

COMPREHENSIVE ANNUAL
FINANCIAL REPORT
OF THE
CITY OF MORA, MINNESOTA
FOR THE
FISCAL YEAR ENDED
December 31, 2016

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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For the Year Ended December 31, 2016
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City of Mora, Minnesota
INTRODUCTORY SECTION
December 31, 2016

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CITY OF MORA MORA MUNICIPAL UTILITIES

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May 31, 2017

To the Honorable Mayor, Members of the City Council, Members of the Public Utilities Commission, and Citizens of the City of Mora:

Minnesota statutes require that each city issue an annual report on its financial position and activity prepared in conjunction with generally accepted accounting principles (GAAP). The comprehensive annual financial report (CAFR) of the City of Mora, Kanabec County, Minnesota and Mora Municipal Utilities for the fiscal year ended December 31, 2016 is hereby submitted.

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 biennial elections of a mayor and four council members to staggered four-year terms. The city council appoints the three-member public utility commission to staggered three-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 5.46 square miles.

Local Economy

In 2016 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 is steady at 8.10% in December 2016 and continues to be the lowest for that period in the last ten years.

First-year property tax delinquency continues to be lower than the ten-year average by about 1.8%. Tax capacity values decreased by only 2.3%.

There were five new residential garages constructed in 2016. Multiple homes and apartments were remodeled or improved. Two new commercial buildings were constructed in 2016; Maytag Laundries and Fresenius Medical Care - Mora. Exterior remodeling was completed for Dairy Queen, and a new deck was constructed on the west side of the Crystal Bar and Grill. Major internal and external upgrades were completed at the Mora Chevrolet-Buick dealership, and a call-center area was completed at FirstLight Health Care. Construction also began on an addition to Trailview School.

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 Truth-in-Taxation requirements allowed public input on the budget and levy to be taken during a regular city council meeting. The council formally accepted public input regarding the 2016 budget at its meeting on December 1, 2015.

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:

	2016	2015	2014	2013	2012
General Fund	\$322,514	\$339,794	\$298,775	\$319,051	\$308,033
Debt Service Funds	\$338,000	\$276,112	\$287,802	\$277,752	\$289,098
Total Levy	\$660,514	\$615,906	\$586,577	\$596,803	\$597,131

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 created in 1995 to account for a \$500,000 grant from the MN Economic Recovery Grant program. The city loaned the funds to EPC for equipment and machinery purchases, and 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. Then in 2015, the city received a \$440,000 grant from the MN Investment Fund Program. The city then loaned these funds to Northland Process Piping for building renovations. The first \$100,000 of loan principal that will be repaid to the City will be used to continue the revolving loan fund. The purpose of the revolving loan fund is to further economic development and to create jobs for low to 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 was paid to the developer, Torborg Builders, on a \$154,107 pay-as-you-go note. TIF 1-8 was decertified on October 18th, 2016.

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 2016, Moody's Investors Service completed its regular review of our rating, and downgraded the City's rating to A3. Moody's cited a small tax base and below-average demographic profile as rationale for the A3 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

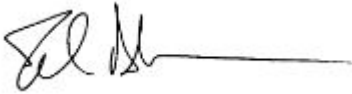
Minnesota statutes require an annual audit by the state auditor or an independent certified public accountant. The city selected the CPA firm of Althoff & Nordquist, LLC to complete the audit for 2016. The auditor's opinion is included in this report.

Acknowledgments

The finance department staff contributed significantly to this report. I wish to thank Carol Allman, Jackie Ness, 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

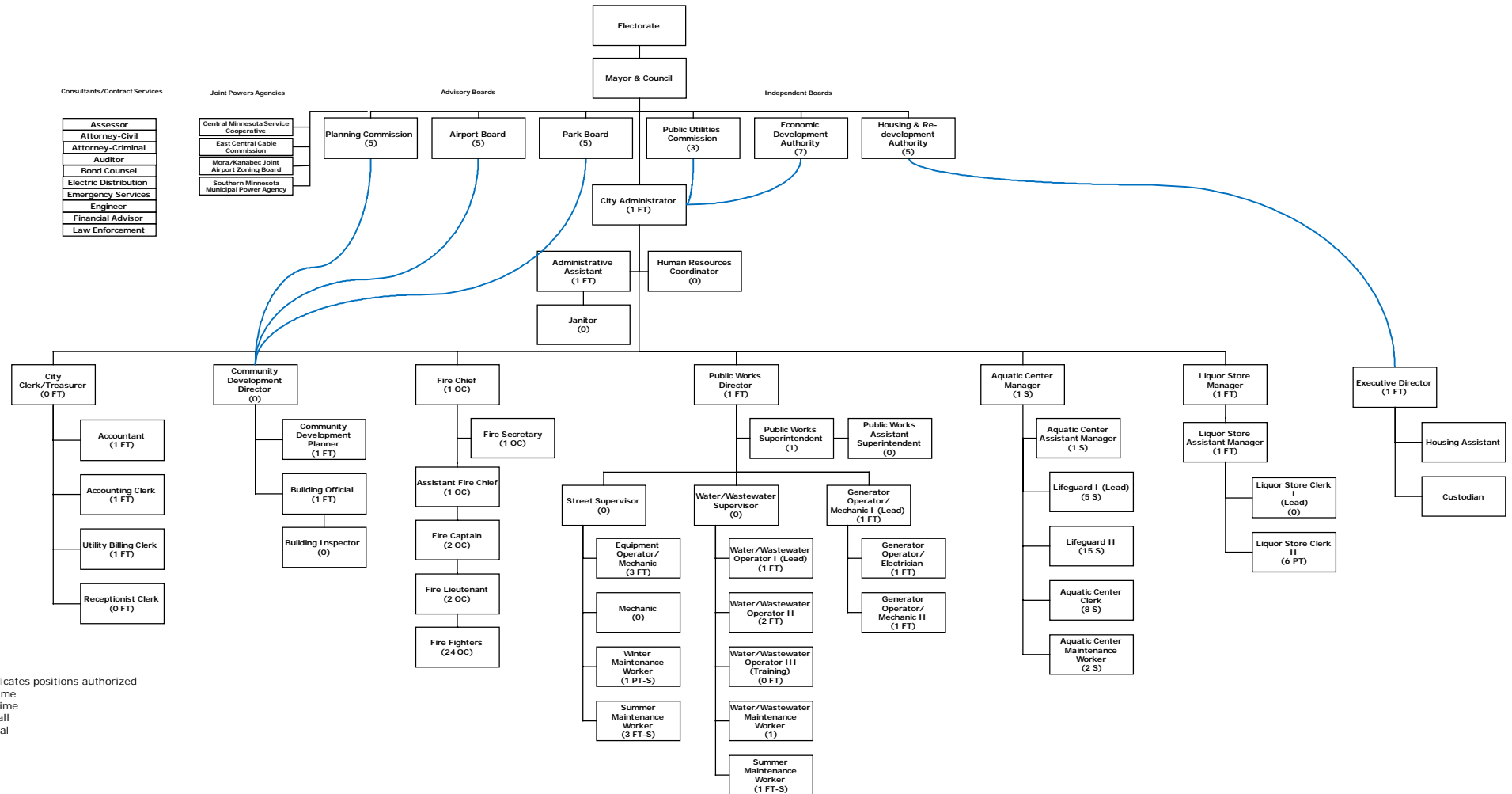
A handwritten signature in black ink, appearing to read 'Joel Dhein', followed by a long horizontal line extending to the right.

Joel Dhein
City Administrator

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

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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
Barb McFadden	City Attorney - Prosecution
Joel Jamnik	City Attorney - Civil

Public Utilities

George Baldwin	Chair
Greg Ardner	Commissioner
Dennis Schulz	Commissioner

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City of Mora, Minnesota
FINANCIAL SECTION
December 31, 2016

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Althoff and Nordquist, LLC

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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, 2016, 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, 2016, 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.



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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 32 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 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 the 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 schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, and schedules and supplementary financial information, and the schedule of expenditures of federal awards, 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 audit of the basic 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, the combining and individual nonmajor fund financial statements, and the schedule of expenditures of federal awards, 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 June 15, 2017, 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. That report 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
June 15, 2017

City of Mora, Minnesota
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED
December 31, 2016

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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, 2016. 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 \$31,686,891 (net position). Of this amount, \$8,300,355 (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 \$1,829,546 in 2016.
- * At the close of the fiscal year, governmental fund balances totaled \$951,141.
- * As of December 31, 2016, the unreserved fund balance of the General Fund was \$1,158,986. This amount was 45.7% of the General Fund's total expenditures in 2016.

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 was \$31,686,891. This was a \$1,829,546 increase over last year's net position of \$29,857,345. 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	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 2,905,113	\$ 2,721,518	\$ 9,738,649	\$ 8,560,629	\$ 12,643,762	\$ 11,282,147
Capital assets (net)	13,781,591	13,533,430	16,801,216	15,312,124	30,582,807	28,845,554
Total Assets	<u>16,686,704</u>	<u>16,254,948</u>	<u>26,539,865</u>	<u>23,872,753</u>	<u>43,226,569</u>	<u>40,127,701</u>
Other liabilities	3,380,336	2,566,747	831,548	562,243	4,211,884	3,128,990
Long-term liabilities	2,848,922	3,188,995	4,478,872	3,952,371	7,327,794	7,141,366
Total Liabilities	<u>6,229,258</u>	<u>5,755,742</u>	<u>5,310,420</u>	<u>4,514,614</u>	<u>11,539,678</u>	<u>10,270,356</u>
Net Position:						
Net investment						
in Capital Assets	10,710,096	10,344,435	12,050,343	11,359,753	22,760,439	21,704,188
Restricted	589,285	1,038,255	36,812	661,968	626,097	1,700,223
Unrestricted	(841,935)	(883,484)	9,142,290	7,336,418	8,300,355	6,452,934
Total Net Position	<u>\$ 10,457,446</u>	<u>\$ 10,499,206</u>	<u>\$ 21,229,445</u>	<u>\$ 19,358,139</u>	<u>\$ 31,686,891</u>	<u>\$ 29,857,345</u>

The city reported positive balances in net position for both governmental and business-type activities. Net position decreased \$47,760 for governmental activities and increased by \$1,871,306 for business-type activities. The city's overall financial position improved during 2016 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	
	2016	2015	2016	2015
Revenues:				
Program revenues				
Charge for services	\$ 934,114	\$ 1,003,441	\$ 11,489,271	\$ 12,548,475
Operating grants and contributions	1,285,474	1,125,972	--	--
Capital grants and contributions	150,209	161,878	--	--
General revenues				
Property taxes	653,211	623,338	--	--
Tax increment	118,742	123,271	--	--
Special assessments	121,236	198,346	--	--
Investment earnings	53,105	36,900	150,528	134,193
Other revenue	88,260	421,101	--	--
Total Revenue	<u>3,404,351</u>	<u>3,694,247</u>	<u>11,639,799</u>	<u>12,682,668</u>
Program Expenses:				
General government	524,732	636,825	--	--
Public safety	990,412	992,749	--	--
Public works	899,069	832,453	--	--
Cemetery	70,931	73,064	--	--
Culture and recreation	410,756	322,420	--	--
Housing & ED	676,903	117,556	--	--
Capital projects	83,907	375,513	--	--
Miscellaneous	--	--	--	--
Interest on long-term debt	83,034	84,388	--	--
Liquor	--	--	2,845,219	2,751,495
Electric	--	--	5,233,142	5,139,160
Water	--	--	594,067	591,704
Wastewater	--	--	732,519	860,989
Total Expenses	<u>3,739,744</u>	<u>3,434,968</u>	<u>9,404,947</u>	<u>9,343,348</u>
Increase in net position before transfers	(335,393)	259,279	2,234,852	3,339,320
Miscellaneous	--	--	--	--
Transfers	293,633	694,440	(363,546)	(694,440)
Change in net position	(41,760)	953,719	1,871,306	2,644,880
Prior Period Adjustment	--	(1,042,845)	--	--
Beginning net position	10,499,206	10,588,332	19,358,139	16,713,259
Ending net position	<u>\$ 10,457,446</u>	<u>\$ 10,499,206</u>	<u>\$ 21,229,445</u>	<u>\$ 19,358,139</u>

Totals	
2016	2015
\$ 12,423,385	\$ 13,551,916
1,285,474	1,125,972
	--
150,209	161,878
--	--
653,211	623,338
118,742	123,271
121,236	198,346
203,633	171,093
88,260	421,101
15,044,150	16,376,915
524,732	636,825
990,412	992,749
899,069	832,453
70,931	73,064
410,756	322,420
676,903	117,556
83,907	375,513
--	--
83,034	84,388
2,845,219	2,751,495
5,233,142	5,139,160
594,067	591,704
732,519	860,989
13,144,691	12,778,316
1,899,459	3,598,599
--	--
(69,913)	--
1,829,546	3,598,599
--	(1,042,845)
29,857,345	27,301,591
\$ 31,686,891	\$ 29,857,345

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 2016, due mainly to net profits achieved in the enterprise funds.

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

- License and permit revenue exceeded budgeted amounts by \$9,145, due largely to a significant increase in liquor license applications.
- Investment earnings were up \$20,159 from expected, mainly due to a large dividend from the City's property and liability insurance company.
- Revenue from miscellaneous sources exceeded the budget by \$15,420 due primarily to an insurance settlement for a damaged police car and a sizeable rebate for new LED fixtures installed at the city garage.

Expenditures

- General expenditures were slightly under budgeted amounts by a total of \$2,412.
- The department designated for the City Hall was over-extended by approximately \$21,500, due largely to the purchase and installation of a server.
- The law enforcement department was \$26,336 under budget, due mostly to a delay in purchasing a new squad car.
- Street department expenditures came under budget by \$136,700, due to postponed street maintenance.
- A new soil vapor extraction system was installed, as a result of a fuel leak, at the Municipal Airport. Expenditures for the department as a whole came in over budgeted amounts by \$312,925.
- Aquatic center expenditures were \$27,741 below budget due primarily to a rescheduling of a feasibility study.

As a result of these budget variances and numerous less significant variances, the General Fund actual revenues varied from the amended budget by \$42,250 and expenditures varied by \$129,655. The fund balance decreased by \$167,328.

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 \$96,085 and correspondingly the cost of goods sold was \$98,164 lower than budgeted.
- Wage and salary expenses were \$16,559 higher than budgeted, but interest earnings were \$6,601 higher than expected.

The resulting change in net position was a positive \$61,671 after a \$280,000 transfer to the General Fund.

Electric Fund

- Sales were lower than budgeted by \$86,162, but the cost of sales were \$127,400 lower than budgeted.
- Miscellaneous revenues were approximately \$79,000 higher than expected, due to a large service upgrade at FirstLight Health System.
- Investment earnings were up \$9,500 from expected, mainly due to a large dividend from the City's property and liability insurance company.
- Expenditures for generation and power supply were \$358,509 lower than budgeted. This savings was due primarily to lower wages and benefits expenses of \$67,845, fuel oil savings of \$101,000, and purchased power savings of \$127,400.

The resulting change in net position was a positive \$451,457.

Water Fund

- Sales were higher than budgeted by \$7,887, and Water Access Charges (WAC fees) were higher than budgeted by \$15,000.
- Expenditures were approximately \$78,600 lower than budgeted, due, in part, to a savings in wages and benefits of \$31,900.

The resulting change in net position was a positive \$87,679.

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: (Continued)

Sewer Fund

- Sales were higher than budgeted amounts, to the tune of \$3,888, and Sewer Access Charges (SAC fees) were higher than budgeted by \$24,000.
- Revenue was higher than expected for the grants received to help with financing of the new wastewater treatment plant. The total grant revenue received in 2016 was \$1,036,766.
- Expenditures were approximately \$110,385 lower than budgeted, due, in part, to savings realized in supplies of \$22,160, miscellaneous professional services of \$24,000, engineering services of \$10,000, and repair/maintenance of \$22,500.

The resulting change in net position was a positive \$1,274,500.

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

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

Capital Assets and Debt Administration

Capital Assets . As of December 31, 2016, the city had invested \$30,582,807 in capital assets, including buildings, facilities, vehicles, and equipment. This amount represents a net increase prior to depreciation of \$1,737,253 from last year. Total depreciation expense for the year was \$1,399,519. 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	
	2016	2015	2016	2015
Non-Depreciable Assets:				
Land	\$ 1,460,973	\$ 1,537,007	\$ 356,036	\$ 356,036
Construction in progress	--	--	200,864	4,618,388
Depreciable Assets:				
Buildings	2,137,923	2,203,806	8,587,285	2,240,825
Infrastructure	6,255,382	6,174,094	--	--
Improvements	3,410,191	3,025,462	7,068,478	7,299,226
Machinery, equipment, vehicles	517,122	593,061	588,553	797,649
Total	<u>\$ 13,781,591</u>	<u>\$ 13,533,430</u>	<u>\$ 16,801,216</u>	<u>\$ 15,312,124</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	
	2016	2015	2016	2015
General obligation bonds	\$ 3,071,495	\$ 3,188,995	\$ --	\$ --
Revenue bonds	--	--	4,750,873	3,952,371
Total	<u>\$ 3,071,495</u>	<u>\$ 3,188,995</u>	<u>\$ 4,750,873</u>	<u>\$ 3,952,371</u>

For further information please refer to Note 3: F Long-term Debt, pages 71-75.

Totals	
2016	2015
\$ 1,817,009	\$ 1,893,043
200,864	4,618,388
10,725,208	4,444,631
6,255,382	6,174,094
10,478,669	10,324,688
1,105,675	1,390,710
<u>\$ 30,582,807</u>	<u>\$ 28,845,554</u>

Total	
2016	2015
3,071,495	3,188,995
4,750,873	3,952,371
<u>\$ 7,822,368</u>	<u>\$ 7,141,366</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

- Numerous tax forfeit parcel in city limits were sold by Kanabec County. Generally speaking, the new owners intend to build new homes on the lots.
- A unanimously approved resolution was passed ordering improvement and preparation of plans for a street improvement project at 9th and Wood Street. The project, including a trail to the elementary school, is scheduled to be completed before Labor Day 2017.
- Various improvements were made to the City's accounting software in order to build efficiencies into daily tasks and boost productivity. A new billing/invoice module was purchased, as well as a new point-of-Sale software program.
- A municipal election was held on Tuesday, November 8th to fill three seats on the city council. Two incumbents, Sara Treiber and Alan Skramstad, and one new member, Jody Anderson, were elected.
- Construction began on the new Crosswind Runway project at the airport.
- A new storm water utility fee structure, designed to provide incentives for property owners who provide their own storm water solutions, was implemented in 2016.
- A city-owned parcel of land was sold to Net 3 Real Estate Co. in 2016, and construction began to build a new dialysis clinic on the property.
- New street lights were installed on portions of both MN 65 and MN 23.
- The City entered an agreement to sell a single-family home located near the municipal airport. The real estate closing is scheduled to be completed in early 2017.
- A new labor agreement was settled for the years 2016 to 2018, allowing for 1.5%, 2.0%, and 2.5% cost-of-living increases, respectively.

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

Factors Bearing on the City's Future (continued)

Public Utilities Commission

- Construction on the new Wastewater Treatment Plant reached substantial completion in 2016, and the plant is running as designed.
- Discussion began on rehabilitation of the 100,000 gallon water tower located near the high school, but it was decided to table the project until 2018 due to time constraints.
- Electrical equipment was upgraded at FirstLight Health systems and at Trailview Elementary School in order to accommodate significant construction projects at the corresponding facilities.
- A new position, Utility Billing Clerk II, was created to assist with the growing complexities of utility billing. The position was filled by Jackie Ness.

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

Factors Bearing on the City's Future (continued)

Economic Development Authority

- The grand opening of the Telework center took place on October 25th, 2016. The telework center is now open and memberships are available.
- Residential and downtown commercial rehabilitation started thanks to the Small Cities Development Program grant. A total of 5 commercial properties and 5 residential properties were either finished or in process during 2016.
- The transition of projects/activities to the new Kanabec County EDA has begun. The Mora EDA will maintain oversight of a limited number of items that were already in force before the KCEDA was formed.
- An application for Tax Increment Financing (TIF) was received from the Housing and Redevelopment Authority of Mora in 2016. The intent of the HRA is to begin construction on a new housing facility in the summer of 2017.
- Discussion began on the creation of a new tax abatement policy.
- Planning commenced for the Mora Area Economic Development Conference of 2018. The last conference hosted by Mora was in 2006.

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, 2016

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City of Mora, Minnesota
Statement of Net Position
December 31, 2016

	Governmental Activities	Business - Type Activities	2016 Total	Component Unit EDA
ASSETS				
Cash and investments	\$ 1,820,564	\$ 7,442,106	\$ 9,262,670	\$ 25,338
Accounts receivable	348,105	679,923	1,028,028	--
Inventory	--	563,533	563,533	--
Advance to other funds	--	860,581	860,581	--
Prepaid items	--	--	--	--
Special assessments	--	192,506	192,506	--
Restricted Assets:				
Temporary restricted:				
Cash and investments	--	--	--	--
Other assets	16,310	--	16,310	--
Capital assets, (net of accumulated depreciation)				
Land/CIP	25,418,496	27,816,146	53,234,642	--
Building, machinery, equipment	(11,636,905)	(11,014,930)	(22,651,835)	--
Total assets	<u>15,966,570</u>	<u>26,539,865</u>	<u>42,506,435</u>	<u>25,338</u>
Deferred Outflow of Resources				
Related to Pension	<u>720,134</u>	<u>--</u>	<u>720,134</u>	<u>--</u>
Total Assets and Deferred				
Outflow of Resources	<u>\$ 16,686,704</u>	<u>\$ 26,539,865</u>	<u>\$ 43,226,569</u>	<u>\$ 25,338</u>
LIABILITIES				
Accounts payable	\$ 367,390	\$ 376,444	\$ 743,834	\$ 2,552
Other payables	32,724	124,228	156,952	--
Accrued interest	83,034	--	83,034	--
Advance from other funds	860,581	--	860,581	--
Customer meter deposits	2,700	58,625	61,325	--
Net pension liability	1,615,781	--	1,615,781	--
Unearned revenue	--	250	250	--
Noncurrent liabilities:				
Due within one year	222,573	272,001	494,574	--
Due in more than one year	2,848,922	4,478,872	7,327,794	--
Total liabilities	<u>6,033,705</u>	<u>5,310,420</u>	<u>11,344,125</u>	<u>2,552</u>
Deferred Inflow of Resources				
Related to Pensions	<u>195,553</u>	<u>--</u>	<u>195,553</u>	<u>--</u>
Total Liabilities and Deferred				
Inflow of Resources	<u>\$ 6,229,258</u>	<u>\$ 5,310,420</u>	<u>\$ 11,539,678</u>	<u>\$ 2,552</u>
NET POSITION				
Net investment in capital assets	\$ 10,710,096	\$ 12,050,343	\$ 22,760,439	\$ --
Restricted for:				
Debt service	390,319	--	390,319	--
Special revenue	198,966	--	198,966	--
Future operations:				
Electric Utility	--	--	--	--
Water Utility	--	36,812	36,812	--
Unrestricted:				
Unrestricted	<u>(841,935)</u>	<u>9,142,290</u>	<u>8,300,355</u>	<u>22,786</u>
Total net position	<u>\$ 10,457,446</u>	<u>\$ 21,229,445</u>	<u>\$ 31,686,891</u>	<u>\$ 22,786</u>
See notes to financial statements.				

City of Mora, Minnesota
Statement of Activities
For the Year Ended December 31, 2016

Functions/Programs	Expenses	Charges for Services	Program Revenues	
			Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ (524,732)	\$ 353,641	\$ 894,359	\$ --
Public safety	(990,412)	239,448	105,482	--
Public works	(899,069)	112,263	49,850	150,209
Cemetery	(70,931)	62,600	--	--
Culture and recreation	(410,756)	157,762	--	--
Housing & economic development	(676,903)	--	183,844	--
Capital projects	(83,907)	8,400	51,939	--
Interest on long-term debt	(83,034)	--	--	--
Total governmental activities	<u>(3,739,744)</u>	<u>934,114</u>	<u>1,285,474</u>	<u>150,209</u>
Business - type - activities:				
Liquor	(2,845,219)	3,197,563	--	--
Electric	(5,233,142)	5,618,004	--	--
Water	(594,067)	680,043	--	--
Wastewater	(732,519)	1,993,661	--	--
Total business - type activities	<u>(9,404,947)</u>	<u>11,489,271</u>	<u>--</u>	<u>--</u>
Total Primary Government	<u><u>\$(13,144,691)</u></u>	<u><u>\$ 12,423,385</u></u>	<u><u>\$ 1,285,474</u></u>	<u><u>\$ 150,209</u></u>
Component Unit				
Economic Development Authority	(57,344)	--	9,372	--
Total Component Unit	<u><u>\$ (57,344)</u></u>	<u><u>--</u></u>	<u><u>9,372</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
\$ 723,268	\$ --	\$ 723,268	\$ --
(645,482)	--	(645,482)	--
(586,747)	--	(586,747)	--
(8,331)	--	(8,331)	--
(252,994)	--	(252,994)	--
(493,059)	--	(493,059)	--
(23,568)	--	(23,568)	--
(83,034)	--	(83,034)	--
<u>(1,369,947)</u>	<u>--</u>	<u>(1,369,947)</u>	<u>--</u>
--	352,344	352,344	--
--	384,862	384,862	--
--	85,976	85,976	--
--	1,261,142	1,261,142	--
<u>--</u>	<u>2,084,324</u>	<u>2,084,324</u>	<u>--</u>
<u>(1,369,947)</u>	<u>2,084,324</u>	<u>714,377</u>	<u>--</u>
--	--	--	(47,972)
<u>--</u>	<u>--</u>	<u>--</u>	<u>(47,972)</u>
653,211	--	653,211	--
118,742	--	118,742	--
121,236	--	121,236	--
53,105	150,528	203,633	129
68,001	--	68,001	--
20,259	--	20,259	--
293,633	(363,546)	(69,913)	69,913
<u>1,328,187</u>	<u>(213,018)</u>	<u>1,115,169</u>	<u>70,042</u>
(41,760)	1,871,306	1,829,546	22,070
10,499,206	19,358,139	29,857,345	716
<u>\$ 10,457,446</u>	<u>\$ 21,229,445</u>	<u>\$ 31,686,891</u>	<u>\$ 22,786</u>

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CITY OF MORA, MINNESOTA
FUND FINANCIAL STATEMENTS
December 31, 2016

City of Mora, Minnesota
Governmental Funds
Balance Sheet
December 31, 2016

	General Fund	453 Grove & Wood St. Improvements	Other Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 1,187,358	\$ 203,791	\$ 429,415	\$ 1,820,564
Taxes receivable - delinquent	16,969	--	12,895	29,864
Accounts receivable	35,952	585	311,568	348,105
Special assessment receivables -				
Delinquent	27,906	614	2,424	30,944
Deferred	--	389,483	714,636	1,104,119
Due from other governmental units	--	--	16,310	16,310
Due from other funds	--	--	1,587,292	1,587,292
Note receivable	--	--	--	--
Prepaid insurance	--	--	--	--
Cash restricted	--	--	--	--
Total assets	<u>\$ 1,268,185</u>	<u>\$ 594,473</u>	<u>\$ 3,074,540</u>	<u>\$ 4,937,198</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Due to other funds	\$ --	\$ --	\$ 1,587,292	\$ 1,587,292
Accounts payable	56,806	--	310,584	367,390
Advance from other funds	--	618,033	242,548	860,581
Other payables	32,724	--	--	32,724
Deposits from developers	2,700	--	--	2,700
Unearned revenues	16,969	390,096	728,305	1,135,370
Total liabilities	<u>109,199</u>	<u>1,008,129</u>	<u>2,868,729</u>	<u>3,986,057</u>
Fund Balances:				
Nonspendable	--	--	--	--
Restricted	--	--	390,319	390,319
Committed	--	--	--	--
Assigned	--	--	123,636	123,636
Unassigned	1,158,986	(413,656)	(308,144)	437,186
Total fund balances	<u>1,158,986</u>	<u>(413,656)</u>	<u>205,811</u>	<u>951,141</u>
Total liabilities and fund balances	<u>\$ 1,268,185</u>	<u>\$ 594,473</u>	<u>\$ 3,074,540</u>	<u>\$ 4,937,198</u>

See notes to financial statements.

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, 2016

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

	2016	2015
Total governmental fund balances	\$ 951,141	\$ 1,343,559
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental capital assets	25,418,496	24,585,638
Less: accumulated depreciation	(11,636,905)	(11,052,208)
	13,781,591	13,533,430
Other long-term assets are not available to pay for current - personal expenditures and, therefore, are deferred with funds.		
Delinquent property taxes	(29,864)	(32,257)
Deferred special assessments	(825,529)	(1,196,881)
Deferred revenues	825,836	1,200,037
Interest on long-term debt is not accrued in governmental funds but rather recognized as an expenditure when due	(83,034)	(84,388)
Pension Related Items for GASB#68:		
Deferred outflow of resources	720,134	100,574
Deferred inflow of resources	(195,553)	(113,457)
Net pension liability	(1,615,781)	(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	(3,071,495)	(3,188,995)
Net position of governmental activities (page 31)	<u>\$ 10,457,446</u>	<u>\$ 10,499,206</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, 2016

	General Fund	453 Grove & Wood St. Improvements	Other Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	\$ 350,507	\$ --	\$ 313,074	\$ 663,581
Tax increments	--	--	108,372	108,372
Licenses and permits	100,290	--	--	100,290
Special assessments	--	38,121	82,965	121,086
Intergovernmental	1,045,366	--	596,139	1,641,505
Charges for services	540,324	--	145,396	685,720
Fines	18,452	--	--	18,452
Investment earnings	50,159	--	19,376	69,535
Sale of assets	3,000	--	--	3,000
Miscellaneous	37,070	--	239,586	276,656
Total revenues	<u>2,145,168</u>	<u>38,121</u>	<u>1,504,908</u>	<u>3,688,197</u>
EXPENDITURES				
Current:				
General government	499,528	--	--	499,528
Public safety	764,075	--	126,917	890,992
Public works	477,841	--	17,031	494,872
Cemetery	--	--	65,416	65,416
Culture and recreation	344,588	--	--	344,588
Housing and economic development	--	--	676,903	676,903
Capital projects	--	11,201	656,285	667,486
Miscellaneous	448,210	--	--	448,210
Debt Service:				
Principal	--	--	192,500	192,500
Interest and other charges	--	--	93,753	93,753
Total expenditures	<u>2,534,242</u>	<u>11,201</u>	<u>1,828,805</u>	<u>4,374,248</u>
Excess (deficiency) of revenues over (under) expenditures	(389,074)	26,920	(323,897)	(686,051)
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt	--	--	--	--
Miscellaneous income (expense)	--	--	--	--
Transfers in	504,952	--	517,870	1,022,822
Transfers out	(283,206)	--	(445,983)	(729,189)
Total other financing sources (uses)	<u>221,746</u>	<u>--</u>	<u>71,887</u>	<u>293,633</u>
Net change in fund balances	(167,328)	26,920	(252,010)	(392,418)
Fund balances - beginning	1,326,314	(440,576)	457,821	1,343,559
Fund balances - ending	<u>\$ 1,158,986</u>	<u>\$ (413,656)</u>	<u>\$ 205,811</u>	<u>\$ 951,141</u>

See notes to financial statements.

City of Mora, Minnesota
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2016

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

	2016	2015
Net changes in fund balances - total governmental funds	\$ (392,418)	\$ 646,753

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	866,629	2,057,043
Depreciation Expense	(618,468)	(598,361)
	<u>248,161</u>	<u>1,458,682</u>
Other miscellaneous items	(456)	(111,209)
Pension Related items for GASB# 68:		
Pension expense	(15,901)	(32,454)
Prior period adjustment - pension liability	--	(1,042,845)
Change in accrued interest payable	1,354	(5,553)
Long-term debt payments for current year	<u>117,500</u>	<u>(1,002,500)</u>
Changes in net position of governmental activities (page 33)	<u>\$ (41,760)</u>	<u>\$ (89,126)</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, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	
REVENUES				
Property taxes	\$ 352,000	\$ 352,000	\$ 350,507	\$ (1,493)
Licenses and permits	91,145	91,145	100,290	9,145
Intergovernmental	1,018,097	1,018,097	1,045,366	27,269
Charges for services	567,526	567,526	540,324	(27,202)
Fines	20,000	20,000	18,452	(1,548)
Investment earnings	30,000	30,000	50,159	20,159
Sale of assets	2,500	2,500	3,000	500
Miscellaneous	21,650	21,650	37,070	15,420
Total revenues	<u>2,102,918</u>	<u>2,102,918</u>	<u>2,145,168</u>	<u>42,250</u>
EXPENDITURES				
Current:				
General government:				
General	18,806	18,806	16,394	2,412
Council	36,226	36,226	30,785	5,441
Administration	108,139	105,613	101,897	3,716
Elections	2,870	2,870	4,200	(1,330)
Finance	157,110	158,149	150,012	8,137
Legal	34,478	34,478	30,682	3,796
Personnel	16,667	16,667	18,369	(1,702)
Planning and zoning	79,396	79,314	79,794	(480)
City hall building	25,641	25,641	47,225	(21,584)
Library building	17,844	17,844	20,170	(2,326)
Total general government	<u>497,177</u>	<u>495,608</u>	<u>499,528</u>	<u>(3,920)</u>
Public safety:				
Building inspection	74,869	74,836	77,020	(2,184)
Police protection	653,197	653,197	626,861	26,336
Fire protection	55,000	55,000	60,194	(5,194)
Total public safety	<u>783,066</u>	<u>783,033</u>	<u>764,075</u>	<u>18,958</u>
Public works:				
Street department	564,559	549,606	412,906	136,700
Street lighting	35,000	35,000	34,115	885
Airport	146,916	135,285	448,210	(312,925)
Garage	29,702	29,702	30,820	(1,118)
Total public works	<u>776,177</u>	<u>749,593</u>	<u>926,051</u>	<u>(176,458)</u>
Culture and recreation:				
Swimming pool	245,148	240,923	213,182	27,741
Park areas	131,715	135,430	131,406	4,024
Total Culture and recreation	<u>376,863</u>	<u>376,353</u>	<u>344,588</u>	<u>31,765</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, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Total expenditures	2,433,283	2,404,587	2,534,242	(129,655)
Excess (deficiency) of revenues over (under) expenditures	(330,365)	(301,669)	(389,074)	(87,405)
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 528,547	\$ 528,547	\$ 504,952	\$ (23,595)
Transfers out	(197,408)	(197,408)	(283,206)	(85,798)
Total other financing sources (uses)	331,139	331,139	221,746	(109,393)
Net change in fund balances	774	29,470	(167,328)	(196,798)
Fund balances - beginning	1,326,314	1,326,314	1,326,314	--
Fund balances - ending	<u>\$ 1,327,088</u>	<u>\$ 1,355,784</u>	<u>\$ 1,158,986</u>	<u>\$ (196,798)</u>

See notes to financial statements.

City of Mora, Minnesota
Proprietary Funds
Statement of Net Position
December 31, 2016

	Business - Type Activities - Enterprise Funds		
	Municipal Liquor Fund	Electric Utility Fund	Water Utility Fund
ASSETS			
Current assets:			
Cash and investments	\$ 156,633	\$ 4,758,572	\$ 794,915
Interest receivable	--	--	--
Accounts receivable	36,875	428,431	114,783
Advance to other funds	--	2,507,621	--
Inventory	439,907	120,206	3,420
Prepaid items	--	--	--
Special assessments	--	12,871	178,796
Total current assets	<u>633,415</u>	<u>7,827,701</u>	<u>1,091,914</u>
Noncurrent assets:			
Restricted cash and investments	--	--	36,812
Total restricted assets	<u>--</u>	<u>--</u>	<u>36,812</u>
Capital assets:			
Plant in service	1,803,634	5,642,464	6,972,089
Less: accumulated depreciation	<u>(390,188)</u>	<u>(3,435,043)</u>	<u>(3,058,110)</u>
Total Capital assets (net of accumulated depreciation)	<u>1,413,446</u>	<u>2,207,421</u>	<u>3,913,979</u>
Total noncurrent assets	<u>1,413,446</u>	<u>2,207,421</u>	<u>3,950,791</u>
Total assets	<u>\$ 2,046,861</u>	<u>\$ 10,035,122</u>	<u>\$ 5,042,705</u>
LIABILITIES			
Current liabilities:			
Accounts payable	6,275	322,731	27,698
Accrued payables	42,460	38,919	21,699
Advance from other funds	1,300,000	--	176,994
Revenue bonds payable	--	--	93,506
Total current liabilities	<u>1,348,735</u>	<u>361,650</u>	<u>319,897</u>
Noncurrent liabilities:			
Customer meter deposits	--	58,575	50
Revenue bonds payable	--	--	1,324,858
Unearned revenue	<u>--</u>	<u>--</u>	<u>250</u>
Total noncurrent liabilities	<u>--</u>	<u>58,575</u>	<u>1,325,158</u>
Total liabilities	<u>\$ 1,348,735</u>	<u>\$ 420,225</u>	<u>\$ 1,645,055</u>
NET POSITION			
Net investment in capital assets	\$ 113,446	\$ 2,207,421	\$ 2,495,615
Restricted:			
Future operations	--	--	--
Non spendable	439,907	2,627,827	3,420
Unrestricted:			
Unreserved	<u>144,773</u>	<u>4,779,649</u>	<u>898,615</u>
Total net position	<u>\$ 698,126</u>	<u>\$ 9,614,897</u>	<u>\$ 3,397,650</u>

See notes to financial statements.

Wastewater Utility Fund	Total
\$ 1,695,174	\$ 7,405,294
--	--
99,834	679,923
--	2,507,621
--	563,533
--	--
839	192,506
<u>1,795,847</u>	<u>11,348,877</u>
--	36,812
<u>--</u>	<u>36,812</u>
13,397,959	27,816,146
(4,131,589)	(11,014,930)
<u>9,266,370</u>	<u>16,801,216</u>
<u>9,266,370</u>	<u>16,838,028</u>
<u>\$ 11,062,217</u>	<u>\$ 28,186,905</u>
\$ 19,740	\$ 376,444
21,150	124,228
170,046	1,647,040
178,495	272,001
<u>389,431</u>	<u>2,419,713</u>
--	58,625
3,154,014	4,478,872
--	250
<u>3,154,014</u>	<u>4,537,747</u>
<u>\$ 3,543,445</u>	<u>\$ 6,957,460</u>
\$ 5,933,861	\$ 10,750,343
--	--
--	3,071,154
<u>1,584,911</u>	<u>7,407,948</u>
<u>\$ 7,518,772</u>	<u>\$ 21,229,445</u>

City of Mora, Minnesota
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Assets
For the Year Ended December 31, 2016

	Business- Type Activities - Enterprise Funds		
	Municipal Liquor Fund	Electric Utility Fund	Water Utility Fund
Operating revenues:			
Sales and charges for services	\$ 3,037,915	\$ 5,052,838	\$ 648,887
Less cost of goods sold	(2,326,836)	(4,197,600)	--
Miscellaneous	159,648	558,432	31,156
Total operating revenues	<u>870,727</u>	<u>1,413,670</u>	<u>680,043</u>
Operating expenses:			
Employee service	266,489	438,735	158,026
Supplies	8,333	6,311	28,712
Interest expense	45,500	865	38,201
Utilities expense	25,246	9,761	23,043
Other service charges	113,708	420,236	56,825
Depreciation	59,107	159,634	289,260
Total operating expenses	<u>518,383</u>	<u>1,035,542</u>	<u>594,067</u>
Operating income	<u>352,344</u>	<u>378,128</u>	<u>85,976</u>
Nonoperating revenues (expenses):			
Interest earnings	<u>6,851</u>	<u>139,665</u>	<u>1,546</u>
Total nonoperating revenues (expenses)	<u>6,851</u>	<u>139,665</u>	<u>1,546</u>
Income (loss) before transfers	359,195	517,793	87,522
Transfers in	--	1,500	750
Transfers out	<u>(297,524)</u>	<u>(67,836)</u>	<u>(593)</u>
Changes in net position	61,671	451,457	87,679
Total net position - beginning	<u>636,455</u>	<u>9,163,440</u>	<u>3,309,971</u>
Total net position - ending	<u>\$ 698,126</u>	<u>\$ 9,614,897</u>	<u>\$ 3,397,650</u>

See notes to financial statements.

Wastewater Utility Fund	Total
\$ 875,288	\$ 9,614,928
--	(6,524,436)
1,118,373	1,867,609
1,993,661	4,958,101
262,144	1,125,394
30,790	74,146
31,659	116,225
60,564	118,614
74,312	665,081
273,050	781,051
732,519	2,880,511
1,261,142	2,077,590
9,200	157,262
9,200	157,262
1,270,342	2,234,852
750	3,000
(593)	(366,546)
1,270,499	1,871,306
6,248,273	19,358,139
\$ 7,518,772	\$ 21,229,445

City of Mora Minnesota
Proprietary Funds
Statement of Cash Flows
For the Year Ended December 31, 2016

	Business - Type Activities - Enterprise Funds		
	Municipal Liquor Fund	Electric Utility Fund	Water Utility Fund
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 3,183,821	\$ 5,758,308	\$ 693,415
Cash payments for interest expense	(45,500)	(865)	(38,201)
Cash payments to suppliers	(2,569,844)	(4,445,565)	(273,416)
Cash payments to employees	(266,489)	(438,735)	(158,026)
Net cash provided by operating activities	<u>301,988</u>	<u>873,143</u>	<u>223,772</u>
CASH FLOWS FROM NONCAPITAL FINANCING:			
Transfers in (out)	<u>(297,524)</u>	<u>(66,336)</u>	<u>157</u>
Net cash provided by (used in) negotiated activities	<u>(297,524)</u>	<u>(66,336)</u>	<u>157</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Bond principal payments	--	--	(90,846)
Acquisition of capital assets	--	(239,445)	(11,786)
Bond sales	<u>--</u>	<u>--</u>	<u>--</u>
Net cash provided (used in) capital and related financing activities	<u>--</u>	<u>(239,445)</u>	<u>(102,632)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	<u>6,851</u>	<u>139,665</u>	<u>1,546</u>
Net increase (decrease) in cash and cash equivalents	11,315	707,027	122,843
Cash at Beginning of Year, including restricted cash	145,318	4,051,545	708,884
Cash at End of Year, including restricted cash	<u>\$ 156,633</u>	<u>\$ 4,758,572</u>	<u>\$ 831,727</u>

See notes to financial statements.

Wastewater Utility Fund	Total Current Year
\$ 2,031,861	\$ 11,667,405
(31,659)	(116,225)
(158,313)	(7,447,138)
(260,444)	(1,123,694)
<u>1,581,445</u>	<u>2,980,348</u>
157	(363,546)
<u>157</u>	<u>(363,546)</u>
889,348	798,502
(2,018,912)	(2,270,143)
<u>--</u>	<u>--</u>
<u>(1,129,564)</u>	<u>(1,471,641)</u>
9,200	157,262
461,238	1,302,423
1,233,936	6,139,683
<u>\$ 1,695,174</u>	<u>\$ 7,442,106</u>

City of Mora, Minnesota
Proprietary Funds
Statement of Cash Flows
For the Year Ended December 31, 2016

	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)	\$ 352,344	\$ 378,128	\$ 85,976
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	59,107	159,634	289,260
(Increase) decrease in interest receivable	--	--	--
(Increase) decrease in accounts receivable	(13,742)	140,304	13,372
(Increase) decrease in other receivables	--	201,376	--
(Increase) decrease in special assessments	--	5,811	(177,199)
(Increase) decrease in inventory	(6,932)	(23,099)	9,599
(Increase) decrease in prepaid insurance	9,465	15,402	3,005
Increase (decrease) in accounts payable	(505)	(14,376)	3,834
Increase (decrease) in accrued payables	2,251	7,788	1,567
Increase (decrease) in other liabilities	(100,000)	2,175	(5,642)
Total adjustments	(50,356)	495,015	137,796
Net cash provided (used) by operating activities	\$ 301,988	\$ 873,143	\$ 223,772

See notes to financial statements.

<u>Wastewater Utility Fund</u>	<u>Total Current Year</u>
<u>\$ 1,261,142</u>	<u>\$ 2,077,590</u>
273,050	781,051
--	--
38,200	178,134
--	201,376
4,509	(166,879)
--	(20,432)
11,728	39,600
(479)	(11,526)
1,980	13,586
(8,685)	(112,152)
<u>320,303</u>	<u>902,758</u>
<u><u>\$ 1,581,445</u></u>	<u><u>\$ 2,980,348</u></u>

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CITY OF MORA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

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City of Mora, Minnesota
Notes to Financial Statements
December 31, 2016

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, an entity for which the government is considered to be financially accountable.

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, 2016

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 provided 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 judgments, are recorded only when payment is due.

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

The City reports the following major governmental funds:

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

Capital Project Funds:

Fund 453 the Grove & Wood Street Improvement

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, 2016

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, 2016

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, 2016

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, 2016

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 \$104,244 in 2015 to \$112,412 in 2016.

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 issuance costs are considered 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, 2016

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, 2016

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, 2016 are as follows:

Neighborhood National Bank - Checking	\$ 2,037,292
First Citizens Bank - HiFi	2,503,660
Wells Fargo	1,806,536
Morgan Stanley & Smith Barney	2,940,520
Total Deposits	<u>\$ 9,288,008</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, 2016

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, 2016

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	Grove & Wood St.	Minicipal Liquor	Electric Utility
Receivables:				
Interest	\$ --	\$ --	\$ --	\$ --
Taxes-delinquent	16,969	--	--	--
Accounts	35,952	585	36,875	428,431
Special assessments	27,906	390,097	--	12,871
Intergovernmental	--	--	--	--
Advances to others	--	--	--	2,507,621
Gross receivables	80,827	390,682	36,875	2,948,923
Less: Allowance for Uncollectible*	--	--	--	--
Net total receivables	<u>\$ 80,827</u>	<u>\$ 390,682</u>	<u>\$ 36,875</u>	<u>\$ 2,948,923</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.

Water Utility	Wastewater Utility	Nonmajor and other Funds	Total
\$ --	\$ --	\$ --	\$ --
--	--	12,895	29,864
114,783	99,834	311,568	1,028,028
178,796	839	716,760	1,327,269
--	--	16,310	16,310
--	--	--	2,507,621
293,579	100,673	1,057,533	4,909,092
--	--	--	--
<u>\$ 293,579</u>	<u>\$ 100,673</u>	<u>\$ 1,057,533</u>	<u>\$ 4,909,092</u>

City of Mora, Minnesota
Notes to Financial Statements
December 31, 2016

NOTE 3: Detailed Notes on All Funds(Continued)

D. Capital Assets

Capital assets activity for the year ended December 31, 2016 was as follows:

Governmental Activities	Beginning Balances	Increase	Decrease*	Ending Balances
Capital assets, not being depreciated:				
Land	\$ 1,537,007	\$ --	\$ 76,034	\$ 1,460,973
Construction in progress	--	--	--	--
Total capital assets, not being depreciated	<u>1,537,007</u>	<u>--</u>	<u>76,034</u>	<u>1,460,973</u>
Capital assets, being depreciated:				
Land Improvements	5,887,110	532,039	--	6,419,149
Buildings	3,472,524	--	--	3,472,524
Infrastructure	10,442,223	367,759	--	10,809,982
Machinery, Equipment, Vehicles	3,246,774	61,100	52,006	3,255,868
Total capital assets, being depreciated	<u>23,048,631</u>	<u>960,898</u>	<u>52,006</u>	<u>23,957,523</u>
Less: accumulated depreciation for:				
Land Improvements	2,861,648	147,310	--	3,008,958
Buildings	1,268,718	65,884	1	1,334,601
Infrastructure	4,268,129	286,471	--	4,554,600
Machinery, Equipment, Vehicles	2,653,713	118,803	33,770	2,738,746
Total accumulated depreciation	<u>11,052,208</u>	<u>618,468</u>	<u>33,771</u>	<u>11,636,905</u>
Total capital assets, being depreciated, net	<u>11,996,423</u>	<u>342,430</u>	<u>18,235</u>	<u>12,320,618</u>
Governmental activities capital assets, net	<u>\$ 13,533,430</u>	<u>\$ 342,430</u>	<u>\$ 94,269</u>	<u>\$ 13,781,591</u>

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

City of Mora, Minnesota
Notes to Financial Statements
December 31, 2016

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	4,618,388	134,455	4,551,979	200,864
Total capital assets, not being depreciated	4,974,424	134,455	4,551,979	556,900
Capital assets, being depreciated:				
Buildings	4,224,072	6,569,635	--	10,793,707
Other Improvements	13,577,250	116,776	--	13,694,026
Equipment and fixtures	2,770,257	1,256	--	2,771,513
Total capital assets, being depreciated	20,571,579	6,687,667	--	27,259,246
Less: accumulated depreciation for:				
Buildings	1,983,247	223,175	--	2,206,422
Other Improvements	6,278,024	347,524	--	6,625,548
Equipment and fixtures	1,972,608	210,352	--	2,182,960
Total accumulated depreciation	10,233,879	781,051	--	11,014,930
Total capital assets being depreciated, net	10,337,700	5,906,616	--	16,244,316
Business - type activities capital assets, net	<u>\$ 15,312,124</u>	<u>\$ 6,041,071</u>	<u>\$ 4,551,979</u>	<u>\$ 16,801,216</u>

Depreciation expense was charged to functions/programs as follows:

<u>Governmental Activities</u>	
General government	\$ 25,204
Public safety	99,420
Public works	422,161
Culture and recreation	66,168
Cemetery	5,515
Miscellaneous	--
Total depreciation expense - governmental activities	<u>\$ 618,468</u>
<u>Business - Type Activities</u>	
Electric utility	\$ 159,634
Water utility	289,260
Wastewater utility	273,050
Liquor	59,107
Total depreciation expense - business - type activities	<u>\$ 781,051</u>

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

City of Mora, Minnesota
Notes to Financial Statements
December 31, 2016

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, 2016.

	Due To	Due From
Special Revenue Funds:		
Fire Fund	\$ 9,050	\$ --
Cemetery Fund	68,448	--
EDA Revolving Loan	--	77,498
Capital Projects Fund:		
Future Fire Equipment	--	319,306
Future Improvements	--	633,479
Howe Avenue	130,222	--
Downtown Feed Mill	29,882	--
Airport Kastenbauer House	166,181	--
Crosswind	401,639	--
Parker	348,661	--
7th and Grove Street	319,089	--
Hwys 23 & 65	84,709	--
9th & Wood	29,411	--
Debt Service Fund:		
Fire Station	--	62,821
2008-2011 Reconstruction	--	146,053
HRA Eastwood	--	316,618
2015C Refunding	--	31,517
	<u>\$ 1,587,292</u>	<u>\$ 1,587,292</u>

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, 2016.

	Advance To	Advance From
Capital Project Funds:		
Fire Station	\$ --	\$ 242,548
Grove & Wood St	--	618,033
Enterprise Funds:		
Liquor Store	--	1,300,000
Electric Utility	2,507,621	--
Water Utility	--	176,994
Wastewater Utility	--	170,046
	<u>\$ 2,507,621</u>	<u>\$ 2,507,621</u>

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

City of Mora, Minnesota
Notes to Financial Statements
December 31, 2016

NOTE 3: Detailed Notes on All Funds (Continued)

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

Interfund transfers out:

General Fund	\$ 283,206
Other governmental funds	322,551
Enterprise	366,546
Total transfers out	<u>\$ 972,303</u>

Interfund transfers in:

General Fund	\$ 504,952
Other governmental funds	464,351
Enterprise	3,000
Total transfers out	<u>\$ 972,303</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.

There was also a Residual Equity transfer as follows:

Perpetual Care Fund	\$ 123,519
Cemetery Fund	<u>(123,519)</u>
	<u>\$ -</u>

The transfer was completed to fund the permanent fund for perpetual care of the cemetery.

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, 2016

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%	435,000
Governmental Activities	2.5-3%	1,385,000
Governmental Activities	1.7 - 3.2%	1,251,495
Total governmental activities		<u>3,071,495</u>
Business-Type Activities	2.5-3%	1,151,000
Business-Type Activities	1.000%	488,505
Business-Type Activities	1.862%	3,111,368
Total business-type activities		<u>\$ 4,750,873</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>
2017	222,573	83,034	277,000	64,243
2018	217,634	78,203	273,000	61,904
2019	226,196	73,048	277,000	57,966
2020	234,759	67,296	280,000	53,976
2021	238,322	61,270	283,500	49,929
2022-2026	959,365	224,365	1,499,000	185,403
2027-2031	542,646	114,292	1,323,005	82,088
2032-2036	430,000	42,995	538,368	18,200
Total	<u>\$ 3,071,495</u>	<u>\$ 744,503</u>	<u>\$4,750,873</u>	<u>\$ 573,709</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%	\$1,151,000
2.	Wastewater	1.000%	488,505
3.	Water	1.862%	3,111,368
			<u>\$4,750,873</u>

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City of Mora, Minnesota
Notes to Financial Statements
December 31, 2016

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, 2016:

	Beginning Balance	Additions	Reductions
GOVERNMENTAL ACTIVITIES			
General obligation bonds:			
G.O. Bond, Series 2006A	\$ --	\$ --	\$ --
G.O. Bonds, Series 2008A	--	--	--
G.O. Street, Series 2011A	500,000	--	65,000
G.O. Bond Series 2015 B	1,385,000	--	--
G.O. Bond Series 2015C	1,303,995	--	52,500
Total general obligation bonds-			
Governmental activities long-term			
liabilities	<u>\$ 3,188,995</u>	<u>\$ --</u>	<u>\$ 117,500</u>
BUSINESS - TYPE ACTIVITIES			
G.O. Water & sewer revenue bonds	\$ --	\$ --	\$ --
G.O. Bonds, Series 2008A	--	--	--
G.O. Water Rev. Note 2010	1,222,000	--	71,000
G.O. Bond Series 2015C	526,005	--	37,500
G.O. Sewer Rev. Note 2015	2,204,366	947,359	40,357
Total bonds payable Business -			
type activities long-term liabilities	<u>\$ 3,952,371</u>	<u>\$ 947,359</u>	<u>\$ 148,857</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, 2016 and descriptions are as follows:

<u>Enterprise Funds - Restricted</u>	
Electric Utility	--
Water Utility	36,812
Wastewater Utility	--
Total	<u>\$ 36,812</u>

Ending Balance	Amounts Due Within One Year
\$ --	\$ --
--	--
435,000	65,000
1,385,000	40,000
<u>1,251,495</u>	<u>117,573</u>
<u>\$ 3,071,495</u>	<u>\$ 222,573</u>
\$ --	\$ --
--	--
1,151,000	73,000
488,505	39,000
<u>3,111,368</u>	<u>160,000</u>
<u>\$ 4,750,873</u>	<u>\$ 272,000</u>

City of Mora, Minnesota
Notes to the Financial Statements
December 31, 2016

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 District No. 2-2; Housing District No. 1-8, and Tax Increment Financing Districts No. 1-11.

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 - 2016	\$ 50,508
Current Net Tax Capacity	43,941
Base Net Tax Capacity	3,082
Captured Net Tax Capacity	40,858
Captured Net Tax Capacity shared with other taxing jurisdictions	--
Captured Tax Capacity retained by authority	40,858
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 - 2016	\$ 57,864
Current Net Tax Capacity	37,697
Base Net Tax Capacity	750
Captured Net Tax Capacity	36,947
Captured Net Tax Capacity shared with other taxing jurisdictions	--
Captured Tax Capacity retained by authority	36,947
Financial Obligations:	
Limited Revenue Note – Original Obligation	772,000

City of Mora, Minnesota
Notes to Financial Statements
December 31, 2016

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
Date of Actual Decertification	10/18/2016

I. Tax Abatements

The City enters into property tax abatement agreements with local businesses under the State of Minnesota Statutes 469. Under the Statutes, localities may grant property tax abatements of up to 10 percent of the net tax capacity of the City for the purpose of attracting or retaining businesses within their jurisdictions. The abatements may be granted to any business located within or promising to relocate to the City.

For the fiscal year ended December 31, 2016, the City abated property taxes totaling \$2,021 under this program, including the following tax abatement agreements:

- A tax abatement agreement with a local business to encourage job creation. The agreement is to abate ninety percent of city-related property taxes, and the amount abated was \$2,021.

City of Mora, Minnesota
Notes to Financial Statements
December 31, 2016

NOTE 3: Detailed Notes on All Funds (Continued)

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, 2016

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, 2016 as follows:

	<u>Expenditures</u>	<u>Appropriations</u>	<u>Over</u>
Special Revenue Funds:			
Fire Fund	\$ 126,917	\$ 97,694	\$ 29,223
Cemetery	65,416	63,509	1,907
EDA Revolving Loan	440,004	13,998	426,006
TIF 1-8 Torborg	3,166	--	3,166
Capital Projects:			
Fire Station	6,018	--	6,018
Downtown Feed Mill	102	--	102
Hwys 23 & 65 Street Lt	84,709	--	84,709
9th and Wood Improvements	29,411	--	29,411
Debt Service:			
2015C Refunding	167,923	157,971	9,952

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 Mora 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, 2016

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 2016. 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 2016. The City of Mora's contributions to the GERF for the year ended December 31, 2016, were \$93,128. The City of Mora's contributions were equal to the required contributions as set by state statute.

3. Pensions Costs

At December 31, 2016, the City of Mora reported a liability of \$1,615,781 for its proportionate share of the GERF's net pension liability. The net pension liability was measured as of June 30, 2016, 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, 2015, through June 30, 2016, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2016, the City of Mora's proportion share was 0.0199% which was a decrease of 0.0006% from its proportion measured as of June 30, 2015.

City of Mora, Minnesota
Notes to Financial Statements
December 31, 2016

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, 2016, the City of Mora recognized pension expense of \$121,653 for its proportionate share of the GERS's pension expense.

At December 31, 2016, 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	--	132,303
Changes in actuarial assumptions	316,371	--
Difference between projected and actual investments earnings	308,889	--
Change in Proportions	--	63,250
Contribution paid to PERA subsequent to the measurement date	94,874	--
Total	\$ 720,134	\$ 195,553

\$720,134 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, 2017. 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
2017	111,175
2018	111,175
2019	148,993
2020	58,364
2021	--
Thereafter	--

4. Actuarial Assumptions

The total pension liability in the June 30, 2016, 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, 2016, 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, 2016

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 2016.

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, 2016

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 (6.5%)	Discount Rate (7.5%)	1% Increase in Discount Rate (8.5%)
City's proportionate share of the GERF net pension liability:	\$2,294,888	\$1,615,781	\$1,056,382

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, 2016

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 2016, and as of December 2016, 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, 2016. 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, 2016:

Special Revenue Funds:

Cemetery Fund	\$ (68,448)
---------------	-------------

Capital Project Funds:

Fire Station	(242,548)
Howe Avenue Reconstruction	(129,089)
Downtown Feed Mill Redevelopment	(29,882)
Airport Kastenbauer House	(166,181)
Crosswind	(117,792)
7th and Grove Street	(319,082)
Parker Project	(348,661)
Hwys 23 & 65 Street Lt	(84,709)
9th & Wood	(29,411)
Grove & Wood St.	(413,656)

City of Mora, Minnesota
Notes to Financial Statements
December 31, 2016

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.

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City of Mora, Minnesota
OTHER SUPPLEMENTARY INFORMATION
December 31, 2016

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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, 2016

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%
2016	0.0199%	\$ 1,615,781	\$ 1,245,081	129.8%	63.8%

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	\$ 93,262	\$ 93,262	\$ --	\$ 1,243,504	7.50%
2016	\$ 93,128	\$ 93,128	\$ --	\$ 1,245,081	7.48%

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, 2016

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	\$ --	\$ --	\$ --
Special assessments	--	38,121	38,121
Interest earnings	--	--	--
Miscellaneous	--	--	--
Total revenues	<u>--</u>	<u>38,121</u>	<u>38,121</u>
EXPENDITURES			
Capital outlay	--	8,043	8,043
Professional services	--	--	--
Miscellaneous	--	3,158	3,158
Total expenditures	<u>--</u>	<u>11,201</u>	<u>11,201</u>
Excess (deficiency) of revenues over (under) expenditures	--	26,920	26,920
OTHER FINANCING SOURCES (USES)			
Proceeds from bond sale	--	--	--
Transfers in (out)	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	--	26,920	26,920
Fund balances - beginning	<u>--</u>	<u>(440,576)</u>	<u>(440,576)</u>
Fund balances - ending	<u>\$ --</u>	<u>\$ (413,656)</u>	<u>\$ (413,656)</u>

City of Mora, Minnesota
 Component Unit - Economic Development Authority - 227
 Balance Sheet
 For the Year Ended December 31, 2016

	<u>EDA</u>
ASSETS	
Cash and Investments	\$ 25,338
Accounts receivable	-
Prepaid Insurance	<u>-</u>
Total Assets	<u><u>\$ 25,338</u></u>
 LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts Payable	\$ 2,552
Total Liabilities	<u>2,552</u>
Fund Balance:	
Unreserved	<u>22,786</u>
Total Fund Balance	<u>22,786</u>
Total Liabilities and Fund Balance	<u><u>\$ 25,338</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, 2016

	Budget	EDA
REVENUES		
State grants and aids	\$ --	\$ --
Contributions	7,115	9,372
Investment earnings	45	129
Total revenues	<u>7,160</u>	<u>9,501</u>
EXPENDITURES		
Salaries	51,074	50,064
Professional services	--	--
Supplies	--	--
Capital outlay	--	--
Miscellaneous	15,608	7,282
Total expenditures	<u>66,682</u>	<u>57,346</u>
Excess (deficiency) of revenues over (under) expenditures	(59,522)	(47,845)
OTHER FINANCING SOURCES (USES)		
Transfer in	70,000	70,000
Transfer (out)	(78)	(85)
Total other financing sources (uses)	<u>69,922</u>	<u>69,915</u>
Net change in fund balance	10,400	22,070
Fund balances - beginning	<u>716</u>	<u>716</u>
Fund balances - ending	<u>\$ 11,116</u>	<u>\$ 22,786</u>

See notes to financial statements.

City of Mora, Minnesota
COMBINING AND INDIVIDUAL
FUND STATEMENTS AND SCHEDULES
NON-MAJOR GOVERNMENTAL FUNDS
December 31, 2016

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.

Small Cities Development Program - To account for the revenue and expenses associated with the City Development Program.

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.

Hwys 23 & 65 Street Lt Project - To account for revenues and expenses related to the project.

9th & Wood Improvements - To account for revenues and expenses related to the 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.

2008-2011 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.

2015B Wood & Grove - To account for revenues and expenditures, including tax collections and bond payments for Wood & Grove.

2015C Refunding - To account for revenues and expenditures, including tax collections and bond payments for the refunding.

Permanent Fund

Perpetual Care Fund - To care for the ongoing operations of the City Cemetery.

City of Mora, Minnesota
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2016

	Special Revenue Funds			
	220	222	225	230
	Storm	Fire	Cemetery	EDA
	Water	Fund	Fund	Revolving
	Utility			Loan
ASSETS				
Cash and investments	\$ 62,848	\$ --	\$ --	\$ 53,425
Accounts receivable	4,167	14,367	--	--
Interest receivable	--	--	--	--
Taxes receivable - delinquent	--	--	--	--
Special assessments receivable -				
Delinquent	--	1,650	--	--
Due from other funds	--	--	--	77,498
Due from other governments	--	5,538	--	--
Note receivable	--	--	--	--
Prepaid insurance	--	--	--	--
Total Current Assets	<u>67,015</u>	<u>21,555</u>	<u>--</u>	<u>130,923</u>
Restricted Assets:				
Cash and investments	--	--	--	--
Total Restricted Assets	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total Assets	<u>\$ 67,015</u>	<u>\$ 21,555</u>	<u>\$ --</u>	<u>\$ 130,923</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ --	\$ --	\$ --	\$ --
Due to other funds	--	9,050	68,448	--
Advance from other funds	--	--	--	--
Deferred revenue	--	--	--	--
Total liabilities	<u>--</u>	<u>9,050</u>	<u>68,448</u>	<u>--</u>
Fund Balances:				
Nonspendable	--	--	--	--
Restricted	--	--	--	--
Committed	--	--	--	--
Assigned	--	--	--	--
Unassigned	<u>67,015</u>	<u>12,505</u>	<u>(68,448)</u>	<u>130,923</u>
Total fund balances	<u>67,015</u>	<u>12,505</u>	<u>(68,448)</u>	<u>130,923</u>
Total liabilities and fund balances	<u>\$ 67,015</u>	<u>\$ 21,555</u>	<u>\$ --</u>	<u>\$ 130,923</u>

Special Revenue Funds					
237	245	248	251	270	Total
TIF 2-2 Intrepid	TIF 1-8 Torborg	TIF 1-11 KSB	TIF 1-14 HRA/Nelson	Small Cities Development Program	Special Revenue Funds
\$ 9,837	\$ --	\$ 39,057	\$ --	\$ 8,077	\$ 173,244
--	--	--	--	--	18,534
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	1,650
--	--	--	--	--	77,498
--	--	--	--	--	5,538
--	--	--	--	--	--
--	--	--	--	--	--
<u>9,837</u>	<u>--</u>	<u>39,057</u>	<u>--</u>	<u>8,077</u>	<u>276,464</u>
--	--	--	--	--	--
--	--	--	--	--	--
<u>\$ 9,837</u>	<u>\$ --</u>	<u>\$ 39,057</u>	<u>\$ --</u>	<u>\$ 8,077</u>	<u>\$ 276,464</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--	77,498
--	--	--	--	--	--
--	--	--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>77,498</u>
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
<u>9,837</u>	<u>--</u>	<u>39,057</u>	<u>--</u>	<u>8,077</u>	<u>198,966</u>
<u>9,837</u>	<u>--</u>	<u>39,057</u>	<u>--</u>	<u>8,077</u>	<u>198,966</u>
<u>\$ 9,837</u>	<u>\$ --</u>	<u>\$ 39,057</u>	<u>\$ --</u>	<u>\$ 8,077</u>	<u>\$ 276,464</u>

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City of Mora, Minnesota
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2016

	Capital Projects Funds			
	407	409	425	434
	Future Fire Equipment	Future Improvements	Fire Station 2003	Highway 23-E
ASSETS				
Cash and investments	\$ --	\$ --	\$ --	\$ --
Accounts receivable	2,000	--	--	--
Interest receivable	--	--	--	--
Taxes receivable - delinquent	--	--	--	--
Special assessments receivable - Delinquent	--	--	--	--
Due from other funds	319,306	633,479	--	--
Due from other governments	5,460	--	--	--
Note receivable	--	--	--	--
Prepaid insurance	--	--	--	--
Total Current Assets	<u>326,766</u>	<u>633,479</u>	<u>--</u>	<u>--</u>
Restricted Assets:				
Cash and investments	--	--	--	--
Total Restricted Assets	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total assets	<u>\$ 326,766</u>	<u>\$ 633,479</u>	<u>\$ --</u>	<u>\$ --</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ --	\$ --	\$ --	\$ --
Due to other funds	--	--	--	--
Advance from other funds	--	--	242,548	--
Deferred revenue	--	--	--	--
Total liabilities	<u>--</u>	<u>--</u>	<u>242,548</u>	<u>--</u>
Fund Balances:				
Nonspendable	--	--	--	--
Restricted	--	--	--	--
Committed	--	--	--	--
Assigned	--	--	--	--
Unassigned	<u>326,766</u>	<u>633,479</u>	<u>(242,548)</u>	<u>--</u>
Total fund balances	<u>326,766</u>	<u>633,479</u>	<u>(242,548)</u>	<u>--</u>
Total liabilities and fund balances	<u>\$ 326,766</u>	<u>\$ 633,479</u>	<u>\$ --</u>	<u>\$ --</u>

	Capital Projects Funds			
	439	440	442	444
	Howe	Downtown	Airport	
	Avenue	Feed Mill	Kastenbauer	
	Reconstruction	Redevelopment	House	Crosswind
ASSETS				
Cash and investments	\$ --	\$ --	\$ --	\$ --
Accounts receivable	1,133	--	--	283,847
Interest receivable	--	--	--	--
Taxes receivable - delinquent	--	--	--	--
Special assessments receivable - Delinquent	199,945	--	--	--
Due from other funds	--	--	--	--
Due from other governments	--	--	--	--
Note receivable	--	--	--	--
Prepaid insurance	--	--	--	--
Total Current Assets	<u>201,078</u>	<u>--</u>	<u>--</u>	<u>283,847</u>
Restricted Assets:				
Cash and investments	--	--	--	--
Total Restricted Assets	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total assets	<u>\$ 201,078</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 283,847</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ --	\$ --	\$ --	\$ --
Due to other funds	130,222	29,882	166,181	401,639
Advance from other funds	--	--	--	--
Deferred revenue	199,945	--	--	--
Total liabilities	<u>330,167</u>	<u>29,882</u>	<u>166,181</u>	<u>401,639</u>
Fund Balances:				
Nonspendable	--	--	--	--
Restricted	--	--	--	--
Committed	--	--	--	--
Assigned	--	--	--	--
Unassigned	<u>(129,089)</u>	<u>(29,882)</u>	<u>(166,181)</u>	<u>(117,792)</u>
Total fund balances	<u>(129,089)</u>	<u>(29,882)</u>	<u>(166,181)</u>	<u>(117,792)</u>
Total liabilities and fund balances	<u>\$ 201,078</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 283,847</u>

446 Parker Capital Project	451 2012 7th and Grove St. Improvements	454 Hwys 23 & 65 Street Lt Project	455 9th & Wood Improvements	Total Capital Projects Funds
\$ --	\$ --	\$ --	\$ --	\$ --
--	7	--	--	286,987
--	--	--	--	--
--	--	--	--	--
109,589	--	--	--	309,534
--	--	--	--	952,785
--	--	--	--	5,460
--	--	--	--	--
--	--	--	--	--
<u>109,589</u>	<u>7</u>	<u>--</u>	<u>--</u>	<u>1,554,766</u>
--	--	--	--	--
--	--	--	--	--
<u>\$ 109,589</u>	<u>\$ 7</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,554,766</u>
\$ --	\$ --	\$ --	\$ --	\$ --
348,661	319,089	84,709	29,411	1,509,794
--	--	--	--	242,548
109,589	--	--	--	309,534
<u>458,250</u>	<u>319,089</u>	<u>84,709</u>	<u>29,411</u>	<u>2,061,876</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
<u>(348,661)</u>	<u>(319,082)</u>	<u>(84,709)</u>	<u>(29,411)</u>	<u>(507,110)</u>
<u>(348,661)</u>	<u>(319,082)</u>	<u>(84,709)</u>	<u>(29,411)</u>	<u>(507,110)</u>
<u>\$ 109,589</u>	<u>\$ 7</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,554,766</u>

City of Mora, Minnesota
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2016

	Debt Service			
	525	530	531	532
	Fire	2008-2011	HRA	2015B
	Station	Street	Eastwood	Wood &
	2003	Reconstruction		Grove
ASSETS				
Cash and investments	\$ --	\$ --	\$ --	\$ 30,819
Accounts receivable	1,115	1,423	--	1,130
Interest receivable	--	--	--	--
Taxes receivable - delinquent	2,937	2,631	--	1,491
Special assessments receivable - Delinquent	--	--	--	--
Due from other funds	62,821	146,053	316,618	--
Due from other governments	5,312	--	--	--
Note receivable	--	--	--	--
Prepaid insurance	--	--	--	--
Total Current Assets	<u>72,185</u>	<u>150,107</u>	<u>316,618</u>	<u>33,440</u>
Restricted Assets:				
Cash and investments	--	--	--	--
Total Restricted Assets	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total assets	<u>\$ 72,185</u>	<u>\$ 150,107</u>	<u>\$ 316,618</u>	<u>\$ 33,440</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ --	\$ --	\$ 310,584	\$ --
Due to other funds	--	--	--	--
Advance form other funds	--	--	--	--
Deferred revenue	2,937	2,631	--	1,491
Total liabilities	<u>2,937</u>	<u>2,631</u>	<u>310,584</u>	<u>1,491</u>
Fund Balances:				
Nonspendable	--	--	--	--
Restricted	69,248	147,476	6,034	31,949
Committed	--	--	--	--
Assigned	--	--	--	--
Unaassigned	--	--	--	--
Total fund balances	<u>69,248</u>	<u>147,476</u>	<u>6,034</u>	<u>31,949</u>
Total liabilities and fund balances	<u>\$ 72,185</u>	<u>\$ 150,107</u>	<u>\$ 316,618</u>	<u>\$ 33,440</u>

533	Total Debt Service Funds	Permanent Fund		Total Nonmajor Governmental Funds
		301	Total Permanent Fund	
2015C Refunding		Perpetual Care		
\$ 101,716	\$ 132,535	\$ 123,636	\$ 123,636	\$ 429,415
2,379	6,047	--	--	311,568
--	--	--	--	--
5,836	12,895	--	--	12,895
405,876	405,876	--	--	717,060
31,517	557,009	--	--	1,587,292
--	5,312	--	--	16,310
--	--	--	--	--
--	--	--	--	--
547,324	1,119,674	123,636	123,636	3,074,540
--	--	--	--	--
--	--	--	--	--
\$ 547,324	\$ 1,119,674	\$ 123,636	\$ 123,636	\$ 3,074,540
\$ --	\$ 310,584	\$ --	\$ --	\$ 310,584
--	--	--	--	1,587,292
--	--	--	--	242,548
411,712	418,771	--	--	728,305
411,712	729,355	--	--	2,868,729
--	--	--	--	--
135,612	390,319	--	--	390,319
--	--	--	--	--
--	--	123,636	123,636	123,636
--	--	--	--	(308,144)
135,612	390,319	123,636	123,636	205,811
\$ 547,324	\$ 1,119,674	\$ 123,636	\$ 123,636	\$ 3,074,540

City of Mora, Minnesota
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2016

	Special Revenue Funds			
	220	222	225	230
	Storm Water Utility	Fire Fund	Cemetery Fund	EDA Revolving Loan
REVENUES				
Property taxes	\$ --	\$ --	\$ --	\$ --
Tax increments	--	--	--	--
Special assessments	--	--	--	--
Charges for services	45,456	38,840	61,100	--
Intergovernmental revenue	--	2,325	--	--
Interest earnings	95	2,713	820	13,998
Miscellaneous -				
Contributions	--	50,651	--	--
Other	74	3,165	1,589	--
Total revenues	<u>45,625</u>	<u>97,694</u>	<u>63,509</u>	<u>13,998</u>
EXPENDITURES				
Public works	17,031	--	--	--
Public safety	--	126,917	--	--
Cemetery	--	--	65,416	--
Housing development	--	--	--	--
Economic development	--	--	--	440,004
Debt service	--	--	--	--
Capital projects	--	--	--	--
Total expenditures	<u>17,031</u>	<u>126,917</u>	<u>65,416</u>	<u>440,004</u>
Excess (deficiency) of revenues over (under) expenditures	28,594	(29,223)	(1,907)	(426,006)
OTHER FINANCING SOURCES (USES)				
Proceeds from long-term debt	--	--	--	--
Transfers in	--	30,349	18,474	--
Transfers out	(23,027)	(10,248)	(144,638)	--
Total other financing sources (uses)	<u>(23,027)</u>	<u>20,101</u>	<u>(126,164)</u>	<u>--</u>
Net change in fund balances	5,567	(9,122)	(128,071)	(426,006)
Fund balances - beginning	<u>61,448</u>	<u>21,627</u>	<u>59,623</u>	<u>556,929</u>
Fund balances - ending	<u>\$ 67,015</u>	<u>\$ 12,505</u>	<u>\$ (68,448)</u>	<u>\$ 130,923</u>

Special Revenue Funds					
237	245	248	251	270	Total
TIF 2-2 Intrepid	TIF 1-8 Torborg	TIF 1-11 KSB	TIF 1-14 HRA/Nelson	Small Cities Development Program	Special Revenue Funds
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
57,864	--	50,508	--	--	108,372
--	--	--	--	--	--
--	--	--	--	--	145,396
--	--	--	--	159,758	162,083
--	--	--	--	--	17,626
--	--	--	--	--	50,651
--	--	--	--	10,210	15,038
<u>57,864</u>	<u>--</u>	<u>50,508</u>	<u>\$ --</u>	<u>\$ 169,968</u>	<u>499,166</u>
--	--	--	--	--	17,031
--	--	--	--	--	126,917
--	--	--	--	--	65,416
55,010	3,166	--	--	--	58,176
--	--	16,832	--	161,891	618,727
--	--	--	--	--	--
--	--	--	--	--	--
<u>55,010</u>	<u>3,166</u>	<u>16,832</u>	<u>--</u>	<u>161,891</u>	<u>886,267</u>
2,854	(3,166)	33,676	--	8,077	(387,101)
--	--	--	--	--	--
--	--	--	15,079	--	63,902
(2,893)	--	(5,051)	--	--	(185,857)
<u>(2,893)</u>	<u>--</u>	<u>(5,051)</u>	<u>15,079</u>	<u>--</u>	<u>(121,955)</u>
(39)	(3,166)	28,625	15,079	8,077	(509,056)
9,876	3,166	10,432	(15,079)	--	708,022
<u>\$ 9,837</u>	<u>\$ --</u>	<u>\$ 39,057</u>	<u>\$ --</u>	<u>\$ 8,077</u>	<u>\$ 198,966</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, 2016

	Capital Project Funds			
	407	409	425	434
	Future Fire Equipment	Future Improvements	Fire Station 2003	Highway 23-E
REVENUES				
Property taxes	\$ --	\$ --	\$ --	\$ --
Tax increments	--	--	--	--
Special assessments	--	--	--	--
Charges for services	--	--	--	--
Intergovernmental revenue	--	--	--	--
Interest earnings	287	733	--	--
Miscellaneous -				
Contributions	51,939	--	--	--
Other	--	--	--	65,000
Total revenues	<u>52,226</u>	<u>733</u>	<u>--</u>	<u>65,000</u>
EXPENDITURES				
Public works	--	--	--	--
Public safety	--	--	--	--
Cemetery	--	--	--	--
Housing development	--	--	--	--
Economic development	--	--	--	--
Debt service	--	--	--	--
Capital projects	--	--	6,018	3,079
Total expenditures	<u>--</u>	<u>--</u>	<u>6,018</u>	<u>3,079</u>
Excess (deficiency) of revenues over (under) expenditures	52,226	733	(6,018)	61,921
OTHER FINANCING SOURCES (USES)				
Proceeds from long-term debt	--	--	--	--
Transfers in	20,059	180,077	83,703	27,642
Transfers out	(10,000)	(166,424)	--	--
Total other financing sources (uses)	<u>10,059</u>	<u>13,653</u>	<u>83,703</u>	<u>27,642</u>
Net change in fund balances	62,285	14,386	77,685	89,563
Fund balances - beginning	<u>264,481</u>	<u>619,093</u>	<u>(320,233)</u>	<u>(89,563)</u>
Fund balances - ending	<u>\$ 326,766</u>	<u>\$ 633,479</u>	<u>\$ (242,548)</u>	<u>\$ --</u>

	Capital Projects Funds			
	439	440	442	444
	Howe Avenue Reconstruction	Downtown Feed Mill Redevelopment	Airport Kastenbauer House	Crosswind
REVENUES				
Property taxes	\$ --	\$ --	\$ --	\$ --
Tax increments	--	--	--	--
Special assessments	18,820	--	--	--
Charges for services	--	--	--	--
Intergovernmental revenue	--	--	--	434,056
Interest earnings	--	--	--	--
Miscellaneous -				
Contributions	--	--	--	--
Other	--	--	8,401	--
Total revenues	<u>18,820</u>	<u>--</u>	<u>8,401</u>	<u>434,056</u>
EXPENDITURES				
Public works	--	--	--	--
Public safety	--	--	--	--
Cemetery	--	--	--	--
Housing development	--	--	--	--
Economic development	--	--	--	--
Debt service	--	--	--	--
Capital projects	--	102	928	532,038
Total expenditures	<u>--</u>	<u>102</u>	<u>928</u>	<u>532,038</u>
Excess (deficiency) of revenues over (under) expenditures	18,820	(102)	7,473	(97,982)
OTHER FINANCING SOURCES (USES)				
Proceeds from long-term debt	--	--	--	--
Transfers in	--	--	--	--
Transfers out	--	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	18,820	(102)	7,473	(97,982)
Fund balances - beginning	<u>(147,909)</u>	<u>(29,780)</u>	<u>(173,654)</u>	<u>(19,810)</u>
Fund balances - ending	<u>\$ (129,089)</u>	<u>\$ (29,882)</u>	<u>\$ (166,181)</u>	<u>\$ (117,792)</u>

446 Parker Capital Project	451 2012 7th and Grove St. Improvements	454 Hwys 23 & 65 Street Lt Project	455 9th & Wood Improvements	Total Capital Project Funds
\$ --	\$ 239	\$ --	\$ --	\$ 239
--	--	--	--	--
15,077	--	--	--	33,897
--	--	--	--	--
--	--	--	--	434,056
--	--	--	--	1,020
--	--	--	--	51,939
--	--	--	--	73,401
<u>15,077</u>	<u>239</u>	<u>--</u>	<u>--</u>	<u>594,552</u>
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	84,709	29,411	656,285
--	--	<u>84,709</u>	<u>29,411</u>	<u>656,285</u>
15,077	239	(84,709)	(29,411)	(61,733)
--	--	--	--	--
--	--	--	--	311,481
--	--	--	--	(176,424)
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>135,057</u>
15,077	239	(84,709)	(29,411)	73,324
<u>(363,738)</u>	<u>(319,321)</u>	<u>--</u>	<u>--</u>	<u>(580,434)</u>
<u>\$ (348,661)</u>	<u>\$ (319,082)</u>	<u>\$ (84,709)</u>	<u>\$ (29,411)</u>	<u>\$ (507,110)</u>

City of Mora, Minnesota
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2016

	Debt Service			
	525 Fire Station 2003	530 2008-2011 Street Reconstruction	531 HRA Eastwood	532 2015B Wood & Grove
REVENUES				
Property taxes	\$ 61,981	\$ 78,983	\$ --	\$ 62,971
Tax increments	--	--	--	--
Special assessments	--	--	--	--
Charges for services	--	--	--	--
Intergovernmental revenue	--	--	--	--
Interest earnings	--	--	610	--
Miscellaneous -				
Contributions	48,557	--	--	--
Other	--	--	--	--
Total revenues	<u>110,538</u>	<u>78,983</u>	<u>610</u>	<u>62,971</u>
EXPENDITURES				
Public works	--	--	--	--
Public safety	--	--	--	--
Cemetery	--	--	--	--
Housing development	--	--	--	--
Economic development	--	--	--	--
Debt service	--	78,340	--	39,990
Capital projects	--	--	--	--
Total expenditures	<u>--</u>	<u>78,340</u>	<u>--</u>	<u>39,990</u>
Excess (deficiency) of revenues over (under) expenditures	110,538	643	610	22,981
OTHER FINANCING SOURCES (USES)				
Proceeds from long-term debt	--	--	--	--
Transfers in	--	--	--	8,968
Transfers out	(83,702)	--	--	--
Total other financing sources (uses)	<u>(83,702)</u>	<u>--</u>	<u>--</u>	<u>8,968</u>
Net change in fund balances	26,836	643	610	31,949
Fund balances - beginning	<u>42,412</u>	<u>146,833</u>	<u>5,424</u>	<u>--</u>
Fund balances - ending	<u>\$ 69,248</u>	<u>\$ 147,476</u>	<u>\$ 6,034</u>	<u>\$ 31,949</u>

533	Total Debt Service Funds	Permanent Fund		Total Nonmajor Governmental Funds
		301	Total Permanent Fund	
2015C Refunding		Perpetual Care		
\$ 108,900	\$ 312,835	\$ --	\$ --	\$ 313,074
--	--	--	--	108,372
49,068	49,068	--	--	82,965
--	--	--	--	145,396
--	--	--	--	596,139
3	613	117	117	19,376
--	48,557	--	--	151,147
--	--	--	--	88,439
<u>157,971</u>	<u>411,073</u>	<u>117</u>	<u>117</u>	<u>1,504,908</u>
--	--	--	--	17,031
--	--	--	--	126,917
--	--	--	--	65,416
--	--	--	--	58,176
--	--	--	--	618,727
167,923	286,253	--	--	286,253
--	--	--	--	656,285
<u>167,923</u>	<u>286,253</u>	<u>--</u>	<u>--</u>	<u>1,828,805</u>
(9,952)	124,820	117	117	(323,897)
--	--	--	--	--
10,000	18,968	123,519	123,519	517,870
--	(83,702)	--	--	(445,983)
<u>10,000</u>	<u>(64,734)</u>	<u>123,519</u>	<u>123,519</u>	<u>71,887</u>
48	60,086	123,636	123,636	(252,010)
<u>135,564</u>	<u>330,233</u>	<u>--</u>	<u>--</u>	<u>457,821</u>
<u>\$ 135,612</u>	<u>\$ 390,319</u>	<u>\$ 123,636</u>	<u>\$ 123,636</u>	<u>\$ 205,811</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, 2016

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, 2016

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Storm water fees	\$ 45,000	\$ 45,456	\$ 456
Investment earnings	100	95	(5)
Miscellaneous	--	74	74
Total revenues	<u>45,100</u>	<u>45,625</u>	<u>525</u>
EXPENDITURES			
Professional services	--	87	(87)
Miscellaneous	26,187	16,944	9,243
Capital outlay	--	--	--
Total expenditures	<u>26,187</u>	<u>17,031</u>	<u>9,156</u>
Excess (deficiency) of revenues over (under) expenditures	18,913	28,594	9,681
OTHER FINANCING SOURCES (USES)			
Transfers in	--	--	--
Transfers out	(23,023)	(23,027)	4
Total other financing sources (uses)	<u>(23,023)</u>	<u>(23,027)</u>	<u>4</u>
Net change in fund balances	(4,110)	5,567	9,677
Fund balances - beginning	<u>61,448</u>	<u>61,448</u>	<u>--</u>
Fund balances - ending	<u>\$ 57,338</u>	<u>\$ 67,015</u>	<u>\$ 9,677</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, 2016

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Grants	\$ --	\$ 2,325	\$ 2,325
Charges for services	30,000	38,840	8,840
Interest	100	2,713	2,613
Contributions	50,651	53,816	3,165
Total revenues	<u>80,751</u>	<u>97,694</u>	<u>16,943</u>
EXPENDITURES			
Supplies	12,200	12,892	692
Salaries	45,432	51,168	5,736
Capital outlay	--	10,000	10,000
Miscellaneous	58,635	52,857	(5,778)
Total expenditures	<u>116,267</u>	<u>126,917</u>	<u>10,650</u>
Excess (deficiency) of revenues over (under) expenditures	(35,516)	(29,223)	6,293
OTHER FINANCING SOURCES (USES)			
Transfers in	20,349	30,349	10,000
Transfers out	(9,900)	(10,248)	(348)
Total other financing sources (uses)	<u>10,449</u>	<u>20,101</u>	<u>9,652</u>
Net change in fund balances	(25,067)	(9,122)	15,945
Fund balances - beginning	<u>21,627</u>	<u>21,627</u>	<u>--</u>
Fund balances - ending	<u><u>\$ (3,440)</u></u>	<u><u>\$ 12,505</u></u>	<u><u>\$ 15,945</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, 2016

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Interments	\$ 23,850	\$ 39,000	\$ 15,150
Perpetual care	--	--	--
Sale of lots	16,850	22,100	5,250
Miscellaneous	850	1,589	739
Investment earnings	50	820	770
Total revenues	<u>41,600</u>	<u>63,509</u>	<u>21,909</u>
EXPENDITURES			
Professional services	1,539	111	(1,428)
Salaries	22,306	37,759	15,453
Capital outlay	--	18,474	18,474
Miscellaneous	9,507	9,072	(435)
Total expenditures	<u>33,352</u>	<u>65,416</u>	<u>32,064</u>
Excess (deficiency) of revenues over (under) expenditures	8,248	(1,907)	(10,155)
OTHER FINANCING SOURCES (USES)			
Transfers in	--	18,474	18,474
Transfers out	(21,110)	(144,638)	(123,528)
Total other financing sources (uses)	<u>(21,110)</u>	<u>(126,164)</u>	<u>(105,054)</u>
Net change in fund balances	(12,862)	(128,071)	(115,209)
Fund balances - beginning	<u>59,623</u>	<u>59,623</u>	<u>--</u>
Fund balances - ending	<u>\$ 46,761</u>	<u>\$ (68,448)</u>	<u>\$ (115,209)</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, 2016

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Miscellaneous	\$ --	\$ --	\$ --
Investment earnings	18,562	13,998	(4,564)
Total revenues	<u>18,562</u>	<u>13,998</u>	<u>(4,564)</u>
EXPENDITURES			
Miscellaneous	--	4	4
Pass Through Grant	440,000	440,000	--
Total expenditures	<u>440,000</u>	<u>440,004</u>	<u>4</u>
Net change in fund balances	(421,438)	(426,006)	(4,568)
Fund balances - beginning	<u>556,929</u>	<u>556,929</u>	<u>--</u>
Fund balances - ending	<u>\$ 135,491</u>	<u>\$ 130,923</u>	<u>\$ (4,568)</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, 2016

	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	--	--	--
Housing development	--	54,971	54,971
Miscellaneous	--	39	39
Total expenditures	<u>--</u>	<u>55,010</u>	<u>55,010</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	--	--	--
Transfers out	--	(2,893)	(2,893)
Total other financing sources (uses)	<u>--</u>	<u>(2,893)</u>	<u>(2,893)</u>
Net changes in fund balances	--	(39)	(39)
Fund balances - beginning	<u>9,876</u>	<u>9,876</u>	<u>--</u>
Fund balances - ending	<u><u>\$ 9,876</u></u>	<u><u>\$ 9,837</u></u>	<u><u>\$ (39)</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, 2016

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Tax increments	\$ --	\$ --	\$ --
Investment earnings	--	--	--
Total revenues	<u>--</u>	<u>--</u>	<u>--</u>
EXPENDITURES			
Professional services	--	--	--
Housing development	--	3,128	3,128
Miscellaneous	--	38	38
Total expenditures	<u>--</u>	<u>3,166</u>	<u>3,166</u>
Net change to fund balances	--	(3,166)	(3,166)
Fund balances - beginning	<u>3,166</u>	<u>3,166</u>	<u>--</u>
Fund balances - ending	<u><u>\$ 3,166</u></u>	<u><u>\$ --</u></u>	<u><u>\$ (3,166)</u></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, 2016

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Tax increments	\$ --	\$ 50,508	\$ 50,508
Total revenues	<u> --</u>	<u> 50,508</u>	<u> 50,508</u>
EXPENDITURES			
Professional services	--	--	--
Economic development	--	16,794	16,794
Interest	--	--	--
Miscellaneous	--	38	38
Total expenditures	<u> --</u>	<u> 16,832</u>	<u> 16,832</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	--	--	--
Transfers out	--	(5,051)	(5,051)
Total other financing sources (uses)	<u> --</u>	<u> (5,051)</u>	<u> (5,051)</u>
Net change to fund balances	--	28,625	28,625
Fund balances - beginning	<u>10,432</u>	<u>10,432</u>	<u>--</u>
Fund balances - ending	<u>\$ 10,432</u>	<u>\$ 39,057</u>	<u>\$ 28,625</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, 2016

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

City of Mora, Minnesota
 Small Cities Development Program - Special Revenue Fund - 270
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended December 31, 2016

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Grants	\$ --	\$ 159,758	\$ 159,758
Miscellaneous	--	10,210	10,210
Investment earnings	--	--	--
Total revenues	<u>--</u>	<u>169,968</u>	<u>169,968</u>
EXPENDITURES			
Professional services	--	161,857	161,857
Capital outlay	--	--	--
Miscellaneous	--	34	34
Total expenditures	<u>--</u>	<u>161,891</u>	<u>161,891</u>
Excess (deficiency) of revenues over (under) expenditures	--	8,077	8,077
OTHER FINANCING SOURCES (USES)			
Transfers in	--	--	--
Transfers out	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	--	8,077	8,077
Fund balances - beginning	<u>--</u>	<u>--</u>	<u>--</u>
Fund balances - ending	<u>\$ --</u>	<u>\$ 8,077</u>	<u>\$ 8,077</u>

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

Capital Projects Funds
December 31, 2016

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, 2016

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental revenues	\$ --	\$ --	\$ --
Contributions	49,939	51,939	2,000
Interest earnings	--	287	287
Total revenues	<u>49,939</u>	<u>52,226</u>	<u>2,287</u>
EXPENDITURES			
Professional services	--	--	--
Capital projects	--	--	--
Miscellaneous	--	--	--
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	49,939	52,226	2,287
OTHER FINANCING SOURCES (USES)			
Transfers in	20,059	20,059	--
Transfers out	--	(10,000)	(10,000)
Total other financing sources (uses)	<u>20,059</u>	<u>10,059</u>	<u>(10,000)</u>
Net change in fund balances	69,998	62,285	(7,713)
Fund balances - beginning	<u>264,481</u>	<u>264,481</u>	<u>--</u>
Fund balances - ending	<u>\$ 334,479</u>	<u>\$ 326,766</u>	<u>\$ (7,713)</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, 2016

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental revenues	\$ --	\$ --	\$ --
Interest earnings	300	733	433
Miscellaneous	--	--	--
Total revenues	<u>300</u>	<u>733</u>	<u>433</u>
EXPENDITURES			
Professional services	--	--	--
Capital projects	--	--	--
Miscellaneous	--	--	--
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	300	733	433
OTHER FINANCING SOURCES (USES)			
Transfers in	137,000	180,077	43,077
Transfers out	(171,291)	(166,424)	4,867
Total other financing sources (uses)	<u>(34,291)</u>	<u>13,653</u>	<u>47,944</u>
Net change in fund balances	(33,991)	14,386	48,377
Fund balances - beginning	<u>619,093</u>	<u>619,093</u>	<u>--</u>
Fund balances - ending	<u>\$ 585,102</u>	<u>\$ 633,479</u>	<u>\$ 48,377</u>

City of Mora, Minnesota
 Fire Station 2003- Capital Projects Fund - 425
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended December 31, 2016

	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	--	6,018	6,018
Total expenditures	--	6,018	6,018
Excess (deficiency) of revenues over (under) expenditures	--	(6,018)	(6,018)
OTHER FINANCING SOURCES (USES)			
Transfers in	--	83,703	83,703
Proceeds from bond sale	--	--	--
Total other financing sources (uses)	--	83,703	83,703
Net change in fund balances	--	77,685	77,685
Fund balances - beginning	(320,233)	(320,233)	--
Fund balances - ending	\$ (320,233)	\$ (242,548)	\$ 77,685

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, 2016

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental revenues	\$ --	\$ --	\$ --
Sale of fixed assets	--	65,000	65,000
Interest earnings	--	--	--
Total revenues	<u>--</u>	<u>65,000</u>	<u>65,000</u>
EXPENDITURES			
Professional services	--	3,068	3,068
Capital projects	--	1	1
Miscellaneous	--	10	10
Total expenditures	<u>--</u>	<u>3,079</u>	<u>3,079</u>
Excess (deficiency) of revenues over (under) expenditures	--	61,921	61,921
OTHER FINANCING SOURCES (USES)			
Transfers in	--	27,642	27,642
Transfers out	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>27,642</u>	<u>27,642</u>
Net change in fund balances	--	89,563	89,563
Fund balances - beginning	<u>(89,563)</u>	<u>(89,563)</u>	<u>--</u>
Fund balances - ending	<u>\$ (89,563)</u>	<u>\$ --</u>	<u>\$ 89,563</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, 2016

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Special assessments	\$ --	\$ 18,820	\$ 18,820
Miscellaneous	--	--	--
Interest earnings	--	--	--
Total revenues	<u>--</u>	<u>18,820</u>	<u>18,820</u>
EXPENDITURES			
Professional services	--	--	--
Capital projects	--	--	--
Miscellaneous	--	--	--
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	--	18,820	18,820
OTHER FINANCING SOURCES (USES)			
Transfers in	--	--	--
Transfers out	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	--	18,820	18,820
Fund balances - beginning	<u>(147,909)</u>	<u>(147,909)</u>	<u>--</u>
Fund balances - ending	<u>\$ (147,909)</u>	<u>\$ (129,089)</u>	<u>\$ 18,820</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, 2016

	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	--	102	102
Miscellaneous	--	--	--
Total expenditures	<u>--</u>	<u>102</u>	<u>102</u>
Excess (deficiency) of revenues over (under) expenditures	--	(102)	(102)
OTHER FINANCING SOURCES (USES)			
Transfers in	--	--	--
Transfers out	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	--	(102)	(102)
Fund balances - beginning	<u>(29,780)</u>	<u>(29,780)</u>	<u>--</u>
Fund balances - ending	<u>\$ (29,780)</u>	<u>\$ (29,882)</u>	<u>\$ (102)</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, 2016

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental revenues	\$ --	\$ --	\$ --
Miscellaneous	--	8,401	8,401
Contributions	--	--	--
Interest earnings	--	--	--
Total revenues	<u>--</u>	<u>8,401</u>	<u>8,401</u>
EXPENDITURES			
Professional services	--	--	--
Capital projects	--	502	502
Miscellaneous	--	426	426
Total expenditures	<u>--</u>	<u>928</u>	<u>928</u>
Excess (deficiency) of revenues over (under) expenditures	--	7,473	7,473
OTHER FINANCING SOURCES (USES)			
Transfers in	--	--	--
Transfers out	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	--	7,473	7,473
Fund balances - beginning	<u>(173,654)</u>	<u>(173,654)</u>	<u>--</u>
Fund balances - ending	<u>\$ (173,654)</u>	<u>\$ (166,181)</u>	<u>\$ 7,473</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, 2016

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental revenues	\$ --	\$ 434,056	\$ 434,056
Miscellaneous	--	--	--
Contributions	--	--	--
Interest earnings	--	--	--
Total revenues	<u>--</u>	<u>434,056</u>	<u>434,056</u>
EXPENDITURES			
Professional services	--	--	--
Capital projects	--	532,038	532,038
Miscellaneous	--	--	--
Total expenditures	<u>--</u>	<u>532,038</u>	<u>532,038</u>
Excess (deficiency) of revenues over (under) expenditures	--	(97,982)	(97,982)
OTHER FINANCING SOURCES (USES)			
Transfers in	--	--	--
Transfers out	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	--	(97,982)	(97,982)
Fund balances - beginning	<u>(19,810)</u>	<u>(19,810)</u>	<u>--</u>
Fund balances - ending	<u>\$ (19,810)</u>	<u>\$ (117,792)</u>	<u>\$ (97,982)</u>

City of Mora, Minnesota
Parker - Capital Project Fund - 446
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2016

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Special Assessments	\$ --	\$ 15,077	\$ 15,077
Miscellaneous	--	--	--
Contributions	--	--	--
Interest earnings	--	--	--
Total revenues	<u>--</u>	<u>15,077</u>	<u>15,077</u>
EXPENDITURES			
Professional services	--	--	--
Capital projects	--	--	--
Miscellaneous	--	--	--
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	--	15,077	15,077
OTHER FINANCING SOURCES (USES)			
Transfers in	--	--	--
Transfers out	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	--	15,077	15,077
Fund balances - beginning	<u>(363,738)</u>	<u>(363,738)</u>	<u>--</u>
Fund balances - ending	<u>\$ (363,738)</u>	<u>\$ (348,661)</u>	<u>\$ 15,077</u>

City of Mora, Minnesota
 2012 7th and Grove St Improvement - Capital Project Fund - 451
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended December 31, 2016

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes	\$ --	\$ 239	\$ 239
Miscellaneous	--	--	--
Contributions	--	--	--
Interest earnings	--	--	--
Total revenues	<u>--</u>	<u>239</u>	<u>239</u>
EXPENDITURES			
Professional services	--	--	--
Capital projects	--	--	--
Miscellaneous	--	--	--
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	--	239	239
OTHER FINANCING SOURCES (USES)			
Transfers in	--	--	--
Transfers out	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	--	239	239
Fund balances - beginning	<u>(319,321)</u>	<u>(319,321)</u>	<u>--</u>
Fund balances - ending	<u>\$ (319,321)</u>	<u>\$ (319,082)</u>	<u>\$ 239</u>

City of Mora, Minnesota
 Hwys 23 & 65 Street Lt Project - Capital Project Fund - 454
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended December 31, 2016

	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	--	84,709	84,709
Miscellaneous	--	--	--
Total expenditures	<u>--</u>	<u>84,709</u>	<u>84,709</u>
Excess (deficiency) of revenues over (under) expenditures	--	(84,709)	(84,709)
OTHER FINANCING SOURCES (USES)			
Transfers in	--	--	--
Transfers out	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	--	(84,709)	(84,709)
Fund balances - beginning	<u>--</u>	<u>--</u>	<u>--</u>
Fund balances - ending	<u>\$ --</u>	<u>\$ (84,709)</u>	<u>\$ (84,709)</u>

City of Mora, Minnesota
 9th & Wood St. Improvements - Capital Project Fund - 455
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended December 31, 2016

	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	--	29,411	29,411
Miscellaneous	--	--	--
Total expenditures	<u>--</u>	<u>29,411</u>	<u>29,411</u>
Excess (deficiency) of revenues over (under) expenditures	--	(29,411)	(29,411)
OTHER FINANCING SOURCES (USES)			
Transfers in	--	--	--
Transfers out	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	--	(29,411)	(29,411)
Fund balances - beginning	<u>--</u>	<u>--</u>	<u>--</u>
Fund balances - ending	<u>\$ --</u>	<u>\$ (29,411)</u>	<u>\$ (29,411)</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, 2016

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, 2016

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	\$ 63,043	\$ 61,981	\$ (1,062)
Interest earnings	--	--	--
Contributions	48,557	48,558	1
Total revenues	111,600	110,539	(1,061)
EXPENDITURES			
Principal	--	--	--
Interest	--	--	--
Miscellaneous	--	--	--
Total expenditures	--	--	--
Excess (deficiency) of revenues over (under) expenditures	111,600	110,539	(1,061)
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	(107,600)	(83,703)	23,897
Total other financing sources (uses)	(107,600)	(83,703)	23,897
Net change in fund balances	4,000	26,836	22,836
Fund balances - beginning	42,412	42,412	--
Fund balances - ending	\$ 46,412	\$ 69,248	\$ 22,836

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, 2016

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	\$ 80,403	\$ 78,983	\$ (1,420)
Investment earnings	--	--	--
Total revenues	<u>80,403</u>	<u>78,983</u>	<u>(1,420)</u>
EXPENDITURES			
Loss on investment	--	--	--
Principal	65,000	65,000	--
Interest	12,890	12,890	--
Fiscal agent fees	1,150	450	(700)
Total expenditures	<u>79,040</u>	<u>78,340</u>	<u>(700)</u>
Excess (deficiency) of revenues over (under) expenditures	1,363	643	(720)
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	--	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	1,363	643	(720)
Fund balances - beginning	<u>146,833</u>	<u>146,833</u>	<u>--</u>
Fund balances - ending	<u>\$ 148,196</u>	<u>\$ 147,476</u>	<u>\$ (720)</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, 2016

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	\$ --	\$ --	\$ --
Investment earnings	--	610	610
Total revenues	--	610	610
EXPENDITURES			
Loss on investment	--	--	--
Principal	--	--	--
Interest	--	--	--
Fiscal agent fees	--	--	--
Total expenditures	--	--	--
Excess (deficiency) of revenues over (under) expenditures	--	610	610
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	--	--	--
Total Other Financing Sources (Uses)	--	--	--
Net change in fund balances	--	610	610
Fund balances - beginning	5,424	5,424	--
Fund balances - ending	\$ 5,424	\$ 6,034	\$ 610

City of Mora, Minnesota
Series 2015B - Wood & Grove - Debt Service Fund - 532
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2016

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	\$ 64,502	\$ 62,971	\$ (1,531)
Investment earnings	--	--	--
Total revenues	<u>64,502</u>	<u>62,971</u>	<u>(1,531)</u>
EXPENDITURES			
Loss on investment	--	--	--
Principal	--	--	--
Interest	40,000	39,540	(460)
Fiscal agent fees	500	450	(50)
Total expenditures	<u>40,500</u>	<u>39,990</u>	<u>(510)</u>
Excess (deficiency) of revenues over (under) expenditures	24,002	22,981	(1,021)
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	8,968	8,968	--
Total Other Financing Sources (Uses)	<u>8,968</u>	<u>8,968</u>	<u>--</u>
Net change in fund balances	32,970	31,949	(1,021)
Fund balances - beginning	<u>--</u>	<u>--</u>	<u>--</u>
Fund balances - ending	<u>\$ 32,970</u>	<u>\$ 31,949</u>	<u>\$ (1,021)</u>

City of Mora, Minnesota
Series 2015C - Refunding - Debt Service Fund - 533
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2016

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	\$ 110,556	\$ 108,900	\$ (1,656)
Special assessments	27,654	49,068	21,414
Investment earnings	--	3	3
Total revenues	<u>138,210</u>	<u>157,971</u>	<u>19,761</u>
EXPENDITURES			
Miscellaneous expense	--	445	445
Principal	90,000	127,500	37,500
Interest	45,000	39,503	(5,497)
Fiscal agent fees	500	475	(25)
Total expenditures	<u>135,500</u>	<u>167,923</u>	<u>32,423</u>
Excess (deficiency) of revenues over (under) expenditures	2,710	(9,952)	(12,662)
OTHER FINANCING SOURCES (USES)			
Transfers in (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	12,710	48	(12,662)
Fund balances - beginning	<u>135,564</u>	<u>135,564</u>	<u>--</u>
Fund balances - ending	<u><u>\$ 148,274</u></u>	<u><u>\$ 135,612</u></u>	<u><u>\$ (12,662)</u></u>

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

Permanent Fund
December 31, 2016

City of Mora, Minnesota
 Perpetual Care
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended December 31, 2016

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property taxes	\$ --	\$ --	\$ --
Special assessments	--	--	--
Investment earnings	--	117	117
Total revenues	--	117	117
EXPENDITURES			
Miscellaneous expense	--	--	--
Principal	--	--	--
Interest	--	--	--
Fiscal agent fees	--	--	--
Total expenditures	--	--	--
Excess (deficiency) of revenues over (under) expenditures	--	117	117
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	--	123,519	123,519
Total Other Financing Sources (Uses)	--	123,519	123,519
Net change in fund balances	--	123,636	123,636
Fund balances - beginning	--	--	--
Fund balances - ending	\$ --	\$ 123,636	\$ 123,636

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

Enterprise Funds
December 31, 2016

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, 2016

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Operating Revenues:			
Sales	\$ 3,134,000	\$ 3,037,915	\$ 96,085
Less: Cost of goods sold	(2,425,000)	(2,326,836)	(98,164)
Total Operating Revenues	<u>709,000</u>	<u>711,079</u>	<u>(2,079)</u>
Operating Expenses:			
Employee services	249,930	266,489	(16,559)
Supplies	9,400	8,333	1,067
Interest expense	45,500	45,500	--
Utilities expense	27,850	25,246	2,604
Other services and charges	123,040	113,708	9,332
Depreciation	59,107	59,107	--
Total Operating Expenses	<u>514,827</u>	<u>518,383</u>	<u>(3,556)</u>
Operating Income (Loss)	194,173	192,696	(1,477)
Add: Non-Operating Revenues:			
Commissions	1,000	1,656	656
Interest earned	250	6,851	6,601
Miscellaneous	169,650	157,992	(11,658)
Total Non-Operating Revenues	<u>170,900</u>	<u>166,499</u>	<u>(4,401)</u>
Income before Transfers	365,073	359,195	(5,878)
Transfers:			
Transfers in (out)	(297,411)	(297,524)	113
Total Transfers	<u>(297,411)</u>	<u>(297,524)</u>	<u>113</u>
Net Income (Loss)	67,662	61,671	(5,765)
Net Position, January 1	<u>636,455</u>	<u>636,455</u>	<u>--</u>
Net Position, December 31	<u>\$ 704,117</u>	<u>\$ 698,126</u>	<u>\$ (5,765)</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, 2016

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Operating Revenues:			
Sales	\$ 5,139,000	\$ 5,052,838	\$ 86,162
Less: Cost of sales	(4,325,000)	(4,197,600)	(127,400)
Total Operating Revenues	<u>814,000</u>	<u>855,238</u>	<u>(41,238)</u>
Operating Expenses:			
Employee services	441,178	438,735	2,443
Supplies	8,550	6,311	2,239
Interest expense	--	865	(865)
Utilities expense	14,940	9,761	5,179
Other services & charges	608,053	420,236	187,817
Depreciation	144,198	159,634	(15,436)
Total Operating Expenses	<u>1,216,919</u>	<u>1,035,542</u>	<u>181,377</u>
Operating Income (Loss)	(402,919)	(180,304)	(222,615)
Add: Non-Operating Revenues and Expenses:			
Miscellaneous expenses	--	--	--
Commissions	--	--	--
Miscellaneous revenue	77,674	156,335	(78,661)
Interest earned	123,400	132,931	(9,531)
Gain on investments	--	6,735	(6,735)
Miscellaneous - wage & power plant reimbursement	389,000	402,096	(13,096)
Total Non-Operating Revenues	<u>590,074</u>	<u>698,097</u>	<u>(108,023)</u>
Income before Transfers	187,155	517,793	(330,638)
Transfers and other expenses:			
Transfer in	1,500	1,500	--
Transfers (out)	(66,643)	(67,836)	1,193
Total Transfers	<u>(65,143)</u>	<u>(66,336)</u>	<u>1,193</u>
Net Income (Loss)	122,012	451,457	(329,445)
Net Position, January 1	<u>9,163,440</u>	<u>9,163,440</u>	<u>--</u>
Net Position, December 31	<u>\$ 9,285,452</u>	<u>\$ 9,614,897</u>	<u>\$ (329,445)</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, 2016

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Operating Revenues:			
Sales	\$ 626,000	\$ 633,887	\$ (7,887)
WAC fees	--	15,000	(15,000)
Total Operating Revenues	<u>626,000</u>	<u>648,887</u>	<u>(22,887)</u>
Operating Expenses:			
Employee services	189,926	158,026	31,900
Supplies	40,550	28,712	11,838
Interest expense	32,300	38,201	(5,901)
Utilities expense	27,135	23,043	4,092
Other services & charges	94,239	56,825	37,414
Depreciation	288,506	289,260	(754)
Total Operating Expenses	<u>672,656</u>	<u>594,067</u>	<u>78,589</u>
Operating Income (Loss)	(46,656)	54,820	(101,476)
Add: Non-Operating Revenues:			
Special assessments	--	2,440	(2,440)
Grants, State Aid	694	694	--
Interest earned	600	1,546	(946)
Gain on sale of fixed assets	--	--	--
Miscellaneous	20,200	28,022	(7,822)
Total Non-Operating Revenues	<u>21,494</u>	<u>32,702</u>	<u>(11,208)</u>
Income before Operating Transfers	(25,162)	87,522	(112,684)
Operating Transfers:			
Transfers in	750	750	--
Transfers (out)	(549)	(593)	44
Total Operating Transfers	<u>201</u>	<u>157</u>	<u>44</u>
Net Income (Loss)	(24,961)	87,679	(112,640)
Net Position, January 1	<u>3,309,971</u>	<u>3,309,971</u>	<u>--</u>
Net Position, December 31	<u>\$ 3,285,010</u>	<u>\$ 3,397,650</u>	<u>\$ (112,640)</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, 2016

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Operating Revenues:			
Sales	\$ 871,400	\$ 875,288	\$ (3,888)
SAC fees	--	24,000	(24,000)
Total Operating Revenues	<u>871,400</u>	<u>899,288</u>	<u>(27,888)</u>
Operating Expenses:			
Employee services	257,503	262,144	(4,641)
Supplies	52,950	30,790	22,160
Interest expense	37,000	31,659	5,341
Utilities expense	58,280	60,564	(2,284)
Other services and charges	165,070	74,312	90,758
Depreciation	272,101	273,050	(949)
Total Operating Expenses	<u>842,904</u>	<u>732,519</u>	<u>110,385</u>
Operating Income (Loss)	28,496	166,769	(138,273)
Add: Non-Operating Revenues:			
Special assessments	--	6,436	(6,436)
Grants	694	1,036,766	(1,036,072)
Interest earned	4,000	9,200	(5,200)
Gain on sale of fixed assets	--	--	--
Miscellaneous	27,150	51,171	(24,021)
Total Non-Operating Revenues	<u>31,844</u>	<u>1,103,573</u>	<u>(1,071,729)</u>
Income before Operating Transfers	60,340	1,270,342	(1,210,002)
Operating Transfers:			
Transfers in	750	750	--
Transfers (out)	(549)	(593)	44
Total Operating Transfers	<u>201</u>	<u>157</u>	<u>44</u>
Net Income (Loss)	60,541	1,270,499	(1,209,958)
Net Position, January 1	<u>6,248,273</u>	<u>6,248,273</u>	<u>--</u>
Net Position, December 31	<u>\$ 6,308,814</u>	<u>\$ 7,518,772</u>	<u>\$ (1,209,958)</u>

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CITY OF MORA, MINNESOTA
ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2016

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>
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
2016	3,037,915	359,195	297,524	698,126

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
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	449,333	--	68,557	9,163,440
2016	5,052,838	517,793	1,500	67,836	9,614,897

City of Mora, Minnesota

Electric Utility Fund
 Schedule of Services, Billing, KWH, and Revenues per KWH
 For the Year Ended December 31, 2016

	Service	Amount	KWH	Revenues KWH
City Residential	1,447	\$ 1,097,381	9,873,780	0.1111
Rural Residential	103	124,337	1,138,078	0.1093
Small Commercial	219	735,713	7,238,964	0.1016
Large Commercial	24	770,422	12,385,090	0.0622
Industrial	5	1,188,443	21,747,200	0.0546
Government	12	45,346	734,229	0.0618
Street Lights	16	68,548	753,155	0.0910
Security Lights	79	19,587	73,296	0.2672
Renewable Energy Credits	-	(997)	(18,120)	0.0550
Total Retail Sales	1,905	\$ 4,048,780	53,925,672	0.0751
Cost of Power:				
Purchased Power		\$ 4,197,600		
Cost per KWH Sold		0.077800		
Total KWH Purchased		55,746,861		
Less: Station Power		(485,053)		
Net KWH to Feeders		55,261,808		
Less: Total Retail Sales		(53,925,672)		
Line Loss	2.42%	\$ 1,336,136		

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
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	78,940	--	181,554	3,309,971
2016	648,887	87,522	750	593	3,397,650

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
2007	\$ 789,515	\$ 237,862	\$ 376,486	\$ --	\$ 3,309,958
2008	795,073	145,017	--	--	3,309,958 *
2009	779,758	89,380	--	--	3,454,975
2010	815,205	77,193	--	--	3,532,168
2011	746,177	(26,383)	--	--	3,505,785
2012	734,175	44,012	--	--	3,549,797
2013	777,347	191,206	--	--	3,741,003
2014	798,745	107,325	--	--	3,848,328
2015	858,371	2,574,274	--	174,329	6,248,273
2016	899,288	1,270,342	750	593	7,518,772

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

CITY OF MORA, MINNESOTA
ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2016

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		
	2016	2015	2014	2013
Governmental Activities				
Net investment in capital assets	\$ 10,710,096	\$ 10,344,435	\$ 9,888,253	\$ 9,531,383
Restricted	589,285	1,038,255	927,431	605,922
Unrestricted	(841,935)	(883,484)	(227,352)	(495,696)
Total governmental activities net position	<u>10,457,446</u>	<u>10,499,206</u>	<u>10,588,332</u>	<u>9,641,609</u>
Business-type activities				
Net investment in capital assets	12,050,343	11,359,753	8,458,679	8,335,737
Restricted	36,812	661,968	661,206	660,481
Unrestricted	9,142,290	7,336,418	7,593,374	7,692,579
Total business-type activities net position	<u>21,229,445</u>	<u>19,358,139</u>	<u>16,713,259</u>	<u>16,688,797</u>
 Total Primary Government	 <u>\$ 31,686,891</u>	 <u>\$ 29,857,345</u>	 <u>\$ 27,301,591</u>	 <u>\$ 26,330,406</u>

	Fiscal Years				
2012	2011	2010	2009	2008	2007
\$ 9,920,486	\$ 9,077,983	\$ 9,599,168	\$ 9,194,864	\$ 8,457,166	\$ 9,049,016
1,123,326	746,871	589,192	243,525	434,461	387,763
(1,307,923)	213,740	(64,312)	399,933	799,883	923,873
9,735,889	10,038,594	10,124,048	9,838,322	9,691,510	10,360,652
8,657,456	7,569,240	5,878,027	7,473,809	7,022,525	8,349,640
664,161	2,067,870	2,067,870	2,005,897	2,023,921	--
6,845,866	6,156,251	7,760,194	5,935,424	5,900,544	6,112,701
16,167,483	15,793,361	15,706,091	15,415,130	14,946,990	14,462,341
<u>\$ 25,903,372</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>

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

	Fiscal Years			
	2016	2015	2014	2013
Governmental Activities				
General government	\$ 524,732	\$ 636,825	\$ 666,550	\$ 572,569
Public safety	990,412	992,749	963,669	1,053,981
Public works	899,069	832,453	897,477	853,953
Cemetery	70,931	73,064	72,779	50,104
Culture and recreation	410,756	322,420	321,358	261,623
Housing and economic development	676,903	117,556	125,539	131,300
Capital projects	83,907	375,513	136,302	173,267
Miscellaneous	--	--	--	--
Interest on long term debt	83,034	84,388	80,859	89,537
Total governmental activities expenditures	3,739,744	3,434,968	3,264,533	3,186,334
Business-type activities				
Liquor	2,845,219	2,751,495	2,603,292	2,542,384
Electric	5,233,142	5,139,160	5,110,192	5,177,296
Water	594,067	591,704	659,693	582,613
Wastewater	732,519	860,989	730,607	732,007
Total business-type activities expenses	9,404,947	9,343,348	9,103,784	9,034,300
Total primary government expenses	13,144,691	12,778,316	12,368,317	12,220,634
Program Revenues				
Governmental activities				
Charges for services:				
General government	353,641	492,582	456,628	434,079
Public safety	239,448	239,819	178,886	45,266
Public works	112,263	47,941	48,019	62,077
Cemetery	62,600	45,335	44,175	39,500
Culture and recreation	157,762	167,364	155,458	112,515
Housing & economic development	--	--	--	--
Capital projects	8,400	10,400	--	--
Operating grants and contributions	1,285,474	1,125,972	1,057,562	1,051,443
Capital grants and contributions	150,209	161,878	--	--
Total governmental activities program revenues	2,369,797	2,291,291	1,940,728	1,744,880
Business-type activities				
Charges for services				
Liquor	3,197,563	3,072,768	2,883,872	2,805,744
Electric	5,618,004	5,469,025	5,381,694	5,416,970
Water	680,043	669,507	625,425	581,412
Wastewater	1,993,661	3,337,175	829,454	912,171
Total business-type activities program revenues	11,489,271	12,548,475	9,720,445	9,716,297
Total primary government program revenues	13,859,068	14,839,766	11,661,173	11,461,177
Net Revenue (Expense)				
Governmental activities	(1,369,947)	(1,143,677)	(1,323,805)	(1,441,454)
Business-type activities	2,084,324	3,205,127	616,661	681,997
Total primary government net expense	\$ 714,377	\$ 2,061,450	\$ (707,144)	\$ (759,457)

Table 2

	Fiscal Years				
2012	2011	2010	2009	2008	2007
\$ 477,547	\$ 514,691	\$ 482,961	\$ 521,710	\$ 509,568	\$ 495,842
531,449	1,340,101	885,754	993,186	968,290	880,843
864,140	899,165	880,659	1,005,869	726,335	649,551
46,395	58,501	54,568	66,702	72,685	48,595
262,476	327,637	247,197	224,822	326,874	279,803
(482,493)	(56,110)	64,152	183,266	228,581	189,464
462,702	111,995	(122,296)	(206,895)	1,280,120	(1,029)
--	--	--	--	--	--
853,015	827,341	138,026	124,586	125,864	103,365
3,015,231	4,023,321	2,631,021	2,913,246	4,238,317	2,646,434
2,598,991	2,475,319	2,324,242	2,153,910	2,046,371	1,977,770
5,147,945	5,166,409	5,168,762	4,881,937	5,031,885	5,397,147
619,188	606,161	552,514	528,492	558,998	496,699
738,245	807,184	787,295	790,109	717,145	656,818
9,104,369	9,055,073	8,832,813	8,354,448	8,354,399	8,528,434
12,119,600	13,078,394	11,463,834	11,267,694	12,592,716	11,174,868
169,056	673,684	427,318	670,879	798,197	942,471
28,626	64,149	179,246	97,331	--	--
37,230	--	46,846	45,952	--	--
45,260	--	33,475	42,440	73,929	--
109,367	--	126,918	104,203	116,962	--
--	--	33,729	50	--	--
--	--	--	--	--	--
1,115,154	1,305,081	939,449	1,007,007	1,520,293	2,828,888
--	--	42,385	--	--	--
1,504,693	2,042,914	1,829,366	1,967,862	2,509,381	3,771,359
2,853,810	2,645,500	2,509,291	2,390,937	2,271,548	2,230,868
4,764,417	5,267,408	5,288,455	5,026,367	5,283,769	5,367,985
555,809	547,318	557,885	541,726	489,423	481,330
734,175	757,228	833,067	826,516	814,478	844,683
8,908,211	9,217,454	9,188,698	8,785,546	8,859,218	8,924,866
10,412,904	11,260,368	11,018,064	10,753,408	11,368,599	12,696,225
(1,510,538)	(1,980,407)	(801,655)	(945,384)	(1,728,936)	1,124,925
(196,158)	162,381	355,885	431,098	504,819	396,432
\$ (1,706,696)	\$ (1,818,026)	\$ (445,770)	\$ (514,286)	\$ (1,224,117)	\$ 1,521,357

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

		Fiscal Years		
	2016	2015	2014	2013
General Revenues and Other Changes in Net Position				
Governmental Activities				
Taxes				
Property taxes	\$ 653,211	\$ 623,338	\$ 625,105	\$ 605,942
Special assessments	121,236	198,346		
Tax increments	118,742	123,271	131,854	121,599
Gain on sale of capital assets	68,001	--	1,200	780
Unrestricted grants and contributions				
Payments in lieu of taxes				
Investment earnings	53,105	36,900	53,802	82,746
Miscellaneous	20,259	421,101	738,566	266,107
Transfers	293,633	694,440	720,001	270,000
Total governmental activities	1,328,187	2,097,396	2,270,528	1,347,174
Business-type activities				
Investment earnings	150,528	134,193	137,802	109,317
Miscellaneous	--	--	--	--
Transfers	(363,546)	(694,440)	(730,001)	(270,000)
Total business-type activities	(213,018)	(560,247)	(592,199)	(160,683)
Total primary government	1,115,169	1,537,149	1,678,329	1,186,491
Changes in Net Position				
Governmental activities	1,328,187	2,097,396	2,270,528	1,347,174
Business-type activities	(213,018)	(560,247)	(592,199)	(160,683)
Prior period adjustment	--	(1,042,845)	--	--
Total primary government	\$ 1,115,169	\$ 494,304	\$ 1,678,329	\$ 1,186,491

Table 2
(Continued)

	Fiscal Years				
2012	2011	2010	2009	2008	2007
\$ 615,824	\$ 576,629	\$ 535,245	\$ 592,363	\$ 545,600	\$ 504,338
131,818	174,918	191,721	169,466	135,418	133,876
12,695	163,858	1,439	2,320	1,270	2,665
73,077	41,750	88,976	81,049	116,099	124,755
104,419	667,798	--	(20,000)	--	--
270,000	270,000	270,000	270,000	290,000	(86,486)
1,207,833	1,894,953	1,087,381	1,095,198	1,088,387	679,148
840,280	196,135	235,076	337,042	269,830	321,282
--	--	(30,000)	(30,000)	--	--
(270,000)	(270,000)	(270,000)	(270,000)	(290,000)	86,486
570,280	(73,865)	(64,924)	37,042	(20,170)	407,768
1,778,113	1,821,088	1,022,457	1,132,240	1,068,217	1,086,916
1,207,833	1,894,953	1,087,381	1,095,198	1,088,387	679,148
570,280	(73,865)	(64,924)	37,042	(20,170)	407,768
--	--	--	--	--	--
\$ 1,778,113	\$ 1,821,088	\$ 1,022,457	\$ 1,132,240	\$ 1,068,217	\$ 1,086,916

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

	Fiscal Years			
	2016	2015	2014	2013
General Fund				
Nonspendable	\$ --	\$ 36,186	\$ 37,227	\$ 31,684
Unassigned	1,158,986	1,290,128	1,115,324	1,144,303
Total general fund	1,158,986	1,326,314	1,152,551	1,175,987
All Other Governmental Funds				
Nonspendable	--	9,827	10,226	10,366
Restricted	390,319	330,233	671,315	380,947
Committed	--	--	--	--
Assigned	123,636	123,519	46,890	304,790
Unassigned	(721,800)	(446,334)	(1,184,176)	(1,715,355)
Total all other governmental funds	(207,845)	17,245	(455,745)	(1,019,252)
Total all governmental funds	\$ 951,141	\$ 1,343,559	\$ 696,806	\$ 156,735

Table 3

2012	Fiscal Years				
	2011	2010	2009	2008	2007
\$ 48,547	\$ 48,911	\$ 49,680	\$ 52,965	\$ 45,820	\$ 44,222
1,065,516	1,006,954	965,593	934,208	884,927	854,860
1,114,063	1,055,865	1,015,273	987,173	930,747	899,082
796	778	781	786	685	687
712,259	652,354	482,488	139,611	334,147	293,229
--	--	--	--	--	--
109,329	94,517	--	140,397	178,429	138,808
(2,007,356)	(981,685)	(976,677)	(490,467)	(685)	95,847
(1,184,972)	(234,036)	(493,408)	(209,673)	512,576	528,571
\$ (70,909)	\$ 821,829	\$ 521,865	\$ 777,500	\$ 1,443,323	\$ 1,427,653

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

	Fiscal Year			
	2016	2015	2014	2013
Revenues				
Property taxes	\$ 663,581	\$ 623,338	\$ 625,105	\$ 605,942
Tax increments	108,372	123,271	131,854	121,599
Licenses & permits	100,290	70,300	31,748	40,788
Special assessments	103,157	198,346	45,594	(12,939)
Intergovernmental	1,651,715	1,283,162	1,056,661	1,051,443
Charges for services	688,885	753,030	664,426	693,437
Fines	18,452	21,227	18,488	23,208
Investment earnings	69,535	36,900	53,802	38,246
Other revenues	284,210	584,673	162,255	215,830
Total revenues	3,688,197	3,694,247	2,789,933	2,777,554
Expenditures				
General government	499,528	489,714	484,267	439,181
Public safety	890,992	879,060	859,463	942,906
Public works	494,872	419,584	519,045	450,577
Cemetery	65,416	55,113	56,325	44,258
Culture and recreation	344,588	316,436	315,873	244,085
Housing and economic development	676,903	105,590	114,571	119,608
Capital projects	667,486	2,238,898	136,302	173,267
Miscellaneous	448,210	261,536	192,447	159,185
Debt service				
Principal	192,500	1,944,504	259,475	195,500
Interest & other expenditures	93,753	34,583	32,095	95,843
Total expenditures	4,374,248	6,745,018	2,969,863	2,864,410
Excess of revenues over (under) expenditures	(686,051)	(3,050,771)	(179,930)	(86,856)
Other Financing Sources (Uses)				
Proceeds from borrowing	--	3,003,084	--	44,500
Miscellaneous	--	--	--	--
Transfers in	1,022,822	1,593,712	1,372,153	489,275
Transfers out	(729,189)	(899,272)	(652,152)	(219,275)
Total other financing sources (uses)	293,633	3,697,524	720,001	314,500
Net change in fund balances	\$ (392,418)	\$ 646,753	\$ 540,071	\$ 227,644
Debt service as a percentage of non-capital expenditures	8.2%	42.2%	12.9%	10.2%

Table 4

Fiscal Year					
2012	2011	2010	2009	2008	2007
\$ 615,824	\$ 561,906	\$ 535,245	\$ 592,363	\$ 545,600	\$ 504,338
131,818	174,919	191,721	169,466	135,418	133,876
39,180	42,635	29,949	53,097	80,946	73,975
3,997	16,850	84,052	(43,299)	172,510	77,964
1,115,154	1,334,430	966,409	945,504	1,347,783	2,828,888
346,362	333,956	341,153	620,280	732,639	448,959
23,080	21,514	21,943	33,709	58,541	47,854
73,077	101,245	123,334	81,049	116,099	124,755
384,284	412,403	352,940	357,891	118,232	296,384
2,732,776	2,999,858	2,646,746	2,810,060	3,307,768	4,536,993
638,779	551,344	505,796	475,954	484,113	463,645
923,748	1,280,949	870,618	848,291	887,682	804,374
433,104	597,855	457,389	479,673	433,600	371,848
40,549	53,437	48,790	43,824	59,957	36,521
284,573	291,450	252,742	217,196	322,631	275,778
115,732	184,188	172,578	168,014	219,971	189,464
422,030	359,507	527,375	1,111,316	1,237,951	2,476,495
--	--	--	58,525	1,008,374	62,914
910,500	200,500	212,833	195,500	140,000	135,000
126,499	118,461	124,265	127,590	97,235	77,515
3,895,514	3,637,691	3,172,386	3,725,883	4,891,514	4,893,554
(1,162,738)	(637,833)	(525,640)	(915,823)	(1,583,746)	(356,561)
--	667,798	--	--	1,337,249	--
--	--	--	(20,000)	--	--
1,197,121	1,275,208	421,724	391,408	1,103,716	438,823
(927,121)	(1,005,208)	(151,724)	(121,408)	(810,957)	(525,309)
270,000	937,798	270,000	250,000	1,630,008	(86,486)
\$ (892,738)	\$ 299,965	\$ (255,640)	\$ (665,823)	\$ 46,262	\$ (443,047)
30.7%	10.3%	14.2%	13.3%	5.6%	8.3%

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
2007	\$ 127,839,600	\$ 28,845,500	\$ 8,299,000	\$ 23,218,000	\$ 188,202,100
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	164,724,200
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
2016	119,776,300	29,256,300	7,564,000	3,082,045	159,678,645

Figures from Kanabec County Assessor - Fall Mini Abstract

	Total Tax Capacity of Taxable Property	Total Direct Tax Rate
\$	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%
	1,666,106	40.049%

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
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
2016	20.619	19.430	40.049	26.106	100.155

Figures from Kanabec County Auditor.

Region (ECRDC)	Total Tax Rate
16.200%	130.121%
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
0.229	166.539

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Table 7

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

Taxpayer	2016			2007		
	Net Tax Capacity	Rank	Percentage of Total City Tax Capacity	Net Tax Capacity	Rank	Percentage of Total City Tax Capacity
Engineered Polymers	\$ 75,840	1	4.55%	\$ 59,488	1	2.79%
First Citizens Bank	44,147	2	2.65%	-		0.00%
Gorham Housing Partners, LLP	39,930	3	2.40%	43,161	3	2.02%
Coborn's, Inc.	30,244	4	1.82%	33,094	5	1.55%
Minmor, LLC	29,396	5	1.76%	34,684	4	1.63%
Spire	27,533	6	1.65%	29,738	6	1.39%
Living Services Foundation	19,289	7	1.16%	28,165	7	1.32%
Vasu & Dilip Motel LLP	16,994	8	1.02%	-		0.00%
Daniel Kamin (Shopko)	15,314	9	0.92%	16,954	9	0.80%
Living Solutions II Corp.	15,201	10	0.91%	22,059	8	1.03%
Federated Co-ops				15,794	10	0.74%
Kanabec County				46,372	2	2.17%
Total	\$ 313,888		18.84%	\$ 329,509		15.44%
Total Net Tax Capacity	\$ 1,666,106			\$ 2,132,536		

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
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%
2016		322,514		338,000	660,514	645,242	97.69%

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
\$	15,957	\$ 500,606	99.98%	\$ 110
	30,929	545,415	99.50%	2,735
	32,877	578,964	99.51%	2,823
	36,679	580,479	99.78%	1,038
	37,836	581,636	99.97%	151
	20,291	596,411	99.88%	720
	22,285	595,436	99.77%	1,367
	9,227	584,347	99.62%	2,230
	3,755	612,866	99.51%	3,040
	--	645,242	97.69%	15,272

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
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
2016	1,850,000	1,710,000	--	--	1,151,000	3,111,367

NA-not available

	Total Primary Government	Percentage of Personal Income	Per Capita
	\$ 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
	7,822,367	NA	2,191

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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
2007	\$ 1,450,000	\$ 188,202,100	0.77%	3,699	\$ 365
2008	1,345,000	193,450,800	0.70%	3,681	337
2009	1,225,000	197,023,900	0.62%	3,635	312
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
2016	1,850,000	160,962,100	1.15%	3,518	526

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	\$ --	\$ 18,950,000	\$ 18,950,000	\$ 10,815,285
Independent School District 332	--	18,995,000	18,995,000	7,146,523
Subtotal		37,945,000	37,945,000	
City of Mora	3,560,000	--	3,560,000	1,666,106
Total	\$ 3,560,000	\$ 37,945,000	\$ 41,505,000	

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
\$ 1,666,106	15.41%	\$ 2,919,267
1,666,106	23.31%	4,428,403
		<u>7,347,670</u>
1,666,106	100.00%	3,560,000
		<u>\$ 10,907,670</u>

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

Fiscal Year	Assessed Market Value	Debt Limit		Debt Applicable to Limit	Legal Debt Margin	Debt % of Limit
		2% - 2007	3% - 2008			
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%
2016	160,962,100	4,828,863		1,850,000	2,978,863	38.31%

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
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%
2016	682,339	594,661	87,678	90,846	37,295	68%

Wastewater Revenue Bonds

Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
\$ 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	(26,383)	294,974	45,850	-8%
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%
2,003,611	733,112	1,270,499	58,011	30,788	1431%

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)
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
2016	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)
1,858	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%
1,719	8.10%

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

Employer	2016			2012		
	Employees	Rank	% of Total	Employees	Rank	% of Total
FirstLight Health System	452	1	23.5	373	1	20.2
Mora Public Schools	325	2	16.9	327	2	17.7
Imperial Plastics (formerly EPC)	233	3	12.1	221	3	12.0
Kanabec County	224	4	11.7	214	4	11.6
St. Clare Living Community	158	5	8.1	160	6	8.7
Coborns, Inc.	153	6	8.0	163	5	8.8
Lakes & Pines Community Action	117	7	6.1	109	8	5.9
OlymPak	99	8	5.2	112	7	6.1
RJ Mechanical	81	9	4.2	80	10	4.3
City of Mora	80	10	4.2	87	9	4.7
	<u>1,922</u>		<u>100.0</u>	<u>1,846</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				
	2016	2015	2014	2013	2012
General Government					
Management Services	2	2	2	2	2
Finance	4	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	4	5	6	6	7
Aquatic Center	2	2	1	1	1
Electric	3	3	3	3	3
Water/Wastewater	3	5	5	5	5
Liquor Store	2	2	2	2	2
Total	22	24	24	24	25

Data from city payroll records.

Full-time Employees as of June 30				
2011	2010	2009	2008	2007
2	2	2	2	2
3	3	3	3	3
1	1	1	1	1
1	1	1	1	1
0	0	6	6	6
0	0	1	1	1
7	7	7	7	7
1	1	1	1	1
3	4	5	5	7
6	6	5	5	5
2	2	2	2	2
26	27	34	34	36

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

Function/Program	Fiscal Year			
	2016	2015	2014	2013
Police - contracted with the sheriff starting March 1, 2010				
Physical arrests	75	59	54	1,252
Parking violations	21	356	287	165
Traffic violations	2,061	1,391	1,303	1,293
Fire				
Emergency responses	90	109	70	54
Fires extinguished	15	39	29	36
Inspections	10	--	9	13
Public Works				
Street resurfacing (miles)	2.75	--	--	--
Potholes repaired	410	305	270	297
Library				
Visits	39,517	39,999	37,693	41,619
Volumes in collection	21,523	22,490	38,814	32,000
Total volumes borrowed	52,460	54,768	56,153	58,486
Computer use	6,471	6,576	6,699	5,866
Water				
Total connections	1,158	1,155	1,168	1,172
Water-main breaks	3	2	4	--

NA-not available

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

	Fiscal Year				
2012	2011	2010	2009	2008	2007
745	908	594	246	319	285
165	158	105	77	175	246
913	1,359	604	262	1,025	753
92	75	69	56	75	97
56	43	31	29	23	46
8	7	8	8	8	10
.25	.49	1.28	1.22	None	.84
135	167	319	213	189	225
47,117	49,403				
30,000	30,000	30,000	30,000	30,000	21,000
67,313	87,000	89,800	92,000	89,919	89,924
6,170	8,614				
1,173	1,179	1,178	1,177	1,160	1,151
--	--	3	2	3	1

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

Function/Program	Fiscal Year			
	2016	2015	2014	2013
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	24.00	24.16
Street lights	690	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	5.00	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				
2012	2011	2010	2009	2008	2007
1	1	1	1	1	1
5	5	5	6	6	6
1	1	1	1	1	1
24.16	24.16	24.16	24.16	23.60	23.60
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	4.80	2.50	2.50	2.50
18.00	18.00	18.00	18.00	18.00	18.00
281	281	281	281	279	279
700,000	700,000	700,000	700,000	700,000	700,000
16.00	16.00	16.00	16.00	16.00	16.00
6.87	6.87	6.87	6.87	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, 2016

AUDITOR'S REPORT SECTION

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City of Mora
Mora, Minnesota
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2016

Federal Grantor/Pass Through <u>Grantor/Program Title</u>	Federal CFDA Number	Other Identifying Number	Federal Expenditures
U.S. ENVIRONMENTAL PROTECTION AGENCY			
Passed Through the Minnesota Public Facilities Authority			
Clean Water State Revolving Loan	66.458	MPFA-15-0015-R-FY15	<u>\$ 942,592</u>
Total U.S. Environmental Protection Agency			<u>942,592</u>
U.S. DEPARTMENT OF TRANSPORTATION			
Passed Through the Minnesota Department of Transportation			
Airport Improvement Program	20.106	3-27-0068-011-2016	<u>411,211</u>
Total U.S. Department of Transportation			<u>411,211</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed Through the Minnesota Department of Employment and Economic Development			
Community Development Block Grant	14.228	CDAP-14-0034-O-FY15	<u>165,470</u>
Total U.S. Department of Housing and Urban Development			<u>165,470</u>
Total Expenditures of Federal Awards			<u><u>\$ 1,519,273</u></u>

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

City of Mora
Mora, Minnesota
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2016

NOTE 1: BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Mora, Minnesota and follows the procedures of the Uniform Guidance. Some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. Pass-through entity identifying numbers are identified where available.

NOTE 2: SUBRECIPIENTS

No amounts were provided to subrecipients.

City of Mora
Mora, Minnesota
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2016

SECTION SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's opinion(s) issued Unqualified

Internal control over financial reporting:

Material weakness(es) identified? Yes X No

Reportable condition(s) identified that are not considered to be material weaknesses? Yes X None reported

Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? Yes X No

Reportable conditions(s) identified that are not considered to be material weakness(es)? Yes X None reported

Type of auditor's opinion(s) issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Part 200 Uniform Guidance? Yes X No

Identification of major programs:

<u>Name of Federal Program</u>	<u>CFDA Number(s)</u>
Clean Water State Revolving Loan	66.458

Dollar threshold used to distinguish between Type A and Type B Programs \$ 300,000

Auditee qualified as low-risk auditee? X Yes No

SECTION FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

No matters were reported.

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Members of the City of Council
City of Mora
Mora, Minnesota 55051

Report on Compliance for Each Major Federal Program

We have audited the City of Mora, Minnesota's compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the City of Mora, Minnesota's major federal programs for the year ended December 31, 2016. City of Mora, Minnesota's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Mora, Minnesota's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, Issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Mora, Minnesota's compliance with those requirements and performing such other procedures as we consider necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Mora, Minnesota's compliance.

Opinion of Each Major Federal Program

In our opinion, City of Mora, Minnesota, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major programs for the year ended December 31, 2016.

Report on Internal Control over Compliance

Management of the City of Mora, Mora, Minnesota is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Mora, Mora, Minnesota's internal control over compliance with the types of requirements that could have a direct and material effect on each major program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Mora, Mora, Minnesota's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we considered to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Althoff and Nordquist, LLC
Pine City, Minnesota
June 15, 2017

Althoff and Nordquist, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'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, 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, 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, 2016, 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 June 15, 2017. We also conducted our audit in accordance with 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
June 15, 2017

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