

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

This page intentionally left blank.

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 Mysel 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

This page intentionally left blank.



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

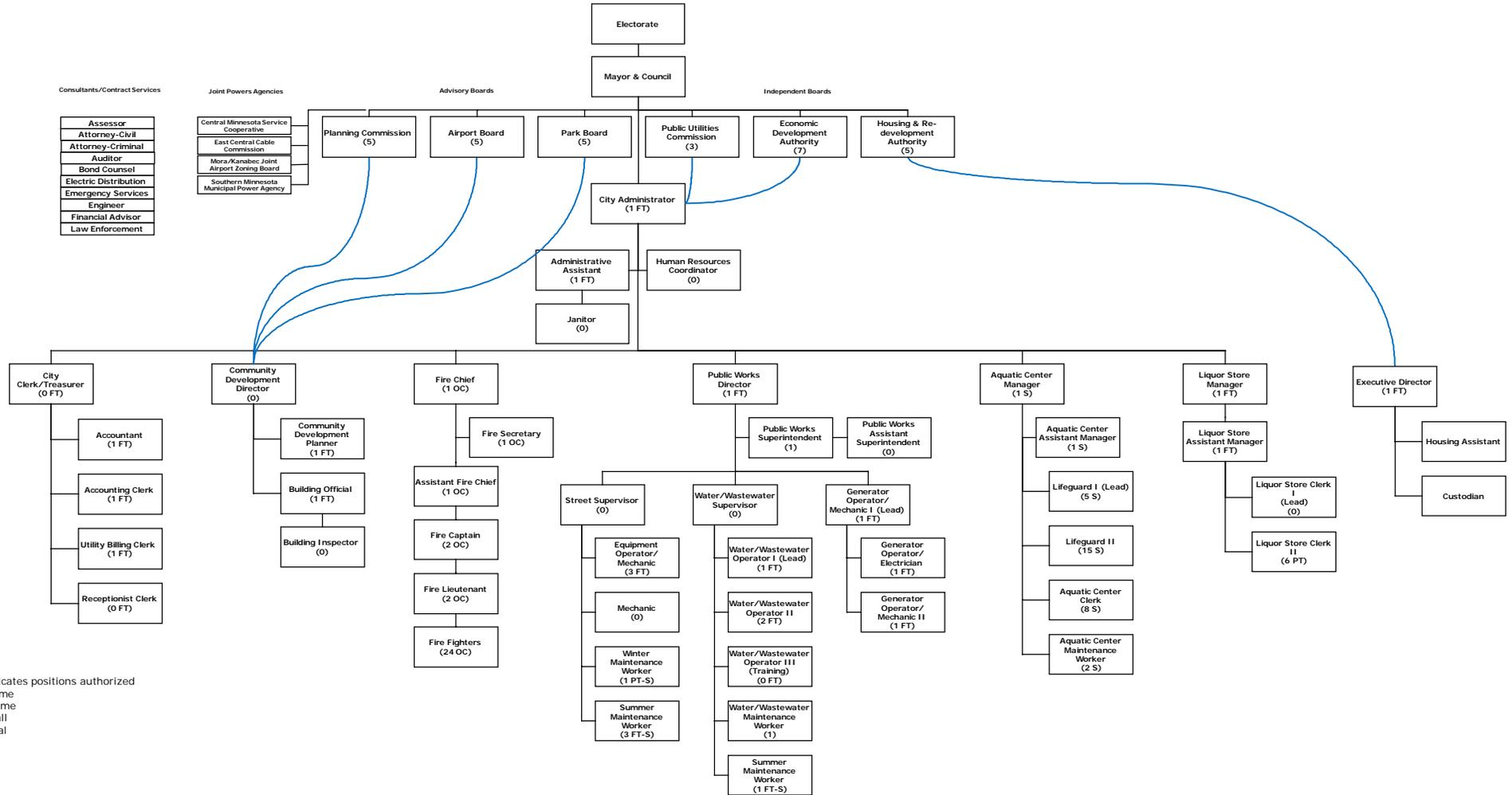
A handwritten signature in black ink, appearing to read 'Lindy Crawford', written in a cursive style.

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 |

This page intentionally left blank.

City of Mora, Minnesota
FINANCIAL SECTION
December 31, 2017

This page intentionally left blank.

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.



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 | 18,739,797 | 16,686,704 | 28,505,248 | 26,539,865 | 47,245,045 | 43,226,569 |
| 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 | 7,069,807 | 6,229,258 | 6,678,794 | 5,310,420 | 13,748,601 | 11,539,678 |
| 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 | \$ 11,669,990 | \$ 10,457,446 | \$ 21,826,454 | \$ 21,229,445 | \$ 33,496,444 | \$ 31,686,891 |

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.

This page intentionally left blank.

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>\$ 11,669,990</u> | <u>\$ 10,457,446</u> | <u>\$ 21,826,454</u> | <u>\$ 21,229,445</u> |

| Totals | |
|----------------------|----------------------|
| <u>2017</u> | <u>2016</u> |
| \$ 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 |
| <u>15,381,122</u> | <u>15,044,150</u> |
| 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 |
| <u>13,526,690</u> | <u>13,144,691</u> |
| 1,854,432 | 1,899,459 |
| -- | -- |
| (44,879) | (69,913) |
| 1,809,553 | 1,829,546 |
| -- | -- |
| 31,686,891 | 29,857,345 |
| <u>\$ 33,496,444</u> | <u>\$ 31,686,891</u> |

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.

This page intentionally left blank.

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 | \$ 15,722,089 | \$ 13,781,591 | \$ 16,100,113 | \$ 16,801,216 |

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 | \$ 4,165,495 | \$ 3,071,495 | \$ 4,584,463 | \$ 4,750,873 |

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

| Totals | |
|-----------------------------|-----------------------------|
| <u>2017</u> | <u>2016</u> |
| \$ 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 |
| <u>1,184,925</u> | <u>1,105,675</u> |
| <u><u>\$ 31,822,202</u></u> | <u><u>\$ 30,582,807</u></u> |

| Total | |
|----------------------------|----------------------------|
| <u>2017</u> | <u>2016</u> |
| 4,165,495 | 3,071,495 |
| <u>4,584,463</u> | <u>4,750,873</u> |
| <u><u>\$ 8,749,958</u></u> | <u><u>\$ 7,822,368</u></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 vactor 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 | 482,678 | -- | 482,678 | -- | -- |
| 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 | 117,762 | -- | 117,762 | -- | -- |
| 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 | (650,772) | 8,953,874 | 8,303,102 | 36,529 | 498,696 |
| 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.

This page intentionally left blank.

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

| Functions/Programs | Expenses | Program Revenues | | |
|---|-------------------------------------|------------------------------------|---|---|
| | | Charges for Services | 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 | (3,708,656) | 972,675 | 1,557,087 | 805,216 |
| 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 | (9,818,034) | 10,552,863 | -- | -- |
| 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) | -- |
| -- | -- | -- | -- | (420,379) |
| <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) |
| -- | -- | -- | -- | -- |
| <u>10,457,446</u> | <u>21,229,445</u> | <u>31,686,891</u> | <u>22,786</u> | <u>713,835</u> |
| <u>\$ 11,669,990</u> | <u>\$ 21,826,454</u> | <u>\$ 33,496,444</u> | <u>\$ 36,529</u> | <u>\$ 653,388</u> |

This page intentionally left blank.

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 | <u>\$ 1,135,218</u> | <u>\$ 951,141</u> |
| 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><u>\$ 11,669,990</u></u> | <u><u>\$ 10,457,446</u></u> |

See notes to financial statements.

This page intentionally left blank.

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 |
|---|------------|--------------|
| Net changes in fund balances - total governmental funds | \$ 184,077 | \$ (392,418) |

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 | (662,931) | (618,468) |
| | 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 | 231,000 | 117,500 |
| Changes in net position of governmental activities (page 35) | \$ 1,212,544 | \$ (41,760) |

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 Amounts | Variance with Amended Budget Positive (Negative) |
|------------------------------|------------------|------------------|-------------------|--|
| | Original | Amended | | |
| 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 Amounts | Variance with Amended Budget Positive (Negative) |
|--|------------------|------------|-------------------|--|
| | Original | Amended | | |
| 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.

This page intentionally left blank.

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 | -- | -- | 95,182 |
| 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 | -- | 10,982 | 250 |
| 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) |
| | |
| 9,010,420 | 16,100,113 |
| <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 |
| | |
| 1,791,985 | 8,332,410 |
| <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 | 346,932 | 221,713 | 130,121 |
| Transfers in | -- | 1,500 | 4,513 |
| Transfers out | (298,170) | (52,694) | (934) |
| Changes in net position | <u>48,762</u> | <u>170,519</u> | <u>133,700</u> |
| Total net position - beginning | 698,126 | 9,614,897 | 3,397,650 |
| 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> |
| 173,808 | 872,574 |
| 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 | 1,948 | 124,967 | 3,567 |
| 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) |
| 545,072 | 1,610,871 |
| 125,876 | 142,784 |
| 70,220 | (275,564) |
| 196,096 | (132,780) |
| (72,904) | (266,410) |
| (248,675) | (314,048) |
| (8,412) | (19,388) |
| (329,991) | (599,846) |
| 8,138 | 138,620 |
| 419,315 | 1,016,865 |
| 1,695,174 | 7,442,106 |
| \$ 2,114,489 | \$ 8,458,971 |

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 | <u>2,401</u> | <u>213,841</u> | <u>298,181</u> |
| Net cash provided (used) by operating activities | <u>\$ 335,921</u> | <u>\$ 333,656</u> | <u>\$ 396,222</u> |

See notes to financial statements.

| Wastewater Utility Fund | Total Current Year |
|-------------------------------|--------------------------|
| \$ 39,794 | \$ 591,170 |
| 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>\$ 545,072</u> | <u>\$ 1,610,871</u> |

This page intentionally left blank.

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.

| <u>Municipal Liquor</u> | <u>Electric Utility</u> | <u>Water Utility</u> | <u>Wastewater Utility</u> | <u>Nonmajor and other Funds</u> | <u>Total</u> |
|-----------------------------|-----------------------------|--------------------------|-------------------------------|---|---------------------|
| \$ -- | \$ -- | \$ -- | \$ -- | \$ -- | \$ -- |
| -- | -- | -- | -- | 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 |
| -- | -- | -- | -- | -- | -- |
| -- | <u>2,509,841</u> | -- | -- | -- | <u>2,584,007</u> |
| 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 |
|--|-----------------------|---------------------|-------------------|----------------------|
| <u>Capital assets, not being depreciated:</u> | | | | |
| Land | \$ 356,036 | \$ -- | \$ -- | \$ 356,036 |
| Construction in progress | 200,864 | -- | 200,864 | -- |
| Total capital assets, not being depreciated | <u>556,900</u> | <u>--</u> | <u>200,864</u> | <u>356,036</u> |
| <u>Capital assets, being depreciated:</u> | | | | |
| 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 | <u>27,259,246</u> | <u>514,913</u> | <u>--</u> | <u>27,774,159</u> |
| <u>Less: accumulated depreciation for:</u> | | | | |
| 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 | <u>11,014,930</u> | <u>1,015,152</u> | <u>--</u> | <u>12,030,082</u> |
| Total capital assets being depreciated, net | <u>16,244,316</u> | <u>(500,239)</u> | <u>--</u> | <u>15,744,077</u> |
| 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.

| | <u>Due To</u> | <u>Due From</u> |
|-------------------------------|---------------------|---------------------|
| Major Funds: | | |
| General Fund | \$ -- | \$ 109,527 |
| Crosswind | 109,527 | -- |
| Special Revenue Funds: | | |
| Fire Fund | 26,353 | -- |
| Cemetery Fund | 54,886 | -- |
| TIF 1-15 Maysa 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.

| | <u>Advance To</u> | <u>Advance From</u> |
|------------------------|---------------------|---------------------|
| 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 | <u>352,731</u> |
| Total transfers out | <u><u>\$ 1,246,556</u></u> |

Interfund transfers in:

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

The following is a general description of the interfund transfers:

General Fund:

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

Enterprise Funds:

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

F. Long-Term Debt

General Obligation Bonds

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

City of Mora, Minnesota
Notes to Financial Statements
December 31, 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> |

This page intentionally left blank.

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 | 3,111,368 | -- | 54,410 |
| 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 |
| <u>1,325,000</u> | <u>--</u> |
| | |
| <u>\$ 4,165,495</u> | <u>\$ 217,634</u> |
| | |
| \$ 1,078,000 | \$ 74,000 |
| 449,505 | 38,000 |
| <u>3,056,958</u> | <u>161,000</u> |
| | |
| <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 increases are provided to benefit recipients each January. Increases 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 GERP'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 GERP.

At December 31, 2017, the City of Mora reported its proportionate share of the GERP'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 GERP.

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 GERP 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 GERS 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.

This page intentionally left blank.

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

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

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

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

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.

This page intentionally left blank.

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 Maysa 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 Storm Water Utility | 222 Fire Fund | 225 Cemetary Fund | 230 EDA Revolving 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 | 32,496 | (6,840) | (54,886) | 151,368 |
| 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 Future Fire Equipment | 409 Future Improvements | 425 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> |

This page intentionally left blank.

| | Capital Projects Funds | | |
|--|----------------------------------|--|---------------------------------|
| | 439 | 440 | 442 |
| | Howe Avenue Reconstruction | Downtown Feed Mill Redevelopment | Airport Kastenbauer 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 | 530 | 531 | 532 |
| | Fire | 2008-2011 | HRA | 2015B |
| | Station | Street | Eastwood | Wood & |
| | 2003 | Reconstruction | Eastwood | 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>\$ 100,949</u> | <u>\$ 155,648</u> | <u>\$ 317,169</u> | <u>\$ 49,618</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>\$ 100,949</u> | <u>\$ 155,648</u> | <u>\$ 317,169</u> | <u>\$ 49,618</u> |

| 533 | 535 | Total Debt Service Funds | Permanent Fund | | Total Nonmajor Governmental Funds |
|--------------------|--------------------|-----------------------------------|--------------------------|----------------------------|--|
| | | | 301 Perpetual Care | Total Permanent Fund | |
| 2015C Refunding | 2017A Refunding | | | | |
| \$ 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 EDA Revolving Loan |
| | Storm Water Utility | Fire Fund | Cemetery Fund | |
| 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 Future Fire Equipment | 409 Future Improvements | 425 Fire Station 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> |

This page intentionally left blank.

| | Capital Projects Funds | | |
|--|----------------------------------|--|---------------------------------|
| | 439 | 440 | 442 |
| | Howe Avenue Reconstruction | Downtown Feed Mill Redevelopment | Airport Kastenbauer 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 |
| <u>49,848</u> | <u>96</u> | <u>6,790</u> | <u>168,041</u> |
| -- | -- | -- | -- |
| -- | -- | -- | -- |
| -- | -- | -- | -- |
| -- | -- | -- | -- |
| -- | -- | -- | 4,457 |
| -- | -- | 151,286 | 153,998 |
| <u>--</u> | <u>--</u> | <u>151,286</u> | <u>158,455</u> |
| 49,848 | 96 | (144,496) | 9,586 |
| -- | -- | -- | 70,499 |
| -- | -- | 229,205 | 379,913 |
| <u>--</u> | <u>--</u> | <u>--</u> | <u>(295,809)</u> |
| <u>--</u> | <u>--</u> | <u>229,205</u> | <u>154,603</u> |
| 49,848 | 96 | 84,709 | 164,189 |
| <u>(348,661)</u> | <u>(319,082)</u> | <u>(84,709)</u> | <u>(359,907)</u> |
| <u>\$ (298,813)</u> | <u>\$ (318,986)</u> | <u>\$ --</u> | <u>\$ (195,718)</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

| | 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> |

| | | Permanent Fund | | | | |
|-------------------|-------------------|--------------------------|-------------------|----------------------|-----------------------------------|--|
| 533 | 535 | Total Debt Service Funds | 301 | Total Permanent Fund | Total Nonmajor Governmental Funds | |
| 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> | |

This page intentionally left blank.

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 | (22,488) | (27,473) | (4,985) |
| 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>\$ 149,583</u> | <u>\$ 151,368</u> | <u>\$ 1,785</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 | <u>--</u> | <u>--</u> | <u>--</u> |
| EXPENDITURES | | | |
| Professional services | -- | -- | -- |
| Housing development | -- | -- | -- |
| Miscellaneous | -- | -- | -- |
| Total expenditures | <u>--</u> | <u>--</u> | <u>--</u> |
| Net change to fund balances | -- | -- | -- |
| Fund balances - beginning | <u>--</u> | <u>--</u> | <u>--</u> |
| Fund balances - ending | <u><u>\$ --</u></u> | <u><u>\$ --</u></u> | <u><u>\$ --</u></u> |

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 | <u>--</u> | <u>11,358</u> | <u>11,358</u> |
| EXPENDITURES | | | |
| Professional services | -- | 16,250 | 16,250 |
| Economic development | -- | -- | -- |
| Interest | -- | -- | -- |
| Miscellaneous | -- | 108 | 108 |
| Total expenditures | <u>--</u> | <u>16,358</u> | <u>16,358</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | -- | 5,000 | 5,000 |
| Transfers out | -- | -- | -- |
| Total other financing sources (uses) | <u>--</u> | <u>5,000</u> | <u>5,000</u> |
| Net change to fund balances | -- | -- | -- |
| Fund balances - beginning | <u>--</u> | <u>--</u> | <u>--</u> |
| Fund balances - ending | <u><u>\$ --</u></u> | <u><u>\$ --</u></u> | <u><u>\$ --</u></u> |

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) |
|--|--|-------------------|--|
| 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) |
|--|--|-------------------|--|
| 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) |
|--|--|--------------------|--|
| 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>\$ (29,882)</u> | <u>\$ (29,977)</u> | <u>\$ (95)</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 | <u>84,851</u> | <u>84,431</u> | <u>(420)</u> |
| EXPENDITURES | | | |
| Loss on investment | -- | -- | -- |
| Principal | 65,000 | 65,000 | -- |
| Interest | 11,574 | 11,574 | -- |
| Fiscal agent fees | 450 | 450 | -- |
| Total expenditures | <u>77,024</u> | <u>77,024</u> | <u>--</u> |
| Excess (deficiency) of revenues over (under) expenditures | 7,827 | 7,407 | (420) |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in (out) | -- | -- | -- |
| Total Other Financing Sources (Uses) | <u>--</u> | <u>--</u> | <u>--</u> |
| Net change in fund balances | 7,827 | 7,407 | (420) |
| Fund balances - beginning | <u>147,476</u> | <u>147,476</u> | <u>--</u> |
| Fund balances - ending | <u>\$ 155,303</u> | <u>\$ 154,883</u> | <u>\$ (420)</u> |

City of Mora, Minnesota
HRA Eastwood - Debt Service Fund - 531
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 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 | <u>--</u> | <u>1,018</u> | <u>1,018</u> |
| EXPENDITURES | | | |
| Loss on investment | -- | -- | -- |
| Principal | -- | -- | -- |
| Interest | -- | -- | -- |
| Fiscal agent fees | -- | -- | -- |
| Total expenditures | <u>--</u> | <u>--</u> | <u>--</u> |
| Excess (deficiency) of revenues over (under) expenditures | -- | 1,018 | 1,018 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in (out) | -- | -- | -- |
| Total Other Financing Sources (Uses) | <u>--</u> | <u>--</u> | <u>--</u> |
| Net change in fund balances | -- | 1,018 | 1,018 |
| Fund balances - beginning | <u>6,034</u> | <u>6,034</u> | <u>--</u> |
| Fund balances - ending | <u>\$ 6,034</u> | <u>\$ 7,052</u> | <u>\$ 1,018</u> |

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> |

This page intentionally left blank.

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 Amounts | Variance with Amended Budget Positive (Negative) |
|------------------------------|-------------------|-------------------|-------------------|--|
| | Original | Amended | | |
| 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 Amounts | Variance with Amended Budget Positive (Negative) |
|---|---------------------|---------------------|---------------------|--|
| | Original | Amended | | |
| 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 Amounts | Variance with Amended Budget Positive (Negative) |
|-----------------------------------|---------------------|---------------------|---------------------|--|
| | Original | Amended | | |
| 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 Amounts | Variance with Amended Budget Positive (Negative) |
|-----------------------------------|---------------------|---------------------|---------------------|--|
| | Original | Amended | | |
| 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> |

This page intentionally left blank.

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

| Year | Gross Sales | Income Before Transfers | Transfers Out | Net Position |
|------|--------------|----------------------------|---------------|-----------------|
| 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 | | (489,240) | | |
| Net KWH to Feeders | | 52,809,817 | | |
| Less: Total Retail Sales (KWH) | | (51,172,953) | | |
| Line Loss (KWH) | 3.10% | 1,636,864 | | |

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)

This page intentionally left blank.

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>\$ 33,496,444</u> | <u>\$ 31,686,891</u> | <u>\$ 29,857,345</u> | <u>\$ 27,301,591</u> |

| 2013 | Fiscal Years | | | | |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 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 |
| <u>9,641,609</u> | <u>9,735,889</u> | <u>10,038,594</u> | <u>10,124,048</u> | <u>9,838,322</u> | <u>9,691,510</u> |
| 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 |
| <u>7,692,579</u> | <u>6,845,866</u> | <u>6,156,251</u> | <u>7,760,194</u> | <u>5,935,424</u> | <u>5,900,544</u> |
| <u>16,688,797</u> | <u>16,167,483</u> | <u>15,793,361</u> | <u>15,706,091</u> | <u>15,415,130</u> | <u>14,946,990</u> |
| <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 | <u>3,708,656</u> | <u>3,739,744</u> | <u>3,434,968</u> | <u>3,264,533</u> |
| 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 | <u>9,818,034</u> | <u>9,404,947</u> | <u>9,343,348</u> | <u>9,103,784</u> |
| Total primary government expenses | <u>13,526,690</u> | <u>13,144,691</u> | <u>12,778,316</u> | <u>12,368,317</u> |
| 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 | <u>3,334,978</u> | <u>2,369,797</u> | <u>2,291,291</u> | <u>1,940,728</u> |
| 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 | <u>10,552,863</u> | <u>11,489,271</u> | <u>12,548,475</u> | <u>9,720,445</u> |
| Total primary government program revenues | <u>13,887,841</u> | <u>13,859,068</u> | <u>14,839,766</u> | <u>11,661,173</u> |
| 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 | <u>\$ 361,151</u> | <u>\$ 714,377</u> | <u>\$ 2,061,450</u> | <u>\$ (707,144)</u> |

| | 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 | <u>1,586,222</u> | <u>1,328,187</u> | <u>2,097,396</u> | <u>2,270,528</u> |
| Business-type activities | | | | |
| Investment earnings | 137,745 | 150,528 | 134,193 | 137,802 |
| Miscellaneous | -- | -- | -- | -- |
| Transfers | <u>(275,565)</u> | <u>(363,546)</u> | <u>(694,440)</u> | <u>(730,001)</u> |
| Total business-type activities | <u>(137,820)</u> | <u>(213,018)</u> | <u>(560,247)</u> | <u>(592,199)</u> |
| Total primary government | <u>1,448,402</u> | <u>1,115,169</u> | <u>1,537,149</u> | <u>1,678,329</u> |
| 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 | <u>\$ 1,448,402</u> | <u>\$ 1,115,169</u> | <u>\$ 494,304</u> | <u>\$ 1,678,329</u> |

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 | <u>1,115,118</u> | <u>1,158,986</u> | <u>1,326,314</u> | <u>1,152,551</u> |
| 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 | <u>(744,068)</u> | <u>(721,800)</u> | <u>(446,334)</u> | <u>(1,184,176)</u> |
| Total all other governmental funds | <u>20,100</u> | <u>(207,845)</u> | <u>17,245</u> | <u>(455,745)</u> |
| Total all governmental funds | \$ 1,135,218 | \$ 951,141 | \$ 1,343,559 | \$ 696,806 |

| | Fiscal Years | | | | |
|--------------------|--------------------|------------------|------------------|------------------|----------------|
| 2013 | 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 |
| <u>1,175,987</u> | <u>1,114,063</u> | <u>1,055,865</u> | <u>1,015,273</u> | <u>987,173</u> | <u>930,747</u> |
| 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 |
| <u>(1,715,355)</u> | <u>(2,007,356)</u> | <u>(981,685)</u> | <u>(976,677)</u> | <u>(490,467)</u> | <u>(685)</u> |
| <u>(1,019,252)</u> | <u>(1,184,972)</u> | <u>(234,036)</u> | <u>(493,408)</u> | <u>(209,673)</u> | <u>512,576</u> |
| \$ 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% |

| | 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 |
| | <u>2,777,554</u> | <u>2,732,776</u> | <u>2,999,858</u> | <u>2,646,746</u> | <u>2,810,060</u> | <u>3,307,768</u> |
| | 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 |
| | <u>2,864,410</u> | <u>3,895,514</u> | <u>3,637,691</u> | <u>3,172,386</u> | <u>3,725,883</u> | <u>4,891,514</u> |
| | (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) |
| | <u>314,500</u> | <u>270,000</u> | <u>937,798</u> | <u>270,000</u> | <u>250,000</u> | <u>1,630,008</u> |
| \$ | 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 |

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

This page intentionally left blank.

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

This page intentionally left blank.

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 | -- | <u>18,275,000</u> | <u>18,275,000</u> | 7,713,041 |
| Subtotal | | 27,550,000 | 27,550,000 | |
| City of Mora | 4,165,495 | -- | 4,165,495 | 1,843,056 |
| Total | <u>\$ 4,165,495</u> | <u>\$ 27,550,000</u> | <u>\$ 31,715,495</u> | |

Figures from Kanabec County Auditor

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

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

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% | <u>4,366,870</u> |
| | | 5,830,530 |
| 1,843,056 | 100.00% | <u>4,165,495</u> |
| | | \$ 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%.

This page intentionally left blank.

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

Water Revenue Bonds

| Fiscal Year | Utility Service Charges | Less: | | Net Available Revenue | Principal | Interest | Coverage |
|-------------|-------------------------|--------------------|--|-----------------------|-----------|-----------|----------|
| | | Operating Expenses | | | | | |
| 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 |
| | 1,944 | | 100.0 | 1,829 | | 100.0 |

Source: City Survey of Employers, Annually in April

This page intentionally left blank.

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 | 2 |
| 3 | 3 | 3 | 3 | 3 | 3 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| 0 | 0 | 0 | 0 | 6 | 6 |
| 0 | 0 | 0 | 0 | 1 | 1 |
| 7 | 7 | 7 | 7 | 7 | 7 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| 3 | 3 | 4 | 5 | 5 | 5 |
| 5 | 6 | 6 | 5 | 5 | 5 |
| 2 | 2 | 2 | 2 | 2 | 2 |
| 25 | 26 | 27 | 34 | 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 | 1 |
| 5 | 5 | 5 | 5 | 5 | 6 | 6 |
| 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 24.16 | 24.16 | 24.16 | 24.16 | 24.16 | 24.16 | 23.60 |
| 458 | 458 | 458 | 458 | 458 | 458 | 458 |
| 28.44 | 28.44 | 28.44 | 28.44 | 28.44 | 28.44 | 28.44 |
| 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| 4.80 | 4.80 | 4.80 | 4.80 | 4.80 | 2.50 | 2.50 |
| 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 | 18.00 |
| 281 | 281 | 281 | 281 | 281 | 281 | 279 |
| 700,000 | 700,000 | 700,000 | 700,000 | 700,000 | 700,000 | 700,000 |
| 16.00 | 16.00 | 16.00 | 16.00 | 16.00 | 16.00 | 16.00 |
| 6.87 | 6.87 | 6.87 | 6.87 | 6.87 | 6.87 | 6.83 |
| 800,000 | 800,000 | 800,000 | 800,000 | 800,000 | 800,000 | 800,000 |

This page intentionally left blank.

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 <u>Grantor/Program Title</u> | <u>Federal CFDA Number</u> | <u>Other Identifying Number</u> | <u>Federal Expenditures</u> |
|---|------------------------------------|---|---------------------------------|
| U.S. ENVIRONMENTAL PROTECTION AGENCY | | | |
| Passed Through the Minnesota Public Facilities Authority | | | |
| Clean Water State Revolving Loan | 66.458 | MPFA-15-0015-R-FY15 | \$ <u>105,590</u> |
| Total U.S. Environmental Protection Agency | | | <u>105,590</u> |
| 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 | <u>13,413</u> |
| Total U.S. Department of Transportation | | | <u>759,255</u> |
| U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT | | | |
| Passed Through the Minnesota Department of Employment and Economic Development | | | |
| Community Development Block Grant | 14.228 | CDAP-14-0034-O-FY15 | <u>380,540</u> |
| Total U.S. Department of Housing and Urban Development | | | <u>380,540</u> |
| Total Expenditures of Federal Awards | | | <u>\$ 1,245,385</u> |

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

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

This page intentionally left blank.