

COMPREHENSIVE ANNUAL
FINANCIAL REPORT
OF THE
CITY OF MORA, MINNESOTA
FOR THE
FISCAL YEAR ENDED
December 31, 2017

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

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City of Mora, Minnesota

COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended December 31, 2017
Table of Contents

	<u>REFERENCE</u>	<u>PAGE</u>
INTRODUCTORY SECTION		
Letter of Transmittal		3
Organizational Chart		8
Organization		9
FINANCIAL SECTION		
Independent Auditor's Report		13
Management's Discussion and Analysis		15
Basic Financial Statements		
Government-wide Financial Statements:		
Statement of Net Position	Form A-1	32
Statement of Activities	Form A-2	34
Fund Financial Statements		
Balance Sheet - Governmental Funds	Form B-1	38
Reconciliation of Net Position in the Government-wide Financial Statements and Fund Balances in the Fund Financial Basis Financial Statements	Form B-2	40
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	Form B-3	42
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Net Position of Governmental Funds to the Statement of Activities	Form B-4	44
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual:		
General Fund	Form B-5	45
Proprietary Funds:		
Statement of Net Position	Form C-1	48
Statement of Revenues, Expenses, and Changes in Fund Net Position	Form C-2	50
Statement of Cash Flows	Form C-3	52
Notes to Financial Statements		57
Other Supplementary Information		
Schedule of City's Proportionate Share of Net Pension Liability and City's Contribution:	Form D-1	90
Schedule of Revenues, Expenditures, and Changes in Fund Balances of Budget and Actual - Crosswind	Form D-2	91
Schedule of Revenues, Expenditures, and Changes in Fund Balances of Budget and Actual - Grove and Wood Street	Form D-3	92
Schedule of Revenues, Expenditures, and Changes in Fund Balances of Budget and Actual - 9th & Wood St. Improvements	Form D-4	93

City of Mora, Minnesota

COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended December 31, 2017
Table of Contents

FINANCIAL SECTION (Continued)	<u>REFERENCE</u>	<u>PAGE</u>
Component Unit:		
Balance Sheet - Economic Development Authority	Form E-1	94
Statement of Revenues, Expenditures, and Changes in Fund		
Balance - Economic Development Authority	Form E-2	95
Balance Sheet - Housing and Redevelopment Authority	Form E-3	96
Statement of Revenues, Expenditures, and Changes in Fund		
Balance - Housing and Redevelopment Authority	Form E-4	97
Combining and Individual Fund Statements and Schedules Non-Major Funds		
Combining Balance Sheet - Nonmajor Governmental Funds	Form F-1	102
Combining Statement of Revenues, Expenditures, and		
Changes in Fund Balances - Nonmajor Governmental Funds	Form F-2	110
Schedule of Revenues, Expenditures, and Changes in Fund		
Balances - Budget and Actual - Storm Water Utility Fund	Form F-3	120
Schedule of Revenues, Expenditures, and Changes in Fund		
Balances - Budget and Actual - Fire Fund	Form F-4	121
Schedule of Revenues, Expenditures, and Changes in Fund		
Balances - Budget and Actual - Cemetery Fund	Form F-5	122
Schedule of Revenues, Expenditures, and Changes in Fund		
Balances - Budget and Actual - Economic Development Revolving Loan	Form F-6	123
Schedule of Revenues, Expenditures, and Changes in Fund		
Balances - Budget and Actual - TIF 2-2 Intrepid	Form F-7	124
Schedule of Revenues, Expenditures, and Changes in Fund		
Balances - Budget and Actual - TIF 1-8 Torborg Apartments	Form F-8	125
Schedule of Revenues, Expenditures, and Changes in Fund		
Balances - Budget and Actual - TIF 1-11 KSB	Form F-9	126
Schedule of Revenues, Expenditures, and Changes in Fund		
Balances - Budget and Actual - TIF 1-15 Maysa House	Form F-10	127
Schedule of Revenues, Expenditures, and Changes in Fund		
Balances - Budget and Actual - Small Cities Development	Form F-11	128
Schedule of Revenues, Expenditures, and Changes in Fund		
Balances - Budget and Actual - Future Fire Equipment	Form F-12	130
Schedule of Revenues, Expenditures, and Changes in Fund		
Balances - Budget and Actual - Future Improvements	Form F-13	131
Schedule of Revenues, Expenditures, and Changes in Fund		
Balances - Budget and Actual - Fire Station	Form F-14	132
Schedule of Revenues, Expenditures, and Changes in Fund		
Balances - Budget and Actual - Howe Avenue Reconstruction	Form F-15	133
Schedule of Revenues, Expenditures, and Changes in Fund		
Balances - Budget and Actual - Downtown Feed Mill Redevelopment	Form F-16	134
Schedule of Revenues, Expenditures, and Changes in Fund		
Balances - Budget and Actual - Airport Kastenbauer House	Form F-17	135

City of Mora, Minnesota

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2017

Table of Contents

	<u>REFERENCE</u>	<u>PAGE</u>
FINANCIAL SECTION (Continued)		
Combining and Individual Fund Statements and Schedules (Continued)		
Schedule of Revenues, Expenditures, and Changes in Fund		
Balances - Budget and Actual - Parker Capital Project	Form F-18	136
Schedule of Revenues, Expenditures, and Changes in Fund		
Balances - Budget and Actual - 2012 7th and Grove St. Improvement	Form F-19	137
Schedule of Revenues, Expenditures, and Changes in Fund		
Balances - Budget and Actual - Hwys 23 & 65 Street Lt. Project	Form F-20	138
Schedule of Revenues, Expenditures, and Changes in Fund		
Balances - Budget and Actual - Fire Station 2003	Form F-21	140
Schedule of Revenues, Expenditures, and Changes in Fund		
Balances - Budget and Actual - 2008-2011 Street Reconstruction	Form F-22	141
Schedule of Revenues, Expenditures, and Changes in Fund		
Balances - Budget and Actual - HRA Eastwood	Form F-23	142
Schedule of Revenues, Expenditures, and Changes in Fund		
Balances - Budget and Actual - Series 2015B - Wood & Grove	Form F-24	143
Schedule of Revenues, Expenditures, and Changes in Fund		
Balances - Budget and Actual - Series 2015C - Refunding	Form F-25	144
Schedule of Revenues, Expenditures, and Changes in Fund		
Balances - Budget and Actual - Series 2017A - Refunding	Form F-26	145
Schedule of Revenues, Expenditures, and Changes in Fund		
Balances - Budget and Actual - Perpetual Care - Cemetery	Form F-27	148
Schedule of Revenues, Expenditures, and Changes in Fund		
Balances - Budget and Actual - Municipal Liquor Store	Form G-1	150
Schedule of Revenues, Expenditures, and Changes in Fund		
Balances - Budget and Actual - Electric Utility Fund	Form G-2	151
Schedule of Revenues, Expenditures, and Changes in Fund		
Balances - Budget and Actual - Water Utility Fund	Form G-3	152
Schedule of Revenues, Expenditures, and Changes in Fund		
Balances - Budget and Actual - Wastewater Utility Fund	Form G-4	153
SUPPLEMENTARY FINANCIAL INFORMATION		
Schedule of Gross Sales, Net profit, Transfers Out, and Retained		
Earnings - Municipal Liquor Store Fund	Schedule 1	156
Schedule of Gross Sales, Net profit, Transfers Out, and Retained		
Earnings - Electric Utility Enterprise Fund	Schedule 2	157
Schedule of Services, Billing, KWH, and Revenues per KWH-		
Electric Utility Fund	Schedule 3	158
Schedule of Gross Sales, Net Profit, Transfers In, Out, and		
Retained Earnings - Water Utility Enterprise Fund	Schedule 4	159
Schedule of Gross Sales, Net Profit, Transfers In, Out, and		
Retained Earnings - Wastewater Utility Enterprise Fund	Schedule 5	160

City of Mora, Minnesota

COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended December 31, 2017
Table of Contents

	<u>REFERENCE</u>	<u>PAGE</u>
STATISTICAL SECTION		
Net Position by Component	Table 1	164
Changes in Net Position	Table 2	166
Fund Balances, Governmental Funds	Table 3	170
Changes in Fund Balances, Governmental Funds	Table 4	172
Taxable Assessed Value of Taxable Property	Table 5	174
Direct and Overlapping Property Tax Rates as a % of Net Tax Capacity	Table 6	176
Principal Property Tax Payers	Table 7	178
Property Tax Levies and Collections	Table 8	180
Ratios of Outstanding Debt by Type	Table 9	182
Ratios of General Bonded Debt Outstanding	Table 10	184
Direct and Overlapping Governmental Activities Debt	Table 11	186
Legal Debt Margin Information	Table 12	188
Pledged-Revenue Coverage	Table 13	190
Demographic and Economic Statistics	Table 14	192
Principal Employers	Table 15	195
Full-Time Equivalent Employees by Function/Program	Table 16	196
Operating Indicators by Function/Program	Table 17	198
Capital Asset Statistics by Function/Program	Table 18	200
AUDITOR'S REPORT SECTION		
Schedule of Expenditures of Federal Awards		204
Notes to the Schedule of Expenditures of Federal Awards		205
Schedule of Finding and Question Costs		206
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance		207
Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards and the Minnesota Legal Compliance Audit Guide		209

City of Mora, Minnesota
INTRODUCTORY SECTION
December 31, 2017

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CITY OF MORA MORA MUNICIPAL UTILITIES

101 Lake Street South
Mora, MN 55051-1588

ci.mora.mn.us



320.679.1511

Fax 320.679.3862

320.679.1451

June 14, 2018

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, 2017 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 5.47 square miles.

Local Economy

In 2017, 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 decreasing at 7.30% in December 2017 and is the lowest for that period in the last ten years.

A very good indicator of the improving economy is the new construction of six (6) single-family homes, one (1) multi-unit apartment, and one (1) new commercial building in 2017. Overall, with a valuation of building permits estimated at \$33,700,000 in 2017, an amount over five (5) times higher than the most recent five-year average, it is safe to say that the economy in Mora is improving.

A new wellness center was constructed in 2017, and a large addition began on FirstLight Health System's facility in Mora. A large addition was constructed at RJ Mechanical, and major alterations took place to convert the old motel located 1819 Highway 65 into apartments. Large remodel projects took place during the year to at least five (5) residential properties.

First-year property tax delinquency continues to be lower than the ten-year average by about 2.00%. Tax capacity values increased by an impressive 10.62%.

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 2017 budget at its meeting on December 6, 2016.

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

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 8 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:

	2017	2016	2015	2014	2013
General Fund	\$336,815	\$322,514	\$339,794	\$298,775	\$319,051
Debt Service Funds	\$344,722	\$338,000	\$276,112	\$287,802	\$277,752
Total Levy	\$681,537	\$660,514	\$615,906	\$586,577	\$596,803

Special Revenue Funds

Cemetery Fund

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. 1-11

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

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 2017, Standard & Poor's (S&P) completed its regular review of our rating, and affirmed the City's rating of A+/Stable. S&P cited the City's strong budgetary performance, very strong liquidity, adequate management, and weak economy as support for the 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 periodically reviews and 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 2017. The auditor's opinion is included in this report.

Acknowledgments

The finance department staff contributed significantly to this report. I wish to thank Mandi Yoder, 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

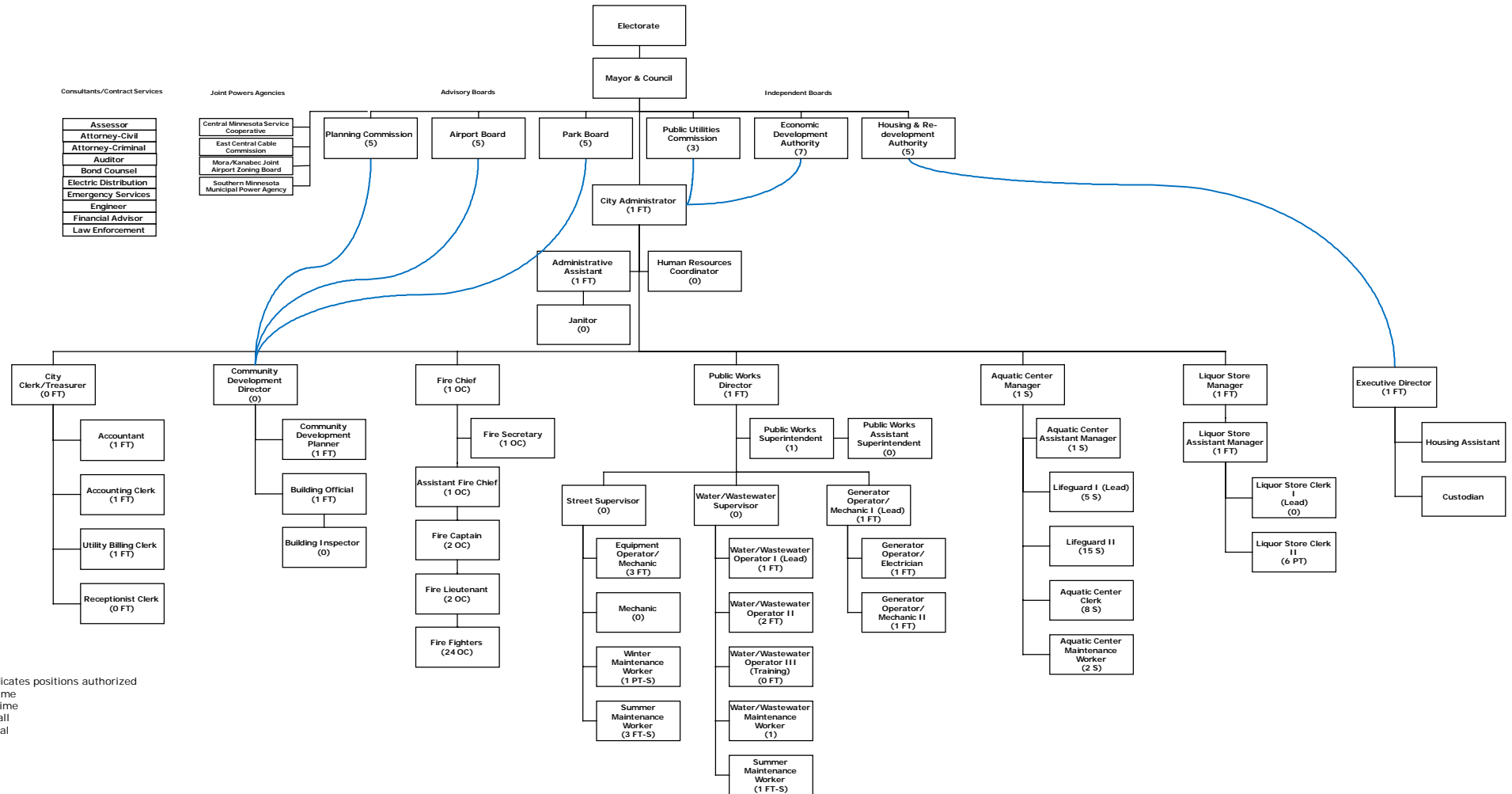
A handwritten signature in black ink, appearing to read 'Lindy Crawford', written over the printed name.

Lindy Crawford

City Administrator and Public Utilities General Manager

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

ver. 7.0



CITY OF MORA, MINNESOTA

ORGANIZATION

Elected Officials

Jack L'Heureux	Mayor
Jody Anderson	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, 2017

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Althoff and Nordquist, LLC

CERTIFIED PUBLIC ACCOUNTANTS

www.althoffandnordquist.com

505 - SECOND STREET SE
PINE CITY, MINNESOTA 55063
TELEPHONE: 320-629-6185

124 EAST FOREST AVE.
MORA, MINNESOTA 55051
TELEPHONE: 320-679-4846

CARL D. NORDQUIST, JR., C.P.A.
ROBERT R. ALTHOFF, C.P.A.

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business - type activities, 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, 2017, 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, 2017, 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 15 through 30 and 45 through 46 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 6, 2018, 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 6, 2018

City of Mora, Minnesota
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED
December 31, 2017

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, 2017. 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 \$33,496,444 (net position). Of this amount, \$9,623,102 (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 \$1,809,553 in 2017.
- * At the close of the fiscal year, governmental fund balances totaled \$1,135,218.
- * As of December 31, 2017, the unreserved fund balance of the General Fund was \$1,115,118. This amount was 41.06% of the General Fund's total expenditures in 2017.

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 \$33,496,444. This was a \$1,809,553 increase over last year's net position of \$31,686,891. 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	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 3,017,708	\$ 2,905,113	\$ 12,405,135	\$ 9,738,649	\$ 15,422,843	\$ 12,643,762
Capital assets (net)	15,722,089	13,781,591	16,100,113	16,801,216	31,822,202	30,582,807
Total Assets	<u>18,739,797</u>	<u>16,686,704</u>	<u>28,505,248</u>	<u>26,539,865</u>	<u>47,245,045</u>	<u>43,226,569</u>
Other liabilities	1,851,543	3,380,336	2,367,331	831,548	4,218,874	4,211,884
Long-term liabilities	5,218,264	2,848,922	4,311,463	4,478,872	9,529,727	7,327,794
Total Liabilities	<u>7,069,807</u>	<u>6,229,258</u>	<u>6,678,794</u>	<u>5,310,420</u>	<u>13,748,601</u>	<u>11,539,678</u>
Net Position:						
Net investment						
in Capital Assets	11,556,594	10,710,096	11,515,650	12,050,343	23,072,244	22,760,439
Restricted	764,168	589,285	1,356,930	36,812	2,121,098	626,097
Unrestricted	(650,772)	(841,935)	8,953,874	9,142,290	8,303,102	8,300,355
Total Net Position	<u>\$ 11,669,990</u>	<u>\$ 10,457,446</u>	<u>\$ 21,826,454</u>	<u>\$ 21,229,445</u>	<u>\$ 33,496,444</u>	<u>\$ 31,686,891</u>

The city reported positive balances in net position for both governmental and business-type activities. Net position increased \$1,212,544 for governmental activities and increased by \$597,009 for business-type activities. The city's overall financial position improved during 2017 primarily due to the city keeping expenditures under control and successfully following the budget as much as possible.

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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	
	2017	2016	2017	2016
Revenues:				
Program revenues				
Charge for services	\$ 972,675	\$ 934,114	\$ 10,552,863	\$ 11,489,271
Operating grants and contributions	1,557,087	1,285,474	--	--
Capital grants and contributions	805,216	150,209	--	--
General revenues				
Property taxes	697,963	653,211	--	--
Tax increment	112,999	118,742	--	--
Special assessments	376,534	121,236	--	--
Investment earnings	30,113	53,105	137,745	150,528
Other revenue	137,927	88,260	--	--
Total Revenue	<u>4,690,514</u>	<u>3,404,351</u>	<u>10,690,608</u>	<u>11,639,799</u>
Program Expenses:				
General government	549,250	524,732	--	--
Public safety	679,097	990,412	--	--
Public works	647,172	899,069	--	--
Cemetery	39,845	70,931	--	--
Culture and recreation	364,861	410,756	--	--
Housing & ED	500,669	676,903	--	--
Capital projects	811,872	83,907	--	--
Miscellaneous	--	--	--	--
Interest on long-term debt	115,890	83,034	--	--
Liquor	--	--	2,848,151	2,845,219
Electric	--	--	5,380,104	5,233,142
Water	--	--	610,671	594,067
Wastewater	--	--	979,108	732,519
Total Expenses	<u>3,708,656</u>	<u>3,739,744</u>	<u>9,818,034</u>	<u>9,404,947</u>
Increase in net position before transfers	981,858	(335,393)	872,574	2,234,852
Miscellaneous	--	--	--	--
Transfers	230,686	293,633	(275,565)	(363,546)
Change in net position	1,212,544	(41,760)	597,009	1,871,306
Prior Period Adjustment	--	--	--	--
Beginning net position	10,457,446	10,499,206	21,229,445	19,358,139
Ending net position	<u><u>\$ 11,669,990</u></u>	<u><u>\$ 10,457,446</u></u>	<u><u>\$ 21,826,454</u></u>	<u><u>\$ 21,229,445</u></u>

Totals	
2017	2016
\$ 11,525,538	\$ 12,423,385
1,557,087	1,285,474
	--
805,216	150,209
--	--
697,963	653,211
112,999	118,742
376,534	121,236
167,858	203,633
137,927	88,260
15,381,122	15,044,150
549,250	524,732
679,097	990,412
647,172	899,069
39,845	70,931
364,861	410,756
500,669	676,903
811,872	83,907
--	--
115,890	83,034
2,848,151	2,845,219
5,380,104	5,233,142
610,671	594,067
979,108	732,519
13,526,690	13,144,691
1,854,432	1,899,459
--	--
(44,879)	(69,913)
1,809,553	1,829,546
--	--
31,686,891	29,857,345
\$ 33,496,444	\$ 31,686,891

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 2017, 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 amended budgets and actual results are explained below:

General Fund

Revenues

- Swim fees exceeded budgeted amounts by \$4,596, due to an increase in customers at the Mora Aquatic Center.
- Tax increment earnings were up \$6,988 from expected, mainly due to larger tax capacities for properties within Tax Increment Financing (TIF) districts.
- Revenue from miscellaneous sources exceeded the budget by \$2,478, due primarily to a rebate received for the purchase of a new large-format printer.

Expenditures

- General expenditures were under budgeted amounts by a total of \$231,275.
- The law enforcement department was \$7,720 under budget, due mostly to a discount received for purchasing two new squad cars in the same year.
- Street department expenditures came under budget by \$72,955, due to postponed street maintenance.
- The new soil vapor extraction system was installed and remediation continued, as a result of a fuel leak, at the Municipal Airport. Expenditures for the department as a whole came in under budgeted amounts by \$7,805.
- Aquatic center expenditures were \$61,092 below budget due primarily to a rescheduling of a feasibility study and postponing of a capital project.

As a result of these budget variances and numerous less significant variances, the General Fund actual revenues varied from the amended budget by \$102,694 and expenditures varied by \$231,275. The fund balance decreased by \$43,868.

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 \$235,488 and correspondingly the cost of goods sold was \$168,886 lower than budgeted.
- Wage and salary expenses were \$4,621 lower than budgeted, but dividends were \$1,948 higher than expected.

The resulting change in net position was a positive \$48,762 after a \$280,000 transfer to the General Fund.

Electric Fund

- Sales were lower than budgeted by \$194,218, and, coincidentally, the cost of sales was \$198,482 lower than budgeted.
- CIP Reimbursements were approximately \$41,465 higher than expected, due to a larger-than-expected energy conservation rebate program.
- Expenditures for generation and power supply were \$387,956 lower than budgeted. This savings was due primarily to lower maintenance expenses of \$58,769, fuel oil savings of \$102,076, and purchased power savings of \$198,482.

The resulting change in net position was a positive \$170,518.

Water Fund

- Interest Earnings were higher than budgeted by \$5,639, and Water Access Charges (WAC Fees) were higher than budgeted by \$800.
- Expenditures were approximately \$64,600 lower than budgeted, due, in part, to a savings in lab supplies of \$10,000, repair and maintenance of \$8,876, and interest expense of \$12,000.

The resulting change in net position was a positive \$133,700.

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

- Sewer Charges were lower than budgeted amounts by \$3,977, and Sewer Access Charges (SAC Fees) were higher than budgeted by \$800.
- Revenue was higher than expected for the grants received to help with the financing of the new wastewater treatment plant. The total of grant revenue received in 2017 was \$90,281.
- Expenditures were approximately \$133,809 lower than budgeted, due, in part, to savings realized in chemicals of \$33,336, miscellaneous professional services of \$29,783, and repair/maintenance expenses of \$24,700.

The resulting change in net position was a positive \$244,028.

Schedules comparing the amended 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, 2017, the city had invested \$31,822,202 in capital assets, including buildings, facilities, vehicles, and equipment. This amount represents a net increase prior to depreciation of \$2,917,478 from last year. Total depreciation expense for the year was \$1,735,198. 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	
	2017	2016	2017	2016
Non-Depreciable Assets:				
Land	\$ 1,455,973	\$ 1,460,973	\$ 356,036	\$ 356,036
Construction in progress	--	--	--	200,864
Depreciable Assets:				
Buildings	1,998,207	2,137,923	8,392,095	8,587,285
Infrastructure	7,589,833	6,255,382	--	--
Improvements	4,077,390	3,410,191	6,767,743	7,068,478
Machinery, equipment, vehicles	600,686	517,122	584,239	588,553
Total	<u>\$ 15,722,089</u>	<u>\$ 13,781,591</u>	<u>\$ 16,100,113</u>	<u>\$ 16,801,216</u>

For further information, please refer to Note 3: D Capital Assets, pages 70-71.

Debt administration . At year end, the city had \$8,749,958 in general obligation bonds and other long-term debt outstanding, of which \$490,634 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	
	2017	2016	2017	2016
General obligation bonds	\$ 4,165,495	\$ 3,071,495	\$ --	\$ --
Revenue bonds	--	--	4,584,463	4,750,873
Total	<u>\$ 4,165,495</u>	<u>\$ 3,071,495</u>	<u>\$ 4,584,463</u>	<u>\$ 4,750,873</u>

For further information please refer to Note 3: F Long-term Debt, pages 73-77.

Totals	
2017	2016
\$ 1,812,009	\$ 1,817,009
--	200,864
10,390,302	10,725,208
7,589,833	6,255,382
10,845,133	10,478,669
1,184,925	1,105,675
<u>\$ 31,822,202</u>	<u>\$ 30,582,807</u>

Total	
2017	2016
4,165,495	3,071,495
4,584,463	4,750,873
<u>\$ 8,749,958</u>	<u>\$ 7,822,368</u>

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

Capital Assets and Debt Administration (Continued)

The City of Mora maintains an A3 bond rating from Moody's Investors Services, as well as an A+/Stable rating from Standards & Poor's.

Factors Bearing on the City's Future

City Council

- For the second consecutive year, numerous tax forfeit parcels in city limits were sold by Kanabec County. Generally speaking, the new owners intend to build new homes on the lots.
- A moratorium on Fox Run building permits was lifted.
- City Administrator, Joel Dhein, announced his retirement, effective March 9th, 2018.
- Executive search firm, Springsted/Waters, was retained to lead the search for a new City Administrator/Public Utilities General Manager.
- In response to a new state law allowing Sunday liquor sales, North Country Bottle Shop is now open seven days a week.
- Various improvements were made to the City's accounting software in order to build efficiencies into daily tasks and boost productivity. The new Point-of-Sale software program has proved to be an excellent time saver.
- Construction continued on the Crosswind Runway project at the airport.
- New bonds were issued to finance the 9th Street Improvement Project. Special assessments to affected property owners were also approved.
- New street lights were installed on portions of 9th Street near Mora Elementary School.
- A special assessment appeal was filed with District Court by Eldris, LLC to appeal assessments relating to the 9th Street Improvement Project. Mediation is expected to take place in 2018.
- The City sold a single-family home located near the municipal airport. The real estate closing was completed in February 2017.

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

Factors Bearing on the City's Future (continued)

Public Utilities Commission

- The new Wastewater Treatment Plant is running as designed, though the reed beds have had some difficulty becoming established.
- A new vacor truck was purchased, and has proved very useful in cleaning sewers, water main breaks, and even when performing locates and hydro excavating.
- The electric utility infrastructure inventory and mapping project began, and was very helpful in identifying current assets.
- There was some discussion regarding an electric territory transfer between Mora Municipal Utilities and East Central Energy. A decision is not expected in the near future, but might have a large effect on the future operations of MMU.
- Discussion began on rehabilitation of the 500,000 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 Mora Elementary School in order to accommodate significant construction projects at the corresponding facilities.

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

Factors Bearing on the City's Future (continued)

Economic Development Authority

- Thanks to the Small Cities Development Program grant, residential and downtown commercial rehabilitation was completed as of December 31, 2017. A grand total of 9 commercial properties and 14 residential properties were rehabilitated with grant funds.
- A new business subsidy agreement for tax abatement with JCF Properties was approved. The tax abatement began with taxes paid in 2017.
- Certification was requested on a new Tax Increment Financing (TIF) district for the Housing and Redevelopment Authority of Mora. This TIF district will help finance a new multi-unit housing facility, whose construction began in 2017.
- Planning continued for the Mora Area Economic Development Conference of 2018. The last conference hosted by Mora was in 2006.
- An industrial park lot was sold to RJ Mechanical.

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, 2017

City of Mora, Minnesota
Statement of Net Position
December 31, 2017

	Governmental Activities	Business - Type Activities	2017 Total	Component Units	
				EDA	HRA
ASSETS					
Cash and investments	\$ 2,344,882	\$ 8,422,041	\$ 10,766,923	\$ 40,479	\$ 869,992
Accounts receivable	91,242	656,975	748,217	--	78,184
Inventory	--	621,464	621,464	--	--
Advance to other funds	74,166	2,509,841	2,584,007	--	--
Prepaid items	--	--	--	--	18,029
Special assessments	24,740	157,884	182,624	--	--
Restricted Assets:					
Temporarily restricted:					
Cash and investments	--	36,930	36,930	--	--
Other assets	--	--	--	--	--
Capital assets,					
Land, building, machinery, equip.	28,021,925	28,130,195	56,152,120	--	7,607,896
Accumulated depreciation	(12,299,836)	(12,030,082)	(24,329,918)	--	(3,581,906)
Total assets	<u>18,257,119</u>	<u>28,505,248</u>	<u>46,762,367</u>	<u>40,479</u>	<u>4,992,195</u>
Deferred Outflow of Resources					
Related to Pension	<u>482,678</u>	<u>--</u>	<u>482,678</u>	<u>--</u>	<u>--</u>
Total Assets and Deferred Outflow of Resources	<u>\$ 18,739,797</u>	<u>\$ 28,505,248</u>	<u>\$ 47,245,045</u>	<u>\$ 40,479</u>	<u>\$ 4,992,195</u>
LIABILITIES					
Accounts payable	\$ 312,326	\$ 371,311	\$ 683,637	\$ 3,950	\$ 70,068
Other payables	23,919	123,027	146,946	--	87,018
Accrued interest	115,890	--	115,890	--	--
Advance from other funds	1,054,134	1,529,873	2,584,007	--	--
Customer meter deposits	9,878	58,050	67,928	--	--
Unearned revenue	--	12,070	12,070	--	--
Noncurrent liabilities:					
Net pension liability	1,270,403	--	1,270,403	--	--
Due within one year	217,634	273,000	490,634	--	76,104
Due in more than one year	3,947,861	4,311,463	8,259,324	--	4,105,617
Total liabilities	<u>6,952,045</u>	<u>6,678,794</u>	<u>13,630,839</u>	<u>3,950</u>	<u>4,338,807</u>
Deferred Inflow of Resources					
Related to Pensions	<u>117,762</u>	<u>--</u>	<u>117,762</u>	<u>--</u>	<u>--</u>
Total Liabilities and Deferred Inflow of Resources	<u>\$ 7,069,807</u>	<u>\$ 6,678,794</u>	<u>\$ 13,748,601</u>	<u>\$ 3,950</u>	<u>\$ 4,338,807</u>
NET POSITION					
Net investment in capital assets	\$ 11,556,594	\$ 11,515,650	\$ 23,072,244	\$ --	\$ (155,730)
Restricted for:					
Debt service	640,136	--	640,136	--	--
Special revenue	124,032	--	124,032	--	310,422
Future operations:					
Electric Utility	--	1,000,000	1,000,000	--	--
Water Utility	--	356,930	356,930	--	--
Unrestricted:					
Unrestricted	<u>(650,772)</u>	<u>8,953,874</u>	<u>8,303,102</u>	<u>36,529</u>	<u>498,696</u>
Total net position	<u>\$ 11,669,990</u>	<u>\$ 21,826,454</u>	<u>\$ 33,496,444</u>	<u>\$ 36,529</u>	<u>\$ 653,388</u>
See notes to financial statements.					

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City of Mora, Minnesota
Statement of Activities
For the Year Ended December 31, 2017

Functions/Programs	Expenses	Charges for Services	Program Revenues	
			Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ (549,250)	\$ 328,958	\$ 946,849	\$ --
Public safety	(679,097)	326,855	126,792	--
Public works	(647,172)	120,301	28,248	805,216
Cemetery	(39,845)	48,510	--	--
Culture and recreation	(364,861)	147,141	--	--
Housing & economic development	(500,669)	--	405,203	--
Capital projects	(811,872)	910	49,995	--
Interest on long-term debt	(115,890)	--	--	--
Total governmental activities	<u>(3,708,656)</u>	<u>972,675</u>	<u>1,557,087</u>	<u>805,216</u>
Business - type - activities:				
Liquor	(2,848,151)	3,193,135	--	--
Electric	(5,380,104)	5,480,407	--	--
Water	(610,671)	734,543	--	--
Wastewater	(979,108)	1,144,778	--	--
Total business - type activities	<u>(9,818,034)</u>	<u>10,552,863</u>	<u>--</u>	<u>--</u>
Total Primary Government	<u><u>\$(13,526,690)</u></u>	<u><u>\$ 11,525,538</u></u>	<u><u>\$ 1,557,087</u></u>	<u><u>\$ 805,216</u></u>
Component Unit				
Economic Development Authority	(33,719)	--	2,520	--
Housing and Redevelopment Authority	(2,428,362)	1,485,124	473,190	49,669
Total Component Unit	<u><u>\$ (2,462,081)</u></u>	<u><u>\$ 1,485,124</u></u>	<u><u>\$ 475,710</u></u>	<u><u>\$ 49,669</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 Units	
			EDA	HRA
\$ 726,557	\$ --	\$ 726,557	\$ --	\$ --
(225,450)	--	(225,450)	--	--
306,593	--	306,593	--	--
8,665	--	8,665	--	--
(217,720)	--	(217,720)	--	--
(95,466)	--	(95,466)	--	--
(760,967)	--	(760,967)	--	--
(115,890)	--	(115,890)	--	--
<u>(373,678)</u>	<u>--</u>	<u>(373,678)</u>	<u>--</u>	<u>--</u>
--	344,984	344,984	--	--
--	100,303	100,303	--	--
--	123,872	123,872	--	--
--	165,670	165,670	--	--
<u>--</u>	<u>734,829</u>	<u>734,829</u>	<u>--</u>	<u>--</u>
<u>(373,678)</u>	<u>734,829</u>	<u>361,151</u>	<u>--</u>	<u>--</u>
--	--	--	(31,199)	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(420,379)</u>
<u>--</u>	<u>--</u>	<u>--</u>	<u>(31,199)</u>	<u>(420,379)</u>
697,963	--	697,963	--	--
112,999	--	112,999	--	--
376,534	--	376,534	--	--
30,113	137,745	167,858	63	276
71,964	--	71,964	--	--
65,963	--	65,963	--	359,656
230,686	(275,565)	(44,879)	44,879	--
<u>1,586,222</u>	<u>(137,820)</u>	<u>1,448,402</u>	<u>44,942</u>	<u>359,932</u>
1,212,544	597,009	1,809,553	13,743	(60,447)
--	--	--	--	--
10,457,446	21,229,445	31,686,891	22,786	713,835
<u>\$ 11,669,990</u>	<u>\$ 21,826,454</u>	<u>\$ 33,496,444</u>	<u>\$ 36,529</u>	<u>\$ 653,388</u>

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CITY OF MORA, MINNESOTA
FUND FINANCIAL STATEMENTS
December 31, 2017

City of Mora, Minnesota
Governmental Funds
Balance Sheet
December 31, 2017

	General Fund	444 Crosswind Runway Improvement	453 Grove & Wood St. Improvements	455 9th & Wood St. Improvements
ASSETS				
Cash and investments	\$ 913,752	\$ --	\$ 123,553	\$ 133,151
Taxes receivable - delinquent	6,699	--	--	--
Accounts receivable	28,938	20,173	1,456	77
Advance to other funds	74,166			
Special assessment receivables -				
Delinquent	24,740	--	--	--
Deferred	--	--	362,960	--
Due from other governmental units	--	--	--	--
Due from other funds	109,527	--	--	--
Note receivable	--	--	--	--
Prepaid insurance	--	--	--	--
Cash restricted	--	--	--	--
Total assets	<u>\$ 1,157,822</u>	<u>\$ 20,173</u>	<u>\$ 487,969</u>	<u>\$ 133,228</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Due to other funds	\$ --	\$ 109,527	\$ --	\$ --
Accounts payable	2,209	--	--	--
Advance from other funds	--	--	587,461	--
Other payables	23,919	--	--	--
Deposits from developers	9,878	--	--	--
Unearned revenues	6,698	--	362,959	--
Total liabilities	<u>42,704</u>	<u>109,527</u>	<u>950,420</u>	<u>--</u>
Fund Balances:				
Nonspendable	--	--	--	--
Restricted	--	--	--	--
Committed	--	--	--	--
Assigned	--	--	--	--
Unassigned	1,115,118	(89,354)	(462,451)	133,228
Total fund balances	<u>1,115,118</u>	<u>(89,354)</u>	<u>(462,451)</u>	<u>133,228</u>
Total liabilities and fund balances	<u>\$ 1,157,822</u>	<u>\$ 20,173</u>	<u>\$ 487,969</u>	<u>\$ 133,228</u>

See notes to financial statements.

Other Nonmajor Governmental Funds	Total Governmental Funds
\$ 1,174,426	\$ 2,344,882
4,623	11,322
40,598	91,242
--	74,166
--	24,740
745,316	1,108,276
--	--
933,563	1,043,090
--	--
--	--
--	--
<u>\$ 2,898,526</u>	<u>\$ 4,697,718</u>

\$ 933,563	\$ 1,043,090
310,117	312,326
466,673	1,054,134
--	23,919
--	9,878
749,496	1,119,153
<u>2,459,849</u>	<u>3,562,500</u>

--	--
640,136	640,136
--	--
124,032	124,032
(325,491)	371,050
<u>438,677</u>	<u>1,135,218</u>
<u>\$ 2,898,526</u>	<u>\$ 4,697,718</u>

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, 2017

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

	2017	2016
Total governmental fund balances	\$ 1,135,218	\$ 951,141
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental capital assets	28,021,925	25,418,496
Less: accumulated depreciation	<u>(12,299,836)</u>	<u>(11,636,905)</u>
	15,722,089	13,781,591
Other long-term assets are not available to pay for current - personal expenditures and, therefore, are deferred with funds.		
Delinquent property taxes	(11,322)	(29,864)
Deferred special assessments	(1,108,276)	(825,529)
Deferred revenues	1,119,153	825,836
Interest on long-term debt is not accrued in governmental funds but rather recognized as an expenditure when due	(115,890)	(83,034)
Pension Related Items for GASB#68:		
Deferred outflow of resources	482,678	720,134
Deferred inflow of resources	(117,762)	(195,553)
Net pension liability	(1,270,403)	(1,615,781)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds payable	<u>(4,165,495)</u>	<u>(3,071,495)</u>
Net position of governmental activities (page 32)	<u>\$ 11,669,990</u>	<u>\$ 10,457,446</u>

See notes to financial statements.

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City of Mora, Minnesota
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2017

	General Fund	444 Crosswind Runway Improvement	453 Grove & Wood St. Improvements	455 9th & Wood St. Improvements
REVENUES				
Property taxes	\$ 367,924	\$ --	\$ --	\$ --
Tax increments	--	--	--	--
Licenses and permits	160,333	--	--	--
Special assessments	--	--	43,323	--
Intergovernmental	1,098,939	805,216	--	--
Charges for services	519,763	--	--	--
Fines	16,535	--	--	--
Investment earnings	17,266	--	267	28
Sale of assets	1,465	--	--	--
Miscellaneous	16,688	--	--	--
Total revenues	<u>2,198,913</u>	<u>805,216</u>	<u>43,590</u>	<u>28</u>
EXPENDITURES				
Current:				
General government	580,989	--	--	--
Public safety	825,291	--	--	--
Public works	1,008,693	--	--	--
Cemetery	--	--	--	--
Culture and recreation	300,443	--	--	--
Housing and economic development	--	--	--	--
Capital projects	--	844,287	86,073	1,170,489
Miscellaneous	--	3	6,312	60,241
Debt Service:				
Principal	--	--	--	--
Interest and other charges	--	--	--	--
Total expenditures	<u>2,715,416</u>	<u>844,290</u>	<u>92,385</u>	<u>1,230,730</u>
Excess (deficiency) of revenues over (under) expenditures	(516,503)	(39,074)	(48,795)	(1,230,702)
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt	--	--	--	1,325,000
Miscellaneous income (expense)	--	--	--	38,341
Transfers in	578,266	67,512	--	30,000
Transfers out	(105,631)	--	--	--
Total other financing sources (uses)	<u>472,635</u>	<u>67,512</u>	<u>--</u>	<u>1,393,341</u>
Net change in fund balances	(43,868)	28,438	(48,795)	162,639
Fund balances - beginning	1,158,986	(117,792)	(413,656)	(29,411)
Fund balances - ending	<u>\$ 1,115,118</u>	<u>\$ (89,354)</u>	<u>\$ (462,451)</u>	<u>\$ 133,228</u>

See notes to financial statements.

Other Nonmajor Governmental Funds	Total Governmental Funds
\$ 343,027	\$ 710,951
101,010	101,010
--	160,333
333,197	376,520
382,990	2,287,145
146,011	665,774
--	16,535
6,150	23,711
--	1,465
292,041	308,729
<u>1,604,426</u>	<u>4,652,173</u>
--	580,989
140,140	965,431
30,626	1,039,319
33,833	33,833
--	300,443
500,669	500,669
158,455	2,259,304
--	66,556
231,000	231,000
84,579	84,579
<u>1,179,302</u>	<u>6,062,123</u>
425,124	(1,409,950)
--	1,325,000
--	38,341
448,733	1,124,511
(788,194)	(893,825)
<u>(339,461)</u>	<u>1,594,027</u>
85,663	184,077
353,014	951,141
<u>\$ 438,677</u>	<u>\$ 1,135,218</u>

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, 2017

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

	2017	2016
	<u>\$ 184,077</u>	<u>\$ (392,418)</u>

Net changes in fund balances - total governmental funds

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 70).

Capital Outlays	2,603,429	866,629
Depreciation Expense	<u>(662,931)</u>	<u>(618,468)</u>
	1,940,498	248,161
Other miscellaneous items	(172)	(456)
Change in deferred assets not recognized	29,112	--
Pension Related items for GASB# 68:		
Pension expense	185,713	(15,901)
Change in accrued interest payable	(32,684)	1,354
Long-term debt issuance for current year	(1,325,000)	--
Long-term debt payments for current year	<u>231,000</u>	<u>117,500</u>
Changes in net position of governmental activities (page 35)	<u><u>\$ 1,212,544</u></u>	<u><u>\$ (41,760)</u></u>

See notes to financial statements.

City of Mora, Minnesota
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Amended	Amounts	Amended Budget Positive (Negative)
REVENUES				
Property taxes	\$ 345,815	\$ 363,315	\$ 367,924	\$ 4,609
Licenses and permits	94,375	160,575	160,333	(242)
Intergovernmental	1,021,862	1,106,802	1,098,939	(7,863)
Charges for services	554,128	554,128	519,763	(34,365)
Fines	22,000	22,000	16,535	(5,465)
Investment earnings	31,230	31,230	17,266	(13,964)
Sale of assets	12,210	12,210	1,465	(10,745)
Miscellaneous	18,890	18,890	16,688	(2,202)
Total revenues	<u>2,100,510</u>	<u>2,269,150</u>	<u>2,198,913</u>	<u>(70,237)</u>
EXPENDITURES				
Current:				
General government:				
General	15,106	65,106	65,043	63
Council	35,641	35,641	34,032	1,609
Administration	106,140	106,140	116,271	(10,131)
Elections	--	--	197	(197)
Finance	127,504	127,504	112,591	14,913
Legal	32,233	32,233	31,610	623
Personnel	9,267	14,267	23,460	(9,193)
Planning and zoning	164,936	164,936	107,556	57,380
City hall building	22,432	22,432	38,412	(15,980)
Library building	20,557	62,907	51,817	11,090
Total general government	<u>533,816</u>	<u>631,166</u>	<u>580,989</u>	<u>50,177</u>
Public safety:				
Building inspection	75,192	75,192	73,111	2,081
Police protection	704,193	704,193	696,473	7,720
Fire protection	50,000	50,000	55,707	(5,707)
Total public safety	<u>829,385</u>	<u>829,385</u>	<u>825,291</u>	<u>4,094</u>
Public works:				
Street department	459,137	779,137	706,272	72,865
Street lighting	30,000	30,000	37,161	(7,161)
Airport	221,759	247,759	239,953	7,806
Garage	31,469	31,469	25,307	6,162
Total public works	<u>742,365</u>	<u>1,088,365</u>	<u>1,008,693</u>	<u>79,672</u>
Culture and recreation:				
Swimming pool	260,971	260,971	199,879	61,092
Park areas	131,804	136,804	100,564	36,240
Total Culture and recreation	<u>392,775</u>	<u>397,775</u>	<u>300,443</u>	<u>97,332</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, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Amended	Amounts	Amended Budget Positive (Negative)
Total expenditures	2,498,341	2,946,691	2,715,416	231,275
Excess (deficiency) of revenues over (under) expenditures	(397,831)	(677,541)	(516,503)	161,038
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 453,463	\$ 610,723	\$ 578,266	\$ (32,457)
Transfers out	(105,631)	(105,631)	(105,631)	--
Total other financing sources (uses)	347,832	505,092	472,635	(32,457)
Net change in fund balances	(49,999)	(172,449)	(43,868)	128,581
Fund balances - beginning	1,158,986	1,158,986	1,158,986	--
Fund balances - ending	\$ 1,108,987	\$ 986,537	\$ 1,115,118	\$ 128,581

See notes to financial statements.

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City of Mora, Minnesota
Proprietary Funds
Statement of Net Position
December 31, 2017

	Business - Type Activities - Enterprise Funds		
	Municipal Liquor Fund	Electric Utility Fund	Water Utility Fund
ASSETS			
Current assets:			
Cash and investments	\$ 62,801	\$ 5,123,690	\$ 1,121,061
Interest receivable	--	--	--
Accounts receivable	38,346	407,447	113,083
Advance to other funds	--	2,509,841	--
Inventory	499,849	113,363	8,252
Prepaid items	--	--	--
Special assessments	--	6,653	150,392
Total current assets	<u>600,996</u>	<u>8,160,994</u>	<u>1,392,788</u>
Noncurrent assets:			
Restricted cash and investments	--	--	36,930
Total restricted assets	<u>--</u>	<u>--</u>	<u>36,930</u>
Capital assets:			
Plant in service	1,848,629	5,659,487	6,975,445
Less: accumulated depreciation	<u>(451,545)</u>	<u>(3,595,255)</u>	<u>(3,347,068)</u>
Total Capital assets			
(net of accumulated depreciation)	<u>1,397,084</u>	<u>2,064,232</u>	<u>3,628,377</u>
Total noncurrent assets	<u>1,397,084</u>	<u>2,064,232</u>	<u>3,665,307</u>
Total assets	<u>\$ 1,998,080</u>	<u>\$ 10,225,226</u>	<u>\$ 5,058,095</u>
LIABILITIES			
Current liabilities:			
Accounts payable	7,384	331,747	11,754
Accrued payables	43,808	39,131	21,544
Advance from other funds	1,200,000	--	168,239
Revenue bonds payable	<u>--</u>	<u>--</u>	<u>95,182</u>
Total current liabilities	<u>1,251,192</u>	<u>370,878</u>	<u>296,719</u>
Noncurrent liabilities:			
Customer meter deposits	--	57,950	100
Revenue bonds payable	--	--	1,229,676
Unearned revenue	<u>--</u>	<u>10,982</u>	<u>250</u>
Total noncurrent liabilities	<u>--</u>	<u>68,932</u>	<u>1,230,026</u>
Total liabilities	<u>\$ 1,251,192</u>	<u>\$ 439,810</u>	<u>\$ 1,526,745</u>
NET POSITION			
Net investment in capital assets	\$ 1,397,084	\$ 2,064,232	\$ 2,303,519
Restricted:			
Future operations	--	--	36,930
Capital Projects	--	1,000,000	100,000
Non spendable	499,849	113,363	8,252
Unrestricted:			
Unreserved	<u>(1,150,045)</u>	<u>6,607,821</u>	<u>1,082,649</u>
Total net position	<u>\$ 746,888</u>	<u>\$ 9,785,416</u>	<u>\$ 3,531,350</u>

See notes to financial statements.

Wastewater Utility Fund	Total
\$ 2,114,489	\$ 8,422,041
--	--
98,099	656,975
--	2,509,841
--	621,464
--	--
839	157,884
<u>2,213,427</u>	<u>12,368,205</u>
--	36,930
<u>--</u>	<u>36,930</u>
13,646,634	28,130,195
(4,636,214)	(12,030,082)
<u>9,010,420</u>	<u>16,100,113</u>
<u>9,010,420</u>	<u>16,137,043</u>
<u>\$ 11,223,847</u>	<u>\$ 28,505,248</u>
\$ 15,482	\$ 366,367
23,487	127,970
161,634	1,529,873
177,818	273,000
<u>378,421</u>	<u>2,297,210</u>
--	58,050
3,081,787	4,311,463
839	12,071
<u>3,082,626</u>	<u>4,381,584</u>
<u>\$ 3,461,047</u>	<u>\$ 6,678,794</u>
\$ 5,750,815	\$ 11,515,650
--	36,930
220,000	1,320,000
--	621,464
<u>1,791,985</u>	<u>8,332,410</u>
<u>\$ 7,762,800</u>	<u>\$ 21,826,454</u>

City of Mora, Minnesota
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Assets
For the Year Ended December 31, 2017

	Business- Type Activities - Enterprise Funds		
	Municipal Liquor Fund	Electric Utility Fund	Water Utility Fund
Operating revenues:			
Sales and charges for services	\$ 3,181,671	\$ 4,965,782	\$ 708,712
Less cost of goods sold	(2,333,918)	(4,126,518)	--
Miscellaneous	--	534,137	--
Total operating revenues	<u>847,753</u>	<u>1,373,401</u>	<u>708,712</u>
Operating expenses:			
Employee service	262,975	426,765	186,563
Supplies	8,310	31,375	32,483
Interest expense	42,250	210	18,205
Utilities expense	28,831	12,646	26,667
Other service charges	110,510	622,377	57,794
Depreciation	61,357	160,213	288,959
Total operating expenses	<u>514,233</u>	<u>1,253,586</u>	<u>610,671</u>
Operating income	<u>333,520</u>	<u>119,815</u>	<u>98,041</u>
Nonoperating revenues (expenses):			
Interest earnings	1,948	124,967	3,567
Miscellaneous	11,464	(23,069)	28,513
Total nonoperating revenues (expenses)	<u>13,412</u>	<u>101,898</u>	<u>32,080</u>
Income (loss) before transfers	<u>346,932</u>	<u>221,713</u>	<u>130,121</u>
Transfers in	--	1,500	4,513
Transfers out	<u>(298,170)</u>	<u>(52,694)</u>	<u>(934)</u>
Changes in net position	<u>48,762</u>	<u>170,519</u>	<u>133,700</u>
Total net position - beginning	<u>698,126</u>	<u>9,614,897</u>	<u>3,397,650</u>
Total net position - ending	<u>\$ 746,888</u>	<u>\$ 9,785,416</u>	<u>\$ 3,531,350</u>

See notes to financial statements.

Wastewater Utility Fund	Total
\$ 1,018,902	\$ 9,875,067
--	(6,460,436)
--	534,137
<u>1,018,902</u>	<u>3,948,768</u>
264,916	1,141,219
64,568	136,736
37,138	97,803
63,929	132,073
43,934	834,615
504,623	1,015,152
<u>979,108</u>	<u>3,357,598</u>
<u>39,794</u>	<u>591,170</u>
8,138	138,620
<u>125,876</u>	<u>142,784</u>
<u>134,014</u>	<u>281,404</u>
<u>173,808</u>	<u>872,574</u>
71,154	77,167
(934)	(352,732)
<u>244,028</u>	<u>597,009</u>
7,518,772	21,229,445
<u>\$ 7,762,800</u>	<u>\$ 21,826,454</u>

City of Mora Minnesota
Proprietary Funds
Statement of Cash Flows
For the Year Ended December 31, 2017

	Business - Type Activities - Enterprise Funds		
	Municipal Liquor Fund	Electric Utility Fund	Water Utility Fund
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 3,191,664	\$ 5,496,249	\$ 735,439
Cash payments for interest expense	(42,250)	(210)	(18,205)
Cash payments to suppliers	(2,550,518)	(4,735,618)	(134,449)
Cash payments to employees	(262,975)	(426,765)	(186,563)
Net cash provided by operating activities	<u>335,921</u>	<u>333,656</u>	<u>396,222</u>
CASH FLOWS FROM NONCAPITAL FINANCING:			
Miscellaneous revenue	11,464	(23,069)	28,513
Transfers in (out)	(298,170)	(51,193)	3,579
Net cash provided by (used in) negotiated activities	<u>(286,706)</u>	<u>(74,262)</u>	<u>32,092</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Bond principal payments	(100,000)	--	(93,506)
Acquisition of capital assets	(44,995)	(17,022)	(3,356)
Advance to other funds	--	(2,221)	(8,755)
Net cash provided (used in) capital and related financing activities	<u>(144,995)</u>	<u>(19,243)</u>	<u>(105,617)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	<u>1,948</u>	<u>124,967</u>	<u>3,567</u>
Net increase (decrease) in cash and cash equivalents	(93,832)	365,118	326,264
Cash at Beginning of Year, including restricted cash	156,633	4,758,572	831,727
Cash at End of Year, including restricted cash	<u>\$ 62,801</u>	<u>\$ 5,123,690</u>	<u>\$ 1,157,991</u>

See notes to financial statements.

Wastewater Utility Fund	Total Current Year
\$ 1,144,635	\$ 10,567,987
(37,138)	(97,803)
(297,509)	(7,718,094)
(264,916)	(1,141,219)
<u>545,072</u>	<u>1,610,871</u>
125,876	142,784
<u>70,220</u>	<u>(275,564)</u>
<u>196,096</u>	<u>(132,780)</u>
(72,904)	(266,410)
(248,675)	(314,048)
<u>(8,412)</u>	<u>(19,388)</u>
<u>(329,991)</u>	<u>(599,846)</u>
8,138	138,620
419,315	1,016,865
<u>1,695,174</u>	<u>7,442,106</u>
<u>\$ 2,114,489</u>	<u>\$ 8,458,971</u>

City of Mora, Minnesota
Proprietary Funds
Statement of Cash Flows
For the Year Ended December 31, 2017

	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)	\$ 333,520	\$ 119,815	\$ 98,041
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	61,357	160,213	288,959
(Increase) decrease in interest receivable	--	--	--
(Increase) decrease in accounts receivable	(1,471)	(13,206)	1,699
(Increase) decrease in other receivables	--	34,188	--
(Increase) decrease in special assessments	--	6,218	28,404
(Increase) decrease in inventory	(59,942)	6,843	(4,832)
(Increase) decrease in prepaid insurance	--	--	--
Increase (decrease) in accounts payable	1,109	9,016	(11,492)
Increase (decrease) in accrued payables	1,348	212	(4,557)
Increase (decrease) in other liabilities	--	10,357	--
Total adjustments	2,401	213,841	298,181
Net cash provided (used) by operating activities	\$ 335,921	\$ 333,656	\$ 396,222

See notes to financial statements.

<u>Wastewater Utility Fund</u>	<u>Total Current Year</u>
<u>\$ 39,794</u>	<u>\$ 591,170</u>
504,623	1,015,152
--	--
1,735	(11,243)
--	34,188
--	34,622
--	(57,931)
--	--
(571)	(1,938)
(509)	(3,506)
--	10,357
<u>505,278</u>	<u>1,019,701</u>
<u><u>\$ 545,072</u></u>	<u><u>\$ 1,610,871</u></u>

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CITY OF MORA, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

City of Mora, Minnesota
Notes to Financial Statements
December 31, 2017

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 Units:

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.

The Housing and redevelopment Authority of Mora (HRA) - was formed by the city and operates under a Board of Directors appointed by the City Mayor. The Authority manages 43 unites of low rent public housing, 78 section 8 vouchers, 30 assisted living units, and 24 rural rental units of which, for financial reporting purposes, includes all of the activities relevant to its operations.

City of Mora, Minnesota
Notes to Financial Statements
December 31, 2017

NOTE 1: Summary of Significant Accounting Policies (Continued)

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.

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

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

City of Mora, Minnesota
Notes to Financial Statements
December 31, 2017

NOTE 1: Summary of Significant Accounting Policies (Continued)

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

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

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

The City reports the following major governmental funds:

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

Capital Project Funds:

Fund 444 the Crosswind Project
Fund 453 the Grove & Wood Street Improvement
Fund 455 the 9th & 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, 2017

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, 2017

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, 2017

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, 2017

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 \$112,412 in 2016 to \$125,754 in 2017.

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, 2017

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, 2017

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, 2017 are as follows:

Neighborhood National Bank - Checking	\$ 2,241,871
First Citizens Bank - HiFi	2,973,820
Wells Fargo	1,833,675
Morgan Stanley & Smith Barney	3,794,966
Total Deposits	<u>\$ 10,844,332</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, 2017

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, 2017

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	Crosswind	Grove & Wood St.	9th & Wood St.
Receivables:				
Interest	\$ --	\$ --	\$ --	\$ --
Taxes-delinquent	6,699	--	--	--
Accounts	28,938	20,173	1,456	77
Special assessments	24,740	--	362,960	--
Intergovernmental	--	--	--	--
Advances to others	74,166	--	--	--
Gross receivables	134,543	20,173	364,416	77
Less: Allowance for Uncollectible*	--	--	--	--
Net total receivables	<u>\$ 134,543</u>	<u>\$ 20,173</u>	<u>\$ 364,416</u>	<u>\$ 77</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.

Municipal Liquor	Electric Utility	Water Utility	Wastewater Utility	Nonmajor and other Funds	Total
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	4,623	11,322
38,346	407,447	113,083	98,099	40,598	748,217
--	6,653	150,392	839	745,316	1,290,900
--	--	--	--	--	--
--	2,509,841	--	--	--	2,584,007
38,346	2,923,941	263,475	98,938	790,537	4,634,446
--	--	--	--	--	--
<u>\$ 38,346</u>	<u>\$ 2,923,941</u>	<u>\$ 263,475</u>	<u>\$ 98,938</u>	<u>\$ 790,537</u>	<u>\$ 4,634,446</u>

City of Mora, Minnesota
Notes to Financial Statements
December 31, 2017

NOTE 3: Detailed Notes on All Funds(Continued)

D. Capital Assets

Capital assets activity for the year ended December 31, 2017 was as follows:

Governmental Activities	Beginning Balances	Increase	Decrease*	Ending Balances
Capital assets, not being depreciated:				
Land	\$ 1,460,973	\$ --	\$ 5,000	\$ 1,455,973
Construction in progress	--	--	--	--
Total capital assets, not being depreciated	<u>1,460,973</u>	<u>--</u>	<u>5,000</u>	<u>1,455,973</u>
Capital assets, being depreciated:				
Land Improvements	6,419,149	844,287	--	7,263,436
Buildings	3,472,524	--	108,041	3,364,483
Infrastructure	10,809,982	1,684,615	--	12,494,597
Machinery, Equipment, Vehicles	3,255,868	187,568	--	3,443,436
Total capital assets, being depreciated	<u>23,957,523</u>	<u>2,716,470</u>	<u>108,041</u>	<u>26,565,952</u>
Less: accumulated depreciation for:				
Land Improvements	3,008,958	177,088	--	3,186,046
Buildings	1,334,601	64,083	32,408	1,366,276
Infrastructure	4,554,600	350,165	1	4,904,764
Machinery, Equipment, Vehicles	2,738,746	128,710	24,706	2,842,750
Total accumulated depreciation	<u>11,636,905</u>	<u>720,046</u>	<u>57,115</u>	<u>12,299,836</u>
Total capital assets, being depreciated, net	<u>12,320,618</u>	<u>1,996,424</u>	<u>50,926</u>	<u>14,266,116</u>
Governmental activities capital assets, net	<u>\$ 13,781,591</u>	<u>\$ 1,996,424</u>	<u>\$ 55,926</u>	<u>\$ 15,722,089</u>

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

City of Mora, Minnesota
Notes to Financial Statements
December 31, 2017

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	200,864	--	200,864	--
Total capital assets, not being depreciated	556,900	--	200,864	356,036
Capital assets, being depreciated:				
Buildings	10,793,707	189,116	--	10,982,823
Other Improvements	13,694,026	224,665	--	13,918,691
Equipment and fixtures	2,771,513	101,132	--	2,872,645
Total capital assets, being depreciated	27,259,246	514,913	--	27,774,159
Less: accumulated depreciation for:				
Buildings	2,206,422	384,306	--	2,590,728
Other Improvements	6,625,548	525,400	--	7,150,948
Equipment and fixtures	2,182,960	105,446	--	2,288,406
Total accumulated depreciation	11,014,930	1,015,152	--	12,030,082
Total capital assets being depreciated, net	16,244,316	(500,239)	--	15,744,077
Business - type activities capital assets, net	<u>\$ 16,801,216</u>	<u>\$ (500,239)</u>	<u>\$ 200,864</u>	<u>\$ 16,100,113</u>

Depreciation expense was charged to functions/programs as follows:

<u>Governmental Activities</u>	
General government	\$ 25,204
Public safety	98,006
Public works	526,406
Culture and recreation	64,418
Cemetery	6,012
Miscellaneous	--
Total depreciation expense - governmental activities	<u>\$ 720,046</u>
<u>Business - Type Activities</u>	
Electric utility	\$ 160,213
Water utility	288,959
Wastewater utility	504,623
Liquor	61,357
Total depreciation expense - business - type activities	<u>\$ 1,015,152</u>

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

City of Mora, Minnesota
Notes to Financial Statements
December 31, 2017

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, 2017.

	Due To	Due From
Major Funds:		
General Fund	\$ --	\$ 109,527
Crosswind	109,527	--
Special Revenue Funds:		
Fire Fund	26,353	--
Cemetery Fund	54,886	--
TIF 1-15 Mysa House	11,358	--
Small Cities Development	23,925	--
EDA Revolving Loan	--	116,522
Capital Projects Fund:		
Future Fire Equipment	--	412,926
Future Improvements	--	371,699
Howe Avenue	71,876	--
Downtown Feed Mill	29,977	--
Airport Kastenbauer House	97,389	--
Parker	298,813	--
7th and Grove Street	318,986	--
Debt Service Fund:		
2008-11 Street Reconstruction	--	32,416
	<u>\$ 1,043,090</u>	<u>\$ 1,043,090</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, 2017.

	Advance To	Advance From
General Fund	\$ 74,166	\$ --
Capital Project Funds:		
Fire Station	--	163,302
Grove & Wood St	--	587,461
Special Revenue Funds:		
TIF 1-11 KSB	--	303,371
Enterprise Funds:		
Liquor Store	--	1,200,000
Electric Utility	2,509,841	--
Water Utility	--	168,239
Wastewater Utility	--	161,634
	<u>\$ 2,584,007</u>	<u>\$ 2,584,007</u>

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

City of Mora, Minnesota
Notes to Financial Statements
December 31, 2017

NOTE 3: Detailed Notes on All Funds (Continued)

E. Interfund Receivables, Payables, and Transfers (Continued)

Interfund transfers out:

General Fund	\$ 105,631
Other governmental funds	788,194
Enterprise	352,731
Total transfers out	<u>\$ 1,246,556</u>

Interfund transfers in:

General Fund	\$ 578,266
Other governmental funds	591,123
Enterprise	77,167
Total transfers out	<u>\$ 1,246,556</u>

The following is a general description of the interfund transfers:

General Fund:

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

Enterprise Funds:

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

F. Long-Term Debt

General Obligation Bonds

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

City of Mora, Minnesota
Notes to Financial Statements
December 31, 2017

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%	370,000
Governmental Activities	2.5-3%	1,345,000
Governmental Activities	1.7 - 3.2%	1,125,495
Governmental Activities	3.0 - 3.1%	1,325,000
Total governmental activities		<u>4,165,495</u>
Business-Type Activities	2.5-3%	1,078,000
Business-Type Activities	1.000%	449,505
Business-Type Activities	1.862%	3,056,958
Total business-type activities		<u>\$ 4,584,463</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>
2018	211,000	115,890	275,000	62,933
2019	262,000	112,847	277,000	58,916
2020	292,000	105,705	280,000	54,922
2021	297,000	97,951	282,000	50,892
2022	305,500	89,748	287,500	46,815
2023-2027	1,197,000	347,325	1,515,000	169,122
2028-2032	760,995	200,444	1,206,005	66,394
2033-2037	750,000	73,958	457,958	15,670
2038	90,000	1,406	--	--
Total	<u>\$ 4,165,495</u>	<u>\$ 1,145,274</u>	<u>\$4,580,463</u>	<u>\$ 525,664</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 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 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 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	3.000%	\$1,078,000
2.	Water & Sewer	1.000%	449,505
3.	Sewer	1.000%	3,056,958
			<u>\$4,584,463</u>

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City of Mora, Minnesota
Notes to Financial Statements
December 31, 2017

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, 2017:

	Beginning Balance	Additions	Reductions
GOVERNMENTAL ACTIVITIES			
General obligation bonds:			
G.O. Street, Series 2011A	\$ 435,000	\$ --	\$ 65,000
G.O. Bond Series 2015 B	1,385,000	--	40,000
G.O. Bond Series 2015C	1,251,495	--	126,000
G.O. Improvement, Series 2017A	--	1,325,000	--
Total general obligation bonds-			
Governmental activities long-term			
liabilities	<u>\$ 3,071,495</u>	<u>\$ 1,325,000</u>	<u>\$ 231,000</u>
BUSINESS - TYPE ACTIVITIES			
G.O. Water Rev. Note 2010	\$ 1,151,000	\$ --	\$ 73,000
G.O. Bond Series 2015C	488,505	--	39,000
G.O. Sewer Rev. Note 2015	<u>3,111,368</u>	<u>--</u>	<u>54,410</u>
Total bonds payable Business -			
type activities long-term liabilities	<u>\$ 4,750,873</u>	<u>\$ --</u>	<u>\$ 166,410</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, 2017 and descriptions are as follows:

<u>Enterprise Funds - Restricted</u>	
Electric Utility	1,000,000
Water Utility	136,930
Wastewater Utility	220,000
Total	<u>\$ 1,356,930</u>

Ending Balance	Amounts Due Within One Year
\$ 370,000	\$ 70,000
1,345,000	55,000
1,125,495	92,634
1,325,000	--
<u>\$ 4,165,495</u>	<u>\$ 217,634</u>
\$ 1,078,000	\$ 74,000
449,505	38,000
3,056,958	161,000
<u>\$ 4,584,463</u>	<u>\$ 273,000</u>

City of Mora, Minnesota
Notes to the Financial Statements
December 31, 2017

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 - 2017	\$ 46,444
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 - 2017	\$ 54,566
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, 2017

NOTE 3: Detailed Notes on All Funds (Continued)

H. Tax Increment Financing (Continued)

3. Redevelopment District 1-15 (HRA Maysa House)

Redevelopment District No. 1-15 was established in 2017 within Development District No. 1 under the authority of Minnesota Statutes 273.73, Subdivision 10, paragraph (a) (1).

Certification Request Date	06/07/17
Year First Increment Received	2018
Date of Required Decertification	
Tax Increment Revenue - 2017	\$ --
Current Net Tax Capacity	--
Base Net Tax Capacity	--
Captured Net Tax Capacity	--
Captured Net Tax Capacity shared with other taxing jurisdictions	--
Captured Tax Capacity retained by authority	--
Financial Obligations:	
Limited Revenue Note - Original Obligation	--

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, 2017, the City abated property taxes totaling \$69,856 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 \$1,973.
- A tax abatement agreement with a local business to encourage residential dwelling. The agreement is to abate \$100 per dwelling of city-related property taxes, and the amount abated was \$800.
- A tax increment agreement with a local business for site improvements. The agreement is to abate 75% of city-related property taxes, and the amount abated was \$15,245.
- A tax increment agreement with a local business for site improvements. The agreement is to abate 95% of city-related property taxes, and the amount abated was \$51,838.

City of Mora, Minnesota
Notes to Financial Statements
December 31, 2017

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, 2017

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, 2017 as follows:

	<u>Expenditures</u>	<u>Appropriations</u>	<u>Over</u>
Special Revenue Funds:			
Fire Fund	\$ 140,140	\$ 118,642	\$ 21,498
TIF 1-15 Maysa House	16,358	11,358	5,000
Small Cities Development	417,161	385,159	32,002
Capital Projects:			
Fire Station	4,457	--	4,457
Downtown Feed Mill	95	--	95
Crosswind	844,290	805,216	39,074
Hwys 23 & 65 Street Lt	151,286	6,790	144,496
9th and Wood Improvements	1,230,730	28	1,230,702
Grove and Wood St. Imp.	92,385	43,590	48,795
Debt Service:			
2015B Wood & Grove	81,093	79,342	1,751

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, 2017

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 2017. 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 2017. The City of Mora's contributions to the GERF for the year ended December 31, 2017, were \$96,166. The City of Mora's contributions were equal to the required contributions as set by state statute.

3. Pensions Costs

At December 31, 2017, the City of Mora reported a liability of \$1,270,403 for its proportionate share of the GERF's net pension liability. The City of Mora's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$6 million to the fund in 2017. The State of Minnesota's proportionate share of the net pension liability associated with the City of Mora totaled \$15,977. The net pension liability was measured as of June 30, 2017 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, 2016, through June 30, 2017, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2017, the City of Mora's proportion share was 0.0199%.

City of Mora, Minnesota
Notes to Financial Statements
December 31, 2017

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, 2017, the City of Mora recognized pension expense of \$52,109 for its proportionate share of the GERS's pension expense. In addition, the City of Mora recognized an additional \$461 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$6 million to GERS.

At December 31, 2017, 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	--	82,250
Changes in actuarial assumptions	210,914	--
Difference between projected and actual investments earnings	225,380	--
Change in Proportions	--	35,512
Contribution paid to PERA subsequent to the measurement date	46,384	--
Total	\$ 482,678	\$ 117,762

\$46,384 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, 2018. 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
2018	111,175
2019	148,993
2020	58,364
Thereafter	--

4. Actuarial Assumptions

The total pension liability in the June 30, 2017, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50 % per year
Active Member Payroll Growth	3.25% per year
Investment Rate of Return	7.50%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors and disabilitants were based on RP-2014 tables for males or females, as appropriate, with slight adjustments. Cost of living benefit increases for retirees are assumed to be 1% per year through 2044, then 2.5% for GERS.

Actuarial assumptions used in the June 30, 2017, valuation were based on the results of actuarial experience studies. The most recent 4-year experience study in GERS was completed in 2015.

City of Mora, Minnesota
Notes to Financial Statements
December 31, 2017

Note 3: Detailed Notes on All Funds (Continued)

A. Defined Benefit Pension Plan - Statewide (Continued)

4. Actuarial Assumptions (Continued)

The following changes in actuarial assumptions occurred in 2017:

GERF

The Combined Service Annuity (CSA) loads were changed from 0.8% for active members and 60% for vested and non-vested deferred members. The revised CSA loads are now 0.0% for active member liability, 15.0% for vested deferred member liability and 3.0% for non-vested deferred member liability. The assumed post-retirement benefit increase rate was changed from 1.0% per year for all years to 1.0% per year through 2044 and 2.5% per year thereafter.

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 geometric real rates of return for each major asset class are summarized in the

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Stocks	39%	5.10%
International Stocks	19%	5.30%
Bonds	20%	0.75%
Alternative Assets	20%	5.90%
Cash	2%	0.00%

5. Discount Rate

The discount rate used to measure the total pension liability in 2017 was 7.5%. 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 these assumptions, the fiduciary net positions were projected to be available to make all projected future benefit payments of current plan members. 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, 2017

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:	\$1,970,489	\$1,270,403	\$697,255

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, 2017

NOTE 3: Detailed Notes on All Funds (Continued)

8. Mora Firefighters Relief Association (Continued)

b. Related Party Transactions

During 2017, and as of December 2017, 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, 2017. 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, 2017:

Special Revenue Funds:

Fire Fund	\$ (6,840)
Cemetery Fund	(54,886)
TIF 1-11 KSB	(237,791)
Small Cities Development Program	(23,925)

Capital Project Funds:

Fire Station	(163,302)
Howe Avenue Reconstruction	(71,876)
Downtown Feed Mill Redevelopment	(29,977)
Airport Kastenbauer House	(97,389)
7th and Grove Street	(318,986)
Parker Project	(298,813)

City of Mora, Minnesota
Notes to Financial Statements
December 31, 2017

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, 2017

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, 2017

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 Payroll (b)	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll (a/b)	Plan Fiduciary Net Position of the Total Pension Liability
2017	0.0199%	\$ 1,270,403	\$ 1,260,486	100.8%	75.9%
2016	0.0199%	\$ 1,615,781	\$ 1,245,081	129.8%	63.8%
2015	0.0205%	\$ 1,062,416	\$ 1,243,504	85.4%	78.7%

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

Schedule of City's Contributions

Fiscal Year Ending December 31,	Statutory Required Contribution (a)	Contributions in Relation to the Statutorily Required Contributions (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (d)	Contributions as a Percentage of Covered Payroll (b/d)
2017	\$ 94,439	\$ 94,439	\$ --	\$ 1,260,486	7.49%
2016	\$ 93,128	\$ 93,128	\$ --	\$ 1,245,081	7.48%
2015	\$ 93,262	\$ 93,262	\$ --	\$ 1,243,504	7.50%

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

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, 2017

	Original and Amended Budgeted Amounts	Actual Amounts	Variance with Amended Budget Positive (Negative)
REVENUES			
Property taxes	\$ --	\$ --	\$ --
Grants	--	805,216	805,216
Interest earnings	--	--	--
Miscellaneous	--	--	--
Total revenues	<u>--</u>	<u>805,216</u>	<u>805,216</u>
EXPENDITURES			
Capital outlay	--	844,287	844,287
Professional services	--	--	--
Miscellaneous	--	3	3
Total expenditures	<u>--</u>	<u>844,290</u>	<u>844,290</u>
Excess (deficiency) of revenues over (under) expenditures	--	(39,074)	(39,074)
OTHER FINANCING SOURCES (USES)			
Proceeds from bond sale	--	--	--
Transfers in	--	67,512	67,512
Transfers out	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>67,512</u>	<u>67,512</u>
Net change in fund balances	--	28,438	28,438
Fund balances - beginning	<u>(117,792)</u>	<u>(117,792)</u>	<u>--</u>
Fund balances - ending	<u>\$ (117,792)</u>	<u>\$ (89,354)</u>	<u>\$ 28,438</u>

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, 2017

	Original and Amended Budgeted Amounts	Actual Amounts	Variance with Amended Budget Positive (Negative)
REVENUES			
Property taxes	\$ --	\$ --	\$ --
Special assessments	--	43,323	43,323
Interest earnings	--	267	267
Miscellaneous	--	--	--
Total revenues	<u>--</u>	<u>43,590</u>	<u>43,590</u>
EXPENDITURES			
Capital outlay	--	86,073	86,073
Professional services	--	--	--
Miscellaneous	--	6,312	6,312
Total expenditures	<u>--</u>	<u>92,385</u>	<u>92,385</u>
Excess (deficiency) of revenues over (under) expenditures	--	(48,795)	(48,795)
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	--	(48,795)	(48,795)
Fund balances - beginning	<u>--</u>	<u>(413,656)</u>	<u>(413,656)</u>
Fund balances - ending	<u>\$ --</u>	<u>\$ (462,451)</u>	<u>\$ (462,451)</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, 2017

	Original and Amended Budgeted Amounts	Actual Amounts	Variance with Amended Budget Positive (Negative)
REVENUES			
Property taxes	\$ --	\$ --	\$ --
Special assessments	--	--	--
Interest earnings	--	28	28
Miscellaneous	--	--	--
Total revenues	<u>--</u>	<u>28</u>	<u>28</u>
EXPENDITURES			
Capital outlay	--	1,134,929	1,134,929
Professional services	--	35,560	35,560
Miscellaneous	--	60,241	60,241
Total expenditures	<u>--</u>	<u>1,230,730</u>	<u>1,230,730</u>
Excess (deficiency) of revenues over (under) expenditures	--	(1,230,702)	(1,230,702)
OTHER FINANCING SOURCES (USES)			
Proceeds from bond sale	--	1,325,000	1,325,000
Premiums on Bonds Sold	--	38,341	38,341
Transfers in	--	30,000	30,000
Transfers out	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>1,393,341</u>	<u>1,393,341</u>
Net change in fund balances	--	162,639	162,639
Fund balances - beginning	<u>(29,411)</u>	<u>(29,411)</u>	<u>--</u>
Fund balances - ending	<u>\$ (29,411)</u>	<u>\$ 133,228</u>	<u>\$ 162,639</u>

City of Mora, Minnesota
 Component Unit - Economic Development Authority - 227
 Balance Sheet
 For the Year Ended December 31, 2017

	<u>EDA</u>
ASSETS	
Cash and Investments	\$ 40,479
Accounts receivable	-
Prepaid Insurance	<u>-</u>
Total Assets	<u><u>\$ 40,479</u></u>
 LIABILITIES AND FUND BALANCE	
Liabilities:	
Accrued Expenses	\$ 3,950
Total Liabilities	<u>3,950</u>
Fund Balance:	
Unreserved	<u>36,529</u>
Total Fund Balance	<u>36,529</u>
Total Liabilities and Fund Balance	<u><u>\$ 40,479</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, 2017

	Original and Amended Budgeted Amounts	EDA
REVENUES		
State grants and aids	\$ --	\$ --
Contributions	--	2,520
Investment earnings	50	63
Total revenues	<u>50</u>	<u>2,583</u>
EXPENDITURES		
Salaries	25,956	27,139
Professional services	--	158
Supplies	200	25
Capital outlay	--	--
Miscellaneous	3,776	6,397
Total expenditures	<u>29,932</u>	<u>33,719</u>
Excess (deficiency) of revenues over (under) expenditures	(29,882)	(31,136)
OTHER FINANCING SOURCES (USES)		
Transfer in	50,000	50,000
Transfer (out)	--	(5,121)
Total other financing sources (uses)	<u>50,000</u>	<u>44,879</u>
Net change in fund balance	20,118	13,743
Fund balances - beginning	<u>22,786</u>	<u>22,786</u>
Fund balances - ending	<u>\$ 42,904</u>	<u>\$ 36,529</u>

See notes to financial statements.

City of Mora, Minnesota
 Component Unit - Housing and Redevelopment Authority
 Balance Sheet
 For the Year Ended December 31, 2017

	<u>HRA</u>
ASSETS	
Cash and Investments	\$ 559,570
Restricted cash	310,422
Accounts receivable	78,184
Prepaid Insurance	18,029
Capital assets (net of accumulated depreciation)	<u>4,025,990</u>
Total Assets	<u><u>\$ 4,992,195</u></u>
 LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	\$ 70,068
Accrued liabilities	80,666
Compensated absences	6,352
Noted payable	<u>4,181,721</u>
Total Liabilities	<u><u>4,338,807</u></u>
Net Position:	
Net investment in capital assets	(155,730)
Restricted	310,422
Unrestricted	<u>498,696</u>
Total Fund Balance	<u><u>653,388</u></u>
Total Liabilities and Fund Balance	<u><u>\$ 4,992,195</u></u>

See notes to financial statements.

City of Mora, Minnesota
 Component Unit - Housing and Redevelopment Authority
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 For the Year Ended December 31, 2017

	Budget	HRA
REVENUES		
Tenant revenue	\$ --	\$ 1,485,124
Program grants - subsidies	--	473,190
Other government grants	--	174,656
Other income	--	185,195
Total revenues	<u>--</u>	<u>2,318,165</u>
EXPENDITURES		
Administration	--	459,011
Tenant services	--	583,015
Utilities	--	98,832
Maintenance	--	182,052
General	--	155,240
Housing assistance payments	--	495,780
Depreciation	--	262,095
Total expenditures	<u>--</u>	<u>2,236,025</u>
Excess (deficiency) of revenues over (under) expenditures	--	82,140
OTHER FINANCING SOURCES (USES)		
Interest income	--	276
Interest expense	--	(192,337)
Loss on sale of capital assets	--	(195)
Capital grant contributions	--	49,669
Total other financing sources (uses)	<u>--</u>	<u>(142,587)</u>
Net change in fund balance	--	(60,447)
Net Position - beginning	<u>--</u>	<u>713,835</u>
Net Position - ending	<u>\$ --</u>	<u>\$ 653,388</u>

See notes to financial statements.

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City of Mora, Minnesota
COMBINING AND INDIVIDUAL
FUND STATEMENTS AND SCHEDULES
NON-MAJOR GOVERNMENTAL FUNDS
December 31, 2017

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 1-15 HRA Mysa House - To account for revenues and expenditures, including tax increments received and distributed for a multi-unit apartment 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.

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.

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.

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.

2017A 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, 2017

	Special Revenue Funds			
	220	222	225	230
	Storm	Fire	Cemetery	EDA
	Water	Fund	Fund	Revolving
	Utility			Loan
ASSETS				
Cash and investments	\$ 27,513	\$ --	\$ --	\$ 34,846
Accounts receivable	4,983	19,070	--	--
Interest receivable	--	--	--	--
Taxes receivable - delinquent	--	--	--	--
Special assessments receivable - Deferred	--	443	--	--
Due from other funds	--	--	--	116,522
Due from other governments	--	--	--	--
Note receivable	--	--	--	--
Prepaid insurance	--	--	--	--
Total Current Assets	<u>32,496</u>	<u>19,513</u>	<u>--</u>	<u>151,368</u>
Restricted Assets:				
Cash and investments	--	--	--	--
Total Restricted Assets	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total Assets	<u>\$ 32,496</u>	<u>\$ 19,513</u>	<u>\$ --</u>	<u>\$ 151,368</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ --	\$ --	\$ --	\$ --
Due to other funds	--	26,353	54,886	--
Advance from other funds	--	--	--	--
Deferred revenue	--	--	--	--
Total liabilities	<u>--</u>	<u>26,353</u>	<u>54,886</u>	<u>--</u>
Fund Balances:				
Nonspendable	--	--	--	--
Restricted	--	--	--	--
Committed	--	--	--	--
Assigned	--	--	--	--
Unassigned	<u>32,496</u>	<u>(6,840)</u>	<u>(54,886)</u>	<u>151,368</u>
Total fund balances	<u>32,496</u>	<u>(6,840)</u>	<u>(54,886)</u>	<u>151,368</u>
Total liabilities and fund balances	<u>\$ 32,496</u>	<u>\$ 19,513</u>	<u>\$ --</u>	<u>\$ 151,368</u>

Special Revenue Funds					
237	245	248	252	270	Total
TIF 2-2 Intrepid	TIF 1-8 Torborg	TIF 1-11 KSB	TIF 1-15 Mysa House	Small Cities Development Program	Special Revenue Funds
\$ 9,805	\$ --	\$ 65,580	\$ --	\$ --	\$ 137,744
--	--	--	11,358	--	35,411
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	443
--	--	--	--	--	116,522
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
<u>9,805</u>	<u>--</u>	<u>65,580</u>	<u>11,358</u>	<u>--</u>	<u>290,120</u>
--	--	--	--	--	--
--	--	--	--	--	--
<u>\$ 9,805</u>	<u>\$ --</u>	<u>\$ 65,580</u>	<u>\$ 11,358</u>	<u>\$ --</u>	<u>\$ 290,120</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	11,358	23,925	116,522
--	--	303,371	--	--	303,371
--	--	--	--	--	--
<u>--</u>	<u>--</u>	<u>303,371</u>	<u>11,358</u>	<u>23,925</u>	<u>419,893</u>
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
9,805	--	(237,791)	--	(23,925)	(129,773)
<u>9,805</u>	<u>--</u>	<u>(237,791)</u>	<u>--</u>	<u>(23,925)</u>	<u>(129,773)</u>
<u>\$ 9,805</u>	<u>\$ --</u>	<u>\$ 65,580</u>	<u>\$ 11,358</u>	<u>\$ --</u>	<u>\$ 290,120</u>

City of Mora, Minnesota
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2017

	Capital Projects Funds		
	407	409	425
	Future Fire Equipment	Future Improvements	Fire Station 2003
ASSETS			
Cash and investments	\$ --	\$ --	\$ --
Accounts receivable	--	--	--
Interest receivable	--	--	--
Taxes receivable - delinquent	--	--	--
Special assessments receivable - Deferred	--	--	--
Due from other funds	412,926	371,699	--
Due from other governments	--	--	--
Note receivable	--	--	--
Prepaid insurance	--	--	--
Total Current Assets	<u>412,926</u>	<u>371,699</u>	<u>--</u>
Restricted Assets:			
Cash and investments	--	--	--
Total Restricted Assets	<u>--</u>	<u>--</u>	<u>--</u>
Total assets	<u>\$ 412,926</u>	<u>\$ 371,699</u>	<u>\$ --</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ --	\$ --	\$ --
Due to other funds	--	--	--
Advance from other funds	--	--	163,302
Deferred revenue	--	--	--
Total liabilities	<u>--</u>	<u>--</u>	<u>163,302</u>
Fund Balances:			
Nonspendable	--	--	--
Restricted	--	--	--
Committed	--	--	--
Assigned	--	--	--
Unassigned	412,926	371,699	(163,302)
Total fund balances	<u>412,926</u>	<u>371,699</u>	<u>(163,302)</u>
Total liabilities and fund balances	<u>\$ 412,926</u>	<u>\$ 371,699</u>	<u>\$ --</u>

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	Capital Projects Funds		
	439	440	442
	Howe	Downtown	Airport
	Avenue	Feed Mill	Kastenbauer
	Reconstruction	Redevelopment	House
ASSETS			
Cash and investments	\$ --	\$ --	\$ --
Accounts receivable	--	--	--
Interest receivable	--	--	--
Taxes receivable - delinquent	--	--	--
Special assessments receivable - Deferred	154,484	--	--
Due from other funds	--	--	--
Due from other governments	--	--	--
Note receivable	--	--	--
Prepaid insurance	--	--	--
Total Current Assets	<u>154,484</u>	<u>--</u>	<u>--</u>
Restricted Assets:			
Cash and investments	--	--	--
Total Restricted Assets	<u>--</u>	<u>--</u>	<u>--</u>
Total assets	<u>\$ 154,484</u>	<u>\$ --</u>	<u>\$ --</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ --	\$ --	\$ --
Due to other funds	71,876	29,977	97,389
Advance from other funds	--	--	--
Deferred revenue	154,484	--	--
Total liabilities	<u>226,360</u>	<u>29,977</u>	<u>97,389</u>
Fund Balances:			
Nonspendable	--	--	--
Restricted	--	--	--
Committed	--	--	--
Assigned	--	--	--
Unassigned	(71,876)	(29,977)	(97,389)
Total fund balances	<u>(71,876)</u>	<u>(29,977)</u>	<u>(97,389)</u>
Total liabilities and fund balances	<u>\$ 154,484</u>	<u>\$ --</u>	<u>\$ --</u>

446 Parker Capital Project	451 2012 7th and Grove St. Improvements	454 Hwys 23 & 65 Street Lt Project	Total Capital Projects Funds
\$ --	\$ --	\$ --	\$ --
--	--	--	--
--	--	--	--
--	--	--	--
64,673	--	--	219,157
--	--	--	784,625
--	--	--	--
--	--	--	--
--	--	--	--
<u>64,673</u>	<u>--</u>	<u>--</u>	<u>1,003,782</u>
--	--	--	--
<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
<u>\$ 64,673</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,003,782</u>
\$ --	\$ --	\$ --	--
298,813	318,986	--	817,041
--	--	--	163,302
64,673	--	--	219,157
<u>363,486</u>	<u>318,986</u>	<u>--</u>	<u>1,199,500</u>
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
<u>(298,813)</u>	<u>(318,986)</u>	<u>--</u>	<u>(195,718)</u>
<u>(298,813)</u>	<u>(318,986)</u>	<u>--</u>	<u>(195,718)</u>
<u>\$ 64,673</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 1,003,782</u>

City of Mora, Minnesota
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2017

	Debt Service			
	525 Fire Station 2003	530 2008-2011 Street Reconstruction	531 HRA Eastwood	532 2015B Wood & Grove
ASSETS				
Cash and investments	\$ 98,800	\$ 121,188	\$ 317,169	\$ 48,218
Accounts receivable	977	1,279	--	1,193
Interest receivable	--	--	--	--
Taxes receivable - delinquent	1,172	765	--	207
Special assessments receivable - Deferred	--	--	--	--
Due from other funds	--	32,416	--	--
Due from other governments	--	--	--	--
Note receivable	--	--	--	--
Prepaid insurance	--	--	--	--
Total Current Assets	<u>100,949</u>	<u>155,648</u>	<u>317,169</u>	<u>49,618</u>
Restricted Assets:				
Cash and investments	--	--	--	--
Total Restricted Assets	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total assets	<u><u>\$ 100,949</u></u>	<u><u>\$ 155,648</u></u>	<u><u>\$ 317,169</u></u>	<u><u>\$ 49,618</u></u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ --	\$ --	\$ 310,117	\$ --
Due to other funds	--	--	--	--
Advance from other funds	--	--	--	--
Deferred revenue	1,172	765	--	207
Total liabilities	<u>1,172</u>	<u>765</u>	<u>310,117</u>	<u>207</u>
Fund Balances:				
Nonspendable	--	--	--	--
Restricted	99,777	154,883	7,052	49,411
Committed	--	--	--	--
Assigned	--	--	--	--
Unassigned	--	--	--	--
Total fund balances	<u>99,777</u>	<u>154,883</u>	<u>7,052</u>	<u>49,411</u>
Total liabilities and fund balances	<u><u>\$ 100,949</u></u>	<u><u>\$ 155,648</u></u>	<u><u>\$ 317,169</u></u>	<u><u>\$ 49,618</u></u>

533	535	Total Debt Service Funds	Permanent Fund		Total Nonmajor Governmental Funds
			301	Total Permanent Fund	
2015C Refunding	2017A Refunding		Perpetual Care		
\$ 187,933	\$ 139,342	\$ 912,650	\$ 124,032	\$ 124,032	\$ 1,174,426
1,738	--	5,187	--	--	40,598
--	--	--	--	--	--
2,479	--	4,623	--	--	4,623
342,809	182,907	525,716	--	--	745,316
--	--	32,416	--	--	933,563
--	--	--	--	--	--
--	--	--	--	--	--
--	--	--	--	--	--
<u>534,959</u>	<u>322,249</u>	<u>1,480,592</u>	<u>124,032</u>	<u>124,032</u>	<u>2,898,526</u>
--	--	--	--	--	--
--	--	--	--	--	--
<u>\$ 534,959</u>	<u>\$ 322,249</u>	<u>\$ 1,480,592</u>	<u>\$ 124,032</u>	<u>\$ 124,032</u>	<u>\$ 2,898,526</u>
\$ --	\$ --	\$ 310,117	\$ --	\$ --	\$ 310,117
--	--	--	--	--	933,563
--	--	--	--	--	466,673
345,288	182,907	530,339	--	--	749,496
<u>345,288</u>	<u>182,907</u>	<u>840,456</u>	<u>--</u>	<u>--</u>	<u>2,459,849</u>
--	--	--	--	--	--
189,671	139,342	640,136	--	--	640,136
--	--	--	--	--	--
--	--	--	124,032	124,032	124,032
--	--	--	--	--	(325,491)
<u>189,671</u>	<u>139,342</u>	<u>640,136</u>	<u>124,032</u>	<u>124,032</u>	<u>438,677</u>
<u>\$ 534,959</u>	<u>\$ 322,249</u>	<u>\$ 1,480,592</u>	<u>\$ 124,032</u>	<u>\$ 124,032</u>	<u>\$ 2,898,526</u>

City of Mora, Minnesota
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2017

	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	58,014	41,372	46,625	--
Intergovernmental revenue	--	2,450	--	--
Interest earnings	166	785	192	404
Miscellaneous -				
Contributions	--	74,035	--	--
Other	1,224	--	2,766	20,044
Total revenues	<u>59,404</u>	<u>118,642</u>	<u>49,583</u>	<u>20,448</u>
EXPENDITURES				
Public works	30,626	--	--	--
Public safety	--	140,140	--	--
Cemetery	--	--	33,833	--
Housing development	--	--	--	--
Economic development	--	--	--	3
Debt service	--	--	--	--
Capital projects	--	--	--	--
Total expenditures	<u>30,626</u>	<u>140,140</u>	<u>33,833</u>	<u>3</u>
Excess (deficiency) of revenues over (under) expenditures	28,778	(21,498)	15,750	20,445
OTHER FINANCING SOURCES (USES)				
Sale of fixed assets	--	--	--	--
Transfers in	--	29,626	4,981	--
Transfers out	(63,297)	(27,473)	(7,169)	--
Total other financing sources (uses)	<u>(63,297)</u>	<u>2,153</u>	<u>(2,188)</u>	<u>--</u>
Net change in fund balances	(34,519)	(19,345)	13,562	20,445
Fund balances - beginning	<u>67,015</u>	<u>12,505</u>	<u>(68,448)</u>	<u>130,923</u>
Fund balances - ending	<u>\$ 32,496</u>	<u>\$ (6,840)</u>	<u>\$ (54,886)</u>	<u>\$ 151,368</u>

Special Revenue Funds					
237	245	248	252	270	Total
TIF 2-2 Intrepid	TIF 1-8 Torborg	TIF 1-11 KSB	TIF 1-15 Mysa House	Small Cities Development Program	Special Revenue Funds
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
54,566	--	46,444	--	--	101,010
--	--	--	--	--	--
--	--	--	--	--	146,011
--	--	--	--	380,540	382,990
--	--	--	--	--	1,547
--	--	--	--	--	74,035
--	--	--	11,358	4,619	40,011
<u>54,566</u>	<u>--</u>	<u>46,444</u>	<u>\$ 11,358</u>	<u>\$ 385,159</u>	<u>745,604</u>
--	--	--	--	--	30,626
--	--	--	--	--	140,140
--	--	--	--	--	33,833
51,870	--	--	16,358	--	68,228
--	--	15,277	--	417,161	432,441
--	--	--	--	--	--
--	--	--	--	--	--
<u>51,870</u>	<u>--</u>	<u>15,277</u>	<u>16,358</u>	<u>417,161</u>	<u>705,268</u>
2,696	--	31,167	(5,000)	(32,002)	40,336
--	--	--	--	--	--
--	--	--	5,000	--	39,607
<u>(2,728)</u>	<u>--</u>	<u>(308,015)</u>	<u>--</u>	<u>--</u>	<u>(408,682)</u>
<u>(2,728)</u>	<u>--</u>	<u>(308,015)</u>	<u>5,000</u>	<u>--</u>	<u>(369,075)</u>
(32)	--	(276,848)	--	(32,002)	(328,739)
<u>9,837</u>	<u>--</u>	<u>39,057</u>	<u>--</u>	<u>8,077</u>	<u>198,966</u>
<u>\$ 9,805</u>	<u>\$ --</u>	<u>\$ (237,791)</u>	<u>\$ --</u>	<u>\$ (23,925)</u>	<u>\$ (129,773)</u>

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, 2017

	Capital Project Funds		
	407	409	425
	Future		Fire
	Fire	Future	Station
	Equipment	Improvements	2003
REVENUES			
Property taxes	\$ --	\$ --	\$ --
Tax increments	--	--	--
Special assessments	--	--	--
Charges for services	--	--	--
Intergovernmental revenue	--	--	--
Interest earnings	1,160	2,029	--
Miscellaneous -			
Contributions	49,995	--	--
Other	--	--	--
Total revenues	<u>51,155</u>	<u>2,029</u>	<u>--</u>
EXPENDITURES			
Public works	--	--	--
Public safety	--	--	--
Cemetery	--	--	--
Housing development	--	--	--
Economic development	--	--	--
Debt service	--	--	4,457
Capital projects	--	--	--
Total expenditures	<u>--</u>	<u>--</u>	<u>4,457</u>
Excess (deficiency) of revenues over (under) expenditures	51,155	2,029	(4,457)
OTHER FINANCING SOURCES (USES)			
Sale of fixed assets	--	--	--
Transfers in	35,005	32,000	83,703
Transfers out	--	(295,809)	--
Total other financing sources (uses)	<u>35,005</u>	<u>(263,809)</u>	<u>83,703</u>
Net change in fund balances	86,160	(261,780)	79,246
Fund balances - beginning	<u>326,766</u>	<u>633,479</u>	<u>(242,548)</u>
Fund balances - ending	<u>\$ 412,926</u>	<u>\$ 371,699</u>	<u>\$ (163,302)</u>

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	Capital Projects Funds		
	439	440	442
	Howe	Downtown	Airport
	Avenue	Feed Mill	Kastenbauer
	Reconstruction	Redevelopment	House
REVENUES			
Property taxes	\$ --	\$ --	\$ --
Tax increments	--	--	--
Special assessments	57,213	--	--
Charges for services	--	--	--
Intergovernmental revenue	--	--	--
Interest earnings	--	--	--
Miscellaneous -			
Contributions	--	--	--
Other	--	--	910
Total revenues	<u>57,213</u>	<u>--</u>	<u>910</u>
EXPENDITURES			
Public works	--	--	--
Public safety	--	--	--
Cemetery	--	--	--
Housing development	--	--	--
Economic development	--	--	--
Debt service	--	--	--
Capital projects	--	95	2,617
Total expenditures	<u>--</u>	<u>95</u>	<u>2,617</u>
Excess (deficiency) of revenues over (under) expenditures	57,213	(95)	(1,707)
OTHER FINANCING SOURCES (USES)			
Sale of fixed assets	--	--	70,499
Transfers in	--	--	--
Transfers out	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>70,499</u>
Net change in fund balances	57,213	(95)	68,792
Fund balances - beginning	<u>(129,089)</u>	<u>(29,882)</u>	<u>(166,181)</u>
Fund balances - ending	<u>\$ (71,876)</u>	<u>\$ (29,977)</u>	<u>\$ (97,389)</u>

446 Parker Capital Project	451 2012 7th and Grove St. Improvements	454 Hwys 23 & 65 Street Lt Project	Total Capital Project Funds
\$ --	\$ 96	\$ --	\$ 96
--	--	--	--
49,848	--	--	107,061
--	--	--	--
--	--	--	--
--	--	--	3,189
--	--	--	49,995
--	--	6,790	7,700
49,848	96	6,790	168,041
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	4,457
--	--	151,286	153,998
--	--	151,286	158,455
49,848	96	(144,496)	9,586
--	--	--	70,499
--	--	229,205	379,913
--	--	--	(295,809)
--	--	229,205	154,603
49,848	96	84,709	164,189
(348,661)	(319,082)	(84,709)	(359,907)
\$ (298,813)	\$ (318,986)	\$ --	\$ (195,718)

City of Mora, Minnesota
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended December 31, 2017

	Debt Service			
	525 Fire Station 2003	530 2008-2011 Street Reconstruction	531 HRA Eastwood	532 2015B Wood & Grove
REVENUES				
Property taxes	\$ 64,431	\$ 84,431	\$ --	\$ 79,342
Tax increments	--	--	--	--
Special assessments	--	--	--	--
Charges for services	--	--	--	--
Intergovernmental revenue	--	--	--	--
Interest earnings	--	--	1,018	--
Miscellaneous -				
Contributions	49,801	--	--	--
Other	--	--	--	--
Total revenues	<u>114,232</u>	<u>84,431</u>	<u>1,018</u>	<u>79,342</u>
EXPENDITURES				
Public works	--	--	--	--
Public safety	--	--	--	--
Cemetery	--	--	--	--
Housing development	--	--	--	--
Economic development	--	--	--	--
Debt service	--	77,024	--	81,093
Capital projects	--	--	--	--
Total expenditures	<u>--</u>	<u>77,024</u>	<u>--</u>	<u>81,093</u>
Excess (deficiency) of revenues over (under) expenditures	114,232	7,407	1,018	(1,751)
OTHER FINANCING SOURCES (USES)				
Sale of fixed assets	--	--	--	--
Transfers in	--	--	--	19,213
Transfers out	(83,703)	--	--	--
Total other financing sources (uses)	<u>(83,703)</u>	<u>--</u>	<u>--</u>	<u>19,213</u>
Net change in fund balances	30,529	7,407	1,018	17,462
Fund balances - beginning	<u>69,248</u>	<u>147,476</u>	<u>6,034</u>	<u>31,949</u>
Fund balances - ending	<u>\$ 99,777</u>	<u>\$ 154,883</u>	<u>\$ 7,052</u>	<u>\$ 49,411</u>

533	535	Total Debt Service Funds	Permanent Fund		Total Nonmajor Governmental Funds
			301	Total Permanent Fund	
2015C Refunding	2017A Refunding		Perpetual Care		
\$ 114,727	\$ --	\$ 342,931	\$ --	\$ --	\$ 343,027
--	--	--	--	--	101,010
86,794	139,342	226,136	--	--	333,197
--	--	--	--	--	146,011
--	--	--	--	--	382,990
--	--	1,018	396	396	6,150
--	--	49,801	--	--	173,831
--	--	--	--	--	47,711
<u>201,521</u>	<u>139,342</u>	<u>619,886</u>	<u>396</u>	<u>396</u>	<u>1,533,927</u>
--	--	--	--	--	30,626
--	--	--	--	--	140,140
--	--	--	--	--	33,833
--	--	--	--	--	68,228
--	--	--	--	--	432,441
157,462	--	315,579	--	--	320,036
--	--	--	--	--	153,998
<u>157,462</u>	<u>--</u>	<u>315,579</u>	<u>--</u>	<u>--</u>	<u>1,179,302</u>
44,059	139,342	304,307	396	396	354,625
--	--	--	--	--	70,499
10,000	--	29,213	--	--	448,733
--	--	(83,703)	--	--	(788,194)
<u>10,000</u>	<u>--</u>	<u>(54,490)</u>	<u>--</u>	<u>--</u>	<u>(268,962)</u>
54,059	139,342	249,817	396	396	85,663
<u>135,612</u>	<u>--</u>	<u>390,319</u>	<u>123,636</u>	<u>123,636</u>	<u>353,014</u>
<u>\$ 189,671</u>	<u>\$ 139,342</u>	<u>\$ 640,136</u>	<u>\$ 124,032</u>	<u>\$ 124,032</u>	<u>\$ 438,677</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, 2017

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, 2017

	Original and Amended Budgeted Amounts	Actual Amounts	Variance with Amended Budget Positive (Negative)
REVENUES			
Storm water fees	\$ 54,000	\$ 58,014	\$ 4,014
Investment earnings	70	166	96
Miscellaneous	--	1,224	1,224
Total revenues	<u>54,070</u>	<u>59,404</u>	<u>5,334</u>
EXPENDITURES			
Professional services	--	23	(23)
Miscellaneous	34,681	30,603	4,078
Capital outlay	--	--	--
Total expenditures	<u>34,681</u>	<u>30,626</u>	<u>4,055</u>
Excess (deficiency) of revenues over (under) expenditures	19,389	28,778	9,389
OTHER FINANCING SOURCES (USES)			
Transfers in	--	--	--
Transfers out	(63,241)	(63,297)	56
Total other financing sources (uses)	<u>(63,241)</u>	<u>(63,297)</u>	<u>56</u>
Net change in fund balances	(43,852)	(34,519)	9,333
Fund balances - beginning	<u>67,015</u>	<u>67,015</u>	<u>--</u>
Fund balances - ending	<u>\$ 23,163</u>	<u>\$ 32,496</u>	<u>\$ 9,333</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, 2017

	Original and Amended Budgeted Amounts	Actual Amounts	Variance with Amended Budget Positive (Negative)
REVENUES			
Grants	\$ --	\$ 2,450	\$ 2,450
Charges for services	40,000	41,372	1,372
Interest	20	785	765
Contributions	74,035	74,035	--
Total revenues	<u>114,055</u>	<u>118,642</u>	<u>4,587</u>
EXPENDITURES			
Supplies	19,400	6,299	(13,101)
Salaries	50,899	62,677	11,778
Capital outlay	2,000	2,000	--
Miscellaneous	60,577	69,164	8,587
Total expenditures	<u>132,876</u>	<u>140,140</u>	<u>7,264</u>
Excess (deficiency) of revenues over (under) expenditures	(18,821)	(21,498)	(2,677)
OTHER FINANCING SOURCES (USES)			
Transfers in	29,626	29,626	--
Transfers out	<u>(22,488)</u>	<u>(27,473)</u>	<u>(4,985)</u>
Total other financing sources (uses)	<u>7,138</u>	<u>2,153</u>	<u>(4,985)</u>
Net change in fund balances	(11,683)	(19,345)	(7,662)
Fund balances - beginning	<u>12,505</u>	<u>12,505</u>	<u>--</u>
Fund balances - ending	<u>\$ 822</u>	<u>\$ (6,840)</u>	<u>\$ (7,662)</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, 2017

	Original and Amended Budgeted Amounts	Actual Amounts	Variance with Amended Budget Positive (Negative)
REVENUES			
Interments	\$ 29,300	\$ 31,400	\$ 2,100
Perpetual care	--	--	--
Sale of lots	21,650	15,225	(6,425)
Miscellaneous	1,150	2,766	1,616
Investment earnings	50	192	142
Total revenues	<u>52,150</u>	<u>49,583</u>	<u>(2,567)</u>
EXPENDITURES			
Professional services	1,200	34	(1,166)
Salaries	18,252	20,770	2,518
Capital outlay	5,250	5,606	356
Miscellaneous	11,324	7,423	(3,901)
Total expenditures	<u>36,026</u>	<u>33,833</u>	<u>(2,193)</u>
Excess (deficiency) of revenues over (under) expenditures	16,124	15,750	(374)
OTHER FINANCING SOURCES (USES)			
Transfers in	5,000	4,981	(19)
Transfers out	(12,056)	(7,169)	4,887
Total other financing sources (uses)	<u>(7,056)</u>	<u>(2,188)</u>	<u>4,868</u>
Net change in fund balances	9,068	13,562	4,494
Fund balances - beginning	<u>(68,448)</u>	<u>(68,448)</u>	<u>--</u>
Fund balances - ending	<u>\$ (59,380)</u>	<u>\$ (54,886)</u>	<u>\$ 4,494</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, 2017

	Original and Amended Budgeted Amounts	Actual Amounts	Variance with Amended Budget Positive (Negative)
REVENUES			
Miscellaneous	\$ 18,500	\$ 20,044	\$ 1,544
Investment earnings	160	404	244
Total revenues	<u>18,660</u>	<u>20,448</u>	<u>1,788</u>
EXPENDITURES			
Miscellaneous	--	3	3
Pass Through Grant	--	--	--
Total expenditures	<u>--</u>	<u>3</u>	<u>3</u>
Net change in fund balances	18,660	20,445	1,785
Fund balances - beginning	<u>130,923</u>	<u>130,923</u>	<u>--</u>
Fund balances - ending	<u><u>\$ 149,583</u></u>	<u><u>\$ 151,368</u></u>	<u><u>\$ 1,785</u></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, 2017

	Original and Amended Budget Amounts	Actual Amounts	Variance with Amended Budget Positive (Negative)
REVENUES			
Tax increments	\$ --	\$ 54,566	\$ 54,566
Investment earnings	--	--	--
Total revenues	<u>--</u>	<u>54,566</u>	<u>54,566</u>
EXPENDITURES			
Professional services	--	--	--
Housing development	--	51,838	51,838
Miscellaneous	--	32	32
Total expenditures	<u>--</u>	<u>51,870</u>	<u>51,870</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	--	--	--
Transfers out	--	(2,728)	(2,728)
Total other financing sources (uses)	<u>--</u>	<u>(2,728)</u>	<u>(2,728)</u>
Net changes in fund balances	--	(32)	(32)
Fund balances - beginning	<u>9,837</u>	<u>9,837</u>	<u>--</u>
Fund balances - ending	<u>\$ 9,837</u>	<u>\$ 9,805</u>	<u>\$ (32)</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, 2017

	Original and Amended Budgeted Amounts	Actual Amounts	Variance with Amended Budget Positive (Negative)
REVENUES			
Tax increments	\$ --	\$ --	\$ --
Investment earnings	--	--	--
Total revenues	--	--	--
EXPENDITURES			
Professional services	--	--	--
Housing development	--	--	--
Miscellaneous	--	--	--
Total expenditures	--	--	--
Net change to fund balances	--	--	--
Fund balances - beginning	--	--	--
Fund balances - ending	\$ --	\$ --	\$ --

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, 2017

	Original and Amended Budgeted Amounts	Actual Amounts	Variance with Amended Budget Positive (Negative)
REVENUES			
Tax increments	\$ --	\$ 46,444	\$ 46,444
Total revenues	<u>--</u>	<u>46,444</u>	<u>46,444</u>
EXPENDITURES			
Professional services	--	--	--
Economic development	--	15,245	15,245
Interest	--	--	--
Miscellaneous	--	32	32
Total expenditures	<u>--</u>	<u>15,277</u>	<u>15,277</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	--	--	--
Transfers out	--	(308,015)	(308,015)
Total other financing sources (uses)	<u>--</u>	<u>(308,015)</u>	<u>(308,015)</u>
Net change to fund balances	--	(276,848)	(276,848)
Fund balances - beginning	<u>39,057</u>	<u>39,057</u>	<u>--</u>
Fund balances - ending	<u>\$ 39,057</u>	<u>\$ (237,791)</u>	<u>\$ (276,848)</u>

City of Mora, Minnesota
TIF 1-15 HRA Maysa House - Special Revenue Fund - 252
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2017

	Original and Amended Budgeted Amounts	Actual Amounts	Variance with Amended Budget Positive (Negative)
REVENUES			
Tax increments	\$ --	\$ --	\$ --
Misc. income	--	11,358	11,358
Total revenues	--	11,358	11,358
EXPENDITURES			
Professional services	--	16,250	16,250
Economic development	--	--	--
Interest	--	--	--
Miscellaneous	--	108	108
Total expenditures	--	16,358	16,358
OTHER FINANCING SOURCES (USES)			
Transfers in	--	5,000	5,000
Transfers out	--	--	--
Total other financing sources (uses)	--	5,000	5,000
Net change to fund balances	--	--	--
Fund balances - beginning	--	--	--
Fund balances - ending	\$ --	\$ --	\$ --

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, 2017

	Original and Amended Budgeted Amounts	Actual Amounts	Variance with Amended Budget Positive (Negative)
REVENUES			
Grants	\$ --	\$ 380,540	\$ 380,540
Miscellaneous	--	4,619	4,619
Investment earnings	--	--	--
Total revenues	<u>--</u>	<u>385,159</u>	<u>385,159</u>
EXPENDITURES			
Professional services	--	417,159	417,159
Capital outlay	--	--	--
Miscellaneous	--	2	2
Total expenditures	<u>--</u>	<u>417,161</u>	<u>417,161</u>
Excess (deficiency) of revenues over (under) expenditures	--	(32,002)	(32,002)
OTHER FINANCING SOURCES (USES)			
Transfers in	--	--	--
Transfers out	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	--	(32,002)	(32,002)
Fund balances - beginning	<u>8,077</u>	<u>8,077</u>	<u>--</u>
Fund balances - ending	<u>\$ 8,077</u>	<u>\$ (23,925)</u>	<u>\$ (32,002)</u>

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

Capital Projects Funds
December 31, 2017

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, 2017

	Original and Amended Budgeted Amounts	Actual Amounts	Variance with Amended Budget Positive Negative (Negative)
REVENUES			
Intergovernmental revenues	\$ --	\$ --	\$ --
Contributions	49,995	49,995	--
Interest earnings	430	1,160	730
Total revenues	<u>50,425</u>	<u>51,155</u>	<u>730</u>
EXPENDITURES			
Professional services	--	--	--
Capital projects	--	--	--
Miscellaneous	--	--	--
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	50,425	51,155	730
OTHER FINANCING SOURCES (USES)			
Transfers in	20,005	35,005	15,000
Transfers out	--	--	--
Total other financing sources (uses)	<u>20,005</u>	<u>35,005</u>	<u>15,000</u>
Net change in fund balances	70,430	86,160	15,730
Fund balances - beginning	<u>326,766</u>	<u>326,766</u>	<u>--</u>
Fund balances - ending	<u>\$ 397,196</u>	<u>\$ 412,926</u>	<u>\$ 15,730</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, 2017

	Original and Amended Budgeted Amounts	Actual Amounts	Variance with Amended Budget Positive Negative (Negative)
REVENUES			
Intergovernmental revenues	\$ --	\$ --	\$ --
Interest earnings	950	2,029	1,079
Miscellaneous	--	--	--
Total revenues	<u>950</u>	<u>2,029</u>	<u>1,079</u>
EXPENDITURES			
Professional services	--	--	--
Capital projects	--	--	--
Miscellaneous	--	--	--
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	950	2,029	1,079
OTHER FINANCING SOURCES (USES)			
Transfers in	52,000	32,000	(20,000)
Transfers out	<u>(176,500)</u>	<u>(295,809)</u>	<u>(119,309)</u>
Total other financing sources (uses)	<u>(124,500)</u>	<u>(263,809)</u>	<u>(139,309)</u>
Net change in fund balances	(123,550)	(261,780)	(138,230)
Fund balances - beginning	<u>633,479</u>	<u>633,479</u>	<u>--</u>
Fund balances - ending	<u>\$ 509,929</u>	<u>\$ 371,699</u>	<u>\$ (138,230)</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, 2017

	Original and Amended Budgeted Amounts	Actual Amounts	Variance with Amended Budget Positive (Negative)
REVENUES			
Intergovernmental revenues	\$ --	\$ --	\$ --
Interest earnings	--	--	--
Miscellaneous	--	--	--
Total revenues	<u>--</u>	<u>--</u>	<u>--</u>
EXPENDITURES			
Professional services	--	--	--
Capital projects	--	--	--
Debt Service (Int. Exp.)	--	4,457	4,457
Total expenditures	<u>--</u>	<u>4,457</u>	<u>4,457</u>
Excess (deficiency) of revenues over (under) expenditures	--	(4,457)	(4,457)
OTHER FINANCING SOURCES (USES)			
Transfers in	--	83,703	83,703
Proceeds from bond sale	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>83,703</u>	<u>83,703</u>
Net change in fund balances	--	79,246	79,246
Fund balances - beginning	<u>(242,548)</u>	<u>(242,548)</u>	<u>--</u>
Fund balances - ending	<u>\$ (242,548)</u>	<u>\$ (163,302)</u>	<u>\$ 79,246</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, 2017

	Original and Amended Budgeted Amounts	Actual Amounts	Variance with Amended Budget Positive (Negative)
REVENUES			
Special assessments	\$ --	\$ 57,213	\$ 57,213
Miscellaneous	--	--	--
Interest earnings	--	--	--
Total revenues	<u>--</u>	<u>57,213</u>	<u>57,213</u>
EXPENDITURES			
Professional services	--	--	--
Capital projects	--	--	--
Miscellaneous	--	--	--
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	--	57,213	57,213
OTHER FINANCING SOURCES (USES)			
Transfers in	--	--	--
Transfers out	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	--	57,213	57,213
Fund balances - beginning	<u>(129,089)</u>	<u>(129,089)</u>	<u>--</u>
Fund balances - ending	<u>\$ (129,089)</u>	<u>\$ (71,876)</u>	<u>\$ 57,213</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, 2017

	Original and Amended Budgeted Amounts	Actual Amounts	Variance with Amended Budget Positive Negative (Negative)
REVENUES			
Intergovernmental revenues	\$ --	\$ --	\$ --
Miscellaneous	--	--	--
Contributions	--	--	--
Interest earnings	--	--	--
Total revenues	<u>--</u>	<u>--</u>	<u>--</u>
EXPENDITURES			
Professional services	--	--	--
Capital projects	--	95	95
Miscellaneous	--	--	--
Total expenditures	<u>--</u>	<u>95</u>	<u>95</u>
Excess (deficiency) of revenues over (under) expenditures	--	(95)	(95)
OTHER FINANCING SOURCES (USES)			
Transfers in	--	--	--
Transfers out	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	--	(95)	(95)
Fund balances - beginning	<u>(29,882)</u>	<u>(29,882)</u>	<u>--</u>
Fund balances - ending	<u><u>\$ (29,882)</u></u>	<u><u>\$ (29,977)</u></u>	<u><u>\$ (95)</u></u>

City of Mora, Minnesota
 Airport Kastenbauer House - Capital Project Fund - 442
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended December 31, 2017

	Original and Amended Budgeted Amounts	Actual Amounts	Variance with Amended Budget Positive (Negative)
REVENUES			
Intergovernmental revenues	\$ --	\$ --	\$ --
Miscellaneous	--	910	910
Contributions	--	--	--
Interest earnings	--	--	--
Total revenues	<u>--</u>	<u>910</u>	<u>910</u>
EXPENDITURES			
Professional services	--	598	598
Capital projects	--	2,017	2,017
Miscellaneous	--	2	2
Total expenditures	<u>--</u>	<u>2,617</u>	<u>2,617</u>
Excess (deficiency) of revenues over (under) expenditures	--	(1,707)	(1,707)
OTHER FINANCING SOURCES (USES)			
Sale of fixed assets	--	70,499	70,499
Transfers in	--	--	--
Transfers out	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>70,499</u>	<u>70,499</u>
Net change in fund balances	--	68,792	68,792
Fund balances - beginning	<u>(166,181)</u>	<u>(166,181)</u>	<u>--</u>
Fund balances - ending	<u><u>\$ (166,181)</u></u>	<u><u>\$ (97,389)</u></u>	<u><u>\$ 68,792</u></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, 2017

	Original and Amended Budgeted Amounts	Actual Amounts	Variance with Amended Budget Positive (Negative)
REVENUES			
Special Assessments	\$ --	\$ 49,848	\$ 49,848
Miscellaneous	--	--	--
Contributions	--	--	--
Interest earnings	--	--	--
Total revenues	<u>--</u>	<u>49,848</u>	<u>49,848</u>
EXPENDITURES			
Professional services	--	--	--
Capital projects	--	--	--
Miscellaneous	--	--	--
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	--	49,848	49,848
OTHER FINANCING SOURCES (USES)			
Transfers in	--	--	--
Transfers out	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	--	49,848	49,848
Fund balances - beginning	<u>(348,661)</u>	<u>(348,661)</u>	<u>--</u>
Fund balances - ending	<u>\$ (348,661)</u>	<u>\$ (298,813)</u>	<u>\$ 49,848</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, 2017

	Original and Amended Budgeted Amounts	Actual Amounts	Variance with Amended Budget Positive (Negative)
REVENUES			
Taxes	\$ --	\$ 96	\$ 96
Miscellaneous	--	--	--
Contributions	--	--	--
Interest earnings	--	--	--
Total revenues	<u>--</u>	<u>96</u>	<u>96</u>
EXPENDITURES			
Professional services	--	--	--
Capital projects	--	--	--
Miscellaneous	--	--	--
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	--	96	96
OTHER FINANCING SOURCES (USES)			
Transfers in	--	--	--
Transfers out	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	--	96	96
Fund balances - beginning	<u>(319,082)</u>	<u>(319,082)</u>	<u>--</u>
Fund balances - ending	<u>\$ (319,082)</u>	<u>\$ (318,986)</u>	<u>\$ 96</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, 2017

	Original and Amended Budgeted Amounts	Actual Amounts	Variance with Amended Budget Positive (Negative)
REVENUES			
Taxes	\$ --	\$ --	\$ --
Miscellaneous	--	6,790	6,790
Contributions	--	--	--
Interest earnings	--	--	--
Total revenues	<u>--</u>	<u>6,790</u>	<u>6,790</u>
EXPENDITURES			
Professional services	--	--	--
Capital projects	--	151,286	151,286
Miscellaneous	--	--	--
Total expenditures	<u>--</u>	<u>151,286</u>	<u>151,286</u>
Excess (deficiency) of revenues over (under) expenditures	--	(144,496)	(144,496)
OTHER FINANCING SOURCES (USES)			
Transfers in	--	229,205	229,205
Transfers out	--	--	--
Total other financing sources (uses)	<u>--</u>	<u>229,205</u>	<u>229,205</u>
Net change in fund balances	--	84,709	84,709
Fund balances - beginning	<u>(84,709)</u>	<u>(84,709)</u>	<u>--</u>
Fund balances - ending	<u>\$ (84,709)</u>	<u>\$ --</u>	<u>\$ 84,709</u>

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

Debt Service Funds
December 31, 2017

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, 2017

	Original and Amended Budgeted Amounts	Actual Amounts	Variance with Amended Budget Positive (Negative)
REVENUES			
Property taxes	\$ 64,699	\$ 64,431	\$ (268)
Interest earnings	--	--	--
Contributions	49,801	49,801	--
Total revenues	<u>114,500</u>	<u>114,232</u>	<u>(268)</u>
EXPENDITURES			
Principal	--	--	--
Interest	--	--	--
Miscellaneous	--	--	--
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	114,500	114,232	(268)
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	(83,703)	(83,703)	--
Total other financing sources (uses)	<u>(83,703)</u>	<u>(83,703)</u>	<u>--</u>
Net change in fund balances	30,797	30,529	(268)
Fund balances - beginning	<u>69,248</u>	<u>69,248</u>	<u>--</u>
Fund balances - ending	<u>\$ 100,045</u>	<u>\$ 99,777</u>	<u>\$ (268)</u>

City of Mora, Minnesota
 2008 - 2011 Street Reconstruction - Debt Service Fund - 530
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended December 31, 2017

	Original and Amended Budgeted Amounts	Actual Amounts	Variance with Amended Budget Positive (Negative)
REVENUES			
Property taxes	\$ 84,851	\$ 84,431	\$ (420)
Investment earnings	--	--	--
Total revenues	84,851	84,431	(420)
EXPENDITURES			
Loss on investment	--	--	--
Principal	65,000	65,000	--
Interest	11,574	11,574	--
Fiscal agent fees	450	450	--
Total expenditures	77,024	77,024	--
Excess (deficiency) of revenues over (under) expenditures	7,827	7,407	(420)
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	--	--	--
Total Other Financing Sources (Uses)	--	--	--
Net change in fund balances	7,827	7,407	(420)
Fund balances - beginning	147,476	147,476	--
Fund balances - ending	\$ 155,303	\$ 154,883	\$ (420)

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, 2017

	Original and Amended Budgeted Amounts	Actual Amounts	Variance with Amended Budget Positive (Negative)
REVENUES			
Property taxes	\$ --	\$ --	\$ --
Investment earnings	--	1,018	1,018
Total revenues	--	1,018	1,018
EXPENDITURES			
Loss on investment	--	--	--
Principal	--	--	--
Interest	--	--	--
Fiscal agent fees	--	--	--
Total expenditures	--	--	--
Excess (deficiency) of revenues over (under) expenditures	--	1,018	1,018
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	--	--	--
Total Other Financing Sources (Uses)	--	--	--
Net change in fund balances	--	1,018	1,018
Fund balances - beginning	6,034	6,034	--
Fund balances - ending	\$ 6,034	\$ 7,052	\$ 1,018

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, 2017

	Original and Amended Budgeted Amounts	Actual Amounts	Variance with Amended Budget Positive (Negative)
REVENUES			
Property taxes	\$ 80,047	\$ 79,342	\$ (705)
Investment earnings	--	--	--
Total revenues	<u>80,047</u>	<u>79,342</u>	<u>(705)</u>
EXPENDITURES			
Loss on investment	--	--	--
Principal	40,000	40,000	--
Interest	40,643	40,643	--
Fiscal agent fees	500	450	(50)
Total expenditures	<u>81,143</u>	<u>81,093</u>	<u>(50)</u>
Excess (deficiency) of revenues over (under) expenditures	(1,096)	(1,751)	(655)
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	19,213	19,213	--
Total Other Financing Sources (Uses)	<u>19,213</u>	<u>19,213</u>	<u>--</u>
Net change in fund balances	18,117	17,462	(655)
Fund balances - beginning	<u>31,949</u>	<u>31,949</u>	<u>--</u>
Fund balances - ending	<u>\$ 50,066</u>	<u>\$ 49,411</u>	<u>\$ (655)</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, 2017

	Original and Amended Budgeted Amounts	Actual Amounts	Variance with Amended Budget Positive (Negative)
REVENUES			
Property taxes	\$ 115,125	\$ 114,727	\$ (398)
Special assessments	42,300	86,794	44,494
Investment earnings	--	--	--
Total revenues	<u>157,425</u>	<u>201,521</u>	<u>44,096</u>
EXPENDITURES			
Miscellaneous expense	--	--	--
Principal	126,000	126,000	--
Interest	31,012	31,012	--
Fiscal agent fees	500	450	(50)
Total expenditures	<u>157,512</u>	<u>157,462</u>	<u>(50)</u>
Excess (deficiency) of revenues over (under) expenditures	(87)	44,059	44,146
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	9,913	54,059	44,146
Fund balances - beginning	<u>135,612</u>	<u>135,612</u>	<u>--</u>
Fund balances - ending	<u>\$ 145,525</u>	<u>\$ 189,671</u>	<u>\$ 44,146</u>

City of Mora, Minnesota
Series 2017A - Refunding - Debt Service Fund - 535
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2017

	Original and Amended Budgeted Amounts	Actual Amounts	Variance with Amended Budget Positive (Negative)
REVENUES			
Property taxes	\$ --	\$ --	\$ --
Special assessments	--	139,342	139,342
Investment earnings	--	--	--
Total revenues	<u>--</u>	<u>139,342</u>	<u>139,342</u>
EXPENDITURES			
Miscellaneous expense	--	--	--
Principal	--	--	--
Interest	--	--	--
Fiscal agent fees	--	--	--
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	--	139,342	139,342
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	--	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	--	139,342	139,342
Fund balances - beginning	<u>--</u>	<u>--</u>	<u>--</u>
Fund balances - ending	<u>\$ --</u>	<u>\$ 139,342</u>	<u>\$ 139,342</u>

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

Permanent Fund
December 31, 2017

City of Mora, Minnesota
 Perpetual Care - 301
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended December 31, 2017

	Original and Amended Budgeted Amounts	Actual Amounts	Variance with Amended Budget Positive (Negative)
REVENUES			
Property taxes	\$ --	\$ --	\$ --
Special assessments	--	--	--
Investment earnings	--	396	396
Total revenues	<u>--</u>	<u>396</u>	<u>396</u>
EXPENDITURES			
Miscellaneous expense	--	--	--
Principal	--	--	--
Interest	--	--	--
Fiscal agent fees	--	--	--
Total expenditures	<u>--</u>	<u>--</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	--	396	396
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	--	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>
Net change in fund balances	--	396	396
Fund balances - beginning	<u>123,636</u>	<u>123,636</u>	<u>--</u>
Fund balances - ending	<u>\$ 123,636</u>	<u>\$ 124,032</u>	<u>\$ 396</u>

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

Enterprise Funds
December 31, 2017

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, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Amended	Amounts	Amended Budget Positive (Negative)
Operating Revenues:				
Sales	\$ 3,434,000	\$ 3,434,000	\$ 3,181,671	\$ 252,329
Less: Cost of goods sold	(2,503,000)	(2,503,000)	(2,333,918)	(169,082)
Total Operating Revenues	<u>931,000</u>	<u>931,000</u>	<u>847,753</u>	<u>83,247</u>
Operating Expenses:				
Employee services	258,599	258,599	262,975	(4,376)
Supplies	22,700	22,700	23,526	(826)
Interest expense	42,250	42,250	42,250	--
Utilities expense	26,000	26,000	26,610	(610)
Other services and charges	136,000	136,000	97,515	38,485
Depreciation	59,107	59,107	61,357	(2,250)
Total Operating Expenses	<u>544,656</u>	<u>544,656</u>	<u>514,233</u>	<u>30,423</u>
Operating Income (Loss)	386,344	386,344	333,520	(52,824)
Add: Non-Operating Revenues:				
Commissions	1,000	1,000	2,157	1,157
Interest earned	--	--	1,948	1,948
Miscellaneous	3,250	3,250	9,307	6,057
Total Non-Operating Revenues	<u>4,250</u>	<u>4,250</u>	<u>13,412</u>	<u>9,162</u>
Income before Transfers	390,594	390,594	346,932	(43,662)
Transfers:				
Transfers in (out)	(296,722)	(296,722)	(298,170)	1,448
Total Transfers	<u>(296,722)</u>	<u>(296,722)</u>	<u>(298,170)</u>	<u>1,448</u>
Net Income (Loss)	93,872	93,872	48,762	(42,214)
Net Position, January 1	<u>698,126</u>	<u>698,126</u>	<u>698,126</u>	<u>--</u>
Net Position, December 31	<u>\$ 791,998</u>	<u>\$ 791,998</u>	<u>\$ 746,888</u>	<u>\$ (42,214)</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, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Amended	Amounts	Amended Budget Positive (Negative)
Operating Revenues:				
Sales	\$ 5,160,000	\$ 5,160,000	\$ 4,965,782	\$ 194,218
Less: Cost of sales	(4,325,000)	(4,325,000)	(4,126,518)	(198,482)
Miscellaneous	451,174	517,074	534,137	(17,063)
Total Operating Revenues	<u>1,286,174</u>	<u>1,352,074</u>	<u>1,373,401</u>	<u>(21,327)</u>
Operating Expenses:				
Employee services	476,904	476,904	426,765	50,139
Supplies	12,070	12,070	31,375	(19,305)
Interest expense	--	--	210	(210)
Utilities expense	15,150	15,150	12,646	2,504
Other services & charges	563,963	715,713	622,377	93,336
Depreciation	162,476	162,476	160,213	2,263
Total Operating Expenses	<u>1,230,563</u>	<u>1,382,313</u>	<u>1,253,586</u>	<u>128,727</u>
Operating Income (Loss)	55,611	(30,239)	119,815	(150,054)
Add: Non-Operating Revenues and Expenses:				
Interest earned	130,220	130,220	124,967	5,253
Gain on investments	--	--	(23,069)	23,069
Total Non-Operating Revenues	<u>130,220</u>	<u>130,220</u>	<u>101,898</u>	<u>28,322</u>
Income before Transfers	185,831	99,981	221,713	(121,732)
Transfers and other expenses:				
Transfer in	43,750	43,750	1,500	42,250
Transfers (out)	(44,500)	(44,500)	(52,694)	8,194
Total Transfers	<u>(750)</u>	<u>(750)</u>	<u>(51,194)</u>	<u>50,444</u>
Net Income (Loss)	185,081	99,231	170,519	(71,288)
Net Position, January 1	<u>9,614,897</u>	<u>9,614,897</u>	<u>9,614,897</u>	<u>--</u>
Net Position, December 31	<u>\$ 9,799,978</u>	<u>\$ 9,714,128</u>	<u>\$ 9,785,416</u>	<u>\$ (71,288)</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, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Amended	Amounts	Amended Budget Positive (Negative)
Operating Revenues:				
Sales	\$ 638,000	\$ 638,000	\$ 637,912	\$ 88
WAC fees	--	70,000	70,800	(800)
Total Operating Revenues	<u>638,000</u>	<u>708,000</u>	<u>708,712</u>	<u>(712)</u>
Operating Expenses:				
Employee services	191,727	191,727	186,563	5,164
Supplies	92,400	92,400	66,818	25,582
Interest expense	30,000	30,000	18,205	11,795
Utilities expense	28,160	28,160	23,515	4,645
Other services & charges	35,983	35,983	26,612	9,371
Depreciation	288,173	288,173	288,958	(785)
Total Operating Expenses	<u>666,443</u>	<u>666,443</u>	<u>610,671</u>	<u>55,772</u>
Operating Income (Loss)	(28,443)	41,557	98,041	(56,484)
Add: Non-Operating Revenues:				
Special assessments	2,000	2,000	270	1,730
Grants, State Aid	694	694	694	--
Interest earned	1,770	1,770	3,567	(1,797)
Gain on sale of fixed assets	--	1,000	1,000	--
Miscellaneous	28,450	28,450	26,549	1,901
Total Non-Operating Revenues	<u>32,914</u>	<u>33,914</u>	<u>32,080</u>	<u>1,834</u>
Income before Operating Transfers	4,471	75,471	130,121	(54,650)
Operating Transfers:				
Transfers in	750	4,500	4,513	(13)
Transfers (out)	(9,750)	(9,750)	(934)	(8,816)
Total Operating Transfers	<u>(9,000)</u>	<u>(5,250)</u>	<u>3,579</u>	<u>(8,829)</u>
Net Income (Loss)	(4,529)	70,221	133,700	(63,479)
Net Position, January 1	<u>3,397,650</u>	<u>3,397,650</u>	<u>3,397,650</u>	<u>--</u>
Net Position, December 31	<u>\$ 3,393,121</u>	<u>\$ 3,467,871</u>	<u>\$ 3,531,350</u>	<u>\$ (63,479)</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, 2017

	Budgeted Amounts		Actual	Variance with
	Original	Amended	Amounts	Amended Budget Positive (Negative)
Operating Revenues:				
Sales	\$ 912,000	\$ 912,000	\$ 908,022	\$ 3,978
SAC fees	--	110,000	110,880	(880)
Total Operating Revenues	<u>912,000</u>	<u>1,022,000</u>	<u>1,018,902</u>	<u>3,098</u>
Operating Expenses:				
Employee services	316,623	316,623	264,916	51,707
Supplies	138,450	145,750	64,568	81,182
Interest expense	40,500	40,500	37,138	3,362
Utilities expense	63,680	63,680	63,929	(249)
Other services and charges	82,988	82,988	43,934	39,054
Depreciation	454,561	454,561	504,623	(50,062)
Total Operating Expenses	<u>1,096,802</u>	<u>1,104,102</u>	<u>979,108</u>	<u>124,994</u>
Operating Income (Loss)	(184,802)	(82,102)	39,794	(121,896)
Add: Non-Operating Revenues:				
Special assessments	5,725	5,725	270	5,455
Grants	694	694	90,975	(90,281)
Interest earned	9,903	9,903	8,138	1,765
Gain on sale of assets	--	1,100	1,100	--
Miscellaneous	29,680	29,680	33,531	(3,851)
Total Non-Operating Revenues	<u>46,002</u>	<u>47,102</u>	<u>134,014</u>	<u>(86,912)</u>
Income before Operating Transfers	(138,800)	(35,000)	173,808	(208,808)
Operating Transfers:				
Transfers in	750	70,750	71,154	(404)
Transfers (out)	(9,750)	(9,750)	(934)	(8,816)
Total Operating Transfers	<u>(9,000)</u>	<u>61,000</u>	<u>70,220</u>	<u>(9,220)</u>
Net Income (Loss)	(147,800)	26,000	244,028	(218,028)
Net Position, January 1	<u>7,518,772</u>	<u>7,518,772</u>	<u>7,518,772</u>	<u>--</u>
Net Position, December 31	<u>\$ 7,370,972</u>	<u>\$ 7,544,772</u>	<u>\$ 7,762,800</u>	<u>\$ (218,028)</u>

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CITY OF MORA, MINNESOTA
ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2017

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>
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
2017	3,181,671	346,932	298,170	746,888

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
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
2017	4,965,782	221,712	1,500	52,693	9,785,416

City of Mora, Minnesota

Electric Utility Fund
Schedule of Services, Billing, KWH, and Revenues per KWH
For the Year Ended December 31, 2017

	Service	Amount	KWH	Revenues KWH
City Residential	1,444	\$ 1,104,949	9,726,658	0.1136
Rural Residential	102	123,808	1,135,314	0.1091
Small Commercial	228	742,603	7,153,731	0.1038
Large Commercial	24	795,968	12,547,360	0.0634
Industrial	4	1,064,320	19,091,200	0.0557
Government	12	43,880	694,441	0.0632
Street Lights	18	72,180	779,065	0.0926
Security Lights	78	21,187	64,224	0.3299
Renewable Energy Credits	-	(554)	(19,040)	0.0291
Total Retail Sales	1,910	\$ 3,968,341	51,172,953	0.0775
Cost of Power:				
Purchased Power		\$ 4,126,518		
Cost per KWH Sold		0.080600		
Total KWH Purchased		53,299,057		
Less: Station Power		<u>(489,240)</u>		
Net KWH to Feeders		52,809,817		
Less: Total Retail Sales (KWH)		<u>(51,172,953)</u>		
Line Loss (KWH)	3.10%	<u><u>1,636,864</u></u>		

City of Mora, Minnesota

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

Year	Gross Sales	Income Before Transfers	Transfers In	Transfers Out	Net Position
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
2017	708,712	130,121	4,513	934	3,531,350

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
2008	\$ 795,073	\$ 145,017	\$ 376,486	\$ --	\$ 3,454,975
2009	779,758	89,380	--	--	3,544,355
2010	815,205	77,193	--	--	3,621,548
2011	746,177	(26,383)	--	--	3,595,165
2012	734,175	44,012	--	--	3,639,177
2013	777,347	191,206	--	--	3,830,383
2014	798,745	107,325	--	--	3,937,708
2015	858,371	2,484,894	--	174,329	6,248,273
2016	899,288	1,270,342	750	593	7,518,772
2017	1,018,902	173,808	71,154	934	7,762,800

CITY OF MORA, MINNESOTA
ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2017

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		
	2017	2016	2015	2014
Governmental Activities				
Net investment in capital assets	\$ 11,556,594	\$ 10,710,096	\$ 10,344,435	\$ 9,888,253
Restricted	764,168	589,285	1,038,255	927,431
Unrestricted	(650,772)	(841,935)	(883,484)	(227,352)
Total governmental activities net position	<u>11,669,990</u>	<u>10,457,446</u>	<u>10,499,206</u>	<u>10,588,332</u>
Business-type activities				
Net investment in capital assets	11,515,650	12,050,343	11,359,753	8,458,679
Restricted	1,356,930	36,812	661,968	661,206
Unrestricted	8,953,874	9,142,290	7,336,418	7,593,374
Total business-type activities net position	<u>21,826,454</u>	<u>21,229,445</u>	<u>19,358,139</u>	<u>16,713,259</u>
 Total Primary Government	 <u><u>\$ 33,496,444</u></u>	 <u><u>\$ 31,686,891</u></u>	 <u><u>\$ 29,857,345</u></u>	 <u><u>\$ 27,301,591</u></u>

	Fiscal Years				
2013	2012	2011	2010	2009	2008
\$ 9,531,383	\$ 9,920,486	\$ 9,077,983	\$ 9,599,168	\$ 9,194,864	\$ 8,457,166
605,922	1,123,326	746,871	589,192	243,525	434,461
(495,696)	(1,307,923)	213,740	(64,312)	399,933	799,883
9,641,609	9,735,889	10,038,594	10,124,048	9,838,322	9,691,510
8,335,737	8,657,456	7,569,240	5,878,027	7,473,809	7,022,525
660,481	664,161	2,067,870	2,067,870	2,005,897	2,023,921
7,692,579	6,845,866	6,156,251	7,760,194	5,935,424	5,900,544
16,688,797	16,167,483	15,793,361	15,706,091	15,415,130	14,946,990
<u>\$ 26,330,406</u>	<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>

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

	Fiscal Years			
	2017	2016	2015	2014
Governmental Activities				
General government	\$ 549,250	\$ 524,732	\$ 636,825	\$ 666,550
Public safety	679,097	990,412	992,749	963,669
Public works	647,172	899,069	832,453	897,477
Cemetery	39,845	70,931	73,064	72,779
Culture and recreation	364,861	410,756	322,420	321,358
Housing and economic development	500,669	676,903	117,556	125,539
Capital projects	811,872	83,907	375,513	136,302
Miscellaneous	--	--	--	--
Interest on long term debt	115,890	83,034	84,388	80,859
Total governmental activities expenditures	3,708,656	3,739,744	3,434,968	3,264,533
Business-type activities				
Liquor	2,848,151	2,845,219	2,751,495	2,603,292
Electric	5,380,104	5,233,142	5,139,160	5,110,192
Water	610,671	594,067	591,704	659,693
Wastewater	979,108	732,519	860,989	730,607
Total business-type activities expenses	9,818,034	9,404,947	9,343,348	9,103,784
Total primary government expenses	13,526,690	13,144,691	12,778,316	12,368,317
Program Revenues				
Governmental activities				
Charges for services:				
General government	328,958	353,641	492,582	456,628
Public safety	326,855	239,448	239,819	178,886
Public works	120,301	112,263	47,941	48,019
Cemetery	48,510	62,600	45,335	44,175
Culture and recreation	147,141	157,762	167,364	155,458
Housing & economic development	--	--	--	--
Capital projects	910	8,400	10,400	
Operating grants and contributions	1,557,087	1,285,474	1,125,972	1,057,562
Capital grants and contributions	805,216	150,209	161,878	--
Total governmental activities program revenues	3,334,978	2,369,797	2,291,291	1,940,728
Business-type activities				
Charges for services				
Liquor	3,193,135	3,197,563	3,072,768	2,883,872
Electric	5,480,407	5,618,004	5,469,025	5,381,694
Water	734,543	680,043	669,507	625,425
Wastewater	1,144,778	1,993,661	3,337,175	829,454
Total business-type activities program revenues	10,552,863	11,489,271	12,548,475	9,720,445
Total primary government program revenues	13,887,841	13,859,068	14,839,766	11,661,173
Net Revenue (Expense)				
Governmental activities	(373,678)	(1,369,947)	(1,143,677)	(1,323,805)
Business-type activities	734,829	2,084,324	3,205,127	616,661
Total primary government net expense	\$ 361,151	\$ 714,377	\$ 2,061,450	\$ (707,144)

Table 2

	Fiscal Years				
2013	2012	2011	2010	2009	2008
\$ 572,569	\$ 477,547	\$ 514,691	\$ 482,961	\$ 521,710	\$ 509,568
1,053,981	531,449	1,340,101	885,754	993,186	968,290
853,953	864,140	899,165	880,659	1,005,869	726,335
50,104	46,395	58,501	54,568	66,702	72,685
261,623	262,476	327,637	247,197	224,822	326,874
131,300	(482,493)	(56,110)	64,152	183,266	228,581
173,267	462,702	111,995	(122,296)	(206,895)	1,280,120
--	--	--	--	--	--
89,537	853,015	827,341	138,026	124,586	125,864
3,186,334	3,015,231	4,023,321	2,631,021	2,913,246	4,238,317
2,542,384	2,598,991	2,475,319	2,324,242	2,153,910	2,046,371
5,177,296	5,147,945	5,166,409	5,168,762	4,881,937	5,031,885
582,613	619,188	606,161	552,514	528,492	558,998
732,007	738,245	807,184	787,295	790,109	717,145
9,034,300	9,104,369	9,055,073	8,832,813	8,354,448	8,354,399
12,220,634	12,119,600	13,078,394	11,463,834	11,267,694	12,592,716
434,079	169,056	673,684	427,318	670,879	798,197
45,266	28,626	64,149	179,246	97,331	--
62,077	37,230	--	46,846	45,952	--
39,500	45,260	--	33,475	42,440	73,929
112,515	109,367	--	126,918	104,203	116,962
--	--	--	33,729	50	--
--	--	--	--	--	--
1,051,443	1,115,154	1,305,081	939,449	1,007,007	1,520,293
--	--	--	42,385	--	--
1,744,880	1,504,693	2,042,914	1,829,366	1,967,862	2,509,381
2,805,744	2,853,810	2,645,500	2,509,291	2,390,937	2,271,548
5,416,970	4,764,417	5,267,408	5,288,455	5,026,367	5,283,769
581,412	555,809	547,318	557,885	541,726	489,423
912,171	734,175	757,228	833,067	826,516	814,478
9,716,297	8,908,211	9,217,454	9,188,698	8,785,546	8,859,218
11,461,177	10,412,904	11,260,368	11,018,064	10,753,408	11,368,599
(1,441,454)	(1,510,538)	(1,980,407)	(801,655)	(945,384)	(1,728,936)
681,997	(196,158)	162,381	355,885	431,098	504,819
\$ (759,457)	\$ (1,706,696)	\$ (1,818,026)	\$ (445,770)	\$ (514,286)	\$ (1,224,117)

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

	Fiscal Years			
	2017	2016	2015	2014
General Revenues and Other Changes in Net Position				
Governmental Activities				
Taxes				
Property taxes	\$ 697,963	\$ 653,211	\$ 623,338	\$ 625,105
Special assessments	376,534	121,236	198,346	
Tax increments	112,999	118,742	123,271	131,854
Gain on sale of capital assets	71,964	68,001	--	1,200
Unrestricted grants and contributions				
Payments in lieu of taxes				
Investment earnings	30,113	53,105	36,900	53,802
Miscellaneous	65,963	20,259	421,101	738,566
Transfers	230,686	293,633	694,440	720,001
Total governmental activities	1,586,222	1,328,187	2,097,396	2,270,528
Business-type activities				
Investment earnings	137,745	150,528	134,193	137,802
Miscellaneous	--	--	--	--
Transfers	(275,565)	(363,546)	(694,440)	(730,001)
Total business-type activities	(137,820)	(213,018)	(560,247)	(592,199)
Total primary government	1,448,402	1,115,169	1,537,149	1,678,329
Changes in Net Position				
Governmental activities	1,586,222	1,328,187	2,097,396	2,270,528
Business-type activities	(137,820)	(213,018)	(560,247)	(592,199)
Prior period adjustment	--	--	(1,042,845)	--
Total primary government	\$ 1,448,402	\$ 1,115,169	\$ 494,304	\$ 1,678,329

Table 2
(Continued)

	Fiscal Years				
2013	2012	2011	2010	2009	2008
\$ 605,942	\$ 615,824	\$ 576,629	\$ 535,245	\$ 592,363	\$ 545,600
121,599	131,818	174,918	191,721	169,466	135,418
780	12,695	163,858	1,439	2,320	1,270
82,746	73,077	41,750	88,976	81,049	116,099
266,107	104,419	667,798	--	(20,000)	--
270,000	270,000	270,000	270,000	270,000	290,000
1,347,174	1,207,833	1,894,953	1,087,381	1,095,198	1,088,387
109,317	840,280	196,135	235,076	337,042	269,830
--	--	--	(30,000)	(30,000)	--
(270,000)	(270,000)	(270,000)	(270,000)	(270,000)	(290,000)
(160,683)	570,280	(73,865)	(64,924)	37,042	(20,170)
1,186,491	1,778,113	1,821,088	1,022,457	1,132,240	1,068,217
1,347,174	1,207,833	1,894,953	1,087,381	1,095,198	1,088,387
(160,683)	570,280	(73,865)	(64,924)	37,042	(20,170)
--	--	--	--	--	--
\$ 1,186,491	\$ 1,778,113	\$ 1,821,088	\$ 1,022,457	\$ 1,132,240	\$ 1,068,217

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

	Fiscal Years			
	2017	2016	2015	2014
General Fund				
Nonspendable	\$ --	\$ --	\$ 36,186	\$ 37,227
Unassigned	1,115,118	1,158,986	1,290,128	1,115,324
Total general fund	1,115,118	1,158,986	1,326,314	1,152,551
All Other Governmental Funds				
Nonspendable	--	--	9,827	10,226
Restricted	640,136	390,319	330,233	671,315
Committed	--	--	--	--
Assigned	124,032	123,636	123,519	46,890
Unassigned	(744,068)	(721,800)	(446,334)	(1,184,176)
Total all other governmental funds	20,100	(207,845)	17,245	(455,745)
Total all governmental funds	\$ 1,135,218	\$ 951,141	\$ 1,343,559	\$ 696,806

Table 3

2013	Fiscal Years				
	2012	2011	2010	2009	2008
\$ 31,684	\$ 48,547	\$ 48,911	\$ 49,680	\$ 52,965	\$ 45,820
1,144,303	1,065,516	1,006,954	965,593	934,208	884,927
1,175,987	1,114,063	1,055,865	1,015,273	987,173	930,747
10,366	796	778	781	786	685
380,947	712,259	652,354	482,488	139,611	334,147
--	--	--	--	--	--
304,790	109,329	94,517	--	140,397	178,429
(1,715,355)	(2,007,356)	(981,685)	(976,677)	(490,467)	(685)
(1,019,252)	(1,184,972)	(234,036)	(493,408)	(209,673)	512,576
\$ 156,735	\$ (70,909)	\$ 821,829	\$ 521,865	\$ 777,500	\$ 1,443,323

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

	Fiscal Year			
	2017	2016	2015	2014
Revenues				
Property taxes	\$ 710,951	\$ 663,581	\$ 623,338	\$ 625,105
Tax increments	101,010	108,372	123,271	131,854
Licenses & permits	160,333	100,290	70,300	31,748
Special assessments	376,520	103,157	198,346	45,594
Intergovernmental	2,287,145	1,651,715	1,283,162	1,056,661
Charges for services	665,774	688,885	753,030	664,426
Fines	16,535	18,452	21,227	18,488
Investment earnings	23,711	69,535	36,900	53,802
Other revenues	310,194	284,210	584,673	162,255
Total revenues	4,652,173	3,688,197	3,694,247	2,789,933
Expenditures				
General government	580,989	499,528	489,714	484,267
Public safety	965,431	890,992	879,060	859,463
Public works	1,039,319	494,872	419,584	519,045
Cemetery	33,833	65,416	55,113	56,325
Culture and recreation	300,443	344,588	316,436	315,873
Housing and economic development	500,669	676,903	105,590	114,571
Capital projects	2,259,304	667,486	2,238,898	136,302
Miscellaneous	66,556	448,210	261,536	192,447
Debt service				
Principal	231,000	192,500	1,944,504	259,475
Interest & other expenditures	84,579	93,753	34,583	32,095
Total expenditures	6,062,123	4,374,248	6,745,018	2,969,863
Excess of revenues over (under) expenditures	(1,409,950)	(686,051)	(3,050,771)	(179,930)
Other Financing Sources (Uses)				
Proceeds from borrowing	1,325,000	--	3,003,084	--
Miscellaneous	38,341	--	--	--
Transfers in	1,124,511	1,022,822	1,593,712	1,372,153
Transfers out	(893,825)	(729,189)	(899,272)	(652,152)
Total other financing sources (uses)	1,594,027	293,633	3,697,524	720,001
Net change in fund balances	\$ 184,077	\$ (392,418)	\$ 646,753	\$ 540,071
Debt service as a percentage of non-capital expenditures	9.1%	8.2%	42.2%	12.9%

Table 4

	Fiscal Year				
2013	2012	2011	2010	2009	2008
\$ 605,942	\$ 615,824	\$ 561,906	\$ 535,245	\$ 592,363	\$ 545,600
121,599	131,818	174,919	191,721	169,466	135,418
40,788	39,180	42,635	29,949	53,097	80,946
(12,939)	3,997	16,850	84,052	(43,299)	172,510
1,051,443	1,115,154	1,334,430	966,409	945,504	1,347,783
693,437	346,362	333,956	341,153	620,280	732,639
23,208	23,080	21,514	21,943	33,709	58,541
38,246	73,077	101,245	123,334	81,049	116,099
215,830	384,284	412,403	352,940	357,891	118,232
2,777,554	2,732,776	2,999,858	2,646,746	2,810,060	3,307,768
439,181	638,779	551,344	505,796	475,954	484,113
942,906	923,748	1,280,949	870,618	848,291	887,682
450,577	433,104	597,855	457,389	479,673	433,600
44,258	40,549	53,437	48,790	43,824	59,957
244,085	284,573	291,450	252,742	217,196	322,631
119,608	115,732	184,188	172,578	168,014	219,971
173,267	422,030	359,507	527,375	1,111,316	1,237,951
159,185	--	--	--	58,525	1,008,374
195,500	910,500	200,500	212,833	195,500	140,000
95,843	126,499	118,461	124,265	127,590	97,235
2,864,410	3,895,514	3,637,691	3,172,386	3,725,883	4,891,514
(86,856)	(1,162,738)	(637,833)	(525,640)	(915,823)	(1,583,746)
44,500	--	667,798	--	--	1,337,249
--	--	--	--	(20,000)	--
489,275	1,197,121	1,275,208	421,724	391,408	1,103,716
(219,275)	(927,121)	(1,005,208)	(151,724)	(121,408)	(810,957)
314,500	270,000	937,798	270,000	250,000	1,630,008
\$ 227,644	\$ (892,738)	\$ 299,965	\$ (255,640)	\$ (665,823)	\$ 46,262
10.2%	30.7%	10.3%	14.2%	13.3%	5.6%

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
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
2017	130,143,700	33,107,700	7,690,000	2,168,100	173,109,500

Figures from Kanabec County Assessor - PRISM 2: County Mini Summary Report

	Total Tax Capacity of Taxable Property	Total Direct Tax Rate
\$	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%
	1,843,056	42.344%

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
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
2017	20.927	21.417	42.344	27.979	100.815

Figures from Kanabec County Auditor.

Region (ECRDC)	Region (KCEDA)	Total Tax Rate
15.100%	0.000%	129.326%
0.150	0.000	117.102
0.155	0.000	118.000
0.175	0.000	127.305
0.216	0.000	150.579
0.226	0.000	161.173
0.257	0.000	170.363
0.235	0.000	152.588
0.229	0.000	166.539
0.234	1.661	173.033

Table 7

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

Taxpayer	2017			2008		
	Net Tax Capacity	Rank	Percentage of Total City Tax Capacity	Net Tax Capacity	Rank	Percentage of Total City Tax Capacity
Engineered Polymers Corp.	\$ 62,666	1	3.40%	\$ 59,946	1	2.84%
First Citizens Bank	42,964	2	2.33%	28,914	6	1.37%
Gorham Housing Partners, LLP	37,697	3	2.05%	44,064	3	2.09%
Coborn's, Inc.	28,322	4	1.54%	33,294	5	1.58%
Minmor, LLC	27,170	5	1.47%	35,456	4	1.68%
Spire Credit Union	25,747	6	1.40%	26,359	8	1.25%
Living Services Foundation	18,259	7	0.99%	-		0.00%
Vasu & Dilip Motel LLP	15,798	8	0.86%	-		0.00%
Minnesota Energy Resources	15,620	9	0.85%	-		0.00%
Daniel G Kamin Mora LLC	14,598	10	0.79%	-		0.00%
Kanabec County	-		0.00%	47,228	2	2.24%
Long Term Health Care	-		0.00%	28,539	7	1.35%
Living Solutions II Corp.	-		0.00%	22,669	9	1.07%
Paul Belkholm, Inc.	-		0.00%	20,858	10	0.99%
Total	\$ 288,841		15.68%	\$ 347,327		16.46%
Total Net Tax Capacity	\$ 1,843,056			\$ 2,109,722		

Figures from the Kanabec County Assessor

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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
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%
2017		336,815		344,722	681,537	668,219	98.05%

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	
\$ 32,780	\$ 547,266	99.84%	\$ 884	
34,698	580,785	99.83%	1,002	
37,108	580,908	99.85%	879	
37,001	580,801	99.83%	986	
19,955	596,075	99.82%	1,056	
22,494	595,645	99.81%	1,158	
10,113	585,233	99.77%	1,344	
5,606	614,717	99.81%	1,189	
14,417	659,659	99.87%	855	
--	668,219	98.05%	13,318	

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
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
2017	1,715,000	2,900,000	--	--	1,078,000	3,056,957

NA-not available

	Total Primary Government	Percentage of Personal Income	Per Capita
	\$ 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
	8,749,957	NA	2,450

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
2008	\$ 1,345,000	\$ 193,450,800	0.70%	3,699	\$ 364
2009	1,225,000	197,023,900	0.62%	3,699	331
2010	1,115,000	194,019,500	0.57%	3,571	312
2011	1,695,000	177,753,100	0.95%	3,571	475
2012	875,000	164,724,200	0.53%	3,571	245
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
2017	1,715,000	169,004,825	1.01%	3,504	489

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

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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	\$ --	\$ 9,275,000	\$ 9,275,000	\$ 11,679,178
Independent School District 332	--	18,275,000	18,275,000	7,713,041
Subtotal		27,550,000	27,550,000	
City of Mora	4,165,495	--	4,165,495	1,843,056
Total	\$ 4,165,495	\$ 27,550,000	\$ 31,715,495	

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
\$ 1,843,056	15.78%	\$ 1,463,660
1,843,056	23.90%	4,366,870
		5,830,530
1,843,056	100.00%	4,165,495
		\$ 9,996,025

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

Fiscal Year	Assessed Market Value	Debt Limit 3%	Debt Applicable to Limit	Legal Debt Margin	Debt % of Limit
2008	\$ 193,450,800	\$ 3,869,016	\$ 1,345,000	\$ 2,524,016	34.76%
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%
2017	169,004,825	5,070,145	1,715,000	3,355,145	33.83%

Statutory debt limit is 3%.

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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
2008	\$ 476,640	\$ 558,998	\$ (82,358)	\$ 15,630	\$ 43,122	0%
2009	504,534	434,349	70,185	28,025	42,120	100%
2010	593,318	552,514	40,804	27,866	48,752	53%
2011	571,820	606,162	(34,342)	846,326	65,117	0%
2012	580,054	619,187	(39,133)	149,606	41,522	0%
2013	585,937	582,613	3,324	87,446	39,709	3%
2014	626,049	659,693	(33,644)	88,186	38,536	0%
2015	670,645	773,259	(102,614)	89,846	36,983	0%
2016	682,339	594,661	87,678	90,846	37,295	68%
2017	745,307	611,606	133,700	93,506	18,205	120%

Wastewater Revenue Bonds

Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
\$ 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%
1,224,070	980,043	244,028	178,494	37,138	113%

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)
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
2017	3,504	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)
1,865	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%
1,602	7.30%

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

Employer	2017			2013		
	Employees	Rank	% of Total	Employees	Rank	% of Total
FirstLight Health System	477	1	24.5	375	1	20.5
Mora Public Schools	325	2	16.7	319	2	17.4
Kanabec County	234	3	12.0	219	4	12.0
Imperial Plastics	203	4	10.4	222	3	12.1
St. Clare Living Community	160	5	8.2	147	6	8.0
Coborns, Inc.	153	6	7.9	170	5	9.3
OlymPak	108	7	5.6	138	7	7.5
Lakes & Pines Community Action Council	106	8	5.5	104	8	5.7
RJ Mechanical	92	9	4.7	50	10	2.7
City of Mora	86	10	4.5	85	9	4.8
	<u>1,944</u>		<u>100.0</u>	<u>1,829</u>		<u>100.0</u>

Source: City Survey of Employers, Annually in April

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

Function/Program	Full-time Employees as of June 30*				
	2017	2016	2015	2014	2013
General Government					
Management Services	3	2	2	2	2
Finance**	4	4	3	3	3
Planning	1	1	1	1	1
Building	1	1	1	1	1
Police - contracted with the sheriff starting in 2010					
Officers**	0	0	0	0	0
Civilians**	0	0	0	0	0
Streets & Parks**	5	4	5	6	6
Aquatic Center	1	2	2	1	1
Electric	3	3	3	3	3
Water/Wastewater**	4	3	5	5	5
Liquor Store	2	2	2	2	2
Total	24	22	24	24	24

*Data from city payroll records.

** Information different in this table than was previously recorded. Adjustments were first published with 2013 CAFR, and are corrections to data reported incorrectly in 2012 and earlier.

Full-time Employees as of June 30				
2012	2011	2010	2009	2008
2	2	2	2	2
3	3	3	3	3
1	1	1	1	1
1	1	1	1	1
0	0	0	6	6
0	0	0	1	1
7	7	7	7	7
1	1	1	1	1
3	3	4	5	5
5	6	6	5	5
2	2	2	2	2
25	26	27	34	34

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

Function/Program	Fiscal Year			
	2017	2016	2015	2014
Police - contracted with the sheriff starting March 1, 2010				
Physical arrests	69	75	59	54
Parking violations	6	21	356	287
Traffic violations	1,969	2,061	1,391	1,303
Fire				
Emergency responses	103	90	109	70
Fires extinguished	44	15	39	29
Inspections	--	10	--	9
Public Works				
Street resurfacing (miles)	0.75	2.75	--	--
Potholes repaired	220	410	305	270
Library				
Visits	37,603	39,517	39,999	37,693
Volumes in collection	20,984	21,523	22,490	38,814
Total volumes borrowed	51,147	52,460	54,768	56,153
Computer use	6,592	6,471	6,576	6,699
Water				
Total connections	1,165	1,158	1,155	1,168
Water-main breaks	3	3	2	4

NA-not available

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

	Fiscal Year				
2013	2012	2011	2010	2009	2008
1,252	745	908	594	246	319
165	165	158	105	77	175
1,293	913	1,359	604	262	1,025
54	92	75	69	56	75
36	56	43	31	29	23
13	8	7	8	8	8
--	.25	.49	1.28	1.22	None
297	135	167	319	213	189
41,619	47,117	49,403			
32,000	30,000	30,000	30,000	30,000	30,000
58,486	67,313	87,000	89,800	92,000	89,919
5,866	6,170	8,614			
1,172	1,173	1,179	1,178	1,177	1,160
--	--	--	3	2	3

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

Function/Program	Fiscal Year			
	2017	2016	2015	2014
Police **				
Stations	1	1	1	1
Patrol units	5	5	5	5
Fire Stations	1	1	1	1
Other Public Works				
Streets (miles)	24	24	24	24.00
Street lights	690	690	458	458
Parks and recreation				
Acreage	28	28	28	28
Playgrounds	4	4	4	4
Baseball/softball fields	3	3	3	3
Walking/biking trails(miles)	5.00	5.00	5.00	5.00
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 managers.

	Fiscal Year				
2013	2012	2011	2010	2009	2008
1	1	1	1	1	1
5	5	5	5	6	6
1	1	1	1	1	1
24.16	24.16	24.16	24.16	24.16	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	4.80	2.50	2.50
18.00	18.00	18.00	18.00	18.00	18.00
281	281	281	281	281	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	6.87	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, 2017

AUDITOR'S REPORT SECTION

City of Mora
Mora, Minnesota
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2017

Federal Grantor/Pass Through Grantor/Program Title	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	\$ 105,590
Total U.S. Environmental Protection Agency			105,590
U.S. DEPARTMENT OF TRANSPORTATION			
Passed Through the Minnesota Department of Transportation			
Crosswind Runway Grant	20.106	3-27-0068-011-2016	745,842
Airport Improvement Program	20.106	A3301-44	13,413
Total U.S. Department of Transportation			759,255
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	380,540
Total U.S. Department of Housing and Urban Development			380,540
Total Expenditures of Federal Awards			\$ 1,245,385

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, 2017

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, 2017

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>
Crosswind Runway	20.106

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.

Althoff and Nordquist, LLC

CERTIFIED PUBLIC ACCOUNTANTS

www.althoffandnordquist.com

505 - SECOND STREET SE
PINE CITY, MINNESOTA 55063
TELEPHONE: 320-629-6185

124 EAST FOREST AVE.
MORA, MINNESOTA 55051
TELEPHONE: 320-679-4846

CARL D. NORDQUIST, JR., C.P.A.
ROBERT R. ALTHOFF, C.P.A.

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

INDEPENDENT AUDITOR'S REPORT 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, 2017. 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, 2017.

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 6, 2018

Althoff and Nordquist, LLC

CERTIFIED PUBLIC ACCOUNTANTS

www.althoffandnordquist.com

505 - SECOND STREET SE
PINE CITY, MINNESOTA 55063
TELEPHONE: 320-629-6185

124 EAST FOREST AVE.
MORA, MINNESOTA 55051
TELEPHONE: 320-679-4846

CARL D. NORDQUIST, JR., C.P.A.
ROBERT R. ALTHOFF, C.P.A.

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

INDEPENDENT AUDITOR'S REPORT 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, 2017, 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 6, 2018. 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 6, 2018

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