

COMPREHENSIVE ANNUAL
FINANCIAL REPORT
OF THE
CITY OF MORA, MINNESOTA
FOR THE
FISCAL YEAR ENDED
December 31, 2015

PREPARED BY FINANCE DEPARTMENT
MEMBER GOVERNMENT FINANCE OFFICERS ASSOCIATION
OF THE UNITED STATES AND CANADA

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City of Mora, Minnesota

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City of Mora, Minnesota
INTRODUCTORY SECTION
December 31, 2015

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CITY OF MORA MORA MUNICIPAL UTILITIES

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June 30, 2016

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

I am submitting to you the comprehensive annual financial report of the City of Mora, Kanabec County, Minnesota and Mora Municipal Utilities for the fiscal year ended December 31, 2015. 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. The administrator also serves as clerk-treasurer who 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 3,571 according to the 2010 U.S. Census Department's report. The city covers an area of 5.01 square miles.

Local Economy

In 2015 the local economy continued to show steady signs of improvement.

Many construction jobs lost in recent years have slowly returned. Employment in the service and retail sectors is up. Unemployment at 8.1% in December 2015 is the lowest for that period in the last nine years.

There were two new homes started in 2015, and three new garages were constructed. Multiple homes and apartments were remodeled or improved. First-year property tax delinquency continues to be lower than the ten-year average by about 3.5%. Tax capacity values increased by 8.4%, compared to a 1.3% increase in 2014.

Four new commercial buildings were constructed in 2015. Exterior remodeling was completed for Holiday Station Store, and new roofs were installed on the Kanabec County Courthouse, Kanabec County Public Health Building, and Grace Lutheran Church. In addition, a new garage was added to the Methven Funeral Home.

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 2, 2014.

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 water drainage, electricity, water, wastewater treatment, parks, 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:

	2015	2014	2013	2012	2011
General Fund	\$339,794	\$298,775	\$319,051	\$308,033	\$337,780
Debt Service Funds	\$276,112	\$287,802	\$277,752	\$289,098	\$244,007
Total Levy	\$615,906	\$586,577	\$596,803	\$597,131	\$581,787

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.

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 seven 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. 2-10

TIF 2-10 was established in 2003 for a clinic expansion project adjacent to Kanabec Hospital. The city began receiving tax increments in 2004. Ninety per cent of the increments were paid to the developer on a pay-as-you-go note. In 2011 the clinic became part of FirstLight Health System, a non-profit organization. Since no further increments would be available, TIF 2-10 was closed in 2012.

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 are being 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 facilities of 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 2015, Moody's Investors Service completed its regular review of our rating, and kept the City's rating of A2. Moody's cited a narrow, but improving, operating liquidity position, and small tax base and below-average demographic profile as rationale for the A2 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 payment schedule which shows the impact of financing on future debt service tax levies.

Independent Audit

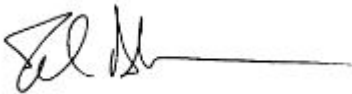
Minnesota statutes require an annual audit by the state auditor or an independent certified public accountant. The city selected the CPA firm of Althoff & Nordquist, LLC to complete the audit for 2015. The auditor's opinion is included in this report.

Acknowledgments

The finance department staff contributed significantly to this report. I wish to thank Carol Allman, Kelly Erickson, Wendy Akkerman, and Sara King 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,

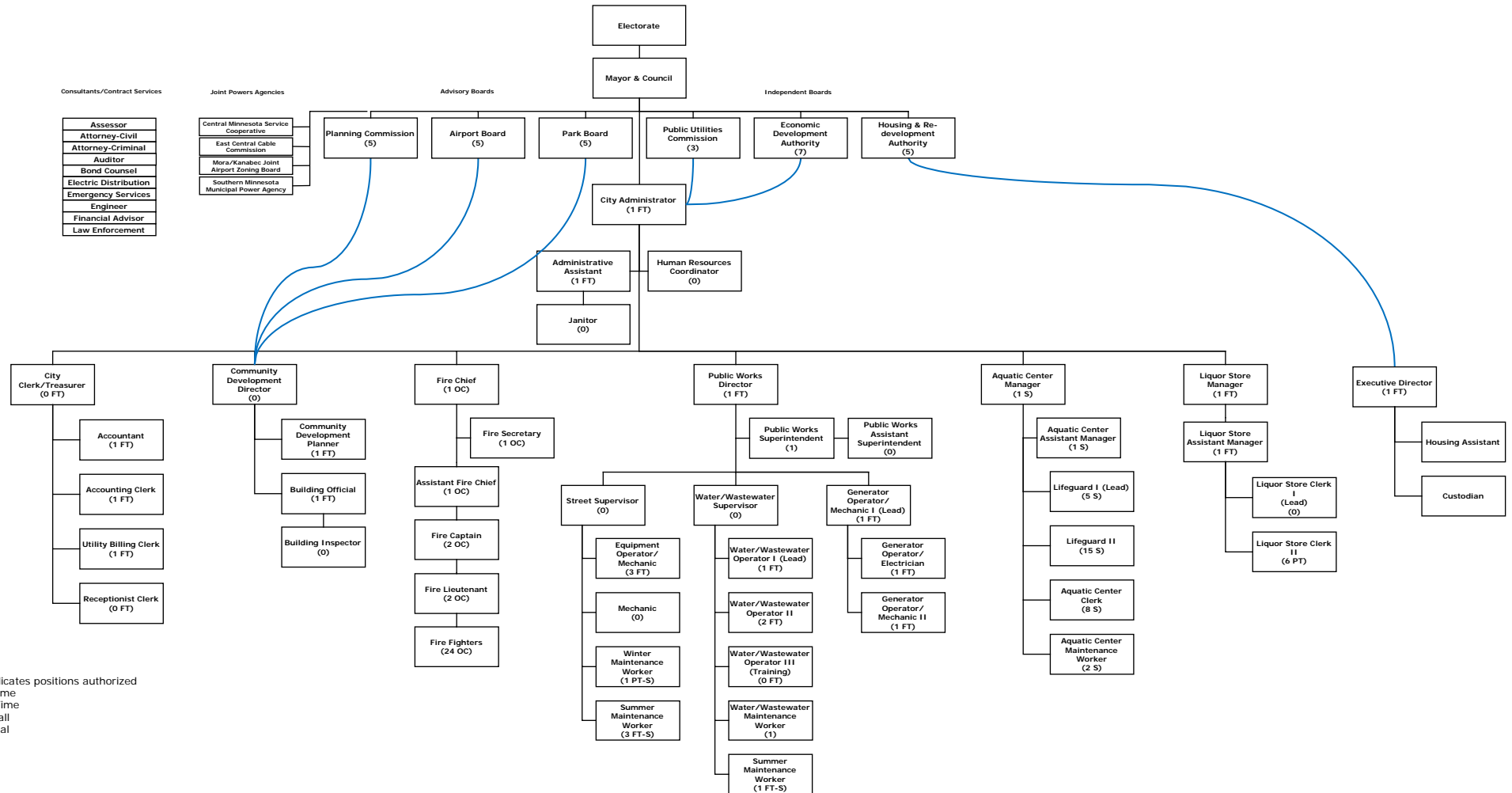
CITY OF MORA

A handwritten signature in black ink, appearing to read 'Joel Dhein', followed by a horizontal line extending to the right.

Joel Dhein
City Administrator

CITY OF MORA, KANABEC COUNTY, MINNESOTA
Staff Organizational Chart
February 2016

ver. 7.0



Number indicates positions authorized
 FT = Full-Time
 PT = Part-Time
 OC = On-Call
 S = Seasonal

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CITY OF MORA, MINNESOTA

ORGANIZATION

Elected Officials

Jack L'Heureux	Mayor
Brandon Akkerman	Council Member
Bob Bollenback	Council Member
Alan Skramstad	Council Member
Sara Treiber	Council Member

Appointed Officials

Joel Dhein	City Administrator, City Clerk/Treasurer
Joel Jamnik	City Attorney

Public Utilities

George Baldwin	Chair
Greg Ardner	Commissioner
Dennis Schulz	Commissioner

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City of Mora, Minnesota
FINANCIAL SECTION
December 31, 2015

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Althoff and Nordquist, LLC

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business - type activities, the aggregate discretely presented component unit, 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, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

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-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Mora, Minnesota, as of December 31, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.



America Counts on CPAs®

Change in Accounting Principal

As described in Note 6 to the financial statements, in 2015, the City adopted new accounting guidance, GASB Statement No. 68, Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 17 through 28 and 44 through 45 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government 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 and other auditors 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 inquires of management about methods of preparing the information and comparing the information for consistency with management's response to our inquires, 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.

Other Information

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

The combining and individual nonmajor fund financial statements, and schedules and supplementary financial information are the responsibility of management and were derived from and related directly to the underlying accounting and other records used prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in 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 basic financial statements or to the basic financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic 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 express no opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated July 11, 2016, on our consideration of the City of Mora, Minnesota's internal control over financial reporting and on 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. This is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City of Mora, Minnesota's internal control over financial reporting and compliance.



Althoff & Nordquist, LLC
Pine City, Minnesota
July 11, 2016

City of Mora, Minnesota
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED
December 31, 2015

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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, 2015. 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 \$29,857,345 (net position). Of this amount, \$6,452,934 (unrestricted net assets) may be used to meet the city's ongoing obligations to citizens and creditors.
- * The city's total net position increased by \$2,555,754 in 2015.
- * At the close of the fiscal year, governmental fund balances totaled \$1,343,559.
- * As of December 31, 2015, the unreserved fund balance of the General Fund was \$1,290,128. This amount was 59.2% of the General Fund's total expenditures in 2015.

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 Position. 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 position. 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 position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the city's distinct activities or functions on revenues provided by the city's taxpayers.

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

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

Fund Financial Statements

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

The city has two kinds of funds:

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

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

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

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

Notes to the financial statements

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

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

Financial Analysis of the City as a Whole

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

The city's net position as of fiscal year-end were \$29,857,345. This was a \$2,555,754 increase over last year's net position of \$27,301,591. The following table provides a summary of the city's net position at December 31:

Summary of Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 2,721,518	\$ 1,169,515	\$ 8,560,629	\$ 8,809,503	\$ 11,282,147	\$ 9,979,018
Capital assets (net)	13,533,430	12,074,748	15,312,124	11,814,184	28,845,554	23,888,932
Total Assets	<u>16,254,948</u>	<u>13,244,263</u>	<u>23,872,753</u>	<u>20,623,687</u>	<u>40,127,701</u>	<u>33,867,950</u>
Other liabilities	2,566,747	469,436	562,243	2,162,423	3,128,990	2,631,859
Long-term liabilities	3,188,995	2,186,495	3,952,371	1,748,005	7,141,366	3,934,500
Total Liabilities	<u>5,755,742</u>	<u>2,655,931</u>	<u>4,514,614</u>	<u>3,910,428</u>	<u>10,270,356</u>	<u>6,566,359</u>
Net Position:						
Net investment						
in Capital Assets	10,344,435	9,888,253	11,359,753	8,458,679	21,704,188	18,346,932
Restricted	1,038,255	927,431	661,968	661,206	1,700,223	1,588,637
Unrestricted	(883,484)	(227,352)	7,336,418	7,593,374	6,452,934	7,366,022
Total Net Position	<u>\$ 10,499,206</u>	<u>\$ 10,588,332</u>	<u>\$ 19,358,139</u>	<u>\$ 16,713,259</u>	<u>\$ 29,857,345</u>	<u>\$ 27,301,591</u>

The city reported positive balances in net position for both governmental and business-type activities. Net position decreased \$89,126 for governmental activities and increased by \$2,644,880 for business-type activities. The city's overall financial position improved during 2015 primarily due to the city keeping expenditures under control and successfully following the budget as much as possible.

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

Financial Analysis of the City as a Whole (Continued)

Summary of Changes in Net Position

	Governmental Activities		Business-type Activities	
	2015	2014	2015	2014
Revenues:				
Program revenues				
Charge for services	\$ 1,003,441	\$ 883,166	\$ 12,548,475	\$ 9,720,445
Operating grants and contributions	1,125,972	1,057,562	--	--
Capital grants and contributions	161,878	--	--	--
General revenues				
Property taxes	623,338	625,105	--	--
Tax increment	123,271	131,854	--	--
Special assessments	198,346	--	--	--
Investment earnings	36,900	53,802	134,193	137,802
Other revenue	421,101	739,766	--	--
Total Revenue	<u>3,694,247</u>	<u>3,491,255</u>	<u>12,682,668</u>	<u>9,858,247</u>
Program Expenses:				
General government	636,825	666,550	--	--
Public safety	992,749	963,669	--	--
Public works	832,453	897,477	--	--
Cemetery	73,064	72,779	--	--
Culture and recreation	322,420	321,358	--	--
Housing & ED	117,556	125,539	--	--
Capital projects	375,513	136,302	--	--
Miscellaneous	--	--	--	--
Interest on long-term debt	84,388	80,859	--	--
Liquor	--	--	2,751,495	2,603,292
Electric	--	--	5,139,160	5,110,192
Water	--	--	591,704	659,693
Wastewater	--	--	860,989	730,607
Total Expenses	<u>3,434,968</u>	<u>3,264,533</u>	<u>9,343,348</u>	<u>9,103,784</u>
Increase in net position before transfers	259,279	226,722	3,339,320	754,463
Miscellaneous	--	--	--	--
Transfers	694,440	720,001	(694,440)	(730,001)
Change in net position	953,719	946,723	2,644,880	24,462
Prior Period Adjustment	(1,042,845)	--	--	--
Beginning net position	10,588,332	9,641,609	16,713,259	16,688,797
Ending net position	<u>\$ 10,499,206</u>	<u>\$ 10,588,332</u>	<u>\$ 19,358,139</u>	<u>\$ 16,713,259</u>

Totals	
2015	2014
\$ 13,551,916	\$ 10,603,611
1,125,972	1,057,562
	--
161,878	--
--	--
623,338	625,105
123,271	131,854
198,346	--
171,093	191,604
421,101	739,766
16,376,915	13,349,502
636,825	666,550
992,749	963,669
832,453	897,477
73,064	72,779
322,420	321,358
117,556	125,539
375,513	136,302
--	--
84,388	80,859
2,751,495	2,603,292
5,139,160	5,110,192
591,704	659,693
860,989	730,607
12,778,316	12,368,317
3,598,599	981,185
--	--
--	(10,000)
3,598,599	971,185
(1,042,845)	
27,301,591	26,330,406
\$ 29,857,345	\$ 27,301,591

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

Financial Analysis of the City as a Whole (Continued)

Significant Changes in Total Net Position:

The total net position for the governmental activities and the business-type activities did change significantly in 2015. Due to the adoption of GASB #68 and Bond sales for various capital projects.

Budgetary Highlights and Changes in Fund Balance/Net Position for the General Fund:

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

General Fund

Revenues

- Inter-fund transfer revenue exceeded budgeted amounts by \$136,878, due largely to a \$75,557 transfer from the electric fund in order to cover city garage expenses.
- Intergovernmental revenue was up \$102,029 from expected, mainly to a reimbursement received to help cover the 2014 airport fuel leak in the amount of \$31,468, additional state grants.
- Revenue from taxes exceeded the budget by \$2,918, due to an increase in ad valorem tax collections.

Expenditures

- General expenditures were under budgeted amounts by a slight \$4,093.
- Wage and salary expenditures were \$51,175 lower than budgeted, due largely to a drop in wage expenses of \$57,077 for the Street department. The Street department was short-staffed for the majority of the year.
- The Street department was \$187,378 under budget, due mostly to a savings in personnel expenses (wages/benefits) in the amount of \$83,080 and a savings in motor fuel of \$11,319.
- Aquatic center expenditures were \$7,608 below budget due primarily to a savings in chemical expenses of \$8,177.
- Airport expenditures came in over budgeted amounts by \$105,016, due largely to expenditures for repair and maintenance.

As a result of these budget variances and numerous less significant variances, the General Fund actual revenues varied from the amended budget by \$150,501 and expenditures varied by \$4,093. The General Fund balance increased by \$176,763.

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

Financial Analysis of the City as a Whole (Continued)

Budgetary Highlights and Changes in Fund Balance/Net Position for the Enterprise Funds:

Liquor Fund

Sales were lower than expected by \$180,853 and correspondingly the cost of goods sold was \$272,773 lower than budgeted.

Wage and salary expenses were \$35,459 higher than budgeted, and payment processing expenses were \$9,889 higher than expected.

The resulting change in net position was a positive \$56,153 after a \$270,000 transfer to the general fund.

Electric Fund

Sales were higher than budgeted by \$107,693, but the cost of sales was \$55,788 lower than budgeted.

Expenditures for generation and power supply were \$220,482 lower than budgeted due primarily to lower wages and benefits of \$40,912 than expected, fuel oil savings of \$80,206, purchased power savings of \$55,788, and additional landfill gas generation expense in the amount of \$12,741.

The resulting change in net position was a positive \$380,776.

Water Fund

Sales were higher than budgeted by \$14,106, and Water Access Charges (WAC fees) were higher than budgeted by \$10,500.

Expenditures were approximately \$94,294 higher than budgeted, due, in part, to an increase in interfund transfers out in the amount of \$181,554, and a wage and benefit savings of \$56,170.

The resulting change in net position was a negative \$102,614.

Sewer Fund

Sales were higher than budgeted amounts, to the tune of \$51,767, and Sewer Access Charges (SAC fees) were higher than budgeted by \$16,800.

Revenue was higher than expected for the grants received to help with the financing of the new wastewater treatment plant. The total of grant revenue received in 2015 was \$2,420,927.

Expenditures were approximately \$228,296 higher than budgeted, due in part, to an increase in interfund transfers out in the amount of \$174,329, and a wastewater treatment overrun of \$108,738.

The resulting change in net position was a positive \$2,310,565.

Schedules comparing the final budgeted amounts to actual activity for major funds are included in a later section of this report.

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

Capital Assets and Debt Administration

Capital Assets . As of December 31, 2015, the city had invested \$28,845,554 in capital assets, including buildings, facilities, vehicles, and equipment. This amount represents a net increase prior to depreciation of \$6,347,400 from last year. Total depreciation expense for the year was \$1,370,548. 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	
	2015	2014	2015	2014
Non-Depreciable Assets:				
Land	\$ 1,537,007	\$ 1,537,007	\$ 356,036	\$ 356,036
Construction in progress	--	--	4,618,388	548,953
Depreciable Assets:				
Buildings	2,203,806	2,185,025	2,240,825	2,380,022
Infrastructure	6,174,094	4,466,941	--	--
Improvements	3,025,462	3,153,696	7,299,226	7,700,075
Machinery, equipment, vehicles	593,061	732,079	797,649	829,098
Total	<u>\$ 13,533,430</u>	<u>\$ 12,074,748</u>	<u>\$ 15,312,124</u>	<u>\$ 11,814,184</u>

For further information, please refer to Note 3: D Capital Assets, pages 68-69.

Debt administration . At year end, the city had \$7,141,366 in general obligation bonds and other long-term debt outstanding, of which \$266,357 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	
	2015	2014	2015	2014
General obligation bonds	\$ 3,188,995	\$ 2,186,495	\$ --	\$ --
Revenue bonds	--	--	3,952,371	1,855,505
Total	<u>\$ 3,188,995</u>	<u>\$ 2,186,495</u>	<u>\$ 3,952,371</u>	<u>\$ 1,855,505</u>

For further information please refer to Note 3: F Long-term Debt, pages 71-74.

Totals	
2015	2014
\$ 1,893,043	\$ 1,893,043
4,618,388	548,953
4,444,631	4,565,047
6,174,094	4,466,941
10,324,688	10,853,771
1,390,710	1,561,177
<u>\$ 28,845,554</u>	<u>\$ 23,888,932</u>

Total	
2014	2013
3,188,995	2,186,495
3,952,371	1,855,505
<u>\$ 7,141,366</u>	<u>\$ 4,042,000</u>

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

Capital Assets and Debt Administration (Continued)

The City of Mora maintains an A2 bond rating from Moody's Investors Services.

Factors Bearing on the City's Future

City Council

- The City approved a bid of \$31,900 to redo the tin work on the inside of the renovated cold storage space at the city garage.
- Ordinance No. 430 was passed repealing the distance requirement from alcoholic beverage license establishments to schools and churches.
- A Classification and Compensation Study was approved for city and utility staff.
- A contract was awarded to A-1 Excavating for the completion of the Wood & Grove Street Improved Project of 2015.
- A general obligation bond sale in the amount of \$1,415,000 was approved to finance the Wood & Grove project.
- Special assessments were approved to property owners affected by the Wood & Grove project.
- Greg Ardner was appointed to a 9-month term on the Public Utilities Commission. His term is set to expire on December 31, 2015.
- A property tax abatement was approved for Northland Process Piping, Inc.
- A general obligation refunding bond sale in the amount of \$1,855,000 was approved to refinance existing debt at a lower interest rate.
- A Small Cities Development Grant was awarded to the City of Mora for \$651,590.
- Ordinance No. 437 was passed to change the opening hours for Sunday on-sale intoxicating liquor licenses.
- Ordinance No. 438 was passed to authorize licenses for sale of alcoholic beverages at breweries.
- The City voted to proceed with the Crosswind Runway project at the airport.

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

Factors Bearing on the City's Future (continued)

Public Utilities Commission

- A small improvement in the switch gear room in the basement of the fire hall was approved at a maximum price of \$8,200.
- A contract was awarded to Gridor Construction Inc. in the amount of \$5,328,900 for the construction of a new Waste Water Treatment Plant.
- A general obligation sewer revenue note in the amount of \$3,366,357 was approved to finance the construction of new Waste Water Treatment Plant.
- A new bucket truck was purchased for approximately \$118,000.
- The electric utility approved a loan to the City in the amount of \$988,763.79 to help the City finance the Wood & Grove project.

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

Factors Bearing on the City's Future (continued)

Economic Development Authority

- A bid of \$24,650 by Wayne Fredrickson was accepted to complete the Telework center remodeling project.
- The EDA voted to proceed with a full Small Cities Development Program application for residential and downtown commercial rehab.
- A Minnesota Investment Fund project grant and loan agreement with Dan & Kathy Tramm, owners of Northland Process Piping, for \$440,000 was approved.
- A tax abatement for Northland Process Piping was approved.
- Doyle Jelsing was appointed as Chair of the Kanabec County EDA Exploratory Committee. Bob Jensen was appointed as Vice Chair of the same committee.
- Jack L'Heureux and/or Sara Treiber were recommended for City of Mora representation on the Kanabec County EDA. Both were subsequently appointed.

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 City Administrator-Clerk/Treasurer, 101 Lake Street South, Mora, MN 55051.

CITY OF MORA, MINNESOTA
BASIC FINANCIAL STATEMENTS
December 31, 2015

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City of Mora, Minnesota
Statement of Net Position
December 31, 2015

	Governmental Activities	Business - Type Activities	2015 Total	Component Unit EDA
ASSETS				
Cash and investments	\$ 2,476,177	\$ 5,477,715	\$ 7,953,892	\$ 3,423
Accounts receivable	53,115	858,057	911,172	7
Inventory	--	543,101	543,101	--
Advance to other funds	--	953,437	953,437	--
Prepaid items	47,133	39,598	86,731	53
Special assessments	--	26,753	26,753	--
Restricted Assets:				
Temporary restricted:				
Cash and investments	44,519	661,968	706,487	--
Other assets	--	--	--	--
Capital assets, (net of accumulated depreciation)				
Land/CIP	1,537,007	4,974,424	6,511,431	--
Building, machinery, equipment	11,996,423	10,337,700	22,334,123	--
Total assets	16,154,374	23,872,753	40,027,127	3,483
Deferred Outflow of Resources				
Related to Pension	100,574	--	100,574	--
Total Assets and Deferred				
Outflow of Resources	\$ 16,254,948	\$ 23,872,753	\$ 40,127,701	\$ 3,483
LIABILITIES				
Accounts payable	\$ 315,093	\$ 386,212	\$ 701,305	\$ --
Other payables	36,406	111,560	147,966	2,767
Accrued interest	84,388	--	84,388	--
Advance from other funds	953,437	--	953,437	--
Customer meter deposits	1,550	56,400	57,950	--
Net pension liability	1,062,416	--	1,062,416	--
Unearned revenue	--	8,071	8,071	--
Noncurrent liabilities:				
Due within one year	129,131	137,226	266,357	--
Due in more than one year	3,059,864	3,815,145	6,875,009	--
Total liabilities	5,642,285	4,514,614	10,156,899	2,767
Deferred Inflow of Resources				
Related to Pensions	113,457	--	113,457	--
Total Liabilities and Deferred				
Inflow of Resources	\$ 5,755,742	\$ 4,514,614	\$ 10,270,356	\$ 2,767
NET POSITION				
Net investment in capital assets	\$ 10,344,435	\$ 11,359,753	\$ 21,704,188	\$ --
Restricted for:				
Debt service	330,233	--	330,233	--
Special revenue	708,022	--	708,022	--
Future operations:				
Electric Utility	--	625,207	625,207	--
Water Utility	--	36,761	36,761	--
Unrestricted:				
Unrestricted	(883,484)	7,336,418	6,452,934	716
Total net position	\$ 10,499,206	\$ 19,358,139	\$ 29,857,345	\$ 716
See notes to financial statements.				

City of Mora, Minnesota
Statement of Activities
For the Year Ended December 31, 2015

Functions/Programs	Expenses	Charges for Services	Program Revenues	
			Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ (636,825)	\$ 492,582	\$ 979,303	\$ --
Public safety	(992,749)	239,819	100,049	161,878
Public works	(832,453)	47,941	--	--
Cemetery	(73,064)	45,335	--	--
Culture and recreation	(322,420)	167,364	--	--
Housing & economic development	(117,556)	--	--	--
Capital projects	(375,513)	10,400	46,620	--
Interest on long-term debt	(84,388)	--	--	--
Total governmental activities	<u>(3,434,968)</u>	<u>1,003,441</u>	<u>1,125,972</u>	<u>161,878</u>
Business - type - activities:				
Liquor	(2,751,495)	3,072,768	--	--
Electric	(5,139,160)	5,469,025	--	--
Water	(591,704)	669,507	--	--
Wastewater	(860,989)	3,337,175	--	--
Total business - type activities	<u>(9,343,348)</u>	<u>12,548,475</u>	<u>--</u>	<u>--</u>
Total Primary Government	<u><u>\$(12,778,316)</u></u>	<u><u>\$ 13,551,916</u></u>	<u><u>\$ 1,125,972</u></u>	<u><u>\$ 161,878</u></u>
Component Unit				
Economic Development Authority	(108,923)	--	58,785	--
Total Component Unit	<u><u>\$ (108,923)</u></u>	<u><u>--</u></u>	<u><u>58,785</u></u>	<u><u>--</u></u>
General revenues and expenses:				
Property taxes				
Tax increment				
Special assessments				
Unrestricted investments earnings				
Gain on sale of capital assets				
Miscellaneous				
Transfers				
Total general revenues, expenses and transfers				
Changes in net position				
Net position - beginning				
Net position - ending				

See notes to financial statements.

Net (Expenses) Revenues and Changes in Net Position			
Governmental Activities	Business - Type Activities	Total	Component Unit EDA
\$ 835,060	\$ --	\$ 835,060	\$ --
(491,003)	--	(491,003)	--
(784,512)	--	(784,512)	--
(27,729)	--	(27,729)	--
(155,056)	--	(155,056)	--
(117,556)	--	(117,556)	--
(318,493)	--	(318,493)	--
(84,388)	--	(84,388)	--
<u>(1,143,677)</u>	<u>--</u>	<u>(1,143,677)</u>	<u>--</u>
--	321,273	321,273	--
--	329,865	329,865	--
--	77,803	77,803	--
--	2,476,186	2,476,186	--
<u>--</u>	<u>3,205,127</u>	<u>3,205,127</u>	<u>--</u>
<u>(1,143,677)</u>	<u>3,205,127</u>	<u>2,061,450</u>	<u>--</u>
<u>--</u>	<u>--</u>	<u>--</u>	<u>(50,138)</u>
<u>--</u>	<u>--</u>	<u>--</u>	<u>(50,138)</u>
623,338	--	623,338	--
123,271	--	123,271	--
198,346	--	198,346	--
36,900	134,193	171,093	97
--	--	--	--
421,101	--	421,101	14,577
694,440	(694,440)	--	--
<u>2,097,396</u>	<u>(560,247)</u>	<u>1,537,149</u>	<u>14,674</u>
953,719	2,644,880	3,598,599	(35,464)
(1,042,845)	--	(1,042,845)	--
10,588,332	16,713,259	27,301,591	36,180
<u>\$ 10,499,206</u>	<u>\$ 19,358,139</u>	<u>\$ 29,857,345</u>	<u>\$ 716</u>

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CITY OF MORA, MINNESOTA
FUND FINANCIAL STATEMENTS
December 31, 2015

City of Mora, Minnesota
Governmental Funds
Balance Sheet
December 31, 2015

	General Fund	453 Grove & Wood St. Improvements	527 Maple Avenue	533 2015C Bond Refunding
ASSETS				
Cash and investments	\$ 1,272,078	\$ 192,353	\$ --	\$ 129,336
Taxes receivable - delinquent	18,663	--	--	6,839
Accounts receivable	31,706	275	--	6,228
Special assessment receivables -				
Delinquent	28,166	--	--	449
Deferred	--	412,343	--	429,487
Due from other governmental units	--	--	--	--
Due from other funds	--	--	--	--
Note receivable	--	--	--	--
Prepaid insurance	36,186	--	--	--
Cash restricted	--	--	--	--
Total assets	<u>\$ 1,386,799</u>	<u>\$ 604,971</u>	<u>\$ --</u>	<u>\$ 572,339</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Due to other funds	\$ --	\$ --	\$ --	\$ --
Accounts payable	3,866	--	--	--
Advance from other funds	--	633,204	--	--
Other payables	36,406	--	--	--
Deposits from developers	1,550	--	--	--
Unearned revenues	18,663	412,343	--	436,775
Total liabilities	<u>60,485</u>	<u>1,045,547</u>	<u>--</u>	<u>436,775</u>
Fund Balances:				
Nonspendable	36,186	--	--	--
Restricted	--	--	--	135,564
Committed	--	--	--	--
Assigned	--	--	--	--
Unassigned	1,290,128	(440,576)	--	--
Total fund balances	<u>1,326,314</u>	<u>(440,576)</u>	<u>--</u>	<u>135,564</u>
Total liabilities and fund balances	<u>\$ 1,386,799</u>	<u>\$ 604,971</u>	<u>\$ --</u>	<u>\$ 572,339</u>

See notes to financial statements.

NonMajor Governmental Funds	Total Governmental Funds
\$ 882,410	\$ 2,476,177
6,755	32,257
14,906	53,115
326,436	355,051
--	841,830
--	--
1,159,487	1,159,487
--	--
10,947	47,133
44,519	44,519
<u>\$ 2,445,460</u>	<u>\$ 5,009,569</u>

\$ 1,159,487	1,159,487
311,227	315,093
320,233	953,437
--	36,406
--	1,550
332,256	1,200,037
<u>2,123,203</u>	<u>3,666,010</u>

9,827	46,013
194,669	330,233
--	--
123,519	123,519
(5,758)	843,794
<u>322,257</u>	<u>1,343,559</u>
<u>\$ 2,445,460</u>	<u>\$ 5,009,569</u>

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City of Mora, Minnesota
Reconciliation of Net Position in the
Government-wide Financial Statements and Fund Balances
in the Fund Basis Financial Statements
December 31, 2015

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

	2015	2014
Total governmental fund balances	\$ 1,343,559	\$ 696,806
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental capital assets	24,585,638	22,508,278
Less: accumulated depreciation	(11,052,208)	(10,433,530)
	13,533,430	12,074,748
Other long-term assets are not available to pay for current - personal expenditures and, therefore, are deferred with funds.		
Delinquent property taxes	(32,257)	(41,746)
Deferred special assessments	(1,196,881)	(630,682)
Deferred revenues	1,200,037	754,536
Interest on long-term debt is not accrued in governmental funds but rather recognized as an expenditure when due	(84,388)	(78,835)
Pension Related Items for GASB#68:		
Deferred outflow of resources	100,574	--
Deferred inflow of resources	(113,457)	--
Net pension liability	(1,062,416)	--
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	(3,188,995)	(2,186,495)
Net position of governmental activities (page 31)	<u>\$ 10,499,206</u>	<u>\$ 10,588,332</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, 2015

	General Fund	453 Grove & Wood St. Improvements	527 Maple Avenue	533 2015C Bond Refunding
REVENUES				
Property taxes	\$ 347,100	\$ --	\$ 41,481	\$ --
Tax increments	5,612	--	--	--
Licenses and permits	70,300	--	--	--
Special assessments	--	75,769	34,208	--
Intergovernmental	1,122,829	--	--	--
Charges for services	610,762	--	--	--
Fines	21,227	--	--	--
Investment earnings	19,979	--	12,819	--
Sale of assets	--	--	--	--
Miscellaneous	27,467	870	--	--
Total revenues	<u>2,225,276</u>	<u>76,639</u>	<u>88,508</u>	<u>--</u>
EXPENDITURES				
Current:				
General government	489,714	--	--	--
Public safety	739,273	--	--	--
Public works	393,755	--	--	--
Cemetery	--	--	--	--
Culture and recreation	316,436	--	--	--
Housing and economic development	--	--	--	--
Capital projects	--	2,231,005	--	--
Miscellaneous	236,668	--	24,868	--
Debt Service:				
Principal	--	--	825,000	--
Interest and other charges	--	--	34,583	--
Total expenditures	<u>2,175,846</u>	<u>2,231,005</u>	<u>884,451</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	49,430	(2,154,366)	(795,943)	--
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt	--	1,399,331	722,368	--
Miscellaneous income (expense)	--	--	--	--
Transfers in	408,878	355,559	10,000	135,564
Transfers out	(281,545)	--	(75,931)	--
Total other financing sources (uses)	<u>127,333</u>	<u>1,754,890</u>	<u>656,437</u>	<u>135,564</u>
Net change in fund balances	176,763	(399,476)	(139,506)	135,564
Fund balances - beginning	1,149,551	(41,100)	139,506	--
Fund balances - ending	<u>\$ 1,326,314</u>	<u>\$ (440,576)</u>	<u>\$ --</u>	<u>\$ 135,564</u>

See notes to financial statements.

Other Governmental Funds	Total Governmental Funds
\$ 234,757	\$ 623,338
117,659	123,271
--	70,300
88,369	198,346
160,333	1,283,162
142,268	753,030
--	21,227
4,102	36,900
--	--
556,336	584,673
<u>1,303,824</u>	<u>3,694,247</u>
--	489,714
139,787	879,060
25,829	419,584
55,113	55,113
--	316,436
105,590	105,590
7,893	2,238,898
--	261,536
1,119,504	1,944,504
--	34,583
<u>1,453,716</u>	<u>6,745,018</u>
(149,892)	(3,050,771)
881,385	3,003,084
--	--
683,711	1,593,712
(541,796)	(899,272)
<u>1,023,300</u>	<u>3,697,524</u>
873,408	646,753
(551,151)	696,806
<u>\$ 322,257</u>	<u>\$ 1,343,559</u>

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City of Mora, Minnesota
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
 of Governmental Funds to the Statement of Activities
 For the Year Ended December 31, 2015

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

	2015	2014
Net changes in fund balances - total governmental funds	\$ 646,753	\$ 540,071

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 68).

Capital Outlays	2,057,043	701,322
Depreciation Expense	(598,361)	(548,452)
	<u>1,458,682</u>	<u>152,870</u>
Other miscellaneous items	(111,209)	43,071
Pension Related items for GASB# 68:		
Pension expense	(32,454)	
Prior period adjustment - pension liability	(1,042,845)	
Change in accrued interest payable	(5,553)	6,711
Long-term debt payments for current year	<u>(1,002,500)</u>	<u>204,000</u>
Changes in net position of governmental activities (page 33)	<u>\$ (89,126)</u>	<u>\$ 946,723</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, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	
REVENUES				
Property taxes	\$ 349,794	\$ 349,794	\$ 352,712	\$ 2,918
Licenses and permits	72,240	66,940	70,300	3,360
Intergovernmental	1,082,000	1,020,800	1,122,829	102,029
Charges for services	618,321	574,921	610,762	35,841
Fines	22,000	22,000	21,227	(773)
Investment earnings	38,300	32,000	19,979	(12,021)
Sale of assets	--	--	--	--
Miscellaneous	23,920	8,320	27,467	19,147
Total revenues	<u>2,206,575</u>	<u>2,074,775</u>	<u>2,225,276</u>	<u>150,501</u>
EXPENDITURES				
Current:				
General government:				
General	37,827	36,827	38,246	(1,419)
Council	29,695	29,695	29,738	(43)
City administrator	95,089	95,089	95,134	(45)
Elections	--	--	--	--
Finance director	139,198	139,198	141,185	(1,987)
Attorney	32,104	32,104	31,671	433
Personnel	36,509	36,509	34,438	2,071
Planning and zoning	76,964	76,964	77,401	(437)
City hall building	25,483	25,483	25,562	(79)
Library building	17,440	17,440	16,339	1,101
Total general government	<u>490,309</u>	<u>489,309</u>	<u>489,714</u>	<u>(405)</u>
Public safety:				
Building inspection	72,125	72,125	71,506	619
Police protection	593,589	593,589	589,844	3,745
Fire protection	77,802	77,802	77,923	(121)
Total public safety	<u>743,516</u>	<u>743,516</u>	<u>739,273</u>	<u>4,243</u>
Public works:				
Street department	363,496	443,496	256,118	187,378
Street lighting	26,000	26,000	31,722	(5,722)
Garage	107,961	19,336	105,915	(86,579)
Total public works	<u>497,457</u>	<u>488,832</u>	<u>393,755</u>	<u>181,656</u>
Culture and recreation:				
Swimming pool	218,654	214,654	207,046	7,608
Park areas	111,476	111,976	109,390	2,586
Total Culture and recreation	<u>330,130</u>	<u>326,630</u>	<u>316,436</u>	<u>10,194</u>

City of Mora, Minnesota
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Miscellaneous:				
Forestry and nursery	--	--	--	--
Shade tree program	--	--	--	--
Airport	253,652	131,652	236,668	(105,016)
Loan Pine Community Center	--	--	--	--
Unallocated operating expenses	--	--	--	--
Total Miscellaneous	253,652	131,652	236,668	(105,016)
Total expenditures	2,315,064	2,179,939	2,175,846	4,093
Excess (deficiency) of revenues over (under) expenditures	(108,489)	(105,164)	49,430	154,594
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 386,000	\$ 272,000	\$ 408,878	\$ 136,878
Transfers out	(281,050)	(141,250)	(281,545)	(140,295)
Total other financing sources (uses)	104,950	130,750	127,333	(3,417)
Net change in fund balances	(3,539)	25,586	176,763	151,177
Fund balances - beginning	1,149,551	1,149,551	1,149,551	--
Fund balances - ending	<u>\$ 1,146,012</u>	<u>\$ 1,175,137</u>	<u>\$ 1,326,314</u>	<u>\$ 151,177</u>

See notes to financial statements.

City of Mora, Minnesota
Proprietary Funds
Statement of Net Position
December 31, 2015

	Business - Type Activities - Enterprise Funds		
	Municipal Liquor Fund	Electric Utility Fund	Water Utility Fund
ASSETS			
Current assets:			
Cash and investments	\$ 145,318	\$ 3,426,338	\$ 672,123
Interest receivable	--	--	--
Accounts receivable	23,133	568,736	128,154
Advance to other funds	--	2,708,997	--
Inventory	432,975	97,107	13,019
Prepaid items	9,464	15,401	3,005
Special assessments	--	18,682	1,856
Total current assets	<u>610,890</u>	<u>6,835,261</u>	<u>818,157</u>
Noncurrent assets:			
Restricted cash and investments	--	625,207	36,761
Total restricted assets	<u>--</u>	<u>625,207</u>	<u>36,761</u>
Capital assets:			
Plant in service	1,803,634	5,403,019	6,960,303
Less: accumulated depreciation	<u>(331,081)</u>	<u>(3,275,409)</u>	<u>(2,768,849)</u>
Total Capital assets (net of accumulated depreciation)	<u>1,472,553</u>	<u>2,127,610</u>	<u>4,191,454</u>
Total noncurrent assets	<u>1,472,553</u>	<u>2,752,817</u>	<u>4,228,215</u>
Total assets	<u>\$ 2,083,443</u>	<u>\$ 9,588,078</u>	<u>\$ 5,046,372</u>
LIABILITIES			
Current liabilities:			
Accounts payable	5,023	337,106	23,864
Accrued payables	41,965	31,132	20,131
Advance from other funds	1,400,000	--	181,340
Revenue bonds payable	--	--	81,000
Total current liabilities	<u>1,446,988</u>	<u>368,238</u>	<u>306,335</u>
Noncurrent liabilities:			
Customer meter deposits	--	56,400	--
Revenue bonds payable	--	--	1,428,210
Unearned revenue	--	--	1,856
Total noncurrent liabilities	<u>--</u>	<u>56,400</u>	<u>1,430,066</u>
Total liabilities	<u>\$ 1,446,988</u>	<u>\$ 424,638</u>	<u>\$ 1,736,401</u>
NET POSITION			
Net investment in capital assets	\$ 72,553	\$ 2,127,610	\$ 2,682,244
Restricted:			
Future operations	--	625,207	36,761
Non spendable	442,439	112,508	16,024
Unrestricted:			
Unreserved	121,463	6,298,115	574,942
Total net position	<u>\$ 636,455</u>	<u>\$ 9,163,440</u>	<u>\$ 3,309,971</u>

See notes to financial statements.

Wastewater Utility Fund	Total
\$ 1,233,936	\$ 5,477,715
--	--
138,034	858,057
--	2,708,997
--	543,101
11,728	39,598
6,215	26,753
<u>1,389,913</u>	<u>9,654,221</u>
--	661,968
<u>--</u>	<u>661,968</u>
11,379,047	25,546,003
(3,858,540)	(10,233,879)
<u>7,520,507</u>	<u>15,312,124</u>
<u>7,520,507</u>	<u>15,974,092</u>
<u>\$ 8,910,420</u>	<u>\$ 25,628,313</u>
\$ 20,219	\$ 386,212
18,332	111,560
174,220	1,755,560
56,226	137,226
<u>268,997</u>	<u>2,390,558</u>
--	56,400
2,386,935	3,815,145
6,215	8,071
<u>2,393,150</u>	<u>3,879,616</u>
<u>\$ 2,662,147</u>	<u>\$ 6,270,174</u>
\$ 5,077,346	\$ 9,959,753
--	661,968
11,728	582,699
<u>1,159,199</u>	<u>8,153,719</u>
<u>\$ 6,248,273</u>	<u>\$ 19,358,139</u>

City of Mora, Minnesota
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Assets
For the Year Ended December 31, 2015

	Business- Type Activities - Enterprise Funds		
	Municipal	Electric	Water
	Liquor	Utility	Utility
	Fund	Fund	Fund
Operating revenues:			
Sales and charges for services	\$ 3,068,147	\$ 4,989,693	\$ 634,606
Less cost of goods sold	(2,241,227)	(4,091,212)	--
Miscellaneous	4,621	479,332	34,901
Total operating revenues	<u>831,541</u>	<u>1,377,813</u>	<u>669,507</u>
Operating expenses:			
Employee service	254,741	392,590	159,621
Supplies	18,064	8,588	48,974
Other service charges	178,356	497,744	93,188
Depreciation	59,107	149,026	289,921
Total operating expenses	<u>510,268</u>	<u>1,047,948</u>	<u>591,704</u>
Operating income	<u>321,273</u>	<u>329,865</u>	<u>77,803</u>
Nonoperating revenues (expenses):			
Interest earnings	<u>4,880</u>	<u>119,468</u>	<u>1,137</u>
Total nonoperating revenues (expenses)	<u>4,880</u>	<u>119,468</u>	<u>1,137</u>
Income (loss) before transfers	<u>326,153</u>	<u>449,333</u>	<u>78,940</u>
Transfers in	--	--	--
Transfers out	<u>(270,000)</u>	<u>(68,557)</u>	<u>(181,554)</u>
Changes in net position	<u>56,153</u>	<u>380,776</u>	<u>(102,614)</u>
Total net position - beginning	<u>580,302</u>	<u>8,782,664</u>	<u>3,412,585</u>
Total net position - ending	<u>\$ 636,455</u>	<u>\$ 9,163,440</u>	<u>\$ 3,309,971</u>

See notes to financial statements.

Wastewater Utility Fund	Total
\$ 858,371	\$ 9,550,817
--	(6,332,439)
2,478,804	2,997,658
<u>3,337,175</u>	<u>6,216,036</u>
331,515	1,138,467
109,554	185,180
145,877	915,165
274,043	772,097
<u>860,989</u>	<u>3,010,909</u>
<u>2,476,186</u>	<u>3,205,127</u>
8,708	134,193
<u>8,708</u>	<u>134,193</u>
2,484,894	3,339,320
--	--
<u>(174,329)</u>	<u>(694,440)</u>
2,310,565	2,644,880
3,937,708	16,713,259
<u>\$ 6,248,273</u>	<u>\$ 19,358,139</u>

City of Mora Minnesota
Proprietary Funds
Statement of Cash Flows
For the Year Ended December 31, 2015

	Business - Type Activities - Enterprise Funds		
	Municipal Liquor Fund	Electric Utility Fund	Water Utility Fund
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 3,065,874	\$ 4,967,609	\$ 650,806
Cash payments for interest expense	(48,750)	(166)	(38,168)
Cash payments to suppliers	(2,510,902)	(5,232,466)	89,667
Cash payments to employees	(254,741)	(392,590)	(159,621)
Net cash provided by operating activities	<u>251,481</u>	<u>(657,613)</u>	<u>542,684</u>
CASH FLOWS FROM NONCAPITAL FINANCING:			
Transfers in (out)	<u>(270,000)</u>	<u>(68,557)</u>	<u>(181,554)</u>
Net cash provided by (used in) negotiated activities	<u>(270,000)</u>	<u>(68,557)</u>	<u>(181,554)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Bond principal payments	--	--	(377,035)
Acquisition of capital assets	--	(177,299)	(11,310)
Bond sales	<u>--</u>	<u>--</u>	<u>287,210</u>
Net cash provided (used in) capital and related financing activities	<u>--</u>	<u>(177,299)</u>	<u>(101,135)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	<u>4,880</u>	<u>119,468</u>	<u>1,137</u>
Net increase (decrease) in cash and cash equivalents	(13,639)	(784,001)	261,132
Cash at Beginning of Year, including restricted cash	<u>158,957</u>	<u>4,835,546</u>	<u>447,752</u>
Cash at End of Year, including restricted cash	<u>\$ 145,318</u>	<u>\$ 4,051,545</u>	<u>\$ 708,884</u>

See notes to financial statements.

Wastewater Utility Fund	Total Current Year
\$ 3,311,525	\$ 11,995,814
(21,581)	(108,665)
(65,023)	(7,718,724)
(331,515)	(1,138,467)
<u>2,893,406</u>	<u>3,029,958</u>
 (174,329)	 (694,440)
<u>(174,329)</u>	<u>(694,440)</u>
 (256,470)	 (633,505)
(4,081,429)	(4,270,038)
<u>2,443,161</u>	<u>2,730,371</u>
 (1,894,738)	 (2,173,172)
<u>8,708</u>	<u>134,193</u>
 833,047	 296,539
400,889	5,843,144
<u>\$ 1,233,936</u>	<u>\$ 6,139,683</u>

City of Mora, Minnesota
Proprietary Funds
Statement of Cash Flows
For the Year Ended December 31, 2015

	Business - Type Activities - Enterprise Funds		
	Municipal Liquor Fund	Electric Utility Fund	Water Utility Fund
Reconciliation of operating income to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 321,273	\$ 329,865	\$ 77,803
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	59,107	149,026	289,921
(Increase) decrease in interest receivable	--	--	--
(Increase) decrease in accounts receivable	(2,287)	22,084	(18,701)
(Increase) decrease in other receivables	--	(1,208,997)	--
(Increase) decrease in special assessments	--	5,431	1,407
(Increase) decrease in inventory	(28,820)	33,309	9,445
(Increase) decrease in prepaid insurance	(682)	112	(252)
Increase (decrease) in accounts payable	5,023	10,931	6,662
Increase (decrease) in accrued payables	(2,133)	101	1,221
Increase (decrease) in other liabilities	(100,000)	525	175,178
Total adjustments	(69,792)	(987,478)	464,881
Net cash provided (used) by operating activities	\$ 251,481	\$ (657,613)	\$ 542,684

See notes to financial statements.

<u>Wastewater Utility Fund</u>	<u>Total Current Year</u>
<u>\$ 2,476,186</u>	<u>\$ 3,205,127</u>
274,043	772,097
--	--
(25,650)	(24,554)
--	(1,208,997)
4,708	11,546
--	13,934
(1,253)	(2,075)
12,125	34,741
1,361	550
151,886	227,589
<u>417,220</u>	<u>(175,169)</u>
<u><u>\$ 2,893,406</u></u>	<u><u>\$ 3,029,958</u></u>

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CITY OF MORA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

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City of Mora, Minnesota
Notes to Financial Statements
December 31, 2015

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 unit, entities for which the government is considered to be financially accountable. Blended component unit, 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's 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 two seats reserved for a members of the City Council. The EDA provides services exclusively or almost exclusively within the city limits, 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 position 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 on fees and charges for support.

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

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

City of Mora, Minnesota
Notes to Financial Statements
December 31, 2015

NOTE 1: Summary of Significant Accounting Policies (Continued)

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 provider have been met.

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

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 fund.

Capital Project Funds:

Fund 453 the Grove & Wood Street Improvement

Debt Service Funds:

Fund 527 the Maple Avenue

Fund 533 the 2015C Bond Refunding

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) is 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, 2015

NOTE 1: Summary of Significant Accounting Policies(Continued)

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

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

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

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

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

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

D. Assets, Liabilities, and Net Position 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, 2015

NOTE 1: Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, and Net Position 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, November, and December.

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 periods 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, 2015

NOTE 1: Summary of Significant Accounting Policies(Continued)

D. Assets, Liabilities, and Net Position 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 than \$5,000 and land, buildings, improvements, and infrastructure with an individual cost of 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.

Assets	Useful Life in Years
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, 2015

NOTE 1: Summary of Significant Accounting Policies (Continued)

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

7. Other Payables - Compensated Absences

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 compensated absences increased from \$97,181 in 2014 to \$104,244 in 2015.

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 assignments of fund balance for amounts not appropriable for expenditure or legally segregated for a specific future use. Assigned 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, 2015

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 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, 2015

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, 2015 are as follows:

Neighborhood National Bank - Checking	\$ 2,424,623
First Citizens Bank - HiFi	1,933,712
Wells Fargo	1,664,423
Morgan Stanley & Smith Barney	2,641,044
Total Deposits	<u>\$ 8,663,802</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, 2015

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) General obligations of the Minnesota housing finance agency which is a moral obligation of the State of Minnesota and is rated "A" or better by a national bond rating agency.
- (i) Any security which is an obligation of a School District with an original maturity not exceeding 13 months and (i) rated in the highest category by a national bond rating service or (ii) enrolled in the credit enhancement program pursuant to section 126C.55.
- (j) The City's investment policy restricts the terms of investments.

City of Mora, Minnesota
Notes to Financial Statements
December 31, 2015

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
Receivables:				
Interest	\$ --	\$ --	\$ --	\$ --
Taxes-delinquent	18,663	--	--	--
Accounts	31,706	23,133	568,736	128,154
Special assessments	28,166	--	18,682	1,856
Intergovernmental	--	--	--	--
Advances to others	--	--	2,708,997	--
Gross receivables	78,535	23,133	3,296,415	130,010
Less: Allowance for Uncollectible*	--	--	--	--
Net total receivables	<u>\$ 78,535</u>	<u>\$ 23,133</u>	<u>\$ 3,296,415</u>	<u>\$ 130,010</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.

Wastewater Utility	Nonmajor and other Funds	Total
\$ --	\$ --	\$ --
--	13,594	32,257
138,034	21,409	911,172
6,215	1,138,077	1,192,996
--	--	--
--	--	2,708,997
144,249	1,173,080	4,845,422
--	--	--
<u>\$ 144,249</u>	<u>\$ 1,173,080</u>	<u>\$ 4,845,422</u>

City of Mora, Minnesota
Notes to Financial Statements
December 31, 2015

NOTE 3: Detailed Notes on All Funds(Continued)

D. Capital Assets

Capital assets activity for the year ended December 31, 2015 was as follows:

Governmental Activities	Beginning Balances	Increase	Decrease*	Ending Balances
Capital assets, not being depreciated:				
Land	\$ 1,537,007	\$ --	\$ --	\$ 1,537,007
Construction in progress	--	--	--	--
Total capital assets, not being depreciated	<u>1,537,007</u>	<u>--</u>	<u>--</u>	<u>1,537,007</u>
Capital assets, being depreciated:				
Land Improvements	5,887,110	--	--	5,887,110
Buildings	3,387,859	84,665	--	3,472,524
Infrastructure	8,456,249	1,985,974	--	10,442,223
Machinery, Equipment, Vehicles	3,240,053	6,721	--	3,246,774
Total capital assets, being depreciated	<u>20,971,271</u>	<u>2,077,360</u>	<u>--</u>	<u>23,048,631</u>
Less: accumulated depreciation for:				
Land Improvements	2,733,414	127,358	(876)	2,861,648
Buildings	1,202,834	65,884	--	1,268,718
Infrastructure	3,989,308	262,098	(16,723)	4,268,129
Machinery, Equipment, Vehicles	2,507,974	143,021	(2,718)	2,653,713
Total accumulated depreciation	<u>10,433,530</u>	<u>598,361</u>	<u>(19,441)</u>	<u>11,052,208</u>
Total capital assets, being depreciated, net	<u>10,537,741</u>	<u>1,478,999</u>	<u>19,441</u>	<u>11,996,423</u>
Governmental activities capital assets, net	<u>\$ 12,074,748</u>	<u>\$ 1,478,999</u>	<u>\$ 19,441</u>	<u>\$ 13,533,430</u>

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

City of Mora, Minnesota
Notes to Financial Statements
December 31, 2015

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	\$ 356,036	\$ --	\$ --	\$ 356,036
Construction in progress	548,953	4,069,435	--	4,618,388
Total capital assets, not being depreciated	904,989	4,069,435	--	4,974,424
Capital assets, being depreciated:				
Buildings	4,213,434	10,638	--	4,224,072
Other Improvements	13,519,389	57,861	--	13,577,250
Equipment and fixtures	2,638,154	132,103	--	2,770,257
Total capital assets, being depreciated	20,370,977	200,602	--	20,571,579
Less: accumulated depreciation for:				
Buildings	1,833,412	149,835	--	1,983,247
Other Improvements	5,819,314	458,710	--	6,278,024
Equipment and fixtures	1,809,056	163,552	--	1,972,608
Total accumulated depreciation	9,461,782	772,097	--	10,233,879
Total capital assets being depreciated, net	10,909,195	(571,495)	--	10,337,700
Business - type activities capital assets, net	<u>\$ 11,814,184</u>	<u>\$ 3,497,940</u>	<u>\$ --</u>	<u>\$ 15,312,124</u>

Depreciation expense was charged to functions/programs as follows:

<u>Governmental Activities</u>	
General government	\$ 35,902
Public safety	113,689
Public works	412,869
Culture and recreation	17,951
Cemetery	5,984
Miscellaneous	11,966
Total depreciation expense - governmental activities	<u>\$ 598,361</u>
<u>Business - Type Activities</u>	
Electric utility	\$ 149,026
Water utility	289,921
Wastewater utility	274,043
Liquor	59,107
Total depreciation expense - business - type activities	<u>\$ 772,097</u>

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

City of Mora, Minnesota
Notes to Financial Statements
December 31, 2015

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, 2015.

	Due To	Due From
	\$	\$
General Fund	--	--
Special Revenue Funds:		
ED Revolving Loan	--	335,033
TIF 1-14 HRA/Nelson	15,079	--
Capital Projects Fund:		
Future Fire Equipment	--	205,361
Future Improvements	--	619,093
Highway 23 E. Frontage	89,563	--
Howe Ave. Construction	147,909	--
Downtown Feed Mill	29,780	--
Airport Kastenbauer House	173,654	--
Crosswind	19,810	--
Parker	363,738	--
7th and Grove Street	319,954	--
	\$ 1,159,487	\$ 1,159,487

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

The following are the balances of Advances to and from other funds at December 31, 2015.

	Advance To	Advance From
	\$	\$
Capital Project Funds:		
Fire Station	--	320,233
Parker	--	633,204
Enterprise Funds:		
Liquor Store	--	1,400,000
Electric Utility	2,708,997	--
Water Utility	--	181,340
Wastewater Utility	--	174,220
	\$ 2,708,997	\$ 2,708,997

The above amounts were used to fund various projects for the City.

City of Mora, Minnesota
Notes to Financial Statements
December 31, 2015

NOTE 3: Detailed Notes on All Funds (Continued)

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

Interfund transfers out:

General Fund	\$ (281,545)
Other governmental funds	(617,727)
Enterprise	(694,440)
Total transfers out	<u><u>\$ (1,593,712)</u></u>

Interfund transfers in:

General Fund	\$ 408,878
Other governmental funds	1,184,834
Total transfers out	<u><u>\$ 1,593,712</u></u>

The following is a general description of the interfund transfers:

General Fund:

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

Enterprise Funds:

Transfers from the Liquor Fund were completed to reduce property tax rates.

F. Long-Term Debt

General Obligation Bonds

The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities.

City of Mora, Minnesota
Notes to Financial Statements
December 31, 2015

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 10 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	1.3 - 4%	1,385,000
Governmental Activities	2.5-3%	1,303,995
Governmental Activities	1.7 - 3.2%	500,000
Total governmental activities		<u>3,188,995</u>
Business-Type Activities	2.5-3%	526,005
Business-Type Activities	1.000%	2,204,366
Business-Type Activities	1.862%	1,222,000
Total business-type activities		<u>\$ 3,952,371</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>
2016	129,131	84,388	137,226	97,209
2017	222,573	83,034	280,427	67,123
2018	217,634	78,203	272,366	63,103
2019	226,196	73,048	277,804	59,163
2020	234,759	67,296	282,241	55,131
2021-2025	1,015,114	250,494	1,473,886	212,606
2026-2030	638,588	131,948	1,228,421	135,140
2031-2035	415,000	58,680	--	--
2036	90,000	1,800	--	--
Total	<u>\$ 3,188,995</u>	<u>\$ 828,891</u>	<u>\$3,952,371</u>	<u>\$ 689,475</u>

Revenue Bonds

The government has issued 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 to both expand existing facilities and construct additional facilities. The original amount for the Water and Sewer bond (1) issued in prior years was \$365,000 of which \$241,995 was designated for the Water Fund and \$123,005 was designated for the Sewer Fund. Water and Sewer bond (2) was originally issued for \$1,385,000 of which \$182,822 was designated to the Water Fund and \$232,683 designated to the Sewer Fund, the remainder of the bond was designated for the Eastside Street-Airport Fund. Water bond (3) was originally issued for \$1,627,300 and designated to the Water Fund. Revenue bonds outstanding at year end are as follows:

	<u>Purpose</u>	<u>Interest Rate</u>	<u>Amount</u>
1.	Water & Sewer	3.000%	\$ 526,005
2.	Wastewater	1.000%	2,204,366
3.	Water	1.862%	1,222,000
			<u>\$3,952,371</u>

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City of Mora, Minnesota
Notes to Financial Statements
December 31, 2015

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, 2015:

	Beginning Balance	Additions	Reductions
GOVERNMENTAL ACTIVITIES			
General obligation bonds:			
G.O. Bond, Series 2006A	\$ 925,000	\$ --	\$ 925,000
G.O. Bonds, Series 2008A	696,495	--	696,495
G.O. Street, Series 2011A	565,000	--	65,000
G.O. Bond Series 2015 B	--	1,385,000	--
G.O. Bond Series 2015C	--	1,303,995	--
Total general obligation bonds-			
Governmental activities long-term			
liabilities	<u>\$ 2,186,495</u>	<u>\$ 2,688,995</u>	<u>\$ 1,686,495</u>
BUSINESS - TYPE ACTIVITIES			
G.O. Water & sewer revenue bonds	\$ 265,000	\$ --	\$ 265,000
G.O. Bonds, Series 2008A	298,505	--	298,505
G.O. Water Rev. Note 2010	1,292,000	--	70,000
G.O. Bond Series 2015C	--	526,005	--
MPFA Series 2015	--	2,204,366	--
Total bonds payable Business -			
type activities long-term liabilities	<u>\$ 1,855,505</u>	<u>\$ 2,730,371</u>	<u>\$ 633,505</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, 2015 and descriptions are as follows:

<u>Governmental Funds</u>	
Special Revenue - Cemetery	44,519
<u>Enterprise Funds - Restricted</u>	
Electric Utility	625,207
Water Utility	36,761
Wastewater Utility	--
Total	<u>\$ 706,487</u>

Ending Balance	Amounts Due Within One Year
\$ --	\$ --
--	--
500,000	65,000
1,385,000	--
<u>1,303,995</u>	<u>75,000</u>
<u>\$ 3,188,995</u>	<u>\$ 140,000</u>
\$ --	\$ --
--	--
1,222,000	71,000
526,005	15,000
<u>2,204,366</u>	<u>40,357</u>
<u>\$ 3,952,371</u>	<u>\$ 126,357</u>

City of Mora, Minnesota
Notes to the Financial Statements
December 31, 2015

NOTE 3: Detailed Notes on All Funds (Continued)

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. 2-10 and No. 2-2; Housing District No. 1-8, and Tax Increment Financing Districts No. 1-11 and No. 1-14. Administrative authority for Tax Increment Financing Districts No. 1-12, and No. 1-13 are pending City Council approval.

1. 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	2009
Date of Required Decertification	2034
Tax Increment Revenue - 2015	\$ 43,486
Current Net Tax Capacity	45,974
Base Net Tax Capacity	2,084
Captured Net Tax Capacity	43,890
Captured Net Tax Capacity shared with other taxing jurisdictions	--
Captured Tax Capacity retained by authority	43,890
Financial Obligations:	
Limited Revenue Note - Original Obligation	450,000

2. 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 - 2015	\$ 57,864
Current Net Tax Capacity	39,930
Base Net Tax Capacity	750
Captured Net Tax Capacity	39,180
Captured Net Tax Capacity shared with other taxing jurisdictions	--
Captured Tax Capacity retained by authority	39,180
Financial Obligations:	
Limited Revenue Note – Original Obligation	772,000

City of Mora, Minnesota
Notes to Financial Statements
December 31, 2015

NOTE 3: Detailed Notes on All Funds (Continued)

H. Tax Increment Financing (Continued)

3. 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 - 2015	\$ 16,309
Current Net Tax Capacity	10,752
Base Net Tax Capacity	25
Captured Net Tax Capacity	10,727
Captured Tax Capacity shared with other taxing jurisdictions	--
Captured Tax Capacity retained by authority	10,727
Financial Obligations:	
Limited Revenue Note – Original Obligation	152,107

City of Mora, Minnesota
Notes to Financial Statements
December 31, 2015

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, 2015

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, 2015 as follows:

	<u>Expenditures</u>	<u>Appropriations</u>	<u>Over</u>
Special Revenue Funds:			
TIF 2-2 Intrepid	\$ 57,938	\$ 57,864	\$ 74
Cemetery	55,113	45,844	9,269
TIF 1-8 Torborg	16,383	16,309	74
Capital Projects:			
Howe Avenue Construction	--	(57,590)	57,590
Downtown Feed Mill	90	--	90
Grove & Wood St.	2,231,005	76,639	2,154,366
Debt Service:			
Street Construction 2004	20,400	193	20,207
Maple Avenue East	884,451	88,508	795,943
Street Construction 2006	84,723	24,746	59,977
Street reconstruction 2008-2010	80,145	70,940	9,205
Airport Eastside	964,390	195,353	769,037

O. Defined Benefit Pension Plan -Statewide

1. Plan Description

The City participates in the following cost-sharing multiple-employer defined benefit plans administered by the Public Employers Retirement Association of Minnesota (PERA). PERA's defined benefit pension plans are established and administered in accordance with Minnesota Statutes, Chapters 353 and 356. PERA's defined pension plans are tax qualified plans under Section 401 (a) of the Internal Revenue Code.

General Employees Retirement Fund (GERF): All full-time and certain part-time employees of the City of Ogilvie are covered by the General Employees Retirement Fund (GERF). GERF members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. The Basic Plan was closed to new members in 1967. All new members must participate in the Coordinated Plan.

City of Mora, Minnesota
Notes to Financial Statements
December 31, 2015

Note 3: Detailed Notes on All Funds (Continued)

A. Defined Benefit Pension Plan - Statewide(Continued)

1. Plan Description (Continued)

Benefits Provide

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state legislature. Benefit increase are provided to benefit recipients each January. Increase are related to the funding ratio of the plan. Members in plans that are at least 90% funded for two consecutive years are given 2.5% increases. Members in plans that have not exceeded 90% funded, or have fallen below 80%, are given 1% increases.

The benefit provisions stated in the following 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 terminated their public service.

GERF Benefits

Benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated and Basic Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2% of average salary for each of the first ten years of service and 2.7% for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2% of average salary for each of the first ten years and 1.7% for each remaining year. Under Method 2, the annuity accrual rate is 2.7% of average salary for Basic Plan members and 1.7% for Coordinated Plan members for each year of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

2. Contributions

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state legislature.

GERF Contributions

Basic Plan members and Coordinated Plan members were required to contribute 9.1% and 6.50%, respectively, of their annual covered salary in calendar year 2015. The City of Mora was required to contribute 11.78% of pay for Basic Plan members and 7.50% for Coordinated Plan members in calendar year 2015. The City of Mora's contributions to the GERF for the year ended December 31, 2015, were \$88,746. The City of Mora's contributions were equal to the required contributions as set by state statute.

3. Pensions Costs

At December 31, 2015, the City of Mora reported a liability of \$1,062,416 for its proportionate share of the GERF's net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City of Mora's proportion of the net pension liability was based on the City of Mora's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2014, through June 30, 2015, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2015, the City of Mora's proportion share was 0.0205% which was a decrease of 0.0017% from its proportion measured as of June 30, 2014.

City of Mora, Minnesota
Notes to Financial Statements
December 31, 2015

Note 3: Detailed Notes on All Funds (Continued)

A. Defined Benefit Pension Plan - Statewide(Continued)

3. Pension Costs (Continued)

For the year ended December 31, 2015, the City of Mora recognized pension expense of \$121,653 for its proportionate share of the GERS's pension expense.

At December 31, 2015, the City of Mora reported its proportionate share of the GERS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	100,574	53,564
Changes in actuarial assumptions	--	--
Difference between projected and actual investments earnings	--	--
Contribution paid to PERA subsequent to the measurement date	--	59,893
Total	\$ 100,574	\$ 113,457

\$100,574 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	Pension Expense Amount
2016	21,464
2017	21,464
2018	21,465
2019	25,408
2020	--
Thereafter	--

4. Actuarial Assumptions

The total pension liability in the June 30, 2015, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.75 % per year
Active Member Payroll Growth	3.50% per year
Investment Rate of Return	7.90%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors and disabilitants were based on RP-2000 tables for males or females, as appropriate, with slight adjustments. Cost of living benefit increases for retirees are assumed to be: 1% effective every January 1st until 2034, then 2.5% for GERS.

Actuarial assumptions used in the June 30, 2015, valuation were based on the results of actuarial experience studies. The experience study in the GERS was for the period July 1, 2004, through June 30, 2008, with an update of economic assumptions in 2014. The experience study for PEPFF was for the period July 1, 2004, through June 30, 2009. Experience studies have not been prepared for the PERS, but assumptions are reviewed annually.

City of Mora, Minnesota
Notes to Financial Statements
December 31, 2015

Note 3: Detailed Notes on All Funds (Continued)

A. Defined Benefit Pension Plan - Statewide (Continued)

4. Actuarial Assumptions (Continued)

There were no changes in actuarial assumptions in 2015.

The long-term expected rate of return on pension plan investments is 7.9%. The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness of the long-term expected rate of return on a regular basis using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Stocks	45%	5.50%
International Stocks	15%	6.00%
Bonds	18%	1.45%
Alternative Assets	20%	6.40%
Cash	2%	0.50%

5. Discount Rate

The discount rate used to measure the total pension liability was 7.9%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, each of the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

6. Pension Liability Sensitivity

The following presents the City of Mora's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City of Mora's proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

City of Mora, Minnesota
Notes to Financial Statements
December 31, 2015

Note 3: Detailed Notes on All Funds (Continued)

A. Defined Benefit Pension Plan - Statewide(Continued)

6. Pension Liability Sensitivity(Continued)

	1% Decrease in Discount Rate (6.9%)	Discount Rate (7.9%)	1% Increase in Discount Rate (8.9%)
City's proportionate share of the GERS net pension liability:	\$1,670,496	\$1,062,416	\$560,236

7. Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the Internet at www.mnpera.org.

8. 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, 2015

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 2015, and as of December 2015, the Association held no securities by the city or other related parties.

c. Contributions

The total lump sum benefit for the members as of December 31, 2015. Funding comes from 2% state aid and interest earnings on investments.

NOTE 4: Deficit Fund Balances

The following nonmajor funds had deficit fund balances at December 31, 2015:

Special Revenue Funds:	
TIF 1-14 HRA/Nelson	\$ (15,079)
Capital Project Funds:	
Highway 23 E. Frontage Road	(89,563)
Fire Station	(320,233)
Howe Avenue Reconstruction	(147,909)
Downtown Feed Mill Redevelopment	(29,780)
Airport Kastenbauer House	(173,654)
Crosswind	(19,810)
7th and Grove Street	(319,321)
Parker Project	(363,738)
Grove & Wood St.	(440,576)

City of Mora, Minnesota
Notes to Financial Statements
December 31, 2015

NOTE: 5 GASB 54 Fund Balance Reporting

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54). This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

1. Nonspendable, such as fund balance associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned).
2. Restricted fund balance category includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
3. Committed fund balance classification includes amounts that can be used only for specific purposes determined by a formal action of the City Council (the City's highest level of decision making authority).
4. Assigned fund balance classification is intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed.
5. Unassigned fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

The Fund Balance Policy of the City includes classifying its fund balances in its various funds in one or more of the five classifications: nonspendable, restricted, committed, assigned, and unassigned.

The City will strive to maintain a minimum general fund balance of 40% - 50% of annual expenditures.

If resources from more than one fund balance classification could be spent, the city will strive to spend resources from fund balance classifications in the following order (first to last): Restricted, Committed, Assigned, and Unassigned.

A Council resolution is required to commit a fund balance to a specific purpose and subsequently to remove or change any constraint so adopted by the Council requires a majority vote of the City Council prior to December 31 each year.

The city council, by majority vote, may assign fund balances to be used for specific purposes when appropriate. The Council also delegates the power to assign fund balances to the following: City Administrator and Director of Finance. Assignments so made shall be reported to the council on a monthly basis, either separately or as part of ongoing reporting by the assigning party if other than the city council.

Any appropriation of an existing fund balance to eliminate a projected budgetary deficit in the subsequent year's budget in an amount no greater than the projected excess of expected expenditures over expected revenues satisfies the criteria to be classified as an assignment of fund balance.

The city council will conduct an annual review of the sufficiency of the minimum general fund balance level.

City of Mora, Minnesota
Notes to Financial Statements
December 31, 2015

Note 6: Prior Period Adjustment - Change in Accounting Principal

The beginning net position of the governmental activities has been decreased to reflect a change in accounting principal. The City implemented GASB 68, Accounting and Financial Reporting for Pensions which record the City's proportionate share of the collective net pension liability, deferred inflow of resources and deferred outflow of resources, and pension expense on the City's government-wide financial statements. Beginning governmental activities net position has been restated from \$10,588,332 to \$9,545,487 (a decrease of \$1,042,845). Prior year comparative information does not reflect this change in accounting principle because the cost-sharing multiple-employer defined benefit plans in which the City participates have not provided this information to the City.

City of Mora, Minnesota
OTHER SUPPLEMENTARY INFORMATION
December 31, 2015

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City of Mora
Mora, Minnesota
Required Supplementary Information
Schedule of City's Proportionate Share of Net Pension Liability and City's Contributions
PERA General Employees Retirement Fund
December 31, 2015

Schedule of City's Proportionate Share of Net Pension Liability

Fiscal Year Ending December 31,	Proportion (Percentage) of the Net Pension Liability (Asset)	Proportionate Share (Amount) of the Net Pension Liability (Assets) (a)	Covered Employee Payroll (b)	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll (a/b)	Plan Fiduciary Net Position of the Total Pension Liability
2015	0.0205%	\$ 1,062,416	\$ 1,243,504	85.4%	78.7%

Note: This schedule is intended to report ten-year trends. Additional years will be reported when they are available.

Schedule of City's Contributions

Fiscal Year Ending December 31,	Statutory Required Contribution (a)	Contributions in Relation to the Statutorily Required Contributions (b)	Contribution Deficiency (Excess) (a-b)	Covered Employee Payroll (d)	Contributions as a Percentage of Covered Employee Payroll (b/d)
2015	\$ 88,746	\$ 88,746	\$ --	\$ 1,243,504	7.14%

Note: This schedule is intended to report ten-year trends. Additional years will be reported when they are available.

City of Mora, Minnesota
 Grove and Wood Street Improvements - Capital Projects Fund - 453
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended December 31, 2015

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	\$ --	\$ --	\$ --
Special assessments	--	75,769	75,769
Interest earnings	--	--	--
Miscellaneous	--	870	870
Total revenues	<u>--</u>	<u>76,639</u>	<u>76,639</u>
EXPENDITURES			
Capital outlay	--	2,180,458	2,180,458
Professional services	--	27,177	27,177
Miscellaneous	--	23,370	23,370
Total expenditures	<u>--</u>	<u>2,231,005</u>	<u>2,231,005</u>
Excess (deficiency) of revenues over (under) expenditures	--	(2,154,366)	(2,154,366)
OTHER FINANCING SOURCES (USES)			
Proceeds from bond sale	--	1,399,331	1,399,331
Transfers in (out)	--	355,559	355,559
Total other financing sources (uses)	<u>--</u>	<u>1,754,890</u>	<u>1,754,890</u>
Net change in fund balances	--	(399,476)	(399,476)
Fund balances - beginning	<u>--</u>	<u>(41,100)</u>	<u>(41,100)</u>
Fund balances - ending	<u>\$ --</u>	<u>\$ (440,576)</u>	<u>\$ (440,576)</u>

City of Mora, Minnesota
Maple Avenue - Debt Service Fund - 527
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2015

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	\$ 47,396	\$ 41,481	\$ (5,915)
Special assessments	7,000	34,208	27,208
Investment earnings	10,000	12,819	2,819
Total revenues	<u>64,396</u>	<u>88,508</u>	<u>24,112</u>
EXPENDITURES			
Principal	50,000	825,000	775,000
Interest	32,000	34,583	2,583
Miscellaneous	425	24,868	24,443
Total expenditures	<u>82,425</u>	<u>884,451</u>	<u>802,026</u>
Excess (deficiency) of revenues over (under) expenditures	(18,029)	(795,943)	(777,914)
OTHER FINANCING SOURCES (USES)			
Proceeds from bond sale	--	722,368	722,368
Residual equity transfer out	--	(75,011)	(75,011)
Transfer in	10,000	10,000	--
Transfer out	--	(920)	(920)
Total other financing sources (uses)	<u>10,000</u>	<u>656,437</u>	<u>646,437</u>
Net change in fund balances	(8,029)	(139,506)	(131,477)
Fund balances - beginning	<u>139,506</u>	<u>139,506</u>	<u>--</u>
Fund balances - ending	<u>\$ 131,477</u>	<u>\$ --</u>	<u>\$ (131,477)</u>

City of Mora, Minnesota
 2015 Refunding - Debt Service Fund - 533
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended December 31, 2015

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	\$ --	\$ --	\$ --
Special assessments	--	--	--
Interest earnings	--	--	--
Miscellaneous	--	--	--
Total revenues	<u>--</u>	<u>--</u>	<u>--</u>
EXPENDITURES			
Principal	--	--	--
Interest	--	--	--
Miscellaneous	--	--	--
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	--	--	--
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	--	135,564	135,564
Total other financing sources (uses)	<u>--</u>	<u>135,564</u>	<u>135,564</u>
Net change in fund balances	--	135,564	135,564
Fund balances - beginning	<u>--</u>	<u>--</u>	<u>--</u>
Fund balances - ending	<u>\$ --</u>	<u>\$ 135,564</u>	<u>\$ 135,564</u>

City of Mora, Minnesota
 Component Unit - Economic Development Authority - 227
 Balance Sheet
 For the Year Ended December 31, 2015

	<u>EDA</u>
ASSETS	
Cash and Investments	\$ 3,423
Accounts receivable	7
Prepaid Insurance	<u>53</u>
Total Assets	<u><u>\$ 3,483</u></u>
 LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts Payable	\$ 2,767
Total Liabilities	<u>2,767</u>
Fund Balance:	
Unreserved	<u>716</u>
Total Fund Balance	<u>716</u>
Total Liabilities and Fund Balance	<u><u>\$ 3,483</u></u>

See notes to financial statements.

City of Mora, Minnesota
 Component Unit - Economic Development Authority - 227
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 For the Year Ended December 31, 2015

	Budget	EDA
REVENUES		
State grants and aids	\$ --	\$ --
Contributions	51,250	58,785
Investment earnings	--	97
Total revenues	<u>51,250</u>	<u>58,882</u>
EXPENDITURES		
Salaries	50,130	59,264
Professional services	6,124	9,756
Supplies	31,071	6,345
Capital outlay	--	9,275
Miscellaneous	--	24,283
Total expenditures	<u>87,325</u>	<u>108,923</u>
Excess (deficiency) of revenues over (under) expenditures	(36,075)	(50,041)
OTHER FINANCING SOURCES (USES)		
Miscellaneous income	2,295	14,577
Transfer in	--	--
Total other financing sources (uses)	<u>2,295</u>	<u>14,577</u>
Net change in fund balance	(33,780)	(35,464)
Fund balances - beginning	<u>36,180</u>	<u>36,180</u>
Fund balances - ending	<u>\$ 2,400</u>	<u>\$ 716</u>

See notes to financial statements.

City of Mora, Minnesota
COMBINING AND INDIVIDUAL
FUND STATEMENTS AND SCHEDULES
NON-MAJOR GOVERNMENTAL FUNDS
December 31, 2015

Special Revenue Funds

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

Fire Fund - To account for the revenues and expenditures related to the activities of the Mora Area Fire Department.

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 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 1-11 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.

Fire Station 2003 - To establish a fund for future purchases of capital assets.

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.

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.

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

Parker Capital Project - To account for revenues and expenses related to the Parker Project.

2012 7th and Grove Street Improvement - To account for revenues and expenses related to improvements.

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.

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

Airport Eastside - To account for revenues and expenditures, including tax collections and bond payments for the Airport Eastside 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 revenues and expenditures, including tax collections and bond payments for the HRA Eastwood bonds.

City of Mora, Minnesota
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2015

	Special Revenue Funds		
	220	222	225
	Storm Water Utility	Fire Fund	Cemetery Fund
ASSETS			
Cash and investments	\$ 58,159	\$ 2,329	\$ 13,978
Accounts receivable	3,566	8,537	5
Interest receivable	--	--	--
Taxes receivable - delinquent	--	--	--
Special assessments receivable - Delinquent	--	935	--
Due from other funds	--	--	--
Due from other governments	--	--	--
Note receivable	--	--	--
Prepaid insurance	--	9,826	1,121
Total Current Assets	<u>61,725</u>	<u>21,627</u>	<u>15,104</u>
Restricted Assets:			
Cash and investments	--	--	44,519
Total Restricted Assets	<u>--</u>	<u>--</u>	<u>44,519</u>
Total Assets	<u><u>\$ 61,725</u></u>	<u><u>\$ 21,627</u></u>	<u><u>\$ 59,623</u></u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 277	\$ --	\$ --
Due to other funds	--	--	--
Advance from other funds	--	--	--
Deferred revenue	--	--	--
Total liabilities	<u>277</u>	<u>--</u>	<u>--</u>
Fund Balances:			
Nonspendable	--	9,827	--
Restricted	--	--	--
Committed	--	--	--
Assigned	--	--	123,519
Unassigned	<u>61,448</u>	<u>11,800</u>	<u>(63,896)</u>
Total fund balances	<u>61,448</u>	<u>21,627</u>	<u>59,623</u>
Total liabilities and fund balances	<u><u>\$ 61,725</u></u>	<u><u>\$ 21,627</u></u>	<u><u>\$ 59,623</u></u>

Special Revenue Funds					
230 EDA Revolving Loan	237 TIF 2-2 Intrepid	245 TIF 1-8 Torborg	248 TIF 1-11 KSB	251 TIF 1-14 HRA/Nelson	Total Special Revenue Funds
\$ 221,896	\$ 9,876	\$ 3,166	\$ 10,432	\$ --	\$ 319,836
--	--	--	--	--	12,108
--	--	--	--	--	--
--	--	--	631	--	631
--	--	--	--	--	935
335,033	--	--	--	--	335,033
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	10,947
<u>556,929</u>	<u>9,876</u>	<u>3,166</u>	<u>11,063</u>	<u>--</u>	<u>679,490</u>
--	--	--	--	--	44,519
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>44,519</u>
<u>\$ 556,929</u>	<u>\$ 9,876</u>	<u>\$ 3,166</u>	<u>\$ 11,063</u>	<u>\$ --</u>	<u>\$ 724,009</u>
\$ --	\$ --	\$ --	\$ --	\$ --	277
--	--	--	--	15,079	15,079
--	--	--	--	--	--
--	--	--	631	--	631
<u>--</u>	<u>--</u>	<u>--</u>	<u>631</u>	<u>15,079</u>	<u>15,987</u>
--	--	--	--	--	9,827
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	123,519
<u>556,929</u>	<u>9,876</u>	<u>3,166</u>	<u>10,432</u>	<u>(15,079)</u>	<u>574,676</u>
<u>556,929</u>	<u>9,876</u>	<u>3,166</u>	<u>10,432</u>	<u>(15,079)</u>	<u>708,022</u>
<u>\$ 556,929</u>	<u>\$ 9,876</u>	<u>\$ 3,166</u>	<u>\$ 11,063</u>	<u>\$ --</u>	<u>724,009</u>

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City of Mora, Minnesota
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2015

	Capital Projects Funds			
	407	409	425	434
	Future Fire Equipment	Future Improvements	Fire Station 2003	Highway 23-E
ASSETS				
Cash and investments	\$ 59,120	\$ --	\$ --	\$ --
Accounts receivable	--	--	--	--
Interest receivable	--	--	--	--
Taxes receivable - delinquent	--	--	--	--
Special assessments receivable - Delinquent	--	--	--	--
Due from other funds	205,361	619,093	--	--
Due from other governments	--	--	--	--
Note receivable	--	--	--	--
Prepaid insurance	--	--	--	--
Total Current Assets	<u>264,481</u>	<u>619,093</u>	<u>--</u>	<u>--</u>
Restricted Assets:				
Cash and investments	--	--	--	--
Total Restricted Assets	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total assets	<u>\$ 264,481</u>	<u>\$ 619,093</u>	<u>\$ --</u>	<u>\$ --</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ --	\$ --	\$ --	\$ --
Due to other funds	--	--	--	89,563
Advance from other funds	--	--	320,233	--
Deferred revenue	--	--	--	--
Total liabilities	<u>--</u>	<u>--</u>	<u>320,233</u>	<u>89,563</u>
Fund Balances:				
Nonspendable	--	--	--	--
Restricted	--	--	--	--
Committed	--	--	--	--
Assigned	--	--	--	--
Unassigned	<u>264,481</u>	<u>619,093</u>	<u>(320,233)</u>	<u>(89,563)</u>
Total fund balances	<u>264,481</u>	<u>619,093</u>	<u>(320,233)</u>	<u>(89,563)</u>
Total liabilities and fund balances	<u>\$ 264,481</u>	<u>\$ 619,093</u>	<u>\$ --</u>	<u>\$ --</u>

Capital Projects Funds			
439 Howe Avenue Reconstruction	440 Downtown Feed Mill Redevelopment	442 Airport Kastenbauer House	444 Crosswind
\$ --	\$ --	\$ --	\$ --
--	--	--	--
--	--	--	--
--	--	--	--
206,204	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
<u>206,204</u>	<u>--</u>	<u>--</u>	<u>--</u>
--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>\$ 206,204</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
\$ --	\$ --	\$ --	\$ --
147,909	29,780	173,654	19,810
--	--	--	--
206,204	--	--	--
<u>354,113</u>	<u>29,780</u>	<u>173,654</u>	<u>19,810</u>
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
<u>(147,909)</u>	<u>(29,780)</u>	<u>(173,654)</u>	<u>(19,810)</u>
<u>(147,909)</u>	<u>(29,780)</u>	<u>(173,654)</u>	<u>(19,810)</u>
<u>\$ 206,204</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

446 Parker Capital Project	451 2012 7th and Grove St. Improvements	Total Capital Projects Funds
\$ --	\$ --	\$ 59,120
--	633	633
--	--	--
--	987	987
119,297	--	325,501
--	--	824,454
--	--	--
--	--	--
--	--	--
<u>119,297</u>	<u>1,620</u>	<u>1,210,695</u>
--	--	--
--	--	--
<u>\$ 119,297</u>	<u>\$ 1,620</u>	<u>\$ 1,210,695</u>
\$ --	\$ --	\$ --
363,738	319,954	1,144,408
--	--	320,233
119,297	987	326,488
<u>483,035</u>	<u>320,941</u>	<u>1,791,129</u>
--	--	--
--	--	--
--	--	--
--	--	--
<u>(363,738)</u>	<u>(319,321)</u>	<u>(580,434)</u>
<u>(363,738)</u>	<u>(319,321)</u>	<u>(580,434)</u>
<u>\$ 119,297</u>	<u>\$ 1,620</u>	<u>\$ 1,210,695</u>

City of Mora, Minnesota
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2015

	Debt Service			
	525	526	528	529
	Fire	Street	Street	
	Station	Construction	Construction	Airport
	2003	2004	2006	Eastside
ASSETS				
Cash and investments	\$ 41,488	\$ --	\$ --	\$ --
Accounts receivable	924	--	--	--
Interest receivable	--	--	--	--
Taxes receivable - delinquent	3,242	--	--	--
Special assessments receivable -				
Delinquent	--	--	--	--
Due from other funds	--	--	--	--
Due from other governments	--	--	--	--
Note receivable	--	--	--	--
Prepaid insurance	--	--	--	--
Total Current Assets	<u>45,654</u>	<u>--</u>	<u>--</u>	<u>--</u>
Restricted Assets:				
Cash and investments	--	--	--	--
Total Restricted Assets	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total assets	<u><u>\$ 45,654</u></u>	<u><u>\$ --</u></u>	<u><u>\$ --</u></u>	<u><u>\$ --</u></u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ --	\$ --	\$ --	\$ --
Due to other funds	--	--	--	--
Advance form other funds	--	--	--	--
Deferred revenue	3,242	--	--	--
Total liabilities	<u>3,242</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balances:				
Nonspendable	--	--	--	--
Restricted	42,412	--	--	--
Committed	--	--	--	--
Assigned	--	--	--	--
Unassigned	--	--	--	--
Total fund balances	<u>42,412</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total liabilities and fund balances	<u><u>\$ 45,654</u></u>	<u><u>\$ --</u></u>	<u><u>\$ --</u></u>	<u><u>\$ --</u></u>

530 2008-2010 Street Reconstruction	531 HRA Eastwood	Total Debt Service Funds	Total Nonmajor Governmental Funds
\$ 145,592	\$ 316,374	\$ 503,454	882,410
1,241	--	2,165	14,906
--	--	--	--
1,895	--	5,137	6,755
--	--	--	326,436
--	--	--	1,159,487
--	--	--	--
--	--	--	--
--	--	--	10,947
<u>148,728</u>	<u>316,374</u>	<u>510,756</u>	<u>2,400,941</u>
--	--	--	44,519
<u>--</u>	<u>--</u>	<u>--</u>	<u>44,519</u>
<u>\$ 148,728</u>	<u>\$ 316,374</u>	<u>\$ 510,756</u>	<u>\$ 2,445,460</u>
\$ --	\$ 310,950	\$ 310,950	311,227
--	--	--	1,159,487
--	--	--	320,233
1,895	--	5,137	332,256
<u>1,895</u>	<u>310,950</u>	<u>316,087</u>	<u>2,123,203</u>
--	--	--	9,827
146,833	5,424	194,669	194,669
--	--	--	--
--	--	--	123,519
--	--	--	(5,758)
<u>146,833</u>	<u>5,424</u>	<u>194,669</u>	<u>322,257</u>
<u>\$ 148,728</u>	<u>\$ 316,374</u>	<u>\$ 510,756</u>	<u>2,445,460</u>

City of Mora, Minnesota
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2015

	Special Revenue Funds		
	220	222	225
	Storm Water Utility	Fire Fund	Cemetery Fund
REVENUES			
Property taxes	\$ --	\$ --	\$ --
Tax increments	--	--	--
Special assessments	--	--	--
Charges for services	36,766	60,867	44,635
Intergovernmental revenue	--	--	--
Interest earnings	47	2,259	509
Miscellaneous -			
Contributions	--	54,526	--
Other	--	3,468	700
Total revenues	<u>36,813</u>	<u>121,120</u>	<u>45,844</u>
EXPENDITURES			
Public works	25,829	--	--
Public safety	--	109,880	--
Cemetery	--	--	55,113
Housing development	--	--	--
Economic development	--	--	--
Debt service	--	--	--
Capital projects	--	--	--
Total expenditures	<u>25,829</u>	<u>109,880</u>	<u>55,113</u>
Excess (deficiency) of revenues over (under) expenditures	10,984	11,240	(9,269)
OTHER FINANCING SOURCES (USES)			
Proceeds from long-term debt	--	--	--
Transfers in	--	--	--
Transfers out	(10,000)	--	(10,000)
Total other financing sources (uses)	<u>(10,000)</u>	<u>--</u>	<u>(10,000)</u>
Net change in fund balances	984	11,240	(19,269)
Fund balances - beginning	<u>60,464</u>	<u>10,387</u>	<u>78,892</u>
Fund balances - ending	<u>\$ 61,448</u>	<u>\$ 21,627</u>	<u>\$ 59,623</u>

Special Revenue Funds					
230 EDA Revolving Loan	237 TIF 2-2 Intrepid	245 TIF 1-8 Torborg	248 TIF 1-11 KSB	251 TIF 1-14 HRA/Nelson	Total Special Revenue Funds
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	57,864	16,309	43,486	--	117,659
--	--	--	--	--	--
--	--	--	--	--	142,268
--	--	--	--	--	--
228	--	--	--	--	3,043
--	--	--	--	--	54,526
440,000	--	--	--	--	444,168
<u>440,228</u>	<u>57,864</u>	<u>16,309</u>	<u>\$ 43,486</u>	<u>\$ --</u>	<u>761,664</u>
--	--	--	--	--	25,829
--	--	--	--	--	109,880
--	--	--	--	--	55,113
--	57,938	16,383	--	--	74,321
--	--	--	31,269	--	31,269
--	--	--	--	--	--
--	--	--	--	--	--
<u>--</u>	<u>57,938</u>	<u>16,383</u>	<u>31,269</u>	<u>--</u>	<u>296,412</u>
440,228	(74)	(74)	12,217	--	465,252
--	--	--	--	--	--
--	--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(20,000)</u>
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(20,000)</u>
440,228	(74)	(74)	12,217	--	445,252
116,701	9,950	3,240	(1,785)	(15,079)	262,770
<u>\$ 556,929</u>	<u>\$ 9,876</u>	<u>\$ 3,166</u>	<u>\$ 10,432</u>	<u>\$ (15,079)</u>	<u>\$ 708,022</u>

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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, 2015

	Capital Project Funds			
	407	409	425	434
	Future Fire Equipment	Future Improvements	Fire Station	Highway 23-E
REVENUES				
Property taxes	\$ --	\$ --	\$ --	\$ --
Tax increments	--	--	--	--
Special assessments	--	--	--	--
Charges for services	--	--	--	--
Intergovernmental revenue	45,750	--	--	--
Interest earnings	102	375	--	--
Miscellaneous -				
Contributions	--	--	--	--
Other	--	2,000	--	--
Total revenues	<u>45,852</u>	<u>2,375</u>	<u>--</u>	<u>--</u>
EXPENDITURES				
Public works	--	--	--	--
Public safety	--	--	--	--
Cemetery	--	--	--	--
Housing development	--	--	--	--
Economic development	--	--	--	--
Debt service	--	--	--	--
Capital projects	--	--	--	--
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	45,852	2,375	--	--
OTHER FINANCING SOURCES (USES)				
Proceeds from long-term debt	--	--	--	--
Transfers in	19,250	264,295	395,250	--
Transfers out	--	(62,321)	--	--
Total other financing sources (uses)	<u>19,250</u>	<u>201,974</u>	<u>395,250</u>	<u>--</u>
Net change in fund balances	65,102	204,349	395,250	--
Fund balances - beginning	<u>199,379</u>	<u>414,744</u>	<u>(715,483)</u>	<u>(89,563)</u>
Fund balances - ending	<u>\$ 264,481</u>	<u>\$ 619,093</u>	<u>\$ (320,233)</u>	<u>\$ (89,563)</u>

Capital Projects Funds			
439	440	442	444
Howe Avenue Reconstruction	Downtown Feed Mill Redevelopment	Airport Kastenbauer House	Crosswind
\$ --	\$ --	\$ --	\$ --
--	--	--	--
(57,590)	--	--	--
--	--	--	--
--	--	--	114,583
--	--	--	--
--	--	--	--
--	--	8,400	--
<u>(57,590)</u>	<u>--</u>	<u>8,400</u>	<u>114,583</u>
--	--	--	--
--	--	3	--
--	--	--	--
--	--	--	--
--	--	--	--
--	90	507	7,296
<u>--</u>	<u>90</u>	<u>510</u>	<u>7,296</u>
(57,590)	(90)	7,890	107,287
--	--	--	--
--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
(57,590)	(90)	7,890	107,287
<u>(90,319)</u>	<u>(29,690)</u>	<u>(181,544)</u>	<u>(127,097)</u>
<u>\$ (147,909)</u>	<u>\$ (29,780)</u>	<u>\$ (173,654)</u>	<u>\$ (19,810)</u>

446 Parker Capital Project	451 2012 7th and Grove St. Improvements	Total Capital Project Funds
\$ --	\$ 36,444	\$ 36,444
--	--	--
--	--	(57,590)
--	--	--
--	--	160,333
--	--	477
--	--	--
--	--	10,400
--	36,444	150,064
--	--	--
--	--	3
--	--	--
--	--	--
--	--	--
--	--	7,893
--	--	7,896
--	36,444	142,168
--	--	--
--	--	678,795
--	--	(62,321)
--	--	616,474
--	36,444	758,642
(363,738)	(355,765)	(1,339,076)
\$ (363,738)	\$ (319,321)	\$ (580,434)

City of Mora, Minnesota
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2015

	Debt Service			
	525 Fire Station 2003	526 Street Construction 2004	528 Street Construction 2006	529 Airport Eastside
REVENUES				
Property taxes	\$ 53,047	\$ 193	\$ 24,746	\$ 49,394
Tax increments	--	--	--	--
Special assessments	--	--	--	145,959
Charges for services	--	--	--	--
Intergovernmental revenue	--	--	--	--
Interest earnings	147	--	--	--
Miscellaneous -				
Contributions	47,242	--	--	--
Other	--	--	--	--
Total revenues	<u>100,436</u>	<u>193</u>	<u>24,746</u>	<u>195,353</u>
EXPENDITURES				
Public works	--	--	--	--
Public safety	--	--	1,840	27,164
Cemetery	--	--	--	--
Housing development	--	--	--	--
Economic development	--	--	--	--
Debt service	--	20,400	82,883	937,226
Capital projects	--	--	--	--
Total expenditures	<u>--</u>	<u>20,400</u>	<u>84,723</u>	<u>964,390</u>
Excess (deficiency) of revenues over (under) expenditures	100,436	(20,207)	(59,977)	(769,037)
OTHER FINANCING SOURCES (USES)				
Proceeds from long-term debt	--	--	54,372	827,013
Transfers in	--	4,916	--	--
Transfers out	(395,250)	--	(17,649)	(46,576)
Total other financing sources (uses)	<u>(395,250)</u>	<u>4,916</u>	<u>36,723</u>	<u>780,437</u>
Net change in fund balances	(294,814)	(15,291)	(23,254)	11,400
Fund balances - beginning	<u>337,226</u>	<u>15,291</u>	<u>23,254</u>	<u>(11,400)</u>
Fund balances - ending	<u>\$ 42,412</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

Debt Service			
530 2008-2010 Street Reconstruction	531 HRA Eastwood	Total Debt Service Funds	Total Nonmajor Governmental Funds
\$ 70,933	\$ --	\$ 198,313	\$ 234,757
--	--	--	117,659
--	--	145,959	88,369
--	--	--	142,268
--	--	--	160,333
7	428	582	4,102
--	--	47,242	101,768
--	--	--	454,568
<u>70,940</u>	<u>428</u>	<u>392,096</u>	<u>1,303,824</u>
--	--	--	25,829
1,150	(250)	29,904	139,787
--	--	--	55,113
--	--	--	74,321
--	--	--	31,269
78,995	--	1,119,504	1,119,504
--	--	--	7,893
<u>80,145</u>	<u>(250)</u>	<u>1,149,408</u>	<u>1,453,716</u>
(9,205)	678	(757,312)	(149,892)
--	--	881,385	881,385
--	--	4,916	683,711
--	--	(459,475)	(541,796)
<u>--</u>	<u>--</u>	<u>426,826</u>	<u>1,023,300</u>
(9,205)	678	(330,486)	873,408
<u>156,038</u>	<u>4,746</u>	<u>525,155</u>	<u>(551,151)</u>
<u>\$ 146,833</u>	<u>\$ 5,424</u>	<u>\$ 194,669</u>	<u>322,257</u>

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

Special Revenue Funds
December 31, 2015

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, 2015

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Storm water fees	\$ 37,200	\$ 36,766	\$ (434)
Investment earnings	500	47	(453)
Miscellaneous	--	--	--
Total revenues	<u>37,700</u>	<u>36,813</u>	<u>(887)</u>
EXPENDITURES			
Professional services	4,074	4,012	62
Miscellaneous	26,116	21,817	4,299
Capital outlay	--	--	--
Total expenditures	<u>30,190</u>	<u>25,829</u>	<u>4,361</u>
Excess (deficiency) of revenues over (under) expenditures	7,510	10,984	3,474
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	(2,490)	984	3,474
Fund balances - beginning	<u>60,464</u>	<u>60,464</u>	<u>--</u>
Fund balances - ending	<u>\$ 57,974</u>	<u>\$ 61,448</u>	<u>\$ 3,474</u>

City of Mora, Minnesota
 Fire Fund - Special Revenue Fund - 222
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended December 31, 2015

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Grants	\$ 3,400	\$ 3,468	\$ 68
Charges for services	59,302	60,867	1,565
Interest	2,100	2,259	159
Contributions	54,176	54,526	350
Total revenues	<u>118,978</u>	<u>121,120</u>	<u>2,142</u>
EXPENDITURES			
Supplies	75,057	64,393	(10,664)
Salaries	53,037	45,083	(7,954)
Capital outlay	--	--	--
Miscellaneous	500	404	(96)
Total expenditures	<u>128,594</u>	<u>109,880</u>	<u>(18,714)</u>
Excess (deficiency) of revenues over (under) expenditures	(9,616)	11,240	20,856
OTHER FINANCING SOURCES (USES)			
Transfers in	--	--	--
Transfers out	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	(9,616)	11,240	20,856
Fund balances - beginning	<u>10,387</u>	<u>10,387</u>	<u>--</u>
Fund balances - ending	<u><u>\$ 771</u></u>	<u><u>\$ 21,627</u></u>	<u><u>\$ 20,856</u></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, 2015

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Interments	\$ 29,000	\$ 32,760	\$ 3,760
Perpetual care	3,840	2,375	(1,465)
Sale of lots	15,360	9,500	(5,860)
Miscellaneous	700	700	--
Investment earnings	100	509	409
Total revenues	<u>49,000</u>	<u>45,844</u>	<u>(3,156)</u>
EXPENDITURES			
Professional services	7,648	6,330	(1,318)
Salaries	27,687	38,837	11,150
Capital outlay	--	--	--
Miscellaneous	8,669	9,946	1,277
Total expenditures	<u>44,004</u>	<u>55,113</u>	<u>11,109</u>
Excess (deficiency) of revenues over (under) expenditures	4,996	(9,269)	(14,265)
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	(5,004)	(19,269)	(14,265)
Fund balances - beginning	<u>78,892</u>	<u>78,892</u>	<u>--</u>
Fund balances - ending	<u>\$ 73,888</u>	<u>\$ 59,623</u>	<u>\$ (14,265)</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, 2015

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Miscellaneous	\$ --	\$ 440,000	\$ 440,000
Investment earnings	520	228	(292)
Total revenues	<u>520</u>	<u>440,228</u>	<u>439,708</u>
EXPENDITURES			
Professional services	--	--	--
Dues and subscriptions	--	--	--
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	520	440,228	439,708
Fund balances - beginning	<u>116,701</u>	<u>116,701</u>	<u>--</u>
Fund balances - ending	<u>\$ 117,221</u>	<u>\$ 556,929</u>	<u>\$ 439,708</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, 2015

	Original and Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Tax increments	\$ --	\$ 57,864	\$ 57,864
Investment earnings	--	--	--
Total revenues	<u>--</u>	<u>57,864</u>	<u>57,864</u>
EXPENDITURES			
Professional services	--	2,893	2,893
Housing development	--	54,971	54,971
Miscellaneous	--	74	74
Total expenditures	<u>--</u>	<u>57,938</u>	<u>57,938</u>
Net changes in fund balances	--	(74)	(74)
Fund balances - beginning	<u>9,950</u>	<u>9,950</u>	<u>--</u>
Fund balances - ending	<u><u>\$ 9,950</u></u>	<u><u>\$ 9,876</u></u>	<u><u>\$ (74)</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, 2015

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Tax increments	\$ --	\$ 16,309	\$ 16,309
Investment earnings	--	--	--
Total revenues	<u>--</u>	<u>16,309</u>	<u>16,309</u>
EXPENDITURES			
Professional services	--	3,393	3,393
Housing development	--	12,916	12,916
Miscellaneous	--	74	74
Total expenditures	<u>--</u>	<u>16,383</u>	<u>16,383</u>
Net change to fund balances	--	(74)	(74)
Fund balances - beginning	<u>3,240</u>	<u>3,240</u>	<u>--</u>
Fund balances - ending	<u>\$ 3,240</u>	<u>\$ 3,166</u>	<u>\$ (74)</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, 2015

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Tax increments	\$ --	\$ 43,486	\$ 43,486
Total revenues	<u>--</u>	<u>43,486</u>	<u>43,486</u>
EXPENDITURES			
Professional services	--	9,561	9,561
Economic development	--	21,633	21,633
Interest	--	--	--
Miscellaneous	--	75	75
Total expenditures	<u>--</u>	<u>31,269</u>	<u>31,269</u>
Net change to fund balances	--	12,217	12,217
Fund balances - beginning	<u>(1,785)</u>	<u>(1,785)</u>	<u>--</u>
Fund balances - ending	<u><u>\$ (1,785)</u></u>	<u><u>\$ 10,432</u></u>	<u><u>\$ 12,217</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, 2015

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

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

Capital Projects Funds
December 31, 2015

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, 2015

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental revenues	\$ 45,750	\$ 45,750	\$ --
Contributions	--	--	--
Interest earnings	--	102	102
Total revenues	<u>45,750</u>	<u>45,852</u>	<u>102</u>
EXPENDITURES			
Professional services	--	--	--
Capital projects	--	--	--
Miscellaneous	--	--	--
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	45,750	45,852	102
OTHER FINANCING SOURCES (USES)			
Transfers in	19,250	19,250	--
Transfers out	--	--	--
Total other financing sources (uses)	<u>19,250</u>	<u>19,250</u>	<u>--</u>
Net change in fund balances	65,000	65,102	102
Fund balances - beginning	<u>199,379</u>	<u>199,379</u>	<u>--</u>
Fund balances - ending	<u>\$ 264,379</u>	<u>\$ 264,481</u>	<u>\$ 102</u>

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, 2015

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental revenues	\$ --	\$ --	\$ --
Interest earnings	--	375	375
Miscellaneous	--	2,000	2,000
Total revenues	<u>--</u>	<u>2,375</u>	<u>2,375</u>
EXPENDITURES			
Professional services	--	--	--
Capital projects	--	--	--
Miscellaneous	--	--	--
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	--	2,375	2,375
OTHER FINANCING SOURCES (USES)			
Transfers in	132,000	264,295	132,295
Transfers out	(76,000)	(62,321)	13,679
Total other financing sources (uses)	<u>56,000</u>	<u>201,974</u>	<u>145,974</u>
Net change in fund balances	--	204,349	148,349
Fund balances - beginning	<u>414,744</u>	<u>414,744</u>	<u>--</u>
Fund balances - ending	<u>\$ 414,744</u>	<u>\$ 619,093</u>	<u>\$ 148,349</u>

City of Mora, Minnesota
 Fire Station- Capital Projects Fund - 425
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended December 31, 2015

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental revenues	\$ --	\$ --	\$ --
Interest earnings	--	--	--
Miscellaneous	--	--	--
Total revenues	--	--	--
EXPENDITURES			
Professional services	--	--	--
Capital projects	--	--	--
Miscellaneous	--	--	--
Total expenditures	--	--	--
Excess (deficiency) of revenues over (under) expenditures	--	--	--
OTHER FINANCING SOURCES (USES)			
Transfers in	--	395,250	395,250
Proceeds from bond sale	--	--	--
Total other financing sources (uses)	--	395,250	395,250
Net change in fund balances	--	395,250	395,250
Fund balances - beginning	(715,483)	(715,483)	--
Fund balances - ending	\$ (715,483)	\$ (320,233)	\$ 395,250

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, 2015

	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>(89,563)</u>	<u>(89,563)</u>	<u>--</u>
Fund balances - ending	<u><u>\$ (89,563)</u></u>	<u><u>\$ (89,563)</u></u>	<u><u>\$ --</u></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, 2015

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Special assessments	\$ --	\$ (57,590)	\$ (57,590)
Miscellaneous	--	--	--
Interest earnings	--	--	--
Total revenues	<u>--</u>	<u>(57,590)</u>	<u>(57,590)</u>
EXPENDITURES			
Professional services	--	--	--
Capital projects	--	--	--
Miscellaneous	--	--	--
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	--	(57,590)	(57,590)
OTHER FINANCING SOURCES (USES)			
Transfers in	--	--	--
Transfers out	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	--	(57,590)	(57,590)
Fund balances - beginning	<u>(90,319)</u>	<u>(90,319)</u>	<u>--</u>
Fund balances - ending	<u>\$ (90,319)</u>	<u>\$ (147,909)</u>	<u>\$ (57,590)</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, 2015

	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	--	--	--
Transfers out	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	--	(90)	(90)
Fund balances - beginning	<u>(29,690)</u>	<u>(29,690)</u>	<u>--</u>
Fund balances - ending	<u>\$ (29,690)</u>	<u>\$ (29,780)</u>	<u>\$ (90)</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, 2015

	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	--	507	507
Miscellaneous	--	3	3
Total expenditures	<u>--</u>	<u>510</u>	<u>510</u>
Excess (deficiency) of revenues over (under) expenditures	--	7,890	7,890
OTHER FINANCING SOURCES (USES)			
Transfers in	--	--	--
Transfers out	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	--	7,890	7,890
Fund balances - beginning	<u>(181,544)</u>	<u>(181,544)</u>	<u>--</u>
Fund balances - ending	<u>\$ (181,544)</u>	<u>\$ (173,654)</u>	<u>\$ 7,890</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, 2015

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental revenues	\$ --	\$ 114,583	\$ 114,583
Miscellaneous	--	--	--
Contributions	--	--	--
Interest earnings	--	--	--
Total revenues	<u>--</u>	<u>114,583</u>	<u>114,583</u>
EXPENDITURES			
Professional services	--	--	--
Capital projects	--	7,296	7,296
Miscellaneous	--	--	--
Total expenditures	<u>--</u>	<u>7,296</u>	<u>7,296</u>
Excess (deficiency) of revenues over (under) expenditures	--	107,287	107,287
OTHER FINANCING SOURCES (USES)			
Transfers in	--	--	--
Transfers out	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	--	107,287	107,287
Fund balances - beginning	<u>(127,097)</u>	<u>(127,097)</u>	<u>--</u>
Fund balances - ending	<u>\$ (127,097)</u>	<u>\$ (19,810)</u>	<u>\$ 107,287</u>

City of Mora, Minnesota
Parker Capital Project - 446
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2015

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes	\$ --	\$ --	\$ --
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>(363,738)</u>	<u>(363,738)</u>	<u>--</u>
Fund balances - ending	<u>\$ (363,738)</u>	<u>\$ (363,738)</u>	<u>\$ --</u>

City of Mora, Minnesota
 2012 7th and Grove St Improvement - 451
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended December 31, 2015

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes	\$ 42,000	\$ 36,444	\$ (5,556)
Miscellaneous	--	--	--
Contributions	--	--	--
Interest earnings	--	--	--
Total revenues	<u>42,000</u>	<u>36,444</u>	<u>(5,556)</u>
EXPENDITURES			
Professional services	--	--	--
Capital projects	--	--	--
Miscellaneous	--	--	--
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	42,000	36,444	(5,556)
OTHER FINANCING SOURCES (USES)			
Transfers in	--	--	--
Transfers out	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	42,000	36,444	(5,556)
Fund balances - beginning	<u>(355,765)</u>	<u>(355,765)</u>	<u>--</u>
Fund balances - ending	<u>\$ (313,765)</u>	<u>\$ (319,321)</u>	<u>\$ (5,556)</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, 2015

City of Mora, Minnesota
Fire Station 2003 - 525
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2015

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	\$ 61,359	\$ 53,047	\$ (8,312)
Interest earnings	--	147	147
Contributions	47,241	47,242	1
Total revenues	<u>108,600</u>	<u>100,436</u>	<u>(8,164)</u>
EXPENDITURES			
Principal	--	--	--
Interest	--	--	--
Miscellaneous	--	--	--
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	108,600	100,436	(8,164)
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	--	(395,250)	(395,250)
Total other financing sources (uses)	<u>--</u>	<u>(395,250)</u>	<u>(395,250)</u>
Net change in fund balances	108,600	(294,814)	(403,414)
Fund balances - beginning	<u>337,226</u>	<u>337,226</u>	<u>--</u>
Fund balances - ending	<u>\$ 445,826</u>	<u>\$ 42,412</u>	<u>\$ (403,414)</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, 2015

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	\$ --	\$ 193	\$ 193
Interest earnings	--	--	--
Total revenues	<u>--</u>	<u>193</u>	<u>193</u>
EXPENDITURES			
Principal	20,000	20,000	--
Interest	400	400	--
Miscellaneous	--	--	--
Total expenditures	<u>20,400</u>	<u>20,400</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	(20,400)	(20,207)	193
OTHER FINANCING SOURCES (USES)			
Residual Equity Transfers in (out)	--	4,916	4,916
Total other financing sources (uses)	<u>--</u>	<u>4,916</u>	<u>4,916</u>
Net change in fund balances	(20,400)	(15,291)	5,109
Fund balances - beginning	<u>15,291</u>	<u>15,291</u>	<u>--</u>
Fund balances - ending	<u><u>\$ (5,109)</u></u>	<u><u>\$ --</u></u>	<u><u>\$ 5,109</u></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, 2015

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	\$ 28,560	\$ 24,746	\$ (3,814)
Interest earnings	--	--	--
Total revenues	<u>28,560</u>	<u>24,746</u>	<u>(3,814)</u>
EXPENDITURES			
Principal	25,000	80,000	55,000
Interest	2,700	2,883	183
Miscellaneous	--	1,840	1,840
Total expenditures	<u>27,700</u>	<u>84,723</u>	<u>57,023</u>
Excess (deficiency) of revenues over (under) expenditures	860	(59,977)	(60,837)
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	--	(69)	(69)
Residual equity transfer (out)	--	(17,580)	(17,580)
Proceeds from Bond sale	--	53,550	53,550
Premium from bond sale	--	822	822
Total other financing sources (uses)	<u>--</u>	<u>36,723</u>	<u>36,723</u>
Net change in fund balances	860	(23,254)	(24,114)
Fund balances - beginning	<u>23,254</u>	<u>23,254</u>	<u>--</u>
Fund balances - ending	<u>\$ 24,114</u>	<u>\$ --</u>	<u>\$ (24,114)</u>

City of Mora, Minnesota
 Airport Eastside - Debt Service Fund - 529
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended December 31, 2015

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	\$ 56,432	\$ 49,394	\$ (7,038)
Special assessments	7,000	145,959	138,959
Interest earnings	--	--	--
Total revenues	<u>63,432</u>	<u>195,353</u>	<u>131,921</u>
EXPENDITURES			
Principal	52,500	52,500	--
Interest	29,740	29,739	(1)
Miscellaneous	450	27,164	26,714
Total expenditures	<u>82,690</u>	<u>109,403</u>	<u>26,713</u>
Excess (deficiency) of revenues over (under) expenditures	(19,258)	85,950	105,208
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	--	(1,655)	(1,655)
Residual equity transfer (out)	--	(44,921)	(44,921)
Escrow payment	--	(854,987)	(854,987)
Proceeds from Bond sale	--	815,000	815,000
Premium on Bonds sale	--	12,013	12,013
Total other financing sources (uses)	<u>--</u>	<u>(74,550)</u>	<u>(74,550)</u>
Net change in fund balances	(19,258)	11,400	30,658
Fund balances - beginning	<u>(11,400)</u>	<u>(11,400)</u>	<u>--</u>
Fund balances - ending	<u>\$ (30,658)</u>	<u>\$ --</u>	<u>\$ 30,658</u>

City of Mora, Minnesota
 2008 - 2011 Street Reconstruction - Debt Service Fund - 530
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended December 31, 2015

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	\$ 82,365	\$ 70,933	\$ (11,432)
Investment earnings	--	7	7
Total revenues	<u>82,365</u>	<u>70,940</u>	<u>(11,425)</u>
EXPENDITURES			
Loss on investment	--	--	--
Principal	65,000	65,000	--
Interest	6,998	13,995	6,997
Fiscal agent fees	1,200	1,150	(50)
Total expenditures	<u>73,198</u>	<u>80,145</u>	<u>6,947</u>
Excess (deficiency) of revenues over (under) expenditures	9,167	(9,205)	(18,372)
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	--	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	9,167	(9,205)	(18,372)
Fund balances - beginning	<u>156,038</u>	<u>156,038</u>	<u>--</u>
Fund balances - ending	<u>\$ 165,205</u>	<u>\$ 146,833</u>	<u>\$ (18,372)</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, 2015

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	\$ --	\$ --	\$ --
Investment earnings	--	428	428
Total revenues	--	428	428
EXPENDITURES			
Loss on investment	--	--	--
Principal	--	--	--
Interest	--	--	--
Fiscal agent fees	--	(250)	(250)
Total expenditures	--	(250)	(250)
Excess (deficiency) of revenues over (under) expenditures	--	678	678
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	--	--	--
Total Other Financing Sources (Uses)	--	--	--
Net change in fund balances	--	678	678
Fund balances - beginning	4,746	4,746	--
Fund balances - ending	\$ 4,746	\$ 5,424	\$ 678

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

Enterprise Funds
December 31, 2015

City of Mora, Minnesota
Municipal Liquor Store - Enterprise Fund - 609
Schedule of Revenues, Expenditures, and Changes in Net Position - Budget and Actual
For the Year Ended December 31, 2015

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Operating Revenues:			
Sales	\$ 3,249,000	\$ 3,068,147	\$ 180,853
Less cost of goods sold	(2,514,000)	(2,241,227)	(272,773)
Total Operating Revenues	<u>735,000</u>	<u>826,920</u>	<u>(91,920)</u>
Operating Expenses:			
Employee services	219,282	254,741	(35,459)
Supplies	21,700	18,064	3,636
Other services and charges	176,795	178,356	(1,561)
Depreciation	59,107	59,107	--
Total Operating Expenses	<u>476,884</u>	<u>510,268</u>	<u>(33,384)</u>
Operating Income (Loss)	258,116	316,652	58,536
Add: Non-Operating Revenues:			
Commissions	1,000	1,224	224
Interest earned	4,850	4,880	30
Miscellaneous	6,150	3,397	(2,753)
Total Non-Operating Revenues	<u>12,000</u>	<u>9,501</u>	<u>(2,499)</u>
Income before Transfers	270,116	326,153	56,037
Transfers:			
Transfers in (out)	(270,000)	(270,000)	--
Total Transfers	<u>(270,000)</u>	<u>(270,000)</u>	<u>--</u>
Net Income (Loss)	116	56,153	56,037
Net Position, January 1	<u>580,302</u>	<u>580,302</u>	<u>--</u>
Net Position, December 31	<u>\$ 580,418</u>	<u>\$ 636,455</u>	<u>\$ 56,037</u>

City of Mora, Minnesota
Electric Utility Fund - Enterprise Fund - 651
Schedule of Revenues, Expenditures, and Changes in Net Position - Budget and Actual
For the Year Ended December 31, 2015

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Operating Revenues:			
Sales	\$ 4,882,000	\$ 4,989,693	\$ (107,693)
Total Operating Revenues	<u>4,882,000</u>	<u>4,989,693</u>	<u>(107,693)</u>
Operating Expenses:			
Cost of sales	4,147,000	4,091,212	55,788
Employee services	423,567	392,590	30,977
Supplies	11,000	8,588	2,412
Other services & charges	627,079	497,744	129,335
Depreciation	146,913	149,026	(2,113)
Total Operating Expenses	<u>5,355,559</u>	<u>5,139,160</u>	<u>216,399</u>
Operating Income (Loss)	(473,559)	(149,467)	(324,092)
Add: Non-Operating Revenues and Expenses:			
Miscellaneous expenses	--	--	--
Commissions	--	--	--
Miscellaneous revenue	50,086	72,518	(22,432)
Interest earned	131,600	119,468	12,132
Gain on investments	--	--	--
Miscellaneous - wage & power plant reimbursement	383,587	406,814	(23,227)
Total Non-Operating Revenues	<u>565,273</u>	<u>598,800</u>	<u>(33,527)</u>
Income before Transfers	91,714	449,333	(357,619)
Transfers and other expenses:			
Transfers in (out)	--	(68,557)	68,557
Total Transfers	<u>--</u>	<u>(68,557)</u>	<u>68,557</u>
Net Income (Loss)	91,714	380,776	(289,062)
Net Position, January 1	<u>8,782,664</u>	<u>8,782,664</u>	<u>--</u>
Net Position, December 31	<u>\$ 8,874,378</u>	<u>\$ 9,163,440</u>	<u>\$ (289,062)</u>

City of Mora, Minnesota
Water Utility Fund - Enterprise Fund - 652
Schedule of Revenues, Expenditures, and Changes in Net Position - Budget and Actual
For the Year Ended December 31, 2015

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Operating Revenues:			
Sales	\$ 610,000	\$ 624,106	\$ (14,106)
WAC fees	--	10,500	(10,500)
Total Operating Revenues	<u>610,000</u>	<u>634,606</u>	<u>(24,606)</u>
Operating Expenses:			
Employee services	215,791	159,621	56,170
Supplies	74,175	48,974	25,201
Other services & charges	103,032	93,188	9,844
Depreciation	293,000	289,921	3,079
Total Operating Expenses	<u>685,998</u>	<u>591,704</u>	<u>94,294</u>
Operating Income (Loss)	(75,998)	42,902	(118,900)
Add: Non-Operating Revenues:			
Special assessments	--	9,594	(9,594)
Discounts earned	--	--	--
Interest earned	500	1,137	(637)
Gain on sale of fixed assets	--	--	--
Miscellaneous	19,744	25,307	(5,563)
Total Non-Operating Revenues	<u>20,244</u>	<u>36,038</u>	<u>(15,794)</u>
Income before Operating Transfers	(55,754)	78,940	(134,694)
Operating Transfers:			
Transfers in	--	--	--
Transfers (out)	--	(181,554)	181,554
Total Operating Transfers	<u>--</u>	<u>(181,554)</u>	<u>181,554</u>
Net Income (Loss)	(55,754)	(102,614)	46,860
Net Position, January 1	<u>3,412,585</u>	<u>3,412,585</u>	<u>--</u>
Net Position, December 31	<u>\$ 3,356,831</u>	<u>\$ 3,309,971</u>	<u>\$ 46,860</u>

City of Mora, Minnesota
Wastewater Utility Fund - Enterprise Fund - 653
Schedule of Revenues, Expenditures, and Changes in Net Position-Budget and Actual
For the Year Ended December 31, 2015

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Operating Revenues:			
Sales	\$ 789,804	\$ 841,571	\$ (51,767)
SAC fees	--	16,800	(16,800)
Total Operating Revenues	<u>789,804</u>	<u>858,371</u>	<u>(68,567)</u>
Operating Expenses:			
Employee services	279,830	331,515	(51,685)
Supplies	119,354	109,554	9,800
Other services and charges	134,106	145,877	(11,771)
Depreciation	286,000	274,043	11,957
Total Operating Expenses	<u>819,290</u>	<u>860,989</u>	<u>(41,699)</u>
Operating Income (Loss)	(29,486)	(2,618)	(26,868)
Add: Non-Operating Revenues:			
Special assessments	--	24,252	(24,252)
Grants	694	2,420,972	(2,420,278)
Interest earned	8,300	8,708	(408)
Gain on sale of fixed assets	--	--	--
Miscellaneous	26,947	33,580	(6,633)
Total Non-Operating Revenues	<u>35,941</u>	<u>2,487,512</u>	<u>(2,451,571)</u>
Income before Operating Transfers	6,455	2,484,894	(2,478,439)
Operating Transfers:			
Transfers in	--	--	--
Transfers (out)	--	(174,329)	174,329
Total Operating Transfers	<u>--</u>	<u>(174,329)</u>	<u>174,329</u>
Net Income (Loss)	6,455	2,310,565	(2,304,110)
Net Position, January 1	<u>3,937,708</u>	<u>3,937,708</u>	<u>--</u>
Net Position, December 31	<u>\$ 3,944,163</u>	<u>\$ 6,248,273</u>	<u>\$ (2,304,110)</u>

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CITY OF MORA, MINNESOTA
ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2015

FINANCIAL SECTION (CONTINUED)

SCHEDULES

SUPPLEMENTARY FINANCIAL INFORMATION

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

City of Mora, Minnesota

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

<u>Year</u>	<u>Gross Sales</u>	<u>Income Before Transfers</u>	<u>Transfers Out</u>	<u>Net Position</u>
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
2011	2,641,618	175,539	270,000	578,602
2012	2,853,810	261,234	270,000	569,836
2013	2,801,512	266,585	270,000	566,421
2014	2,881,620	283,881	270,000	580,302
2015	3,068,147	326,153	270,000	636,455

City of Mora, Minnesota

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

Year	Gross Sales	Income Before Transfers	Transfers In	Transfers Out	Net Position
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
2011	4,827,516	242,455	--	--	8,137,555
2012	4,764,417	378,010	--	--	8,515,565
2013	4,947,615	330,199	--	--	8,845,764
2014	4,805,727	396,901	--	460,001	8,782,664
2015	4,989,693	(138,440)	--	79,584	9,163,440

City of Mora, Minnesota

Electric Utility Fund
 Schedule of Services, Billing, KWH, and Revenues per KWH
 For the Year Ended December 31, 2015

	Service	Amount	KWH	Revenues KWH
City Residential	1,450	\$ 1,049,469	9,783,759	0.1073
Rural Residential	102	120,169	1,136,556	0.1057
Small Commercial	218	696,522	7,101,819	0.0981
Large Commercial	22	737,499	12,294,530	0.0600
Industrial	5	1,223,958	23,250,000	0.0526
Government	11	39,951	662,910	0.0603
Street Lights	16	67,350	773,781	0.0870
Security Lights	77	18,168	78,480	0.2315
Renewable Energy Credits	-	(311)	(4,920)	0.0632
Total Retail Sales	1,901	\$ 3,952,775	55,076,915	0.0718
Cost of Power:				
Purchased Power		\$ 4,091,212		
Cost per KWH Sold		0.074300		
Total KWH Purchased		57,615,933		
Less: Station Power		<u>(495,711)</u>		
Net KWH to Feeders		57,120,222		
Less: Total Retail Sales		<u>(55,076,915)</u>		
Line Loss	3.58%	<u><u>\$ 2,043,307</u></u>		

City of Mora, Minnesota

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

Year	Gross Sales	Income Before Transfers	Transfers In	Transfers Out	Net Position
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
2011	539,339	(34,341)	--	--	3,482,039
2012	555,809	(39,134)	--	--	3,442,905
2013	564,263	3,324	--	--	3,446,229
2014	591,249	(33,644)	--	--	3,412,585
2015	634,606	42,902	--	181,554	3,309,971

City of Mora, Minnesota

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

Year	Gross Sales	Income Before Transfers	Transfers In	Transfers Out	Net Position
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	77,193	--	--	3,621,548
2011	746,177	(26,383)	--	--	3,595,165
2012	734,175	44,012	--	--	3,639,177
2013	777,347	191,206	--	--	3,830,383
2014	798,745	107,325	--	--	3,937,708
2015	858,371	(2,618)	--	174,329	6,248,273

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

CITY OF MORA, MINNESOTA
ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2015

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)

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City of Mora, Minnesota
Net Position by Component
Last Ten Fiscal Years

	Fiscal Years			
	2015	2014	2013	2012
Governmental Activities				
Net investment in capital assets	\$ 10,344,435	\$ 9,888,253	\$ 9,531,383	\$ 9,920,486
Restricted	1,038,255	927,431	605,922	1,123,326
Unrestricted	(883,484)	(227,352)	(495,696)	(1,307,923)
Total governmental activities net position	<u>10,499,206</u>	<u>10,588,332</u>	<u>9,641,609</u>	<u>9,735,889</u>
Business-type activities				
Net investment in capital assets	11,359,753	8,458,679	8,335,737	8,657,456
Restricted	661,968	661,206	660,481	664,161
Unrestricted	7,336,418	7,593,374	7,692,579	6,845,866
Total business-type activities net position	<u>19,358,139</u>	<u>16,713,259</u>	<u>16,688,797</u>	<u>16,167,483</u>
 Total Primary Government	 <u><u>\$ 29,857,345</u></u>	 <u><u>\$ 27,301,591</u></u>	 <u><u>\$ 26,330,406</u></u>	 <u><u>\$ 25,903,372</u></u>

	Fiscal Years				
2011	2010	2009	2008	2007	2006
\$ 9,077,983	\$ 9,599,168	\$ 9,194,864	\$ 8,457,166	\$ 9,049,016	\$ 5,587,118
746,871	589,192	243,525	434,461	387,763	693,843
213,740	(64,312)	399,933	799,883	923,873	1,092,618
<u>10,038,594</u>	<u>10,124,048</u>	<u>9,838,322</u>	<u>9,691,510</u>	<u>10,360,652</u>	<u>7,373,579</u>
7,569,240	5,878,027	7,473,809	7,022,525	8,349,640	8,636,906
2,067,870	2,067,870	2,005,897	2,023,921	--	--
6,156,251	7,760,194	5,935,424	5,900,544	6,112,701	6,206,235
<u>15,793,361</u>	<u>15,706,091</u>	<u>15,415,130</u>	<u>14,946,990</u>	<u>14,462,341</u>	<u>14,843,141</u>
<u>\$ 25,831,955</u>	<u>\$ 25,830,139</u>	<u>\$ 25,253,452</u>	<u>\$ 24,638,500</u>	<u>\$ 24,822,993</u>	<u>\$ 22,216,720</u>

City of Mora, Minnesota
Changes in Net Position
Last Ten Fiscal Years

	Fiscal Years			
	2015	2014	2013	2012
Governmental Activities				
General government	\$ 636,825	\$ 666,550	\$ 572,569	\$ 477,547
Public safety	992,749	963,669	1,053,981	531,449
Public works	832,453	897,477	853,953	864,140
Cemetery	73,064	72,779	50,104	46,395
Culture and recreation	322,420	321,358	261,623	262,476
Housing and economic development	117,556	125,539	131,300	(482,493)
Capital projects	375,513	136,302	173,267	462,702
Miscellaneous	--	--	--	--
Interest on long term debt	84,388	80,859	89,537	853,015
Total governmental activities expenditures	3,434,968	3,264,533	3,186,334	3,015,231
 Business-type activities				
Liquor	2,751,495	2,603,292	2,542,384	2,598,991
Electric	5,139,160	5,110,192	5,177,296	5,147,945
Water	591,704	659,693	582,613	619,188
Wastewater	860,989	730,607	732,007	738,245
Total business-type activities expenses	9,343,348	9,103,784	9,034,300	9,104,369
Total primary government expenses	12,778,316	12,368,317	12,220,634	12,119,600
 Program Revenues				
Governmental activities				
Charges for services:				
General government	492,582	456,628	434,079	169,056
Public safety	239,819	178,886	45,266	28,626
Public works	47,941	48,019	62,077	37,230
Cemetery	45,335	44,175	39,500	45,260
Culture and recreation	167,364	155,458	112,515	109,367
Housing & economic development	--	--	--	--
Capital projects	10,400			
Operating grants and contributions	1,125,972	1,057,562	1,051,443	1,115,154
Capital grants and contributions	161,878	--	--	--
Total governmental activities program revenues	2,291,291	1,940,728	1,744,880	1,504,693
 Business-type activities				
Charges for services				
Liquor	3,072,768	2,883,872	2,805,744	2,853,810
Electric	5,469,025	5,381,694	5,416,970	4,764,417
Water	669,507	625,425	581,412	555,809
Wastewater	3,337,175	829,454	912,171	734,175
Total business-type activities program revenues	12,548,475	9,720,445	9,716,297	8,908,211
Total primary government program revenues	14,839,766	11,661,173	11,461,177	10,412,904
 Net Revenue (Expense)				
Governmental activities	(1,143,677)	(1,323,805)	(1,441,454)	(1,510,538)
Business-type activities	3,205,127	616,661	681,997	(196,158)
Total primary government net expense	\$ 2,061,450	\$ (707,144)	\$ (759,457)	\$ (1,706,696)

Table 2

	Fiscal Years				
2011	2010	2009	2008	2007	2006
\$ 514,691	\$ 482,961	\$ 521,710	\$ 509,568	\$ 495,842	\$ 428,118
1,340,101	885,754	993,186	968,290	880,843	368,624
899,165	880,659	1,005,869	726,335	649,551	37,276
58,501	54,568	66,702	72,685	48,595	19,715
327,637	247,197	224,822	326,874	279,803	205,117
(56,110)	64,152	183,266	228,581	189,464	239,505
111,995	(122,296)	(206,895)	1,280,120	(1,029)	336,546
--	--	--	--	--	--
827,341	138,026	124,586	125,864	103,365	132,833
4,023,321	2,631,021	2,913,246	4,238,317	2,646,434	1,767,734
2,475,319	2,324,242	2,153,910	2,046,371	1,977,770	1,985,734
5,166,409	5,168,762	4,881,937	5,031,885	5,397,147	4,551,322
606,161	552,514	528,492	558,998	496,699	459,607
807,184	787,295	790,109	717,145	656,818	615,184
9,055,073	8,832,813	8,354,448	8,354,399	8,528,434	7,611,847
13,078,394	11,463,834	11,267,694	12,592,716	11,174,868	9,379,581
673,684	427,318	670,879	798,197	942,471	1,117,369
64,149	179,246	97,331	--	--	--
--	46,846	45,952	--	--	--
--	33,475	42,440	73,929	--	--
--	126,918	104,203	116,962	--	--
--	33,729	50	--	--	--
--	--	--	--	--	--
1,305,081	939,449	1,007,007	1,520,293	2,828,888	1,169,152
--	42,385	--	--	--	--
2,042,914	1,829,366	1,967,862	2,509,381	3,771,359	2,286,521
2,645,500	2,509,291	2,390,937	2,271,548	2,230,868	2,239,951
5,267,408	5,288,455	5,026,367	5,283,769	5,367,985	5,094,489
547,318	557,885	541,726	489,423	481,330	475,504
757,228	833,067	826,516	814,478	844,683	762,235
9,217,454	9,188,698	8,785,546	8,859,218	8,924,866	8,572,179
11,260,368	11,018,064	10,753,408	11,368,599	12,696,225	10,858,700
(1,980,407)	(801,655)	(945,384)	(1,728,936)	1,124,925	518,787
162,381	355,885	431,098	504,819	396,432	960,332
\$ (1,818,026)	\$ (445,770)	\$ (514,286)	\$ (1,224,117)	\$ 1,521,357	\$ 1,479,119

City of Mora, Minnesota
Change in Net Position
Last Ten Fiscal Years

	Fiscal Years			
	2015	2014	2013	2012
General Revenues and Other Changes in Net Position				
Governmental Activities				
Taxes				
Property taxes	\$ 623,338	\$ 625,105	\$ 605,942	\$ 615,824
Special assessments	198,346			
Tax increments	123,271	131,854	121,599	131,818
Gain on sale of capital assets	--	1,200	780	12,695
Unrestricted grants and contributions				
Payments in lieu of taxes				
Investment earnings	36,900	53,802	82,746	73,077
Miscellaneous	421,101	738,566	266,107	104,419
Transfers	694,440	720,001	270,000	270,000
Total governmental activities	2,097,396	2,270,528	1,347,174	1,207,833
Business-type activities				
Investment earnings	134,193	137,802	109,317	840,280
Miscellaneous	--	--	--	--
Transfers	(694,440)	(730,001)	(270,000)	(270,000)
Total business-type activities	(560,247)	(592,199)	(160,683)	570,280
Total primary government	1,537,149	1,678,329	1,186,491	1,778,113
Changes in Net Position				
Governmental activities	2,097,396	2,270,528	1,347,174	1,207,833
Business-type activities	(560,247)	(592,199)	(160,683)	570,280
Prior period adjustment	(1,042,845)	--	--	--
Total primary government	\$ 494,304	\$ 1,678,329	\$ 1,186,491	\$ 1,778,113

Table 2
(Continued)

	Fiscal Years				
2011	2010	2009	2008	2007	2006
\$ 576,629	\$ 535,245	\$ 592,363	\$ 545,600	\$ 504,338	\$ 479,292
174,918	191,721	169,466	135,418	133,876	135,836
163,858	1,439	2,320	1,270	2,665	23,000
41,750	88,976	81,049	116,099	124,755	47,997
667,798	--	(20,000)	--	--	--
270,000	270,000	270,000	290,000	(86,486)	984,152
1,894,953	1,087,381	1,095,198	1,088,387	679,148	1,670,277
196,135	235,076	337,042	269,830	321,282	227,299
--	(30,000)	(30,000)	--	--	--
(270,000)	(270,000)	(270,000)	(290,000)	86,486	(984,152)
(73,865)	(64,924)	37,042	(20,170)	407,768	(756,853)
1,821,088	1,022,457	1,132,240	1,068,217	1,086,916	913,424
1,894,953	1,087,381	1,095,198	1,088,387	679,148	2,795,202
(73,865)	(64,924)	37,042	(20,170)	407,768	(360,421)
--	--	--	--	--	--
\$ 1,821,088	\$ 1,022,457	\$ 1,132,240	\$ 1,068,217	\$ 1,086,916	\$ 2,434,781

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

	Fiscal Years			
	2015	2014	2013	2012
General Fund				
Nonspendable	\$ 36,186	\$ 37,227	\$ 31,684	\$ 48,547
Unassigned	1,290,128	1,115,324	1,144,303	1,065,516
Total general fund	<u>1,326,314</u>	<u>1,152,551</u>	<u>1,175,987</u>	<u>1,114,063</u>
All Other Governmental Funds				
Nonspendable	9,827	10,226	10,366	796
Restricted	330,233	671,315	380,947	712,259
Committed	--	--	--	--
Assigned	123,519	46,890	304,790	109,329
Unassigned	<u>(446,334)</u>	<u>(1,184,176)</u>	<u>(1,715,355)</u>	<u>(2,007,356)</u>
Total all other governmental funds	<u>17,245</u>	<u>(455,745)</u>	<u>(1,019,252)</u>	<u>(1,184,972)</u>
Total all governmental funds	\$ 1,343,559	\$ 696,806	\$ 156,735	\$ (70,909)

	Fiscal Years				
2011	2010	2009	2008	2007	2006
\$ 48,911	\$ 49,680	\$ 52,965	\$ 45,820	\$ 44,222	\$ 46,603
1,006,954	965,593	934,208	884,927	854,860	713,185
1,055,865	1,015,273	987,173	930,747	899,082	759,788
778	781	786	685	687	47,721
652,354	482,488	139,611	334,147	293,229	599,519
--	--	--	--	--	--
94,517	--	140,397	178,429	138,808	168,355
(981,685)	(976,677)	(490,467)	(685)	95,847	295,317
(234,036)	(493,408)	(209,673)	512,576	528,571	1,110,912
\$ 821,829	\$ 521,865	\$ 777,500	\$ 1,443,323	\$ 1,427,653	\$ 1,870,700

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

	Fiscal Year			
	2015	2014	2013	2012
Revenues				
Property taxes	\$ 623,338	\$ 625,105	\$ 605,942	\$ 615,824
Tax increments	123,271	131,854	121,599	131,818
Licenses & permits	70,300	31,748	40,788	39,180
Special assessments	198,346	45,594	(12,939)	3,997
Intergovernmental	1,283,162	1,056,661	1,051,443	1,115,154
Charges for services	753,030	664,426	693,437	346,362
Fines	21,227	18,488	23,208	23,080
Investment earnings	36,900	53,802	38,246	73,077
Other revenues	584,673	162,255	215,830	384,284
Total revenues	3,694,247	2,789,933	2,777,554	2,732,776
Expenditures				
General government	489,714	484,267	439,181	638,779
Public safety	879,060	859,463	942,906	923,748
Public works	419,584	519,045	450,577	433,104
Cemetery	55,113	56,325	44,258	40,549
Culture and recreation	316,436	315,873	244,085	284,573
Housing and economic development	105,590	114,571	119,608	115,732
Capital projects	2,238,898	136,302	173,267	422,030
Miscellaneous	261,536	192,447	159,185	--
Debt service				
Principal	1,944,504	259,475	195,500	910,500
Interest & other expenditures	34,583	32,095	95,843	126,499
Total expenditures	6,745,018	2,969,863	2,864,410	3,895,514
Excess of revenues over (under) expenditures	(3,050,771)	(179,930)	(86,856)	(1,162,738)
Other Financing Sources (Uses)				
Proceeds from borrowing	3,003,084	--	44,500	--
Miscellaneous	--	--	--	--
Transfers in	1,593,712	1,372,153	489,275	1,197,121
Transfers out	(899,272)	(652,152)	(219,275)	(927,121)
Total other financing sources (uses)	3,697,524	720,001	314,500	270,000
Net change in fund balances	\$ 646,753	\$ 540,071	\$ 227,644	\$ (892,738)
Debt service as a percentage of non-capital expenditures	42.2%	12.9%	10.2%	30.7%

Table 4

	Fiscal Year				
2011	2010	2009	2008	2007	2006
\$ 561,906	\$ 535,245	\$ 592,363	\$ 545,600	\$ 504,338	\$ 479,292
174,919	191,721	169,466	135,418	133,876	135,836
42,635	29,949	53,097	80,946	73,975	65,810
16,850	84,052	(43,299)	172,510	77,964	110,450
1,334,430	966,409	945,504	1,347,783	2,828,888	1,169,152
333,956	341,153	620,280	732,639	448,959	331,094
21,514	21,943	33,709	58,541	47,854	40,614
101,245	123,334	81,049	116,099	124,755	47,997
412,403	352,940	357,891	118,232	296,384	274,490
2,999,858	2,646,746	2,810,060	3,307,768	4,536,993	2,654,735
551,344	505,796	475,954	484,113	463,645	521,072
1,280,949	870,618	848,291	887,682	804,374	688,003
597,855	457,389	479,673	433,600	371,848	398,490
53,437	48,790	43,824	59,957	36,521	36,523
291,450	252,742	217,196	322,631	275,778	255,546
184,188	172,578	168,014	219,971	189,464	239,505
359,507	527,375	1,111,316	1,237,951	2,476,495	1,135,542
--	--	58,525	1,008,374	62,914	46,057
200,500	212,833	195,500	140,000	135,000	437,982
118,461	124,265	127,590	97,235	77,515	49,851
3,637,691	3,172,386	3,725,883	4,891,514	4,893,554	3,808,571
(637,833)	(525,640)	(915,823)	(1,583,746)	(356,561)	(1,153,836)
667,798	--	--	1,337,249	--	1,787,911
--	--	(20,000)	--	--	--
1,275,208	421,724	391,408	1,103,716	438,823	391,408
(1,005,208)	(151,724)	(121,408)	(810,957)	(525,309)	(121,408)
937,798	270,000	250,000	1,630,008	(86,486)	2,057,911
\$ 299,965	\$ (255,640)	\$ (665,823)	\$ 46,262	\$ (443,047)	\$ 904,075
10.3%	14.2%	13.3%	5.6%	8.3%	28.2%

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

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Other Taxable Property	Total Taxable Assessed Value
2006	\$ 113,236,200	36,692,000		NA	\$ 149,928,200
2007	127,839,600	28,845,500	8,299,000	23,218,000	156,685,100
2008	131,635,700	29,678,700	8,389,000	23,747,400	193,450,800
2009	132,458,400	31,618,900	8,343,800	24,602,800	197,023,900
2010	145,936,500	33,040,700	8,339,700	6,702,600	194,019,500
2011	133,890,500	31,354,500	7,891,100	4,617,000	177,753,100
2012	120,843,900	31,643,500	7,883,700	4,353,100	164,742,200
2013	110,442,700	31,430,600	8,247,400	4,777,000	154,897,700
2014	105,824,200	31,227,500	8,648,600	4,288,341	149,988,641
2015	119,502,400	30,956,300	8,506,000	3,187,129	162,151,829

Figures from Kanabec County Assessor - Fall Mini Abstract

	Total Tax Capacity of Taxable Property	Total Direct Tax Rate
\$	1,979,692	25.423%
	2,132,536	24.852%
	2,228,546	25.982%
	2,316,294	26.817%
	2,128,231	27.336%
	1,974,492	29.465%
	1,734,974	35.987%
	1,551,770	38.459%
	1,572,709	39.054%
	1,704,137	40.268%

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 Rate	School	County
2006	14.237%	11.186%	25.423%	16.003%	75.711%
2007	16.570	8.282	24.852	15.579	73.490
2008	17.173	8.809	25.982	14.911	73.333
2009	16.574	10.243	26.817	15.540	74.595
2010	15.946	11.390	27.336	15.999	74.510
2011	17.107	12.358	29.465	17.347	80.318
2012	18.564	17.423	35.987	16.500	97.876
2013	20.560	17.899	38.459	19.410	103.078
2014	23.861	15.193	39.054	19.697	111.355
2015	22.216	18.052	40.268	7.216	104.869

Figures from Kanabec County Auditor.

Region (ECRDC)	Total Tax Rate
0.180%	117.317%
0.162	114.083
0.151	114.377
0.150	117.102
0.155	118.000
0.175	127.305
0.216	150.579
0.226	161.173
0.257	170.363
0.235	152.588

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Table 7

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

Taxpayer	2015			2006		
	Net Tax Capacity	Rank	Percentage of Total City Tax Capacity	Net Tax Capacity	Rank	Percentage of Total City Tax Capacity
Engineered Polymers	\$ 76,546	1	4.49%	\$ 59,054	1	2.98%
First Citizens Bank	47,486	2	2.79%			
Gorham Housing Partners, LLP	39,930	3	2.34%	42,776	3	2.16%
Spire Credit Union	32,047	4	1.88%			
Coborn's, Inc.	30,536	5	1.79%	33,982	5	1.72%
Minmor, LLC	29,964	6	1.76%	34,815	4	1.73%
Living Services Foundation	19,306	7	1.13%			
Vasu & Dilip Motel LLP	17,184	8	1.01%			
Daniel Kamin (Shopko)	15,286	9	0.90%			
Living Solutions II Corp.	15,201	10	0.89%			
Kanabec County				44,547	2	2.25%
Total	\$ 323,486		18.98%	\$ 215,174		10.84%
Total Net Tax Capacity	\$ 1,704,137			\$ 1,979,692		

Figures from the Kanabec County Assessor

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

Fiscal Year	General Fund Levy		Debt Service Levy		Taxes Levied for Fiscal Year*	Collected within the Fiscal Year of the Levy	
						Amount	Percentage of Levy
2006	\$	261,991	\$	208,524	\$ 470,515	\$ 451,726	96.01%
2007		333,850		166,866	500,716	484,649	96.79%
2008		362,312		185,838	548,150	514,486	93.86%
2009		359,565		222,222	581,787	546,087	93.86%
2010		339,376		242,411	581,787	543,800	93.47%
2011		337,780		244,007	581,787	543,800	93.47%
2012		308,033		289,098	597,131	576,120	96.48%
2013		319,051		277,752	596,803	573,151	96.04%
2014		298,775		287,802	586,577	575,120	98.05%
2015		339,794		276,112	615,906	609,110	98.90%

Source: Kanabec County Auditor/Treasurer, Tax Levy Book Report

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

Total Collections to Date			
Collections in Subsequent Years	Amount	Percentage of Levy	Outstanding Delinquent Taxes
\$ 18,681	\$ 470,407	99.98%	\$ 108
15,957	500,606	99.98%	110
30,378	544,864	99.40%	3,286
32,655	578,075	99.36%	3,045
36,611	580,411	99.76%	1,376
37,836	581,636	99.97%	151
20,289	596,409	99.88%	722
22,182	595,333	99.75%	1,470
9,123	584,243	99.60%	2,334
--	609,110	98.90%	6,796

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

Fiscal Year	General Government Activities			Business Type Activities		
	General Obligation Bonds	Special Assessment Bonds	Equipment Certificates	Electric Bonds	Water Bonds	Wastewater Bonds
2006	\$ 1,560,000	\$ 1,500,000	--	--	\$ 807,500	\$ 1,992,500
2007	1,450,000	1,475,000	--	--	790,000	1,755,000
2008	1,345,000	2,815,000	--	--	781,000	1,516,000
2009	1,225,000	2,705,000	--	--	771,500	1,271,500
2010	1,115,000	2,590,000	--	--	2,388,800	1,016,500
2011	1,695,000	2,470,000	--	--	1,561,000	740,500
2012	875,000	1,710,995	--	--	1,774,688	289,237
2013	770,000	2,220,000	--	--	1,361,000	--
2014	665,000	2,085,000	--	--	1,292,000	--
2015	1,945,000	1,770,000	--	--	1,222,000	2,204,366

NA-not available

	Total Primary Government	Percentage of Personal Income	Per Capita
	\$ 5,860,000	6.4%	\$ 1,642
	5,470,000	5.4%	1,533
	6,457,000	6.0%	1,746
	5,973,000	NA	1,615
	7,110,300	NA	1,991
	6,466,500	NA	1,811
	4,649,920	NA	1,302
	4,351,000	NA	1,218
	4,042,000	NA	1,132
	7,141,366	NA	2,000

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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
2006	\$ 1,560,000	\$ 171,816,700	0.91%	3,568	\$ 437
2007	1,450,000	188,202,100	0.77%	3,699	392
2008	1,345,000	193,450,800	0.70%	3,681	365
2009	1,225,000	197,023,900	0.62%	3,635	337
2010	1,115,000	194,019,500	0.57%	3,571	312
2011	1,695,000	177,753,100	0.95%	3,557	477
2012	875,000	164,724,200	0.53%	3,518	249
2013	770,000	154,897,700	0.50%	3,528	218
2014	665,000	149,988,641	0.44%	3,523	189
2015	1,945,000	162,151,829	1.20%	3,518	553

Source: Kanabec County Auditor/Treasurer, Certificate as to Taxes & Taxable Property

City of Mora, Minnesota
Direct and Overlapping Governmental Activities Debt

Governmental Unit	Direct Debt Outstanding (not including business-type activities)	Overlapping Debt Outstanding	Direct and Overlapping Debt	Taxable Net Tax Capacity
Kanabec County	\$ --	\$ 19,605,000	\$ 19,605,000	\$ 10,647,962
Independent School District 332	--	9,990,000	9,990,000	7,010,900
Subtotal		29,595,000	29,595,000	
City of Mora	3,715,000	--	3,715,000	1,704,137
Total	\$ 3,715,000	\$ 29,595,000	\$ 33,310,000	

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.

Sources: Kanabec County Auditor, Reporting of Outstanding Indebtedness

Taxable Net Tax Capacity Within the City's Boundaries	Percentage of Direct & Overlapping Debt Applicable to the City*	City's Estimated Share of Debt
\$ 1,704,134	16.00%	\$ 3,137,653
1,704,137	24.31%	2,428,266
		<u>5,565,919</u>
1,704,137	100.00%	3,715,000
		<u>\$ 9,280,919</u>

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

Fiscal Year	Assessed Market Value	Debt Limit 2% - 2007 3% - 2008	Debt Applicable to Limit	Legal Debt Margin	Debt % of Limit
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%
2011	177,753,100	5,332,593	1,695,000	3,637,593	31.79%
2012	164,724,200	4,941,726	875,000	4,066,726	17.71%
2013	154,897,700	4,646,931	770,000	3,876,931	16.57%
2014	149,988,641	4,499,659	665,000	3,834,659	14.78%
2015	162,151,829	4,864,555	1,945,000	2,919,555	39.98%

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

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

Water Revenue Bonds						
Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
2006	\$ 475,504	\$ 459,607	\$ 15,897	\$ --	\$ 51,995	31%
2007	533,499	496,699	36,800	17,500	48,490	56%
2008	476,640	558,998	--	15,630	43,122	0%
2009	504,534	434,349	70,186	28,025	42,120	100%
2010	593,318	552,514	40,804	27,866	48,752	53%
2011	571,820	606,162	--	846,326	65,117	0%
2012	580,054	619,187	--	149,606	41,522	0%
2013	585,937	582,613	3,324	87,446	39,709	3%
2014	626,049	659,693	--	88,186	38,536	0%
2015	670,645	773,259	--	89,846	36,983	0%

Wastewater Revenue Bonds

Utility Service	Less:	Net Available			
Charges	Operating	Revenue	Principal	Interest	Coverage
	Expenses				
\$ 762,235	\$ 615,184	\$ 147,051	\$ 220,000	\$ 87,765	48%
789,515	656,818	132,697	237,500	83,438	41%
795,073	717,145	77,928	242,370	63,403	25%
779,758	690,378	89,380	260,475	66,739	27%
865,238	788,044	77,194	270,134	58,328	24%
780,801	807,184	--	294,974	45,850	0%
782,258	738,246	44,012	756,474	19,812	6%
923,213	732,007	191,206	15,974	11,630	693%
836,366	730,607	105,759	16,814	11,268	377%
3,345,883	1,035,318	2,310,565	17,654	10,857	8104%

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

Year	Population (1)	Personal Income	Per Capita Personal Income (1)	Median Age (1)	Per Cent HS Degree of Higher (1)	Per Cent BA Degree or Higher (1)
2006	3,568	\$ 91,194,512	\$ 25,559	37.8	NA	NA
2007	3,699	100,671,120	28,215	NA	NA	NA
2008	3,681	108,247,536	29,264	NA	NA	NA
2009	3,635	NA	NA	39.7	87.3	14.4
2010	3,571	79,954,690	22,390	42.1	87.1	13.9
2011	3,557	NA	NA	NA	NA	NA
2012	3,518	NA	NA	NA	NA	NA
2013	3,528	NA	NA	NA	NA	NA
2014	3,523	NA	NA	NA	NA	NA
2015	3,518	NA	NA	NA	NA	NA

NA-not available

(1) MN State Demographer, except 2010 data from US Census

(2) Data from Mora Public Schools

(3) Data from MN Department of Employment and Economic Development

School Enrollment (2)	Unemployment Rate (3)
1,870	8.50%
1,858	10.70%
1,865	14.10%
1,770	13.10%
1,778	12.80%
1,777	10.80%
1,761	11.00%
1,755	9.80%
1,651	7.70%
1,645	8.10%

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

Employer	2015			2011		
	Employees	Rank	% of Total	Employees	Rank	% of Total
FirstLight Health System	424	1	23.2	373	1	21.2
Mora Public Schools	325	2	17.8	315	2	17.9
Kanabec County	225	3	12.3	216	3	12.3
Engineered Polymers	200	4	11.0	207	4	11.8
Coborn's, Inc.	170	5	9.3	164	5	9.3
St. Clare Living Community	128	6	7.0	155	6	8.7
Olympak	107	7	5.9	126	7	7.2
Lakes & Pines Community Action	106	8	5.8	116	8	6.5
City of Mora	83	9	4.5	89	9	5.1
RJ Mechanical	58	10	3.2			0.0
	<u>1,826</u>		<u>100.0</u>	<u>1,761</u>		<u>100.0</u>

Source: City Survey of Employers, Annually in April

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

Function/Program	Full-time Employees as of June 30				
	2015	2014	2013	2012	2011
General Government					
Management Services	2	2	2	2	2
Finance	3	3	3	3	3
Planning	1	1	1	1	1
Building	1	1	1	1	1
Police - contracted with the sheriff starting in 2010					
Officers	0	0	0	0	0
Civilians	0	0	0	0	0
Streets & Parks	5	6	6	7	7
Aquatic Center	2	1	1	1	1
Electric	3	3	3	3	3
Water/Wastewater	5	5	5	5	6
Liquor Store	2	2	2	2	2
Total	24	24	24	25	26

Data from city payroll records.

Full-time Employees as of June 30				
2010	2009	2008	2007	2006
2	2	2	2	2
3	3	3	3	3
1	1	1	1	1
1	1	1	1	1
0	6	6	6	6
0	1	1	1	1
7	7	7	7	6
1	1	1	1	1
4	5	5	7	7
6	5	5	5	5
2	2	2	2	2
27	34	34	36	35

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

	Fiscal Year			
	2015	2014	2013	2012
Function/Program				
Police - contracted with the sheriff starting March 1, 2010				
Physical arrests	59	54	1,252	745
Parking violations	356	287	165	165
Traffic violations	1,391	1,303	1,293	913
Fire				
Emergency responses	109	70	54	92
Fires extinguished	39	29	36	56
Inspections	--	9	13	8
Public Works				
Street resurfacing (miles)	--	--	--	.25
Potholes repaired	305	270	297	135
Library				
Visits	39,999	37,693	41,619	47,117
Volumes in collection	22,490	38,814	32,000	30,000
Total volumes borrowed	54,768	56,153	58,486	67,313
Computer use	6,576	6,699	5,866	6,170
Water				
Total connections	1,155	1,168	1,172	1,173
Water-main breaks	2	4	--	--

NA-not available

** Contracted with Sheriff's office in 2010.
Data from City of Mora department heads.

	Fiscal Year				
2011	2010	2009	2008	2007	2006
908	594	246	319	285	294
158	105	77	175	246	57
1,359	604	262	1,025	753	537
75	69	56	75	97	87
43	31	29	23	46	43
7	8	8	8	10	7
.49	1.28	1.22	None	.84	1.38
167	319	213	189	225	209
49,403					
30,000	30,000	30,000	30,000	21,000	20,000
87,000	89,800	92,000	89,919	89,924	N/A
8,614					
1,179	1,178	1,177	1,160	1,151	1,150
--	3	2	3	1	2

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

Function/Program	Fiscal Year			
	2015	2014	2013	2012
Police **				
Stations	1	1	1	1
Patrol units	5	5	5	5
Fire Stations	1	1	1	1
Other Public Works				
Streets (miles)	24	24	24	24.16
Street lights	458	458	458	458
Parks and recreation				
Acreage	28	28	28	28.44
Playgrounds	4	4	4	4
Baseball/softball fields	3	3	3	3
Walking/biking trails(miles)	5.00	5.00	4.80	4.80
Water				
Water mains (miles)	18.00	18.00	18.00	18.00
Fire hydrants	281	281	281	281
Storage capacity (gallons)	700,000	700,000	700,000	700,000
Wastewater				
Sanitary sewers (miles)	16.00	16.00	16.00	16.00
Storm sewers (miles)	6.87	6.87	6.87	6.87
Treatment capacity (gallons/day)	800,000	800,000	800,000	800,000

** Contracted with Sheriff's office in 2010.
Data from City of Mora department heads.

	Fiscal Year				
2011	2010	2009	2008	2007	2006
1	1	1	1	1	1
5	5	6	6	6	6
1	1	1	1	1	1
24.16	24.16	24.16	23.60	23.60	21.70
458	458	458	458	458	458
28.44	28.44	28.44	28.44	28.44	28.44
4	4	4	4	4	4
3	3	3	3	3	3
4.80	4.80	2.50	2.50	2.50	2.00
18.00	18.00	18.00	18.00	18.00	16.00
281	281	281	279	279	258
700,000	700,000	700,000	700,000	700,000	700,000
16.00	16.00	16.00	16.00	16.00	14.00
6.87	6.87	6.87	6.83	6.83	6.83
800,000	800,000	800,000	800,000	800,000	800,000

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CITY OF MORA, MINNESOTA
ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2015

AUDITOR'S REPORT SECTION

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MEMBERS
AMERICAN INSTITUTE OF C.P.A.'S
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 unit, each major fund, and the aggregate remaining fund information of the City of Mora, Minnesota, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise City of Mora, Minnesota's basic financial statements, and have issued our report thereon dated July 11, 2016. We conducted our audit in accordance with the 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 the *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 of the financial statements, we considered the City of Mora, Minnesota's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the City of Mora, Minnesota's internal control.

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. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that are less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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 that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Mora's financial statements are free from 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 or other matters that are required to be reported under *Government Auditing Standards* and the *Minnesota Legal Compliance Audit Guide* promulgated by the Legal Compliance Task Force pursuant to Minnesota Statutes Sec. 6.65.

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, claims and disbursements, tax increment financing, and miscellaneous items. Our study included all of the listed categories. The results of our testing indicate that for the items tested, the City of Mora, Minnesota complied with material terms and conditions 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 of Mora, Minnesota had not complied with such legal provisions.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Althoff & Nordquist, LLC
Pine City, Minnesota
July 11, 2016

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