

COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
OF THE CITY OF  
MORA, MINNESOTA  
FOR THE  
FISCAL YEAR ENDED  
December 31, 2009

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

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For the Year Ended December 31, 2009  
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City of Mora, Minnesota  
INTRODUCTORY SECTION  
December 31, 2009

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# CITY OF MORA MORA MUNICIPAL UTILITIES

101 Lake Street South  
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[ci.mora.mn.us](http://ci.mora.mn.us)



320.679.1511

Fax 320.679.3862

320.679.1451

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

May 30, 2010

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, 2009. 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 3681 according to the 2009 state demographer's report. The city covers an area of 4.31 square miles.

## Local Economy

In 2009 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 remained high at

13.1%, largely due to the construction job losses. There was just one new home started in 2009. Home foreclosures increased, and property tax delinquency continued to be over 6%. A manufacturing plant which had been a city landmark for over thirty years was idle the entire year. Two commercial developments which were stalled in 2008 were abandoned. The city received no proposals for the purchase and use of the former feed mill property downtown.

Despite the economic difficulties, the EDA successfully negotiated the sale of two industrial park lots to a local mechanical contractor for expansion.

### 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. Because of inherent limitations, no set of control procedures can absolutely assure that all issues, including fraud, have been eliminated or detected. Inherent limitations exist through the possibilities of faulty judgments, errors, circumvention, collusion, and management override.

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. In 2009, the TNT requirements allowed public input on the budget and levy to be taken during a regular city council meeting. The council formally accepted public input at its meeting on December 15, 2009.

### 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:

	2009	2008	2007	2006	2005
General Fund	\$359,565	\$362,312	\$333,850	\$261,991	<b>\$207,228</b>
Debt Service Funds	\$222,222	\$185,838	\$166,866	\$208,524	<b>\$203,112</b>

### 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 2010.

#### 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 semi-annually 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, site preparations for a Kanabec State Bank building, and frontage road construction. Through tax increments which began in 2009, the city and the bank will be reimbursed for allowable expenditures.

#### 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 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 business-type activities.

#### Debt Administration

In 2009, Standard & Poor's assigned the city an A+ bond rating and viewed the rating as stable. S & P cited stable employment in health and government, adequate income indicators, and very strong financial reserves as rationale for the A+ rating. Under state law the general obligation debt is subject to a legal limitation as shown in the statistical section.

#### 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 2009. 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, 2008. 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 CAFR 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-four 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" and last name "Hjelle" clearly distinguishable.

Mason Hjelle, City Clerk-Treasurer

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# 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, 2008

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.



President

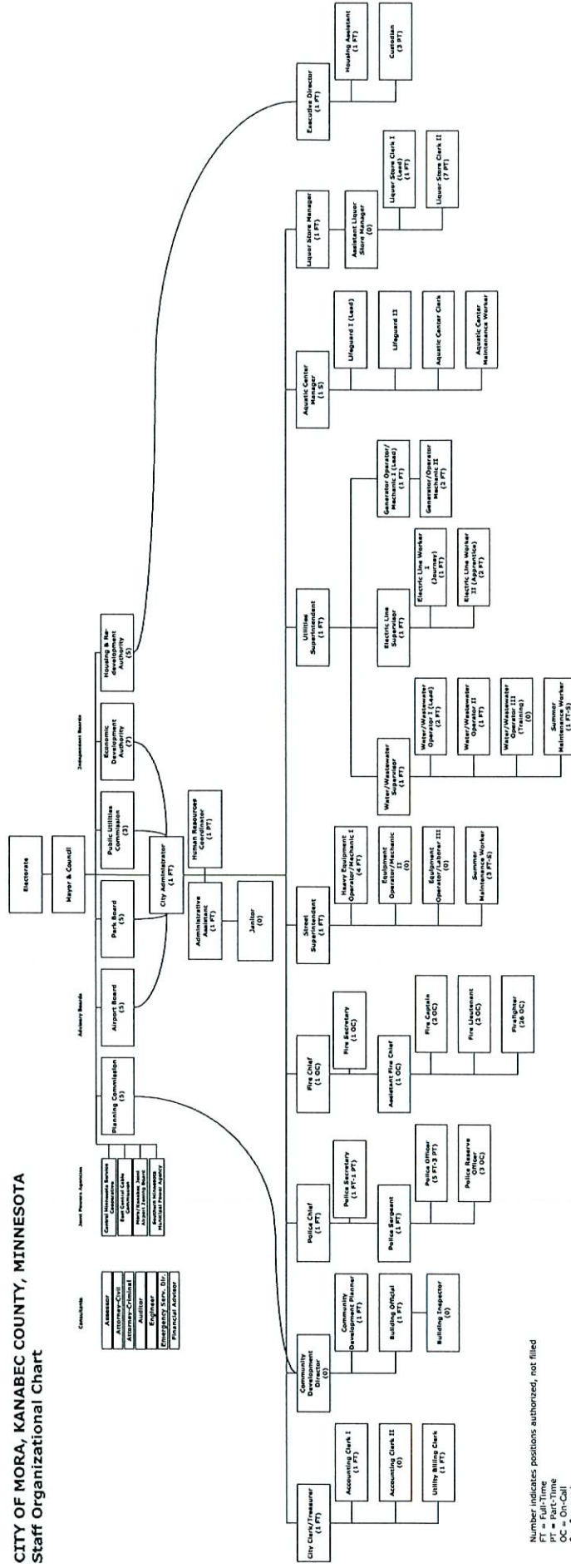
Executive Director

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# APPENDIX B Organizational Chart

## CITY OF MORA, KANABEC COUNTY, MINNESOTA Staff Organizational Chart



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City of Mora, Minnesota  
Organization  
December 31, 2009

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, 2009

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# Althoff and Nordquist, LLC

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ROBERT R. ALTHOFF, C.P.A.

MEMBERS  
AMERICAN INSTITUTE OF C.P.A.'S  
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, 2009 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, 2009, 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 June 20, 2010 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.



Althoff & Nordquist, LLC  
Pine City, Minnesota  
June 10, 2010



City of Mora, Minnesota  
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED  
December 31, 2009

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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, 2009. 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 \$25,253,452 (net assets). Of this amount, \$6,335,357 (unrestricted net assets) may be used to meet the city's ongoing obligations to citizens and creditors.
- \* The city's total net assets increased by \$614,952 in 2009.
- \* At the close of the fiscal year, governmental fund balances totaled \$777,500.
- \* As of December 31, 2009, the unreserved fund balance of the General Fund was \$987,173. This amount was 41.5% of the General Fund's total expenditures in 2009.

**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 debt service fund. 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	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 5,704,380	\$ 2,272,767	\$ 8,457,280	\$ 8,484,786	\$ 14,161,660	\$ 10,757,553
Capital assets (net)	12,388,859	11,846,661	10,252,814	10,090,030	22,641,673	21,936,691
Total Assets	18,093,239	14,119,428	18,710,094	18,574,816	36,803,333	32,694,244
Other liabilities	5,060,922	1,240,178	515,959	842,566	5,576,881	2,082,744
Long-term liabilities	3,193,995	3,187,740	2,779,005	2,785,260	5,973,000	5,973,000
Total Liabilities	8,254,917	4,427,918	3,294,964	3,627,826	11,549,881	8,055,744
Net Assets:						
Invested in capital assets						
net of related debt	9,194,864	8,457,166	7,473,809	7,022,525	16,668,673	15,479,691
Restricted	243,525	434,461	2,005,897	2,023,921	2,249,422	2,458,382
Unrestricted	399,933	799,883	5,935,424	5,900,544	6,335,357	6,700,427
Total Net Assets	\$ 9,838,322	\$ 9,691,510	\$ 15,415,130	\$ 14,946,990	\$ 25,253,452	\$ 24,638,500

The city reported positive balances in net assets for both governmental and business-type activities. Net assets increased \$146,812 for governmental activities and increased by \$468,140 for business-type activities. The city's overall financial position improved during 2009 primarily due to the city keeping expenditures under control and successfully sticking to the planned budget as much as possible.

**Changes in Fund Balance for the Major Funds:**

General Fund during 2009, the fund balance for the General Fund increased by \$58,426. Both revenue and expenditures were under budget.

Revenue were under budget by approximately \$25,149. Key factors were, 1) Charges for services were lower than expected. Primarily, swimming pool revenues were lower because of the cool summer. 2) The police department collected less in fines because the officers issued fewer citations than expected.

Expenditures were under budget by \$72,914. Key factors were, 1) Police department expenditures were lower because the police department did not purchase a new squad car that was budgeted. Police expenditures were also lower because the police department did not move into a new building where it would have had to pay higher utility costs. 2) Swimming pool wage expenditures were reduced because the swimming pool was closed many days due to cool weather. Pool expenditures were further reduced because the pool did not purchase new equipment as budgeted. 3) Street department expenditures were under budget because bids for street maintenance labor and materials were lower than anticipated. 4) Airport expenditures were higher than anticipated because of a water leak causing damage to the arrival/departure building. Most of the repair costs were covered through an insurance payment.

The combination of lower than budgeted revenues and expenditures and transfers from the Liquor Fund and other funds resulted in a fund balance increase of \$58,426 for the General Fund.

HRA Eastwood Debt Service Fund - This major fund which was established in 2009 did not have any change in its fund balance. Since there were no revenues and expenditures expected for this fund, no amounts were budgeted. This fund will be used to handle cash for the HRA's Eastwood construction project and related bond payments.

Change in Net Assets. The governmental activity's total revenues for the year ended were \$2,813,060. The city's total program expenses were \$2,959,384. The following table provides a summary of the city's changes in net assets for the year ended December 31, 2009:

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	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program revenues						
Charge for services	\$ 960,855	\$ 989,088	\$ 8,785,546	\$ 8,859,218	\$ 9,746,401	\$ 9,848,306
Operating grants and contributions	1,007,007	1,520,293	--	--	1,007,007	1,520,293
Capital grants and contributions	--	--	--	--	--	--
General revenues						
Property taxes	592,363	545,600	--	--	592,363	545,600
Tax increment	169,466	135,418	--	--	169,466	135,418
Investment earnings	81,049	116,099	337,042	269,830	418,091	385,929
Other revenue	2,320	1,270	--	--	2,320	1,270
Total Revenue	<u>2,813,060</u>	<u>3,307,768</u>	<u>9,122,588</u>	<u>9,129,048</u>	<u>11,935,648</u>	<u>12,436,816</u>
Program Expenses:						
General government	521,710	509,568	--	--	521,710	509,568
Public safety	993,186	968,290	--	--	993,186	968,290
Public works	1,005,869	726,335	--	--	1,005,869	726,335
Cemetery	66,702	72,685	--	--	66,702	72,685
Culture and recreation	224,822	326,874	--	--	224,822	326,874
Housing & ED	183,266	184,930	--	--	183,266	184,930
Capital projects	(203,893)	1,280,120	--	--	(203,893)	1,280,120
Miscellaneous	--	--	--	--	--	--
Interest on long-term debt	124,586	125,864	--	--	124,586	125,864
Liquor	--	--	2,153,910	2,046,371	2,153,910	2,046,371
Electric	--	--	4,881,937	5,031,885	4,881,937	5,031,885
Water	--	--	528,492	558,998	528,492	558,998
Wastewater	--	--	790,109	717,145	790,109	717,145
Total Expenses	<u>2,916,248</u>	<u>4,194,666</u>	<u>8,354,448</u>	<u>8,354,399</u>	<u>11,270,696</u>	<u>12,549,065</u>
Increase in net assets before transfers	(103,188)	(886,898)	768,140	774,649	664,952	(112,249)
Miscellaneous	(20,000)	--	(30,000)	--	(50,000)	--
Transfers	270,000	240,000	(270,000)	(290,000)	--	(50,000)
<b>Change in net assets</b>	<b>146,812</b>	<b>(646,898)</b>	<b>468,140</b>	<b>484,649</b>	<b>614,952</b>	<b>(162,249)</b>
Prior period adjustment	--	--	--	--	--	--
Beginning net assets	9,691,510	10,338,408	14,946,990	14,462,341	24,638,500	24,800,749
<b>Ending net assets</b>	<b><u>\$ 9,838,322</u></b>	<b><u>\$ 9,691,510</u></b>	<b><u>\$15,415,130</u></b>	<b><u>\$ 14,946,990</u></b>	<b><u>\$25,253,452</u></b>	<b><u>\$ 24,638,500</u></b>

Significant changes in fund balances and in total net assets:

The total net assets of governmental activities increased by \$146,812 in 2009. Changes in capital projects expenses accounted for the majority of this increase.

**Budgetary Highlights**

Over the course of the year, the city made changes to its annual expenditure budget to account for LGA reduction. Significant budgetary variances between the final amended budget and actual results are explained below:

The Fund Balance in the General Fund increased by \$56,426 in 2009. This was a 6.1% increase. This is largely a result of a number of departments operating under budget with relation to expenditures. These departments include police protection, swimming pool, and street.

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, 2009, the city had invested \$22,641,673 in capital assets, including buildings, facilities, vehicles, and equipment. This amount represents a net increase prior to depreciation of \$2,130,084 from last year. Total depreciation expense for the year was \$1,425,103. The following table provides a summary of the city's capital assets for the year ended:

	<b>Capital Assets</b>					
	<b>Net of Accumulated Depreciation</b>					
	Governmental Activities		Business-type Activities		Totals	
	2009	2008	2009	2008	2009	2008
Non-Depreciable Assets:						
Land	\$ 1,508,434	\$ 1,508,434	\$ 233,662	\$ 233,662	\$ 1,742,096	\$ 1,742,096
Construction in progress	--	--	262,797	--	262,797	--
Depreciable Assets:						
Buildings	2,456,640	2,519,875	1,275,368	1,344,343	3,732,008	3,864,218
Infrastructure	4,109,613	2,951,594	--	--	4,109,613	2,951,594
Improvements	3,509,041	3,658,215	7,349,132	7,321,157	10,858,173	10,979,372
Machinery, equipment, vehicles	805,131	1,208,543	1,131,855	1,193,335	1,936,986	2,401,878
Total	<u>\$ 12,388,859</u>	<u>\$ 11,846,661</u>	<u>\$ 10,252,814</u>	<u>\$ 10,092,497</u>	<u>\$ 22,641,673</u>	<u>\$ 21,939,158</u>

For further information, please refer to Note 3: D Capital Assets, pages 47-48.

*Debt administration.* At year end, the city had \$5,977,000 in general obligation bonds and other long-term debt outstanding, of which \$474,245 is due within one year. The following table presents a summary of the city's outstanding long-term debt for the year ended.

	<b>Outstanding Bonds</b>					
	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
General obligation bonds	\$ 3,197,995	\$ 3,389,495	\$ --	\$ --	\$ 3,197,995	\$ 3,389,495
Revenue bonds	--	--	2,779,005	3,067,505	2,779,005	3,067,505
Total	<u>\$ 3,197,995</u>	<u>\$ 3,389,495</u>	<u>\$ 2,779,005</u>	<u>\$ 3,067,505</u>	<u>\$ 5,977,000</u>	<u>\$ 6,457,000</u>

For further information please refer to Note 3: F Long-term Debt, pages 49-51.

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

**Capital Assets and Debt Administration (Continued)**

The City of Mora maintains an A+ bond rating from Standard and Poor's.

**Factors Bearing on the City's Future**

City Council

In reaction to Governor Pawlenty's unallotment of \$44,900 in 2009 LGA, the council increased its 2009 General Fund budgeted revenues by transferring an additional \$46,206 from its Future Improvement Fund. The council also reduced its 2009 General Fund budgeted expenditures \$33,617 through a variety of cuts. For 2010 the council approved a balanced budget with no tax levy increase.

To reduce expenditures for 2010 and future years, the council voted to disband the Mora Police Department and contract with the Kanabec County Sheriff for law enforcement services.

The council adopted the 2009 City of Mora Comprehensive Plan in February. The plan was developed by the planning commission with extensive public and professional input.

The city council pledged its tax base for \$3,000,000 in revenue bonds for the Mora HRA senior apartment building. The HRA began construction of the assisted living/memory care building in its Eastwood complex in December.

Capital Projects

The Highway 23 East frontage road improvement project was completed. Tax increments from TIF District 1-11 were to pay the city's share of the project.

Construction of the Spring Lake recreational trail began in September. The 2.3 mile paved trail project was to be completed in 2010.

The preliminary plan of the Dala Lane project was approved in February. The water, wastewater, and street project began development of a 95-acre commercial site along Highway 65 South.

The council purchased a 2.24 acre lot in the Dala Lane development for construction of a new off-sale liquor store. Construction of the 10,000 square-foot store began in November and was scheduled for completion in June 2010.

Public Utilities Commission

The Howe Avenue water/wastewater line project was completed in November.

The Commissioners approved extending the SMMPA power sales contract until 2050.

To avoid budget deficits, the PUC agreed to raise electric, water, and wastewater rates by 2% in January 2010.

The commissioners decided to upgrade the water treatment plant in 2010 at a cost of about \$1,400,000.



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

**Factors Bearing on the City's Future (Continued)**

Airport

The council began eminent domain proceedings to obtain a nine-acre tract for construction of a crosswind runway.

Annexations

The city annexed a 3.25-acre tract and a .76 acre tract which were bounded on all sides by the city.

**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, 2009

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City of Mora, Minnesota  
Statement of Net Assets  
December 31, 2009

	Governmental Activities	Business - Type Activities	2009 Total	Component Unit EDA
<b>ASSETS</b>				
Cash and investments	\$ 5,447,931	\$ 5,026,065	\$ 10,473,996	\$ 38,177
Interest receivable	10,792	34,572	45,364	--
Accounts receivable	87,777	837,578	925,355	--
Due from other governmental units	--	--	--	--
Due from other funds	--	--	--	--
Inventory	--	448,262	448,262	--
Loan receivable	--	--	--	--
Prepaid items	53,751	42,052	95,803	53
Special assessments	215	62,854	63,069	--
Restricted Assets:				
Temporary restricted:				
Cash and investments	103,914	1,426,280	1,530,194	--
Permanently restricted:				
Cash and investments	--	579,617	579,617	--
Capital assets, (net of accumulated depreciation)				
Land	1,508,434	233,662	1,742,096	--
Building, machinery, equipment	10,880,425	10,019,152	20,899,577	--
Total assets	<u>18,093,239</u>	<u>18,710,094</u>	<u>36,803,333</u>	<u>38,230</u>
<b>LIABILITIES</b>				
Cash in bank - overdraft	\$ 1,572,292	\$ --	\$ 1,572,292	\$ --
Accounts payable	6,117	372,319	378,436	723
Other payables	3,358,452	50,621	3,409,073	--
Accrued interest	122,861	--	122,861	--
Due to other funds	--	--	--	--
Customer meter deposits	--	30,165	30,165	--
Deposits for contractors	1,200	--	1,200	--
Unearned revenue	--	62,854	62,854	--
Noncurrent liabilities:				
Due within one year	192,000	298,005	490,005	--
Due in more than one year	3,001,995	2,481,000	5,482,995	--
Total liabilities	<u>8,254,917</u>	<u>3,294,964</u>	<u>11,549,881</u>	<u>723</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of selected debt	9,194,864	7,473,809	16,668,673	--
Restricted for:				
Debt service	139,611	--	139,611	--
Special revenue - Cemetery	103,914	--	103,914	--
Future operations:				
Liquor	--	103,998	103,998	--
Electric Utility	--	579,617	579,617	--
Water Utility	--	757,090	757,090	--
Waste Water Utility	--	565,192	565,192	--
Unrestricted:				
Unrestricted	399,933	5,935,424	6,335,357	37,507
Total net assets	<u>\$ 9,838,322</u>	<u>\$ 15,415,130</u>	<u>\$ 25,253,452</u>	<u>\$ 37,507</u>

See notes to financial statements.

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

Functions/Programs	Expenses	Charges for Services	Program Revenues	
			Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ (521,710)	\$ 670,879	\$ 801,224	\$ --
Public safety	(993,186)	97,331	205,783	--
Public works	(1,005,869)	45,952	--	--
Cemetery	(66,702)	42,440	--	--
Culture and recreation	(224,822)	104,203	--	--
Housing & economic development	(183,266)	50	--	--
Capital projects	203,893	--	--	--
Interest on long-term debt	(124,586)	--	--	--
Total governmental activities	<u>(2,916,248)</u>	<u>960,855</u>	<u>1,007,007</u>	<u>--</u>
Business - type - activities:				
Liquor	(2,153,910)	2,390,937	--	--
Electric	(4,881,937)	5,026,367	--	--
Water	(528,492)	541,726	--	--
Wastewater	(790,109)	826,516	--	--
Total business - type activities	<u>(8,354,448)</u>	<u>8,785,546</u>	<u>--</u>	<u>--</u>
Total Primary Government	<u>\$ (11,270,696)</u>	<u>\$ 9,746,401</u>	<u>\$ 1,007,007</u>	<u>\$ --</u>
Component Unit				
Economic Development Authority	(43,136)	--	--	--
Total Component Unit	<u>\$ (43,136)</u>	<u>--</u>	<u>--</u>	<u>--</u>
General revenues and expenses:				
Property taxes				
Tax increment				
Unrestricted investments earnings				
Gain on sale of capital assets				
Miscellaneous				
Transfers				
Total general revenues, expenses 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
\$ 950,393	\$ --	\$ 950,393	\$ --
(690,072)	--	(690,072)	--
(959,917)	--	(959,917)	--
(24,262)	--	(24,262)	--
(120,619)	--	(120,619)	--
(183,216)	--	(183,216)	--
203,893	--	203,893	--
(124,586)	--	(124,586)	--
(948,386)	--	(948,386)	--
--	237,027	237,027	--
--	144,430	144,430	--
--	13,234	13,234	--
--	36,407	36,407	--
--	431,098	431,098	--
(948,386)	431,098	(517,288)	--
--	--	--	(43,136)
--	--	--	(43,136)
592,363	--	592,363	--
169,466	--	169,466	--
81,049	337,042	418,091	--
2,320	--	2,320	--
(20,000)	(30,000)	(50,000)	50,050
270,000	(270,000)	--	--
1,095,198	37,042	1,132,240	50,050
146,812	468,140	614,952	6,914
--	--	--	--
9,691,510	14,946,990	24,638,500	30,593
\$ 9,838,322	\$ 15,415,130	\$ 25,253,452	\$ 37,507

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CITY OF MORA, MINNESOTA  
FUND FINANCIAL STATEMENTS  
December 31, 2009

City of Mora, Minnesota  
Governmental Funds  
Balance Sheet  
December 31, 2009

		Debt Service		
	General	HRA	NonMajor	Total
	Fund	Eastwood	Governmental	Governmental
			Funds	Funds
<b>ASSETS</b>				
Cash and investments	\$ 953,858	\$ 3,290,440	\$ 1,203,633	\$ 5,447,931
Interest receivable	4,264	--	6,528	10,792
Taxes receivable - delinquent	48,028	--	20,539	68,567
Accounts receivable	39,797	--	47,980	87,777
Special assessment receivables -				
Delinquent	--	--	--	--
Deferred	--	--	552,295	552,295
Due from other governmental units	--	--	--	--
Due from other funds	--	--	--	--
Loans to HRA	--	--	--	--
Loan to fire department	--	--	--	--
Prepaid insurance	52,965	--	786	53,751
Cash restricted	--	--	103,914	103,914
Total assets	<u>\$ 1,098,912</u>	<u>\$ 3,290,440</u>	<u>\$ 1,935,675</u>	<u>\$ 6,325,027</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Cash in bank - overdraft	\$ --	\$ --	\$ 1,572,292	\$ 1,572,292
Accounts payable	1,663	--	4,454	6,117
Other payables	68,012	3,290,440	--	3,358,452
Deposits from developers	1,200	--	--	1,200
Deferred revenues	40,864	--	568,602	609,466
Total liabilities	<u>111,739</u>	<u>3,290,440</u>	<u>2,145,348</u>	<u>5,547,527</u>
Fund Balances:				
Reserved for:				
Special revenue funds - Cemetery	--	--	103,914	103,914
Debt Service	--	--	139,611	139,611
Unreserved, undesignated, reported in:				
General fund	987,173	--	--	987,173
Special revenue funds	--	--	142,587	142,587
Capital projects	--	--	(595,785)	(595,785)
Total fund balances	<u>987,173</u>	<u>--</u>	<u>(209,673)</u>	<u>777,500</u>
Total liabilities and fund balances	<u>\$ 1,098,912</u>	<u>\$ 3,290,440</u>	<u>\$ 1,935,675</u>	<u>\$ 6,325,027</u>

See notes to financial statements.

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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, 2009

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

Total governmental fund balances ( page 21)		\$ 777,500
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental capital assets	19,946,427	
Less: accumulated depreciation	<u>(7,557,568)</u>	12,388,859
Other long-term assets are not available to pay for current - personal expenditures and, therefore, are deferred with funds.		
Delinquent property taxes		(68,567)
Deferred special assessments		(552,080)
Deferred revenues		609,466
Interest on long-term debt is not accrued in governmental funds but rather recognized as an expenditure when due		(122,861)
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>(3,193,995)</u>
Net assets of governmental activities (page 15)		<u><u>\$ 9,838,322</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, 2009

		<u>Debt Service</u>		
	General Fund	HRA Eastwood	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Property taxes	\$ 355,455	\$ --	\$ 236,907	\$ 592,362
Tax increments	--	--	169,466	169,466
Licenses and permits	53,097	--	--	53,097
Special assessments	--	--	54,587	54,587
Intergovernmental	885,845	--	87,551	973,396
Charges for services	542,192	--	78,088	620,280
Fines	33,709	--	--	33,709
Investment earnings	32,446	--	53,879	86,325
Sale of assets	2,320	--	--	2,320
Miscellaneous	29,041	--	270,648	299,689
Total revenues	<u>1,934,105</u>	<u>--</u>	<u>951,126</u>	<u>2,885,231</u>
<b>EXPENDITURES</b>				
Current:				
General government	534,479	--	--	534,479
Public safety	848,291	--	--	848,291
Public works	473,798	--	5,875	479,673
Cemetery	--	--	43,824	43,824
Culture and recreation	217,196	--	--	217,196
Housing and economic development	--	--	168,014	168,014
Capital projects	--	--	1,006,647	1,006,647
Miscellaneous	104,669	--	--	104,669
Debt Service:				
Principal	--	--	195,500	195,500
Interest and other charges	--	--	202,761	202,761
Total expenditures	<u>2,178,433</u>	<u>--</u>	<u>1,622,621</u>	<u>3,801,054</u>
Excess (deficiency) of revenues over (under) expenditures	(244,328)	--	(671,495)	(915,823)
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of long-term debt	--	--	--	--
Miscellaneous income (expense)	(20,000)	--	--	(20,000)
Transfers in	348,731	--	42,677	391,408
Transfers out	(27,977)	--	(93,431)	(121,408)
Total other financing sources (uses)	<u>300,754</u>	<u>--</u>	<u>(50,754)</u>	<u>250,000</u>
Net change in fund balances	56,426	--	(722,249)	(665,823)
Fund balances - beginning	930,747	--	512,576	1,443,323
Fund balances - ending	<u>\$ 987,173</u>	<u>\$ --</u>	<u>\$ (209,673)</u>	<u>\$ 777,500</u>

See notes to financial statements.

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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, 2009

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

Net changes in fund balances - total governmental funds (page 25)	\$ (665,823)
---	--------------

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 47).

Capital Outlays	1,304,801	
Depreciation Expense	<u>(762,603)</u>	542,198
Other miscellaneous items		71,934
Change in accrued interest payable		3,003
Long-term debt payments for current year		<u>195,500</u>
Changes in net assets of governmental activities (page 17)		<u><u>\$ 146,812</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, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	
<b>REVENUES</b>				
Property taxes	\$ 363,565	\$ 363,565	\$ 355,455	\$ (8,110)
Licenses and permits	62,075	62,075	53,097	(8,978)
Intergovernmental	957,904	913,004	920,924	7,920
Charges for services	533,134	545,390	507,113	(38,277)
Fines	50,000	50,000	33,709	(16,291)
Investment earnings	20,000	20,000	32,446	12,446
Sale of assets	--	--	2,320	2,320
Miscellaneous	8,220	5,220	29,041	23,821
Total revenues	1,994,898	1,959,254	1,934,105	(25,149)
<b>EXPENDITURES</b>				
Current:				
General government:				
General	73,623	73,623	71,486	2,137
Council	33,229	32,704	36,665	(3,961)
City administrator	92,124	84,624	84,092	532
Elections	--	--	154	(154)
Finance director	140,386	139,086	141,625	(2,539)
Attorney	31,750	33,417	39,640	(6,223)
Personnel	47,756	47,756	43,762	3,994
Planning and zoning	71,313	67,413	69,948	(2,535)
City hall building	25,691	26,871	24,688	2,183
Library building	19,456	19,456	22,419	(2,963)
Total general government	535,328	524,950	534,479	(11,666)
Public safety:				
Building inspection	71,653	69,857	72,861	(3,004)
Police protection	714,922	714,922	675,935	38,987
Fire protection	98,616	98,616	99,495	(879)
Total public safety	885,191	883,395	848,291	35,104
Public works:				
Street department	456,155	455,728	440,528	15,200
Street lighting	32,750	32,750	33,270	(520)
Total public works	488,905	488,478	473,798	14,680
Culture and recreation:				
Swimming pool	190,159	181,424	144,402	37,022
Park areas	93,166	81,758	72,794	8,964
Total Culture and recreation	283,325	263,182	217,196	45,986
Miscellaneous:				
Forestry and nursery	--	--	--	--
Shade tree program	--	--	--	--
Airport	72,215	71,342	104,669	(33,327)
Loan Pine Community Center	--	--	--	--
Unallocated operating expenses	--	--	--	--
Total Miscellaneous	72,215	71,342	104,669	(33,327)
Total expenditures	2,264,964	2,231,347	2,178,433	50,777
Excess (deficiency) of revenues over (under) expenditures	(270,066)	(272,093)	(244,328)	25,628



City of Mora, Minnesota  
General Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended December 31, 2009

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>OTHER FINANCING SOURCES (USES)</b>				
Miscellaneous expenses	\$ (20,000)	\$ (20,000)	\$ (20,000)	\$ --
Transfers in	319,085	354,806	348,731	29,646
Transfers out	(18,255)	(18,255)	(27,977)	(9,722)
Total other financing sources (uses)	<u>280,830</u>	<u>316,551</u>	<u>300,754</u>	<u>19,924</u>
Net change in fund balances	10,764	44,458	56,426	45,552
Fund balances - beginning	<u>930,747</u>	<u>930,747</u>	<u>930,747</u>	<u>--</u>
Fund balances - ending	<u>\$ 941,511</u>	<u>\$ 975,205</u>	<u>\$ 987,173</u>	<u>\$ 45,552</u>

See notes to financial statements.

City of Mora, Minnesota  
HRA Eastwood - Debt Service Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended December 31, 2009

	Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property taxes	\$ --	\$ --	\$ --
Licenses and permits	--	--	--
Intergovernmental	--	--	--
Charges for services	--	--	--
Fines	--	--	--
Investment earnings	--	--	--
Sale of assets	--	--	--
Miscellaneous	--	--	--
Total revenues	<u>--</u>	<u>--</u>	<u>--</u>
<b>EXPENDITURES</b>			
Debt Service:			
Principal	--	--	--
Interest	--	--	--
Miscellaneous	--	--	--
Total expenditures	<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>

See notes to financial statements.

City of Mora, Minnesota  
Proprietary Funds  
Statement of Net Assets  
December 31, 2009

	Business - Type Activities - Enterprise Funds				
	Municipal Liquor Fund	Electric Utility Fund	Water Utility Fund	Wastewater Utility Fund	Total
<b>ASSETS</b>					
Current assets:					
Cash and investments	\$ 87,235	\$ 4,065,108	\$ 328,651	\$ 545,071	\$ 5,026,065
Interest receivable	759	23,005	5,345	5,463	34,572
Accounts receivable	14,061	638,827	71,871	112,819	837,578
Inventory	234,263	206,849	7,150	--	448,262
Prepaid items	6,041	24,605	4,202	7,204	42,052
Special assessments	--	--	18,488	44,366	62,854
Total current assets	<u>342,359</u>	<u>4,958,394</u>	<u>435,707</u>	<u>714,923</u>	<u>6,451,383</u>
Noncurrent assets:					
Restricted cash and investments	103,998	579,617	757,090	565,192	2,005,897
Total restricted assets	<u>103,998</u>	<u>579,617</u>	<u>757,090</u>	<u>565,192</u>	<u>2,005,897</u>
Capital assets:					
Plant in service	507,661	7,746,339	5,002,108	6,305,910	19,562,018
Less: accumulated depreciation	(174,579)	(5,253,547)	(1,513,126)	(2,367,952)	(9,309,204)
Total Capital assets					
(net of accumulated depreciation)	<u>333,082</u>	<u>2,492,792</u>	<u>3,488,982</u>	<u>3,937,958</u>	<u>10,252,814</u>
Total noncurrent assets	<u>437,080</u>	<u>3,072,409</u>	<u>4,246,072</u>	<u>4,503,150</u>	<u>12,258,711</u>
Total assets	<u>779,439</u>	<u>8,030,803</u>	<u>4,681,779</u>	<u>5,218,073</u>	<u>18,710,094</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	21,514	331,255	7,273	12,277	372,319
Accrual wages payable	10,616	21,493	9,256	9,256	50,621
Due to other funds	--	--	--	--	--
Revenue bonds payable	--	--	27,870	270,135	298,005
Total current liabilities	<u>32,130</u>	<u>352,748</u>	<u>44,399</u>	<u>291,668</u>	<u>720,945</u>
Noncurrent liabilities:					
Customer meter deposits	--	30,165	--	--	30,165
Revenue bonds payable	--	--	1,143,316	1,337,684	2,481,000
Unearned revenue	--	--	18,488	44,366	62,854
Total noncurrent liabilities	<u>--</u>	<u>30,165</u>	<u>1,161,804</u>	<u>1,382,050</u>	<u>2,574,019</u>
Total liabilities	<u>32,130</u>	<u>382,913</u>	<u>1,206,203</u>	<u>1,673,718</u>	<u>3,294,964</u>
<b>NET ASSETS</b>					
Invested in capital assets, net					
of related debt	333,082	2,492,792	2,317,796	2,330,139	7,473,809
Restricted:					
Future operations	103,998	579,617	757,090	565,192	2,005,897
Unrestricted:					
Unreserved	310,229	4,575,481	400,690	649,024	5,935,424
Total net assets	<u>\$ 747,309</u>	<u>\$ 7,647,890</u>	<u>\$3,475,576</u>	<u>\$ 3,544,355</u>	<u>\$ 15,415,130</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, 2009

	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	\$ 2,383,815	\$ 4,584,541	\$ 504,535	\$ 779,758	\$ 8,252,649
Miscellaneous	7,122	441,826	37,191	46,758	532,897
Total operating revenues	<u>2,390,937</u>	<u>5,026,367</u>	<u>541,726</u>	<u>826,516</u>	<u>8,785,546</u>
Operating expenses:					
Cost of sales	1,810,503	3,814,079	--	--	5,624,582
Interest Paid	--	1,377	46,721	56,222	104,320
Maintenance and operations	334,595	841,905	306,609	479,937	1,963,046
Depreciation	8,812	224,576	175,162	253,950	662,500
Total operating expenses	<u>2,153,910</u>	<u>4,881,937</u>	<u>528,492</u>	<u>790,109</u>	<u>8,354,448</u>
Operating income	<u>237,027</u>	<u>144,430</u>	<u>13,234</u>	<u>36,407</u>	<u>431,098</u>
Nonoperating revenues (expenses):					
Interest earnings	18,795	208,322	56,952	52,973	337,042
Total nonoperating revenues (expenses)	<u>18,795</u>	<u>208,322</u>	<u>56,952</u>	<u>52,973</u>	<u>337,042</u>
Income (loss) before transfers	<u>255,822</u>	<u>352,752</u>	<u>70,186</u>	<u>89,380</u>	<u>768,140</u>
Miscellaneous expense	--	(30,000)	--	--	(30,000)
Transfers in	--	--	--	--	--
Transfers out	<u>(270,000)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(270,000)</u>
Changes in net assets	<u>(14,178)</u>	<u>322,752</u>	<u>70,186</u>	<u>89,380</u>	<u>468,140</u>
Total net assets - beginning	<u>761,487</u>	<u>7,325,138</u>	<u>3,405,390</u>	<u>3,454,975</u>	<u>14,946,990</u>
Total net assets - ending	<u>\$ 747,309</u>	<u>\$ 7,647,890</u>	<u>\$ 3,475,576</u>	<u>\$ 3,544,355</u>	<u>\$ 15,415,130</u>

See notes to financial statements.

City of Mora Minnesota  
Proprietary Funds  
Statement of Cash Flows  
For the Year Ended December 31, 2009

	Business - Type Activities - Enterprise Funds				
	Municipal Liquor Fund	Electric Utility Fund	Water Utility Fund	Wastewater Utility Fund	Total Current Year
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from customers	\$ 2,388,675	\$ 4,979,345	\$ 541,609	\$ 841,294	\$ 8,750,923
Cash payments for interest expense	--	--	(46,721)	(56,222)	(102,943)
Cash payments to suppliers	(1,932,781)	(4,147,253)	(110,553)	(199,210)	(6,389,797)
Cash payments to employees	(219,824)	(453,364)	(196,115)	(274,765)	(1,144,068)
Net cash provided by operating activities	<u>236,070</u>	<u>378,728</u>	<u>188,220</u>	<u>311,097</u>	<u>1,114,115</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING:</b>					
Miscellaneous in (out)	--	(30,000)	--	--	(30,000)
Transfers in (out)	(270,000)	--	--	--	(270,000)
Net cash provided by (used in) negotiated activities	<u>(270,000)</u>	<u>(30,000)</u>	<u>--</u>	<u>--</u>	<u>(300,000)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Bond principal payments	--	--	(30,623)	(273,640)	(304,263)
Bond issuance	--	--	--	--	--
Acquisition of capital assets	(262,796)	--	(296,168)	(266,318)	(825,282)
Proceeds from sale of capital assets	--	--	--	--	--
Net cash provided (used in) capital and related financing activities	<u>(262,796)</u>	<u>--</u>	<u>(326,791)</u>	<u>(539,958)</u>	<u>(1,129,545)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest income	<u>18,795</u>	<u>208,322</u>	<u>56,952</u>	<u>52,973</u>	<u>337,042</u>
Net increase (decrease) in cash and cash equivalents	(277,931)	557,050	(81,619)	(175,888)	21,612
Cash at Beginning of Year, including restricted cash	<u>469,164</u>	<u>4,087,675</u>	<u>1,167,360</u>	<u>1,286,151</u>	<u>7,010,350</u>
Cash at End of Year, including restricted cash	<u>\$ 191,233</u>	<u>\$ 4,644,725</u>	<u>\$ 1,085,741</u>	<u>\$ 1,110,263</u>	<u>\$ 7,031,962</u>

See notes to financial statements.

City of Mora, Minnesota  
Proprietary Funds  
Statement of Cash Flows  
For the Year Ended December 31, 2009

	Business - Type Activities - Enterprise Funds				Total Current Year
	Municipal Liquor Fund	Electric Utility Fund	Water Utility Fund	Wastewater Utility Fund	
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>					
Operating income (loss)	\$ 237,027	\$ 144,430	\$ 13,234	\$ 36,407	\$ 431,098
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	8,812	224,576	175,162	253,950	662,500
(Increase) decrease in interest receivable	2,651	7,736	3,410	4,304	18,101
(Increase) decrease in accounts receivable	(2,262)	(47,022)	(118)	14,778	(34,624)
(Increase) decrease in other receivables	--	--	7,906	25,942	33,848
(Increase) decrease in inventory	(17,205)	57,073	(1,424)	--	38,444
(Increase) decrease in prepaid insurance	(117)	(2,761)	(755)	(3,018)	(6,651)
Increase (decrease) in accounts payable	2,022	(6,675)	(8,206)	(12,809)	(25,668)
Increase (decrease) in accrued wages payable	5,142	6,945	4,320	4,320	20,727
Increase (decrease) in other liabilities	--	(5,575)	(5,309)	(12,777)	(23,661)
Total adjustments	(957)	234,297	174,986	274,690	683,016
Net cash provided (used) by operating activities	\$ 236,070	\$ 378,727	\$ 188,220	\$ 311,097	\$ 1,114,114

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, 2009

	<u>EDA</u>
<b>ASSETS</b>	
Cash and Investments	\$ 38,177
Prepaid Insurance	<u>53</u>
Total Assets	<u><u>\$ 38,230</u></u>
 <b>LIABILITIES AND FUND BALANCE</b>	
Liabilities:	
Accounts Payable	<u>\$ 723</u>
Total Liabilities	<u>723</u>
 Fund Balance:	
Unreserved	<u>37,507</u>
Total Fund Balance	<u><u>37,507</u></u>
 Total Liabilities and Fund Balance	<u><u>\$ 38,230</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, 2009

	EDA
<b>REVENUES</b>	
State grants and aids	\$ --
Contributions	--
Investment earnings	50
Total revenues	<u>50</u>
<b>EXPENDITURES</b>	
Salaries	39,711
Professional services	374
Supplies	(11)
Miscellaneous	3,062
Total expenditures	<u>43,136</u>
Excess (deficiency) of revenues over (under) expenditures	(43,086)
<b>OTHER FINANCING SOURCES (USES)</b>	
Miscellaneous income	50,000
Total other financing sources (uses)	<u>50,000</u>
Net change in fund balance	6,914
Fund balances - beginning	<u>30,593</u>
Fund balances - ending	<u>\$ 37,507</u>

See notes to financial statements.

CITY OF MORA, MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2009

City of Mora, Minnesota  
Notes to Financial Statements  
December 31, 2009

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. The EDA does not issue separate financial statements for the component unit.

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 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, 2009

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

HRA Eastwood - 2009 - Debt Service - To account for funds handled for the Mora HRA's construction project and for payments on bonds issued by the HRA.

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, 2009

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, 2009

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 thirty years and bear interest at 6% to 7% 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, 2009

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, 2009

NOTE 1: Summary of Significant Accounting Policies (Continued)

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

7. Other Payables - Vacation & Sick Pay

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 \$87,758 in 2008 to \$116,127 in 2009. About \$56,005 of the compensated absences is due within one year.

Sick pay can be accumulated up to a maximum of one hundred days. Current City policy is loss of sick pay upon termination of employment adjusted for years of service. Sick pay is recognized as an expenditure when an employee reaches the required years of service and payment is made.

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, 2009

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, 2009

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, 2009 are as follows:

Peoples National Bank - Checking	\$ 59,793
Kanabec State Bank - HiFi	4,572,966
Wells Fargo	3,007,946
Morgan Stanley & Smith Barney	2,847,327
People's National Bank - CD	519,283
Cash on Hand	4,200
Total Deposits	<u>\$ 11,011,515</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 collateral.

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 public trust.

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, 2009

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, 2009

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:

	<u>General</u>	<u>Debt Service</u>	<u>Municipal Liquor</u>	<u>Electric Utility</u>	<u>Water Utility</u>	<u>Wastewater Utility</u>	<u>Nonmajor and other Funds</u>	<u>Total</u>
Receivables:								
Interest	\$ 4,264	\$ 1,244	\$ 759	\$ 23,005	\$ 5,345	\$ 5,463	\$ 5,284	\$ 45,364
Taxes-delinquent	48,028	8,609	--	--	--	--	11,930	68,567
Accounts	39,797	--	14,061	638,827	71,871	112,819	47,980	925,355
Special assessments	--	552,295	--	--	18,488	44,366	--	615,149
Intergovernmental	--	--	--	--	--	--	--	--
Loan receivable	--	--	--	--	--	--	--	--
Gross receivables	92,089	562,148	14,820	661,832	95,704	162,648	65,194	1,654,435
Less: Allowance for Uncollectibles*	--	--	--	--	--	--	--	--
Net total receivables	<u>\$ 92,089</u>	<u>\$ 562,148</u>	<u>\$ 14,820</u>	<u>\$ 661,832</u>	<u>\$ 95,704</u>	<u>\$ 162,648</u>	<u>\$ 65,194</u>	<u>\$ 1,654,435</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, 2009

NOTE 3: Detailed Notes on All Funds (Continued)

D. Capital Assets

Capital assets activity for the year ended December 31, 2009 was as follows:

Governmental Activities	Beginning Balances	Increase	Decrease*	Ending Balances
Capital assets, not being depreciated:				
Land	\$ 1,508,434	\$ --	\$ --	\$ 1,508,434
Construction in progress	--	--	--	--
Total capital assets, not being depreciated	<u>1,508,434</u>	<u>--</u>	<u>--</u>	<u>1,508,434</u>
Capital assets, being depreciated:				
Land Improvements	5,494,510	--	--	5,494,510
Buildings	3,348,670	--	--	3,348,670
Infrastructure	5,888,489	1,294,738	--	7,183,227
Machinery, Equipment, Vehicles	2,401,523	10,063	--	2,411,586
Total capital assets, being depreciated	<u>17,133,192</u>	<u>1,304,801</u>	<u>--</u>	<u>18,437,993</u>
Less: accumulated depreciation for:				
Land Improvements	1,836,295	149,174	--	1,985,469
Buildings	828,795	63,235	--	892,030
Infrastructure	2,936,895	136,719	--	3,073,614
Machinery, Equipment, Vehicles	1,192,980	413,475	--	1,606,455
Total accumulated depreciation	<u>6,794,965</u>	<u>762,603</u>	<u>--</u>	<u>7,557,568</u>
Total capital assets, being depreciated, net	<u>10,338,227</u>	<u>542,198</u>	<u>--</u>	<u>10,880,425</u>
Governmental activities capital assets, net	<u>\$ 11,846,661</u>	<u>\$ 542,198</u>	<u>\$ --</u>	<u>\$ 12,388,859</u>

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

City of Mora, Minnesota  
Notes to Financial Statements  
December 31, 2009

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
Construction in progress	--	262,797	--	262,797
Total capital assets, not being depreciated	<u>233,662</u>	<u>262,797</u>	<u>--</u>	<u>496,459</u>
Capital assets, being depreciated:				
Buildings	2,702,562	--	--	2,702,562
Other Improvements	10,691,553	495,919	--	11,187,472
Equipment and fixtures	<u>5,109,001</u>	<u>66,567</u>	<u>43</u>	<u>5,175,525</u>
Total capital assets, being depreciated	<u>18,503,116</u>	<u>562,486</u>	<u>43</u>	<u>19,065,559</u>
Less: accumulated depreciation for:				
Buildings	1,358,219	68,975	--	1,427,194
Other Improvements	3,370,396	467,944	--	3,838,340
Equipment and fixtures	<u>3,918,132</u>	<u>125,581</u>	<u>43</u>	<u>4,043,670</u>
Total accumulated depreciation	<u>8,646,747</u>	<u>662,500</u>	<u>43</u>	<u>9,309,204</u>
Total capital assets being depreciated, net	<u>9,856,369</u>	<u>(100,014)</u>	<u>--</u>	<u>9,756,355</u>
Business - type activities capital assets, net	<u>\$ 10,090,031</u>	<u>\$ 162,783</u>	<u>\$ --</u>	<u>\$ 10,252,814</u>

Depreciation expense was charged to functions/programs as follows:

<u>Governmental Activities</u>	
General government	\$ 45,756
Public safety	144,895
Public works	526,196
Culture and recreation	22,878
Cemetery	7,626
Miscellaneous	<u>15,252</u>
Total depreciation expense - governmental activities	<u>\$ 762,603</u>
<u>Business - Type Activities</u>	
Electric utility	\$ 224,576
Water utility	175,162
Wastewater utility	253,950
Liquor	<u>8,812</u>
Total depreciation expense - business - type activities	<u>\$ 662,500</u>

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

City of Mora, Minnesota  
Notes to Financial Statements  
December 31, 2009

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, 2009.

Interfund transfers out:

General Fund	\$ (27,977)
Nonmajor governmental funds	(93,431)
Enterprise	<u>(270,000)</u>
Total transfers out	<u><u>\$ (391,408)</u></u>

Interfund transfers in:

General Fund	\$ 348,731
Nonmajor governmental funds	32,677
Debt Service	<u>10,000</u>
Total transfers in	<u><u>\$ 391,408</u></u>

The following is a general description of the interfund transfers:

General Fund:

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

Enterprise Funds:

Transfers from the Liquor Fund were completed to 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, 2009

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%	\$ 940,000
Governmental Activities	4.00%	1,330,000
Governmental Activities	4.00%	923,995
Business Type - refunding	3.0 - 5.125	500,000
Business Type Activities	--	1,883,000
Business Type Activities	--	396,005
Total		<u>\$ 5,973,000</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>
2010	\$ 192,000	\$ 122,861	\$ 298,005	\$ 107,079
2011	200,500	115,789	310,500	97,209
2012	210,500	108,210	55,500	91,074
2013	215,500	100,127	57,500	88,736
2014	229,000	91,440	60,000	86,428
2015-2019	1,130,000	318,207	330,000	393,644
2020-2024	561,000	148,434	365,000	322,416
2025-2029	455,495	26,523	368,500	238,725
2030-2034	--	--	250,000	178,166
2035-2039	--	--	307,000	120,468
2040-2044	--	--	377,000	49,508
Total	<u>\$ 3,193,995</u>	<u>\$ 1,031,591</u>	<u>\$2,779,005</u>	<u>\$ 1,773,453</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. waste 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%	\$1,543,000
Water & Sewer	4.000%	\$ 340,000



City of Mora, Minnesota  
Notes to Financial Statements  
December 31, 2009

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

F. Long-Term Debt (Continued)

The following is a summary of changes in long-term debt obligations for the year ended December 31, 2009:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
<b>GOVERNMENTAL ACTIVITIES</b>					
General obligation bonds					
G.O. Fire Station Bonds	\$ 1,015,000	\$ --	\$ 75,000	\$ 940,000	\$ 75,000
G.O. Bond, Series 2006A	1,405,000	--	75,000	1,330,000	75,000
G.O. Bonds, Series 2008A	969,495	--	45,500	923,995	42,000
Total general obligation bonds-					
Governmental activities long-term liabilities	<u>\$ 3,389,495</u>	<u>\$ --</u>	<u>\$ 195,500</u>	<u>\$ 3,193,995</u>	<u>\$ 192,000</u>
<b>BUSINESS - TYPE ACTIVITIES</b>					
G.O. Water & sewer revenue bonds	355,000	--	15,000	340,000	15,000
G.O. Water & sewer revenue bonds	1,562,000	--	19,000	1,543,000	19,000
G.O. Refunding Bonds, Series 2003B	735,000	--	235,000	500,000	235,000
G.O. Bonds, Series 2008A	415,505	--	19,500	396,005	13,245
Total bonds payable Business -					
type activities long-term liabilities	<u>\$ 3,067,505</u>	<u>\$ --</u>	<u>\$ 288,500</u>	<u>\$ 2,779,005</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, 2009 and descriptions are as follows:

<u>Governmental Funds</u>	
Debt Service	\$ 139,611
Special Revenue - Cemetery	103,914
<u>Enterprise Funds - Unrestricted, Designated</u>	
Liquor	103,998
Electric Utility	579,617
Water Utility	757,090
Wastewater Utility	565,192
Total	<u>\$ 2,249,422</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 administrating 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. In accordance with the development agreement, increment payments to EPC will end in June 2010.

City of Mora, Minnesota  
Notes to the Financial Statements  
December 31, 2009

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	6/23/1994
Year First Increment Received	1996
Date of Required Decertification	12/31/2017
Tax Increment Revenue - 2009	\$ 15,932
Current Net Tax Capacity	59,476
Base Net Tax Capacity	45,564
Captured Net Tax Capacity	13,912
Captured Net Tax Capacity shared with other taxing jurisdictions	--
Captured Tax Capacity retained by authority	13,912
Financial Obligations:	
Limited Revenue Note – Original Obligation	1,044,887
Outstanding Revenue Note at 12-31-09	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	2008
Date of Required Decertification	2033
Tax Increment Revenue - 2009	\$ 29,434
Current Net Tax Capacity	87,035
Base Net Tax Capacity	40,194
Captured Net Tax Capacity	46,840
Captured Net Tax Capacity shared with other taxing jurisdictions	--
Captured Tax Capacity retained by authority	46,840

City of Mora, Minnesota  
Notes to Financial Statements  
December 31, 2009

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	4/26/1995
Year First Increment Received	2000
Date of Required Decertification	12/31/2025
Tax Increment Revenue - 2009	\$ 50,539
Current Net Tax Capacity	44,064
Base 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 12-31-09	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 - 2009	\$ 13,328
Current Net Tax Capacity	11,270
Base Net Tax Capacity	25
Captured Net Tax Capacity	11,245
Captured Tax Capacity shared with other taxing jurisdictions	--
Captured Tax Capacity retained by authority	11,245
Financial Obligations:	
Limited Revenue Note – Original Obligation	152,107
Outstanding Revenue Note 12-31-09	152,107

City of Mora, Minnesota  
Notes to Financial Statements  
December 31, 2009

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	6/27/2001
Year First Increment Received	2003
Date of Required Decertification	12/31/2017
Tax Increment Revenue - 2009	\$ 13,862
Current Net Tax Capacity	11,969
Base Net Tax Capacity	89
Captured Net Tax Capacity	11,880
Captured Tax Capacity, shared with other taxing jurisdictions	--
Captured Tax Capacity retained by authority	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	6/29/2001
Year First Increment Received	2004
Date of Required Decertification	12/31/2029
Tax Increment Revenue-2009	\$ 46,371
Current Net Tax Capacity	44,540
Base Net Tax Capacity	4,714
Captured Net Tax Capacity	39,826
Captured Net Tax Capacity shared with other taxing jurisdiction	--
Captured Tax Capacity retained by authority	39,826
Financial Obligations:	
Limited Revenue Note-Original Obligation	700,000
Outstanding Revenue Note at 12/31/2009	484,815

City of Mora, Minnesota  
Notes to Financial Statements  
December 31, 2009

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, 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. 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, 2050. 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.

L. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

City of Mora, Minnesota  
Notes to Financial Statements  
December 31, 2009

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, 2009 as follows:

	<u>Expenditures</u>	<u>Appropriations</u>	<u>Over</u>
General Fund	\$ 2,178,433	\$ 1,934,105	\$ 244,328
Special Revenue Funds:			
TIF 1-12 Industrial	640	--	640
TIF 1-13 Dalbec	640	--	640
TIF 1-14 HRA/Nelson	3,599	--	3,599
Capital Projects:			
Highway 23-65	409,583	3,923	405,660
Howe Ave. Reconstruction	58,435	22,714	35,721
Downtown Feed Mill	122	--	122
Street Construction 2008	203,577	--	203,577
Airport Kastenbauer	8,878	7,900	978
Crosswind	14,875	--	14,875
Spring Lake Trail	130,582	--	130,582
Parker	175,587	--	175,587
Debt Service:			--
Street Construction 2004	21,000	20,479	521
Street Construction 2006	42,000	29,712	12,288

City of Mora, Minnesota  
Notes to Financial Statements  
December 31, 2009

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 & 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 age, and years of service and salary for any five successive years of allowable 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 before retirement benefits begin.

City of Mora, Minnesota  
Notes to Financial Statements  
December 31, 2009

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, 2009, 2008, and 2007 were \$78,972, \$77,853, and \$74,787 respectively. The City's contributions to the public Employees Police and Fire Fund for the years ending December 31, 2009, 2008 and 2007 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 firefighters 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, 2009

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 2009, and as of December 2009, 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, 2009 was \$679,781. Pension assets totaled \$557,659. Members do not contribute to the plan. Funding comes from 2% state aid and interest earnings on investments. During 2009 the state aid received by the Fire Relief was \$36,037.

NOTE 4: Deficit Fund Balances

The following nonmajor funds had deficit fund balances at December 31, 2009:

Special Revenue Funds:

TIF 1-11 Kanabec State Bank	\$ (28,430)
TIF 1-14 HRA/Nelson	(19,079)

Capital Project Funds:

Highway 23 E. Frontage Road	(293,293)
Howe Avenue Reconstruction	(265,638)
Downtown Feed Mill Redevelopment	(171,291)
Street Reconstruction 2008	(255,549)
Airport Kastenbauer House	(177,601)
Police Station	(44,367)
Crosswind	(14,875)
Spring Lake Park	(130,582)
Parker	(175,587)

City of Mora, Minnesota  
COMBINING AND INDIVIDUAL  
FUND STATEMENTS AND SCHEDULES  
NON-MAJOR GOVERNMENTAL FUNDS  
December 31, 2009

## **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.

Highway 23 E. Frontage Road - To account for revenues and expenditures related to the highway 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.

### **Capital Projects Funds - (Continued)**

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.

Crosswind - To account for revenues and expenses related to construction of a crosswind runway at the Mora airport

Spring Lake Trail - To account for revenues and expenses related to construction of a recreational trail.

Parker - To account for revenues and expenses related to development of the Parker property along Highway 65 South.

### **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 West 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.

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

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

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

City of Mora, Minnesota  
Nonmajor Governmental Funds  
Combining Balance Sheet  
December 31, 2009

	Special Revenue Funds			
	Storm Water Utility	Cemetery Fund	ED Revolving Loan	TIF 1-7 EPC
<b>ASSETS</b>				
Cash and investments	\$ 65,009	\$ 23,143	\$ 32,440	\$ 6,248
Accounts receivable	3,351	--	44,629	--
Interest receivable	257	665	270	--
Taxes receivable - delinquent	--	--	--	--
Special assessments receivable -				
Delinquent	--	--	--	--
Due from other funds	--	--	--	--
Due from other governments	--	--	--	--
Note receivable	--	--	--	--
Prepaid insurance	--	786	--	--
Total Current Assets	<u>68,617</u>	<u>24,594</u>	<u>77,339</u>	<u>6,248</u>
Restricted Assets:				
Cash and investments	--	103,914	--	--
Total Restricted Assets	<u>--</u>	<u>103,914</u>	<u>--</u>	<u>--</u>
Total Assets	<u>\$ 68,617</u>	<u>\$ 128,508</u>	<u>\$ 77,339</u>	<u>\$ 6,248</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Cash in bank - overdraft	\$ --	\$ --	\$ --	\$ --
Accounts payable	--	454	--	--
Due to other funds	--	--	--	--
Deferred revenue	--	--	--	--
Total liabilities	<u>--</u>	<u>454</u>	<u>--</u>	<u>--</u>
Fund Balances:				
Reserved for debt service	--	--	--	--
Reserved for other purposes	--	103,914	--	--
Unreserved	68,617	24,140	77,339	6,248
Total fund balances	<u>68,617</u>	<u>128,054</u>	<u>77,339</u>	<u>6,248</u>
Total liabilities and fund balances	<u>\$ 68,617</u>	<u>\$ 128,508</u>	<u>\$ 77,339</u>	<u>\$ 6,248</u>

Special Revenue Funds

TIF 2-2 Intrepid	TIF 1-8 Torborg	TIF 1-9 CMHP	TIF 2-10 Clinic	TIF 1-11 KSB
\$ 9,984	\$ 3,252	\$ 51	\$ 465	\$ --
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
9,984	3,252	51	465	--
--	--	--	--	--
--	--	--	--	--
\$ 9,984	\$ 3,252	\$ 51	\$ 465	\$ --
\$ --	\$ --	\$ --	\$ --	\$ 28,430
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	28,430
--	--	--	--	--
--	--	--	--	--
9,984	3,252	51	465	(28,430)
9,984	3,252	51	465	(28,430)
\$ 9,984	\$ 3,252	\$ 51	\$ 465	\$ --

TIF 1-12 Industrial	TIF 1-13 Dalbec	TIF 1-14 HRA/Nelson	Total
\$ --	\$ --	\$ --	\$ 140,592
--	--	--	47,980
--	--	--	1,192
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	786
--	--	--	190,550
--	--	--	103,914
--	--	--	103,914
\$ --	\$ --	\$ --	\$ 294,464
\$ --	\$ --	\$ 15,079	\$ 43,509
--	--	4,000	4,454
--	--	--	--
--	--	--	--
--	--	19,079	47,963
--	--	--	--
--	--	--	103,914
--	--	(19,079)	142,587
--	--	(19,079)	246,501
\$ --	\$ --	\$ --	\$ 294,464

City of Mora, Minnesota  
Nonmajor Governmental Funds  
Combining Balance Sheet  
December 31, 2009

Form E-1  
(Continued)

	Capital Projects Funds			
	Future Fire Equipment	Future Improvements	City Hall Improvements	Highway 23 E. Frontage
<b>ASSETS</b>				
Cash and investments	\$ 202,156	\$ 420,111	\$ 1,409	\$ --
Accounts receivable	--	--	--	--
Interest receivable	996	2,157	--	--
Taxes receivable - delinquent	--	--	--	--
Special assessments receivable - Delinquent	--	--	--	--
Due from other funds	--	--	--	--
Due from other governments	--	--	--	--
Note receivable	--	--	--	--
Prepaid insurance	--	--	--	--
Total Current Assets	<u>203,152</u>	<u>422,268</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><u>\$ 203,152</u></u>	<u><u>\$ 422,268</u></u>	<u><u>\$ 1,409</u></u>	<u><u>\$ --</u></u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Cash in bank - overdraft	\$ --	\$ --	\$ --	\$ 293,293
Accounts payable	--	--	--	--
Due to other funds	--	--	--	--
Deferred revenue	--	--	--	--
Total liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>293,293</u>
Fund Balances:				
Reserved for debt service	--	--	--	--
Reserved for other purposes	--	--	--	--
Unreserved	203,152	422,268	1,409	(293,293)
Total fund balances	<u>203,152</u>	<u>422,268</u>	<u>1,409</u>	<u>(293,293)</u>
Total liabilities and fund balances	<u><u>\$ 203,152</u></u>	<u><u>\$ 422,268</u></u>	<u><u>\$ 1,409</u></u>	<u><u>\$ --</u></u>



[illegible]

Capital Projects Funds		
Spring Lake Trail	Parker	Total
\$ --	\$ --	\$ 623,676
--	--	--
--	--	3,153
--	--	--
--	--	--
--	--	--
--	--	--
--	--	--
--	--	--
--	--	626,829
--	--	--
--	--	--
\$ --	\$ --	\$ 626,829
\$ 130,582	\$ 175,587	\$ 1,528,783
--	--	--
--	--	--
--	--	--
130,582	175,587	1,528,783
(130,582)	(175,587)	(306,169)
--	--	--
--	--	(595,785)
(130,582)	(175,587)	(901,954)
\$ --	\$ --	\$ 626,829

City of Mora, Minnesota  
Nonmajor Governmental Funds  
Combining Balance Sheet  
December 31, 2009

Form E-1  
(Continued)

	Debt Service Funds			
	G.O. Waste Water Facility	West Maple Avenue	Street Construction 2003	Fire Station 2003
<b>ASSETS</b>				
Cash and investments	\$ --	\$ --	\$ --	\$ 125,363
Accounts receivable	--	--	--	--
Interest receivable	--	--	--	623
Taxes receivable - delinquent	--	--	--	6,759
Special assessments receivable - Delinquent	--	--	--	--
Due from other funds	--	--	--	--
Due from other governments	--	--	--	--
Note receivable	--	--	--	--
Prepaid insurance	--	--	--	--
Total Current Assets	--	--	--	132,745
Restricted Assets:				
Cash and investments	--	--	--	--
Total Restricted Assets	--	--	--	--
Total assets	\$ --	\$ --	\$ --	\$ 132,745
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Cash in bank - overdraft	\$ --	\$ --	\$ --	\$ --
Accounts payable	--	--	--	--
Due to other funds	--	--	--	--
Deferred revenue	--	--	--	5,481
Total liabilities	--	--	--	5,481
Fund Balances:				
Reserved for debt service	--	--	--	127,264
Reserved for other purposes	--	--	--	--
Unreserved	--	--	--	--
Total fund balances	--	--	--	127,264
Total liabilities and fund balances	\$ --	\$ --	\$ --	\$ 132,745

Street Construction 2004	Maple Avenue East	Street Construction 2006	Airport Eastside 2007	Total	Total Nonmajor Governmental Funds
\$ 21,187	\$ 137,629	\$ 42,532	\$ 112,654	\$ 439,365	\$ 1,203,633
--	--	--	--	--	47,980
105	684	211	560	2,183	6,528
2,089	4,448	3,082	4,161	20,539	20,539
--	266,800	--	285,495	552,295	552,295
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	786
23,381	409,561	45,825	402,870	1,014,382	1,831,761
--	--	--	--	--	103,914
--	--	--	--	--	103,914
\$ 23,381	\$ 409,561	\$ 45,825	\$ 402,870	\$ 1,014,382	\$ 1,935,675
\$ --	\$ --	\$ --	\$ --	\$ --	\$ 1,572,292
--	--	--	--	--	4,454
--	--	--	--	--	--
1,691	270,361	2,529	288,540	568,602	568,602
1,691	270,361	2,529	288,540	568,602	2,145,348
21,690	139,200	43,296	114,330	445,780	139,611
--	--	--	--	--	103,914
--	--	--	--	--	(453,198)
21,690	139,200	43,296	114,330	445,780	(209,673)
\$ 23,381	\$ 409,561	\$ 45,825	\$ 402,870	\$ 1,014,382	\$ 1,935,675

City of Mora, Minnesota  
Nonmajor Governmental Funds  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
For the Year Ended December 31, 2009

	Special Revenue Funds			
	Storm Water Utility	Cemetery Fund	ED Revolving Loan	TIF 1-7 EPC
<b>REVENUES</b>				
Property taxes	\$ --	\$ --	\$ --	\$ --
Tax increments	--	--	--	15,932
Special assessments	--	--	--	--
Charges for services	36,518	41,570	--	--
Intergovernmental revenue	--	--	--	--
Interest earnings	1,945	6,383	5,276	--
Miscellaneous -				
Contributions	--	--	--	--
Other	--	870	--	--
Total revenues	<u>38,463</u>	<u>48,823</u>	<u>5,276</u>	<u>15,932</u>
<b>EXPENDITURES</b>				
Public works	5,875	--	--	--
Cemetery	--	43,824	--	--
Housing development	--	--	--	--
Economic development	--	--	--	15,850
Debt service	--	--	--	--
Capital projects	--	--	--	--
Total expenditures	<u>5,875</u>	<u>43,824</u>	<u>--</u>	<u>15,850</u>
Excess (deficiency) of revenues over (under) expenditures	32,588	4,999	5,276	82
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from long-term debt	--	--	--	--
Transfers in	--	--	--	--
Transfers out	(10,000)	(4,700)	--	--
Total other financing sources (uses)	<u>(10,000)</u>	<u>(4,700)</u>	<u>--</u>	<u>--</u>
Net change in fund balances	22,588	299	5,276	82
Fund balances - beginning	<u>46,029</u>	<u>127,755</u>	<u>72,063</u>	<u>6,166</u>
Fund balances - ending	<u>\$ 68,617</u>	<u>\$ 128,054</u>	<u>\$ 77,339</u>	<u>\$ 6,248</u>

Special Revenue Funds				
TIF 2-2 Intrepid	TIF 1-8 Torborg	TIF 1-9 CMHP	TIF 2-10 Clinic	TIF 1-11 KSB
\$ --	\$ --	\$ --	\$ --	\$ --
50,539	13,328	13,862	46,371	29,434
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
50,539	13,328	13,862	\$ 46,371	29,434
--	--	--	--	--
--	--	--	--	--
50,423	13,252	13,823	--	--
--	--	--	46,223	23,564
--	--	--	--	--
--	--	--	--	--
50,423	13,252	13,823	46,223	23,564
116	76	39	148	5,870
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
116	76	39	148	5,870
9,868	3,176	12	317	(34,300)
\$ 9,984	\$ 3,252	\$ 51	\$ 465	\$ (28,430)

TIF 1-12 Industrial	TIF 1-13 Dalbec	TIF 1-14 HRA/Nelson	Total
\$ --	\$ --	\$ --	\$ --
--	--	--	169,466
--	--	--	--
--	--	--	78,088
--	--	--	--
--	--	--	13,604
--	--	--	--
--	--	--	870
--	--	--	262,028
--	--	--	--
--	--	--	5,875
--	--	--	43,824
--	--	--	77,498
640	640	3,599	90,516
--	--	--	--
--	--	--	--
640	640	3,599	217,713
(640)	(640)	(3,599)	44,315
--	--	--	--
6,902	2,820	--	9,722
--	--	--	(14,700)
6,902	2,820	--	(4,978)
6,262	2,180	(3,599)	39,337
(6,262)	(2,180)	(15,480)	207,164
\$ --	\$ --	\$ (19,079)	\$ 246,501

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, 2009

	Capital Project Funds			
	Future Fire Equipment	Future Improvements	City Hall Improvements 2005	Highway 23-E
<b>REVENUES</b>				
Property taxes	\$ --	\$ --	\$ --	\$ --
Tax increments	--	--	--	--
Special assessments	--	--	--	--
Charges for services	--	--	--	--
Intergovernmental revenue	36,945	--	--	--
Interest earnings	8,032	20,698	--	3,923
Miscellaneous -				
Contributions	2,000	--	--	--
Other	--	68,334	--	--
Total revenues	<u>46,977</u>	<u>89,032</u>	<u>--</u>	<u>3,923</u>
<b>EXPENDITURES</b>				
Public works	--	--	--	--
Cemetery	--	--	--	--
Housing development	--	--	--	--
Economic development	--	--	--	--
Debt service	--	--	--	--
Capital projects	--	--	--	409,583
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>	<u>409,583</u>
Excess (deficiency) of revenues over (under) expenditures	46,977	89,032	--	(405,660)
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from long-term debt	--	--	--	--
Transfers in	13,055	9,900	--	--
Transfers out	(12,063)	(55,509)	--	--
Total other financing sources (uses)	<u>992</u>	<u>(45,609)</u>	<u>--</u>	<u>--</u>
Net change in fund balances	47,969	43,423	--	(405,660)
Fund balances - beginning	<u>155,183</u>	<u>378,845</u>	<u>1,409</u>	<u>112,367</u>
Fund balances - ending	<u>\$ 203,152</u>	<u>\$ 422,268</u>	<u>\$ 1,409</u>	<u>\$ (293,293)</u>



Capital Projects Funds					
Howe Avenue Reconstruction	Downtown Feed Mill Redevelopment	Street Construction 2008	Airport Kastenbauer House	Police Station	Crosswind
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
22,714	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	7,900	7,500	--
<u>22,714</u>	<u>--</u>	<u>--</u>	<u>7,900</u>	<u>7,500</u>	<u>--</u>
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
58,435	122	203,577	8,878	5,008	14,875
<u>58,435</u>	<u>122</u>	<u>203,577</u>	<u>8,878</u>	<u>5,008</u>	<u>14,875</u>
(35,721)	(122)	(203,577)	(978)	2,492	(14,875)
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
(35,721)	(122)	(203,577)	(978)	2,492	(14,875)
<u>(229,917)</u>	<u>(171,169)</u>	<u>(51,972)</u>	<u>(176,623)</u>	<u>(46,859)</u>	<u>--</u>
<u>\$ (265,638)</u>	<u>\$ (171,291)</u>	<u>\$ (255,549)</u>	<u>\$ (177,601)</u>	<u>\$ (44,367)</u>	<u>\$ (14,875)</u>

Capital Projects Funds		
Spring Lake Trail	Parker	Total
\$ --	\$ --	\$ --
--	--	--
--	--	--
--	--	--
--	--	59,659
--	--	32,653
--	--	2,000
--	--	83,734
--	--	178,046
--	--	--
--	--	--
--	--	--
--	--	--
--	--	--
130,582	175,587	1,006,647
130,582	175,587	1,006,647
(130,582)	(175,587)	(828,601)
--	--	--
--	--	22,955
--	--	(67,572)
--	--	(44,617)
(130,582)	(175,587)	(873,218)
--	--	(28,736)
\$ (130,582)	\$ (175,587)	\$ (901,954)

City of Mora, Minnesota  
Nonmajor Governmental Funds  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
For the Year Ended December 31, 2009

	Debt Service Funds			
	G.O. Waste Water Facility	West Maple Avenue	Street Construction 2003	Fire Station 2003
<b>REVENUES</b>				
Property taxes	\$ 45	\$ 15	\$ 39	\$ 64,304
Tax increments	--	--	--	--
Special assessments	--	--	--	--
Charges for services	--	--	--	--
Intergovernmental revenue	--	--	--	--
Interest earnings	--	--	--	2,511
Miscellaneous -				
Contributions	--	--	--	50,606
Other	--	--	--	--
Total revenues	<u>45</u>	<u>15</u>	<u>39</u>	<u>117,421</u>
<b>EXPENDITURES</b>				
Public works	--	--	--	--
Cemetery	--	--	--	--
Housing development	--	--	--	--
Economic development	--	--	--	--
Debt service	--	--	--	112,275
Capital projects	--	--	--	--
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>	<u>112,275</u>
Excess (deficiency) of revenues over (under) expenditures	45	15	39	5,146
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from long-term debt	--	--	--	--
Transfers in	--	--	--	--
Transfers out	(3,045)	(6,965)	(1,149)	--
Total other financing sources (uses)	<u>(3,045)</u>	<u>(6,965)</u>	<u>(1,149)</u>	<u>--</u>
Net change in fund balances	(3,000)	(6,950)	(1,110)	5,146
Fund balances - beginning	<u>3,000</u>	<u>6,950</u>	<u>1,110</u>	<u>122,118</u>
Fund balances - ending	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 127,264</u>

Street Construction 2004	Maple Avenue East	Street Construction 2006	Eastside 2007	Total	Total Nonmajor Governmental Funds
\$ 20,229	\$ 68,648	\$ 28,676	\$ 54,951	\$ 236,907	\$ 236,907
--	--	--	--	--	169,466
--	16,983	--	14,890	31,873	54,587
--	--	--	--	--	78,088
--	--	--	--	50,606	87,551
250	3,265	1,036	560	7,622	53,879
--	--	--	--	--	2,000
--	--	--	184,044	184,044	268,648
<u>20,479</u>	<u>88,896</u>	<u>29,712</u>	<u>254,445</u>	<u>511,052</u>	<u>951,126</u>
--	--	--	--	--	5,875
--	--	--	--	--	43,824
--	--	--	--	--	77,498
--	--	--	--	--	90,516
21,000	60,250	42,000	162,736	398,261	398,261
--	--	--	--	--	1,006,647
<u>21,000</u>	<u>60,250</u>	<u>42,000</u>	<u>162,736</u>	<u>398,261</u>	<u>1,622,621</u>
(521)	28,646	(12,288)	91,709	112,791	(671,495)
--	--	--	--	--	--
--	10,000	--	--	10,000	42,677
--	--	--	--	(11,159)	(93,431)
<u>--</u>	<u>10,000</u>	<u>--</u>	<u>--</u>	<u>(1,159)</u>	<u>(50,754)</u>
(521)	38,646	(12,288)	91,709	111,632	(722,249)
<u>22,211</u>	<u>100,554</u>	<u>55,584</u>	<u>22,621</u>	<u>334,148</u>	<u>512,576</u>
<u>\$ 21,690</u>	<u>\$ 139,200</u>	<u>\$ 43,296</u>	<u>\$ 114,330</u>	<u>\$ 445,780</u>	<u>\$ (209,673)</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, 2009

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, 2009

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Storm water fees	\$ 36,900	\$ 36,518	\$ (382)
Investment earnings	--	1,945	1,945
Total revenues	<u>36,900</u>	<u>38,463</u>	<u>1,563</u>
<b>EXPENDITURES</b>			
Professional services	3,000	3,115	(115)
Miscellaneous	18,800	2,760	16,040
Capital outlay	--	--	--
Total expenditures	<u>21,800</u>	<u>5,875</u>	<u>15,925</u>
Excess (deficiency) of revenues over (under) expenditures	15,100	32,588	17,488
<b>OTHER FINANCING SOURCES (USES)</b>			
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	5,100	22,588	(4,761)
Fund balances - beginning	<u>46,029</u>	<u>46,029</u>	<u>--</u>
Fund balances - ending	<u>\$ 51,129</u>	<u>\$ 68,617</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, 2009

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Interments	\$ 22,000	\$ 22,220	\$ 220
Perpetual care	2,000	3,780	1,780
Sale of lots	11,000	15,570	4,570
Miscellaneous	710	870	160
Investment earnings	4,000	6,383	2,383
Total revenues	<u>39,710</u>	<u>48,823</u>	<u>9,113</u>
<b>EXPENDITURES</b>			
Professional services	23,493	20,545	(2,948)
Salaries	22,362	18,511	(3,851)
Capital outlay	--	--	--
Miscellaneous	5,950	4,768	(1,182)
Total expenditures	<u>51,805</u>	<u>43,824</u>	<u>(7,981)</u>
Excess (deficiency) of revenues over (under) expenditures	(12,095)	4,999	17,094
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	--	--	--
Transfers out	(4,700)	(4,700)	--
Total other financing sources (uses)	<u>(4,700)</u>	<u>(4,700)</u>	<u>--</u>
Net change in fund balances	(16,795)	299	17,094
Fund balances - beginning	<u>127,755</u>	<u>127,755</u>	<u>--</u>
Fund balances - ending	<u>\$ 110,960</u>	<u>\$ 128,054</u>	<u>\$ 17,094</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, 2009

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Miscellaneous	\$ --	\$ --	\$ --
Investment earnings	2,000	5,276	3,276
Total revenues	<u>2,000</u>	<u>5,276</u>	<u>3,276</u>
<b>EXPENDITURES</b>			
Professional services	--	--	--
Dues and subscriptions	--	--	--
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	2,000	5,276	3,276
Fund balances - beginning	<u>72,063</u>	<u>72,063</u>	<u>--</u>
Fund balances - ending	<u>\$ 74,063</u>	<u>\$ 77,339</u>	<u>\$ 3,276</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, 2009

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Tax increments	\$ --	\$ 15,932	\$ 15,932
Investment earnings	--	--	--
Total revenues	<u>--</u>	<u>15,932</u>	<u>15,932</u>
<b>EXPENDITURES</b>			
Professional services	--	1,512	1,512
Economic development	--	14,338	14,338
Miscellaneous	--	--	--
Total expenditures	<u>--</u>	<u>15,850</u>	<u>15,850</u>
 Net change in fund balances	 --	 82	 82
 Fund balances - beginning	 <u>6,166</u>	 <u>6,166</u>	 <u>--</u>
 Fund balances - ending	 <u><u>\$ 6,166</u></u>	 <u><u>\$ 6,248</u></u>	 <u><u>\$ 82</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, 2009

	Original and Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Tax increments	\$ --	\$ 50,539	\$ 50,539
Investment earnings	--	--	--
Total revenues	<u>--</u>	<u>50,539</u>	<u>50,539</u>
<b>EXPENDITURES</b>			
Professional services	--	2,411	2,411
Housing development	--	48,012	48,012
Miscellaneous	--	--	--
Total expenditures	<u>--</u>	<u>50,423</u>	<u>50,423</u>
Net changes in fund balances	--	116	116
Fund balances - beginning	<u>9,868</u>	<u>9,868</u>	<u>--</u>
Fund balances - ending	<u><u>\$ 9,868</u></u>	<u><u>\$ 9,984</u></u>	<u><u>\$ 116</u></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, 2009

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Tax increments	\$ --	\$ 13,328	\$ 13,328
Investment earnings	--	--	--
Total revenues	<u>--</u>	<u>13,328</u>	<u>13,328</u>
<b>EXPENDITURES</b>			
Professional services	--	3,019	3,019
Housing development	--	10,233	10,233
Miscellaneous	--	--	--
Total expenditures	<u>--</u>	<u>13,252</u>	<u>13,252</u>
Net change to fund balances	--	76	76
Fund balances - beginning	<u>3,176</u>	<u>3,176</u>	<u>--</u>
Fund balances - ending	<u>\$ 3,176</u>	<u>\$ 3,252</u>	<u>\$ 76</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, 2009

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Tax increments	\$ --	\$ 13,862	\$ 13,862
Total revenues	<u>--</u>	<u>13,862</u>	<u>13,862</u>
<b>EXPENDITURES</b>			
Professional services	--	655	655
Housing development	--	13,168	13,168
Interest	--	--	--
Miscellaneous	--	--	--
Total expenditures	<u>--</u>	<u>13,823</u>	<u>13,823</u>
Net change to fund balances	--	39	39
Fund balances - beginning	<u>12</u>	<u>12</u>	<u>--</u>
Fund balances - ending	<u>\$ 12</u>	<u>\$ 51</u>	<u>\$ 39</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, 2009

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Tax increments	\$ --	\$ 46,371	\$ 46,371
Total revenues	<u>    --</u>	<u>46,371</u>	<u>46,371</u>
<b>EXPENDITURES</b>			
Professional services	--	4,489	4,489
Economic development	--	41,734	41,734
Interest	--	--	--
Miscellaneous	--	--	--
Total expenditures	<u>    --</u>	<u>46,223</u>	<u>46,223</u>
Net change to fund balances	--	148	148
Fund balances - beginning	<u>317</u>	<u>317</u>	<u>--</u>
Fund balances - ending	<u>\$ 317</u>	<u>\$ 465</u>	<u>\$ 148</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, 2009

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Tax increments	\$ --	\$ 29,434	\$ 29,434
Total revenues	<u>          --</u>	<u>         29,434</u>	<u>         29,434</u>
<b>EXPENDITURES</b>			
Professional services	--	--	--
Economic development	--	--	--
Interest	--	--	--
Miscellaneous	<u>          --</u>	<u>         23,564</u>	<u>         23,564</u>
Total expenditures	<u>          --</u>	<u>         23,564</u>	<u>         23,564</u>
Net change to fund balances	--	5,870	5,870
Fund balances - beginning	<u>         (34,300)</u>	<u>         (34,300)</u>	<u>          --</u>
Fund balances - ending	<u>         \$ (34,300)</u>	<u>         \$ (28,430)</u>	<u>         \$ 5,870</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, 2009

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Tax increments	\$ --	\$ --	\$ --
Total revenues	<u>    --</u>	<u>    --</u>	<u>    --</u>
<b>EXPENDITURES</b>			
Professional services	--	640	640
Economic development	--	--	--
Interest	--	--	--
Miscellaneous	<u>    --</u>	<u>    --</u>	<u>    --</u>
Total expenditures	<u>    --</u>	<u>    640</u>	<u>    640</u>
Excess (deficiency) of revenues over (under) expenditures	--	(640)	640
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	--	6,902	(6,902)
Transfers out	<u>    --</u>	<u>    --</u>	<u>    --</u>
Total other financing sources (uses)	<u>    --</u>	<u>    6,902</u>	<u>    (6,902)</u>
Net change in fund balances	--	6,262	(4,761)
Fund balances - beginning	<u>    (6,262)</u>	<u>    (6,262)</u>	<u>    --</u>
Fund balances - ending	<u>    \$ (6,262)</u>	<u>    \$ --</u>	<u>    \$ (4,761)</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, 2009

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Tax increments	\$ --	\$ --	\$ --
Total revenues	<u>--</u>	<u>--</u>	<u>--</u>
<b>EXPENDITURES</b>			
Professional services	--	640	640
Economic development	--	--	--
Interest	--	--	--
Miscellaneous	--	--	--
Total expenditures	<u>--</u>	<u>640</u>	<u>640</u>
Excess (deficiency) of revenues over (under) expenditures	--	(640)	640
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	--	2,820	(2,820)
Transfers out	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>2,820</u>	<u>(2,820)</u>
Net change in fund balances	--	2,180	(4,761)
Fund balances - beginning	<u>(2,180)</u>	<u>(2,180)</u>	<u>--</u>
Fund balances - ending	<u><u>\$ (2,180)</u></u>	<u><u>\$ --</u></u>	<u><u>\$ (4,761)</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, 2009

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Tax increments	\$ --	\$ --	\$ --
Total revenues	<u>--</u>	<u>--</u>	<u>--</u>
<b>EXPENDITURES</b>			
Professional services	--	3,599	3,599
Economic development	--	--	--
Interest	--	--	--
Miscellaneous	--	--	--
Total expenditures	<u>--</u>	<u>3,599</u>	<u>3,599</u>
Net change to fund balances	--	(3,599)	(3,599)
Fund balances - beginning	<u>(15,480)</u>	<u>(15,480)</u>	<u>--</u>
Fund balances - ending	<u><u>\$ (15,480)</u></u>	<u><u>\$ (19,079)</u></u>	<u><u>\$ (3,599)</u></u>

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

Capital Projects Funds  
December 31, 2009

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, 2009

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Intergovernmental revenues	\$ --	\$ 36,945	\$ 36,945
Contributions	--	2,000	2,000
Interest earnings	--	8,032	8,032
Total revenues	<u>--</u>	<u>46,977</u>	<u>46,977</u>
<b>EXPENDITURES</b>			
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	--	46,977	46,977
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	--	13,055	13,055
Transfers out	<u>--</u>	<u>(12,063)</u>	<u>(12,063)</u>
Total other financing sources (uses)	<u>--</u>	<u>992</u>	<u>992</u>
Net change in fund balances	--	47,969	47,969
Fund balances - beginning	<u>155,183</u>	<u>155,183</u>	<u>--</u>
Fund balances - ending	<u>\$ 155,183</u>	<u>\$ 203,152</u>	<u>\$ 47,969</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, 2009

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Intergovernmental revenues	\$ --	\$ --	\$ --
Interest earnings	--	20,698	20,698
Miscellaneous	--	68,334	68,334
Total revenues	<u>--</u>	<u>89,032</u>	<u>89,032</u>
<b>EXPENDITURES</b>			
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	--	89,032	89,032
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	--	9,900	9,900
Transfers out	<u>--</u>	<u>(55,509)</u>	<u>(55,509)</u>
Total other financing sources (uses)	<u>--</u>	<u>(45,609)</u>	<u>(45,609)</u>
Net change in fund balances	--	43,423	43,423
Fund balances - beginning	<u>378,845</u>	<u>378,845</u>	<u>--</u>
Fund balances - ending	<u>\$ 378,845</u>	<u>\$ 422,268</u>	<u>\$ 43,423</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, 2009

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

City of Mora, Minnesota  
Highway 23-E - Capital Project Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended December 31, 2009

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Intergovernmental revenues	\$ --	\$ --	\$ --
Miscellaneous	--	--	--
Interest earnings	--	3,923	3,923
Total revenues	<u>--</u>	<u>3,923</u>	<u>3,923</u>
<b>EXPENDITURES</b>			
Professional services	--	--	--
Capital projects	--	409,583	409,583
Miscellaneous	--	--	--
Total expenditures	<u>--</u>	<u>409,583</u>	<u>409,583</u>
Excess (deficiency) of revenues over (under) expenditures	--	(405,660)	(405,660)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	--	--	--
Transfers out	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	--	(405,660)	(405,660)
Fund balances - beginning	<u>112,367</u>	<u>112,367</u>	<u>--</u>
Fund balances - ending	<u>\$ 112,367</u>	<u>\$ (293,293)</u>	<u>\$ (405,660)</u>

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, 2009

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Intergovernmental revenues	\$ --	\$ 22,714	\$ 22,714
Miscellaneous	--	--	--
Interest earnings	--	--	--
Total revenues	<u>--</u>	<u>22,714</u>	<u>22,714</u>
<b>EXPENDITURES</b>			
Professional services	--	--	--
Capital projects	--	58,435	58,435
Miscellaneous	--	--	--
Total expenditures	<u>--</u>	<u>58,435</u>	<u>58,435</u>
Excess (deficiency) of revenues over (under) expenditures	--	(35,721)	(35,721)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	--	--	--
Transfers out	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	--	(35,721)	(35,721)
Fund balances - beginning	<u>(229,917)</u>	<u>(229,917)</u>	<u>--</u>
Fund balances - ending	<u>\$ (229,917)</u>	<u>\$ (265,638)</u>	<u>\$ (35,721)</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, 2009

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Intergovernmental revenues	\$ --	\$ --	\$ --
Miscellaneous	--	--	--
Contributions	--	--	--
Interest earnings	--	--	--
Total revenues	<u>--</u>	<u>--</u>	<u>--</u>
<b>EXPENDITURES</b>			
Professional services	--	--	--
Capital projects	--	122	122
Miscellaneous	--	--	--
Total expenditures	<u>--</u>	<u>122</u>	<u>122</u>
Excess (deficiency) of revenues over (under) expenditures	--	(122)	(122)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	--	--	--
Transfers out	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	--	(122)	(122)
Fund balances - beginning	<u>(171,169)</u>	<u>(171,169)</u>	<u>--</u>
Fund balances - ending	<u>\$ (171,169)</u>	<u>\$ (171,291)</u>	<u>\$ (122)</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, 2009

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Intergovernmental revenues	\$ --	\$ --	\$ --
Miscellaneous	--	--	--
Contributions	--	--	--
Interest earnings	--	--	--
Total revenues	<u>--</u>	<u>--</u>	<u>--</u>
<b>EXPENDITURES</b>			
Professional services	--	--	--
Capital projects	--	203,577	203,577
Miscellaneous	--	--	--
Total expenditures	<u>--</u>	<u>203,577</u>	<u>203,577</u>
Excess (deficiency) of revenues over (under) expenditures	--	(203,577)	(203,577)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	--	--	--
Transfers out	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	--	(203,577)	(203,577)
Fund balances - beginning	<u>(51,972)</u>	<u>(51,972)</u>	<u>--</u>
Fund balances - ending	<u>\$ (51,972)</u>	<u>\$ (255,549)</u>	<u>\$ (203,577)</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, 2009

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Intergovernmental revenues	\$ --	\$ --	\$ --
Miscellaneous	--	7,900	7,900
Contributions	--	--	--
Interest earnings	--	--	--
Total revenues	<u>--</u>	<u>7,900</u>	<u>7,900</u>
<b>EXPENDITURES</b>			
Professional services	--	--	--
Capital projects	--	3,592	3,592
Miscellaneous	--	5,286	5,286
Total expenditures	<u>--</u>	<u>8,878</u>	<u>8,878</u>
Excess (deficiency) of revenues over (under) expenditures	--	(978)	(978)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	--	--	--
Transfers out	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	--	(978)	(978)
Fund balances - beginning	<u>(176,623)</u>	<u>(176,623)</u>	<u>--</u>
Fund balances - ending	<u>\$ (176,623)</u>	<u>\$ (177,601)</u>	<u>\$ (978)</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, 2009

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Intergovernmental revenues	\$ --	\$ --	\$ --
Miscellaneous	--	7,500	7,500
Interest earnings	--	--	--
Total revenues	<u>--</u>	<u>7,500</u>	<u>7,500</u>
<b>EXPENDITURES</b>			
Professional services	--	--	--
Capital projects	--	5,008	5,008
Miscellaneous	--	--	--
Total expenditures	<u>--</u>	<u>5,008</u>	<u>5,008</u>
Excess (deficiency) of revenues over (under) expenditures	--	2,492	2,492
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	--	--	--
Transfers out	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	--	2,492	2,492
Fund balances - beginning	<u>(46,859)</u>	<u>(46,859)</u>	<u>--</u>
Fund balances - ending	<u>\$ (46,859)</u>	<u>\$ (44,367)</u>	<u>\$ 2,492</u>

City of Mora, Minnesota  
 Crosswind - Capital Project Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 For the Year Ended December 31, 2009

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Intergovernmental revenues	\$ --	\$ --	\$ --
Miscellaneous	--	--	--
Contributions	--	--	--
Interest earnings	--	--	--
Total revenues	<u>--</u>	<u>--</u>	<u>--</u>
<b>EXPENDITURES</b>			
Professional services	--	--	--
Capital projects	--	14,875	14,875
Miscellaneous	--	--	--
Total expenditures	<u>--</u>	<u>14,875</u>	<u>14,875</u>
Excess (deficiency) of revenues over (under) expenditures	--	(14,875)	(14,875)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	--	--	--
Transfers out	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	--	(14,875)	(14,875)
Fund balances - beginning	<u>--</u>	<u>--</u>	<u>--</u>
Fund balances - ending	<u>\$ --</u>	<u>\$ (14,875)</u>	<u>\$ (14,875)</u>

City of Mora, Minnesota  
Spring Lake Trail - Capital Project Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended December 31, 2009

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Intergovernmental revenues	\$ --	\$ --	\$ --
Miscellaneous	--	--	--
Contributions	--	--	--
Interest earnings	--	--	--
Total revenues	<u>--</u>	<u>--</u>	<u>--</u>
<b>EXPENDITURES</b>			
Professional services	--	--	--
Capital projects	--	130,582	130,582
Miscellaneous	--	--	--
Total expenditures	<u>--</u>	<u>130,582</u>	<u>130,582</u>
Excess (deficiency) of revenues over (under) expenditures	--	(130,582)	(130,582)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	--	--	--
Transfers out	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	--	(130,582)	(130,582)
Fund balances - beginning	<u>--</u>	<u>--</u>	<u>--</u>
Fund balances - ending	<u>\$ --</u>	<u>\$ (130,582)</u>	<u>\$ (130,582)</u>

City of Mora, Minnesota  
Parker - Capital Project Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended December 31, 2009

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Intergovernmental revenues	\$ --	\$ --	\$ --
Miscellaneous	--	--	--
Contributions	--	--	--
Interest earnings	--	--	--
Total revenues	<u>--</u>	<u>--</u>	<u>--</u>
<b>EXPENDITURES</b>			
Professional services	--	--	--
Capital projects	--	175,587	175,587
Miscellaneous	--	--	--
Total expenditures	<u>--</u>	<u>175,587</u>	<u>175,587</u>
Excess (deficiency) of revenues over (under) expenditures	--	(175,587)	(175,587)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	--	--	--
Transfers out	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	--	(175,587)	(175,587)
Fund balances - beginning	<u>--</u>	<u>--</u>	<u>--</u>
Fund balances - ending	<u>\$ --</u>	<u>\$ (175,587)</u>	<u>\$ (175,587)</u>

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

Debt Service Funds  
December 31, 2009



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, 2009

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property taxes	\$ --	\$ 45	\$ 45
Investment earnings	--	--	--
Total revenues	<u>--</u>	<u>45</u>	<u>45</u>
<b>EXPENDITURES</b>			
Principal	--	--	--
Interest	--	--	--
Fiscal agent fees	--	--	--
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	--	45	45
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in (out)	--	(3,045)	(3,045)
Total Other Financing Sources (Uses)	<u>--</u>	<u>(3,045)</u>	<u>(3,045)</u>
Net change in fund balances	--	(3,000)	(3,000)
Fund balances - beginning	<u>3,000</u>	<u>3,000</u>	<u>--</u>
Fund balances - ending	<u>\$ 3,000</u>	<u>\$ --</u>	<u>\$ (3,000)</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, 2009

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property taxes	\$ --	\$ 15	\$ 15
Special assessments	--	--	--
Investment earnings	--	--	--
Total revenues	<u>--</u>	<u>15</u>	<u>15</u>
<b>EXPENDITURES</b>			
Principal	--	--	--
Interest	--	--	--
Miscellaneous	<u>--</u>	<u>--</u>	<u>--</u>
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	--	15	15
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in (out)	<u>--</u>	<u>(6,965)</u>	<u>(6,965)</u>
Total other financing sources (uses)	<u>--</u>	<u>(6,965)</u>	<u>(6,965)</u>
Net change in fund balances	--	(6,950)	(6,965)
Fund balances - beginning	<u>6,950</u>	<u>6,950</u>	<u>--</u>
Fund balances - ending	<u>\$ 6,950</u>	<u>\$ --</u>	<u>\$ (6,965)</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, 2009

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property taxes	\$ --	\$ 39	\$ 39
Interest earnings	--	--	--
Total revenues	<u>--</u>	<u>39</u>	<u>39</u>
<b>EXPENDITURES</b>			
Principal	--	--	--
Interest	--	--	--
Miscellaneous	--	--	--
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	--	39	39
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in (out)	--	(1,149)	(1,149)
Total other financing sources (uses)	<u>--</u>	<u>(1,149)</u>	<u>(1,149)</u>
Net change in fund balances	--	(1,110)	(1,110)
Fund balances - beginning	<u>1,110</u>	<u>1,110</u>	<u>--</u>
Fund balances - ending	<u><u>\$ 1,110</u></u>	<u><u>\$ --</u></u>	<u><u>\$ (1,110)</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, 2009

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property taxes	\$ 35,734	\$ 64,304	\$ 28,570
Contributions	50,606	50,606	--
Interest earnings	1,000	2,511	1,511
Total revenues	<u>87,340</u>	<u>117,421</u>	<u>30,081</u>
<b>EXPENDITURES</b>			
Principal	75,000	75,000	--
Interest	36,925	36,925	--
Miscellaneous	350	350	--
Total expenditures	<u>112,275</u>	<u>112,275</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	(24,935)	5,146	30,081
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in (out)	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	(24,935)	5,146	30,081
Fund balances - beginning	<u>122,118</u>	<u>122,118</u>	<u>--</u>
Fund balances - ending	<u>\$ 97,183</u>	<u>\$ 127,264</u>	<u>\$ 30,081</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, 2009

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property taxes	\$ 20,680	\$ 20,229	\$ (451)
Interest earnings	200	250	50
Total revenues	<u>20,680</u>	<u>20,479</u>	<u>(401)</u>
<b>EXPENDITURES</b>			
Principal	15,000	15,000	--
Interest	4,400	6,000	1,600
Miscellaneous	70	--	(70)
Total expenditures	<u>19,470</u>	<u>21,000</u>	<u>1,530</u>
Excess (deficiency) of revenues over (under) expenditures	1,210	(521)	(1,731)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in (out)	<u>--</u>	<u>--</u>	<u>--</u>
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	1,210	(521)	(1,931)
Fund balances - beginning	<u>22,211</u>	<u>22,211</u>	<u>--</u>
Fund balances - ending	<u><u>\$ 23,421</u></u>	<u><u>\$ 21,690</u></u>	<u><u>\$ (1,931)</u></u>

City of Mora, Minnesota  
Maple Avenue East - Debt Service Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Year Ended December 31, 2009

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property taxes	\$ --	\$ 68,648	\$ 68,648
Special assessments	--	16,983	16,983
Interest earnings	--	3,265	3,265
Total revenues	--	88,896	88,896
<b>EXPENDITURES</b>			
Principal	--	30,000	30,000
Interest	--	30,250	30,250
Miscellaneous	--	--	--
Total expenditures	--	60,250	60,250
Excess (deficiency) of revenues over (under) expenditures	--	28,646	28,646
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in (out)	--	10,000	10,000
Total other financing sources (uses)	--	10,000	10,000
Net change in fund balances	--	38,646	38,646
Fund balances - beginning	22,211	100,554	78,343
Fund balances - ending	\$ 22,211	\$ 139,200	\$ 116,989

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, 2009

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property taxes	\$ 28,980	\$ 28,676	\$ (304)
Interest earnings	500	1,036	536
Total revenues	<u>28,980</u>	<u>29,712</u>	<u>232</u>
<b>EXPENDITURES</b>			
Principal	30,000	30,000	--
Interest	8,800	12,000	3,200
Miscellaneous	70	--	(70)
Total expenditures	<u>38,870</u>	<u>42,000</u>	<u>3,130</u>
Excess (deficiency) of revenues over (under) expenditures	(9,890)	(12,288)	(2,398)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in (out)	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	(9,890)	(12,288)	(2,898)
Fund balances - beginning	<u>55,584</u>	<u>55,584</u>	<u>--</u>
Fund balances - ending	<u>\$ 45,694</u>	<u>\$ 43,296</u>	<u>\$ (2,898)</u>

City of Mora, Minnesota  
 Eastside 2007 - Debt Service Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 For the Year Ended December 31, 2009

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>			
Property taxes	\$ --	\$ 54,951	\$ 54,951
Special assessments	--	14,890	14,890
Interest earnings	--	560	560
Miscellaneous	--	184,044	184,044
Total revenues	--	254,445	254,445
<b>EXPENDITURES</b>			
Principal	--	45,500	45,500
Interest	--	42,064	42,064
Miscellaneous	--	75,172	75,172
Total expenditures	--	162,736	162,736
Excess (deficiency) of revenues over (under) expenditures	--	91,709	91,709
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in (out)	--	--	--
Total other financing sources (uses)	--	--	--
Net change in fund balances	--	91,709	91,709
Fund balances - beginning	22,211	22,621	410
Fund balances - ending	\$ 22,211	\$ 114,330	\$ 92,119



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

Enterprise Funds  
December 31, 2009

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, 2009

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Operating Revenues:			
Sales	\$ 2,461,800	\$ 2,383,815	\$ 77,985
Total Operating Revenues	<u>2,461,800</u>	<u>2,383,815</u>	<u>77,985</u>
Operating Expenses:			
Cost of sales	1,865,500	1,810,503	54,997
Employee services	193,831	219,824	(25,993)
Supplies	20,300	12,017	8,283
Other services and charges	101,721	102,754	(1,033)
Depreciation	9,000	8,812	188
Total Operating Expenses	<u>2,190,352</u>	<u>2,153,910</u>	<u>36,442</u>
Operating Income (Loss)	271,448	229,905	41,543
Add: Non-Operating Revenues:			
Commissions	--	--	--
Discounts earned	--	--	--
Interest earned	10,000	18,795	(8,795)
Gain on sale of fixed assets	--	--	--
Miscellaneous	300	7,122	(6,822)
Total Non-Operating Revenues	<u>10,300</u>	<u>25,917</u>	<u>(15,617)</u>
Income before Transfers	281,748	255,822	25,926
Transfers:			
Transfers in (out)	(270,000)	(270,000)	--
Total Transfers	<u>(270,000)</u>	<u>(270,000)</u>	<u>--</u>
Net Income (Loss)	11,748	(14,178)	25,926
Net Assets, January 1	<u>761,487</u>	<u>761,487</u>	<u>--</u>
Net Assets, December 31	<u>\$ 773,235</u>	<u>\$ 747,309</u>	<u>\$ 25,926</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, 2009

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Operating Revenues:			
Sales	\$ 4,841,000	\$ 4,584,541	\$ 256,459
Total Operating Revenues	<u>4,841,000</u>	<u>4,584,541</u>	<u>256,459</u>
Operating Expenses:			
Cost of sales	4,010,000	3,814,079	195,921
Employee services	594,635	453,364	141,271
Supplies	8,850	60,147	(51,297)
Other services & charges	658,382	329,771	328,611
Depreciation	<u>233,000</u>	<u>224,576</u>	<u>8,424</u>
Total Operating Expenses	<u>5,504,867</u>	<u>4,881,937</u>	<u>622,930</u>
Operating Income (Loss)	(663,867)	(297,396)	(366,471)
Add: Non-Operating Revenues and Expenses:			
Miscellaneous expenses	(30,000)	(30,000)	--
Commissions	--	--	--
Discounts earned	--	--	--
Interest earned	165,000	208,322	(43,322)
Gain on sale of fixed assets	--	--	--
Miscellaneous - wage reimbursement	<u>466,580</u>	<u>441,826</u>	<u>24,754</u>
Total Non-Operating Revenues	<u>601,580</u>	<u>620,148</u>	<u>(18,568)</u>
Income before Transfers	(62,287)	322,752	(385,039)
Transfers and other expenses:			
Transfers in (out)	<u>--</u>	<u>--</u>	<u>--</u>
Total Transfers	<u>--</u>	<u>--</u>	<u>--</u>
Net Income (Loss)	(62,287)	322,752	(385,039)
Net Assets, January 1	<u>7,325,138</u>	<u>7,325,138</u>	<u>--</u>
Net Assets, December 31	<u>\$ 7,262,851</u>	<u>\$ 7,647,890</u>	<u>\$ (385,039)</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, 2009

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Operating Revenues:			
Sales	\$ 526,550	\$ 504,535	\$ 22,015
Total Operating Revenues	<u>526,550</u>	<u>504,535</u>	<u>22,015</u>
Operating Expenses:			
Cost of sales	--	--	--
Employee services	241,411	196,115	45,296
Supplies	44,830	55,238	(10,408)
Other services & charges	124,448	101,977	22,471
Depreciation	<u>197,000</u>	<u>175,162</u>	<u>21,838</u>
Total Operating Expenses	<u>607,689</u>	<u>528,492</u>	<u>79,197</u>
Operating Income (Loss)	(81,139)	(23,957)	(57,182)
Add: Non-Operating Revenues:			
Special assessments	2,800	9,099	(6,299)
Discounts earned	--	--	--
Interest earned	22,800	56,952	(34,152)
Gain on sale of fixed assets	--	--	--
Miscellaneous	<u>1,000</u>	<u>28,092</u>	<u>(27,092)</u>
Total Non-Operating Revenues	<u>26,600</u>	<u>94,143</u>	<u>(67,543)</u>
Income before Operating Transfers	(54,539)	70,186	(124,725)
Operating Transfers:			
Transfers in	--	--	--
Transfers (out)	<u>--</u>	<u>--</u>	<u>--</u>
Total Operating Transfers	<u>--</u>	<u>--</u>	<u>--</u>
Net Income (Loss)	(54,539)	70,186	(124,725)
Net Assets, January 1	<u>3,405,390</u>	<u>3,405,390</u>	<u>--</u>
Net Assets, December 31	<u>\$ 3,350,851</u>	<u>\$ 3,475,576</u>	<u>\$ (124,725)</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, 2009

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Operating Revenues:			
Sales	\$ 766,050	\$ 779,758	\$ (13,708)
Total Operating Revenues	<u>766,050</u>	<u>779,758</u>	<u>(13,708)</u>
Operating Expenses:			
Cost of sales	--	--	--
Employee services	241,411	274,765	(33,354)
Supplies	93,480	105,667	(12,187)
Other services and charges	195,659	155,727	39,932
Depreciation	256,000	253,950	2,050
Total Operating Expenses	<u>786,550</u>	<u>790,109</u>	<u>(3,559)</u>
Operating Income (Loss)	(20,500)	(10,351)	(10,149)
Add: Non-Operating Revenues:			
Special assessments	5,400	28,922	(23,522)
Discounts earned	--	--	--
Interest earned	40,400	52,973	(12,573)
Gain on sale of fixed assets	--	1,251	(1,251)
Miscellaneous	1,750	16,585	(14,835)
Total Non-Operating Revenues	<u>47,550</u>	<u>99,731</u>	<u>(52,181)</u>
Income before Operating Transfers	27,050	89,380	(62,330)
Operating Transfers:			
Transfers in	--	--	--
Transfers (out)	--	--	--
Total Operating Transfers	<u>--</u>	<u>--</u>	<u>--</u>
Net Income (Loss)	27,050	89,380	(62,330)
Net Assets, January 1	<u>3,454,975</u>	<u>3,454,975</u>	<u>--</u>
Net Assets, December 31	<u>\$ 3,482,025</u>	<u>\$ 3,544,355</u>	<u>\$ (62,330)</u>

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CITY OF MORA, MINNESOTA  
ANNUAL FINANCIAL REPORT  
YEAR ENDED DECEMBER 31, 2009

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>
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
2009	2,383,815	255,822	270,000	747,309

## 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>
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
2009	4,584,541	322,752	--	--	7,647,890

## City of Mora, Minnesota

Electric Utility Fund  
 Schedule of Services, Billing, KWH, and Revenues per KWH  
 For the Year Ended December 31, 2009

	Service	Amount	KWH	Revenues KWH
City Residential	1,487	\$ 1,064,740	10,262,644	0.1037
Rural Residential	106	116,797	1,138,496	0.1026
Small Commercial	206	715,001	7,601,339	0.0941
Large Commercial	27	1,050,060	12,324,764	0.0852
Industrial	4	1,522,078	19,024,051	0.0800
Government	27	67,030	1,038,122	0.0646
Street Lights	N/A	29,788	323,056	0.0922
Security Lights	N/A	18,387	80,442	0.2286
Wind Power	N/A	660	N/A	--
Total Retail Sales	1,857	\$ 4,584,541	51,792,914	0.0885
Cost of Power:				
Purchased Power		\$ 3,782,962		
Cost per KWH Sold		0.073000		
Total KWH Purchased		55,281,375		
Less: Station Power		(502,000)		
Net KWH to Feeders		54,779,375		
Less: Total Retail Sales		(51,792,914)		
Line Loss	5.45%	<u>\$ 2,986,461</u>		

## 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
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
2009	504,535	70,186	--	--	3,475,576

## 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
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
2009	779,758	89,380	--	--	3,544,355

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

CITY OF MORA, MINNESOTA

ANNUAL FINANCIAL REPORT  
YEAR ENDED DECEMBER 31, 2009

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)

Table 1

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

	Fiscal Year*			
	2006	2007	2008	2009
Governmental Activities				
Invested in capital assets, net of related debt	\$ 5,587,118	\$ 9,049,016	\$ 8,457,166	\$ 9,194,864
Restricted	693,843	387,763	434,461	243,525
Unrestricted	1,092,618	923,873	799,883	399,933
Total governmental activities net assets	7,373,579	10,360,652	9,691,510	9,838,322
Business-type activities				
Invested in capital assets, net of related debt	8,636,906	8,349,640	7,022,525	7,473,809
Restricted	--	--	2,023,921	2,005,897
Unrestricted	6,206,235	6,112,701	5,900,544	5,935,424
Total business-type activities net assets	14,843,141	14,462,341	14,946,990	15,415,130
Total Primary Government	\$ 22,216,720	\$ 24,822,993	\$ 24,638,500	\$ 25,253,452

\* Previous years data not available.



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

Table 2

	Fiscal Year*			
	2006	2007	2008	2009
<b>Governmental Activities</b>				
General government	\$ 428,118	\$ 495,842	\$ 509,568	\$ 521,710
Public safety	368,624	880,843	968,290	993,186
Public works	37,276	649,551	726,335	1,005,869
Cemetery	19,715	48,595	72,685	66,702
Culture and recreation	205,117	279,803	326,874	224,822
Housing and economic development	239,505	189,464	228,581	183,266
Capital projects	336,546	(1,029)	1,280,120	(206,895)
Miscellaneous	--	--	--	--
Interest on long term debt	132,833	103,365	125,864	124,586
Total governmental activities expenditures	1,767,734	2,646,434	4,238,317	2,913,246
Business-type activitie:				
Liquor	1,985,734	1,977,770	2,046,371	2,153,910
Electric	4,551,322	5,397,147	5,031,885	4,881,937
Water	429,607	496,699	558,998	528,492
Wastewater	615,184	656,818	717,145	790,109
Total business-type activities expenses	7,581,847	8,528,434	8,354,399	8,354,448
Total primary government expenses	9,349,581	11,174,868	12,592,716	11,267,694
<b>Program Revenues</b>				
Governmental activities				
Charges for services:				
General government	1,117,369	942,471	798,197	670,879
Public safety	--	--	--	97,331
Public works	--	--	--	45,952
Cemetery	--	--	73,929	42,440
Culture and recreation	--	--	116,962	104,203
Housing & economic development	--	--	--	50
Operating grants and contributions	1,169,152	2,828,888	1,520,293	1,007,007
Capital grants and contributions	--	--	--	--
Total governmental activities program revenues	2,286,521	3,771,359	2,509,381	1,967,862
Business-type activitie:				
Charges for services				
Liquor	2,239,951	2,230,868	2,271,548	2,390,937
Electric	5,094,489	5,367,985	5,283,769	5,026,367
Water	475,504	481,330	489,423	541,726
Wastewater	762,235	844,683	814,478	826,516
Total business-type activities program revenues	8,572,179	8,924,866	8,859,218	8,785,546
Total primary government program revenues	10,858,700	12,696,225	11,368,599	10,753,408
<b>Net Revenue (Expense)</b>				
Governmental activities	518,787	1,124,925	(1,728,936)	(945,384)
Business-type activitie:	960,332	396,432	504,819	431,098
Total primary government net expense	\$ 1,479,119	\$ 1,521,357	\$ (1,224,117)	\$ (514,286)

\* Previous years data not available.

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

Table 2  
(Continued)

	Fiscal Year*			
	2006	2007	2008	2009
<b>General Revenues and Other Changes in Net Assets</b>				
Governmental Activities				
Taxes				
Property taxes	\$ 479,292	\$ 504,338	\$ 545,600	\$ 592,363
Franchise taxes				
Tax increments	135,836	133,876	135,418	169,466
Gain on sale of capital assets	23,000	2,665	1,270	2,320
Unrestricted grants and contributions				
Payments in lieu of taxes				
Investment earnings	47,997	124,755	116,099	81,049
Miscellaneous				(20,000)
Transfers	984,152	(86,486)	290,000	270,000
Total governmental activities	1,670,277	679,148	1,088,387	1,095,198
Business-type activities				
Investment earnings	227,299	321,282	269,830	337,042
Miscellaneous	--	--	--	(30,000)
Transfers	(984,152)	86,486	(290,000)	(270,000)
Total business-type activities	(756,853)	407,768	(20,170)	37,042
Total primary government	913,424	1,086,916	1,068,217	1,132,240
<b>Changes in Net Assets</b>				
Governmental activities	2,795,202	679,148	1,088,387	146,812
Business-type activities	(360,421)	407,768	(20,170)	468,140
Prior period adjustment	--	--	--	--
Total primary government	\$ 2,434,781	\$ 1,086,916	\$ 1,068,217	\$ 614,952

\* Previous years data not available.

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

Table 3

	Fiscal Year*			
	2006	2007	2008	2009
General Fund				
Reserved	\$ --	\$ --	\$ --	\$ --
Unreserved	759,788	899,082	930,747	987,173
Total general fund	759,788	899,082	930,747	987,173
All Other Governmental Funds				
Reserved	94,324	96,534	100,314	103,914
Unreserved, reported in:				
Special revenue funds	168,355	157,727	137,444	142,587
Capital project funds	248,714	(18,919)	(28,736)	(595,785)
Debt service funds	599,519	293,229	334,147	139,611
Total all other governmental funds	1,110,912	528,571	543,169	(209,673)
Total all governmental funds	\$ 1,870,700	\$ 1,427,653	\$ 1,473,916	\$ 777,500

\* Previous years data not available.

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

Table 4

	Fiscal Year*			
	2006	2007	2008	2009
<b>Revenues</b>				
Property taxes	\$ 479,292	\$ 504,338	\$ 545,600	\$ 592,363
Tax increments	135,836	133,876	135,418	169,466
Licenses & permits	65,810	73,975	80,946	53,097
Special assessments	110,450	77,964	172,510	(43,299)
Intergovernmental	1,169,152	2,828,888	1,347,783	945,504
Charges for services	331,094	448,959	732,639	620,280
Fines	40,614	47,854	58,541	33,709
Investment earnings	47,997	124,755	116,099	81,049
Other revenues	274,490	296,384	118,232	357,891
Total revenues	2,654,735	4,536,993	3,307,768	2,810,060
<b>Expenditures</b>				
General government	521,072	463,645	484,113	475,954
Public safety	688,003	804,374	887,682	848,291
Public works	398,490	371,848	433,600	479,673
Cemetery	36,523	36,521	59,957	43,824
Culture and recreation	255,546	275,778	322,631	217,196
Housing and economic development	239,505	189,464	219,971	168,014
Capital projects	1,135,542	2,476,495	1,237,951	1,111,316
Miscellaneous	46,057	62,914	1,008,374	58,525
Debt service				
Principal	437,982	135,000	140,000	195,500
Interest & other expenditures	49,851	77,515	97,235	127,590
Total expenditures	3,808,571	4,893,554	4,891,514	3,725,883
Excess of revenues over (under) expenditures	(1,153,836)	(356,561)	(1,583,746)	(915,823)
<b>Other Financing Sources (Uses)</b>				
Proceeds from borrowing	1,787,911	--	1,337,249	--
Miscellaneous	--	--	--	(20,000)
Transfers in	391,408	438,823	1,103,716	391,408
Transfers out	(121,408)	(525,309)	(810,957)	(121,408)
Total other financing sources (uses)	2,057,911	(86,486)	1,630,008	250,000
Net change in fund balances	\$ 904,075	\$ (443,047)	\$ 46,262	\$ (665,823)
Debt service as a percentage of non-capital expenditures	18.3%	8.8%	6.5%	12.4%

\* 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
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	131,635,700	29,678,700	8,389,000	23,747,400	193,450,800	114.377%
2009	132,458,400	31,618,900	8,343,800	24,602,800	197,023,900	117.102%

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 (ECRDC)	Total Tax Rate
			Rate	School			
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
2009	16.574	10.243	26.817	15.540	74.595	0.150	117.102

Table 7

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

Taxpayer	2009			2000		
	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	2.76%	\$ 109,697	1	8.28%
Kanabec County	47,228	2	2.18%			
Gorham Housing Partners	44,064	3	2.03%			
Minmor (Fingerhut)	35,456	4	1.63%	56,717	2	4.28%
Coborn's	33,294	5	1.53%			
Kanabec State Bank	28,914	6	1.33%			
Villa Health Care	28,539	7	1.32%			
Greater MN Credit Union	26,359	8	1.21%			
Housing Alternatives	22,669	9	1.04%			
Paul Belkholm, Inc.	20,858	10	0.96%			
Daniel G. Kamin (Pamida)	N/A		N/A	48,768	3	3.68%
Holiday Station Stores	N/A		N/A	24,656	4	1.86%
Total	\$ 347,327		16.01%	\$ 239,838		18.11%
Total Net Tax Capacity	\$ 2,169,512			\$ 1,324,562		

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 Levy	Debt Service Levy	Taxes Levied for Fiscal Year*	Amount	Percentage of Levy	Collections in Subsequent Years	Amount	Percentage of Levy		
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%	25,063	409,501	99.80%	839	
2006	261,991	208,524	470,515	451,726	96.01%	16,789	468,515	99.57%	2,000	
2007	333,850	166,866	500,716	484,649	96.79%	13,172	497,821	99.42%	2,895	
2008	362,312	185,838	548,150	514,486	93.86%	18,179	532,665	97.18%	15,485	
2009	359,565	222,222	581,787	546,087	93.86%	--	546,087	93.86%	35,700	

\*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 Government Activities			Business Type Activities			Total Primary Government	Percentage of Personal Income	
	General Obligation Bonds	Special Assessment Bonds	Equipment Certificates	Electric Bonds	Water Bonds	Wastewater Bonds		Per Capita	
2000	\$ --	\$ 168,400	\$ 140,000	\$ 855,000	\$ 170,000	\$ 2,280,000	\$ 3,613,400	NA	\$ 1,131.66
2001	--	144,200	105,000	700,000	139,000	2,115,000	3,203,200	NA	990.17
2002	--	120,000	70,000	540,000	107,000	1,945,000	2,782,000	NA	842.01
2003	1,405,000	100,000	35,000	--	880,500	4,187,500	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
2009	1,225,000	2,705,000	--	--	771,500	1,271,500	5,973,000	NA	1,614.76

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		
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
2009		1,225,000		197,023,900	0.62%	3699	331

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	\$ 5,973,000	\$ 2,316,294	100.00%	\$ 5,973,000
Kanabec County	14,225,000	14,156,334	16.36%	2,327,529
Independent School District	3,735,000	9,450,528	24.51%	915,436
Total				<u>\$ 9,215,965</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
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%
2009	197,023,900	5,910,717	1,225,000	4,685,717	20.73%

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

City of Mora, Minnesota  
Pledged-Revenue Coverage  
Last Five 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%
2008	476,640	558,998	--	15,630	43,122	0%	795,073	717,145	77,928	242,370	63,403	25%	--	--	--	0%
2009	504,534	434,349	70,186	28,025	42,120	100%	779,758	690,378	89,380	260,475	66,739	27%	--	--	--	0%

\* 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
2000	3,193	\$ 69,201,889	\$ 21,673	38.00	78.40	13.80	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%
2009	3,681	NA	NA	NA	NA	NA	1,770	13.10%

NA-not available

Data from MN DEED website

Table 15

City of Mora, Minnesota  
Principal Employers  
Last Three Years \*

Employer	2009			2008			2007		
	Employees	Rank	% of Total	Employees	Rank	% of Total	Employees	Rank	% of Total
Kanabec Hospital	318	1	12.7	308	1	12.3	309	1	12.4
Mora Public Schools	315	2	12.6	255	2	10.2	303	2	12.1
Kanabec County	208	3	8.3	199	3	8.0	180	4	7.2
Engineered Polymers Corporation	169	4	6.8	180	4	7.2	200	3	8.0
Villa Health Care Center	157	5	6.3	147	6	5.9	105	8	4.2
Coborn's, Inc.	152	6	6.1	152	5	6.1	143	5	5.7
Lakes & Pines Community Action Council	152	7	6.1	110	9	4.4	101	9	4.0
Miner Group International	130	8	5.2	133	7	5.3	115	6	4.6
City of Mora	83	9	3.3	114	8	4.6	114	7	4.6
Industries, Inc.	60	10	2.4	65	10	2.6	90	10	3.6

\* Previous years data not available.  
Data from community development planner.

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									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
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	1	0	0	0	0	0
Building	1	1	1	1	1	1	1	1	1	1
Police										
Officers	6	6	6	6	6	6	6	7	7	7
Civilians	1	1	1	1	1	1	1	1	1	1
Streets & Parks	5	5	5	4	4	4	4	4	4	4
Aquatic Center	1	1	1	1	1	1	1	1	1	1
Electric	4	5	7	7	6	6	6	6	6	6
Water/Wastewater	5	4	4	4	4	4	4	4	4	4
Liquor Store	2	2	2	2	1	1	1	1	1	1
Total	30	30	32	31	29	28	28	29	29	29

Data from finance department.  
City payroll records.



Table 17

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

Function/Program	Fiscal Year *			
	2009	2008	2007	2006
Police				
Physical arrests	246	319	285	294
Parking violations	77	175	246	57
Traffic violations	262	1,025	753	537
Fire				
Emergency responses	56	75	97	87
Fires extinguished	29	23	46	43
Inspections	8	8	10	7
Public Works				
Street resurfacing (miles)	1.22	None	.84	1.38
Potholes repaired	213	189	225	209
Library				
Volumes in collection	30,000	30,000	21,000	20,000
Total volumes borrowed	92,000	89,919	89,924	N/A
Water				
Total connections	1,177	1,160	1,151	1,150
Water-main breaks	2	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 Four Fiscal Years

Function/Program	Fiscal Year*			
	2009	2008	2007	2006
Police				
Stations	1	1	1	1
Patrol units	6	6	6	6
Fire Stations	1	1	1	1
Other Public Works				
Streets (miles)	24.2	23.6	23.6	21.7
Street lights	458	458	458	458
Parks and recreation				
Acreage	28.44	28.44	28.44	28.44
Playgrounds	4	4	4	4
Baseball/softball fields	3	3	3	3
Water				
Water mains (miles)	18	18	18	16
Fire hydrants	281	279	279	258
Storage capacity (gallons)	700,000	700,000	700,000	700,000
Wastewater				
Sanitary sewers (miles)	16.00	16.00	16.00	14.00
Storm sewers (miles)	6.87	6.83	6.83	6.83
Treatment capacity (gallons/day)	800,000	800,000	800,000	800,000

\* 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, 2009

AUDITOR'S REPORT SECTION

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MINNESOTA SOCIETY OF C.P.A.'S

## 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 financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Mora, Minnesota as of and for the year ended December 31, 2009, which collectively comprise the City of Mora, Minnesota's basic financial statements and have issued our report thereon dated June 10, 2010. 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 deficiency in internal control 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 and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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 grant 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 tests 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 solely for the information and use of the audit committee, management, others within the entity, 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  
June 10, 2010

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