887
Outstanding Revenue Note at 12-31-08	1,044,887

2. Redevelopment District No. 1-11 (Kanabec State Bank)

Redevelopment District No. 1-11 was established in 2006 within Development District No. 1 under the authority of Minnesota Statutes 273.73, Subdivision 10, paragraph (a) (1).

Certification Request Date	10/03/06
Year First Increment Received	N/A
Date of Required Decertification	N/A
Tax Increment Revenue - 2008	\$ --
Current Net Tax Capacity	N/A
Original Net Tax Capacity	N/A
Captured Net Tax Capacity	N/A
Captured Net Tax Capacity shared with other taxing jurisdictions	N/A
Captured Tax Capacity retained by authority	N/A

City of Mora, Minnesota
Notes to Financial Statements
December 31, 2008

NOTE 3: Detailed Notes on All Funds (Continued)

H. Tax Increment Financing (Continued)

3. Redevelopment District No. 2-2 (Intrepid)

Redevelopment Tax Increment Financing District No. 2-2 is a redevelopment district established in 1995 within Development District No. 2 under the authority of Minnesota Statutes 469.174, Subdivision (10)(a)(1). The duration of the district is 25 years.

Certification Request Date	04/26/1995
Year First Increment Received	2000
Date of Required Decertification	12/31/2025
Tax Increment Revenue - 2008	\$ 48,864
Current Net Tax Capacity	44,064
Original Net Tax Capacity	750
Captured Net Tax Capacity	43,314
Captured Net Tax Capacity shared with other taxing jurisdictions	--
Captured Tax Capacity retained by authority	43,314
Financial Obligations:	
Limited Revenue Note – Original Obligation	772,000
Outstanding Revenue Note 12-31-08	827,333

4. Tax Increment Financing District No. 1-8 within Development District No. 1 (Torborg)

Tax Increment Financing District No. 1-8, a housing district within Development District No. 1, was established January 5, 1999 under authority of Minnesota Statutes, Section 469.124 through 469.134 and 469.174 through 469.179, all inclusive, as amended. The duration of the district is 25 years to December 31, 2026.

The City has elected to make a qualifying contribution in accordance with Minnesota Statutes, Section 273.1399, subdd 6 (d) in order to qualify District No. 1-8 for exemption from state aid losses as set forth in Section 273.139.

Certification Request Date	03/03/99
Year First Increment Received	2001
Date of Required Decertification	12/31/2026
Tax Increment Revenue - 2008	\$ 12,765
Current Net Tax Capacity	11,448
Original Net Tax Capacity	25
Captured Net Tax Capacity	11,423
Captured Tax Capacity shared with other taxing jurisdictions	--
Captured Tax Capacity retained by authority	11,423
Financial Obligations:	
Limited Revenue Note – Original Obligation	152,107
Outstanding Revenue Note 12-31-08	152,107

City of Mora, Minnesota
Notes to Financial Statements
December 31, 2008

NOTE 3: Detailed Notes on All Funds (Continued)

H, Tax Increment Financing (Continued)

5. Tax Increment Financing District No. 1-9 within Development District No. 1 (Northcrest)

Tax Increment Financing District No. 1-9, a qualified housing district within Development District No. 1 was established March 6, 2001 under authority of Minnesota Statutes 469.124 through 469.134, inclusive, as amended, and M.S. Section 469.174 through 469.179, inclusive, as amended. The Duration of the district is 15 years from the receipt of the first tax increment.

Certification Request Date	06/27/2001
Year First Increment Received	2003
Date of Required Decertification	12/31/2017
Tax Increment Revenue - 2008	\$ 13,344
Current Net Tax Capacity – estimated upon completion	11,969
Original Net Tax Capacity	89
Captured Net Tax Capacity – estimated upon completion	11,880
Captured Tax Capacity, shared with other taxing jurisdictions	--
Captured Tax Capacity retained by authority – estimated upon completion	11,880

6. Tax Increment Financing District No. 2-10 (Kanabec Hospital)

Tax Increment Financing District No. 2-10 was established in 2001 under the authority of Minnesota Statutes 469.174, Subdivision 10. The duration of the district is 25 years after receipt of the first increment.

Certification Request Date	06/29/2001
Year First Increment Received	N/A
Date of Required Decertification	12/31/2028
Tax Increment Revenue-2008	\$ 45,103
Current Net Tax Capacity	44,456
Original Net Tax Capacity	4,714
Captured Net Tax Capacity	39,742
Captured Net Tax Capacity shared with other taxing jurisdiction	--
Captured Tax Capacity retained by authority	39,742
Financial Obligations:	
Limited Revenue Note-Original Obligation	700,000
Outstanding Revenue Note at 12/31/2008	531,187

City of Mora, Minnesota
Notes to Financial Statements
December 31, 2008

NOTE 3: Detailed Notes on All Funds (Continued)

I. Electric Utility Rate Stabilization

A rate stabilization program was established in 1984 by setting aside excess cash reserves, shown each year as a non-operating expense on the Statement of Revenues and Expenses, to be used at a later date to minimize the effect of wholesale rate increases.

J. Contingencies and Commitments

In connection with the normal conduct of its affairs, the City is involved in various claims or litigations. It is the opinion of the City attorney that the final settlement of these matters will not materially affect the financial statements of the City.

The City participates in a number of federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

K. Electric Utility Commitments

The Public Utilities Commission purchases power from Southern Minnesota Municipal Power Agency (SMMPA) under a power sales contract which extends to April 1, 2030. Under the terms of the contract, the Commission is obligated to buy all the electrical power and energy needed to operate the electric utilities through the term of the contract. In addition, on January 1, 1995, the Public Utilities Commission entered into a Capacity Purchase Agreement with SMMPA, whereby SMMPA is entitled to the exclusive use of the net electric generating capability of the Diesel Generating Facilities and the electric energy associated therewith. The agreement can be cancelled by either party upon a five-year notice. Under the terms of the agreement, SMMPA is responsible for all costs associated with operations, maintenance, repairs, and liabilities of operating the Diesel Generating Facilities.

City of Mora, Minnesota
Notes to Financial Statements
December 31, 2008

Note 3: Detailed Notes on All Funds(Continued)

M. Risk Management - Claims and Judgments

Significant losses are covered by commercial insurance for all major programs. These programs are life, health, property and liability, workers' compensation, unemployment, and disability. For insured programs there have been no significant reductions in insurance coverage. Settlement amounts, if any, have not exceeded insurance coverage for the current year or the three prior years.

N. Excess of Expenditures over Appropriations

Expenditures exceeded appropriations in certain individual funds for the year ended December 31, 2008 as follows:

	<u>Expenditures</u>	<u>Appropriations</u>	<u>Over</u>
General Fund	\$ 2,380,288	\$ 2,085,852	\$ 294,436
Special Revenue Funds:			
Cemetery	59,957	49,701	10,256
ED Revolving loan	25,528	3,023	22,505
TIF 1-14 HRA/Nelson	15,480	--	15,480
Capital Projects:			
City Hall Improvements	440	--	440
Airport Land Acquisition	27,473	46	27,427
Airport Construction	144,934	--	144,934
East Side Utility	73,805	4,161	69,644
Howe Ave. Reconstruction	186,730	--	186,730
Downtown Feed Mill	172,894	1,725	171,169
Street Construction 2008	51,972	--	51,972
Airport Kastenbauer	178,373	1,750	176,623
Police Station	46,859	--	46,859
Debt Service:			--
Maple Avenue	78,770	67,602	11,168

City of Mora, Minnesota
Notes to Financial Statements
December 31, 2008

NOTE 3: Detailed Notes on All Funds(Continued)

O. Defined Benefit Pension Plan - Statewide

1. Public Employees Retirement Association

a. Plan Description

All full-time and certain part-time employees of the City are covered by defined benefit plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the Public Employees Retirement Fund (PERF) which is a cost-sharing multiple-employer retirement plan. The plan is established and administered in accordance with Minnesota Statutes, Chapters 353 and 356.

PERF members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by *social security* and Basic members are not. All new members must participate in the Coordinated Plan.

PERA provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by state statute, and vest after three years of credited service. The defined retirement benefits are based on a member's average salary for any five successive years of allowable service, age, and years of credit at termination of service.

Two methods are used to compute benefits for Coordinated and Basic Plan members. The retiring member receives the higher of step-rate benefit accrual formula (*Method 1*) or a level accrual formula (*Method 2*). Under *Method 1*, the annuity accrual rate for a Basic member is 2.2 percent of average salary for each of the first 10 years of service and 2.7 percent for each remaining year. For a Coordinated Plan member, the annuity accrual rate is 1.2 percent of average salary for each of the first 10 years and 1.7 percent for each remaining year. Using *Method 2*, the annuity accrual rate is 2.7 percent of average salary for Basic Plan members and 1.7 percent for Coordinated Plan members for each year of service. For all PERF members whose annuity is calculated using *Method 1*, a full annuity is available when age plus years of service equal 90. A reduced retirement annuity is also available to eligible members seeking early retirement.

There are different types of annuities available to members upon retirement. A normal annuity is a lifetime annuity that ceases upon the death of the retiree--no survivor annuity is payable. There are also various types of joint and survivor annuity options available which will reduce the monthly normal annuity amount, because the annuity is payable over joint lives. Members may also leave their contributions in the fund upon termination of public service, in order to qualify for a deferred annuity at retirement age. Refunds of contributions are available at any time to members who leave public service, but before retirement benefits begin.

City of Mora, Minnesota
Notes to Financial Statements
December 31, 2008

NOTE 3: Detailed Notes on All Funds (Continued)

O. Defined Benefit Pension Plan - Statewide (Continued)

1. Public Employees Retirement Association (Continued)

a. Plan Description (Continued)

The benefit provisions stated in the previous paragraphs of this section are current provisions and apply to active plan participants. Vested, terminated employees who are entitled to benefits but are not receiving them yet are bound by the provisions in effect at the time they last terminate their public service.

PERA issues a publicly available financial report that included financial statements and required supplementary information for PERF. That report may be obtained by writing to:

PERA
514 St. Peter Street #200
St. Paul, Minnesota 55102
651-296-7460
800-652-9026

b. Funding Policy

Minnesota Statutes Chapter 353 set the rates for employer and employee contributions. These statutes are established and amended by the state legislature. The City makes annual contributions to the pension plans equal to the amount required by state statutes. PERF Basic Plan members and Coordinated Plan members are required to contribute 9.1% and 5.1%, respectively, of their annual covered salary. PERF members are required to contribute 5.83% of their annual covered salary. The City of Mora is required to contribute the following percentages of annual covered payroll: 11.78% for Basic Plan PERF members, 6.5% for Coordinated Plan PERF members, and 9.3% for PEPFF members. The City's contributions to the Public Employees Retirement Fund for the years ending December 31, 2008, 2007, and 2006 were \$77,853, \$74,787, and \$63,361 respectively. The City's contributions to the public Employees Police and Fire Fund for the years ending December 31, 2008, 2007 and 2006 were \$-0-, \$-0- and \$-0-, respectively. The City's contributions were equal to the contractually required contributions for each year set by state statute.

2. Mora Firefighters Relief Association

a. Plan Description

Members of the Mora Volunteer Fire Department are covered by a lump sum pension benefit or defined contribution plan. The Association administers this lump sum pension. Since this is a volunteer fire department, no salaries are involved.

All active volunteer firemen are covered. Minimum requirements for service pension are retirement age 50, an active member of the volunteer fire department for 10 years and an active member of the Association for 10 years. Minnesota state law controls the amount of pension and the handling and disbursement of these funds.

City of Mora, Minnesota
Notes to Financial Statements
December 31, 2008

NOTE 3: Detailed Notes on All Funds(Continued)

O. Defined Benefit Pension Plan - Statewide(Continued)

2. Mora Firefighters Relief Association(Continued)

b. Related Party Transactions

During 2008, and as of December 2008, the Association held no securities by the city or other related parties.

c. Contributions

The total lump sum benefit for the 27 members as of December 31, 2008 was \$656,701. Pension assets totaled \$705,969. Members do not contribute to the plan. Funding comes from 2% state aid and interest earnings on investments. During 2008 the state aid received by the Fire Relief was \$41,755.

NOTE 4: Deficit Fund Balances

The following nonmajor funds had deficit fund balances at December 31, 2008:

Special Revenue Funds:

TIF 1-11 Kanabec State Bank	\$ (34,300)
TIF 1-12 Industrial	(6,262)
TIF 1-13 Dalbec	(2,180)
TIF 1-14 HRA/Nelson	(15,480)

Capital Project Funds:

Howe Avenue Reconstruction	(229,917)
Downtown Feed Mill Redevelopment	(171,169)
Street Reconstruction 2008	(51,972)
Airport Kastenbauer House	(176,623)
Police Station	(46,859)

City of Mora, Minnesota
COMBINING AND INDIVIDUAL
FUND STATEMENTS AND SCHEDULES
NON-MAJOR GOVERNMENTAL FUNDS
December 31, 2008

Special Revenue Funds

Storm Water Utility Fund - To account for revenues and expenditures related to storm water activities.

Cemetery Fund - To account for revenues and expenditures related to the cemetery.

Economic Development Revolving Loan Fund - To account for funds acquired and loaned to local businesses for economic development.

TIF 1-7 EPC Fund - To account for revenues and expenditures, including tax increments received and distributed for Engineered Polymers' economic development project.

TIF 2-2 Intrepid Fund - To account for revenues and expenditures, including tax increments received and distributed for Intrepid's Senior Housing project.

TIF 1-8 Torborg Fund - To account for revenues and expenditures, including tax increments received and distributed for Torborg's housing project.

TIF 1-9 CMHP Fund - To account for revenues and expenditures, including tax increments received and distributed for Central Minnesota Housing Partnership's low income apartment development.

TIF 2-10 Clinic Fund - To account for revenues and expenditures, including tax increments received and distributed for Kanabec Hospital's clinic expansion.

TIF 1-11 KSB Fund - To account for revenues and expenditures, including tax increments received and distributed for Kanabec State Bank's building project and for Highway 23 improvements.

TIF 1-12 Industrial Park - To account for revenues and expenditures, including tax increments received and distributed for Industrial Park expansion.

TIF 1-13 Dalbec - To account for revenues and expenditures, including tax increments received and distributed for Dalbec project.

TIF 1-14 HRA Fund - To account for the revenue and expenses, including tax increments received and distributed for a senior complex.

Capital Project Funds

Future Fire Equipment Fund - To establish a fund for future purchases of fire fighting equipment.

Future Improvements Fund - To establish a fund for future purchases of capital assets.

City Hall Improvements - To account for revenues and expenditures related to the city hall improvements.

Airport Land Acquisition Fund - To account for revenues and expenditures related to land acquisition for the runway extension project.

Airport Environmental Assessment Fund - To account for the revenues and expenditures related to the environmental assessment for the runway extension project.

Airport Construction 2006 Fund - To account for the revenue and expenses related to the runway extension project.

Capital Projects Funds - (Continued)

Highway 23 East Fund - To account for revenues and expenditures related to the frontage road improvements along Highway 23 East.

East Side Utility Extension Fund - To account for the revenues and expenses related to the extension of sewer services to accept effluent from the City of Quamba

HRA Senior Campus Fund - To account for revenues and expenses related to the HRA's Senior Housing development along Hwy 23 East.

2007 Street Reconstruction Fund - To account for revenues and expenditures related to the 2007 street reconstruction project.

Howe Avenue Fund - To account for revenues and expenditures related to the 2008 water and sewer project.

Downtown Feed Mill Fund - To account for revenue and expenses related to the feed mill acquisition and demolition project.

2008 Street Construction Fund - To account for revenue and expenses related to the 2008 Street Reconstruction Project.

Airport Kastenbauer House Fund - To account for revenue and expenses related to the purchase of a house and 2 acres for future airport expansion.

Police Station Fund - To account for revenue and expenses related to the police station building project.

Debt Service Funds

Wastewater Facility Fund - To account for revenues and expenditures, including tax collections and bond payments for the 2003 Wastewater Refunding Bonds.

1996 Maple Avenue Improvements Fund - To account for revenues and expenditures, including tax collections and bond payments for the 1996 Maple Avenue West improvements.

2003 Street Reconstruction Fund - To account for revenues and expenditures, including tax collections and bond payments for the 2003 street reconstruction bonds.

2003 Fire Station Fund - To account for revenues and expenditures, including tax collections and bond payments for the 2003 Fire Station bonds.

2004 Street Project Fund - To account for revenues and expenditures, including tax collections and bond payments for the 2004 Street Reconstruction bonds.

2006 Street Reconstruction Fund - To account for revenues and expenditures, including tax collections and bond payments for the 2006 Street Reconstruction bonds.

City of Mora, Minnesota
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2008

	Special Revenue Funds			
	Storm Water Utility	Cemetery Fund	ED Revolving Loan	TIF 1-7 EPC
ASSETS				
Cash and investments	\$ 43,209	\$ 25,112	\$ 51,547	\$ 6,166
Accounts receivable	2,820	650	48,602	--
Interest receivable	--	994	403	--
Taxes receivable - delinquent	--	--	--	--
Special assessments receivable -				
Delinquent	--	--	--	--
Due from other funds	--	--	--	--
Due from other governments	--	--	--	--
Note receivable	--	--	--	--
Prepaid insurance	--	685	--	--
Total Current Assets	<u>46,029</u>	<u>27,441</u>	<u>100,552</u>	<u>6,166</u>
Restricted Assets:				
Cash and investments	--	100,314	--	--
Total Restricted Assets	<u>--</u>	<u>100,314</u>	<u>--</u>	<u>--</u>
Total Assets	<u>\$ 46,029</u>	<u>\$ 127,755</u>	<u>\$ 100,552</u>	<u>\$ 6,166</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Cash in bank - overdraft	\$ --	\$ --	\$ 28,489	\$ --
Accounts payable	--	--	--	--
Due to other funds	--	--	--	--
Deferred revenue	--	--	--	--
Total liabilities	<u>--</u>	<u>--</u>	<u>28,489</u>	<u>--</u>
Fund Balances:				
Reserved for debt service	--	--	--	--
Reserved for other purposes	--	100,314	--	--
Unreserved	46,029	27,441	72,063	6,166
Total fund balances	<u>46,029</u>	<u>127,755</u>	<u>72,063</u>	<u>6,166</u>
Total liabilities and fund balances	<u>\$ 46,029</u>	<u>\$ 127,755</u>	<u>\$ 100,552</u>	<u>\$ 6,166</u>

Special Revenue Funds

TIF 2-2 Intrepid	TIF 1-8 Torborg	TIF 1-9 CMHP	TIF 2-10 Clinic	TIF 1-11 KSB
\$ 9,868	\$ 3,176	\$ 12	\$ 317	\$ --
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
9,868	3,176	12	317	--
--	--	--	--	--
--	--	--	--	--
\$ 9,868	\$ 3,176	\$ 12	\$ 317	\$ --
\$ --	\$ --	\$ --	\$ --	\$ 34,300
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	34,300
--	--	--	--	--
--	--	--	--	--
9,868	3,176	12	317	(34,300)
9,868	3,176	12	317	(34,300)
\$ 9,868	\$ 3,176	\$ 12	\$ 317	\$ --

TIF 1-12 Industrial	TIF 1-13 Dalbec	TIF 1-14 HRA/Nelson	Total
\$ --	\$ --	\$ --	\$ 139,407
--	--	--	52,072
--	--	--	1,397
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	685
--	--	--	193,561
--	--	--	100,314
--	--	--	100,314
\$ --	\$ --	\$ --	\$ 293,875
\$ 6,262	\$ 2,180	\$ 11,480	\$ 82,711
--	--	4,000	4,000
--	--	--	--
--	--	--	--
6,262	2,180	15,480	86,711
--	--	--	--
--	--	--	100,314
(6,262)	(2,180)	(15,480)	106,850
(6,262)	(2,180)	(15,480)	207,164
\$ --	\$ --	\$ --	\$ 293,875

City of Mora, Minnesota
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2008

Form E-1
(Continued)

	Capital Projects Funds			
	Future Fire Equipment	Future Improvements	City Hall Improvements	Airport Land Acquisition
ASSETS				
Cash and investments	\$ 154,071	\$ 375,624	\$ 1,409	\$ --
Accounts receivable	--	--	--	--
Interest receivable	1,112	3,221	--	--
Taxes receivable - delinquent	--	--	--	--
Special assessments receivable - Delinquent	--	--	--	--
Due from other funds	--	--	--	--
Due from other governments	--	--	--	--
Note receivable	--	--	--	--
Prepaid insurance	--	--	--	--
Total Current Assets	<u>155,183</u>	<u>378,845</u>	<u>1,409</u>	<u>--</u>
Restricted Assets:				
Cash and investments	--	--	--	--
Total Restricted Assets	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total assets	<u>\$ 155,183</u>	<u>\$ 378,845</u>	<u>\$ 1,409</u>	<u>\$ --</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Cash in bank - overdraft	\$ --	\$ --	\$ --	\$ --
Accounts payable	--	--	--	--
Due to other funds	--	--	--	--
Deferred revenue	--	--	--	--
Total liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balances:				
Reserved for debt service	--	--	--	--
Reserved for other purposes	--	--	--	--
Unreserved	155,183	378,845	1,409	--
Total fund balances	<u>155,183</u>	<u>378,845</u>	<u>1,409</u>	<u>--</u>
Total liabilities and fund balances	<u>\$ 155,183</u>	<u>\$ 378,845</u>	<u>\$ 1,409</u>	<u>\$ --</u>

Capital Projects Funds					
Airport Environmental Assessment	Airport Construction 2006	Highway 23-65	East Side Utility Extension	HRA Senior Campus	Street Reconstruction 2007
\$ --	\$ --	\$ 123,596	\$ --	\$ --	\$ --
--	--	--	--	--	--
--	--	965	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	124,561	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
\$ --	\$ --	\$ 124,561	\$ --	\$ --	\$ --
\$ --	\$ --	\$ 12,194	\$ --	\$ --	\$ --
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	12,194	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	112,367	--	--	--
--	--	112,367	--	--	--
\$ --	\$ --	\$ 124,561	\$ --	\$ --	\$ --

Capital Projects Funds					
Howe Avenue Reconstruction	Downtown Feed Mill Redevelopment	Street Construction 2008	Airport Kastenbauer House	Police Station	Total
\$ --	\$ --	\$ --	\$ --	\$ --	\$ 654,700
--	--	--	--	--	--
--	--	--	--	--	5,298
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	659,998
--	--	--	--	--	--
--	--	--	--	--	--
\$ --	\$ --	\$ --	\$ --	\$ --	\$ 659,998
\$ 229,917	\$ 171,169	\$ 51,972	\$ 176,623	\$ 46,859	\$ 688,734
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
229,917	171,169	51,972	176,623	46,859	688,734
--	--	--	--	--	--
--	--	--	--	--	--
(229,917)	(171,169)	(51,972)	(176,623)	(46,859)	(28,736)
(229,917)	(171,169)	(51,972)	(176,623)	(46,859)	(28,736)
\$ --	\$ --	\$ --	\$ --	\$ --	\$ 659,998

City of Mora, Minnesota
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2008

Form E-1
(Continued)

	Debt Service Funds			
	G.O. Waste Water Facility	West Maple Avenue	Street Construction 2003	Fire Station 2003
ASSETS				
Cash and investments	\$ 3,000	\$ 6,951	\$ 1,110	\$ 121,122
Accounts receivable	--	--	--	--
Interest receivable	--	--	--	600
Taxes receivable - delinquent	456	136	376	5,272
Special assessments receivable - Delinquent	--	--	--	--
Due from other funds	--	--	--	--
Due from other governments	--	--	--	--
Note receivable	--	--	--	--
Prepaid insurance	--	--	--	--
Total Current Assets	<u>3,456</u>	<u>7,087</u>	<u>1,486</u>	<u>126,994</u>
Restricted Assets:				
Cash and investments	--	--	--	--
Total Restricted Assets	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total assets	<u>\$ 3,456</u>	<u>\$ 7,087</u>	<u>\$ 1,486</u>	<u>\$ 126,994</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Cash in bank - overdraft	\$ --	\$ --	\$ --	\$ --
Accounts payable	--	--	--	--
Due to other funds	--	--	--	--
Deferred revenue	456	137	376	4,876
Total liabilities	<u>456</u>	<u>137</u>	<u>376</u>	<u>4,876</u>
Fund Balances:				
Reserved for debt service	3,000	6,950	1,110	122,118
Reserved for other purposes	--	--	--	--
Unreserved	--	--	--	--
Total fund balances	<u>3,000</u>	<u>6,950</u>	<u>1,110</u>	<u>122,118</u>
Total liabilities and fund balances	<u>\$ 3,456</u>	<u>\$ 7,087</u>	<u>\$ 1,486</u>	<u>\$ 126,994</u>

Street Construction 2004	Street Construction 2006	Total	Total Nonmajor Governmental Funds
\$ 21,934	\$ 54,938	\$ 209,055	\$ 1,003,162
--	--	--	52,072
154	407	1,161	7,856
1,606	2,744	10,590	10,590
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	685
23,694	58,089	220,806	1,074,365
--	--	--	100,314
--	--	--	100,314
\$ 23,694	\$ 58,089	\$ 220,806	\$ 1,174,679
\$ --	\$ --	\$ --	\$ 771,445
--	--	--	4,000
--	--	--	--
1,483	2,505	9,833	9,833
1,483	2,505	9,833	785,278
22,211	55,584	210,973	210,973
--	--	--	100,314
--	--	--	78,114
22,211	55,584	210,973	389,401
\$ 23,694	\$ 58,089	\$ 220,806	\$ 1,174,679

City of Mora, Minnesota
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2008

	Special Revenue Funds			
	Storm Water Utility	Cemetery Fund	ED Revolving Loan	TIF 1-7 EPC
REVENUES				
Property taxes	\$ --	\$ --	\$ --	\$ --
Tax increments	--	--	--	15,342
Special assessments	--	--	--	--
Charges for services	30,454	43,475	--	--
Intergovernmental revenue	--	--	--	--
Interest earnings	--	5,166	200	--
Miscellaneous -				
Contributions	--	--	--	--
Other	--	1,060	2,823	--
Total revenues	<u>30,454</u>	<u>49,701</u>	<u>3,023</u>	<u>15,342</u>
EXPENDITURES				
Public works	2,194	--	--	--
Cemetery	--	59,957	--	--
Housing development	--	--	--	--
Economic development	--	--	25,528	15,320
Debt service	--	--	--	--
Capital projects	--	--	--	--
Total expenditures	<u>2,194</u>	<u>59,957</u>	<u>25,528</u>	<u>15,320</u>
Excess (deficiency) of revenues over (under) expenditures	28,260	(10,256)	(22,505)	22
OTHER FINANCING SOURCES (USES)				
Proceeds from long-term debt	--	--	--	--
Transfers in	--	11,472	--	--
Transfers out	(10,000)	(4,500)	--	--
Total other financing sources (uses)	<u>(10,000)</u>	<u>6,972</u>	<u>--</u>	<u>--</u>
Net change in fund balances	18,260	(3,284)	(22,505)	22
Fund balances - beginning	<u>27,769</u>	<u>131,039</u>	<u>94,568</u>	<u>6,144</u>
Fund balances - ending	<u>\$ 46,029</u>	<u>\$ 127,755</u>	<u>\$ 72,063</u>	<u>\$ 6,166</u>

Special Revenue Funds				
TIF 2-2 Intrepid	TIF 1-8 Torborg	TIF 1-9 CMHP	TIF 2-10 Clinic	TIF 1-11 KSB
\$ --	\$ --	\$ --	\$ --	\$ --
48,864	12,765	13,344	45,103	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
48,864	12,765	13,344	\$ 45,103	--
--	--	--	--	--
--	--	--	--	--
48,832	12,746	13,332	--	--
--	--	--	45,082	--
--	--	--	--	--
--	--	--	--	--
48,832	12,746	13,332	45,082	--
32	19	12	21	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
32	19	12	21	--
9,836	3,157	--	296	(34,300)
\$ 9,868	\$ 3,176	\$ 12	\$ 317	\$ (34,300)

TIF 1-12 Industrial	TIF 1-13 Dalbec	TIF 1-14 HRA/Nelson	Total
\$ --	\$ --	\$ --	\$ --
--	--	--	135,418
--	--	--	--
--	--	--	73,929
--	--	--	--
--	--	--	5,366
--	--	--	--
--	--	--	--
--	--	--	3,883
--	--	--	218,596
--	--	--	--
--	--	--	2,194
--	--	--	59,957
--	--	--	74,910
--	--	15,480	101,410
--	--	--	--
--	--	--	--
--	--	15,480	238,471
--	--	(15,480)	(19,875)
--	--	--	--
--	--	--	11,472
--	--	--	(14,500)
--	--	--	(3,028)
--	--	(15,480)	(22,903)
(6,262)	(2,180)	--	230,067
\$ (6,262)	\$ (2,180)	\$ (15,480)	\$ 207,164

City of Mora, Minnesota
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2008

	Capital Project Funds			
	Future Fire Equipment	Future Improvements	City Hall Improvements 2005	Airport Land Acquisition
REVENUES				
Property taxes	\$ --	\$ --	\$ --	\$ --
Tax increments	--	--	--	--
Special assessments	--	--	--	--
Charges for services	--	--	--	--
Intergovernmental revenue	35,022	--	--	--
Interest earnings	5,320	20,029	--	--
Miscellaneous -				
Contributions	2,000	--	--	--
Other	--	10,708	--	46
Total revenues	<u>42,342</u>	<u>30,737</u>	<u>--</u>	<u>46</u>
EXPENDITURES				
Public works	--	--	--	--
Cemetery	--	--	--	--
Housing development	--	--	--	--
Economic development	--	--	--	--
Debt service	--	--	--	--
Capital projects	--	--	440	27,473
Total expenditures	<u>--</u>	<u>--</u>	<u>440</u>	<u>27,473</u>
Excess (deficiency) of revenues over (under) expenditures	42,342	30,737	(440)	(27,427)
OTHER FINANCING SOURCES (USES)				
Proceeds from long-term debt	--	--	--	--
Transfers in	12,978	14,422	--	78,857
Transfers out	(15,000)	(173,138)	--	--
Total other financing sources (uses)	<u>(2,022)</u>	<u>(158,716)</u>	<u>--</u>	<u>78,857</u>
Net change in fund balances	40,320	(127,979)	(440)	51,430
Fund balances - beginning	<u>114,863</u>	<u>506,824</u>	<u>1,849</u>	<u>(51,430)</u>
Fund balances - ending	<u>\$ 155,183</u>	<u>\$ 378,845</u>	<u>\$ 1,409</u>	<u>\$ --</u>

Capital Projects Funds					
Airport Environmental Assessment	Airport Construction 2006	Highway 23-65	East Side Utility Extension	HRA Senior Campus	Street Reconstruction 2007
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	475,183	4,161	--	--
--	--	2,348	--	--	--
--	--	--	--	--	--
--	--	25,000	--	--	--
--	--	502,531	4,161	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	144,934	110,195	73,805	--	--
--	144,934	110,195	73,805	--	--
--	(144,934)	392,336	(69,644)	--	--
--	--	--	--	--	--
40,464	260,861	--	--	--	245,660
--	--	--	(64,538)	--	--
40,464	260,861	--	(64,538)	--	245,660
40,464	115,927	392,336	(134,182)	--	245,660
(40,464)	(115,927)	(279,969)	134,182	--	(245,660)
\$ --	\$ --	\$ 112,367	\$ --	\$ --	\$ --

Capital Projects Funds					
Howe Avenue Reconstruction	Downtown Feed Mill Redevelopment	Street Construction 2008	Airport Kastenbauer House	Police Station	Total
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	514,366
--	--	--	--	--	27,697
--	--	--	--	--	2,000
--	1,725	--	1,750	--	39,229
--	1,725	--	1,750	--	583,292
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
186,730	172,894	51,972	178,373	46,859	993,675
186,730	172,894	51,972	178,373	46,859	993,675
(186,730)	(171,169)	(51,972)	(176,623)	(46,859)	(410,383)
--	--	--	--	--	--
--	--	--	--	--	653,242
--	--	--	--	--	(252,676)
--	--	--	--	--	400,566
(186,730)	(171,169)	(51,972)	(176,623)	(46,859)	(9,817)
(43,187)	--	--	--	--	(18,919)
\$ (229,917)	\$ (171,169)	\$ (51,972)	\$ (176,623)	\$ (46,859)	\$ (28,736)

City of Mora, Minnesota
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2008

	Debt Service Funds			
	G.O. Waste Water Facility	West Maple Avenue	Street Construction 2003	Fire Station 2003
REVENUES				
Property taxes	\$ 479	\$ 118	\$ 355	\$ 63,993
Tax increments	--	--	--	--
Special assessments	--	(1,357)	--	--
Charges for services	--	--	--	--
Intergovernmental revenue	--	--	--	--
Interest earnings	--	--	--	2,598
Miscellaneous -				
Contributions	--	--	--	50,608
Other	--	--	--	--
Total revenues	<u>479</u>	<u>(1,239)</u>	<u>355</u>	<u>117,199</u>
EXPENDITURES				
Public works	--	--	--	--
Cemetery	--	--	--	--
Housing development	--	--	--	--
Economic development	--	--	--	--
Debt service	--	--	--	114,525
Capital projects	--	--	--	--
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>	<u>114,525</u>
Excess (deficiency) of revenues over (under) expenditures	479	(1,239)	355	2,674
OTHER FINANCING SOURCES (USES)				
Proceeds from long-term debt	--	--	--	--
Transfers in	--	--	--	--
Transfers out	--	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	479	(1,239)	355	2,674
Fund balances - beginning	<u>2,521</u>	<u>8,189</u>	<u>755</u>	<u>119,444</u>
Fund balances - ending	<u>\$ 3,000</u>	<u>\$ 6,950</u>	<u>\$ 1,110</u>	<u>\$ 122,118</u>

Street Construction 2004	Street Construction 2006	Total	Total Nonmajor Governmental Funds
\$ 19,811	\$ 38,922	\$ 123,678	\$ 123,678
--	--	--	135,418
--	--	(1,357)	(1,357)
--	--	--	73,929
--	--	--	514,366
651	1,752	5,001	38,064
--	--	--	--
--	--	50,608	52,608
--	--	--	43,112
<u>20,462</u>	<u>40,674</u>	<u>177,930</u>	<u>979,818</u>
--	--	--	2,194
--	--	--	59,957
--	--	--	74,910
--	--	--	101,410
19,770	24,170	158,465	158,465
--	--	--	993,675
<u>19,770</u>	<u>24,170</u>	<u>158,465</u>	<u>1,390,611</u>
692	16,504	19,465	(410,793)
--	--	--	--
--	--	--	664,714
--	--	--	(267,176)
<u>--</u>	<u>--</u>	<u>--</u>	<u>397,538</u>
692	16,504	19,465	(13,255)
<u>21,519</u>	<u>39,080</u>	<u>191,508</u>	<u>402,656</u>
<u>\$ 22,211</u>	<u>\$ 55,584</u>	<u>\$ 210,973</u>	<u>\$ 389,401</u>

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City of Mora, Minnesota
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Special Revenue Funds
December 31, 2008

City of Mora, Minnesota
Storm Water Utility - Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2008

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Storm water fees	\$ 30,750	\$ 30,454	\$ (296)
Investment earnings	--	--	--
Total revenues	<u>30,750</u>	<u>30,454</u>	<u>(296)</u>
EXPENDITURES			
Professional services	3,000	600	2,400
Miscellaneous	5,000	1,594	3,406
Capital outlay	--	--	--
Total expenditures	<u>8,000</u>	<u>2,194</u>	<u>5,806</u>
Excess (deficiency) of revenues over (under) expenditures	22,750	28,260	5,510
OTHER FINANCING SOURCES (USES)			
Transfers in	--	--	--
Transfers out	<u>(10,000)</u>	<u>(10,000)</u>	<u>--</u>
Total other financing sources (uses)	<u>(10,000)</u>	<u>(10,000)</u>	<u>--</u>
Net change in fund balances	12,750	18,260	(4,761)
Fund balances - beginning	<u>27,769</u>	<u>27,769</u>	<u>--</u>
Fund balances - ending	<u>\$ 40,519</u>	<u>\$ 46,029</u>	<u>\$ (4,761)</u>

City of Mora, Minnesota
 Cemetery Fund - Special Revenue Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended December 31, 2008

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Interments	\$ 22,000	\$ 24,575	\$ 2,575
Perpetual care	2,000	3,780	1,780
Sale of lots	11,000	15,120	4,120
Miscellaneous	250	1,060	810
Investment earnings	4,000	5,166	1,166
Total revenues	<u>39,250</u>	<u>49,701</u>	<u>10,451</u>
EXPENDITURES			
Professional services	17,800	21,716	3,916
Salaries	11,389	21,560	10,171
Capital outlay	12,500	11,472	(1,028)
Miscellaneous	6,280	5,209	(1,071)
Total expenditures	<u>47,969</u>	<u>59,957</u>	<u>11,988</u>
Excess (deficiency) of revenues over (under) expenditures	(8,719)	(10,256)	(1,537)
OTHER FINANCING SOURCES (USES)			
Transfers in	11,472	11,472	--
Transfers out	(4,500)	(4,500)	--
Total other financing sources (uses)	<u>6,972</u>	<u>6,972</u>	<u>--</u>
Net change in fund balances	(1,747)	(3,284)	(1,537)
Fund balances - beginning	<u>131,039</u>	<u>131,039</u>	<u>--</u>
Fund balances - ending	<u>\$ 129,292</u>	<u>\$ 127,755</u>	<u>\$ (1,537)</u>

City of Mora, Minnesota
Economic Development Revolving Loan - Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2008

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Miscellaneous	\$ 2,000	\$ 2,823	\$ 823
Investment earnings	--	200	200
Total revenues	<u>2,000</u>	<u>3,023</u>	<u>1,023</u>
EXPENDITURES			
Professional services	--	528	528
Dues and subscriptions	--	25,000	25,000
Total expenditures	<u>--</u>	<u>25,528</u>	<u>25,528</u>
Net change in fund balances	2,000	(22,505)	(24,505)
Fund balances - beginning	<u>94,568</u>	<u>94,568</u>	<u>--</u>
Fund balances - ending	<u>\$ 96,568</u>	<u>\$ 72,063</u>	<u>\$ (24,505)</u>

City of Mora, Minnesota
TIF 1-7 EPC - Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2008

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Tax increments	\$ --	\$ 15,342	\$ 15,342
Investment earnings	--	--	--
Total revenues	<u>--</u>	<u>15,342</u>	<u>15,342</u>
EXPENDITURES			
Professional services	--	1,512	1,512
Economic development	--	13,808	13,808
Miscellaneous	--	--	--
Total expenditures	<u>--</u>	<u>15,320</u>	<u>15,320</u>
 Net change in fund balances	 --	 22	 22
 Fund balances - beginning	 <u>6,144</u>	 <u>6,144</u>	 <u>--</u>
 Fund balances - ending	 <u><u>\$ 6,144</u></u>	 <u><u>\$ 6,166</u></u>	 <u><u>\$ 22</u></u>

City of Mora, Minnesota
TIF 2-2 Intrepid - Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2008

	Original and Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Tax increments	\$ --	\$ 48,864	\$ 48,864
Investment earnings	--	--	--
Total revenues	<u>--</u>	<u>48,864</u>	<u>48,864</u>
EXPENDITURES			
Professional services	--	2,411	2,411
Housing development	--	46,421	46,421
Miscellaneous	<u>--</u>	<u>--</u>	<u>--</u>
Total expenditures	<u>--</u>	<u>48,832</u>	<u>48,832</u>
Net changes in fund balances	--	32	32
Fund balances - beginning	<u>9,836</u>	<u>9,836</u>	<u>--</u>
Fund balances - ending	<u>\$ 9,836</u>	<u>\$ 9,868</u>	<u>\$ 32</u>

City of Mora, Minnesota
TIF 1-8 Torborg Apartments - Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2008

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Tax increments	\$ --	\$ 12,765	\$ 12,765
Investment earnings	--	--	--
Total revenues	<u>--</u>	<u>12,765</u>	<u>12,765</u>
EXPENDITURES			
Professional services	--	3,019	3,019
Housing development	--	9,727	9,727
Miscellaneous	--	--	--
Total expenditures	<u>--</u>	<u>12,746</u>	<u>12,746</u>
Net change to fund balances	--	19	19
Fund balances - beginning	<u>3,157</u>	<u>3,157</u>	<u>--</u>
Fund balances - ending	<u>\$ 3,157</u>	<u>\$ 3,176</u>	<u>\$ 19</u>

City of Mora, Minnesota
TIF 1-9 Housing CMHP - Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2008

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Tax increments	\$ --	\$ 13,344	\$ 13,344
Total revenues	<u> --</u>	<u>13,344</u>	<u>13,344</u>
EXPENDITURES			
Professional services	--	655	655
Housing development	--	12,677	12,677
Interest	--	--	--
Miscellaneous	--	--	--
Total expenditures	<u> --</u>	<u>13,332</u>	<u>13,332</u>
Net change to fund balances	--	12	12
Fund balances - beginning	<u> --</u>	<u> --</u>	<u> --</u>
Fund balances - ending	<u>\$ --</u>	<u>\$ 12</u>	<u>\$ 12</u>

City of Mora, Minnesota
TIF 2-10 Clinic - Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2008

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Tax increments	\$ --	\$ 45,103	\$ 45,103
Total revenues	<u>--</u>	<u>45,103</u>	<u>45,103</u>
EXPENDITURES			
Professional services	--	4,489	4,489
Economic development	--	40,593	40,593
Interest	--	--	--
Miscellaneous	--	--	--
Total expenditures	<u>--</u>	<u>45,082</u>	<u>45,082</u>
Net change to fund balances	--	21	21
Fund balances - beginning	<u>296</u>	<u>296</u>	<u>--</u>
Fund balances - ending	<u>\$ 296</u>	<u>\$ 317</u>	<u>\$ 21</u>

City of Mora, Minnesota
TIF 1-11 Kanabec State Bank - Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2008

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Tax increments	\$ --	\$ --	\$ --
Total revenues	<u>--</u>	<u>--</u>	<u>--</u>
EXPENDITURES			
Professional services	--	--	--
Economic development	--	--	--
Interest	--	--	--
Miscellaneous	<u>--</u>	<u>--</u>	<u>--</u>
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>
Net change to fund balances	--	--	--
Fund balances - beginning	<u>(34,300)</u>	<u>(34,300)</u>	<u>--</u>
Fund balances - ending	<u><u>\$ (34,300)</u></u>	<u><u>\$ (34,300)</u></u>	<u><u>\$ --</u></u>

City of Mora, Minnesota
TIF 1-12 Industrial Park - Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2008

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Tax increments	\$ --	\$ --	\$ --
Total revenues	<u>--</u>	<u>--</u>	<u>--</u>
EXPENDITURES			
Professional services	--	--	--
Economic development	--	--	--
Interest	--	--	--
Miscellaneous	<u>--</u>	<u>--</u>	<u>--</u>
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>
Net change to fund balances	--	--	--
Fund balances - beginning	<u>(6,262)</u>	<u>(6,262)</u>	<u>--</u>
Fund balances - ending	<u><u>\$ (6,262)</u></u>	<u><u>\$ (6,262)</u></u>	<u><u>\$ --</u></u>

City of Mora, Minnesota
TIF 1-13 Dalbec - Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2008

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Tax increments	\$ --	\$ --	\$ --
Total revenues	<u>--</u>	<u>--</u>	<u>--</u>
EXPENDITURES			
Professional services	--	--	--
Economic development	--	--	--
Interest	--	--	--
Miscellaneous	<u>--</u>	<u>--</u>	<u>--</u>
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>
Net change to fund balances	--	--	--
Fund balances - beginning	<u>(2,180)</u>	<u>(2,180)</u>	<u>--</u>
Fund balances - ending	<u><u>\$ (2,180)</u></u>	<u><u>\$ (2,180)</u></u>	<u><u>\$ --</u></u>

City of Mora, Minnesota
TIF 1-14 HRA/Nelson - Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2008

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Tax increments	\$ --	\$ --	\$ --
Total revenues	<u> --</u>	<u> --</u>	<u> --</u>
EXPENDITURES			
Professional services	--	15,283	15,283
Economic development	--	--	--
Interest	--	--	--
Miscellaneous	<u> --</u>	<u> 197</u>	<u> 197</u>
Total expenditures	<u> --</u>	<u> 15,480</u>	<u> 15,480</u>
Net change to fund balances	--	(15,480)	(15,480)
Fund balances - beginning	<u> --</u>	<u> --</u>	<u> --</u>
Fund balances - ending	<u> \$ --</u>	<u> \$ (15,480)</u>	<u> \$ (15,480)</u>

City of Mora, Minnesota
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Capital Projects Funds
December 31, 2008

City of Mora, Minnesota
 Future Fire Equipment - Capital Projects Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended December 31, 2008

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental revenues	\$ --	\$ 35,022	\$ 35,022
Contributions	--	2,000	2,000
Interest earnings	--	5,320	5,320
Total revenues	<u>--</u>	<u>42,342</u>	<u>42,342</u>
EXPENDITURES			
Professional services	--	--	--
Capital projects	--	--	--
Miscellaneous	<u>--</u>	<u>--</u>	<u>--</u>
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	--	42,342	42,342
OTHER FINANCING SOURCES (USES)			
Transfers in	--	12,978	12,978
Transfers out	<u>--</u>	<u>(15,000)</u>	<u>(15,000)</u>
Total other financing sources (uses)	<u>--</u>	<u>(2,022)</u>	<u>(2,022)</u>
Net change in fund balances	--	40,320	40,320
Fund balances - beginning	<u>114,863</u>	<u>114,863</u>	<u>--</u>
Fund balances - ending	<u>\$ 114,863</u>	<u>\$ 155,183</u>	<u>\$ 40,320</u>

City of Mora, Minnesota
 Future Improvements - Capital Projects Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended December 31, 2008

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental revenues	\$ --	\$ --	\$ --
Interest earnings	--	20,029	20,029
Miscellaneous	--	10,208	10,208
Total revenues	<u>--</u>	<u>30,237</u>	<u>30,237</u>
EXPENDITURES			
Professional services	--	--	--
Capital projects	--	--	--
Miscellaneous	<u>--</u>	<u>--</u>	<u>--</u>
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	--	30,237	30,237
OTHER FINANCING SOURCES (USES)			
Transfers in	--	14,422	14,422
Transfers out	<u>--</u>	<u>(173,138)</u>	<u>(173,138)</u>
Total other financing sources (uses)	<u>--</u>	<u>(158,716)</u>	<u>(158,716)</u>
Net change in fund balances	--	(128,479)	(128,479)
Fund balances - beginning	<u>506,824</u>	<u>506,824</u>	<u>--</u>
Fund balances - ending	<u>\$ 506,824</u>	<u>\$ 378,345</u>	<u>\$ (128,479)</u>

City of Mora, Minnesota
City Hall Improvements 2005 - Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2008

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental revenues	\$ --	\$ --	\$ --
Miscellaneous	--	--	--
Interest earnings	--	--	--
Total revenues	<u>--</u>	<u>--</u>	<u>--</u>
EXPENDITURES			
Professional services	--	--	--
Capital projects	--	440	440
Miscellaneous	--	--	--
Total expenditures	<u>--</u>	<u>440</u>	<u>440</u>
Excess (deficiency) of revenues over (under) expenditures	--	(440)	(440)
OTHER FINANCING SOURCES (USES)			
Transfers in	--	--	--
Transfers out	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	--	(440)	(440)
Fund balances - beginning	<u>1,849</u>	<u>1,849</u>	<u>--</u>
Fund balances - ending	<u>\$ 1,849</u>	<u>\$ 1,409</u>	<u>\$ (440)</u>

City of Mora, Minnesota
 Airport Land Acquisition - Capital Projects Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended December 31, 2008

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental revenues	\$ --	\$ --	\$ --
Miscellaneous	--	46	46
Interest earnings	--	--	--
Total revenues	<u>--</u>	<u>46</u>	<u>46</u>
EXPENDITURES			
Professional services	--	--	--
Capital projects	--	27,473	27,473
Miscellaneous	--	--	--
Total expenditures	<u>--</u>	<u>27,473</u>	<u>27,473</u>
Excess (deficiency) of revenues over (under) expenditures	--	(27,427)	(27,427)
OTHER FINANCING SOURCES (USES)			
Transfers in	--	78,857	78,857
Transfers out	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>78,857</u>	<u>78,857</u>
Net change in fund balances	--	51,430	51,430
Fund balances - beginning	<u>(51,430)</u>	<u>(51,430)</u>	<u>--</u>
Fund balances - ending	<u>\$ (51,430)</u>	<u>\$ --</u>	<u>\$ 51,430</u>

City of Mora, Minnesota
 Airport Environmental Assessment - Capital Projects Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended December 31, 2008

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental revenues	\$ --	\$ --	\$ --
Interest earnings	--	--	--
Miscellaneous	--	--	--
Total revenues	<u>--</u>	<u>--</u>	<u>--</u>
EXPENDITURES			
Professional services	--	--	--
Capital projects	--	--	--
Miscellaneous	--	--	--
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	--	--	--
OTHER FINANCING SOURCES (USES)			
Transfers in	--	40,464	40,464
Transfers out	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>40,464</u>	<u>40,464</u>
Net change in fund balances	--	40,464	40,464
Fund balances - beginning	<u>(40,464)</u>	<u>(40,464)</u>	<u>--</u>
Fund balances - ending	<u>\$ (40,464)</u>	<u>\$ --</u>	<u>\$ 40,464</u>

City of Mora, Minnesota
 Airport Construction 2006 - Capital Project Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended December 31, 2008

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental revenues	\$ --	\$ --	\$ --
Miscellaneous	--	--	--
Interest earnings	--	--	--
Total revenues	<u>--</u>	<u>--</u>	<u>--</u>
EXPENDITURES			
Professional services	--	--	--
Capital projects	--	144,934	144,934
Miscellaneous	--	--	--
Total expenditures	<u>--</u>	<u>144,934</u>	<u>144,934</u>
Excess (deficiency) of revenues over (under) expenditures	--	(144,934)	(144,934)
OTHER FINANCING SOURCES (USES)			
Transfers in	--	260,861	260,861
Transfers out	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>260,861</u>	<u>260,861</u>
Net change in fund balances	--	115,927	115,927
Fund balances - beginning	<u>(115,927)</u>	<u>(115,927)</u>	<u>--</u>
Fund balances - ending	<u>\$ (115,927)</u>	<u>\$ --</u>	<u>\$ 115,927</u>

City of Mora, Minnesota
 Highway 23-65 - Capital Project Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended December 31, 2008

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental revenues	\$ --	\$ 475,183	\$ 475,183
Miscellaneous	--	25,000	25,000
Interest earnings	--	2,348	2,348
Total revenues	--	502,531	502,531
EXPENDITURES			
Professional services	--	--	--
Capital projects	--	110,195	110,195
Miscellaneous	--	--	--
Total expenditures	--	110,195	110,195
Excess (deficiency) of revenues over (under) expenditures	--	392,336	392,336
OTHER FINANCING SOURCES (USES)			
Transfers in	--	--	--
Transfers out	--	--	--
Total other financing sources (uses)	--	--	--
Net change in fund balances	--	392,336	392,336
Fund balances - beginning	(279,969)	(279,969)	--
Fund balances - ending	\$ (279,969)	\$ 112,367	\$ 392,336

City of Mora, Minnesota
 East Side Utility Extension - Capital Projects Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended December 31, 2008

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental revenues	\$ --	\$ 4,161	\$ 4,161
Miscellaneous	--	--	--
Interest earnings	--	--	--
Total revenues	<u>--</u>	<u>4,161</u>	<u>4,161</u>
EXPENDITURES			
Professional services	--	--	--
Capital projects	--	73,805	73,805
Miscellaneous	--	--	--
Total expenditures	<u>--</u>	<u>73,805</u>	<u>73,805</u>
Excess (deficiency) of revenues over (under) expenditures	--	(69,644)	(69,644)
OTHER FINANCING SOURCES (USES)			
Transfers in	--	--	--
Transfers out	--	(64,538)	(64,538)
Total other financing sources (uses)	<u>--</u>	<u>(64,538)</u>	<u>(64,538)</u>
Net change in fund balances	--	(134,182)	(134,182)
Fund balances - beginning	<u>134,182</u>	<u>134,182</u>	<u>--</u>
Fund balances - ending	<u>\$ 134,182</u>	<u>\$ --</u>	<u>\$ (134,182)</u>

City of Mora, Minnesota
HRA Senior Campus - Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2008

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental revenues	\$ --	\$ --	\$ --
Miscellaneous	--	--	--
Interest earnings	--	--	--
Total revenues	<u>--</u>	<u>--</u>	<u>--</u>
EXPENDITURES			
Professional services	--	--	--
Capital projects	--	--	--
Miscellaneous	--	--	--
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	--	--	--
OTHER FINANCING SOURCES (USES)			
Transfers in	--	--	--
Transfers out	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	--	--	--
Fund balances - beginning	<u>--</u>	<u>--</u>	<u>--</u>
Fund balances - ending	<u><u>\$ --</u></u>	<u><u>\$ --</u></u>	<u><u>\$ --</u></u>

City of Mora, Minnesota
 Street Reconstruction 2007 - Capital Projects Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended December 31, 2008

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental revenues	\$ --	\$ --	\$ --
Miscellaneous	--	--	--
Interest earnings	--	--	--
Total revenues	--	--	--
EXPENDITURES			
Professional services	--	--	--
Capital projects	--	--	--
Miscellaneous	--	--	--
Total expenditures	--	--	--
Excess (deficiency) of revenues over (under) expenditures	--	--	--
OTHER FINANCING SOURCES (USES)			
Transfers in	--	245,660	245,660
Transfers out	--	--	--
Total other financing sources (uses)	--	245,660	245,660
Net change in fund balances	--	245,660	245,660
Fund balances - beginning	--	(245,660)	(245,660)
Fund balances - ending	\$ --	\$ --	\$ --

City of Mora, Minnesota
 Howe Avenue Reconstruction - Capital Project Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended December 31, 2008

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental revenues	\$ --	\$ --	\$ --
Miscellaneous	--	--	--
Interest earnings	--	--	--
Total revenues	<u>--</u>	<u>--</u>	<u>--</u>
EXPENDITURES			
Professional services	--	--	--
Capital projects	--	186,730	186,730
Miscellaneous	--	--	--
Total expenditures	<u>--</u>	<u>186,730</u>	<u>186,730</u>
Excess (deficiency) of revenues over (under) expenditures	--	(186,730)	(186,730)
OTHER FINANCING SOURCES (USES)			
Transfers in	--	--	--
Transfers out	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	--	(186,730)	(186,730)
Fund balances - beginning	<u>--</u>	<u>(43,187)</u>	<u>(43,187)</u>
Fund balances - ending	<u>\$ --</u>	<u>\$ (229,917)</u>	<u>\$ (229,917)</u>

City of Mora, Minnesota
Downtown Feed Mill Redevelopment - Capital Project Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2008

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental revenues	\$ --	\$ --	\$ --
Miscellaneous	--	1,725	1,725
Contributions	--	--	--
Interest earnings	--	--	--
Total revenues	<u>--</u>	<u>1,725</u>	<u>1,725</u>
EXPENDITURES			
Professional services	--	--	--
Capital projects	--	172,894	172,894
Miscellaneous	--	--	--
Total expenditures	<u>--</u>	<u>172,894</u>	<u>172,894</u>
Excess (deficiency) of revenues over (under) expenditures	--	(171,169)	(171,169)
OTHER FINANCING SOURCES (USES)			
Transfers in	--	--	--
Transfers out	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	--	(171,169)	(171,169)
Fund balances - beginning	<u>--</u>	<u>--</u>	<u>--</u>
Fund balances - ending	<u>\$ --</u>	<u>\$ (171,169)</u>	<u>\$ (171,169)</u>

City of Mora, Minnesota
 Street Construction 2008 - Capital Project Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended December 31, 2008

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental revenues	\$ --	\$ --	\$ --
Miscellaneous	--	--	--
Contributions	--	--	--
Interest earnings	--	--	--
Total revenues	<u>--</u>	<u>--</u>	<u>--</u>
EXPENDITURES			
Professional services	--	--	--
Capital projects	--	51,972	51,972
Miscellaneous	--	--	--
Total expenditures	<u>--</u>	<u>51,972</u>	<u>51,972</u>
Excess (deficiency) of revenues over (under) expenditures	--	(51,972)	(51,972)
OTHER FINANCING SOURCES (USES)			
Transfers in	--	--	--
Transfers out	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	--	(51,972)	(51,972)
Fund balances - beginning	<u>--</u>	<u>--</u>	<u>--</u>
Fund balances - ending	<u>\$ --</u>	<u>\$ (51,972)</u>	<u>\$ (51,972)</u>

City of Mora, Minnesota
 Airport Kastenbauer House - Capital Project Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended December 31, 2008

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental revenues	\$ --	\$ --	\$ --
Miscellaneous	--	1,750	1,750
Contributions	--	--	--
Interest earnings	--	--	--
Total revenues	<u>--</u>	<u>1,750</u>	<u>1,750</u>
EXPENDITURES			
Professional services	--	--	--
Capital projects	--	177,539	177,539
Miscellaneous	--	834	834
Total expenditures	<u>--</u>	<u>178,373</u>	<u>178,373</u>
Excess (deficiency) of revenues over (under) expenditures	--	(176,623)	(176,623)
OTHER FINANCING SOURCES (USES)			
Transfers in	--	--	--
Transfers out	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	--	(176,623)	(176,623)
Fund balances - beginning	<u>--</u>	<u>--</u>	<u>--</u>
Fund balances - ending	<u>\$ --</u>	<u>\$ (176,623)</u>	<u>\$ (176,623)</u>

City of Mora, Minnesota
Police Station - Capital Project Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2008

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental revenues	\$ --	\$ --	\$ --
Miscellaneous	--	--	--
Interest earnings	--	--	--
Total revenues	<u>--</u>	<u>--</u>	<u>--</u>
EXPENDITURES			
Professional services	--	--	--
Capital projects	--	46,859	46,859
Miscellaneous	--	--	--
Total expenditures	<u>--</u>	<u>46,859</u>	<u>46,859</u>
Excess (deficiency) of revenues over (under) expenditures	--	(46,859)	(46,859)
OTHER FINANCING SOURCES (USES)			
Transfers in	--	--	--
Transfers out	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	--	(46,859)	(46,859)
Fund balances - beginning	<u>--</u>	<u>--</u>	<u>--</u>
Fund balances - ending	<u>\$ --</u>	<u>\$ (46,859)</u>	<u>\$ (46,859)</u>

City of Mora, Minnesota
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Debt Service Funds
December 31, 2008

City of Mora, Minnesota
 G. O. Waste Water Facility - Debt Service Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended December 31, 2008

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	\$ --	\$ 479	\$ 479
Investment earnings	--	--	--
Total revenues	<u>--</u>	<u>479</u>	<u>479</u>
EXPENDITURES			
Principal	--	--	--
Interest	--	--	--
Fiscal agent fees	--	--	--
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	--	479	479
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	--	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	--	479	479
Fund balances - beginning	<u>2,521</u>	<u>2,521</u>	<u>--</u>
Fund balances - ending	<u>\$ 2,521</u>	<u>\$ 3,000</u>	<u>\$ 479</u>

City of Mora, Minnesota
Maple Avenue West - Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2008

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	\$ --	\$ 118	\$ 118
Special assessments	--	(1,357)	(1,357)
Investment earnings	--	--	--
Total revenues	<u>--</u>	<u>(1,239)</u>	<u>(1,239)</u>
EXPENDITURES			
Principal	--	--	--
Interest	<u>--</u>	<u>--</u>	<u>--</u>
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	--	(1,239)	(1,239)
Fund balances - beginning	<u>8,189</u>	<u>8,189</u>	<u>--</u>
Fund balances - ending	<u><u>\$ 8,189</u></u>	<u><u>\$ 6,950</u></u>	<u><u>\$ (1,239)</u></u>

City of Mora, Minnesota
 Street Reconstruction 2003 - Debt Service Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended December 31, 2008

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	\$ --	\$ 355	\$ 355
Interest earnings	--	--	--
Total revenues	<u>--</u>	<u>355</u>	<u>355</u>
EXPENDITURES			
Principal	--	--	--
Interest	--	--	--
Miscellaneous	--	--	--
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	--	355	355
Fund balances - beginning	<u>755</u>	<u>755</u>	<u>--</u>
Fund balances - ending	<u><u>\$ 755</u></u>	<u><u>\$ 1,110</u></u>	<u><u>\$ 355</u></u>

City of Mora, Minnesota
 Fire Station 2003 - Debt Service Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended December 31, 2008

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	\$ 65,732	\$ 63,993	\$ (1,739)
Contributions	50,608	50,608	--
Interest earnings	--	2,598	2,598
Total revenues	<u>116,340</u>	<u>117,199</u>	<u>859</u>
EXPENDITURES			
Principal	75,000	75,000	--
Interest	39,175	39,175	--
Miscellaneous	175	350	175
Total expenditures	<u>114,350</u>	<u>114,525</u>	<u>175</u>
Excess (deficiency) of revenues over (under) expenditures	1,990	2,674	684
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	1,990	2,674	684
Fund balances - beginning	<u>119,444</u>	<u>119,444</u>	<u>--</u>
Fund balances - ending	<u>\$ 121,434</u>	<u>\$ 122,118</u>	<u>\$ 684</u>

City of Mora, Minnesota
 Street Construction 2004 - Debt Service Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended December 31, 2008

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	\$ 20,370	\$ 19,811	\$ (559)
Interest earnings	--	651	651
Total revenues	<u>20,370</u>	<u>20,462</u>	<u>92</u>
EXPENDITURES			
Principal	15,000	15,000	--
Interest	5,458	4,700	(758)
Miscellaneous	--	70	70
Total expenditures	<u>20,458</u>	<u>19,770</u>	<u>(688)</u>
Excess (deficiency) of revenues over (under) expenditures	(88)	692	780
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	(88)	692	780
Fund balances - beginning	<u>21,519</u>	<u>21,519</u>	<u>--</u>
Fund balances - ending	<u><u>\$ 21,431</u></u>	<u><u>\$ 22,211</u></u>	<u><u>\$ 780</u></u>

City of Mora, Minnesota
 Street Construction 2006 - Debt Service Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended December 31, 2008

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	\$ 40,740	\$ 38,922	\$ (1,818)
Interest earnings	--	1,752	1,752
Total revenues	<u>40,740</u>	<u>40,674</u>	<u>(66)</u>
EXPENDITURES			
Principal	15,000	15,000	--
Interest	10,262	9,100	(1,162)
Miscellaneous	--	70	70
Total expenditures	<u>25,262</u>	<u>24,170</u>	<u>(1,092)</u>
Excess (deficiency) of revenues over (under) expenditures	15,478	16,504	1,026
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	15,478	16,504	1,026
Fund balances - beginning	<u>39,080</u>	<u>39,080</u>	<u>--</u>
Fund balances - ending	<u>\$ 54,558</u>	<u>\$ 55,584</u>	<u>\$ 1,026</u>

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City of Mora, Minnesota
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN NET ASSETS - BUDGET AND ACTUAL

Enterprise Funds
December 31, 2008

City of Mora, Minnesota
Municipal Liquor Store - Enterprise Fund
Schedule of Revenues, Expenditures, and Changes in Net Assets - Budget and Actual
For the Year Ended December 31, 2008

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Operating Revenues:			
Sales	\$ 2,385,150	\$ 2,267,126	\$ 118,024
Total Operating Revenues	<u>2,385,150</u>	<u>2,267,126</u>	<u>118,024</u>
Operating Expenses:			
Cost of sales	1,811,000	1,717,992	93,008
Employee services	193,192	208,907	(15,715)
Supplies	20,050	16,891	3,159
Other services and charges	90,715	92,509	(1,794)
Depreciation	9,000	10,072	(1,072)
Total Operating Expenses	<u>2,123,957</u>	<u>2,046,371</u>	<u>77,586</u>
Operating Income (Loss)	261,193	220,755	40,438
Add: Non-Operating Revenues:			
Commissions	--	--	--
Discounts earned	--	--	--
Interest earned	6,000	17,883	(11,883)
Gain on sale of fixed assets	--	--	--
Miscellaneous	4,200	4,422	(222)
Total Non-Operating Revenues	<u>10,200</u>	<u>22,305</u>	<u>(12,105)</u>
Income before Transfers	271,393	243,060	28,333
Transfers:			
Transfers in (out)	(270,000)	(270,000)	--
Total Transfers	<u>(270,000)</u>	<u>(270,000)</u>	<u>--</u>
Net Income (Loss)	1,393	(26,940)	28,333
Net Assets, January 1	<u>788,427</u>	<u>788,427</u>	<u>--</u>
Net Assets, December 31	<u>\$ 789,820</u>	<u>\$ 761,487</u>	<u>\$ 28,333</u>

City of Mora, Minnesota
Electric Utility Fund - Enterprise Fund
Schedule of Revenues, Expenditures, and Changes in Net Assets - Budget and Actual
For the Year Ended December 31, 2008

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Operating Revenues:			
Sales	\$ 4,820,800	\$ 4,644,804	\$ 175,996
Total Operating Revenues	<u>4,820,800</u>	<u>4,644,804</u>	<u>175,996</u>
Operating Expenses:			
Cost of sales	4,155,000	3,873,005	281,995
Employee services	455,143	478,792	(23,649)
Supplies	205,656	147,511	58,145
Other services & charges	286,725	303,941	(17,216)
Depreciation	<u>229,000</u>	<u>228,636</u>	<u>364</u>
Total Operating Expenses	<u>5,331,524</u>	<u>5,031,885</u>	<u>299,639</u>
Operating Income (Loss)	(510,724)	(387,081)	(123,643)
Add: Non-Operating Revenues:			
Commissions	--	--	--
Discounts earned	--	--	--
Interest earned	130,000	159,244	(29,244)
Gain on sale of fixed assets	--	--	--
Miscellaneous - wage reimbursement	<u>592,517</u>	<u>638,965</u>	<u>(46,448)</u>
Total Non-Operating Revenues	<u>722,517</u>	<u>798,209</u>	<u>(75,692)</u>
Income before Transfers	211,793	411,128	(199,335)
Transfers:			
Transfers in (out)	<u>(20,000)</u>	<u>(20,000)</u>	<u>--</u>
Total Transfers	<u>(20,000)</u>	<u>(20,000)</u>	<u>--</u>
Net Income (Loss)	191,793	391,128	(199,335)
Net Assets, January 1	<u>6,934,010</u>	<u>6,934,010</u>	<u>--</u>
Net Assets, December 31	<u>\$ 7,125,803</u>	<u>\$ 7,325,138</u>	<u>\$ (199,335)</u>

City of Mora, Minnesota
Water Utility Fund - Enterprise Fund
Schedule of Revenues, Expenditures, and Changes in Net Assets - Budget and Actual
For the Year Ended December 31, 2008

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Operating Revenues:			
Sales	\$ 462,000	\$ 442,940	\$ 19,060
Total Operating Revenues	<u>462,000</u>	<u>442,940</u>	<u>19,060</u>
Operating Expenses:			
Cost of sales	--	--	--
Employee services	221,455	227,427	(5,972)
Supplies	41,350	55,284	(13,934)
Other services & charges	109,778	106,745	3,033
Depreciation	<u>18,900</u>	<u>169,542</u>	<u>(150,642)</u>
Total Operating Expenses	<u>391,483</u>	<u>558,998</u>	<u>(167,515)</u>
Operating Income (Loss)	70,517	(116,058)	186,575
Add: Non-Operating Revenues:			
Special assessments	7,250	9,211	(1,961)
Discounts earned	--	--	--
Interest earned	30,000	45,019	(15,019)
Gain on sale of fixed assets	--	--	--
Miscellaneous	<u>16,500</u>	<u>37,272</u>	<u>(20,772)</u>
Total Non-Operating Revenues	<u>53,750</u>	<u>91,502</u>	<u>(37,752)</u>
Income before Operating Transfers	124,267	(24,556)	148,823
Operating Transfers:			
Transfers in	--	--	--
Transfers (out)	<u>--</u>	<u>--</u>	<u>--</u>
Total Operating Transfers	<u>--</u>	<u>--</u>	<u>--</u>
Net Income (Loss)	124,267	(24,556)	148,823
Net Assets, January 1	<u>3,429,946</u>	<u>3,429,946</u>	<u>--</u>
Net Assets, December 31	<u>\$ 3,554,213</u>	<u>\$ 3,405,390</u>	<u>\$ 148,823</u>

City of Mora, Minnesota
Wastewater Utility Fund - Enterprise Fund
Schedule of Revenues, Expenditures, and Changes in Net Assets-Budget and Actual
For the Year Ended December 31, 2008

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Operating Revenues:			
Sales	\$ 780,000	\$ 795,073	\$ (15,073)
Total Operating Revenues	<u>780,000</u>	<u>795,073</u>	<u>(15,073)</u>
Operating Expenses:			
Cost of sales	--	--	--
Employee services	221,455	217,547	3,908
Supplies	76,350	73,588	2,762
Other services and charges	136,296	191,492	(55,196)
Depreciation	248,000	234,518	13,482
Total Operating Expenses	<u>682,101</u>	<u>717,145</u>	<u>(35,044)</u>
Operating Income (Loss)	97,899	77,928	19,971
Add: Non-Operating Revenues:			
Special assessments	13,000	16,611	(3,611)
Discounts earned	--	--	--
Interest earned	22,000	47,684	(25,684)
Gain on sale of fixed assets	--	--	--
Miscellaneous	4,850	2,794	2,056
Total Non-Operating Revenues	<u>39,850</u>	<u>67,089</u>	<u>(27,239)</u>
Income before Operating Transfers	137,749	145,017	(7,268)
Operating Transfers:			
Transfers in	--	--	--
Transfers (out)	--	--	--
Total Operating Transfers	<u>--</u>	<u>--</u>	<u>--</u>
Net Income (Loss)	137,749	145,017	(7,268)
Net Assets, January 1	<u>3,309,958</u>	<u>3,309,958</u>	<u>--</u>
Net Assets, December 31	<u>\$ 3,447,707</u>	<u>\$ 3,454,975</u>	<u>\$ (7,268)</u>

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CITY OF MORA, MINNESOTA
ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2008

FINANCIAL SECTION (CONTINUED)

SCHEDULES

SUPPLEMENTARY FINANCIAL INFORMATION

These supplementary schedules are included to provide management additional information for financial analysis.

City of Mora, Minnesota

Municipal Liquor Store Fund
 Schedule of Gross Sales, Net Profit, Transfers Out, and Net Assets
 Last Ten Fiscal Years

<u>Year</u>	<u>Gross Sales</u>	<u>Income Before Transfers</u>	<u>Transfers Out</u>	<u>Net Assets</u>
1999	\$ 1,709,491	\$ 253,822	\$ 205,000	\$ 690,730
2000	1,887,025	290,081	230,000	750,811
2001	1,971,198	281,629	260,000	772,440
2002	2,044,642	281,934	260,000	794,374
2003	2,021,408	247,304	270,000	771,678
2004	2,026,853	278,745	270,000	780,423
2005	2,089,631	322,307	270,000	832,731
2006	2,235,390	268,974	320,000	781,705
2007	2,227,864	276,722	270,000	788,427
2008	2,267,126	243,060	270,000	761,487

City of Mora, Minnesota

Electric Utility Enterprise Fund
 Schedule of Gross Sales, Net Profit, Transfer In, Transfers Out, and Net Assets
 Last Ten Fiscal Years

<u>Year</u>	<u>Gross Sales</u>	<u>Income Before Transfers</u>	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Net Assets</u>
1999	\$ 4,531,904	\$ 577,166	\$ --	\$ 188,600	\$ 6,154,443
2000	4,215,396	407,463	--	144,100	6,417,806
2001	3,940,218	263,886	59,209	236,384	6,504,517
2002	3,603,273	368,351	20,791	130,850	6,762,809
2003	3,684,942	(45,253)	--	163,036	6,554,520
2004	3,974,016	114,129	--	150,000	6,518,649
2005	3,632,674	172,347	--	150,000	6,540,996
2006	4,210,821	705,836	--	459,152	6,787,680
2007	4,640,605	166,330	--	20,000	6,934,010
2008	4,644,804	411,128	--	20,000	7,325,138

City of Mora, Minnesota

Electric Utility Fund
 Schedule of Services, Billing, KWH, and Revenues per KWH
 For the Year Ended December 31, 2008

	Service	Amount	KWH	Revenues KWH
City Residential	1,497	\$ 1,054,636	10,672,166	0.0988
Rural Residential	105	116,798	1,149,034	0.1016
Small Commercial	212	650,359	7,861,166	0.0827
Large Commercial	27	1,004,340	12,659,253	0.0793
Industrial	4	1,705,445	20,423,953	0.0835
Government	26	63,691	1,093,367	0.0583
Street Lights	N/A	26,556	322,300	0.0824
Security Lights	N/A	18,060	84,708	0.2132
Wind Power	N/A	720	--	--
Total Retail Sales	1,871	\$ 4,640,605	54,265,947	0.0855
Cost of Power:				
Purchased Power		\$ 3,825,071		
Cost per KWH Sold		0.070500		
Total KWH Purchased		57,723,844		
Less: Station Power		(438,716)		
Net KWH to Feeders		57,285,128		
Less: Total Retail Sales		(54,265,947)		
Line Loss	5.27%	\$ 3,019,181		

City of Mora, Minnesota

Water Utility Enterprise Fund
 Schedule of Gross Sales, Net Profit, Transfers In, Transfers Out, and Net Assets
 Last Ten Fiscal Years

Year	Gross Sales	Income Before Transfers	Transfers In	Transfers Out	Net Assets
1999	\$ 286,222	\$ 66,309	\$ --	\$ --	\$ 3,120,981
2000	321,758	78,791	--	--	3,199,772
2001	331,716	105,536	--	127,650	3,177,658
2002	363,207	119,135	--	--	3,296,793
2003	374,261	48,739	--	--	3,345,532
2004	424,726	33,745	--	58,428	3,320,849
2005	402,091	(9,090)	66,158	29,946	3,347,971
2006	414,887	45,175	--	--	3,393,146
2007	414,191	36,800	--	--	3,429,946
2008	442,940	(24,556)	--	--	3,405,390

City of Mora, Minnesota

Wastewater Utility Enterprise Fund
 Schedule of Gross Sales, Net Profit, Transfers In, Transfers Out, and Net Assets
 Last Ten Fiscal Years

Year	Gross Sales	Income Before Transfers	Transfers In	Transfers Out	Net Assets
1999	\$ 507,382	\$ 105,903	\$ --	\$ 205,000	\$ 4,111,721
2000	547,051	144,919	--	205,000	4,051,640
2001	563,822	189,519	100,033	235,795	4,105,397
2002	584,879	189,992	--	205,000	4,090,389
2003	594,661	148,308	--	205,000	4,033,697
2004	636,217	164,792	--	271,480	3,927,009
2005	649,939	163,937	66,158	239,140	3,917,964
2006	725,104	167,646	--	205,000	3,880,610
2007	789,515	237,862	376,486	--	3,309,958 *
2008	795,073	145,017	--	--	3,454,975

* Prior period adjustment for bonds payable \$1,185,000.

CITY OF MORA, MINNESOTA

ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2008

STATISTICAL SECTION

STATISTICAL DATA TABLES

The statistical section presents comparative data. The data includes information on statutory debt limitations and on overlapping debt. The statistical tables reflect social and economic data, financial trends and the fiscal capacity of the city. This section is intended to serve investors in city bonds and others interested in financial statistics of municipal government.

Objectives of Statistical Section Information

Financial trends information is intended to assist users in understanding and assessing how government's financial position has changed over time. (Tables 1-4)

Revenue capacity information is intended to assist users in understanding and assessing the factors affecting a government's ability to generate its own-source revenues. (Tables 5-8)

Debt capacity information is intended to assist users in understanding and assessing a government's debt burden and its ability to issue additional debt. (Tables 9-13)

Demographic and economic information is intended (1) to assist users in understanding the socioeconomic environment within which a government operates and (2) to provide information that facilitates comparisons of financial statement information over time and among governments. (Tables 14-15)

Operating information is intended to provide contextual information about a government's operations and resources to assist readers in using financial statement information to understand and assess a government's economic condition. (Tables 16-18)

City of Mora, Minnesota
Net Assets by Component
Last Three Fiscal Years

Table 1

	Fiscal Year*		
	2006	2007	2008
Governmental Activities			
Invested in capital assets, net of related debt	\$ 5,587,118	\$ 9,049,016	\$ 8,457,166
Restricted	693,843	387,763	434,461
Unrestricted	1,092,618	923,873	799,883
Total governmental activities net assets	<u>7,373,579</u>	<u>10,360,652</u>	<u>9,691,510</u>
Business-type activities			
Invested in capital assets, net of related debt	8,636,906	8,349,640	7,022,525
Restricted	--	--	2,023,921
Unrestricted	6,206,235	6,112,701	5,900,544
Total business-type activities net assets	<u>14,843,141</u>	<u>14,462,341</u>	<u>14,946,990</u>
Total Primary Government	<u>\$ 22,216,720</u>	<u>\$ 24,822,993</u>	<u>\$ 24,638,500</u>

* Previous years data not available.

City of Mora, Minnesota
Changes in Net Assets
Last Three Fiscal Years

Table 2

	Fiscal Year*		
	2006	2007	2008
Governmental Activities			
General government	\$ 428,118	\$ 495,842	\$ 509,568
Public safety	368,624	880,843	968,290
Public works	37,276	649,551	726,335
Cemetery	19,715	48,595	72,685
Culture and recreation	205,117	279,803	326,874
Housing and economic development	239,505	189,464	228,581
Capital projects	336,546	(1,029)	1,280,120
Miscellaneous	--	--	--
Interest on long term debt	132,833	103,365	125,864
Total governmental activities expenditures	1,767,734	2,646,434	4,238,317
Business-type activities			
Liquor	1,985,734	1,977,770	2,046,371
Electric	4,551,322	5,397,147	5,031,885
Water	429,607	496,699	558,998
Wastewater	615,184	656,818	717,145
Total business-type activities expenses	7,581,847	8,528,434	8,354,399
Total primary government expenses	9,349,581	11,174,868	12,592,716
Program Revenues			
Governmental activities			
Charges for services	1,117,369	942,471	989,088
Operating grants and contributions	1,169,152	2,828,888	1,520,293
Capital grants and contributions	--	--	--
Total governmental activities program revenues	2,286,521	3,771,359	2,509,381
Business-type activities			
Charges for services			
Liquor	2,239,951	2,230,868	2,271,548
Electric	5,094,489	5,367,985	5,283,769
Water	475,504	481,330	489,423
Wastewater	762,235	844,683	814,478
Total business-type activities program revenues	8,572,179	8,924,866	8,859,218
Total primary government program revenues	10,858,700	12,696,225	11,368,599
Net Revenue (Expense)			
Governmental activities	518,787	1,124,925	(1,728,936)
Business-type activities	960,332	396,432	504,819
Total primary government net expense	\$ 1,479,119	\$ 1,521,357	\$ (1,224,117)

* Previous years data not available.

City of Mora, Minnesota
Change in Net Assets
Last Three Fiscal Years

Table 2
(Continued)

	Fiscal Year*		
	2006	2007	2008
General Revenues and Other Changes in Net Assets			
Governmental Activities			
Taxes			
Property taxes	\$ 479,292	\$ 504,338	\$ 545,600
Franchise taxes			
Tax increments	135,836	133,876	135,418
Gain on sale of capital assets	23,000	2,665	1,270
Unrestricted grants and contributions			
Payments in lieu of taxes			
Investment earnings	47,997	124,755	116,099
Miscellaneous			
Transfers	984,152	(86,486)	290,000
Total governmental activities	1,670,277	679,148	1,088,387
Business-type activities			
Investment earnings	227,299	321,282	269,830
Transfers	(984,152)	86,486	(290,000)
Total business-type activities	(756,853)	407,768	(20,170)
Total primary government	913,424	1,086,916	1,068,217
Changes in Net Assets			
Governmental activities	2,795,202	679,148	1,088,387
Business-type activities	(360,421)	407,768	(20,170)
Prior period adjustment	--	--	--
Total primary government	\$ 2,434,781	\$ 1,086,916	\$ 1,068,217

* Previous years data not available.

City of Mora, Minnesota
Fund Balances, Governmental Funds
Last Three Fiscal Years
(modified accrual basis of accounting)

Table 3

	Fiscal Year*		
	2006	2007	2008
General Fund			
Reserved	\$ --	\$ --	\$ --
Unreserved	759,788	899,082	930,747
Total general fund	759,788	899,082	930,747
All Other Governmental Funds			
Reserved	94,324	96,534	100,314
Unreserved, reported in:			
Special revenue funds	168,355	157,727	137,444
Capital project funds	248,714	(18,919)	(28,736)
Debt service funds	599,519	293,229	334,147
Total all other governmental funds	1,110,912	528,571	543,169
Total all governmental funds	\$ 1,870,700	\$ 1,427,653	\$ 1,473,916

* Previous years data not available.

City of Mora, Minnesota
Changes in Fund Balances, Governmental Funds
Last Three Fiscal Years
(modified accrual basis of accounting)

Table 4

	Fiscal Year*		
	2006	2007	2008
Revenues			
Property taxes	\$ 479,292	\$ 504,338	\$ 545,600
Tax increments	135,836	133,876	135,418
Licenses & permits	65,810	73,975	80,946
Special assessments	110,450	77,964	172,510
Intergovernmental	1,169,152	2,828,888	1,347,783
Charges for services	331,094	448,959	732,639
Fines	40,614	47,854	58,541
Investment earnings	47,997	124,755	116,099
Other revenues	274,490	296,384	118,232
Total revenues	2,654,735	4,536,993	3,307,768
Expenditures			
General government	521,072	463,645	484,113
Public safety	688,003	804,374	887,682
Public works	398,490	371,848	433,600
Cemetery	36,523	36,521	59,957
Culture and recreation	255,546	275,778	322,631
Housing and economic development	239,505	189,464	219,971
Capital projects	1,135,542	2,476,495	1,237,951
Miscellaneous	46,057	62,914	1,008,374
Debt service			
Principal	437,982	135,000	140,000
Interest & other expenditures	49,851	77,515	97,235
Total expenditures	3,808,571	4,893,554	4,891,514
Excess of revenues over (under) expenditures	(1,153,836)	(356,561)	(1,583,746)
Other Financing Sources (Uses)			
Proceeds from borrowing	1,787,911	--	1,337,249
Transfers in	3,492,603	438,823	1,103,716
Transfers out	(2,508,451)	(525,309)	(810,957)
Total other financing sources (uses)	2,772,063	(86,486)	1,630,008
Net change in fund balances	\$ 1,618,227	\$ (443,047)	\$ 46,262
Debt service as a percentage of non-capital expenditures	18.3%	8.8%	6.5%

* Previous years data not available.

City of Mora, Minnesota
Taxable Assessed Value of Taxable Property
Last Ten Fiscal Years

Table 5

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Other Taxable Property	Total Taxable Assessed Value	Total Direct Tax Rate
1999	\$ 59,600,400	22,656,100	*	NA	\$ 82,256,500	157.242%
2000	61,911,900	24,653,300	*	NA	86,565,200	152.690%
2001	59,618,700	22,866,700	*	NA	82,485,400	158.514%
2002	74,512,200	22,569,100	*	NA	97,081,300	148.799%
2003	84,991,500	23,863,000	*	NA	108,854,500	140.848%
2004	99,128,700	29,445,900	*	NA	128,574,600	127.490%
2005	104,276,300	32,735,400	*	NA	137,011,700	120.970%
2006	113,236,200	36,692,000	*	NA	149,928,200	117.317%
2007	127,839,600	28,845,500	8,299,000	23,218,000	188,202,100	114.083%
2008	150,595,200	29,678,700	8,389,000	4,787,900	193,450,800	114.377%

2008 residential includes apartments

Figures from Kanabec County Assessor

City of Mora, Minnesota
 Direct and Overlapping Property Tax Rates
 as a % of Net Tax Capacity
 Last Ten Fiscal Years

Fiscal Year	General Fund	Debt Service	Total City Tax		County	Region	Total Tax Rate
			Rate	School		(ECRDC)	
1999	14.360	4.745	19.105	54.982	82.911	0.244	157.242
2000	14.693	7.857	22.550	54.658	75.244	0.238	152.690
2001	17.926	7.455	25.381	53.941	78.973	0.219	158.514
2002	16.657	14.143	30.800	21.140	96.589	0.270	148.799
2003	14.253	14.184	28.437	19.922	92.225	0.264	140.848
2004	13.863	13.182	27.045	17.256	82.960	0.229	127.490
2005	12.064	11.824	23.888	15.963	80.918	0.201	120.970
2006	14.237	11.186	25.423	16.003	75.711	0.180	117.317
2007	16.570	8.282	24.852	15.579	73.490	0.162	114.083
2008	17.173	8.809	25.982	14.911	73.333	0.151	114.377

Table 7

City of Mora, Minnesota
Principal Property Tax Payers
Current Year and Ten Years Ago

Taxpayer	2008			1998		
	Net Tax Capacity	Rank	Percentage of Total City Tax Capacity	Net Tax Capacity	Rank	Percentage of Total City Tax Capacity
Engineered Polymers	\$ 59,946	1	2.84%	\$ 112,893	1	8.51%
Kanabec County	47,228	2	2.24%			
Gorham Housing Partners	44,064	3	2.09%			
Minmor (Fingerhut)	35,456	4	1.68%	58,324	2	4.39%
Coborn's	33,294	5	1.58%			
Kanabec State Bank	28,914	6	1.37%			
Long Term Health Care	28,539	7	1.35%			
Greater MN Credit Union	26,359	8	1.25%			
Housing Alternatives	22,669	9	1.07%	18,632	5	1.40%
Paul Belkholm, Inc.	20,858	10	0.99%			
Daniel G. Kamin (Pamida)	N/A		N/A	22,099	3	1.66%
Federated Co-ops	N/A		N/A			
Utilicorp	N/A		N/A	19,068	4	1.44%
Total	\$ 347,327		16.46%	\$ 231,016		17.40%
Total Net Tax Capacity 2008	\$ 2,109,722					

Figures from the Kanabec County Assessor

Table 8

City of Mora, Minnesota
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Collected within the Fiscal Year of the Levy						Total Collections to Date			Outstanding Delinquent Taxes
	General Fund	Debt Service	Taxes Levied for	Amount	Percentage of	Collections in	Amount	Percentage of		
	Levy	Levy	Fiscal Year*		Levy	Subsequent Years		Levy		
1999	\$ 190,600	\$ 62,977	\$ 253,577	\$ 245,130	96.67%	\$ 8,447	\$ 253,577	100.00%	--	
2000	194,667	104,094	298,761	286,268	95.82%	12,493	298,761	100.00%	--	
2001	250,318	104,094	354,412	337,550	95.24%	16,862	354,412	100.00%	--	
2002	191,223	162,366	353,589	342,222	96.79%	11,367	353,589	100.00%	--	
2003	177,228	176,363	353,591	337,662	95.50%	15,929	353,591	100.00%	--	
2004	207,228	197,054	404,282	384,459	95.10%	19,489	403,948	99.92%	334	
2005	207,228	203,112	410,340	384,438	93.69%	24,857	409,295	99.75%	1,045	
2006	261,991	208,524	470,515	451,726	96.01%	16,076	467,802	99.42%	2,713	
2007	333,850	166,866	500,716	484,649	96.79%	11,497	496,146	99.09%	4,570	
2008	362,312	185,838	548,150	514,486	93.86%	--	514,486	93.86%	33,664	

*Mobile home taxes not included because they are not levied.

Table 9

City of Mora, Minnesota
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Special Assessment Bonds	Electric Bonds	Water Bonds	Wastewater Bonds	Equipment Certificates	Total Primary Government	Percentage of Personal Income	Per Capita
1999	\$ --	\$ 200,100	\$ 1,000,000	\$ 199,000	\$ 2,430,000	\$ 175,000	\$ 4,004,100	7.17%	\$ 1,286.25
2000	--	168,400	855,000	170,000	2,280,000	140,000	3,613,400	NA	1,131.66
2001	--	144,200	700,000	139,000	2,115,000	105,000	3,203,200	NA	990.17
2002	--	120,000	540,000	107,000	1,945,000	70,000	2,782,000	NA	842.01
2003	1,405,000	100,000	--	880,500	4,187,500	35,000	6,608,000	NA	1,931.60
2004	1,405,000	75,000	--	844,500	2,417,500	--	4,742,000	NA	1,376.89
2005	1,310,000	50,000	--	807,500	2,212,500	--	4,380,000	NA	1,230.34
2006	1,560,000	1,500,000	--	807,500	1,992,500	--	5,860,000	NA	1,642.38
2007	1,450,000	1,475,000	--	790,000	1,755,000	--	5,470,000	NA	1,533.07
2008	1,345,000	2,815,000	--	781,000	1,516,000	--	6,457,000	NA	1,745.61

NA-not available

City of Mora, Minnesota
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General		Taxable Market		GO Bond Percentage of Taxable Market	Population	Per Capita	
	Obligation Bonds		Value		Value			
1999	\$	--	\$	83,326,700	0.00%	3113	\$	--
2000		--		86,672,600	0.00%	3193		--
2001		--		91,918,400	0.00%	3235		--
2002		--		100,605,900	0.00%	3304		--
2003	1,405,000			111,403,500	1.26%	3421		411
2004	1,405,000			131,614,800	1.07%	3444		408
2005	1,310,000			163,889,100	0.80%	3560		368
2006	1,560,000			171,816,700	0.91%	3568		437
2007	1,450,000			188,202,100	0.77%	3568		406
2008	1,345,000			193,450,800	0.70%	3699		364

City of Mora, Minnesota
Direct and Overlapping Governmental Activities Debt

Governmental Unit	Debt Outstanding	Tax Capacity	Percentage Applicable to the City	City's Estimated Share of Debt
City of Mora	\$ 6,457,000	\$ 2,228,546	100.00%	\$ 5,470,000
Kanabec County	14,730,000	13,571,887	16.42%	2,418,712
Independent School District	4,250,000	9,122,205	24.43%	1,038,271
Total				<u>\$ 8,926,983</u>

Figures from Kanabec County Auditor

City of Mora, Minnesota
Legal Debt Margin Information
Last Ten Fiscal Years

Fiscal Year	Assessed Market Value	Debt Limit (2-3%)	Debt Applicable to Limit	Legal Debt Margin	Debt % of Limit
1999	\$ 83,326,700	\$ 1,666,534	\$ 175,000	\$ 1,491,534	10.50%
2000	86,672,600	1,733,452	140,000	1,593,452	8.08%
2001	91,918,400	1,838,368	105,000	1,733,368	5.71%
2002	100,605,900	2,012,118	70,000	1,942,118	3.48%
2003	111,403,600	2,228,072	1,440,000	788,072	64.63%
2004	131,614,800	2,632,296	1,405,000	1,227,296	53.38%
2005	163,889,100	3,277,782	1,310,000	1,967,782	39.97%
2006	171,816,700	3,436,334	1,560,000	1,876,334	45.40%
2007	188,202,100	3,764,042	1,450,000	2,314,042	38.52%
2008	193,450,800	5,803,524	1,345,000	4,458,524	23.18%

Statutory debt limit increased from 2% to 3% in 2008.

City of Mora, Minnesota
Pledged-Revenue Coverage
Last Three Fiscal Years*

Fiscal Year	Water Revenue Bonds						Wastewater Revenue Bonds						Special Assessment Bonds			
	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage	Special Ass't Collection	Principal	Interest	Coverage
2005	\$ 411,665	\$ 437,611	\$ (25,946)	\$ 37,000	\$ 1,998		\$ 651,264	\$ 499,738	\$ 151,526	\$ --	\$ --		\$ --	\$ --	\$ --	
2006	475,504	459,607	15,897	--	51,995	31%	762,235	615,184	147,051	--	51,995	283%	109,791	--	--	0%
2007	533,499	496,699	36,800	17,500	48,490	56%	789,515	656,818	132,697	237,500	83,438	41%	14,577	--	26,270	55%

* Previous years data not available.

Table 14

City of Mora, Minnesota
Demographic and Economic Statistics
Last Ten Calendar Years

Year	Population	Personal Income	Per Capita Personal Income	Median Age	Per Cent HS Degree of Higher	Per Cent BA Degree or Higher	School Enrollment	Unemployment Rate
1999	3,113	\$ 63,937,907	\$ 20,539	NA	NA	NA	1,993	6.30%
2000	3,193	69,201,889	21,673	38.0	78.4	13.8	1,950	8.20%
2001	3,235	70,723,570	21,862	38.1	NA	NA	1,940	9.20%
2002	3,304	75,228,776	22,769	38.2	NA	NA	1,931	9.40%
2003	3,421	78,871,155	23,055	37.9	NA	NA	1,888	12.00%
2004	3,444	84,591,528	24,562	37.9	NA	NA	1,889	8.20%
2005	3,560	88,679,600	24,910	37.8	NA	NA	1,862	7.80%
2006	3,568	91,194,512	25,559	37.8	NA	NA	1,870	8.50%
2007	3,568	NA	NA	NA	NA	NA	1,858	10.70%
2008	3,699	NA	NA	NA	NA	NA	1,865	14.10%

NA-not available

Table 15

City of Mora, Minnesota
Principal Employers
Last Two Years *

Employer	2008			2007		
	Employees	Rank	% of Total	Employees	Rank	% of Total
Kanabec Hospital	308	1	12.3	309	1	12.4
Mora Public Schools	255	2	10.2	303	2	12.1
Kanabec County	199	3	8.0	180	4	7.2
Engineered Polymers Corporation	180	4	7.2	200	3	8.0
Coborn's, Inc.	152	5	6.1	143	5	5.7
Villa Health Care Center	147	6	5.9	105	8	4.2
Miner Group International	133	7	5.3	115	6	4.6
City of Mora	114	8	4.6	114	7	4.6
Lakes & Pines Community Action Council	110	9	4.4	101	9	4.0
Industries, Inc.	65	10	2.6	90	10	3.6

* Previous years data not available.

Table 16

City of Mora, Minnesota
Full-time Equivalent Employees by Function/Program
Last Ten Fiscal Years

Function/Program	Full-time Equivalent Employees as of June 30									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
General Government										
Management Services	2	2	2	2	2	2	2	2	2	2
Finance	2	2	2	2	2	2	2	2	2	2
Planning	1	1	1	1	0	0	0	0	0	0
Building	1	1	1	1	1	1	1	1	1	1
Police										
Officers	6	6	6	6	6	6	7	7	7	6
Civilians	1	1	1	1	1	1	1	1	1	1
Streets & Parks	5	5	4	4	4	4	4	4	4	4
Aquatic Center	1	1	1	1	1	1	1	1	1	1
Electric	5	7	7	6	6	6	6	6	6	6
Water/Wastewater	4	4	4	4	4	4	4	4	4	4
Liquor Store	2	2	2	1	1	1	1	1	1	1
Total	30	32	31	29	28	28	29	29	29	28

Data from finance department.

Table 17

City Of Mora, Minnesota
Operating Indicators by Function/Program
Last Three Fiscal Years

Function/Program	Fiscal Year *		
	2008	2007	2006
Police			
Physical arrests	319	285	294
Parking violations	175	246	57
Traffic violations	1,025	753	537
Fire			
Emergency responses	75	97	87
Fires extinguished	23	46	43
Inspections	8	10	7
Public Works			
Street resurfacing (miles)	None	.84	1.38
Potholes repaired	189	225	209
Library			
Volumes in collection	30,000	21,000	20,000
Total volumes borrowed	89,919	89,924	N/A
Water			
Total connections	1,160	1,151	1,150
Water-main breaks	3	1	2

NA-not available

* Previous years data not available.

Data from City of Mora department heads.

City of Mora, Minnesota
Capital Asset Statistics by Function/Program
Last Three Fiscal Years

	2008	Fiscal Year* 2007	2006
Function/Program			
Police			
Stations	1	1	1
Patrol units	6	6	6
Fire Stations	1	1	1
Other Public Works			
Streets (miles)	23.6	23.6	21.7
Street lights	458	458	458
Parks and recreation			
Acreage	28.44	28.44	28.44
Playgrounds	4	4	4
Baseball/softball fields	3	3	3
Water			
Water mains (miles)	18	18	16
Fire hydrants	279	279	258
Storage capacity (gallons)	700,000	700,000	700,000
Wastewater			
Sanitary sewers (miles)	16.00	16.00	14.00
Storm sewers (miles)	6.83	6.83	6.83
Treatment capacity (gallons/day)	800,000,000	800,000,000	800,000,000

* Previous years data not available.

Data from City of Mora department heads.

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CITY OF MORA, MINNESOTA
ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2008

AUDITOR'S REPORT SECTION

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* AND THE MINNESOTA LEGAL COMPLIANCE AUDIT GUIDE

Honorable Mayor and Common Council
City of Mora, Minnesota

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Mora, Minnesota as of and for the year ended December 31, 2008, which collectively comprise the City of Mora, Minnesota's basic financial statements and have issued our report thereon dated May 15, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the provisions of a *Legal Compliance Audit Guide*, promulgated by the State Auditor pursuant to Minnesota Statutes Section 6.65.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the City of Mora, Minnesota's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Mora, Minnesota's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Mora, Minnesota's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City of Mora, Minnesota's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City of Mora, Minnesota's financial statements that is more than inconsequential will not be prevented or detected by the City of Mora, Minnesota's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City of Mora, Minnesota's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.



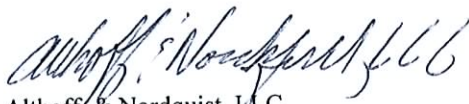
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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Mora's financial statements are free of material misstatement, we performed tests of its compliance with certain provision of laws, regulations, contracts and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our test disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. The *Legal Compliance Audit Guide* covers seven main categories of compliance to be tested: contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, and claims and disbursements, miscellaneous provisions, and Tax Increment Financing. Our study included all the listed categories. The results of our test indicate that for the items tested, the City complied with the material terms and condition of applicable legal provisions.

Further for the items not tested, based on our audit, the procedures referred to above, nothing came to our attention to indicate that the City had not complied with such legal provision.

This report is intended for the information of the audit committee, management, and federal awarding agencies, and pass-through entities. However, this report is a matter of public record and its distribution is not limited.



Althoff & Nordquist, LLC
Pine City, Minnesota
May 15, 2009

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