

COMPREHENSIVE ANNUAL
FINANCIAL REPORT
OF THE CITY OF
MORA, MINNESOTA
FOR THE
FISCAL YEAR ENDED
December 31, 2010

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

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City of Mora, Minnesota

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2010

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City of Mora, Minnesota

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City of Mora, Minnesota
INTRODUCTORY SECTION
December 31, 2010

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CITY OF MORA MORA MUNICIPAL UTILITIES

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

June 15, 2011

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, 2010. 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 of Mora 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. The city conducts 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 3571 according to the 2010 U.S. Census Department's report. The city covers an area of 4.31 square miles.

Local Economy

In 2010 the local economy struggled as in other small, rural Minnesota communities. Many construction jobs lost in recent years did not redevelop. Unemployment remained

high at 12.8%, largely due to the construction job losses. There were no new homes started in 2010. Home foreclosures continued at a record pace, and property tax delinquency continued to be over 6%.

Despite the economic difficulties, the EDA negotiated the sale of two industrial park lots for expansion of Mora's largest industrial company. The plastics manufacturing plant purchased the lots for the construction of a warehouse.

The largest industrial, commercial, and service employers added to their employee counts, and a boat manufacturing plant was reopened on a smaller scale.

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 and subsequent years, 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 21, 2010.

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 including law enforcement, 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 General Fund includes expenditures for public safety, streets, culture, recreation, airport, and administration.

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:

	2010	2009	2008	2007	2006
General Fund	\$339,376	\$359,565	\$362,312	\$333,850	\$261,991
Debt Service Funds	\$242,411	\$222,222	\$185,838	\$166,866	\$208,524
Total Levy	\$581,787	\$581,787	\$548,150	\$500,716	\$470,515

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

Cemetery Fund

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

EPC Tax Increment Fund 1-7

The EPC (Engineered Polymers Corporation) TIF 1-7 Fund accounts for the receipt and the disbursement of tax increments from Redevelopment District No. 1-7 (1994 EPC expansion.) Through June 2010, the city paid EPC ninety per cent of the tax increments received. The city retained the remaining ten per cent as reimbursement for costs associated with the facilitation of the project expansion. All obligations to EPC ended in the year 2010. The district is scheduled for decertification in 2011.

Economic Development Authority Fund

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. The fund accounts for revenues and expenditures related to EDA activities.

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 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 Fund No. 2-2

TIF 2-2 was created to account for a 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 Fund No. 1-8

TIF 1-8 was established in 2001 to account for the tax increments from TIF District 1-8, Whispering Pines Apartments at 500 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 Fund No. 1-9

TIF 1-9 was established in 2001 to account for the tax increments from TIF District 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 Fund No. 2-10

TIF 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 Fund No. 1-11

TIF 1-11 was established in 2006 for the demolition of an 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 2010. 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, 2009. 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-five 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,



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, 2009

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.



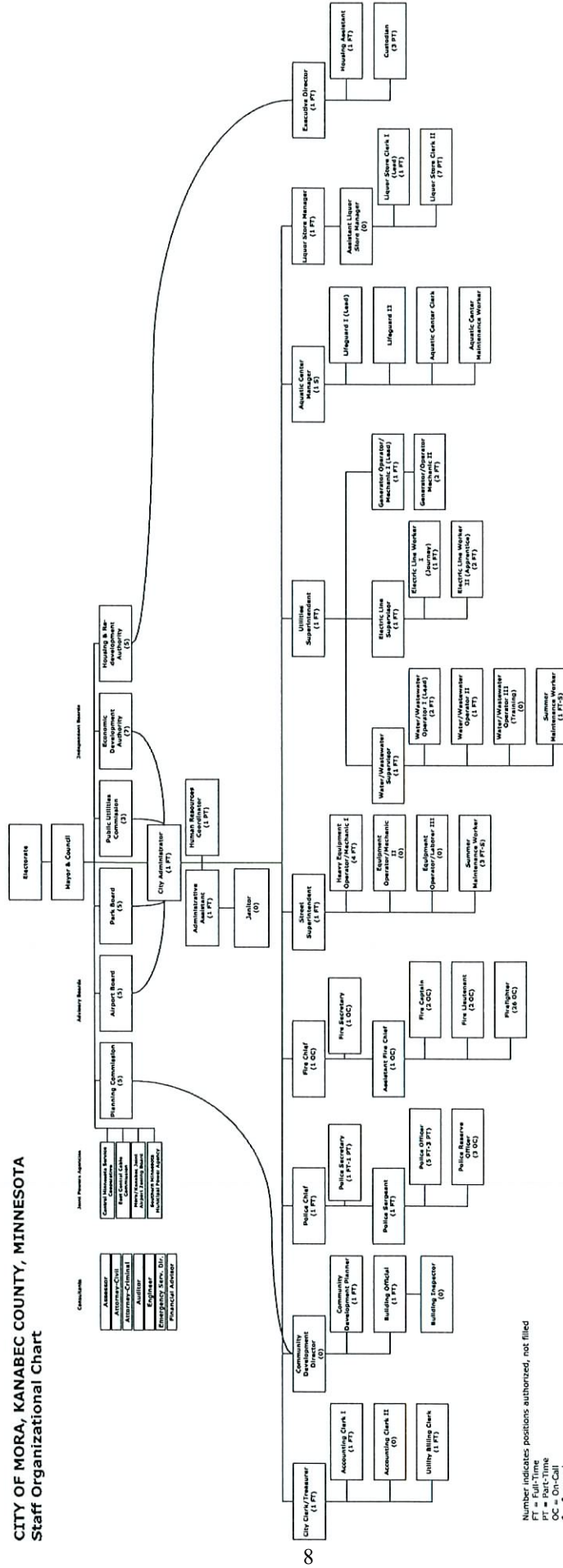
President



Executive Director

APPENDIX B Organizational Chart

CITY OF MORA, KANABEC COUNTY, MINNESOTA Staff Organizational Chart



Number indicates positions authorized, not filled
 FT = Full-Time
 OC = On-Call
 S = Seasonal

City of Mora, Minnesota
Organization
December 31, 2010

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, 2010

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MINNESOTA SOCIETY OF C.P.A.'S

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business - type activities, each major fund, budgetary comparison information, and the aggregate remaining fund information of the City of Mora, Minnesota, as of and for the year ended December 31, 2010 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, 2010, 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 and the respective budgetary comparison for the General Fund.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 15, 2011 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 grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. 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.

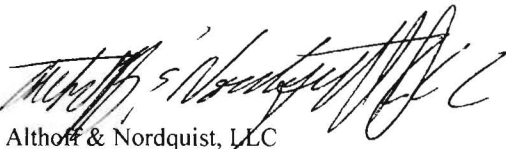


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Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary information on pages 17 through 23 and 91 through 136 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Mora, Minnesota's financial statements as a whole. 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, and supplementary are the responsibility of management and were derived from and related to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements 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 do not express an opinion or provide any assurance on them.



Althoff & Nordquist, LLC
Pine City, Minnesota
June 15, 2011

City of Mora, Minnesota
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED
December 31, 2010

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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, 2010. 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 \$25,830,882 (net assets). Of this amount, \$7,695,882 (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 \$576,687 in 2010.
- * At the close of the fiscal year, governmental fund balances totaled \$521,865.
- * As of December 31, 2010, the unreserved fund balance of the General Fund was \$1,015,273. This amount was 49.0% of the General Fund's total expenditures in 2010.

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.

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 \$25,830,139. This was a \$576,687 increase over last year's net assets of \$25,253,452. The following table provides a summary of the city's net assets at December 31:

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

Summary of Net Assets

	Governmental Activities		Business-Type Activities		Totals	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 706,268	\$ 5,704,380	\$ 10,382,145	\$ 8,457,280	\$ 11,088,413	\$ 14,161,660
Capital assets (net)	12,601,163	12,388,859	11,887,337	10,252,814	24,488,500	22,641,673
Total Assets	13,307,431	18,093,239	22,269,482	18,710,094	35,576,913	36,803,333
Other liabilities	181,388	5,060,922	2,455,086	515,959	2,636,474	5,576,881
Long-term liabilities	3,001,995	3,193,955	4,108,305	2,779,005	7,110,300	5,972,960
Total Liabilities	3,183,383	8,254,877	6,563,391	3,294,964	9,746,774	11,549,841
Net Assets:						
Invested in capital assets,						
net of related debt	9,599,168	9,194,864	5,878,027	7,473,809	15,477,195	16,668,673
Restricted	589,192	243,525	2,067,870	2,005,897	2,657,062	2,249,422
Unrestricted	(64,312)	399,933	7,760,194	5,935,424	7,695,882	6,335,357
Total Net Assets	\$ 10,124,048	\$ 9,838,322	\$ 15,706,091	\$ 15,415,130	\$ 25,830,139	\$ 25,253,452

The city reported positive balances in net assets for both governmental and business-type activities. Net assets increased \$285,726 for governmental activities and increased by \$290,961 for business-type activities. The city's overall financial position improved during 2010 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:

General Fund: The fund balance for the General Fund increased by \$28,100 in 2010. Both revenues and expenditures were under budget.

Revenues were under budget by approximately \$67,816. Key factors were:

1) Property taxes were lower than budgeted because the State of MN eliminated the Market Value Homestead Credit payment for the City. 2) Intergovernmental revenues were lower than expected because the annual fire relief pension fund payment was not received until 2011.

Expenditures were under budget by \$104,251. Key factors were:

1) General government expenditures were under budget because the annual fire relief pension fund payment was not paid out until 2011. 2) Personnel department expenditures were under budget because the human resource coordinator resigned in May and was not replaced. 3) Street department expenditures were less than expected because wages and street material costs were reduced. 4) Aquatic center expenditures were reduced because the cost of natural gas to heat the pool water was lower than expected.

Transfers were lower than budgeted because a Future Improvement Fund transfer was canceled. The transfer was not needed to avoid a net deficit in the General Fund.

Liquor Fund: The fund balance for the Liquor Fund decreased by \$75,492. Expenditures were higher because of startup costs for the new store. Sales were lower than expected because of a two-month road construction detour on Highway 65.

Electric Fund: The fund balance for the Electric Fund increased by \$247,210. Reduced wage costs which resulted from contracting with another electric utility for lineworker services contributed to the increase. Additional electricity sales, reduced depreciation, and lower line maintenance costs also contributed.

Wastewater Fund: The fund balance for the Wastewater Fund increased by \$77,193. This increase was largely due to the increased revenues from access charges for a new senior apartment building.

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

Financial Analysis of the City as a Whole (Continued)

Change in Net Assets. The governmental activity's total revenues for the year ended were \$2,646,747. The city's total program expenses were \$3,172,382. The following table provides a summary of the city's changes in net assets for the year ended December 31, 2010:

Summary of Changes in Net Assets

	Governmental Activities		Business-type Activities		Totals	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program revenues						
Charge for services	\$ 847,532	\$ 960,855	\$ 9,188,698	\$ 8,785,546	\$ 10,036,230	\$ 9,746,401
Operating grants and contributions	939,449	1,007,007	--	--	939,449	1,007,007
Capital grants and contributions	42,385	--	--	--	42,385	--
General revenues						
Property taxes	535,245	592,363	--	--	535,245	592,363
Tax increment	191,721	169,466	--	--	191,721	169,466
Investment earnings	88,976	81,049	235,076	337,042	324,052	418,091
Other revenue	1,439	2,320	--	--	1,439	2,320
Total Revenue	<u>2,646,747</u>	<u>2,813,060</u>	<u>9,423,774</u>	<u>9,122,588</u>	<u>12,070,521</u>	<u>11,935,648</u>
Program Expenses:						
General government	482,961	521,710	--	--	482,961	521,710
Public safety	885,754	993,186	--	--	885,754	993,186
Public works	880,659	1,005,869	--	--	880,659	1,005,869
Cemetery	54,568	66,702	--	--	54,568	66,702
Culture and recreation	247,197	224,822	--	--	247,197	224,822
Housing & ED	64,152	183,266	--	--	64,152	183,266
Capital projects	(122,296)	(203,893)	--	--	(122,296)	(203,893)
Miscellaneous	--	--	--	--	--	--
Interest on long-term debt	138,026	124,586	--	--	138,026	124,586
Liquor	--	--	2,325,488	2,153,910	2,325,488	2,153,910
Electric	--	--	5,168,762	4,881,937	5,168,762	4,881,937
Water	--	--	552,514	528,492	552,514	528,492
Wastewater	--	--	787,295	790,109	787,295	790,109
Total Expenses	<u>2,631,021</u>	<u>2,916,248</u>	<u>8,834,059</u>	<u>8,354,448</u>	<u>11,465,080</u>	<u>11,270,696</u>
Increase in net assets before transfers	15,726	(103,188)	589,715	768,140	605,441	664,952
Miscellaneous	--	(20,000)	(30,000)	(30,000)	(30,000)	(50,000)
Transfers	270,000	270,000	(270,000)	(270,000)	--	--
Change in net assets	285,726	146,812	289,715	468,140	575,441	614,952
Prior period adjustment	--	--	--	--	--	--
Beginning net assets	<u>9,838,322</u>	<u>9,691,510</u>	<u>15,415,130</u>	<u>14,946,990</u>	<u>25,253,452</u>	<u>24,638,500</u>
Ending net assets	<u>\$ 10,124,048</u>	<u>\$ 9,838,322</u>	<u>\$ 15,704,845</u>	<u>\$ 15,415,130</u>	<u>\$ 25,828,893</u>	<u>\$ 25,253,452</u>

Significant changes in total net assets:

The total net assets of governmental activities increased by \$285,726 in 2010. Reductions in expenses for public safety and public works accounted for the majority of this increase.

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

Budgetary Highlights

Significant budgetary variances between the final amended budget and actual results are explained below:

The Fund Balance in the General Fund increased by \$28,100 in 2010. This was a 2.8% 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.

Capital Assets and Debt Administration

Capital Assets. As of December 31, 2010, the city had invested \$24,488,500 in capital assets, including buildings, facilities, vehicles, and equipment. This amount represents a net increase prior to depreciation of \$3,167,464 from last year. Total depreciation expense for the year was \$1,210,969. The following table provides a summary of the city's capital assets for the year ended:

	Capital Assets					
	Net of Accumulated Depreciation					
	Governmental Activities		Business-type Activities		Totals	
	2010	2009	2010	2009	2010	2009
Non-Depreciable Assets:						
Land	\$ 1,498,434	\$ 1,508,434	\$ 359,892	\$ 233,662	\$ 1,858,326	\$ 1,742,096
Construction in progress	--	--	--	262,797	--	262,797
Depreciable Assets:						
Buildings	2,393,404	2,456,640	2,843,042	1,275,368	5,236,446	3,732,008
Infrastructure	4,418,550	4,109,613	--	--	4,418,550	4,109,613
Improvements	3,630,907	3,509,041	6,930,811	7,349,132	10,561,718	10,858,173
Machinery, equipment, vehicles	659,868	805,131	1,753,592	1,131,855	2,413,460	1,936,986
Total	<u>\$ 12,601,163</u>	<u>\$ 12,388,859</u>	<u>\$ 11,887,337</u>	<u>\$ 10,252,814</u>	<u>\$ 24,488,500</u>	<u>\$ 22,641,673</u>

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

Debt administration. At year end, the city had \$7,110,295 in general obligation bonds and other long-term debt outstanding, of which \$577,300 is due within one year. The following table presents a summary of the city's outstanding long-term debt for the year ended.

	Outstanding Bonds					
	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
General obligation bonds	\$ 3,001,995	\$ 3,193,995	\$ --	\$ --	\$ 3,001,995	\$ 3,193,995
Revenue bonds	--	--	4,108,300	2,779,005	4,108,300	2,779,005
Total	<u>\$ 3,001,995</u>	<u>\$ 3,193,995</u>	<u>\$ 4,108,300</u>	<u>\$ 2,779,005</u>	<u>\$ 7,110,295</u>	<u>\$ 5,973,000</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

After holding a public hearing, the city council approved a five-year street reconstruction plan for 2010-2014. The total cost of the street projects was estimated to be \$2.7 million, with \$2.3 million of that amount approved for financing.

In March, the city disbanded its police department and contracted with the Kanabec County Sheriff for law enforcement services. The sheriff hired five additional deputies to provide 24-hour patrols in the city.

The Minnesota legislature and governor reduced the city's 2010 market value credit by \$47,480. The city council did not adjust the 2010 budget to account for the reduction in revenues.

In July, the city council approved an extensive update to the city zoning code. The update included major revisions of the planned unit development, swimming pool, telecommunication, and sign sections of the code.

In September, RBC Properties, LLC purchased two lots in the Mora Industrial Park Second Addition for \$10,000. RJ Mechanical; planned to build on the lots and relocate to the industrial park in 2011.

Mayor Ardnor was re-elected in the November general election. Denise Akkerman was elected to a four-year term on the council. Councilmember Hallin did not file for re-election.

Capital Projects

The city opened its newly-constructed \$1,800,000 off-sale liquor store in July. The PUC financed the construction with a loan from the Electric Fund to be repaid on a 20-year schedule.

In conjunction with the liquor store project, the council approved the plat of Dala Lane. The plat was designed to stimulate commercial development of a 95-acre area along Highway 65 South.

Construction of the Spring lake recreational trail was completed in August. The paved trail added 2.3 miles to the city's trail system.

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

Factors Bearing on the City's Future (Continued)

Public Utilities Commission

In February, the PUC began contracting with East Central Electric for line services. MMU's two line-workers became employees of ECE.

In August, Mora Municipal Utilities began a \$1.6 million water plant renovation project which is scheduled for completion in April 2011. The Minnesota Public Facilities Authority financed the project for 20 years at 1.862%. The PUC members decided to raise water rates by 5% per year for five years to pay for the renovation.

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, 2010

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City of Mora, Minnesota
Statement of Net Assets
December 31, 2010

	Governmental Activities	Business - Type Activities	2010 Total	Component Unit EDA
ASSETS				
Cash and investments	\$ 442,400	\$ 3,794,515	\$ 4,236,915	\$ 38,177
Interest receivable	10,076	26,241	36,317	--
Accounts receivable	96,627	2,004,564	2,101,191	--
Note receivable	--	--	--	--
Due from other funds	--	--	--	--
Inventory	--	485,929	485,929	--
Loan receivable	--	1,900,000	1,900,000	--
Prepaid items	50,461	47,437	97,898	53
Special assessments	--	55,589	55,589	--
Restricted Assets:				
Temporary restricted:				
Cash and investments	106,704	1,469,366	1,576,070	--
Permanently restricted:				
Cash and investments	--	598,504	598,504	--
Capital assets, (net of accumulated depreciation)				
Land	1,498,434	359,892	1,858,326	--
Building, machinery, equipment	11,102,729	11,526,196	22,628,925	--
Total assets	<u>13,307,431</u>	<u>22,268,233</u>	<u>35,575,664</u>	<u>38,230</u>
LIABILITIES				
Cash in bank - overdraft	\$ --	\$ --	\$ --	\$ --
Accounts payable	5,755	409,444	415,199	723
Other payables	59,844	44,838	104,682	--
Accrued interest	115,789	--	115,789	--
Loan payable	--	1,900,000	1,900,000	--
Customer meter deposits	--	45,215	45,215	--
Deposits for contractors	--	--	--	--
Unearned revenue	--	55,589	55,589	--
Noncurrent liabilities:				
Due within one year	200,500	376,800	577,300	--
Due in more than one year	2,801,495	3,731,505	6,533,000	--
Total liabilities	<u>3,183,383</u>	<u>6,563,391</u>	<u>9,746,774</u>	<u>723</u>
NET ASSETS				
Invested in capital assets, net of selected debt	9,599,168	5,877,778	15,476,946	--
Restricted for:				
Debt service	482,488	--	482,488	--
Special revenue - Cemetery	106,704	--	106,704	--
Future operations:				
Liquor	--	103,998	103,998	--
Electric Utility	--	598,504	598,504	--
Water Utility	--	781,759	781,759	--
Waste Water Utility	--	583,609	583,609	--
Unrestricted:				
Unrestricted	(64,312)	7,759,197	7,694,885	37,507
Total net assets	<u>\$ 10,124,048</u>	<u>\$ 15,704,845</u>	<u>\$ 25,828,893</u>	<u>\$ 37,507</u>

See notes to financial statements.

City of Mora, Minnesota
Statement of Activities
For the Year Ended December 31, 2010

Functions/Programs	Expenses	Charges for Services	Program Revenues	
			Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ (482,961)	\$ 427,318	\$ 769,195	\$ --
Public safety	(885,754)	179,246	170,254	--
Public works	(880,659)	46,846	--	--
Cemetery	(54,568)	33,475	--	--
Culture and recreation	(247,197)	126,918	--	--
Housing & economic development	(64,152)	--	--	--
Capital projects	122,296	33,729	--	42,385
Interest on long-term debt	(138,026)	--	--	--
Total governmental activities	<u>(2,631,021)</u>	<u>847,532</u>	<u>939,449</u>	<u>42,385</u>
Business - type - activities:				
Liquor	(2,325,488)	2,509,291	--	--
Electric	(5,168,762)	5,288,455	--	--
Water	(552,514)	557,885	--	--
Wastewater	(787,295)	833,067	--	--
Total business - type activities	<u>(8,834,059)</u>	<u>9,188,698</u>	<u>--</u>	<u>--</u>
Total Primary Government	<u>\$ (11,465,080)</u>	<u>\$ 10,036,230</u>	<u>\$ 939,449</u>	<u>\$ 42,385</u>
Component Unit				
Economic Development Authority	(56,855)	--	--	--
Total Component Unit	<u>\$ (56,855)</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				
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
\$ 713,552	\$ --	\$ 713,552	\$ --
(536,254)	--	(536,254)	--
(833,813)	--	(833,813)	--
(21,093)	--	(21,093)	--
(120,279)	--	(120,279)	--
(64,152)	--	(64,152)	--
198,410	--	198,410	--
(138,026)	--	(138,026)	--
(801,655)	--	(801,655)	--
--	183,803	183,803	--
--	119,693	119,693	--
--	5,371	5,371	--
--	45,772	45,772	--
--	354,639	354,639	--
(801,655)	354,639	(447,016)	--
--	--	--	(56,855)
--	--	--	(56,855)
535,245	--	535,245	--
191,721	--	191,721	--
88,976	235,076	324,052	--
1,439	--	1,439	--
--	(30,000)	(30,000)	54,750
270,000	(270,000)	--	--
1,087,381	(64,924)	1,022,457	54,750
285,726	289,715	575,441	(2,105)
9,838,322	15,415,130	25,253,452	37,507
\$ 10,124,048	\$ 15,704,845	\$ 25,828,893	\$ 35,402

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CITY OF MORA, MINNESOTA
FUND FINANCIAL STATEMENTS
December 31, 2010

City of Mora, Minnesota
Governmental Funds
Balance Sheet
December 31, 2010

	General Fund	NonMajor Governmental Funds	Total Governmental Funds
ASSETS			
Cash and investments	\$ 442,400	\$ --	\$ 442,400
Interest receivable	4,098	5,978	10,076
Taxes receivable - delinquent	57,249	28,479	85,728
Accounts receivable	52,461	44,166	96,627
Special assessment receivables -			
Delinquent	--	--	--
Deferred	--	536,743	536,743
Due from other governmental units	--	--	--
Due from other funds	529,356	1,348,375	1,877,731
Loans to HRA	--	--	--
Loan to fire department	--	--	--
Prepaid insurance	49,680	781	50,461
Cash restricted	--	106,704	106,704
Total assets	<u>\$ 1,135,244</u>	<u>\$ 2,071,226</u>	<u>\$ 3,206,470</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Due to other funds	\$ --	\$ 1,877,731	\$ 1,877,731
Accounts payable	5,755	--	5,755
Other payables	59,844	--	59,844
Deposits from developers	--	--	--
Deferred revenues	54,372	686,903	741,275
Total liabilities	<u>119,971</u>	<u>2,564,634</u>	<u>2,684,605</u>
Fund Balances:			
Reserved for:			
Special revenue funds - Cemetery	--	106,704	106,704
Debt Service	--	482,488	482,488
Prepaid items	49,680	781	50,461
Unreserved, undesignated, reported in:			
General fund	965,593	--	965,593
Special revenue funds	--	147,865	147,865
Capital projects	--	(1,231,246)	(1,231,246)
Total fund balances	<u>1,015,273</u>	<u>(493,408)</u>	<u>521,865</u>
Total liabilities and fund balances	<u>\$ 1,135,244</u>	<u>\$ 2,071,226</u>	<u>\$ 3,206,470</u>

See notes to financial statements.

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, 2010

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

Total governmental fund balances (page 21)		\$ 521,865
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental capital assets	20,736,644	
Less: accumulated depreciation	<u>(8,135,481)</u>	12,601,163
Other long-term assets are not available to pay for current - personal expenditures and, therefore, are deferred with funds.		
Delinquent property taxes		(85,728)
Deferred special assessments		(536,743)
Deferred revenues		741,275
Interest on long-term debt is not accrued in governmental funds but rather recognized as an expenditure when due		(115,789)
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>(3,001,995)</u>
Net assets of governmental activities (page 15)		<u><u>\$ 10,124,048</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, 2010

	General Fund	Other Governmental Funds	Total Governmental Funds
REVENUES			
Property taxes	\$ 303,528	\$ 231,718	\$ 535,246
Tax increments	1,075	190,648	191,723
Licenses and permits	29,949	--	29,949
Special assessments	--	15,194	15,194
Intergovernmental	798,996	129,399	928,395
Charges for services	622,826	69,511	692,337
Fines	20,293	--	20,293
Investment earnings	30,320	72,759	103,079
Sale of assets	1,439	--	1,439
Miscellaneous	16,988	112,104	129,092
Total revenues	<u>1,825,414</u>	<u>821,333</u>	<u>2,646,747</u>
EXPENDITURES			
Current:			
General government	448,286	--	448,286
Public safety	817,723	--	817,723
Public works	464,026	27,138	491,164
Cemetery	--	48,789	48,789
Culture and recreation	229,860	--	229,860
Housing and economic development	--	172,578	172,578
Capital projects	--	527,374	527,374
Miscellaneous	99,510	--	99,510
Debt Service:			
Principal	--	192,000	192,000
Interest and other charges	--	145,098	145,098
Total expenditures	<u>2,059,405</u>	<u>1,112,977</u>	<u>3,172,382</u>
Excess (deficiency) of revenues over (under) expenditures	(233,991)	(291,644)	(525,635)
OTHER FINANCING SOURCES (USES)			
Issuance of long-term debt	--	--	--
Transfers in	293,541	128,183	421,724
Transfers out	(31,450)	(120,274)	(151,724)
Total other financing sources (uses)	<u>262,091</u>	<u>7,909</u>	<u>270,000</u>
Net change in fund balances	28,100	(283,735)	(255,635)
Fund balances - beginning	987,173	(209,673)	777,500
Fund balances - ending	<u>\$ 1,015,273</u>	<u>\$ (493,408)</u>	<u>\$ 521,865</u>

See notes to financial statements.

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, 2010

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

Net changes in fund balances - total governmental funds (page 25)	\$ (255,635)
---	--------------

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	800,217	
Depreciation Expense	<u>(577,913)</u>	222,304
Other miscellaneous items		119,985
Change in accrued interest payable		7,072
Long-term debt payments for current year		<u>192,000</u>
Changes in net assets of governmental activities (page 17)		<u><u>\$ 285,726</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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	
REVENUES				
Property taxes	\$ 344,126	\$ 344,126	\$ 304,603	\$ (39,523)
Licenses and permits	47,860	47,860	29,949	(17,911)
Intergovernmental	831,981	831,981	798,996	(32,985)
Charges for services	614,263	614,263	622,826	8,563
Fines	5,000	5,000	20,293	15,293
Investment earnings	25,000	25,000	30,320	5,320
Sale of assets	--	--	1,439	1,439
Miscellaneous	25,000	25,000	16,988	(8,012)
Total revenues	1,893,230	1,893,230	1,825,414	(67,816)
EXPENDITURES				
Current:				
General government:				
General	96,277	96,277	40,872	55,405
Council	31,072	31,072	31,609	(537)
City administrator	81,980	82,822	84,164	(1,342)
Elections	3,400	3,400	2,891	509
Finance director	135,109	136,918	136,946	(28)
Attorney	35,500	35,500	34,208	1,292
Personnel	37,069	38,523	17,556	20,967
Planning and zoning	65,746	54,892	52,895	1,997
City hall building	24,329	24,329	24,263	66
Library building	14,454	14,454	22,882	(8,428)
Total general government	524,936	518,187	448,286	14,496
Public safety:				
Building inspection	67,228	68,509	68,506	3
Police protection	647,665	647,665	662,845	(15,180)
Fire protection	101,964	101,964	86,372	15,592
Total public safety	816,857	818,138	817,723	415
Public works:				
Street department	459,326	466,223	430,250	35,973
Street lighting	35,000	35,000	33,776	1,224
Total public works	494,326	501,223	464,026	37,197
Culture and recreation:				
Swimming pool	195,488	195,488	164,008	31,480
Park areas	80,397	77,959	65,852	12,107
Total Culture and recreation	275,885	273,447	229,860	43,587
Miscellaneous:				
Forestry and nursery	--	--	--	--
Shade tree program	--	--	--	--
Airport	107,399	108,336	99,510	8,826
Loan Pine Community Center	--	--	--	--
Unallocated operating expenses	--	--	--	--
Total Miscellaneous	107,399	108,336	99,510	8,826
Total expenditures	2,219,403	2,219,331	2,059,405	104,521
Excess (deficiency) of revenues over (under) expenditures	(326,173)	(326,101)	(233,991)	36,705

City of Mora, Minnesota
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2010

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
OTHER FINANCING SOURCES (USES)				
Miscellaneous expenses	\$ --	\$ --	\$ --	\$ --
Transfers in	355,584	355,584	293,541	(62,043)
Transfers out	(29,415)	(29,415)	(31,450)	(2,035)
Total other financing sources (uses)	326,169	326,169	262,091	(64,078)
Net change in fund balances	(4)	68	28,100	(27,373)
Fund balances - beginning	987,173	987,173	987,173	--
Fund balances - ending	\$ 987,169	\$ 987,241	\$ 1,015,273	\$ (27,373)

See notes to financial statements.

City of Mora, Minnesota
Proprietary Funds
Statement of Net Assets
December 31, 2010

	Business - Type Activities - Enterprise Funds				
	Municipal Liquor Fund	Electric Utility Fund	Water Utility Fund	Wastewater Utility Fund	Total
ASSETS					
Current assets:					
Cash and investments	\$ 359,503	\$ 2,608,374	\$ 281,783	\$ 544,855	\$ 3,794,515
Interest receivable	1,995	13,927	5,705	4,614	26,241
Accounts receivable	14,428	746,438	1,136,811	106,887	2,004,564
Note receivable	--	1,900,000	--	--	1,900,000
Inventory	292,632	184,165	9,132	--	485,929
Prepaid items	10,181	26,850	3,730	6,676	47,437
Special assessments	--	--	17,009	38,580	55,589
Total current assets	<u>678,739</u>	<u>5,479,754</u>	<u>1,454,170</u>	<u>701,612</u>	<u>8,314,275</u>
Noncurrent assets:					
Restricted cash and investments	103,998	598,504	781,759	583,609	2,067,870
Total restricted assets	<u>103,998</u>	<u>598,504</u>	<u>781,759</u>	<u>583,609</u>	<u>2,067,870</u>
Capital assets:					
Plant in service	2,025,336	7,638,913	5,773,766	6,352,015	21,790,030
Less: accumulated depreciation	(199,504)	(5,402,265)	(1,682,137)	(2,620,036)	(9,903,942)
Total Capital assets (net of accumulated depreciation)	<u>1,825,832</u>	<u>2,236,648</u>	<u>4,091,629</u>	<u>3,731,979</u>	<u>11,886,088</u>
Total noncurrent assets	<u>1,929,830</u>	<u>2,835,152</u>	<u>4,873,388</u>	<u>4,315,588</u>	<u>13,953,958</u>
Total assets	<u>2,608,569</u>	<u>8,314,906</u>	<u>6,327,558</u>	<u>5,017,200</u>	<u>22,268,233</u>
LIABILITIES					
Current liabilities:					
Accounts payable	23,659	363,613	13,167	9,005	409,444
Accrual wages payable	13,096	10,978	10,382	10,382	44,838
Note payable	1,900,000	--	--	--	1,900,000
Revenue bonds payable	--	--	95,325	281,475	376,800
Total current liabilities	<u>1,936,755</u>	<u>374,591</u>	<u>118,874</u>	<u>300,862</u>	<u>2,731,082</u>
Noncurrent liabilities:					
Customer meter deposits	--	45,215	--	--	45,215
Revenue bonds payable	--	--	2,675,295	1,056,210	3,731,505
Unearned revenue	--	--	17,009	38,580	55,589
Total noncurrent liabilities	<u>--</u>	<u>45,215</u>	<u>2,692,304</u>	<u>1,094,790</u>	<u>3,832,309</u>
Total liabilities	<u>1,936,755</u>	<u>419,806</u>	<u>2,811,178</u>	<u>1,395,652</u>	<u>6,563,391</u>
NET ASSETS					
Invested in capital assets, net of related debt	(74,168)	2,236,643	1,321,009	2,394,294	5,877,778
Restricted:					
Future operations	103,998	598,504	781,759	583,609	2,067,870
Unrestricted:					
Unreserved	<u>641,987</u>	<u>5,059,953</u>	<u>1,413,612</u>	<u>643,645</u>	<u>7,759,197</u>
Total net assets	<u>\$ 671,817</u>	<u>\$ 7,895,100</u>	<u>\$ 3,516,380</u>	<u>\$ 3,621,548</u>	<u>\$ 15,704,845</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, 2010

	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	\$ 2,506,404	\$ 4,822,950	\$ 551,411	\$ 815,205	\$ 8,695,970
Miscellaneous	2,887	465,505	6,474	17,862	492,728
Total operating revenues	<u>2,509,291</u>	<u>5,288,455</u>	<u>557,885</u>	<u>833,067</u>	<u>9,188,698</u>
Operating expenses:					
Cost of sales	1,881,810	4,162,629	--	--	6,044,439
Interest Paid	--	546	51,283	55,054	106,883
Maintenance and operations	408,891	830,012	332,220	480,157	2,051,280
Depreciation	34,787	175,575	169,011	252,084	631,457
Total operating expenses	<u>2,325,488</u>	<u>5,168,762</u>	<u>552,514</u>	<u>787,295</u>	<u>8,834,059</u>
Operating income	<u>183,803</u>	<u>119,693</u>	<u>5,371</u>	<u>45,772</u>	<u>354,639</u>
Nonoperating revenues (expenses):					
Interest earnings	10,705	157,517	35,433	31,421	235,076
Total nonoperating revenues (expenses)	<u>10,705</u>	<u>157,517</u>	<u>35,433</u>	<u>31,421</u>	<u>235,076</u>
Income (loss) before transfers	<u>194,508</u>	<u>277,210</u>	<u>40,804</u>	<u>77,193</u>	<u>589,715</u>
Miscellaneous expense	--	(30,000)	--	--	(30,000)
Transfers in	--	--	--	--	--
Transfers out	(270,000)	--	--	--	(270,000)
Changes in net assets	<u>(75,492)</u>	<u>247,210</u>	<u>40,804</u>	<u>77,193</u>	<u>289,715</u>
Total net assets - beginning	<u>747,309</u>	<u>7,647,890</u>	<u>3,475,576</u>	<u>3,544,355</u>	<u>15,415,130</u>
Total net assets - ending	<u>\$ 671,817</u>	<u>\$ 7,895,100</u>	<u>\$ 3,516,380</u>	<u>\$ 3,621,548</u>	<u>\$ 15,704,845</u>

See notes to financial statements.

City of Mora Minnesota
Proprietary Funds
Statement of Cash Flows
For the Year Ended December 31, 2010

	Business - Type Activities - Enterprise Funds				
	Municipal Liquor Fund	Electric Utility Fund	Water Utility Fund	Wastewater Utility Fund	Total Current Year
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 2,507,688	\$ 5,189,922	\$ (507,415)	\$ 839,848	\$ 8,030,043
Cash payments for interest expense	--	(546)	(51,283)	(55,054)	(106,883)
Cash payments to suppliers	(2,019,283)	(4,652,566)	(53,566)	(181,988)	(6,907,403)
Cash payments to employees	(327,793)	(327,793)	(204,210)	(283,661)	(1,143,457)
Net cash provided by operating activities	<u>160,612</u>	<u>209,017</u>	<u>(816,474)</u>	<u>319,145</u>	<u>(127,700)</u>
CASH FLOWS FROM NONCAPITAL FINANCING:					
Transfers in (out)	(270,000)	--	--	--	(270,000)
Net cash provided by (used in) negotiated activities	<u>(270,000)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(270,000)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Bond principal payments	--	--	(27,865)	(270,135)	(298,000)
Bond issuance	--	--	1,627,300	--	1,627,300
Notes	1,900,000	(1,900,000)	--	--	--
Acquisition of capital assets	(1,529,049)	95,619	(840,593)	(62,230)	(2,336,253)
Proceeds from sale of capital assets	--	--	--	--	--
Net cash provided (used in) capital and related financing activities	<u>370,951</u>	<u>(1,804,381)</u>	<u>758,842</u>	<u>(332,365)</u>	<u>(1,006,953)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest income	<u>10,705</u>	<u>157,517</u>	<u>35,433</u>	<u>31,421</u>	<u>235,076</u>
Net increase (decrease) in cash and cash equivalents	272,268	(1,437,847)	(22,199)	18,201	(1,169,577)
Cash at Beginning of Year, including restricted cash	191,233	4,644,725	1,085,741	1,110,263	7,031,962
Cash at End of Year, including restricted cash	<u>\$ 463,501</u>	<u>\$ 3,206,878</u>	<u>\$ 1,063,542</u>	<u>\$ 1,128,464</u>	<u>\$ 5,862,385</u>

See notes to financial statements.

City of Mora, Minnesota
Proprietary Funds
Statement of Cash Flows
For the Year Ended December 31, 2010

	Business - Type Activities - Enterprise Funds				
	Municipal Liquor Fund	Electric Utility Fund	Water Utility Fund	Wastewater Utility Fund	Total Current Year
Reconciliation of operating income to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 183,803	\$ 119,693	\$ 5,371	\$ 45,772	\$ 354,639
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	36,386	175,575	169,011	252,084	633,056
(Increase) decrease in interest receivable	(1,326)	9,078	(360)	849	8,241
(Increase) decrease in accounts receivable	(367)	(107,611)	(1,064,940)	5,932	(1,166,986)
(Increase) decrease in other receivables	--	--	1,479	5,786	7,265
(Increase) decrease in inventory	(58,369)	22,684	(1,982)	--	(37,667)
(Increase) decrease in prepaid insurance	(4,140)	(2,245)	472	528	(5,385)
Increase (decrease) in accounts payable	2,145	32,358	5,894	(4,272)	36,125
Increase (decrease) in accrued wages payable	2,480	(10,515)	1,126	1,126	(5,783)
Increase (decrease) in other liabilities	--	(30,000)	67,455	11,340	48,795
Total adjustments	(23,191)	89,324	(821,845)	273,373	(482,339)
Net cash provided (used) by operating activities	\$ 160,612	\$ 209,017	\$ (816,474)	\$ 319,145	\$ (127,700)

See notes to financial statements.

City of Mora, Minnesota
 Component Unit - Economic Development Authority
 Balance Sheet
 For the Year Ended December 31, 2010

	<u>EDA</u>
ASSETS	
Cash and Investments	\$ 36,722
Prepaid Insurance	<u>53</u>
Total Assets	<u><u>\$ 36,775</u></u>
 LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts Payable	\$ 1,373
Total Liabilities	<u>1,373</u>
 Fund Balance:	
Unreserved	<u>35,402</u>
Total Fund Balance	<u><u>35,402</u></u>
 Total Liabilities and Fund Balance	<u><u>\$ 36,775</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, 2010

	EDA
REVENUES	
State grants and aids	\$ --
Contributions	54,750
Investment earnings	--
Total revenues	<u>54,750</u>
EXPENDITURES	
Salaries	42,103
Professional services	596
Supplies	17
Miscellaneous	14,139
Total expenditures	<u>56,855</u>
Excess (deficiency) of revenues over (under) expenditures	(2,105)
OTHER FINANCING SOURCES (USES)	
Miscellaneous income	--
Total other financing sources (uses)	<u>--</u>
Net change in fund balance	(2,105)
Fund balances - beginning	<u>37,507</u>
Fund balances - ending	<u><u>\$ 35,402</u></u>

See notes to financial statements.

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CITY OF MORA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

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City of Mora, Minnesota
Notes to Financial Statements
December 31, 2010

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, 2010

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

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, 2010

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.

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

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, 2010

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, 2010

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	30
Infrastructure	20-50
Other improvements	10-30
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, 2010

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. Sick pay can be accumulated up to a maximum of one hundred days. A percentage of sick pay is recognized as an expenditure when an employee reaches the required years of service. Payables for vacation and sick pay decreased from \$116,000 in 2009 to \$107,064 in 2010.

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, 2010

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, 2010

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, 2010 are as follows:

Peoples National Bank - Checking	\$ 81,719
Kanabec State Bank - HiFi	873,370
Wells Fargo	2,483,141
Morgan Stanley & Smith Barney	2,429,012
People's National Bank - CD	540,047
Cash on Hand	4,200
Total Deposits	<u>\$ 6,411,489</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, 2010

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.
- (h) The City's investment policy restricts the terms of investments.

City of Mora, Minnesota
Notes to Financial Statements
December 31, 2010

NOTE 3: Detailed Notes on All Funds (Continued)

C. Receivables

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

	General	Municipal Liquor	Electric Utility	Water Utility	Wastewater Utility	Nonmajor and other Funds	Total
Receivables:							
Interest	\$ 4,098	\$ 1,995	\$ 13,927	\$ 5,705	\$ 4,614	\$ 5,978	\$ 36,317
Taxes-delinquent	57,249	--	--	--	--	28,479	85,728
Accounts	52,461	14,428	746,438	1,136,811	106,887	44,166	2,101,191
Special assessments	--	--	--	17,009	38,580	536,743	592,332
Intergovernmental	--	--	--	--	--	--	--
Loan receivable	--	--	1,900,000	--	--	--	1,900,000
Gross receivables	113,808	16,423	2,660,365	1,159,525	150,081	615,366	4,715,568
Less: Allowance for Uncollectibles*	--	--	--	--	--	--	--
Net total receivables	<u>\$ 113,808</u>	<u>\$ 16,423</u>	<u>\$ 2,660,365</u>	<u>\$ 1,159,525</u>	<u>\$ 150,081</u>	<u>\$ 615,366</u>	<u>\$ 4,715,568</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, 2010

NOTE 3: Detailed Notes on All Funds (Continued)

D. Capital Assets

Capital assets activity for the year ended December 31, 2010 was as follows:

Governmental Activities	Beginning Balances	Increase	Decrease*	Ending Balances
Capital assets, not being depreciated:				
Land	\$ 1,508,434	\$ --	\$ 10,000	\$ 1,498,434
Construction in progress	--	--	--	--
Total capital assets, not being depreciated	<u>1,508,434</u>	<u>--</u>	<u>10,000</u>	<u>1,498,434</u>
Capital assets, being depreciated:				
Land Improvements	5,494,510	276,218	--	5,770,728
Buildings	3,348,670	--	--	3,348,670
Infrastructure	7,183,227	482,277	--	7,665,504
Machinery, Equipment, Vehicles	2,411,586	41,722	--	2,453,308
Total capital assets, being depreciated	<u>18,437,993</u>	<u>800,217</u>	<u>--</u>	<u>19,238,210</u>
Less: accumulated depreciation for:				
Land Improvements	1,985,469	154,352	--	2,139,821
Buildings	892,030	63,236	--	955,266
Infrastructure	3,073,614	173,340	--	3,246,954
Machinery, Equipment, Vehicles	1,606,455	186,985	--	1,793,440
Total accumulated depreciation	<u>7,557,568</u>	<u>577,913</u>	<u>--</u>	<u>8,135,481</u>
Total capital assets, being depreciated, net	<u>10,880,425</u>	<u>222,304</u>	<u>--</u>	<u>11,102,729</u>
Governmental activities capital assets, net	<u>\$ 12,388,859</u>	<u>\$ 222,304</u>	<u>\$ 10,000</u>	<u>\$ 12,601,163</u>

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

City of Mora, Minnesota
Notes to Financial Statements
December 31, 2010

NOTE 3: Detailed Notes on All Funds (Continued)

D. Capital Assets (Continued)

Business - Type Activities	Beginning Balances	Increase	Decrease*	Ending Balances
Capital assets, not being depreciated:				
Land	\$ 233,662	\$ 126,230	\$ --	\$ 359,892
Construction in progress	262,797	1,530,382	1,793,179	--
Total capital assets, not being depreciated	<u>496,459</u>	<u>1,656,612</u>	<u>1,793,179</u>	<u>359,892</u>
Capital assets, being depreciated:				
Buildings	2,702,562	1,664,104	--	4,366,666
Other Improvements	11,187,472	13,684	--	11,201,156
Equipment and fixtures	5,175,525	806,926	120,135	5,862,316
Total capital assets, being depreciated	<u>19,065,559</u>	<u>2,484,714</u>	<u>120,135</u>	<u>21,430,138</u>
Less: accumulated depreciation for:				
Buildings	1,427,194	96,430	--	1,523,624
Other Improvements	3,838,340	432,005	--	4,270,345
Equipment and fixtures	4,043,670	103,022	36,719	4,109,973
Total accumulated depreciation	<u>9,309,204</u>	<u>631,457</u>	<u>36,719</u>	<u>9,903,942</u>
Total capital assets being depreciated, net	<u>9,756,355</u>	<u>1,853,257</u>	<u>83,416</u>	<u>11,526,196</u>
Business - type activities capital assets, net	<u>\$ 10,252,814</u>	<u>\$ 3,509,869</u>	<u>\$ 1,876,595</u>	<u>\$ 11,886,088</u>

Depreciation expense was charged to functions/programs as follows:

<u>Governmental Activities</u>	
General government	\$ 34,675
Public safety	109,803
Public works	398,760
Culture and recreation	17,337
Cemetery	5,779
Miscellaneous	11,559
Total depreciation expense - governmental activities	<u>\$ 577,913</u>
<u>Business - Type Activities</u>	
Electric utility	\$ 175,575
Water utility	169,011
Wastewater utility	252,084
Liquor	34,787
Total depreciation expense - business - type activities	<u>\$ 631,457</u>

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

City of Mora, Minnesota
Notes to Financial Statements
December 31, 2010

NOTE 3: Detailed Notes on All Funds (Continued)

E. Interfund receivables, payables, and transfers

The following are the balances of due to or from other funds at December 31, 2010.

	<u>Due To</u>	<u>Due From</u>
General Fund	\$ --	\$ 529,356
Special Revenue Funds:		
Sotrm Water Utility	--	66,490
Cemetart Fund	--	4,289
ED Revolving Loan	--	40,315
TIF 1-7 EPC	--	13,608
TIF 2-2 Interpid	--	9,985
TIF 1-8 Torborg	--	3,251
TIF 1-9 CMHP	--	51
TIF 2-10 Clinic	--	466
TIF 1-11 KSB	17,721	--
TIF 1-12 Industrial	19,079	--
Capital Projects Fund:		
Future Fire Equipment	--	263,505
Future Improvements	--	342,310
City Hall Improvements	--	1,409
Highway 23 E. Frontage	294,323	--
Howe Ave. Construction	184,686	--
Downtown Feed Mill	161,381	--
2008 Street Reconstruction	255,549	--
Airport Kastenbauer House	175,255	--
Police Stateion	22,269	--
Crosswind	41,819	--
Spriglake Trail	194,185	--
Parker	363,738	--
Trail Tunnel	23,593	--
2010 Street Reconstruction	118,539	--
2011 Street Reconstruction	5,594	--
Debt Service Funds:		
2003 Fire Station	--	129,123
2004 Street Reconstruction	--	20,155
Maple Ave. East	--	138,532
2006 Street Reconstruction	--	41,350
2007 Airport Eastside	--	129,714
2008-2010 Street Reconstruction	--	16,899
HRA Eastwood	--	126,923
	<u>\$ 1,877,731</u>	<u>\$ 1,877,731</u>

The above amounts are due to overdraft cash balances of various funds.

City of Mora, Minnesota
Notes to Financial Statements
December 31, 2010

NOTE 3: Detailed Notes on All Funds (Continued)

E. Interfund receivables, payables, and transfers (continued)

Interfund transfers out:

General Fund	\$ (31,450)
Nonmajor governmental funds	(110,274)
Enterprise	(280,000)
Total transfers out	<u>\$ (421,724)</u>

Interfund transfers in:

General Fund	\$ 293,541
Nonmajor governmental funds	118,183
Debt Service	10,000
Total transfers out	<u>\$ 421,724</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.

City of Mora, Minnesota
Notes to Financial Statements
December 31, 2010

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%	\$ 865,000
Governmental Activities	4.00%	1,255,000
Governmental Activities	4.00%	881,995
Business Type - refunding	3.0 - 5.125	255,000
Business Type Activities	--	1,848,000
Business Type Activities	--	378,000
Business Type-Activities	1.862%	1,627,300
Total		<u>\$ 7,110,295</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>
2011	\$ 200,500	\$ 115,789	\$ 376,800	\$ 112,849
2012	210,500	108,210	124,500	120,140
2013	215,500	100,127	128,500	116,518
2014	229,000	91,440	132,000	112,888
2015	242,500	82,223	135,500	109,109
2016-2020	989,500	274,967	722,500	484,785
2021-2025	586,500	124,086	804,000	373,865
2026-2030	327,995	13,260	796,500	249,992
2031-2035	--	--	260,000	167,540
2036-2040	--	--	320,000	107,456
2041-2044	--	--	308,000	33,450
Total	<u>\$ 3,001,995</u>	<u>\$ 910,102</u>	<u>\$ 4,108,300</u>	<u>\$ 1,988,592</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%	\$ 1,523,000
Water & Sewer	4.000%	\$ 325,000

City of Mora, Minnesota
Notes to Financial Statements
December 31, 2010

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, 2010:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
GOVERNMENTAL ACTIVITIES					
General obligation bonds:					
G.O. Fire Station Bonds	\$ 940,000	\$ --	\$ 75,000	\$ 865,000	\$ 80,000
G.O. Bond, Series 2006A	1,330,000	--	75,000	1,255,000	75,000
G.O. Bonds, Series 2008A	923,995	--	42,000	881,995	45,500
Total general obligation bonds-					
Governmental activities long-term					
liabilities	<u>\$ 3,193,995</u>	<u>\$ --</u>	<u>\$ 192,000</u>	<u>\$ 3,001,995</u>	<u>\$ 200,500</u>
BUSINESS - TYPE ACTIVITIES					
G.O. Water & sewer revenue bonds	340,000	--	15,000	325,000	15,000
G.O. Water & sewer revenue bonds	1,543,000	--	20,000	1,523,000	21,000
G.O. Refunding Bonds, Series 2003B	500,000	--	245,000	255,000	255,000
G.O. Bonds, Series 2008A	396,005	--	18,005	378,000	19,500
2010 Public Facilities	--	1,627,300	--	1,627,300	66,300
Total bonds payable Business -					
type activities long-term liabilities	<u>\$ 2,779,005</u>	<u>\$ 1,627,300</u>	<u>\$ 298,005</u>	<u>\$ 4,108,300</u>	<u>\$ 376,800</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, 2010 and descriptions are as follows

<u>Governmental Funds</u>	
Debt Service	\$ 482,488
Special Revenue - Cemetery	106,704
<u>Enterprise Funds - Unrestricted, Designated</u>	
Liquor	103,998
Electric Utility	579,617
Water Utility	781,759
Wastewater Utility	583,609
Total	<u>\$ 2,638,175</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 ended in June 2010.

City of Mora, Minnesota
Notes to the Financial Statements
December 31, 2010

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 - 2010	\$ 16,357
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 12-31-10	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 - 2010	\$ 49,375
Current Net Tax Capacity	87,035
Base Net Tax Capacity	40,194
Captured Net Tax Capacity	46,841
Captured Net Tax Capacity shared with other taxing jurisdictions	--
Captured Tax Capacity retained by authority	46,841
Financial Obligations:	
Limited Revenue Note - Originail Obligation	450,000
Oustanding Revenue Note at 12-31-10	387,770

City of Mora, Minnesota
Notes to Financial Statements
December 31, 2010

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 - 2010	\$ 50,927
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 12-31-10	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 - 2010	\$ 13,195
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 12-31-10	152,107

City of Mora, Minnesota
Notes to Financial Statements
December 31, 2010

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 (CMHP)

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 - 2010	\$ 13,968
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
Financial Obligations:	
Limited Revenue Note-Original Obligation	65,000
Outstanding Revenue Note at 12-31-10	10,838

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-2010	\$ 46,825
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 12-31-10	447,311

City of Mora, Minnesota
Notes to Financial Statements
December 31, 2010

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, 2010

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, 2010 as follows:

	<u>Expenditures</u>	<u>Appropriations</u>	<u>Over</u>
General Fund	\$ 2,059,405	\$ 1,825,414	\$ 233,991
Special Revenue Funds:			
Cemetery	48,789	37,848	10,941
1-8 Torborg	13,196	13,195	1
Capital Projects:			
Highway 23-65	1,030	--	1,030
Downtown Feed Mill	90	--	90
Crosswind	26,944	--	26,944
Spring Lake Trail	147,636	2,000	145,636
Parker	188,151	--	188,151
Debt Service:			
Street Construction 2004	18,500	17,178	1,322

City of Mora, Minnesota
Notes to Financial Statements
December 31, 2010

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, 2010

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, 2010, 2009, and 2008 were \$85,882, \$78,972, and \$77,853 respectively. The City's contributions to the public Employees Police and Fire Fund for the years ending December 31, 2010, 2009 and 2008 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, 2010

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 2010, and as of December 2010, 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, 2010 was \$594,449. Pension assets totaled \$676,508. Members do not contribute to the plan. Funding comes from 2% state aid and interest earnings on investments. The 2010 stateaid of \$38,937 was not received until 2011.

NOTE 4: Deficit Fund Balances

The following nonmajor funds had deficit fund balances at December 31, 2010:

Special Revenue Funds:

TIF 1-11 Kanabec State Bank	\$ (17,721)
TIF 1-14 HRA/Nelson	(19,079)

Capital Project Funds:

Highway 23 E. Frontage Road	(294,323)
Howe Avenue Reconstruction	(184,686)
Downtown Feed Mill Redevelopment	(161,381)
Street Reconstruction 2008	(255,549)
Airport Kastenbauer House	(175,255)
Police Station	(22,269)
Crosswind	(41,819)
Spring Lake Park	(194,185)
Parker	(363,738)
Trail tunnel	(23,593)
2010 Street Reconstruction	(118,539)
2011 Street Reconstruction	(5,594)

City of Mora, Minnesota
COMBINING AND INDIVIDUAL
FUND STATEMENTS AND SCHEDULES
NON-MAJOR GOVERNMENTAL FUNDS
December 31, 2010

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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 1-14 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.

Trail Tunnel - To account for revenues and expenses related to development of the Trail Tunnel.

2010 Street Reconstruction - To account for revenues and expenses related to development of the Street Reconstruction.

2011 Street Reconstruction - To account for revenues and expenses related to development of the Street Reconstruction.

Debt Service Funds

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.

2008-2010 Street Reconstruction Fund - To account for revenues and expenditures, including tax collections and bond payments for the 2008-2010 Street Reconstruction bonds.

HRA Eastwood - To account for the revenues and expenditures, including bond payments for Eastwood.

City of Mora, Minnesota
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2010

	Special Revenue Funds			
	220	225	230	235
	Storm		ED	
	Water	Cemetery	Revolving	TIF 1-7
	Utility	Fund	Loan	EPC
ASSETS				
Cash and investments	\$ --	\$ --	\$ --	\$ --
Accounts receivable	3,268	--	40,898	--
Interest receivable	365	639	259	--
Taxes receivable - delinquent	--	--	--	--
Special assessments receivable -				
Delinquent	--	--	--	--
Due from other funds	66,490	4,289	40,315	13,608
Due from other governments	--	--	--	--
Note receivable	--	--	--	--
Prepaid insurance	--	781	--	--
Total Current Assets	<u>70,123</u>	<u>5,709</u>	<u>81,472</u>	<u>13,608</u>
Restricted Assets:				
Cash and investments	--	106,704	--	--
Total Restricted Assets	<u>--</u>	<u>106,704</u>	<u>--</u>	<u>--</u>
Total Assets	<u>\$ 70,123</u>	<u>\$ 112,413</u>	<u>\$ 81,472</u>	<u>\$ 13,608</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ --	\$ --	\$ --	\$ --
Due to other funds	--	--	--	--
Deferred revenue	--	--	--	--
Total liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balances:				
Reserved for debt service	--	--	--	--
Reserved for other purposes	--	106,704	--	--
Unreserved	70,123	5,709	81,472	13,608
Total fund balances	<u>70,123</u>	<u>112,413</u>	<u>81,472</u>	<u>13,608</u>
Total liabilities and fund balances	<u>\$ 70,123</u>	<u>\$ 112,413</u>	<u>\$ 81,472</u>	<u>\$ 13,608</u>

Special Revenue Funds				
237	245	246	247	248
TIF 2-2 Intrepid	TIF 1-8 Torborg	TIF 1-9 CMHP	TIF 2-10 Clinic	TIF 1-11 KSB
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
9,985	3,251	51	466	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
9,985	3,251	51	466	--
--	--	--	--	--
--	--	--	--	--
\$ 9,985	\$ 3,251	\$ 51	\$ 466	\$ --
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	17,721
--	--	--	--	--
--	--	--	--	17,721
--	--	--	--	--
--	--	--	--	--
9,985	3,251	51	466	(17,721)
9,985	3,251	51	466	(17,721)
\$ 9,985	\$ 3,251	\$ 51	\$ 466	\$ --

251	
TIF 1-12 Industrial	Total
\$ --	\$ --
--	44,166
--	1,263
--	--
--	--
--	--
--	138,455
--	--
--	--
--	781
--	184,665
--	106,704
--	106,704
\$ --	\$ 291,369
\$ --	\$ --
19,079	36,800
--	--
19,079	36,800
--	--
--	106,704
(19,079)	147,865
(19,079)	254,569
\$ --	\$ 291,369

City of Mora, Minnesota
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2010

Form E-1
(Continued)

	Capital Projects Funds			
	407	409	429	434
	Future Fire Equipment	Future Improvements	City Hall Improvements	Highway 23 E. Frontage
ASSETS				
Cash and investments	\$ --	\$ --	\$ --	\$ --
Accounts receivable	--	--	--	--
Interest receivable	1,170	2,072	--	--
Taxes receivable - delinquent	--	--	--	--
Special assessments receivable - Delinquent	--	--	--	--
Due from other funds	263,505	342,310	1,409	--
Due from other governments	--	--	--	--
Note receivable	--	--	--	--
Prepaid insurance	--	--	--	--
Total Current Assets	<u>264,675</u>	<u>344,382</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>\$ 264,675</u>	<u>\$ 344,382</u>	<u>\$ 1,409</u>	<u>\$ --</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ --	\$ --	\$ --	\$ --
Due to other funds	--	--	--	294,323
Deferred revenue	--	--	--	--
Total liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>294,323</u>
Fund Balances:				
Reserved for debt service	--	--	--	--
Reserved for other purposes	--	--	--	--
Unreserved	264,675	344,382	1,409	(294,323)
Total fund balances	<u>264,675</u>	<u>344,382</u>	<u>1,409</u>	<u>(294,323)</u>
Total liabilities and fund balances	<u>\$ 264,675</u>	<u>\$ 344,382</u>	<u>\$ 1,409</u>	<u>\$ --</u>

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[illegible]

Capital Projects Funds					
445	446	447	448	449	
Spring Lake Trail	Parker	Trail Tunnel	2010 Street Reconstruction	2011 Street Reconstruction	Total
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--	--
--	--	--	--	--	3,242
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	607,224
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	610,466
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
\$ --	\$ --	\$ --	\$ --	\$ --	\$ 610,466
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
194,185	363,738	23,593	118,539	5,594	1,840,931
--	--	--	--	--	--
194,185	363,738	23,593	118,539	5,594	1,840,931
--	--	--	--	--	--
--	--	--	--	--	--
(194,185)	(363,738)	(23,593)	(118,539)	(5,594)	(1,230,465)
(194,185)	(363,738)	(23,593)	(118,539)	(5,594)	(1,230,465)
\$ --	\$ --	\$ --	\$ --	\$ --	\$ 610,466

City of Mora, Minnesota
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2010

Form E-1
(Continued)

	Debt Service Funds			
	525 Fire Station 2003	526 Street Construction 2004	528 Maple Avenue East	528 Street Construction 2006
ASSETS				
Cash and investments	\$ --	\$ --	\$ --	\$ --
Accounts receivable	--	--	--	--
Interest receivable	334	56	494	137
Taxes receivable - delinquent	8,693	2,569	5,757	3,870
Special assessments receivable - Delinquent	--	--	253,271	--
Due from other funds	129,123	20,155	138,532	41,350
Due from other governments	--	--	--	--
Note receivable	--	--	--	--
Prepaid insurance	--	--	--	--
Total Current Assets	<u>138,150</u>	<u>22,780</u>	<u>398,054</u>	<u>45,357</u>
Restricted Assets:				
Cash and investments	--	--	--	--
Total Restricted Assets	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total assets	<u>\$ 138,150</u>	<u>\$ 22,780</u>	<u>\$ 398,054</u>	<u>\$ 45,357</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ --	\$ --	\$ --	\$ --
Due to other funds	--	--	--	--
Deferred revenue	8,146	2,412	257,659	3,640
Total liabilities	<u>8,146</u>	<u>2,412</u>	<u>257,659</u>	<u>3,640</u>
Fund Balances:				
Reserved for debt service	130,004	20,368	140,395	41,717
Reserved for other purposes	--	--	--	--
Unreserved	--	--	--	--
Total fund balances	<u>130,004</u>	<u>20,368</u>	<u>140,395</u>	<u>41,717</u>
Total liabilities and fund balances	<u>\$ 138,150</u>	<u>\$ 22,780</u>	<u>\$ 398,054</u>	<u>\$ 45,357</u>

Continued on Next Page

529 Airport Eastside 2007	530 2008-2010 Street Reconstruction	531 HRA Eastwood	Total	Total Nonmajor Governmental Funds
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	44,166
452	--	--	1,473	5,978
6,304	1,286	--	28,479	28,479
283,472	--	--	536,743	536,743
129,714	16,899	126,923	602,696	1,348,375
--	--	--	--	--
--	--	--	--	--
--	--	--	--	781
419,942	18,185	126,923	1,169,391	1,964,522
--	--	--	--	106,704
--	--	--	--	106,704
\$ 419,942	\$ 18,185	\$ 126,923	\$ 1,169,391	\$ 2,071,226
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	1,877,731
287,452	1,144	126,450	686,903	686,903
287,452	1,144	126,450	686,903	2,564,634
132,490	17,041	473	482,488	482,488
--	--	--	--	106,704
--	--	--	--	(1,082,600)
132,490	17,041	473	482,488	(493,408)
\$ 419,942	\$ 18,185	\$ 126,923	\$ 1,169,391	\$ 2,071,226

City of Mora, Minnesota
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2010

	Special Revenue Funds			
	220	225	230	235
	Storm Water Utility	Cemetery Fund	ED Revolving Loan	TIF 1-7 EPC
REVENUES				
Property taxes	\$ --	\$ --	\$ --	\$ --
Tax increments	--	--	--	16,357
Special assessments	--	--	--	--
Charges for services	36,636	32,875	--	--
Intergovernmental revenue	--	--	--	--
Interest earnings	1,933	4,373	4,133	--
Miscellaneous -				
Contributions	--	--	--	--
Other	75	600	--	--
Total revenues	<u>38,644</u>	<u>37,848</u>	<u>4,133</u>	<u>16,357</u>
EXPENDITURES				
Public works	27,138	--	--	--
Cemetery	--	48,789	--	--
Housing development	--	--	--	--
Economic development	--	--	--	8,997
Debt service	--	--	--	--
Capital projects	--	--	--	--
Total expenditures	<u>27,138</u>	<u>48,789</u>	<u>--</u>	<u>8,997</u>
Excess (deficiency) of revenues over (under) expenditures	11,506	(10,941)	4,133	7,360
OTHER FINANCING SOURCES (USES)				
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	1,506	(15,641)	4,133	7,360
Fund balances - beginning	<u>68,617</u>	<u>128,054</u>	<u>77,339</u>	<u>6,248</u>
Fund balances - ending	<u>\$ 70,123</u>	<u>\$ 112,413</u>	<u>\$ 81,472</u>	<u>\$ 13,608</u>

Special Revenue Funds				
237	245	246	247	248
TIF 2-2 Intrepid	TIF 1-8 Torborg	TIF 1-9 CMHP	TIF 2-10 Clinic	TIF 1-11 KSB
\$ --	\$ --	\$ --	\$ --	\$ --
50,927	13,195	13,968	46,826	49,375
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
50,927	13,195	13,968	\$ 46,826	49,375
--	--	--	--	--
--	--	--	--	--
50,926	13,196	13,968	--	--
--	--	--	46,825	38,666
--	--	--	--	--
--	--	--	--	--
50,926	13,196	13,968	46,825	38,666
1	(1)	--	1	10,709
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
1	(1)	--	1	10,709
9,984	3,252	51	465	(28,430)
\$ 9,985	\$ 3,251	\$ 51	\$ 466	\$ (17,721)

251	
TIF 1-14 HRA/Nelson	Total
\$ --	\$ --
--	190,648
--	--
--	69,511
--	--
--	10,439
--	--
--	675
--	271,273
--	27,138
--	48,789
--	78,090
--	94,488
--	--
--	--
--	248,505
--	22,768
--	--
--	--
--	(14,700)
--	(14,700)
--	8,068
(19,079)	246,501
\$ (19,079)	\$ 254,569

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, 2010

	Capital Project Funds			
	407	409	429	434
	Future Fire Equipment	Future Improvements	City Hall Improvements 2005	Highway 23-E
REVENUES				
Property taxes	\$ --	\$ --	\$ --	\$ --
Tax increments	--	--	--	--
Special assessments	--	--	--	--
Charges for services	--	--	--	--
Intergovernmental revenue	40,285	--	--	--
Interest earnings	6,964	14,062	--	--
Miscellaneous -				
Contributions	100	--	--	--
Other	--	1,650	--	--
Total revenues	<u>47,349</u>	<u>15,712</u>	<u>--</u>	<u>--</u>
EXPENDITURES				
Public works	--	--	--	--
Cemetery	--	--	--	--
Housing development	--	--	--	--
Economic development	--	--	--	--
Debt service	--	--	--	--
Capital projects	--	--	--	1,030
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,030</u>
Excess (deficiency) of revenues over (under) expenditures	47,349	15,712	--	(1,030)
OTHER FINANCING SOURCES (USES)				
Proceeds from long-term debt	--	--	--	--
Transfers in	14,715	11,435	--	--
Transfers out	(541)	(105,033)	--	--
Total other financing sources (uses)	<u>14,174</u>	<u>(93,598)</u>	<u>--</u>	<u>--</u>
Net change in fund balances	61,523	(77,886)	--	(1,030)
Fund balances - beginning	<u>203,152</u>	<u>422,268</u>	<u>1,409</u>	<u>(293,293)</u>
Fund balances - ending	<u>\$ 264,675</u>	<u>\$ 344,382</u>	<u>\$ 1,409</u>	<u>\$ (294,323)</u>

Capital Projects Funds					
439 Howe Avenue Reconstruction	440 Downtown Feed Mill Redevelopment	441 Street Construction 2008	442 Airport Kastenbauer House	443 Police Station	444 Crosswind
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
89,114	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	8,400	23,679	--
89,114	--	--	8,400	23,679	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
8,162	90	--	6,054	1,581	26,944
8,162	90	--	6,054	1,581	26,944
80,952	(90)	--	2,346	22,098	(26,944)
--	--	--	--	--	--
--	10,000	--	--	--	--
--	--	--	--	--	--
--	10,000	--	--	--	--
80,952	9,910	--	2,346	22,098	(26,944)
(265,638)	(171,291)	(255,549)	(177,601)	(44,367)	(14,875)
\$ (184,686)	\$ (161,381)	\$ (255,549)	\$ (175,255)	\$ (22,269)	\$ (41,819)

Capital Projects Funds					
445	446	447	448	449	
Spring Lake Trail	Parker	Trail Tunnel	2010 Street Reconstruction	2011 Street Reconstruction	Total
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	129,399
--	--	--	--	--	21,026
2,000	--	--	--	--	2,100
--	--	--	--	--	33,729
<u>2,000</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>186,254</u>
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
147,636	188,151	23,593	118,539	5,594	527,374
<u>147,636</u>	<u>188,151</u>	<u>23,593</u>	<u>118,539</u>	<u>5,594</u>	<u>527,374</u>
(145,636)	(188,151)	(23,593)	(118,539)	(5,594)	(341,120)
--	--	--	--	--	--
82,033	--	--	--	--	118,183
--	--	--	--	--	(105,574)
<u>82,033</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>12,609</u>
(63,603)	(188,151)	(23,593)	(118,539)	(5,594)	(328,511)
<u>(130,582)</u>	<u>(175,587)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(901,954)</u>
<u>\$ (194,185)</u>	<u>\$ (363,738)</u>	<u>\$ (23,593)</u>	<u>\$ (118,539)</u>	<u>\$ (5,594)</u>	<u>\$ (1,230,465)</u>

City of Mora, Minnesota
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2010

	Debt Service Funds			
	525 Fire Station 2003	526 Street Construction 2004	527 Maple Avenue East	528 Street Construction 2006
REVENUES				
Property taxes	\$ 59,549	\$ 16,957	\$ 55,723	\$ 24,910
Tax increments	--	--	--	--
Special assessments	--	--	14,138	--
Charges for services	--	--	--	--
Intergovernmental revenue	--	--	--	--
Interest earnings	1,426	221	2,709	711
Miscellaneous -				
Contributions	51,865	--	--	--
Other	--	--	--	--
Total revenues	<u>112,840</u>	<u>17,178</u>	<u>72,570</u>	<u>25,621</u>
EXPENDITURES				
Public works	--	--	--	--
Cemetery	--	--	--	--
Housing development	--	--	--	--
Economic development	--	--	--	--
Debt service	110,100	18,500	81,375	27,200
Capital projects	--	--	--	--
Total expenditures	<u>110,100</u>	<u>18,500</u>	<u>81,375</u>	<u>27,200</u>
Excess (deficiency) of revenues over (under) expenditures	2,740	(1,322)	(8,805)	(1,579)
OTHER FINANCING SOURCES (USES)				
Proceeds from long-term debt	--	--	--	--
Transfers in	--	--	10,000	--
Transfers out	--	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>10,000</u>	<u>--</u>
Net change in fund balances	2,740	(1,322)	1,195	(1,579)
Fund balances - beginning	<u>127,264</u>	<u>21,690</u>	<u>139,200</u>	<u>43,296</u>
Fund balances - ending	<u>\$ 130,004</u>	<u>\$ 20,368</u>	<u>\$ 140,395</u>	<u>\$ 41,717</u>

529	530	531		Total
East Side	2008-2010	HRA		Nonmajor
2007	Street	Eastwood	Total	Governmental
	Reonstrcution			Funds
\$ 57,538	\$ 17,041	\$ --	\$ 231,718	\$ 231,718
--	--	--	--	190,648
1,056	--	--	15,194	15,194
--	--	--	--	69,511
--	--	--	--	129,399
16,171	--	20,056	41,294	72,759
--	--	--	51,865	53,965
23,735	--	--	23,735	58,139
98,500	17,041	20,056	363,806	821,333
--	--	--	--	27,138
--	--	--	--	48,789
--	--	--	--	78,090
--	--	--	--	94,488
80,340	--	19,583	337,098	337,098
--	--	--	--	527,374
80,340	--	19,583	337,098	1,112,977
18,160	17,041	473	26,708	(291,644)
--	--	--	--	--
--	--	--	10,000	128,183
--	--	--	--	(120,274)
--	--	--	10,000	7,909
18,160	17,041	473	36,708	(283,735)
114,330	--	--	445,780	(209,673)
\$ 132,490	\$ 17,041	\$ 473	\$ 482,488	\$ (493,408)

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

Special Revenue Funds
December 31, 2010

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City of Mora, Minnesota
Storm Water Utility - Special Revenue Fund - 220
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2010

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Storm water fees	\$ 36,900	\$ 36,636	\$ (264)
Investment earnings	1,000	1,933	933
Miscellaneous	--	75	75
Total revenues	<u>37,900</u>	<u>38,644</u>	<u>669</u>
EXPENDITURES			
Professional services	3,000	8,294	(5,294)
Miscellaneous	8,000	10,882	(2,882)
Capital outlay	--	7,962	(7,962)
Total expenditures	<u>11,000</u>	<u>27,138</u>	<u>(16,138)</u>
Excess (deficiency) of revenues over (under) expenditures	26,900	11,506	(15,469)
OTHER FINANCING SOURCES (USES)			
Transfers in	--	--	--
Transfers out	(10,000)	(10,000)	--
Total other financing sources (uses)	<u>(10,000)</u>	<u>(10,000)</u>	<u>--</u>
Net change in fund balances	16,900	1,506	(4,761)
Fund balances - beginning	<u>68,617</u>	<u>68,617</u>	<u>--</u>
Fund balances - ending	<u>\$ 85,517</u>	<u>\$ 70,123</u>	<u>\$ (4,761)</u>

City of Mora, Minnesota
 Cemetery Fund - Special Revenue Fund - 225
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended December 31, 2010

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Interments	\$ 22,000	\$ 18,925	\$ (3,075)
Perpetual care	2,850	2,790	(60)
Sale of lots	11,400	11,160	(240)
Miscellaneous	850	600	(250)
Investment earnings	5,500	4,373	(1,127)
Total revenues	<u>42,600</u>	<u>37,848</u>	<u>(4,752)</u>
EXPENDITURES			
Professional services	21,575	6,226	(15,349)
Salaries	22,781	34,905	12,124
Capital outlay	6,000	--	(6,000)
Miscellaneous	8,209	7,658	(551)
Total expenditures	<u>58,565</u>	<u>48,789</u>	<u>(9,776)</u>
Excess (deficiency) of revenues over (under) expenditures	(15,965)	(10,941)	5,024
OTHER FINANCING SOURCES (USES)			
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	(20,665)	(15,641)	5,024
Fund balances - beginning	<u>128,054</u>	<u>128,054</u>	<u>--</u>
Fund balances - ending	<u>\$ 107,389</u>	<u>\$ 112,413</u>	<u>\$ 5,024</u>

City of Mora, Minnesota
Economic Development Revolving Loan - Special Revenue Fund - 230
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2010

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Miscellaneous	\$ --	\$ --	\$ --
Investment earnings	2,500	4,133	1,633
Total revenues	<u>2,500</u>	<u>4,133</u>	<u>1,633</u>
EXPENDITURES			
Professional services	--	--	--
Dues and subscriptions	--	--	--
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	2,500	4,133	1,633
Fund balances - beginning	<u>77,339</u>	<u>77,339</u>	<u>--</u>
Fund balances - ending	<u><u>\$ 79,839</u></u>	<u><u>\$ 81,472</u></u>	<u><u>\$ 1,633</u></u>

City of Mora, Minnesota
TIF 1-7 EPC - Special Revenue Fund - 235
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2010

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Tax increments	\$ --	\$ 16,357	\$ 16,357
Investment earnings	--	--	--
Total revenues	<u>--</u>	<u>16,357</u>	<u>16,357</u>
EXPENDITURES			
Professional services	--	1,636	1,636
Economic development	--	7,361	7,361
Miscellaneous	<u>--</u>	<u>--</u>	<u>--</u>
Total expenditures	<u>--</u>	<u>8,997</u>	<u>8,997</u>
 Net change in fund balances	 --	 7,360	 7,360
 Fund balances - beginning	 <u>6,248</u>	 <u>6,248</u>	 <u>--</u>
 Fund balances - ending	 <u>\$ 6,248</u>	 <u>\$ 13,608</u>	 <u>\$ 7,360</u>

City of Mora, Minnesota
TIF 2-2 Intrepid - Special Revenue Fund - 237
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2010

	Original and Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Tax increments	\$ --	\$ 50,927	\$ 50,927
Investment earnings	--	--	--
Total revenues	<u>--</u>	<u>50,927</u>	<u>50,927</u>
EXPENDITURES			
Professional services	--	2,546	2,546
Housing development	--	48,380	48,380
Miscellaneous	--	--	--
Total expenditures	<u>--</u>	<u>50,926</u>	<u>50,926</u>
Net changes in fund balances	--	1	1
Fund balances - beginning	<u>9,984</u>	<u>9,984</u>	<u>--</u>
Fund balances - ending	<u><u>\$ 9,984</u></u>	<u><u>\$ 9,985</u></u>	<u><u>\$ 1</u></u>

City of Mora, Minnesota
TIF 1-8 Torborg Apartments - Special Revenue Fund - 245
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2010

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Tax increments	\$ --	\$ 13,195	\$ 13,195
Investment earnings	--	--	--
Total revenues	<u>--</u>	<u>13,195</u>	<u>13,195</u>
EXPENDITURES			
Professional services	--	3,082	3,082
Housing development	--	10,114	10,114
Miscellaneous	--	--	--
Total expenditures	<u>--</u>	<u>13,196</u>	<u>13,196</u>
Net change to fund balances	--	(1)	(1)
Fund balances - beginning	<u>3,252</u>	<u>3,252</u>	<u>--</u>
Fund balances - ending	<u>\$ 3,252</u>	<u>\$ 3,251</u>	<u>\$ (1)</u>

City of Mora, Minnesota
TIF 1-9 Housing CMHP - Special Revenue Fund - 246
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2010

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Tax increments	\$ --	\$ 13,968	\$ 13,968
Total revenues	<u>--</u>	<u>13,968</u>	<u>13,968</u>
EXPENDITURES			
Professional services	--	698	698
Housing development	--	13,270	13,270
Interest	--	--	--
Miscellaneous	--	--	--
Total expenditures	<u>--</u>	<u>13,968</u>	<u>13,968</u>
Net change to fund balances	--	--	--
Fund balances - beginning	<u>51</u>	<u>51</u>	<u>--</u>
Fund balances - ending	<u>\$ 51</u>	<u>\$ 51</u>	<u>\$ --</u>

City of Mora, Minnesota
TIF 2-10 Clinic - Special Revenue Fund - 247
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2010

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Tax increments	\$ --	\$ 46,826	\$ 46,826
Total revenues	<u>--</u>	<u>46,826</u>	<u>46,826</u>
EXPENDITURES			
Professional services	--	4,683	4,683
Economic development	--	42,142	42,142
Interest	--	--	--
Miscellaneous	--	--	--
Total expenditures	<u>--</u>	<u>46,825</u>	<u>46,825</u>
Net change to fund balances	--	1	1
Fund balances - beginning	<u>465</u>	<u>465</u>	<u>--</u>
Fund balances - ending	<u>\$ 465</u>	<u>\$ 466</u>	<u>\$ 1</u>

City of Mora, Minnesota
TIF 1-11 Kanabec State Bank - Special Revenue Fund - 248
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2010

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Tax increments	\$ --	\$ 49,375	\$ 49,375
Total revenues	<u>--</u>	<u>49,375</u>	<u>49,375</u>
EXPENDITURES			
Professional services	--	--	--
Economic development	--	--	--
Interest	--	--	--
Miscellaneous	<u>--</u>	<u>38,666</u>	<u>38,666</u>
Total expenditures	<u>--</u>	<u>38,666</u>	<u>38,666</u>
Net change to fund balances	--	10,709	10,709
Fund balances - beginning	<u>(28,430)</u>	<u>(28,430)</u>	<u>--</u>
Fund balances - ending	<u><u>\$ (28,430)</u></u>	<u><u>\$ (17,721)</u></u>	<u><u>\$ 10,709</u></u>

City of Mora, Minnesota
TIF 1-14 HRA/Nelson - Special Revenue Fund - 251
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2010

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

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

Capital Projects Funds
December 31, 2010

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City of Mora, Minnesota
 Future Fire Equipment - Capital Projects Fund - 407
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended December 31, 2010

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental revenues	\$ --	\$ 40,285	\$ 40,285
Contributions	--	100	100
Interest earnings	--	6,964	6,964
Total revenues	--	47,349	47,349
EXPENDITURES			
Professional services	--	--	--
Capital projects	--	--	--
Miscellaneous	--	--	--
Total expenditures	--	--	--
Excess (deficiency) of revenues over (under) expenditures	--	47,349	47,349
OTHER FINANCING SOURCES (USES)			
Transfers in	--	14,715	14,715
Transfers out	--	(541)	(541)
Total other financing sources (uses)	--	14,174	14,174
Net change in fund balances	--	61,523	61,523
Fund balances - beginning	203,152	203,152	--
Fund balances - ending	\$ 203,152	\$ 264,675	\$ 61,523

City of Mora, Minnesota
 Future Improvements - Capital Projects Fund - 409
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended December 31, 2010

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental revenues	\$ --	\$ --	\$ --
Interest earnings	--	14,062	14,062
Miscellaneous	--	1,650	1,650
Total revenues	<u>--</u>	<u>15,712</u>	<u>15,712</u>
EXPENDITURES			
Professional services	--	--	--
Capital projects	--	--	--
Miscellaneous	--	--	--
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	--	15,712	15,712
OTHER FINANCING SOURCES (USES)			
Transfers in	--	11,435	11,435
Transfers out	--	(105,033)	(105,033)
Total other financing sources (uses)	<u>--</u>	<u>(93,598)</u>	<u>(93,598)</u>
Net change in fund balances	--	(77,886)	(77,886)
Fund balances - beginning	<u>422,268</u>	<u>422,268</u>	<u>--</u>
Fund balances - ending	<u>\$ 422,268</u>	<u>\$ 344,382</u>	<u>\$ (77,886)</u>

City of Mora, Minnesota
City Hall Improvements 2005 - Capital Projects Fund - 429
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2010

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental revenues	\$ --	\$ --	\$ --
Miscellaneous	--	--	--
Interest earnings	--	--	--
Total revenues	<u>--</u>	<u>--</u>	<u>--</u>
EXPENDITURES			
Professional services	--	--	--
Capital projects	--	--	--
Miscellaneous	--	--	--
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	--	--	--
OTHER FINANCING SOURCES (USES)			
Transfers in	--	--	--
Transfers out	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	--	--	--
Fund balances - beginning	<u>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 - 434
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2010

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental revenues	\$ --	\$ --	\$ --
Miscellaneous	--	--	--
Interest earnings	--	--	--
Total revenues	<u>--</u>	<u>--</u>	<u>--</u>
EXPENDITURES			
Professional services	--	--	--
Capital projects	--	1,030	1,030
Miscellaneous	--	--	--
Total expenditures	<u>--</u>	<u>1,030</u>	<u>1,030</u>
Excess (deficiency) of revenues over (under) expenditures	--	(1,030)	(1,030)
OTHER FINANCING SOURCES (USES)			
Transfers in	--	--	--
Transfers out	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	--	(1,030)	(1,030)
Fund balances - beginning	<u>(293,293)</u>	<u>(293,293)</u>	<u>--</u>
Fund balances - ending	<u>\$ (293,293)</u>	<u>\$ (294,323)</u>	<u>\$ (1,030)</u>

City of Mora, Minnesota
 Howe Avenue Reconstruction - Capital Project Fund - 439
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended December 31, 2010

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Special assessments	\$ --	\$ 89,114	\$ 89,114
Miscellaneous	--	--	--
Interest earnings	--	--	--
Total revenues	<u>--</u>	<u>89,114</u>	<u>89,114</u>
EXPENDITURES			
Professional services	--	--	--
Capital projects	--	8,162	8,162
Miscellaneous	<u>--</u>	<u>--</u>	<u>--</u>
Total expenditures	<u>--</u>	<u>8,162</u>	<u>8,162</u>
Excess (deficiency) of revenues over (under) expenditures	--	80,952	80,952
OTHER FINANCING SOURCES (USES)			
Transfers in	--	--	--
Transfers out	<u>--</u>	<u>--</u>	<u>--</u>
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	--	80,952	80,952
Fund balances - beginning	<u>(265,638)</u>	<u>(265,638)</u>	<u>--</u>
Fund balances - ending	<u>\$ (265,638)</u>	<u>\$ (184,686)</u>	<u>\$ 80,952</u>

City of Mora, Minnesota
Downtown Feed Mill Redevelopment - Capital Project Fund - 440
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2010

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental revenues	\$ --	\$ --	\$ --
Miscellaneous	--	--	--
Contributions	--	--	--
Interest earnings	--	--	--
Total revenues	<u>--</u>	<u>--</u>	<u>--</u>
EXPENDITURES			
Professional services	--	--	--
Capital projects	--	90	90
Miscellaneous	--	--	--
Total expenditures	<u>--</u>	<u>90</u>	<u>90</u>
Excess (deficiency) of revenues over (under) expenditures	--	(90)	(90)
OTHER FINANCING SOURCES (USES)			
Transfers in	--	10,000	10,000
Transfers out	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>10,000</u>	<u>10,000</u>
Net change in fund balances	--	9,910	9,910
Fund balances - beginning	<u>(171,291)</u>	<u>(171,291)</u>	<u>--</u>
Fund balances - ending	<u>\$ (171,291)</u>	<u>\$ (161,381)</u>	<u>\$ 9,910</u>

City of Mora, Minnesota
 Street Construction 2008 - Capital Project Fund - 441
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended December 31, 2010

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

City of Mora, Minnesota
 Airport Kastenbauer House - Capital Project Fund - 442
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended December 31, 2010

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental revenues	\$ --	\$ --	\$ --
Miscellaneous	--	8,400	8,400
Contributions	--	--	--
Interest earnings	--	--	--
Total revenues	<u>--</u>	<u>8,400</u>	<u>8,400</u>
EXPENDITURES			
Professional services	--	--	--
Capital projects	--	489	489
Miscellaneous	--	5,565	5,565
Total expenditures	<u>--</u>	<u>6,054</u>	<u>6,054</u>
Excess (deficiency) of revenues over (under) expenditures	--	2,346	2,346
OTHER FINANCING SOURCES (USES)			
Transfers in	--	--	--
Transfers out	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	--	2,346	2,346
Fund balances - beginning	<u>(177,601)</u>	<u>(177,601)</u>	<u>--</u>
Fund balances - ending	<u>\$ (177,601)</u>	<u>\$ (175,255)</u>	<u>\$ 2,346</u>

City of Mora, Minnesota
 Police Station - Capital Project Fund - 443
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended December 31, 2010

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental revenues	\$ --	\$ --	\$ --
Miscellaneous	--	23,679	23,679
Interest earnings	--	--	--
Total revenues	<u>--</u>	<u>23,679</u>	<u>23,679</u>
EXPENDITURES			
Professional services	--	--	--
Capital projects	--	1,581	1,581
Miscellaneous	--	--	--
Total expenditures	<u>--</u>	<u>1,581</u>	<u>1,581</u>
Excess (deficiency) of revenues over (under) expenditures	--	22,098	22,098
OTHER FINANCING SOURCES (USES)			
Transfers in	--	--	--
Transfers out	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	--	22,098	22,098
Fund balances - beginning	<u>(44,367)</u>	<u>(44,367)</u>	<u>--</u>
Fund balances - ending	<u>\$ (44,367)</u>	<u>\$ (22,269)</u>	<u>\$ 22,098</u>

City of Mora, Minnesota
 Crosswind - Capital Project Fund - 444
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended December 31, 2010

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental revenues	\$ --	\$ --	\$ --
Miscellaneous	--	--	--
Contributions	--	--	--
Interest earnings	--	--	--
Total revenues	<u>--</u>	<u>--</u>	<u>--</u>
EXPENDITURES			
Professional services	--	--	--
Capital projects	--	26,944	26,944
Miscellaneous	--	--	--
Total expenditures	<u>--</u>	<u>26,944</u>	<u>26,944</u>
Excess (deficiency) of revenues over (under) expenditures	--	(26,944)	(26,944)
OTHER FINANCING SOURCES (USES)			
Transfers in	--	--	--
Transfers out	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	--	(26,944)	(26,944)
Fund balances - beginning	<u>(14,875)</u>	<u>(14,875)</u>	<u>--</u>
Fund balances - ending	<u>\$ (14,875)</u>	<u>\$ (41,819)</u>	<u>\$ (26,944)</u>

City of Mora, Minnesota
 Spring Lake Trail - Capital Project Fund - 445
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended December 31, 2010

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental revenues	\$ --	\$ --	\$ --
Miscellaneous	--	--	--
Contributions	--	2,000	2,000
Interest earnings	--	--	--
Total revenues	<u>--</u>	<u>2,000</u>	<u>2,000</u>
EXPENDITURES			
Professional services	--	--	--
Capital projects	--	147,636	147,636
Miscellaneous	--	--	--
Total expenditures	<u>--</u>	<u>147,636</u>	<u>147,636</u>
Excess (deficiency) of revenues over (under) expenditures	--	(145,636)	(145,636)
OTHER FINANCING SOURCES (USES)			
Transfers in	--	82,033	82,033
Transfers out	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>82,033</u>	<u>82,033</u>
Net change in fund balances	--	(63,603)	(63,603)
Fund balances - beginning	<u>(130,582)</u>	<u>(130,582)</u>	<u>--</u>
Fund balances - ending	<u>\$ (130,582)</u>	<u>\$ (194,185)</u>	<u>\$ (63,603)</u>

City of Mora, Minnesota
Parker - Capital Project Fund - 446
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2010

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental revenues	\$ --	\$ --	\$ --
Miscellaneous	--	--	--
Contributions	--	--	--
Interest earnings	--	--	--
Total revenues	<u>--</u>	<u>--</u>	<u>--</u>
EXPENDITURES			
Professional services	--	--	--
Capital projects	--	188,151	188,151
Miscellaneous	--	--	--
Total expenditures	<u>--</u>	<u>188,151</u>	<u>188,151</u>
Excess (deficiency) of revenues over (under) expenditures	--	(188,151)	(188,151)
OTHER FINANCING SOURCES (USES)			
Transfers in	--	--	--
Transfers out	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	--	(188,151)	(188,151)
Fund balances - beginning	<u>(175,587)</u>	<u>(175,587)</u>	<u>--</u>
Fund balances - ending	<u>\$ (175,587)</u>	<u>\$ (363,738)</u>	<u>\$ (188,151)</u>

City of Mora, Minnesota
Trail Tunnel - Capital Project Fund - 447
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2010

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental revenues	\$ --	\$ --	\$ --
Miscellaneous	--	--	--
Contributions	--	--	--
Interest earnings	--	--	--
Total revenues	<u>--</u>	<u>--</u>	<u>--</u>
EXPENDITURES			
Professional services	--	--	--
Capital projects	--	23,593	23,593
Miscellaneous	--	--	--
Total expenditures	<u>--</u>	<u>23,593</u>	<u>23,593</u>
Excess (deficiency) of revenues over (under) expenditures	--	(23,593)	(23,593)
OTHER FINANCING SOURCES (USES)			
Transfers in	--	--	--
Transfers out	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	--	(23,593)	(23,593)
Fund balances - beginning	<u>--</u>	<u>--</u>	<u>--</u>
Fund balances - ending	<u>\$ --</u>	<u>\$ (23,593)</u>	<u>\$ (23,593)</u>

City of Mora, Minnesota
 2010 Street Reconstruction - Capital Project Fund - 448
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended December 31, 2010

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental revenues	\$ --	\$ --	\$ --
Miscellaneous	--	--	--
Contributions	--	--	--
Interest earnings	--	--	--
Total revenues	<u>--</u>	<u>--</u>	<u>--</u>
EXPENDITURES			
Professional services	--	--	--
Capital projects	--	118,539	118,539
Miscellaneous	--	--	--
Total expenditures	<u>--</u>	<u>118,539</u>	<u>118,539</u>
Excess (deficiency) of revenues over (under) expenditures	--	(118,539)	(118,539)
OTHER FINANCING SOURCES (USES)			
Transfers in	--	--	--
Transfers out	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	--	(118,539)	(118,539)
Fund balances - beginning	<u>--</u>	<u>--</u>	<u>--</u>
Fund balances - ending	<u>\$ --</u>	<u>\$ (118,539)</u>	<u>\$ (118,539)</u>

City of Mora, Minnesota
 2011 Street Reconstruction - Capital Project Fund - 449
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended December 31, 2010

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental revenues	\$ --	\$ --	\$ --
Miscellaneous	--	--	--
Contributions	--	--	--
Interest earnings	--	--	--
Total revenues	<u>--</u>	<u>--</u>	<u>--</u>
EXPENDITURES			
Professional services	--	--	--
Capital projects	--	5,594	5,594
Miscellaneous	--	--	--
Total expenditures	<u>--</u>	<u>5,594</u>	<u>5,594</u>
Excess (deficiency) of revenues over (under) expenditures	--	(5,594)	(5,594)
OTHER FINANCING SOURCES (USES)			
Transfers in	--	--	--
Transfers out	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	--	(5,594)	(5,594)
Fund balances - beginning	<u>--</u>	<u>--</u>	<u>--</u>
Fund balances - ending	<u>\$ --</u>	<u>\$ (5,594)</u>	<u>\$ (5,594)</u>

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

Debt Service Funds
December 31, 2010

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City of Mora, Minnesota
 Fire Station 2003 - Debt Service Fund - 525
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended December 31, 2010

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	\$ 67,363	\$ 59,549	\$ (7,814)
intergovernmental revenues	51,864	51,865	1
Interest earnings	1,000	1,426	426
Total revenues	<u>120,227</u>	<u>112,840</u>	<u>(7,387)</u>
EXPENDITURES			
Principal	75,000	75,000	--
Interest	34,675	34,675	--
Miscellaneous	350	425	75
Total expenditures	<u>110,025</u>	<u>110,100</u>	<u>75</u>
Excess (deficiency) of revenues over (under) expenditures	10,202	2,740	(7,462)
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	10,202	2,740	(7,462)
Fund balances - beginning	<u>127,264</u>	<u>127,264</u>	<u>--</u>
Fund balances - ending	<u>\$ 137,466</u>	<u>\$ 130,004</u>	<u>\$ (7,462)</u>

City of Mora, Minnesota
 Street Construction 2004 - Debt Service Fund - 526
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended December 31, 2010

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	\$ 19,110	\$ 16,957	\$ (2,153)
Interest earnings	200	221	21
Total revenues	<u>19,310</u>	<u>17,178</u>	<u>(2,132)</u>
EXPENDITURES			
Principal	15,000	15,000	--
Interest	3,800	3,500	(300)
Miscellaneous	--	--	--
Total expenditures	<u>18,800</u>	<u>18,500</u>	<u>(300)</u>
Excess (deficiency) of revenues over (under) expenditures	510	(1,322)	(1,832)
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	510	(1,322)	(1,832)
Fund balances - beginning	<u>21,690</u>	<u>21,690</u>	<u>--</u>
Fund balances - ending	<u>\$ 22,200</u>	<u>\$ 20,368</u>	<u>\$ (1,832)</u>

City of Mora, Minnesota
Maple Avenue East - Debt Service Fund - 527
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2010

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	\$ 46,556	\$ 55,723	\$ 9,167
Special assessments	27,654	14,138	(13,516)
Interest earnings	1,000	2,709	1,709
Total revenues	<u>75,210</u>	<u>72,570</u>	<u>(2,640)</u>
EXPENDITURES			
Principal	40,000	40,000	--
Interest	41,800	41,000	(800)
Miscellaneous	350	375	25
Total expenditures	<u>82,150</u>	<u>81,375</u>	<u>(775)</u>
Excess (deficiency) of revenues over (under) expenditures	(6,940)	(8,805)	(1,865)
OTHER FINANCING SOURCES (USES)			
Transfers in (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	3,060	1,195	(1,865)
Fund balances - beginning	<u>139,200</u>	<u>139,200</u>	<u>--</u>
Fund balances - ending	<u>\$ 142,260</u>	<u>\$ 140,395</u>	<u>\$ (1,865)</u>

City of Mora, Minnesota
 Street Construction 2006 - Debt Service Fund - 528
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended December 31, 2010

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	\$ 28,140	\$ 24,910	\$ (3,230)
Interest earnings	500	711	211
Total revenues	<u>28,640</u>	<u>25,621</u>	<u>(3,019)</u>
EXPENDITURES			
Principal	20,000	20,000	--
Interest	7,600	7,200	(400)
Miscellaneous	--	--	--
Total expenditures	<u>27,600</u>	<u>27,200</u>	<u>(400)</u>
Excess (deficiency) of revenues over (under) expenditures	1,040	(1,579)	(2,619)
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	1,040	(1,579)	(2,619)
Fund balances - beginning	<u>43,269</u>	<u>43,296</u>	<u>27</u>
Fund balances - ending	<u><u>\$ 44,309</u></u>	<u><u>\$ 41,717</u></u>	<u><u>\$ (2,592)</u></u>

City of Mora, Minnesota
 Eastside 2007 - Debt Service Fund - 529
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended December 31, 2010

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	\$ 61,242	\$ 57,538	\$ (3,704)
Special assessments	29,446	1,056	(28,390)
Interest earnings	--	16,171	16,171
Miscellaneous	--	23,735	23,735
Total revenues	<u>90,688</u>	<u>98,500</u>	<u>7,812</u>
EXPENDITURES			
Principal	46,159	42,000	(4,159)
Interest	35,229	37,890	2,661
Miscellaneous	<u>425</u>	<u>450</u>	<u>25</u>
Total expenditures	<u>81,813</u>	<u>80,340</u>	<u>(1,473)</u>
Excess (deficiency) of revenues over (under) expenditures	8,875	18,160	9,285
OTHER FINANCING SOURCES (USES)			
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	8,875	18,160	9,285
Fund balances - beginning	<u>114,330</u>	<u>114,330</u>	<u>--</u>
Fund balances - ending	<u>\$ 123,205</u>	<u>\$ 132,490</u>	<u>\$ 9,285</u>

City of Mora, Minnesota
 2008-2010 Street Reconstruction - Debt Service Fund - 530
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended December 31, 2010

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	\$ 20,000	\$ 17,041	\$ (2,959)
Investment earnings	--	--	--
Total revenues	<u>20,000</u>	<u>17,041</u>	<u>(2,959)</u>
EXPENDITURES			
Principal	20,000	--	(20,000)
Interest	--	--	--
Fiscal agent fees	--	--	--
Total expenditures	<u>20,000</u>	<u>--</u>	<u>(20,000)</u>
Excess (deficiency) of revenues over (under) expenditures	--	17,041	17,041
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	--	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	--	17,041	17,041
Fund balances - beginning	<u>--</u>	<u>--</u>	<u>--</u>
Fund balances - ending	<u>\$ --</u>	<u>\$ 17,041</u>	<u>\$ 17,041</u>

City of Mora, Minnesota
HRA Eastwood - Debt Service Fund - 531
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2010

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	\$ --	\$ --	\$ --
Special assessments	--	--	--
Investment earnings	--	20,056	20,056
Total revenues	<u>--</u>	<u>20,056</u>	<u>20,056</u>
EXPENDITURES			
Principal	--	--	--
Interest	--	--	--
Miscellaneous	--	19,583	19,583
Total expenditures	<u>--</u>	<u>19,583</u>	<u>19,583</u>
Excess (deficiency) of revenues over (under) expenditures	--	473	473
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	--	473	(19,583)
Fund balances - beginning	<u>--</u>	<u>--</u>	<u>--</u>
Fund balances - ending	<u>\$ --</u>	<u>\$ 473</u>	<u>\$ (19,583)</u>

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

Enterprise Funds
December 31, 2010

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City of Mora, Minnesota
Municipal Liquor Store - Enterprise Fund - 609
Schedule of Revenues, Expenditures, and Changes in Net Assets - Budget and Actual
For the Year Ended December 31, 2010

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Operating Revenues:			
Sales	\$ 2,709,500	\$ 2,506,404	\$ 203,096
Total Operating Revenues	<u>2,709,500</u>	<u>2,506,404</u>	<u>203,096</u>
Operating Expenses:			
Cost of sales	2,052,050	1,881,810	170,240
Employee services	200,990	236,026	(35,036)
Supplies	28,300	33,213	(4,913)
Other services and charges	98,684	139,652	(40,968)
Depreciation	9,000	34,787	(25,787)
Total Operating Expenses	<u>2,389,024</u>	<u>2,325,488</u>	<u>63,536</u>
Operating Income (Loss)	320,476	180,916	139,560
Add: Non-Operating Revenues:			
Commissions	--	--	--
Discounts earned	--	--	--
Interest earned	10,000	10,705	(705)
Gain on sale of fixed assets	--	--	--
Miscellaneous	(300)	2,887	(3,187)
Total Non-Operating Revenues	<u>9,700</u>	<u>13,592</u>	<u>(3,892)</u>
Income before Transfers	330,176	194,508	135,668
Transfers:			
Transfers in (out)	(270,000)	(270,000)	--
Total Transfers	<u>(270,000)</u>	<u>(270,000)</u>	<u>--</u>
Net Income (Loss)	60,176	(75,492)	135,668
Net Assets, January 1	<u>747,309</u>	<u>747,309</u>	<u>--</u>
Net Assets, December 31	<u>\$ 807,485</u>	<u>\$ 671,817</u>	<u>\$ 135,668</u>

City of Mora, Minnesota
Electric Utility Fund - Enterprise Fund - 651
Schedule of Revenues, Expenditures, and Changes in Net Assets - Budget and Actual
For the Year Ended December 31, 2010

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Operating Revenues:			
Sales	\$ 4,375,000	\$ 4,822,950	\$ (447,950)
Total Operating Revenues	<u>4,375,000</u>	<u>4,822,950</u>	<u>(447,950)</u>
Operating Expenses:			
Cost of sales	3,512,000	4,162,629	(650,629)
Employee services	689,501	327,793	361,708
Supplies	6,000	27,030	(21,030)
Other services & charges	582,504	475,735	106,769
Depreciation	<u>225,000</u>	<u>175,575</u>	<u>49,425</u>
Total Operating Expenses	<u>5,015,005</u>	<u>5,168,762</u>	<u>(153,757)</u>
Operating Income (Loss)	(640,005)	(345,812)	(294,193)
Add: Non-Operating Revenues and Expenses:			
Miscellaneous expenses	(30,000)	(30,000)	--
Commissions	--	--	--
Discounts earned	--	--	--
Interest earned	160,000	157,517	2,483
Gain on sale of fixed assets	--	4,965	(4,965)
Miscellaneous - wage reimbursement	<u>502,628</u>	<u>460,540</u>	<u>42,088</u>
Total Non-Operating Revenues	<u>632,628</u>	<u>593,022</u>	<u>39,606</u>
Income before Transfers	(7,377)	247,210	(254,587)
Transfers and other expenses:			
Transfers in (out)	<u>--</u>	<u>--</u>	<u>--</u>
Total Transfers	<u>--</u>	<u>--</u>	<u>--</u>
Net Income (Loss)	(7,377)	247,210	(254,587)
Net Assets, January 1	<u>7,647,890</u>	<u>7,647,890</u>	<u>--</u>
Net Assets, December 31	<u>\$ 7,640,513</u>	<u>\$ 7,895,100</u>	<u>\$ (254,587)</u>

City of Mora, Minnesota
Water Utility Fund - Enterprise Fund - 652
Schedule of Revenues, Expenditures, and Changes in Net Assets - Budget and Actual
For the Year Ended December 31, 2010

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Operating Revenues:			
Sales	\$ 507,500	\$ 551,411	\$ (43,911)
Total Operating Revenues	<u>507,500</u>	<u>551,411</u>	<u>(43,911)</u>
Operating Expenses:			
Cost of sales	--	--	--
Employee services	217,069	204,210	12,859
Supplies	64,655	63,151	1,504
Other services & charges	127,552	116,142	11,410
Depreciation	182,000	169,011	12,989
Total Operating Expenses	<u>591,276</u>	<u>552,514</u>	<u>38,762</u>
Operating Income (Loss)	(83,776)	(1,103)	(82,673)
Add: Non-Operating Revenues:			
Special assessments	2,500	1,099	1,401
Discounts earned	--	--	--
Interest earned	41,100	35,433	5,667
Gain on sale of fixed assets	--	--	--
Miscellaneous	4,750	5,375	(625)
Total Non-Operating Revenues	<u>48,350</u>	<u>41,907</u>	<u>6,443</u>
Income before Operating Transfers	(35,426)	40,804	(76,230)
Operating Transfers:			
Transfers in	--	--	--
Transfers (out)	--	--	--
Total Operating Transfers	<u>--</u>	<u>--</u>	<u>--</u>
Net Income (Loss)	(35,426)	40,804	(76,230)
Net Assets, January 1	<u>3,475,576</u>	<u>3,475,576</u>	<u>--</u>
Net Assets, December 31	<u>\$ 3,440,150</u>	<u>\$ 3,516,380</u>	<u>\$ (76,230)</u>

City of Mora, Minnesota
Wastewater Utility Fund - Enterprise Fund - 653
Schedule of Revenues, Expenditures, and Changes in Net Assets-Budget and Actual
For the Year Ended December 31, 2010

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Operating Revenues:			
Sales	\$ 752,000	\$ 815,205	\$ (63,205)
Total Operating Revenues	<u>752,000</u>	<u>815,205</u>	<u>(63,205)</u>
Operating Expenses:			
Cost of sales	--	--	--
Employee services	282,825	283,661	(836)
Supplies	100,855	96,214	4,641
Other services and charges	163,770	156,085	7,685
Depreciation	249,000	252,084	(3,084)
Total Operating Expenses	<u>796,450</u>	<u>788,044</u>	<u>8,406</u>
Operating Income (Loss)	(44,450)	27,161	(71,611)
Add: Non-Operating Revenues:			
Special assessments	7,200	5,406	1,794
Discounts earned	--	--	--
Interest earned	43,100	31,421	11,679
Gain on sale of fixed assets	--	1,883	(1,883)
Miscellaneous	3,660	10,573	(6,913)
Total Non-Operating Revenues	<u>53,960</u>	<u>49,283</u>	<u>4,677</u>
Income before Operating Transfers	9,510	76,444	(66,934)
Operating Transfers:			
Transfers in	--	--	--
Transfers (out)	--	--	--
Total Operating Transfers	<u>--</u>	<u>--</u>	<u>--</u>
Net Income (Loss)	9,510	76,444	(66,934)
Net Assets, January 1	<u>3,544,355</u>	<u>3,544,355</u>	<u>--</u>
Net Assets, December 31	<u>\$ 3,553,865</u>	<u>\$ 3,620,799</u>	<u>\$ (66,934)</u>

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.

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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>
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
2010	2,506,404	194,508	270,000	671,817

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>
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
2010	4,822,950	247,210	--	--	7,895,100

City of Mora, Minnesota

Electric Utility Fund
 Schedule of Services, Billing, KWH, and Revenues per KWH
 For the Year Ended December 31, 2010

	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		<u>(502,000)</u>		
Net KWH to Feeders		54,779,375		
Less: Total Retail Sales		<u>(51,792,914)</u>		
Line Loss	5.45%	<u><u>\$ 2,986,461</u></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
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
2010	551,411	40,804	--	--	3,516,380

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
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
2010	815,205	76,444	--	--	3,620,799

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

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CITY OF MORA, MINNESOTA
ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2010

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 Five Fiscal Years

	Fiscal Year*				
	2006	2007	2008	2009	2010
Governmental Activities					
Invested in capital assets, net of related debt	\$ 5,587,118	\$ 9,049,016	\$ 8,457,166	\$ 9,194,864	\$ 9,599,168
Restricted	693,843	387,763	434,461	243,525	589,192
Unrestricted	1,092,618	923,873	799,883	399,933	(64,312)
Total governmental activities net assets	7,373,579	10,360,652	9,691,510	9,838,322	10,124,048
Business-type activities					
Invested in capital assets, net of related debt	8,636,906	8,349,640	7,022,525	7,473,809	5,878,027
Restricted	--	--	2,023,921	2,005,897	2,132,182
Unrestricted	6,206,235	6,112,701	5,900,544	5,935,424	7,695,882
Total business-type activities net assets	14,843,141	14,462,341	14,946,990	15,415,130	15,706,091
Total Primary Government	\$ 22,216,720	\$ 24,822,993	\$ 24,638,500	\$ 25,253,452	\$ 25,830,139

* Previous years data not available.

Table 2

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

	Fiscal Year*				
	2006	2007	2008	2009	2010
Governmental Activities					
General government	\$ 428,118	\$ 495,842	\$ 509,568	\$ 521,710	\$ 482,961
Public safety	368,624	880,843	968,290	993,186	885,754
Public works	37,276	649,551	726,335	1,005,869	880,659
Cemetery	19,715	48,595	72,685	66,702	54,568
Culture and recreation	205,117	279,803	326,874	224,822	247,197
Housing and economic development	239,505	189,464	228,581	183,266	64,152
Capital projects	336,546	(1,029)	1,280,120	(206,895)	(122,296)
Miscellaneous	--	--	--	--	--
Interest on long term debt	132,833	103,365	125,864	124,586	138,026
Total governmental activities expenditures	1,767,734	2,646,434	4,238,317	2,913,246	2,631,021
Business-type activities					
Liquor	1,985,734	1,977,770	2,046,371	2,153,910	2,324,242
Electric	4,551,322	5,397,147	5,031,885	4,881,937	5,168,762
Water	429,607	496,699	558,998	528,492	552,514
Wastewater	615,184	656,818	717,145	790,109	787,295
Total business-type activities expenses	7,581,847	8,528,434	8,354,399	8,354,448	8,832,813
Total primary government expenses	9,349,581	11,174,868	12,592,716	11,267,694	11,463,834
Program Revenues					
Governmental activities					
Charges for services:					
General government	1,117,369	942,471	798,197	670,879	427,318
Public safety	--	--	--	97,331	179,246
Public works	--	--	--	45,952	46,846
Cemetery	--	--	73,929	42,440	33,475
Culture and recreation	--	--	116,962	104,203	126,918
Housing & economic development	--	--	--	50	33,729
Operating grants and contributions	1,169,152	2,828,888	1,520,293	1,007,007	939,449
Capital grants and contributions	--	--	--	--	42,385
Total governmental activities program revenues	2,286,521	3,771,359	2,509,381	1,967,862	1,829,366
Business-type activities					
Charges for services					
Liquor	2,239,951	2,230,868	2,271,548	2,390,937	2,509,291
Electric	5,094,489	5,367,985	5,283,769	5,026,367	5,288,455
Water	475,504	481,330	489,423	541,726	557,885
Wastewater	762,235	844,683	814,478	826,516	833,067
Total business-type activities program revenues	8,572,179	8,924,866	8,859,218	8,785,546	9,188,698
Total primary government program revenues	10,858,700	12,696,225	11,368,599	10,753,408	11,018,064
Net Revenue (Expense)					
Governmental activities	518,787	1,124,925	(1,728,936)	(945,384)	(801,655)
Business-type activities	960,332	396,432	504,819	431,098	355,885
Total primary government net expense	\$ 1,479,119	\$ 1,521,357	\$ (1,224,117)	\$ (514,286)	\$ (445,770)

* Previous years data not available.

Table 2
(Continued)

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

	Fiscal Year*				
	2006	2007	2008	2009	2010
General Revenues and Other Changes in Net Assets					
Governmental Activities					
Taxes					
Property taxes	\$ 479,292	\$ 504,338	\$ 545,600	\$ 592,363	\$ 535,245
Franchise taxes					
Tax increments	135,836	133,876	135,418	169,466	191,721
Gain on sale of capital assets	23,000	2,665	1,270	2,320	1,439
Unrestricted grants and contributions					
Payments in lieu of taxes					
Investment earnings	47,997	124,755	116,099	81,049	88,976
Miscellaneous	--	--	--	(20,000)	--
Transfers	984,152	(86,486)	290,000	270,000	270,000
Total governmental activities	1,670,277	679,148	1,088,387	1,095,198	1,087,381
Business-type activities					
Investment earnings	227,299	321,282	269,830	337,042	235,076
Miscellaneous	--	--	--	(30,000)	(30,000)
Transfers	(984,152)	86,486	(290,000)	(270,000)	(270,000)
Total business-type activities	(756,853)	407,768	(20,170)	37,042	(64,924)
Total primary government	913,424	1,086,916	1,068,217	1,132,240	1,022,457
Changes in Net Assets					
Governmental activities	2,795,202	679,148	1,088,387	146,812	285,726
Business-type activities	(360,421)	407,768	(20,170)	468,140	290,961
Prior period adjustment	--	--	--	--	--
Total primary government	\$ 2,434,781	\$ 1,086,916	\$ 1,068,217	\$ 614,952	\$ 576,687

* Previous years data not available.

Table 3

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

	Fiscal Year*				
	2006	2007	2008	2009	2010
General Fund					
Reserved	\$ --	\$ --	\$ --	\$ --	\$ --
Unreserved	759,788	899,082	930,747	987,173	1,015,273
Total general fund	759,788	899,082	930,747	987,173	1,015,273
All Other Governmental Funds					
Reserved	94,324	96,534	100,314	103,914	106,704
Unreserved, reported in:					
Special revenue funds	168,355	157,727	137,444	142,587	147,865
Capital project funds	248,714	(18,919)	(28,736)	(595,785)	(1,230,465)
Debt service funds	599,519	293,229	334,147	139,611	482,488
Total all other governmental funds	1,110,912	528,571	543,169	(209,673)	(493,408)
Total all governmental funds	\$ 1,870,700	\$ 1,427,653	\$ 1,473,916	\$ 777,500	\$ 521,865

* Previous years data not available.

Table 4

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

	Fiscal Year*				
	2006	2007	2008	2009	2010
Revenues					
Property taxes	\$ 479,292	\$ 504,338	\$ 545,600	\$ 592,363	\$ 535,246
Tax increments	135,836	133,876	135,418	169,466	191,723
Licenses & permits	65,810	73,975	80,946	53,097	29,949
Special assessments	110,450	77,964	172,510	(43,299)	15,194
Intergovernmental	1,169,152	2,828,888	1,347,783	945,504	928,395
Charges for services	331,094	448,959	732,639	620,280	692,337
Fines	40,614	47,854	58,541	33,709	20,293
Investment earnings	47,997	124,755	116,099	81,049	103,079
Other revenues	274,490	296,384	118,232	357,891	130,531
Total revenues	2,654,735	4,536,993	3,307,768	2,810,060	2,646,747
Expenditures					
General government	521,072	463,645	484,113	475,954	448,286
Public safety	688,003	804,374	887,682	848,291	817,723
Public works	398,490	371,848	433,600	479,673	491,164
Cemetery	36,523	36,521	59,957	43,824	48,789
Culture and recreation	255,546	275,778	322,631	217,196	229,860
Housing and economic development	239,505	189,464	219,971	168,014	172,578
Capital projects	1,135,542	2,476,495	1,237,951	1,111,316	527,374
Miscellaneous	46,057	62,914	1,008,374	58,525	99,510
Debt service					
Principal	437,982	135,000	140,000	195,500	192,000
Interest & other expenditures	49,851	77,515	97,235	127,590	145,098
Total expenditures	3,808,571	4,893,554	4,891,514	3,725,883	3,172,382
Excess of revenues over (under) expenditures	(1,153,836)	(356,561)	(1,583,746)	(915,823)	(525,635)
Other Financing Sources (Uses)					
Proceeds from borrowing	1,787,911	--	1,337,249	--	--
Miscellaneous	--	--	--	(20,000)	--
Transfers in	391,408	438,823	1,103,716	391,408	421,724
Transfers out	(121,408)	(525,309)	(810,957)	(121,408)	(151,724)
Total other financing sources (uses)	2,057,911	(86,486)	1,630,008	250,000	270,000
Net change in fund balances	\$ 904,075	\$ (443,047)	\$ 46,262	\$ (665,823)	\$ (255,635)
Total capital asset additions (see B-4)					800,217
Debt service as a percentage of non-capital expenditures	18.3%	8.8%	6.5%	12.4%	14.2%

* 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 Tax Capacity of Taxable Property	Total Direct Tax Rate as a % of Tax Capacity
2001	\$ 59,618,700	22,866,700		NA	\$ 82,485,400	\$ 1,486,799	25.381%
2002	74,512,200	22,569,100		NA	97,081,300	1,233,697	30.800%
2003	84,991,500	23,863,000		NA	108,854,500	1,337,151	28.437%
2004	99,128,700	29,445,900		NA	128,574,600	1,573,876	27.045%
2005	104,276,300	32,735,400		NA	137,011,700	1,865,812	23.888%
2006	113,236,200	36,692,000		NA	149,928,200	1,979,692	25.423%
2007	127,839,600	28,845,500	8,299,000	23,218,000	156,685,100	2,132,536	24.852%
2008	131,635,700	29,678,700	8,389,000	23,747,400	193,450,800	2,228,546	25.982%
2009	132,458,400	31,618,900	8,343,800	24,602,800	197,023,900	2,316,294	26.817%
2010	145,936,500	33,040,700	8,339,700	6,702,600	185,679,800	2,128,231	27.336%

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			
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
2010	15.946	11.390	27.336	15.999	74.510	0.155	118.000

Table 7

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

Taxpayer	2010			2001		
	Net Tax Capacity	Rank	Percentage of Total City Tax Capacity	Net Tax Capacity	Rank	Percentage of Total City Tax Capacity
Engineered Polymers	\$ 60,224	1	2.83%	\$ 110,200	1	8.28%
Living Services Foundation	51,714	2	2.43%	24,035	5	1.62%
Kanabec County	45,673	3	2.15%			
Kanabec State Bank	45,406	4	2.13%			
Gorham Housing Partners	44,064	5	2.07%	49,427	3	3.32%
Minmor (Fingerhut)	35,662	6	1.68%	56,717	2	3.81%
Coborn's	33,352	7	1.57%	28,954	4	1.95%
Greater MN Credit Union	26,512	8	1.25%			
Paul Belkholm, Inc.	19,178	9	0.90%			
Daniel G. Kamin (Pamida)	17,314	10	0.81%			
<hr/>						
Total	\$ 379,099		17.81%	\$ 269,333		18.11%
<hr/>						
Total Net Tax Capacity	\$ 2,128,231			\$ 1,396,387		

Figures from the Kanabec County Assessor

Table 8

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

Fiscal Year	Collected within the Fiscal Year of the Levy						Total Collections to Date			Outstanding Delinquent Taxes
	General Fund	Debt Service	Taxes Levied for	Amount	Percentage of	Collections in Subsequent Years	Amount	Percentage of		
	Levy	Levy	Fiscal Year*		Levy			Levy		
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	469,451	99.77%	1,064	
2007	333,850	166,866	500,716	484,649	96.79%	13,172	498,881	99.63%	1,835	
2008	362,312	185,838	548,150	514,486	93.86%	18,179	534,063	97.43%	14,087	
2009	359,565	222,222	581,787	546,087	93.86%	17,279	563,366	96.83%	18,421	
2010	339,376	242,411	581,787	543,800	93.47%	--	543,800	93.47%	37,987	

*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	
2001	\$ --	\$ 144,200	\$ 105,000	\$ 700,000	\$ 139,000	\$ 2,115,000	\$ 3,203,200	4.5%	\$ 1,003.19
2002	--	120,000	70,000	540,000	107,000	1,945,000	2,782,000	3.7%	859.97
2003	1,405,000	100,000	35,000	--	880,500	4,187,500	6,608,000	8.4%	2,000.00
2004	1,405,000	75,000	--	--	844,500	2,417,500	4,742,000	5.6%	1,386.14
2005	1,310,000	50,000	--	--	807,500	2,212,500	4,380,000	4.9%	1,271.78
2006	1,560,000	1,500,000	--	--	807,500	1,992,500	5,860,000	6.4%	1,646.07
2007	1,450,000	1,475,000	--	--	790,000	1,755,000	5,470,000	5.4%	1,533.07
2008	1,345,000	2,815,000	--	--	781,000	1,516,000	6,457,000	6.0%	1,745.61
2009	1,225,000	2,705,000	--	--	771,500	1,271,500	5,973,000	NA	1,614.76
2010	1,115,000	2,590,000	--	--	2,388,800	1,016,500	7,110,300	NA	1,991.00

NA-not available

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

Fiscal Year	General Obligation Bonds	Taxable Market Value	GO Bond Percentage of Taxable Market Value	Population	Per Capita
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
2010	1,115,000	194,019,500	0.57%	3571	312

City of Mora, Minnesota
Direct and Overlapping Governmental Activities Debt

Governmental Unit	Debt Outstanding	Tax Capacity	Taxable Net Tax Capacity Within the City's Boundaries	Percentage Applicable to the City*	City's Estimated Share of Debt
City of Mora	\$ 7,110,300	\$ 2,128,231	\$ 2,128,231	100.00%	\$ 7,110,300
Kanabec County	13,705,000	14,019,863	2,128,231	15.18%	2,080,434
Independent School District	3,195,000	9,305,963	2,128,231	22.87%	730,682
Total					<u>\$ 9,921,416</u>

Figures from Kanabec County Auditor

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. The City of Mora lies wholly within the geographic boundaries of Kanabec County and ISD #332. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Mora. This process recognizes that, when considering the city's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be considered.

* For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable net tax capacities. Applicable percentages were estimated by determining the portion of another governmental unit's NTC that is within the city's boundaries and dividing that amount by each unit's NTC.

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
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%
2010	194,019,500	5,820,585	1,115,000	4,705,585	19.16%

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

City of Mora, Minnesota
Pledged-Revenue Coverage
Last Six 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%
2010	551,411	510,607	40,804	27,865	48,752	53%	815,205	738,761	76,444	270,135	58,327	23%	--	--	--	0%

* Previous years data not available.

Table 14

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

Year	Population (1)	Personal Income	Per Capita Personal Income (2)	Median Age (3)	Per Cent HS Degree of Higher (4)	Per Cent BA Degree or Higher (4)	School Enrollment (5)	Unemployment Rate (6)
2000	3,193	\$ 69,201,889	\$ 21,673	38.0	81.7	12.1	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	84,570,864	24,556	37.9	NA	NA	1,889	8.20%
2005	3,560	87,330,360	24,531	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	100,671,120	28,215	NA	NA	NA	1,858	10.70%
2008	3,699	108,247,536	29,264	NA	NA	NA	1,865	14.10%
2009	3,635	NA	NA	39.7	87.3	14.4	1,770	13.10%
2010	3,571	NA	NA	NA	NA	NA	1,778	12.80%

NA-not available

Data from MN DEED website

Table 15

City of Mora, Minnesota
Principal Employers
Current Year and Three Years Ago

Employer	2010			2007		
	Employees	Rank	% of Total	Employees	Rank	% of Total
Kanabec Hospital	373	1	14.9	309	1	12.4
Mora Public Schools	315	2	12.6	303	2	12.1
Kanabec County	216	3	8.6	180	4	7.2
Engineered Polymers Corporation	207	4	8.3	200	3	8.0
Coborn's, Inc.	164	5	6.6	143	5	5.7
Villa Health Care Center	155	6	6.2	105	8	4.2
Miner Group International	126	7	5.0	115	6	4.6
Lakes & Pines Community Action Council	116	8	4.6	101	9	4.0
City of Mora	89	9	3.6	114	7	4.6
Industries, Inc.	34	10	1.4	90	10	3.6
			<u>71.8</u>			<u>66.4</u>

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									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
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	1	0	0	0	0
Building	1	1	1	1	1	1	1	1	1	1
Police										
Officers	5	6	6	6	6	6	6	6	7	7
Civilians	0	1	1	1	1	1	1	1	1	1
Streets & Parks	5	5	5	5	4	4	4	4	4	4
Aquatic Center	1	1	1	1	1	1	1	1	1	1
Electric	4	4	5	7	7	6	6	6	6	6
Water/Wastewater	5	5	4	4	4	4	4	4	4	4
Liquor Store	2	2	2	2	2	1	1	1	1	1
Total	28	30	30	32	31	29	28	28	29	29

Data from finance department.
City payroll records.

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

Function/Program	Fiscal Year *				
	2010	2009	2008	2007	2006
Police					
Physical arrests	594	246	319	285	294
Parking violations	105	77	175	246	57
Traffic violations	604	262	1,025	753	537
Fire					
Emergency responses	69	56	75	97	87
Fires extinguished	31	29	23	46	43
Inspections	8	8	8	10	7
Public Works					
Street resurfacing (miles)	1.28	1.22	None	.84	1.38
Potholes repaired	319	213	189	225	209
Library					
Volumes in collection	30,000	30,000	30,000	21,000	20,000
Total volumes borrowed	89,800	92,000	89,919	89,924	N/A
Water					
Total connections	1,176	1,177	1,160	1,151	1,150
Water-main breaks	3	2	3	1	2

NA-not available

* Previous years data not available.

** Contracted with Sheriff's office in 2010.

Data from City of Mora department heads.

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

			Fiscal Year*		
	2010	2009	2008	2007	2006
Function/Program					
Police **					
Stations	1	1	1	1	1
Patrol units	5	6	6	6	6
Fire Stations	1	1	1	1	1
Other Public Works					
Streets (miles)	24.16	24.16	23.60	23.60	21.70
Street lights	458	458	458	458	458
Parks and recreation					
Acreage	28.44	28.44	28.44	28.44	28.44
Playgrounds	4	4	4	4	4
Baseball/softball fields	3	3	3	3	3
Water					
Water mains (miles)	18.00	18.00	18.00	18.00	16.00
Fire hydrants	281	281	279	279	258
Storage capacity (gallons)	700,000	700,000	700,000	700,000	700,000
Wastewater					
Sanitary sewers (miles)	16.00	16.00	16.00	16.00	14.00
Storm sewers (miles)	6.87	6.87	6.83	6.83	6.83
Treatment capacity (gallons/day)	800,000	800,000	800,000	800,000	800,000

* Previous years data not available.

** Contracted with Sheriff's office in 2010.

Data from City of Mora department heads.

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CITY OF MORA, MINNESOTA
ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2010

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, 2010, which collectively comprise the City of Mora, Minnesota's basic financial statements and have issued our report thereon dated June 15, 2011. 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 15, 2011

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