



Comprehensive Annual Financial Report

FISCAL YEAR ENDED DECEMBER 31, 2019

Prepared by the Finance Department

City of Mora, Minnesota

Tel: 320.679.1511
www.ci.mora.mn.us

101 Lake Street South
Mora, MN 55051-1588

(THIS PAGE LEFT BLANK INTENTIONALLY)

COMPREHENSIVE
ANNUAL FINANCIAL REPORT
OF THE
CITY OF MORA,
MINNESOTA

For the Year Ended

December 31, 2019

Prepared by
THE FINANCE DEPARTMENT

Lindy Crawford, City Administrator

CITY OF MORA
101 Lake Street South
Mora, Minnesota 55051

(THIS PAGE LEFT BLANK INTENTIONALLY)

City of Mora
Table of Contents

Page

Introductory Section

Elected Officials and Administration	1
Organizational Chart	3
Letter of Transmittal	5

Financial Section

Independent Auditor's Report	11
Management's Discussion and Analysis	15
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	28
Statement of Activities	29
Fund Financial Statements	
Balance Sheet – Governmental Funds	30
Reconciliation of the Balance Sheet to the Statement of Net Position – Governmental Funds	31
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	32
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities – Governmental Funds	33
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	34
Statement of Net Position – Proprietary Funds	36
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	38
Statement of Cash Flows – Proprietary Funds	40
Notes to the Financial Statements	43
Required Supplementary Information Other than Management's Discussion and Analysis	
Schedule of Changes in Total OPEB Liability and Related Ratios	76
Schedule of City's Proportionate Share of Net Pension Liability – General Employees Retirement Funds	77
Schedule of City Contributions – General Employees and Retirement Fund	78
Schedule of Changes in Net Pension Liability, and Related Ratios – Mora Fire Department Relief Association	79
Schedule of City Contributions – Mora Fire Department Relief Association	80
Notes to Required Supplementary Information	81
Supplementary Information	
Combining Balance Sheet – Nonmajor Governmental Funds	86
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	92

City of Mora Table of Contents

Page

Financial Section (Continued)

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – EDA Special Revenue Fund	97
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Fire Special Revenue Fund	98
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Cemetery Special Revenue Fund	99
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – EDA Revolving Loan Special Revenue Fund	100
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Future Fire Equipment Capital Projects Fund	101
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Future Improvements Capital Projects Fund	102
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Fire Station 2003 Debt Service Fund	103
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – 2008-2011 Street Reconstruction Debt Service Fund	104
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – 2015B Wood & Grove Debt Service Fund	105
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – 2015C Refunding Debt Service Fund	106
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – 2017A Refunding Debt Service Fund	107
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Perpetual Care Permanent Fund	108

Table Page

Statistical Section

Net Position by Component	1	112
Changes in Net Position	2	114
Fund Balances of Governmental Funds	3	118
Changes in Fund Balances of Governmental Funds	4	120
Taxable Assessed Value of Taxable Property	5	122
Direct and Overlapping Property Tax Rates as a Percentage of Net Tax Capacity	6	123
Principal Property Taxpayers	7	125
Property Tax Levies and Collections	8	126
Ratios of Outstanding Debt by Type	9	128
Ratios of General Bonded Debt Outstanding	10	129
Direct and Overlapping Governmental Activities Debt	11	130
Legal Debt Margin Information	12	133
Pledged Revenue Coverage	13	134
Demographic and Economic Statistics	14	136
Principal Employers	15	137

City of Mora
Table of Contents

	Table	Page
Statistical Section (Continued)		
Full-Time Equivalent Employees by Function/Program	16	138
Operating Indicators by Function/Program	17	139
Capital Asset Statistics by Function/Program	18	140

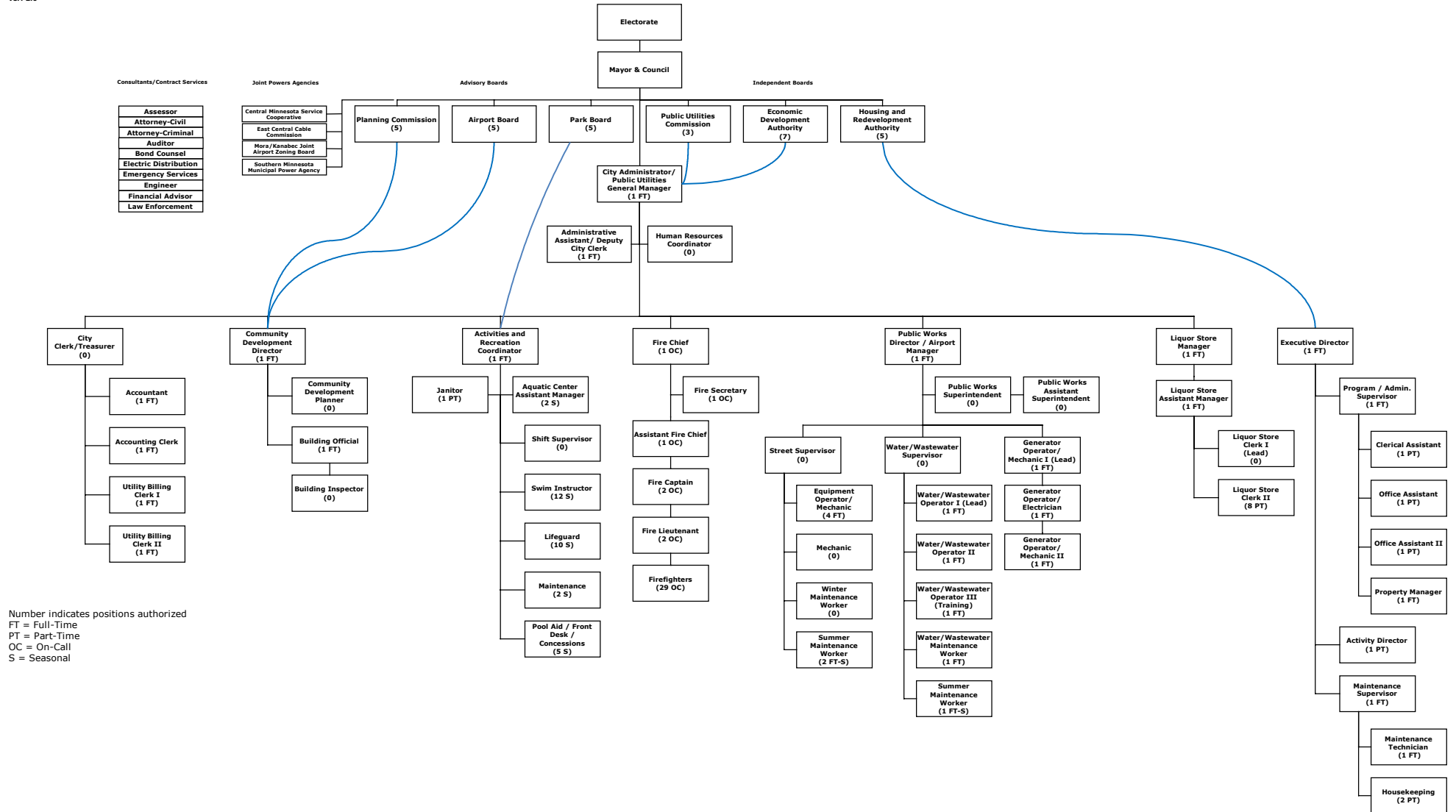
(THIS PAGE LEFT BLANK INTENTIONALLY)

**City of Mora
Elected and Appointed Officials
December 31, 2019**

	<u>Term Expires</u>
Mayor Alan Skramsted	December 31, 2022
Council Members	
Jody Anderson	December 31, 2020
Jack L'Heureux	December 31, 2020
Jake Mathison	December 31, 2022
Sara Treiber	December 31, 2020
City Administrator Lindy Crawford	Appointed
Public Utilities Commission Chair Greg Ardner	December 31, 2021
Public Utilities Commissioners	
Brett Baldwin	December 31, 2022
Joe Heggernes	December 31, 2020
Public Utilities General Manager Lindy Crawford	Appointed
Public Works Director Joseph Kohlgraf	Appointed
City Attorney (Civil) Joel Jamnik, Campbell Knutson	Appointed
City Attorney (Prosecutions) Barb McFadden, Kanabec County	Appointed

(THIS PAGE LEFT BLANK INTENTIONALLY)

CITY OF MORA, KANABEC COUNTY, MINNESOTA
Staff Organizational Chart
January 2020
 ver. 2.0



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

(THIS PAGE LEFT BLANK INTENTIONALLY)



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

September 1, 2020

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, 2019 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 CAFR 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 utilities commission to staggered three-year terms. The council and the public utilities commission hire a city administrator/public utilities general manager to handle the day-to-day affairs of the city and utility. The administrator/general manager also serves as clerk-treasurer who is responsible for the city and utility accounting and financial reporting system.

General Information (Continued)

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 2019, the local economy continued to show slow signs of improvement. Many construction jobs lost in recent years have slowly returned, and employment in the service and retail sectors remains steady. However, unemployment is slowly creeping up and was at 8.80% in December 2019.

A very good indicator of the improving economy is the new construction of nineteen (19) single-family homes, and three (3) new commercial buildings in 2019. Three (3) large roofing projects were completed. Overall, with a valuation of building permits estimated at \$8,800,000 in 2019, it is safe to say that the economy in Mora seems to be improving. For example, a new Kwik Trip was opened in 2019, as well as a new Dollar General.

First-year property tax delinquency continues to be lower than the ten-year average by approximately 2.00%. Tax capacity values increased by an impressive 11.07%.

Accounting System and Budgetary Control

This report, with its accompanying financial statements and statistical tables, was prepared in conformance with 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, debt service funds, enterprise 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 2019 budget at its meeting on December 4, 2018.

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 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:

	2019	2018	2017	2016	2015
General Fund	\$517,063	\$442,988	\$336,815	\$322,514	\$339,794
Debt Service Funds	\$291,522	\$320,801	\$344,722	\$338,000	\$276,112
Total Levy	\$808,585	\$763,789	\$681,537	\$660,514	\$615,906

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.

Special Revenue Funds (Continued)

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.

Tax Increment Fund No. 1-15

TIF 1-15 was created to account for a TIF revenue note of \$240,400 issued December 4, 2018. The revenue note is a Pay-As-You-Go note, and will be reimbursed to the Mora Housing and Redevelopment Authority for eligible costs of construction and site improvements at its Mysa House. The note is payable solely from tax increments received from the Mysa House apartment building.

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.

Capital Projects Funds (Continued)

Enterprise Funds

Enterprise funds are established for the Storm Water Fund, the North Country Bottle Shop, and for the Electric, Water, and Sewer 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 2019, Standard & Poor's (S&P) issued a rating report of our bond rating, and affirmed the City's rating of A+/Stable. S&P cited the City's strong management, strong budgetary performance, very strong budgetary flexibility, very strong liquidity, weak debt and contingent liability profile, 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 BerganKDV to complete the audit for 2019. The auditor's opinion is included in this report.

Acknowledgments

The finance department staff contributed significantly to this report. I wish to thank Sara King, Kelly Erickson, and Mandi Yoder 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

Lindy Crawford
City Administrator / Public Utilities General Manager

(THIS PAGE LEFT BLANK INTENTIONALLY)

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying balance sheet and statement of net position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Mora, Minnesota, as of and for the year ended December 31, 2019.

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 the 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 did not audit the financial statements of the Housing and Redevelopment Authority of Mora, discretely presented component unit column. These statements were audited by other auditors whose report thereon has been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for the Housing and Redevelopment Authority of Mora, is based solely upon the report of the other auditors. 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 these 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 risks 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 City's preparation and fair presentation of these 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 effectiveness of the City'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 these financial statements.

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

Opinions

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund Information of the City of Mora, Minnesota, as of December 31, 2019.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, which follows this report letter, and Required Supplementary information as listed in the Table of Contents be presented to supplement the financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

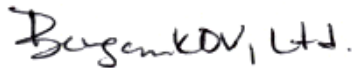
Our audit was conducted for the purpose of forming opinions on the financial statements referred to in the first paragraph. The introductory section, combining and individual nonmajor fund financial statements and schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund balance sheet is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund balance sheet is fairly stated, in all material respects, in relation to the financial statements as a whole.

The introductory and statistical sections of this report have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 26, 2020, on our consideration of the City of Mora'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 solely 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 the effectiveness of 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's internal control over financial reporting and compliance.



St. Cloud, Minnesota

August 26, 2020

(THIS PAGE LEFT BLANK INTENTIONALLY)

City of Mora Management's Discussion and Analysis

This section of the annual financial statements of the City of Mora, Minnesota (the "City") presents a discussion and analysis of the City's financial performance during the year ending December 31, 2019. Please read it in conjunction with the financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded the liabilities and deferred inflows of resources by \$37,635,748. Of this amount \$13,593,059 may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the City's fund designation and fiscal policies.
- The City's total net position increased by \$2,507,853.
- The City's governmental funds reported combined ending fund balances of \$2,241,678. Of this total amount, (\$2,441) is unassigned and available for spending at the City's discretion.
- At the end of the current year, unassigned fund balance for the General Fund was \$1,525,168, or 54.4%, of total General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements are presented after the Statement of Activities. Fund financial statements report the City's operations in more detail than the government-wide statements by providing information about the City's funds. The Notes to Financial Statements provide information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Statement of Net Position and Statement of Activities

Our analysis of the City begins with the Statement of Net Position and the Statement of Activities. One of the most important questions asked about the City's finances is, "Is the City as a whole better or worse off as a result of the year's activities?" The Statement of Net Position and Statement of Activities both report information about the City as a whole and about its activities in a way that helps answer this question. These Statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current years' revenues and expenses are taken into account regardless of when cash is received or paid.

The government-wide financial statements includes information for not only the City (known as the primary government), but also legally separate entities for which the City is financially accountable (discretely presented component units). Prior to 2019, the City accounted for the Mora Economic Development Authority (EDA) as a discretely presented component unit.

City of Mora Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Statement of Net Position and Statement of Activities (Continued)

These two statements report the City's net position and changes in them. You can think of the City's net position, the difference between assets and deferred outflows or resources and liabilities and deferred inflows of resources, as one way to measure the City's financial health or financial position. Over time, increases or decreases in the City's net position are one indicator of whether the City's financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, to assess the overall health of the City.

Fund Financial Statements

Our analysis of the City's major funds begins with the fund financial statements and provides detailed information about the most significant funds, not the City as a whole. Some funds are required to be established by law and by bond covenants. However, the City Council establishes other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, or other money. The City's two kinds of funds, governmental, and proprietary, use different approaches.

Governmental Funds – Most of the City's basic services are reported in governmental funds. Governmental funds focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps the reader of the statements determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliations after the financial statements.

The basic governmental fund financial statements can be found on pages 30-35 of this report.

Proprietary Funds – When the City charges customers for the services it provides – whether to outside customers or to other units of the City – these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise funds are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows for proprietary funds.

The basic proprietary fund financial statements can be found on pages 36-41 of this report.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to Financial Statements can be found on pages 43-74 of this report.

City of Mora
Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Comparative Data

Certain comparative information between the current (2019) and prior year (2018) is required to be presented in the Management Discussion and Analysis (MD&A). This section will discuss and analyze significant differences between the two years.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City's net position increased during 2019 by \$2,507,853. Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the City's governmental and business-type activities.

Table 1
Statement of Net Position

	Primary Government					
	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Assets						
Current and other assets	\$ 4,278,386	\$ 2,553,160	\$ 13,019,016	\$ 12,795,234	\$ 17,297,402	\$ 15,348,394
Capital assets	14,904,475	15,565,574	15,463,825	15,894,887	30,368,300	31,460,461
Total assets	19,182,861	18,118,734	28,482,841	28,690,121	47,665,702	46,808,855
Deferred Outflows of Resources						
Related to pensions	154,825	24,897	108,234	30,851	263,059	55,748
Related to OPEB	5,342	-	9,197	-	14,539	-
Total assets and deferred outflows of resources	<u>\$ 19,343,028</u>	<u>\$ 18,143,631</u>	<u>\$ 28,600,272</u>	<u>\$ 28,720,972</u>	<u>\$ 47,943,300</u>	<u>\$ 46,864,603</u>
Liabilities						
Noncurrent liabilities outstanding	\$ 3,387,264	\$ 4,160,753	\$ 5,161,871	\$ 4,608,700	\$ 8,549,135	\$ 8,769,453
Other liabilities	697,302	1,696,544	835,488	2,242,491	1,532,790	3,939,035
Total liabilities	<u>4,084,566</u>	<u>5,857,297</u>	<u>5,997,359</u>	<u>6,851,191</u>	<u>10,081,925</u>	<u>12,708,488</u>
Deferred Inflows of Resources						
Related to pensions	79,756	77,077	145,871	95,510	225,627	172,587
Net Position						
Net investment in capital assets	11,730,600	11,611,079	10,855,383	11,589,424	22,585,983	23,200,503
Restricted	1,456,706	841,797	-	1,357,082	1,456,706	2,198,879
Unrestricted	1,991,400	(243,619)	11,601,659	8,827,765	13,593,059	8,584,146
Total net position	<u>15,178,706</u>	<u>12,209,257</u>	<u>22,457,042</u>	<u>21,774,271</u>	<u>37,635,748</u>	<u>33,983,528</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 19,343,028</u>	<u>\$ 18,143,631</u>	<u>\$ 28,600,272</u>	<u>\$ 28,720,972</u>	<u>\$ 47,943,300</u>	<u>\$ 46,864,603</u>

City of Mora
Management's Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Governmental Activities

Net position of the City's governmental activities increased by \$1,257,624 or 9.03%. The increase was mainly due to a large increase in capital grants and contributions, a hiatus on capital projects, and a \$99,713 decrease in general government expenditures. Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, legislation or other legal requirement, was \$1,991,400 at December 31, 2019.

The following table indicates the changes in net position for the City's governmental and business-type activities:

Table 2
Statement of Activities

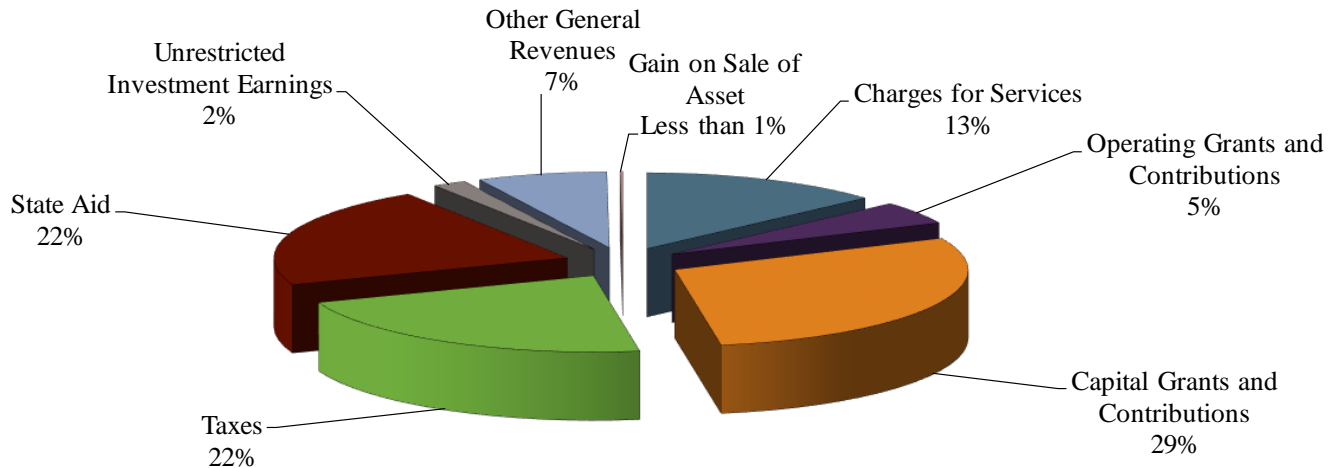
	Primary Government					
	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues						
Program revenues						
Charges for services	\$ 575,998	\$ 933,949	\$ 11,128,425	\$ 10,872,164	\$ 11,704,423	\$ 11,806,113
Operating grants and contributions	208,793	1,276,675	-	-	208,793	1,276,675
Capital grants and contributions	1,262,210	34,024	324,452	-	1,586,662	34,024
General revenues						
Property taxes and tax increments	938,706	930,404	-	-	938,706	930,404
Unrestricted state aids	930,998	-	-	-	930,998	-
Unrestricted investment earnings	79,453	31,411	299,301	146,893	378,754	178,304
Other General Revenue	308,721	882,209	-	-	308,721	882,209
Gain on sale of assets	6,212	9,500	911	-	7,123	9,500
Total revenues	<u>4,311,091</u>	<u>4,098,172</u>	<u>11,753,089</u>	<u>11,019,057</u>	<u>16,064,180</u>	<u>15,117,229</u>
Expenses						
General government	474,247	573,960	-	-	474,247	573,960
Public safety	1,006,076	868,520	-	-	1,006,076	868,520
Public works	1,295,146	1,218,149	-	-	1,295,146	1,218,149
Culture and recreation	407,854	325,858	-	-	407,854	325,858
Economic development	96,951	267,417	-	-	96,951	267,417
Cemetery	27,885	47,538	-	-	27,885	47,538
Capital projects	-	449,426	-	-	-	449,426
Interest on long-term debt	98,063	112,847	-	-	98,063	112,847
Liquor	-	-	3,052,355	3,098,021	3,052,355	3,098,021
Electric	-	-	5,144,174	5,730,054	5,144,174	5,730,054
Water	-	-	726,154	749,392	726,154	749,392
Wastewater	-	-	1,145,180	1,139,110	1,145,180	1,139,110
Storm water	-	-	82,242	-	82,242	-
Total expenses	<u>3,406,222</u>	<u>3,863,715</u>	<u>10,150,105</u>	<u>10,716,577</u>	<u>13,556,327</u>	<u>14,580,292</u>
Excess of revenues over expenses	904,869	234,457	1,602,984	302,480	2,507,853	536,937
Transfers	352,755	304,810	(352,755)	(354,663)	-	(49,853)
Change in net position	1,257,624	539,267	1,250,229	(52,183)	2,507,853	487,084
Net position - beginning	12,345,885	11,669,990	21,687,212	21,826,454	34,033,097	33,496,444
Prior period adjustment	1,575,197	-	(480,399)	-	1,094,798	-
Net position - beginning, as restated	<u>13,921,082</u>	<u>11,669,990</u>	<u>21,206,813</u>	<u>21,826,454</u>	<u>35,127,895</u>	<u>33,496,444</u>
Net position - ending	<u>\$ 15,178,706</u>	<u>\$ 12,209,257</u>	<u>\$ 22,457,042</u>	<u>\$ 21,774,271</u>	<u>\$ 37,635,748</u>	<u>\$ 33,983,528</u>

City of Mora
Management's Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Governmental Activities (Continued)

Revenues – The following chart visually illustrates the City's revenue by source for its governmental activities.



Revenues by Source – Governmental Activities

Revenues for the City's governmental activities increased by \$212,919 or 5.2%. The major component of this increase is explained as follows:

- Capital Grants and Contributions increased \$1,228,186, or 3600%, primarily due to funds received from the State in 2019 related to the 2013-2014 fuel leak at the municipal airport, and Federal funds related to the 2018 flood mitigation and work on the airport master plan.

Expenses for the City's governmental activities decreased by \$457,493, or 11.8%. The major components of this decrease are explained as follows:

- Capital Projects expenses decreased substantially, due to a hiatus on capital projects.
- General Government expenses decreased by \$99,713, or 17.3%, primarily due to expected operational decreases.

Business-Type Activities

The net position of the City's business-type activities increased by \$1,250,229 or 5.9%. Unrestricted net position increased by \$2,773,894 or 31.4%.

Revenues for the City's business-type activities increased by \$734,032, or 6.6%, from the prior year. The increase was primarily due to an increase in capital grants and contributions and an increase in investment earnings, as well as a slight increase in charges for services.

Expenses for the City's business-type activities decreased by (\$566,472), or 5.3%, from the prior year. The decrease was primarily due to lowered expenses in the electric fund.

City of Mora
Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental Funds

The focus of the City of Mora's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City of Mora's governmental funds reported combined ending fund balances of \$2,241,678. Of this total, (\$2,441) constitutes unassigned fund balance. The remainder of fund balance \$2,244,119 is not available for new spending because it is either 1) restricted \$1,027,509, or 2) assigned \$1,216,610.

Activity in the City's major funds is discussed below:

General Fund – The General Fund is the chief operating fund of the City. As a measure of the General Fund's liquidity, it may be useful to compare fund balance to total fund expenditures. Unassigned fund balance represents 54.4% of total 2019 expenditures.

Grove and Wood Street Improvements Fund – This fund accounts for all costs related to the Grove and Wood street improvement project. In 2019, fund balance increased by \$29,851 mainly due to special assessment revenue collected.

Parker Capital Project Fund - This fund accounts for costs related to the Parker capital improvement projects. In 2019, fund balance increased by \$9,805 due to special assessment revenue collected.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. At the end of the year, unrestricted net position of the enterprise funds amount to \$11,601,659. Activity is discussed below:

Liquor Fund - The increase of \$56,600 in net position is primarily due to a lower than expected cost of sales.

Electric Fund – The increase of \$890,986 in net position is primarily due to lower than expected cost of purchased power.

Water Fund – The increase of \$94,974 in net position is primarily due to postponed well maintenance.

Sewer Fund – The increase in net position of \$62,249 is primarily due to lower than expected professional services and savings on electricity usage.

Storm Water Fund – The increase of \$145,420 in net position is primarily due to labor savings and postponed maintenance.

City of Mora
Management's Discussion and Analysis

GENERAL FUND BUDGETARY HIGHLIGHTS

The City amended the General Fund budget in 2019. Overall, actual revenues, expenditures, and other financing sources (uses) resulted in an increase in fund balance of \$465,006.

General Fund Budget Report				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues	\$ 2,393,662	\$ 2,981,330	\$ 3,070,770	\$ 89,440
Expenditures	(2,746,141)	(2,718,696)	(2,801,272)	(82,576)
Other financing sources (uses)	360,697	248,328	195,508	(52,820)
Net change	<u>\$ 8,218</u>	<u>\$ 510,962</u>	<u>465,006</u>	<u>\$ (45,956)</u>
Fund balance				
January 1, 2019, as restated			<u>1,060,162</u>	
December 31, 2019			<u>\$ 1,525,168</u>	

Significant variances from budget to actual in the year 2019 are described below and on the following page.

Revenues

- Licenses and permits revenues were up almost \$29,000 over the expected amount, due to building permits issued for nineteen (19) new single family homes and two (2) new commercial establishments: Kwik Trip and Dollar General.
- Intergovernmental revenues came in approximately \$27,000 over budget, due to increase fire and police aid from the State of Minnesota. Kanabec County Highway Department prepaid the 2020 annual fee for county road maintenance.
- Charges for services revenues were up almost \$18,000 over the expected amount, due mainly to healthy sales at the Mora Aquatic Center and increased rentals at the Library.
- Investment income revenues were almost \$17,000 over budget, due to the market position as of December 31, 2019.
- Tax revenue was approximately \$12,000 under budget, due to outstanding delinquent taxes.

Expenditures

- Public works capital outlay expenditures were approximately \$127,000 over budget, due mainly to the soil vapor extraction system that was installed at the municipal airport.
- Culture and recreation capital outlay expenditures were almost \$25,000 over budget, due to an overdue project to the tennis courts at Library Park.
- Street department expenditures came in over budget by \$19,000, due mainly to automotive maintenance on the fleet.
- Parks expenditures were approximately \$31,000 under budget, due mainly to unspent labor costs.

City of Mora
Management's Discussion and Analysis

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2019, the City had \$30,368,300 invested in a broad range of capital assets, net of accumulated depreciation. Refer to Note 4, Capital Assets, of the basic financial statements for a schedule showing the City's capital asset activity. This amount represents a net decrease (including additions and deductions) of approximately \$1,092,161.

Major capital asset events during the current fiscal year included the following:

- New roof installed on the Power Plant
- Forest Avenue sidewalk project
- Purchase of a new Ford F-350 for the street department

City of Mora's Capital Assets
(Net of Depreciation)

	Governmental Activities	Business-Type Activities	Total
Land	\$ 1,455,973	\$ 356,036	\$ 1,812,009
Construction in progress	-	20,000	20,000
Land improvements	3,852,111	6,540,925	10,393,036
Buildings	1,960,201	7,831,930	9,792,131
Infrastructure	7,135,192	303,308	7,438,500
Machinery, Equipment, Vehicles	500,998	411,626	912,624
	<hr/>	<hr/>	<hr/>
Total	\$ 14,904,475	\$ 15,463,825	\$ 30,368,300
	<hr/>	<hr/>	<hr/>

Long-Term Debt

At year-end the City had \$7,720,958 in bonds outstanding.

During 2019, no additional debt was added, but \$538,999 in debt was retired. Refer to Note 6 of the basic financial statements for a schedule showing the City's long-term debt activity.

The City maintains a G.O. bond rating of "A3" from Moody's Investor's Service and an "A+/Stable" rating from Standard and Poor's (S&P), which are considered to be good ratings in the market.

City of Mora Management's Discussion and Analysis

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The City's elected officials considered many factors when adopting the 2020 budget and when setting the 2020 rates and fees that will be charged for the business-type activities. The major factors accounted for when adopting the General Fund budget were:

- A 2.5% contractual cost-of-living (COLA) increase for employees, based on a previously approved collective bargaining agreement.
- The 2020 budget includes a property tax levy of \$889,442 which is 10.0% greater than the 2019 levy.
- The final city tax rate for taxes payable in 2020 is 39.3%.
- Kanabec County has an unemployment rate as of December 2019 of 8.8%. This compares with unemployment rates of 3.5% for the State of Minnesota and 3.4% for the United States.

FACTORS BEARING ON THE CITY'S FUTURE

City Council

- The City Council appointed former mayor Jack L'Heureux to fill the vacant council seat of Alan Skramstad, who was appointed mayor.
- The City Council amended the public property use policy.
- The city entered into a contract with a third party for animal control services.
- Kanabec County reconstructed CSAH 6 (Forest Ave) which runs through Mora.
- The City Council adopted a mobile food unit ordinance, regulating food trucks in city limits.
- The City Council amended the Transient Merchants, Peddlers, and Solicitors ordinance.
- Work continued on the update of the city's Floodplain Management Ordinance. Adoption of the updated ordinance is anticipated in late 2020.
- Work began on the update of the city's 2009 Comprehensive Plan. Activity in 2019 included the selection of consultant Hometown Planning, the formation of a Comprehensive Plan Committee, and the creation and release of a community survey. It's anticipated that the update will be presented to the City Council for adoption in late 2020 / early 2021.
- Two commercially zoned sites were redeveloped in 2019 resulting in new Kwik Trip and Dollar General stores.
- The Planning Commission, Public Utilities Commission, and City Council offered support to Central Minnesota Housing Partnership for a 32-unit apartment complex on 9th Street. Forms of support included a deviation from the open space dedication requirement, reduced WAC & SAC fees, and Tax Increment Financing.
- The City Council was asked by a resident in July to consider loosening the city's regulation of chickens. The Planning Commission worked on draft regulations for several months with a significant amount of public input, and the City Council ultimately adopted an ordinance in October pertaining to the regulation of chickens.

City of Mora
Management's Discussion and Analysis

FACTORS BEARING ON THE CITY'S FUTURE (CONTINUED)

City Council (Continued)

- In November, the Planning Commission began discussions about expanding the city's fence regulations, with one of the primary goals being a reduction in fences being installed over property boundaries. The City Council adopted an ordinance pertaining to the regulation of fences in February 2020.
- The city issued 202 building permits in 2019, including permits for the construction of 19 new single family homes and three commercial projects (Kwik Trip, NorthStar Pontoons, and Dollar General). Building permit valuations totaled \$8,798,653 for the year.
- The City Council hired a full-time Activities and Recreation Coordinator who also acts as the aquatic center manager.
- The City Council authorized an interfund loan in the amount of \$160,000.00 at 4.5% interest to the Mora HRA.
- The City Council approved a bond refunding for the HRA, Series 2019A and entered into a restated revenue agreement.
- An airport crack seal project was completed.
- The city received a feasibility study of the Mora Aquatic Center.
- Work continued, with City Engineering firm S.E.H., to update the Airport Master Plan and Capital Improvement Plan (CIP).
- Liquor sales continue to increase, when compared to prior year sales figures.
- The City Council accepted a storm water drainage analysis study from AE2S, an engineering firm that specializes in storm water systems.
- The city received a significant reimbursement from the Minnesota Department of Commerce, Petrofund division for the fuel leak that occurred sometime in late 2013 or early 2014.
- Work began to update the City's and Utility's Capital Improvement Plan (CIP).

Public Utility Commission

- City staff continued researching the possibility of adding electric vehicle charging stations in the downtown area. SMMPA worked with member communities to solidify this possibility and hopes to have chargers installed by the end of 2020.
- The PUC hired consulting firm DGR Engineering for electrical engineering services, and began an Arc Flash study and electric system study. Both will be completed in 2020.
- Due to commercial hauler misuse, the PUC permanently closed the RV dump station located at the County Fairgrounds.
- Staff evaluated current utility billing practices to look for ways to make the process more efficient and consistent.
- Problems were encountered with the SMMPA-owned landfill generator. Even though the entire generator was rebuilt in 2018, there were still significant issues in 2019. The generator is now operating properly in 2020.

**City of Mora
Management's Discussion and Analysis**

FACTORS BEARING ON THE CITY'S FUTURE (CONTINUED)

Public Utility Commission (Continued)

- The reed beds at the new Wastewater Treatment Plant are still not establishing properly. The project remains open until the contractor(s) can find a proper solution for the establishment of the reeds.
- Work began to update the City's and Utility's Capital Improvement Plan (CIP).
- Staff installed several new street lights in the Fox Run housing development.
- Long standing Commissioner George Baldwin retired from the PUC.

Economic Development Authority

- The EDA prepared and released an updated Request for Proposals for the redevelopment of the former feed mill site, now known as Downtown Commercial Corner. The EDA encouraged a commercial or mixed use project on the quarter-acre site.
- The EDA submitted a preliminary proposal to the Minnesota Department of Employment and Economic Development in November for rehabilitation grant funds through the Small Cities Development Program and was invited in December to submit a full application. The project included the rehabilitation of owner-occupied single family homes and rental housing. The EDA learned in June 2020 that the grant was awarded in the amount of \$393,300.00.

CONTACT INFORMATION

This annual report is designed to provide a general overview of the City of Mora, Minnesota finances for citizens, customers and others. Questions concerning any of the information contained in this report and requests for additional information should be addressed to Lindy Crawford, City Administrator, City of Mora, 101 Lake Street South, Mora, Minnesota 55051, or by phone at (320) 679-1511.

(THIS PAGE LEFT BLANK INTENTIONALLY)

BASIC FINANCIAL STATEMENTS

City of Mora
Statement of Net Position
December 31, 2019

	Primary Government			Component Unit
	Governmental	Business-Type	Total	Housing and Redevelopment Authority
	Activities	Activities		
Assets				
Cash and investments (including cash equivalents)	\$ 3,865,656	\$ 9,913,747	\$ 13,779,403	\$ 680,951
Restricted cash	250,000	-	250,000	-
Receivables				
Taxes receivable	32,043	-	32,043	-
Accounts receivable	45,976	688,076	734,052	121,475
Interest receivable	5,024	35,427	40,451	-
Special assessments receivable	1,247,740	36,404	1,284,144	-
Due from other funds (internal balances)	(963,681)	963,681	-	-
Due from other governments	-	122	122	-
Advance to component unit	155,191	-	155,191	-
Advances to other funds (internal balances)	(734,932)	734,932	-	-
Inventory	-	646,627	646,627	-
Prepaid items	-	-	-	23,717
Net pension asset - fire relief association	375,369	-	375,369	-
Capital assets not being depreciated				
Land	1,455,973	356,036	1,812,009	292,829
Construction in progress	-	20,000	20,000	-
Capital assets being depreciated				
Improvements other than buildings	12,398,447	14,725,485	27,123,932	-
Buildings and improvements	3,396,815	11,198,824	14,595,639	7,039,982
Land improvements	7,364,246	-	7,364,246	-
Infrastructure	-	631,959	631,959	-
Machinery and equipment	3,580,074	2,907,614	6,487,688	413,114
Less accumulated depreciation	(13,291,080)	(14,376,093)	(27,667,173)	(4,129,289)
Total assets	19,182,861	28,482,841	47,665,702	4,442,779
Deferred Outflows of Resources				
Deferred outflows of resources related to pensions	154,825	108,234	263,059	-
Deferred outflows of resources related to OPEB	5,342	9,197	14,539	-
Total deferred outflows of resources	160,167	117,431	277,598	-
Total assets and deferred outflows of resources	\$ 19,343,028	\$ 28,600,272	\$ 47,943,300	\$ 4,442,779
Liabilities				
Accounts payable	\$ 311,399	\$ 297,675	\$ 609,074	\$ 185,744
Contracts payable	-	20,000	20,000	-
Due to other governments	-	46,546	46,546	-
Salaries and benefits payable	26,111	39,943	66,054	89,529
Deposits payable	44,046	53,150	97,196	-
Interest payable	38,252	26,771	65,023	-
Bond principal payable, net of premiums				
Payable within one year	259,525	312,475	572,000	88,384
Payable after one year	2,914,350	4,295,967	7,210,317	3,935,035
Compensated absences payable				
Payable within one year	17,969	38,928	56,897	26,886
Payable after one year	18,141	39,300	57,441	-
Total OPEB liability				
Payable after one year	48,269	83,123	131,392	-
Net pension liability				
Payable after one year	406,504	743,481	1,149,985	-
Total liabilities	4,084,566	5,997,359	10,081,925	4,325,578
Deferred Inflows of Resources				
Deferred inflows of resources related to pensions	79,756	145,871	225,627	-
Net Position				
Net investment in capital assets	11,730,600	10,855,383	22,585,983	(406,783)
Restricted for				
Debt service	1,081,967	-	1,081,967	285,516
Tax increment	9,759	-	9,759	-
Housing assistance	-	-	-	30,809
Other purposes	364,980	-	364,980	-
Unrestricted	1,991,400	11,601,659	13,593,059	207,659
Total net position	15,178,706	22,457,042	37,635,748	117,201
Total liabilities, deferred inflows of resources, and net position	\$ 19,343,028	\$ 28,600,272	\$ 47,943,300	\$ 4,442,779

See notes to financial statements

City of Mora
Statement of Activities
Year Ended December 31, 2019

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit Housing and Redevelopment Authority
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-Type Activities	Total	
Primary Government								
Governmental activities								
General government	\$ 474,247	\$ 38,153	\$ 6,441	\$ -	\$ (429,653)	\$ -	\$ (429,653)	\$ -
Public safety	1,006,076	244,073	202,072	-	(559,931)	-	(559,931)	-
Public works	1,295,146	75,568	-	1,241,291	21,713	-	21,713	-
Culture and recreation	407,854	145,745	280	12,737	(249,092)	-	(249,092)	-
Economic development	96,951	1,144	-	8,182	(87,625)	-	(87,625)	-
Cemetery	27,885	71,315	-	-	43,430	-	43,430	-
Interest on long-term debt	98,063	-	-	-	(98,063)	-	(98,063)	-
Total governmental activities	<u>3,406,222</u>	<u>575,998</u>	<u>208,793</u>	<u>1,262,210</u>	<u>(1,359,221)</u>	<u>-</u>	<u>(1,359,221)</u>	<u>-</u>
Business-type activities								
Liquor	3,052,355	3,407,656	-	-	-	355,301	355,301	-
Electric	5,144,174	5,850,513	-	-	-	706,339	706,339	-
Water	726,154	742,756	-	51,000	-	67,602	67,602	-
Wastewater	1,145,180	1,028,004	-	144,232	-	27,056	27,056	-
Storm water	82,242	99,496	-	129,220	-	146,474	146,474	-
Total business-type activities	<u>10,150,105</u>	<u>11,128,425</u>	<u>-</u>	<u>324,452</u>	<u>-</u>	<u>1,302,772</u>	<u>1,302,772</u>	<u>-</u>
Total primary government	<u>\$ 13,556,327</u>	<u>\$ 11,704,423</u>	<u>\$ 208,793</u>	<u>\$ 1,586,662</u>	<u>(1,359,221)</u>	<u>1,302,772</u>	<u>(56,449)</u>	<u>-</u>
Component Unit								
Housing and Redevelopment Authority	<u>\$ 2,752,659</u>	<u>\$ 1,549,594</u>	<u>\$ 595,607</u>	<u>\$ 73,888</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (533,570)</u>
General revenues								
Property taxes					830,963	-	830,963	-
Tax increment					107,743	-	107,743	-
Unrestricted state aids					930,998	-	930,998	-
Unrestricted investment earnings					79,453	299,301	378,754	1,044
Other general revenue					308,721	-	308,721	201,933
Gain on sale of asset					6,212	911	7,123	-
Transfers					352,755	(352,755)	-	-
Total general revenues and transfers					<u>2,616,845</u>	<u>(52,543)</u>	<u>2,564,302</u>	<u>202,977</u>
Change in net position					1,257,624	1,250,229	2,507,853	(330,593)
Net position - beginning					12,345,885	21,687,212	34,033,097	447,794
Prior period adjustment (see Note 14)					<u>1,575,197</u>	<u>(480,399)</u>	<u>1,094,798</u>	<u>-</u>
Net position - beginning, as restated					<u>13,921,082</u>	<u>21,206,813</u>	<u>35,127,895</u>	<u>447,794</u>
Net position - ending					<u>\$ 15,178,706</u>	<u>\$ 22,457,042</u>	<u>\$ 37,635,748</u>	<u>\$ 117,201</u>

City of Mora
Balance Sheet - Governmental Funds
December 31, 2019

	General Fund (101)	Grove and Wood Street Improvements (453)	Parker Capital Project (446)	Nonmajor Governmental Funds	Total
Assets					
Cash and investments	\$ 1,349,090	\$ 144,964	\$ -	\$ 2,371,602	\$ 3,865,656
Restricted cash	-	-	-	250,000	250,000
Taxes receivable	19,354	-	-	12,689	32,043
Special assessments receivable	9,564	297,763	343,877	596,536	1,247,740
Accounts receivable	19,958	741	-	25,277	45,976
Interest receivable	5,024	-	-	-	5,024
Advance to component unit	155,191	-	-	-	155,191
Advance to other funds	67,803	-	-	-	67,803
Total assets	<u>\$ 1,625,984</u>	<u>\$ 443,468</u>	<u>\$ 343,877</u>	<u>\$ 3,256,104</u>	<u>\$ 5,669,433</u>
Liabilities					
Accounts payable	\$ 2,458	\$ -	\$ -	\$ 308,941	\$ 311,399
Escrows payable	44,046	-	-	-	44,046
Due to other funds	-	-	279,203	684,478	963,681
Salaries and benefits payable	25,394	-	-	717	26,111
Advances from other funds	-	525,395	-	277,340	802,735
Total liabilities	<u>71,898</u>	<u>525,395</u>	<u>279,203</u>	<u>1,271,476</u>	<u>2,147,972</u>
Deferred Inflows of Resources					
Unavailable revenue - taxes	19,354	-	-	12,689	32,043
Unavailable revenue - special assessments	9,564	297,763	343,877	596,536	1,247,740
Total deferred inflows of resources	<u>28,918</u>	<u>297,763</u>	<u>343,877</u>	<u>609,225</u>	<u>1,279,783</u>
Fund Balances					
Restricted	-	-	-	1,027,509	1,027,509
Assigned	-	-	-	1,216,610	1,216,610
Unassigned	1,525,168	(379,690)	(279,203)	(868,716)	(2,441)
Total fund balances	<u>1,525,168</u>	<u>(379,690)</u>	<u>(279,203)</u>	<u>1,375,403</u>	<u>2,241,678</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,625,984</u>	<u>\$ 443,468</u>	<u>\$ 343,877</u>	<u>\$ 3,256,104</u>	<u>\$ 5,669,433</u>

City of Mora
Reconciliation of the Balance Sheet to
the Statement of Net Position - Governmental Funds
December 31, 2019

Total fund balances - governmental funds	\$ 2,241,678
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in governmental funds.	
Capital assets	28,195,555
Less accumulated depreciation	(13,291,080)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.	
Long-term liabilities at year-end consist of:	
Bond principal payable, net of premiums	(3,173,875)
Compensated absences payable	(36,110)
Total OPEB liability	(48,269)
Net pension liability	(406,504)
Deferred outflows of resources and deferred inflows of resources are created as a result of various differences related to pensions and OPEB that are not recognized in the governmental funds.	
Deferred outflows of resources related to pensions	154,825
Deferred inflows of resources related to pensions	(79,756)
Deferred outflows of resources related to OPEB	5,342
Net pension assets created through non-employer contributions to defined benefit pension plans are not recognized in the governmental funds.	
	375,369
Delinquent receivables will be collected in subsequent years, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.	
Property taxes	32,043
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	
Deferred special assessments	1,247,740
Governmental funds do not report a liability for accrued interest until due and payable.	(38,252)
Total net position - governmental activities	<u>\$ 15,178,706</u>

City of Mora
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Governmental Funds
Year Ended December 31, 2019

	Capital Project				
		Grove and Wood Street Improvements	Parker Capital Project	Nonmajor Governmental Funds	Total
	General Fund (101)	(453)	(446)		
Revenues					
Taxes	\$ 524,317	\$ -	\$ -	\$ 286,848	\$ 811,165
Tax increments	8,632	-	-	99,111	107,743
Special assessments	8,966	34,737	9,805	71,167	124,675
Licenses and permits	110,729	-	-	-	110,729
Intergovernmental	1,796,513	-	-	11,951	1,808,464
Charges for services	539,145	-	-	116,380	655,525
Fines and forfeitures	15,798	-	-	-	15,798
Miscellaneous					
Investment income	48,023	602	-	30,828	79,453
Contributions and donations	280	-	-	105,472	105,752
Other	18,367	-	-	105,345	123,712
Total revenues	<u>3,070,770</u>	<u>35,339</u>	<u>9,805</u>	<u>827,102</u>	<u>3,943,016</u>
Expenditures					
Current					
General government	483,499	-	-	-	483,499
Public safety	794,247	-	-	168,149	962,396
Public works	824,458	-	-	-	824,458
Culture and recreation	357,429	-	-	-	357,429
Housing and economic development	-	-	-	99,444	99,444
Cemetery	-	-	-	27,685	27,685
Debt service					
Principal	-	-	-	229,990	229,990
Interest and other charges	-	5,488	-	98,437	103,925
Capital outlay					
General government	5,435	-	-	-	5,435
Public safety	32,795	-	-	-	32,795
Public works	267,229	-	-	7,986	275,215
Culture and recreation	36,180	-	-	-	36,180
Total expenditures	<u>2,801,272</u>	<u>5,488</u>	<u>-</u>	<u>631,691</u>	<u>3,438,451</u>
Excess (deficiency) of revenues over expenditures	<u>269,498</u>	<u>29,851</u>	<u>9,805</u>	<u>195,411</u>	<u>504,565</u>
Other Financing Sources (Uses)					
Proceeds from sale of capital asset	6,212	-	-	-	6,212
Transfers in	427,573	-	-	425,584	853,157
Transfers out	(315,881)	-	-	(184,521)	(500,402)
Insurance recoveries	77,604	-	-	-	77,604
Total other financing sources (uses)	<u>195,508</u>	<u>-</u>	<u>-</u>	<u>241,063</u>	<u>436,571</u>
Net change in fund balances	465,006	29,851	9,805	436,474	941,136
Fund Balances					
Beginning of year, as previously stated	1,126,538	(409,541)	(289,008)	942,784	1,370,773
Prior period adjustment (Note 14)	<u>(66,376)</u>	<u>-</u>	<u>-</u>	<u>(3,855)</u>	<u>(70,231)</u>
Beginning of year, as restated	<u>1,060,162</u>	<u>(409,541)</u>	<u>(289,008)</u>	<u>938,929</u>	<u>1,300,542</u>
End of year	<u>\$ 1,525,168</u>	<u>\$ (379,690)</u>	<u>\$ (279,203)</u>	<u>\$ 1,375,403</u>	<u>\$ 2,241,678</u>

See notes to financial statements.

City of Mora
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances to
the Statement of Activities - Governmental Funds
Year Ended December 31, 2019

Net change in fund balances - governmental funds	\$ 941,136
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.	
Capital outlays	341,639
Depreciation expense	(685,980)
Compensated absences are recognized as paid in the governmental funds, but recognized as the expense is incurred in the Statement of Activities.	6,660
Net OPEB obligations are recognized as paid in the governmental funds but recognized as the expense is incurred in the Statement of Activities.	2,555
Principal payments on long-term debt are recognized as expenditures in the governmental funds, but as an increase in the net position in the Statement of Activities.	229,990
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due and, thus, requires use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.	2,346
Bonds premiums are recognized when the debt is issued in the governmental funds but amortized over the life of the debt in the Statement of Activities.	3,516
Governmental Funds recognize pension contributions as expenditures at the time of payment in the funds whereas the Statement of Activities factors in differences between actual and expected contributions and earnings on plan investments as well as changes in proportion.	
Pension expense	130,947
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	
Special assessments	265,017
Delinquent property taxes receivable will be collected in subsequent years, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.	19,798
Change in net position - governmental activities	<u>\$ 1,257,624</u>

City of Mora
Statement of Revenues, Expenditures, and
Changes in Fund Balance -
Budget and Actual - General Fund
Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Over (Under)
Revenues				
Taxes	\$ 536,563	\$ 536,563	\$ 524,317	\$ (12,246)
Tax increments	10,000	10,000	8,632	(1,368)
Special assessments	-	-	8,966	8,966
Licenses and permits	82,161	82,161	110,729	28,568
Intergovernmental	1,181,520	1,769,188	1,796,513	27,325
Charges for services	521,363	521,363	539,145	17,782
Fines and forfeitures	18,000	18,000	15,798	(2,202)
Miscellaneous revenues				
Investment income	31,410	31,410	48,023	16,613
Contributions and donations	-	-	280	280
Other	12,645	12,645	18,367	5,722
Total revenues	<u>2,393,662</u>	<u>2,981,330</u>	<u>3,070,770</u>	<u>89,440</u>
Expenditures				
Current				
General government				
General	15,067	35,067	23,370	(11,697)
Council	31,021	31,021	28,372	(2,649)
Administration	99,870	99,870	97,978	(1,892)
Elections	-	-	3,143	3,143
Finance	112,359	112,359	107,456	(4,903)
Legal	34,596	34,596	34,610	14
Personnel	22,585	22,585	31,482	8,897
Planning and zoning	93,078	93,078	83,740	(9,338)
City hall building	68,120	72,932	51,368	(21,564)
Library building	26,045	26,045	21,980	(4,065)
Total general government	<u>502,741</u>	<u>527,553</u>	<u>483,499</u>	<u>(44,054)</u>
Public safety				
Building inspection	91,991	91,991	88,845	(3,146)
Police protection	653,447	653,447	643,632	(9,815)
Fire protection	55,000	55,000	61,770	6,770
Total public safety	<u>800,438</u>	<u>800,438</u>	<u>794,247</u>	<u>(6,191)</u>
Public works				
Street department	434,363	434,675	453,186	18,511
Street lighting	31,000	31,000	28,258	(2,742)
Airport	300,748	300,748	306,306	5,558
Garage	30,527	30,527	36,708	6,181
Total public works	<u>796,638</u>	<u>796,950</u>	<u>824,458</u>	<u>27,508</u>
Culture and recreation				
Swimming pool	247,271	261,359	242,128	(19,231)
Park areas	146,358	146,370	115,301	(31,069)
Total culture and recreation	<u>393,629</u>	<u>407,729</u>	<u>357,429</u>	<u>(50,300)</u>
Capital outlay				
General government	5,000	-	5,435	5,435
Public safety	9,355	34,186	32,795	(1,391)
Public works	140,540	140,540	267,229	126,689
Culture and recreation	97,800	11,300	36,180	24,880
Total capital outly	<u>252,695</u>	<u>186,026</u>	<u>341,639</u>	<u>155,613</u>
Total expenditures	<u>2,746,141</u>	<u>2,718,696</u>	<u>2,801,272</u>	<u>82,576</u>
Excess of revenues over (under) expenditures	<u>(352,479)</u>	<u>262,634</u>	<u>269,498</u>	<u>6,864</u>

City of Mora
Statement of Revenues, Expenditures, and
Changes in Fund Balance -
Budget and Actual - General Fund
Year Ended December 31, 2019

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget -
Other Financing Sources (Uses)				
Proceeds from sale of capital asset	\$ 1,400	\$ 1,400	\$ 6,212	\$ 4,812
Transfers in	452,978	466,269	427,573	(38,696)
Transfers out	(93,681)	(295,881)	(315,881)	(20,000)
Insurance recoveries	-	76,540	77,604	1,064
Total other financing sources (uses)	<u>360,697</u>	<u>248,328</u>	<u>195,508</u>	<u>(52,820)</u>
Net change in fund balance	<u>\$ 8,218</u>	<u>\$ 510,962</u>	465,006	<u>\$ (45,956)</u>
Fund Balance				
Beginning of year, as previously stated			1,126,538	
Prior period adjustment (Note 14)			<u>(66,376)</u>	
Beginning of year, as restated			<u>1,060,162</u>	
End of year			<u>\$ 1,525,168</u>	

City of Mora
Statement of Net Position - Proprietary Funds
December 31, 2019

	Liquor (609)	Electric Utility (651)	Water (652)
Assets			
Current assets			
Cash and investments (including cash equivalents)	\$ 94,378	\$ 6,377,523	\$ 890,340
Special assessments receivable	-	-	36,404
Accounts receivable	17,897	386,248	115,598
Interest receivable	-	24,427	3,123
Due from other funds	-	481,841	240,920
Due from other governments	122	-	-
Inventory	510,395	131,986	4,246
Total current assets	<u>622,792</u>	<u>7,402,025</u>	<u>1,290,631</u>
Noncurrent assets			
Advance to other funds	-	2,029,953	-
Capital assets not being depreciated			
Land	126,230	61,714	17,580
Construction in progress	-	-	-
Capital assets being depreciated			
Improvements other than buildings	20,730	2,438,686	6,953,917
Buildings and improvements	1,469,962	1,380,076	693,053
Machinery and equipment	231,708	2,011,818	83,852
Infrastructure	-	-	-
Total capital assets	<u>1,848,630</u>	<u>5,892,294</u>	<u>7,748,402</u>
Less accumulated depreciation	<u>(574,259)</u>	<u>(3,924,774)</u>	<u>(3,964,834)</u>
Net capital assets	<u>1,274,371</u>	<u>1,967,520</u>	<u>3,783,568</u>
Total noncurrent assets	<u>1,274,371</u>	<u>3,997,473</u>	<u>3,783,568</u>
Total assets	<u>1,897,163</u>	<u>11,399,498</u>	<u>5,074,199</u>
Deferred Outflows of Resources			
Deferred outflows of resources related to pensions	23,557	39,084	18,042
Deferred outflows of resources related to OPEB	1,131	3,567	1,743
Total deferred outflows of resources	<u>24,688</u>	<u>42,651</u>	<u>19,785</u>
 Total assets and deferred outflows of resources	<u>\$ 1,921,851</u>	<u>\$ 11,442,149</u>	<u>\$ 5,093,984</u>
Liabilities			
Current liabilities			
Accounts payable	\$ 2,848	\$ 291,273	\$ -
Contracts payable	-	-	-
Due to other governments	32,615	13,261	670
Salaries and benefits payable	8,887	14,322	7,334
Interest payable	-	-	8,445
Due to other funds	-	-	-
Compensated absences due within one year	9,033	12,795	6,607
Bonds payable due within one year	-	-	98,182
Total current liabilities	<u>53,383</u>	<u>331,651</u>	<u>121,238</u>
Noncurrent liabilities			
Customer meter deposits	-	53,000	150
Compensated absences	18,152	25,711	13,277
Less compensated absences due within one year	(9,033)	(12,795)	(6,607)
Advance from other funds	1,000,000	-	150,464
Net pension liability	161,820	268,476	123,935
Revenue bonds payable	-	-	1,131,571
Less bonds payable due within one year	-	-	(98,182)
Total OPEB liability	<u>10,219</u>	<u>32,239</u>	<u>15,755</u>
Total noncurrent liabilities	<u>1,181,158</u>	<u>366,631</u>	<u>1,330,363</u>
Total liabilities	<u>1,234,541</u>	<u>698,282</u>	<u>1,451,601</u>
Deferred Inflows of Resources			
Deferred inflows of resources related to pensions	31,749	52,675	24,316
Net Position			
Net investment in capital assets	1,274,371	1,967,520	2,651,997
Unrestricted	<u>(618,810)</u>	<u>8,723,672</u>	<u>966,070</u>
Total net position	<u>655,561</u>	<u>10,691,192</u>	<u>3,618,067</u>
 Total liabilities, deferred inflows of resources, and net position	<u>\$ 1,921,851</u>	<u>\$ 11,442,149</u>	<u>\$ 5,093,984</u>

See notes to financial statements.

Wastewater (653)	Storm Water Utility (220)	Total
\$ 2,521,825	\$ 29,681	\$ 9,913,747
-	-	36,404
159,167	9,166	688,076
7,877	-	35,427
240,920	-	963,681
-	-	122
-	-	646,627
2,929,789	38,847	12,284,084
-	-	2,029,953
150,512	-	356,036
20,000	-	20,000
5,312,152	-	14,725,485
7,655,733	-	11,198,824
580,236	-	2,907,614
-	631,959	631,959
13,718,633	631,959	29,839,918
(5,583,575)	(328,651)	(14,376,093)
8,135,058	303,308	15,463,825
8,135,058	303,308	17,493,778
11,064,847	342,155	29,777,862
26,582	969	108,234
2,654	102	9,197
29,236	1,071	117,431
\$ 11,094,083	\$ 343,226	\$ 29,895,293
\$ 3,554	\$ -	\$ 297,675
20,000	-	20,000
-	-	46,546
9,284	116	39,943
11,682	6,644	26,771
-	-	-
9,945	548	38,928
181,818	32,475	312,475
236,283	39,783	782,338
-	-	53,150
19,986	1,102	78,228
(9,945)	(548)	(38,928)
144,557	-	1,295,021
182,596	6,654	743,481
2,899,481	577,390	4,608,442
(181,818)	(32,475)	(312,475)
23,984	926	83,123
3,078,841	553,049	6,510,042
3,315,124	592,832	7,292,380
35,825	1,306	145,871
5,235,577	(274,082)	10,855,383
2,507,557	23,170	11,601,659
7,743,134	(250,912)	22,457,042
\$ 11,094,083	\$ 343,226	\$ 29,895,293

City of Mora
Statement of Revenues, Expenses, and Changes
in Fund Net Position - Proprietary Funds
Year Ended December 31, 2019

	Liquor (609)	Electric Utility (651)	Water (652)
Sales and Cost of Sales			
Sales	\$ 3,402,053	\$ -	\$ -
Cost of Sales	2,503,878	-	-
Gross Profit	<u>898,175</u>	<u>-</u>	<u>-</u>
Operating revenues			
User charges	-	4,893,278	706,311
Other	-	955,849	895
Total operating revenues	<u>-</u>	<u>5,849,127</u>	<u>707,206</u>
Operating expenses			
Employee salaries	281,059	499,506	245,738
Employee benefits	-	-	-
Supplies	35,297	19,670	77,381
Repairs and maintenance	-	-	-
Professional services	-	1,304	783
Utilities	26,219	16,439	23,523
Depreciation	61,357	165,481	319,233
Insurance	-	-	-
Purchased power	-	3,921,163	-
Miscellaneous	108,795	519,847	36,279
Total operating expenses	<u>512,727</u>	<u>5,143,410</u>	<u>702,937</u>
Operating income (loss)	<u>385,448</u>	<u>705,717</u>	<u>4,269</u>
Nonoperating revenues (expenses)			
Investment income	644	233,869	28,481
Availability charges	-	-	51,000
Intergovernmental grants	-	1,386	694
Sale of capital assets	-	911	-
Miscellaneous	5,603	-	34,856
Insurance recoveries	-	-	-
Interest expense	(35,750)	(764)	(23,217)
Total nonoperating revenues (expenses)	<u>(29,503)</u>	<u>235,402</u>	<u>91,814</u>
Income before capital contributions and transfers	355,945	941,119	96,083
Transfers in	-	8,683	-
Transfers out	<u>(299,345)</u>	<u>(58,816)</u>	<u>(1,109)</u>
Change in net position	56,600	890,986	94,974
Net position			
Beginning of year, as previously stated	634,621	9,852,338	3,554,532
Prior period adjustment (see Note 14)	<u>(35,660)</u>	<u>(52,132)</u>	<u>(31,439)</u>
Beginning of year	<u>598,961</u>	<u>9,800,206</u>	<u>3,523,093</u>
End of year	<u>\$ 655,561</u>	<u>\$ 10,691,192</u>	<u>\$ 3,618,067</u>

Wastewater (653)	Storm Water Utility (220)	Total
\$ -	\$ -	\$ 3,402,053
-	-	2,503,878
-	-	898,175
997,376	99,247	6,696,212
1,483	249	958,476
998,859	99,496	7,654,688
349,520	7,470	1,383,293
-	3,590	3,590
162,089	566	295,003
-	5,254	5,254
413	33,570	36,070
61,723	275	128,179
472,999	13,450	1,032,520
-	1,558	1,558
-	-	3,921,163
66,502	-	731,423
1,113,246	65,733	7,538,053
(114,387)	33,763	1,014,810
36,302	5	299,301
81,600	-	132,600
694	129,220	131,994
-	-	911
28,451	-	68,910
62,632	-	62,632
(31,934)	(16,509)	(108,174)
177,745	112,716	588,174
63,358	146,479	1,602,984
-	-	8,683
(1,109)	(1,059)	(361,438)
62,249	145,420	1,250,229
7,732,830	(87,109)	21,687,212
(51,945)	(309,223)	(480,399)
7,680,885	(396,332)	21,206,813
\$ 7,743,134	\$ (250,912)	\$ 22,457,042

City of Mora
Statement of Cash Flows - Proprietary Funds
Year Ended December 31, 2019

	Liquor (609)	Electric Utility (651)	Water (652)
Cash Flows - Operating Activities			
Receipts from customers and users	\$ 3,402,845	\$ 5,896,211	\$ 684,733
Payments to suppliers	(2,683,004)	(4,518,495)	(144,545)
Payments to employees	(282,839)	(484,539)	(228,921)
Miscellaneous income (expense)	5,603	-	34,856
Net cash flows - operating activities	<u>442,605</u>	<u>893,177</u>	<u>346,123</u>
Cash Flows - Noncapital Financing Activities			
Payments received for interfund loans	(100,000)	(240,647)	(249,852)
Transfer from other funds	-	8,683	-
Transfer to other funds	(299,345)	(58,816)	(1,109)
Intergovernmental grants	-	1,386	694
Net cash flows - noncapital financing activities	<u>(399,345)</u>	<u>(289,394)</u>	<u>(250,267)</u>
Cash Flows - Capital and Related Financing Activities			
Availability charges	-	-	51,000
Intergovernmental grants	-	-	-
Principal paid on long-term debt	-	-	(97,182)
Interest and issuance costs paid on long-term debt	(35,750)	(764)	(14,963)
Insurance recoveries	-	-	-
Proceeds from sale of asset	-	911	-
Acquisition of capital assets	-	(201,675)	(20,886)
Net cash flows - capital and related financing activities	<u>(35,750)</u>	<u>(201,528)</u>	<u>(82,031)</u>
Cash Flows - Investing Activities			
Interest and dividends received	<u>643</u>	<u>232,455</u>	<u>29,134</u>
Net change in cash and cash equivalents	8,153	634,710	42,959
Cash and Cash Equivalents			
January 1	<u>86,225</u>	<u>5,742,813</u>	<u>847,381</u>
December 31	<u><u>\$ 94,378</u></u>	<u><u>\$ 6,377,523</u></u>	<u><u>\$ 890,340</u></u>
Reconciliation of Operating Income to Net Cash Flows - Operating Activities			
Operating income (loss)	\$ 385,448	\$ 705,717	\$ 4,269
Adjustments to reconcile operating income to net cash flows - operating activities			
Miscellaneous income (expense)	5,603	-	34,856
Depreciation expense	61,357	165,481	319,233
Accounts receivable	914	47,499	(7,799)
Special assessments receivable	-	-	(14,423)
Due from other governments	(122)	-	-
Inventory	(7,707)	(7,996)	4,302
Accounts payable	(2,444)	(28,538)	(10,893)
Due to other governments	1,336	(538)	(38)
Salaries payable	242	205	2,054
Deposits payable	-	(3,000)	50
Unearned revenue	-	(415)	(251)
Compensated absences payable	(16,620)	(28,769)	(13,751)
Net pension liability	15,139	45,237	29,348
Net OPEB obligation	(541)	(1,706)	(834)
Total adjustments	<u>57,157</u>	<u>187,460</u>	<u>341,854</u>
Net cash flows - operating activities	<u><u>\$ 442,605</u></u>	<u><u>\$ 893,177</u></u>	<u><u>\$ 346,123</u></u>

See notes to financial statements.

Wastewater (653)	Storm Water Utility (220)	Total
\$ 932,420	\$ 95,186	\$ 11,011,395
(305,448)	(41,223)	(7,692,715)
(338,121)	(12,231)	(1,346,651)
28,451	-	68,910
<u>317,302</u>	<u>41,732</u>	<u>2,040,939</u>
(249,501)	-	(840,000)
-	-	8,683
(1,109)	(1,059)	(361,438)
694	-	2,774
<u>(249,916)</u>	<u>(1,059)</u>	<u>(1,189,981)</u>
81,600	-	132,600
-	129,220	129,220
(178,946)	(21,429)	(297,557)
(21,132)	(28,080)	(100,689)
62,632	-	62,632
(38)	-	873
(42,138)	-	(264,699)
<u>(98,022)</u>	<u>79,711</u>	<u>(337,620)</u>
30,681	5	292,918
45	120,389	806,256
<u>2,521,780</u>	<u>(90,708)</u>	<u>9,107,491</u>
<u>\$ 2,521,825</u>	<u>\$ 29,681</u>	<u>\$ 9,913,747</u>
\$ (114,387)	\$ 33,763	\$ 1,014,810
28,451	-	68,910
472,999	13,450	1,032,520
(66,439)	(4,310)	(30,135)
839	-	(13,584)
-	-	(122)
-	-	(11,401)
(14,721)	-	(56,596)
-	-	760
(478)	60	2,083
-	-	(2,950)
(839)	-	(1,505)
(19,052)	(1,412)	(79,604)
32,198	229	122,151
(1,269)	(48)	(4,398)
<u>431,689</u>	<u>7,969</u>	<u>1,026,129</u>
<u>\$ 317,302</u>	<u>\$ 41,732</u>	<u>\$ 2,040,939</u>

(THIS PAGE LEFT BLANK INENTIONALLY)

City of Mora
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Mora (the "City") is a statutory city governed by an elected mayor and four council members. The accompanying financial statements present the government entities for which the City is considered to be financially accountable.

The financial statements present the City and its component units. The City includes all funds, account groups, organizations, institutions, agencies, departments, and offices that are not legally separate from such. Component units are legally separate organizations for which the elected officials of the City are financially accountable and are included within the basic financial statements of the City because of the significance of their operational or financial relationships with the City.

The City is considered financially accountable for a component unit if it appoints a voting majority of the organization's governing body and it is able to impose its will on the organization by significantly influencing the programs, projects, activities, or level of services performed or provided by the organization, or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on, the City.

As a result of applying the component unit definition criteria above, certain organizations have been defined and are presented in this report as follows:

Blended Component Units – Reported as if they were part of the City.

Discretely Presented Component Units – Entails reporting the component unit financial data in a column separate from the financial data of the City.

For each of the categories above, the specific entities are identified as follows:

1. Component Units

The Mora Economic Development Authority (EDA) meets the criteria to be included as a blended component unit. The members of the governing board of the Mora EDA are appointed by the City Council. Management of the City have operational responsibility for the EDA and a financial benefit/burden relationship exists between the City and EDA. The activity of the EDA is shown in the EDA Special Revenue Fund. Separate financial statements are not prepared for the Mora EDA.

The Public Utilities Commission provides public utilities services related to the water system, electrical power system, sewer system and sewage treatment plant. The Commission consists of three members appointed by City Council. The debt of the utilities is to be repaid entirely with resources of the City. Management of the City have operational responsibility for the Public Utilities Commission and a financial benefit/burden relationship exists between the City and the Public Utilities Commission. The Public Utilities Commission meets the criteria to be included as a blended component unit. The activity of the Public Utilities Commission is shown in the Electric Utility Enterprise Fund, Water Enterprise Fund and Wastewater Enterprise Fund. Separate financial statements are not prepared for the Public Utilities Commission.

City of Mora
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

1. Component Units (Continued)

The Housing and Redevelopment Authority of Mora (HRA) was formed by the City and operates under a completely separate Board of Directors appointed by the City. The HRA manages 43 low rent public housing units, 78 section 8 housing choice 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. The HRA meets the criteria to be included as a discretely presented component unit. The HRA has a March 31 reporting date, therefore the information presented within the government-wide statements is from its March 31, 2019, separately issued financial statements. These separately issued financial statements can be obtained from the City.

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 activities of the City. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Interest on general long-term debt is considered an indirect expense and is reported separately in the Statement of Activities. 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 are not included among program revenues; instead, they are properly reported as general revenues. Internally dedicated revenues are reported as general revenues rather than program 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 provider have been met.

City of Mora
Notes to Financial Statements

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 period, except grant revenue is considered available if it is collected within 1 year of the end of the current 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, franchise fees, licenses, and interest associated with the current period are all considered to be susceptible to accrual and so have been recognized as revenues of the current period. Only the portion of special assessments receivable due within the current 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.

Description of Funds:

Major Governmental Funds:

General Fund – This fund is the City's primary operating fund. It accounts for all financial resources of the general City, except those required to be accounted for in another fund.

Grove & Wood St. Improvements Capital Projects Fund – This fund accounts for the costs related to the Grove and Wood street improvement projects.

Parker Capital Projects Fund – This fund accounts for costs related to Parker capital improvement projects.

Major Proprietary Funds:

Liquor Enterprise Fund – This fund accounts for the operations of the City liquor store.

Electric Utility Enterprise Fund – This fund accounts for the operation of the City owned electric utility system.

Water Enterprise Fund – This fund accounts for the operations of the City's water utility system.

Wastewater Enterprise Fund – This fund accounts for the operations of the City's waste water treatment plant.

Storm Water Utility Enterprise Fund – This fund accounts for the operations of the City's storm water system.

City of Mora
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Description of Funds (Continued):

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are interfund services provided and used such as utility costs, which are not eliminated in the process of consolidation as elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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 on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance

1. Deposits and Investments

Cash and investments include balances from all funds that are combined and invested to the extent available in various securities as authorized by state law. Earnings from the pooled investments are allocated to the individual funds based on the average of month-end cash and investment balances.

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Minnesota Statutes authorize the City to invest in obligations of the U.S. Treasury, agencies, and instrumentalities, shares of investment companies whose only investments are in the aforementioned securities, obligations of the State of Minnesota or its municipalities, bankers' acceptances, future contracts, repurchase and reverse repurchase agreements, and commercial paper of the highest quality with a maturity of no longer than 270 days and in the Minnesota Municipal Investment Pool.

Certain investments for the City are reported at fair value as disclosed in Note 3. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

In accordance with GASB Statement No. 79, the Minnesota Municipal Investment Pool securities are valued at amortized cost, which approximates fair value. There are no restrictions or limitations on withdrawals from the 4M Liquid Asset Fund.

2. Restricted Cash

Cash is restricted in accordance with the 2019 HRA bond documents and the Housing Revenue Agreement between the City and the Mora HRA.

City of Mora
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance

3. Receivables and Payables

All trade and property tax receivables are shown at a gross amount since both are assessable to the property taxes and are collectible upon the sale of the property.

The City levies its property tax for the subsequent year during the month of December. December 28 is the last day the City can certify a tax levy to the County Auditor for collection the following year. Such taxes become a lien on January 1 and are recorded as receivables by the City at that date. The property tax is recorded as revenue when it becomes measurable and available. Kenabec County is the collecting agency for the levy and remits the collections to the City three times a year. The tax levy notice is mailed in March with the first half of the payment due on May 15 and the second half due on October 15. Taxes not collected as of December 31 each year are shown as delinquent taxes receivable.

The County Auditor prepares the tax list for all taxable property in the City, applying the applicable tax rate to the tax capacity of individual properties, to arrive at the actual tax for each property. The County Auditor also collects all special assessments, except for certain prepayments paid directly to the City.

The County Auditor submits the list of taxes and special assessments to be collected on each parcel of property to the County Treasurer in January of each year.

4. Inventory and Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the government-wide statements. Prepaid items are recorded as an expenditure at the time of consumption.

Inventory is valued at cost using the first in, first out (FIFO) method. Inventories are recorded as expenses when consumed rather than when purchased.

5. Capital Assets

Capital assets, which include land, land improvements, buildings and improvements, equipment, improvements other than buildings, infrastructure, and construction in progress are reported in the applicable governmental or the business-type activities columns in the government-wide financial statements. Capital Assets are defined by the City as real or personal property that has an estimated useful life greater than one year and a value equal to or greater than the Cities capitalization threshold of \$5,000 for machinery and equipment and \$25,000 for other assets. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Infrastructure assets acquired prior to the implementation of GASB Statement No. 34 have been reported at actual or estimated historical cost.

City of Mora
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance

5. Capital Assets (Continued)

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.

Property, plant, and equipment of the City are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Infrastructure	20-50
Buildings and improvements other than buildings	10-30
Machinery and equipment	5-20

6. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The City presents deferred outflows of resources on the Statements of Net Position for deferred outflows of resources related to pensions and OPEB for various estimate differences that will be amortized and recognized over future years.

In addition to liabilities, the statement of financial position, and fund financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City presents deferred inflows of resources on the Governmental Fund Balance Sheet as unavailable revenue. The governmental funds report unavailable revenues from two sources: taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The government-wide Statement of Net Position reports a deferred inflow of resources for those inflows that have not met specified timing requirements. The City presents deferred inflows of resources on the Statements of Net Position for deferred inflows of resources related to pensions for various estimate differences that will be amortized and recognized over future years.

City of Mora
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance (Continued)

7. Compensated Absences

City employees earn vacation time based on years of City service with a maximum accumulation of 1½ times the applicable vacation leave. The City compensates employees, upon termination or retirement, for all unused vacation.

Sick leave accrues at one day per month up to a maximum of 100 days paid at full pay. Upon retirement, full-time employees will be paid severance pay as follows:

- After 10 years of service, 10% of unused sick leave
- After 15 years of service, 15% of unused sick leave
- After 20 years of service, 25% of unused sick leave
- After 25 years of service, 50% of unused sick leave

Vested or accumulated sick leave for governmental funds that is not expected to be liquidated with expendable available financial resources is recorded in the governmental activities in the Statement of Net Position. Vested or accumulated vacation and sick leave in the proprietary fund is recorded in that fund.

8. Other Post-Employment Benefits

The City will provide insurance coverage in the City's group medical hospitalization insurance plan for those municipal employees who terminate employment with the City receiving a retirement or disability benefit, or are eligible to receive a benefit from PERA.

9. Pensions

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and the relief association and additions to/deductions from PERA's and the relief association's fiduciary net position have been determined on the same basis as they are reported by PERA and the relief association except that PERA's fiscal year end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

10. 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 Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount.

City of Mora
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance (Continued)

10. Long-Term Obligations (Continued)

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 expenditures.

11. Fund Balance

a. Classification

In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in those funds can be spent.

- **Nonspendable Fund Balance** – These are amounts that cannot be spent because they are not in spendable form, such as inventories and prepaid items.
- **Restricted Fund Balance** – These are amounts that are restricted to specific purposes either by a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through enabling legislation.
- **Committed Fund Balance** – These are amounts that can only be used for specific purposes pursuant to constraints imposed by resolution of the City Council (highest level of decision making authority) and that remain committed unless modified or removed by the City Council by subsequent resolution.
- **Assigned Fund Balance** – These are amounts that are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed and include remaining amounts (except for negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable, restricted or committed. Assignments are made by the City Administrator.
- **Unassigned Fund Balance** – These are residual amounts in the General Fund not reported in any other classification. The General Fund is the only fund that can report a positive unassigned fund balance. Other funds would report a negative unassigned fund balance should the total of nonspendable, restricted, and committed fund balances exceed the total net resources of that fund.

City of Mora
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance (Continued)

11. Fund Balance (Continued)

a. Classification (Continued)

When both restricted and unrestricted resources are available for use, it is the City will use restricted resources, and then use unrestricted resources as they are needed. When committed, assigned, and unassigned resources are available for use, it is the City will use resources in the following order: committed, assigned, and unassigned.

b. Minimum Fund Balance

The City's adopted fund balance policy states the City is to maintain a General Fund unassigned fund balance of 40% - 50% of the annual operating expenditures, excluding transfers and capital outlay, in the General Fund.

12. Net Position

Net position represents the difference between assets and deferred outflows of resources; and liabilities and deferred inflows of resources in the government-wide financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted in the government-wide financial statements when there are limitations on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

E. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

F. Budgetary Information

1. In August of each year, City staff submits to the City Council, a proposed operating budget for the year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them for the upcoming year.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is legally enacted through passage of a resolution after obtaining taxpayer comments.
4. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

City of Mora
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Budgetary Information (Continued)

5. Annual appropriated budgets are adopted during the year for the City's General Fund as well as the EDA Special Revenue Fund, Fire Special Revenue Fund, Cemetery Special Revenue Fund, EDA Revolving Loan Special Revenue Fund, Perpetual Care Permanent Fund, Future Fire Equipment Capital Project Fund, Future Improvements Capital Project Fund, Fire Station 2003 Debt Service Fund, 2008-2011 Street Reconstruction Debt Service Fund, 2015B Wood and Grove Debt Service Fund, 2015C Refunding Debt Service Fund, 2017A Refunding Debt Service Fund, Liquor Fund, Electric Utility Fund, Water Fund, Wastewater Fund, and Storm Water Fund.
6. Budgeted amounts are as originally adopted or as amended by the City Council. Individual amendments were not material in relation to the original amounts budgeted. Budgeted expenditure appropriations lapse at year-end.

Encumbrances outstanding at year-end expire and outstanding purchase orders are canceled and not reported in the financial statements.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Deficit Fund Balances

The following funds had deficit fund balances at December 31, 2019:

Grove and Wood St. Improvements Capital Project Fund	\$ 379,690
Parker Capital Project Fund	279,203
Fire Special Revenue Fund	4,321
Cemetery Special Revenue Fund	3,760
TIF No. 1-1 KSB Special Revenue Fund	206,808
Howe Avenue Reconstruction Capital Project Fund	41,351
Downtown Feed Mill Redevelopment Capital Project Fund	30,227
Airport Kastenbauer House Capital Project Fund	97,389
Crosswind/Yank Property Capital Project Fund	170,924
2012 7th and Grove St. Improvements Capital Project Fund	313,936

NOTE 3 – DEPOSITS AND INVESTMENTS

Cash balances of the City's funds are combined (pooled) and invested to the extent available in various investments authorized by *Minnesota Statutes*. Each fund's portion of this pool (or pools) is displayed in the financial statements as "cash and cash equivalents" or "investments". For purposes of identifying risk of investing public funds, the balances and related restrictions are summarized as follows.

City of Mora
Notes to Financial Statements

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

A. Deposits

Custodial Credit Risk – Deposits: This is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City has a policy that requires the District's deposits be collateralized as required by *Minnesota Statutes* for an amount exceeding FDIC coverage. As of December 31, 2019, the City's bank balance of \$7,599,983 was exposed to custodial credit risk because it was not fully collateralized with securities held by the pledging financial institution's trust department or agent and in the City's name. The book balance as of December 31, 2019, was \$7,287,628 for deposits.

B. Investments

Investment Type	Fair Value	Investment Maturities			
		Less than One Year	1-2 Years	2-5 Years	Greater than 5 Years
Brokered Certificates of Deposit	\$5,744,567	\$1,551,605	\$2,102,568	\$1,964,995	\$ 125,399
Government Securities	1,286	-	-	1,286	-
Brokered Money Markets	993,085	993,085	-	-	-
Total	<u>\$6,738,938</u>	<u>\$2,544,690</u>	<u>\$2,102,568</u>	<u>\$1,966,281</u>	<u>\$ 125,399</u>

Concentration of Credit Risk: The City's investment policy states the District will diversify its investment according to type and maturity. The City will attempt to match its investments with anticipated cash flow requirements. No more than 50% of the total investments should extend beyond five years and in no circumstance should any extend beyond ten years without the direct approval of the City Council.

Credit Risk: The City's investment policy limits investments to those specified in the above statutes. As of December 31, 2019, the government securities, brokered certificates of deposits and money market accounts are unrated.

Interest Rate Risk: This is the risk that market values of securities in a portfolio would decrease due to changes in market value interest rates. The City's policy indicates they structure their investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby reducing the need to sell securities on the open market before maturity.

Custodial Credit Risk – Investments: For an investment, this is the risk in the event of the failure of the counterparty the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's policy states all investments must be fully insured through SIPC insurance.

The City has the following recurring fair value measurements as of December 31, 2019:

- Investments of \$5,745,852 are valued using a matrix pricing model (Level 2 inputs)

City of Mora
Notes to Financial Statements

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

Summary of cash deposits and investments as of December 31, 2019, were as follows:

Petty Cash	\$ 2,837
Deposits	7,287,628
Investments	<u>6,738,938</u>
Total	<u><u>\$ 14,029,403</u></u>

Deposits and investments are presented in the December 31, 2019, basic financial statements as follows:

Statement of Net Position	
Cash and investments	\$ 13,779,403
Restricted cash	<u>250,000</u>
Total	<u><u>\$ 14,029,403</u></u>

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2019, was as follows:

	Beginning Balance	Prior Period Adjustment	Increases	Decreases	Ending Balance
Governmental activities					
Capital assets not being depreciated					
Land	\$ 1,455,973	\$ -	\$ -	\$ -	\$ 1,455,973
Capital assets being depreciated					
Land improvements	7,339,716	-	24,530	-	7,364,246
Buildings and improvements	3,396,815	-	-	-	3,396,815
Improvements other than buildings	12,810,697	(631,959)	219,709	-	12,398,447
Machinery and equipment	3,541,063	-	97,400	(58,389)	3,580,074
Total capital assets being depreciated	<u>27,088,291</u>	<u>(631,959)</u>	<u>341,639</u>	<u>(58,389)</u>	<u>26,739,582</u>
Less accumulated depreciation for					
Land Improvements	(3,348,477)	-	(163,658)	-	(3,512,135)
Buildings and improvements	(1,430,639)	-	(64,364)	58,389	(1,436,614)
Improvements other than buildings	(5,242,889)	315,201	(335,567)	-	(5,263,255)
Machinery and equipment	(2,956,685)	-	(122,391)	-	(3,079,076)
Total accumulated depreciation	<u>(12,978,690)</u>	<u>315,201</u>	<u>(685,980)</u>	<u>58,389</u>	<u>(13,291,080)</u>
Total capital assets being depreciated, net	<u>14,109,601</u>	<u>(316,758)</u>	<u>(344,341)</u>	<u>-</u>	<u>13,448,502</u>
Governmental activities capital assets, net	<u><u>\$ 15,565,574</u></u>	<u><u>\$ (316,758)</u></u>	<u><u>\$ (344,341)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 14,904,475</u></u>

City of Mora
Notes to Financial Statements

NOTE 4 – CAPITAL ASSETS (Continued)

	Beginning Balance	Prior Period Adjustment	Increases	Decreases	Ending Balance
Business-type activities					
Capital assets not being depreciated					
Land	\$ 356,036	\$ -	\$ -	\$ -	\$ 356,036
Construction in progress	-	-	20,000	-	20,000
Total capital assets not being depreciated	356,036	-	20,000	-	376,036
Capital assets being depreciated					
Buildings	10,992,683	-	206,141	-	11,198,824
Other Improvements	14,701,895	-	23,590	-	14,725,485
Machinery and equipment	2,872,645	-	34,969	-	2,907,614
Infrastructure	-	631,959	-	-	631,959
Total capital assets being depreciated	28,567,223	631,959	264,700	-	29,463,882
Less accumulated depreciation for					
Buildings	(2,977,941)	-	(388,952)	-	(3,366,893)
Other Improvements	(7,657,080)	-	(527,481)	-	(8,184,561)
Machinery and equipment	(2,393,351)	-	(102,637)	-	(2,495,988)
Infrastructure	-	(315,201)	(13,450)	-	(328,651)
Total accumulated depreciation	(13,028,372)	(315,201)	(1,032,520)	-	(14,376,093)
Total capital assets being depreciated, net	15,538,851	316,758	(767,820)	-	15,087,789
Business-type activities capital assets, net	<u>\$ 15,894,887</u>	<u>\$ 316,758</u>	<u>\$ (747,820)</u>	<u>\$ -</u>	<u>\$ 15,463,825</u>

Depreciation expense was charged to functions/programs of the City as follows:

Governmental activities	
General government	\$ 25,823
Public safety	99,498
Public works	492,999
Culture and recreation	62,858
Cemetery	4,802
Total depreciation expense - governmental activities	<u>\$ 685,980</u>
Business-type activities	
Water	\$ 319,233
Wastewater	472,999
Electric Utility	165,481
Liquor	61,357
Storm Water Utility	13,450
Total depreciation expense - business-type activities	<u>\$ 1,032,520</u>

City of Mora
Notes to Financial Statements

NOTE 5 – INTERFUND ACTIVITY

A. Transfers

Transfers during the year ended December 31, 2019, were as follows:

	Transfers In			
	General Fund	Nonmajor funds	Electric Utility Fund	Total
Transfers out				
General Fund	\$ -	\$ 315,881	\$ -	\$ 315,881
Nonmajor governmental funds	86,135	89,703	8,683	184,521
Liquor Fund	299,345	-	-	299,345
Electric Utility Fund	38,816	20,000	-	58,816
Water Fund	1,109	-	-	1,109
Wastewater Fund	1,109	-	-	1,109
Storm Water Utility Fund	1,059	-	-	1,059
Total	<u>\$ 427,573</u>	<u>\$ 425,584</u>	<u>\$ 8,683</u>	<u>\$ 861,840</u>

Transfers from the General Fund, nonmajor governmental funds, Electric Utility Fund, Water Fund, Wastewater Fund, and Storm Water Utility Fund were completed to fund various programs in accordance with budgetary authorization. Transfers from the Liquor Fund were completed to reduce property tax rates.

B. Due To/From Other Funds

At December 31, 2019, \$279,203 and \$684,478, was due from the Parker Capital Project Fund and the nonmajor governmental funds, respectively, to the Electric Utility Fund, Water Fund and Wastewater Fund to cover temporary cash deficits.

C. Advance To/From Other Funds and Component Units

Fund	Advance to Other Funds	Advance from Other Funds
General	\$ 67,803	\$ -
Grove and Wood Street improvements	-	525,395
Nonmajor governmental funds	-	277,340
Electric Utility	2,029,953	-
Liquor	-	1,000,000
Water	-	150,464
Wastewater	-	144,557
Total	<u>\$ 2,097,756</u>	<u>\$ 2,097,756</u>

The amounts advanced to the Liquor, Water, Wastewater and nonmajor governmental funds represent interfund loans to temporarily fund projects.

City of Mora
Notes to Financial Statements

NOTE 5 – INTERFUND ACTIVITY (CONTINUED)

C. Advance To/From Other Funds and Component Units (Continued)

On September 17, 2019, the City advanced \$157,600 to the HRA for cash flow needs. Monthly payments to repay this advance are scheduled through October 2024. The outstanding balance on December 31, 2019 was \$155,191. Since the HRA discretely presented component unit's reporting year end is March 31, 2019, the related payable is not present in this year's financial statement presentation for the City.

NOTE 6 – LONG-TERM DEBT

A. General Obligation Bonds

The City issues General Obligation (G.O.) 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.

The City has issued bonds where the City 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.

B. Components of Long-Term Liabilities

	Issued Date	Interest Rate	Original Issue	Final Maturity	Principal Outstanding
Long- Term Liabilities					
Governmental activities					
2011A G.O. Street Reconstruction Bonds	05/25/11	1.7%-3.2%	\$ 695,000	02/01/22	\$ 230,000
2015B G.O. Bonds	08/13/15	1.3%-4.0%	1,385,000	02/01/36	950,000
2015C G.O. Refunding Bonds	08/13/15	2.5%-3.0%	1,223,909	02/01/28	870,784
2017A G.O. Bonds	08/24/17	3.0%-3.1%	1,325,000	02/01/38	1,073,976
Premium on bonds payable					49,115
Compensated absences					36,110
Total governmental activities					<u>3,209,985</u>
Business-Type Activities					
2010 Water Revenue Note	08/01/10	1.90%	1,565,220	08/20/30	928,000
2015B G.O. Bonds	08/13/15	1.3%-4.0%	1,385,000	02/01/36	280,000
2015C G.O. Refunding Bonds	08/13/15	2.5%-3.0%	606,091	02/01/28	439,216
2015 Sewer Revenue Note	05/21/15	1.90%	3,257,315	08/20/35	2,732,958
2017A G.O. Bonds	08/24/17	3.0%-3.1%	1,325,000	02/01/38	216,024
Premium on bonds payable					12,244
Compensated absences					78,228
Total business-type activities					<u>4,686,670</u>
Total all long-term liabilities					<u>\$ 7,896,655</u>

The General Fund typically liquidates the liability related to compensated absences.

City of Mora
Notes to Financial Statements

NOTE 6 – LONG-TERM DEBT (CONTINUED)

C. Minimum Debt Payments

Annual debt service requirements to maturity for long-term debt are as follows:

Year Ending December 31,	Governmental Activities			Business-Type Activities		
	G.O. Bonds			G.O. Bonds and Revenue Notes		
	Principal	Interest	Total	Principal	Interest	Total
2020	\$ 259,525	\$ 88,972	\$ 348,497	\$ 312,475	\$ 71,110	\$ 383,585
2021	264,046	81,998	346,044	314,953	66,845	381,798
2022	272,054	74,622	346,676	320,946	61,941	382,887
2023	196,550	68,240	264,790	324,450	56,911	381,361
2024	204,530	62,971	267,501	334,470	51,747	386,217
2025-2029	888,077	230,089	1,118,166	1,646,924	176,762	1,823,686
2030-2034	604,261	124,122	728,383	1,175,739	68,410	1,244,149
2035-2037	435,717	24,631	460,348	166,241	6,148	172,389
Total	<u>\$ 3,124,760</u>	<u>\$ 755,645</u>	<u>\$ 3,880,405</u>	<u>\$ 4,596,198</u>	<u>\$ 559,874</u>	<u>\$ 5,156,072</u>

D. Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2019, was as follows:

	Beginning Balance, Restated	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
G.O. bonds payable	\$ 3,354,750	\$ -	\$ 229,990	\$ 3,124,760	\$ 259,525
Premium on bonds payable	52,631	-	3,516	49,115	-
Total G.O bonds payable	<u>3,407,381</u>	<u>-</u>	<u>233,506</u>	<u>3,173,875</u>	<u>259,525</u>
Compensated absences	<u>42,770</u>	<u>58,287</u>	<u>64,947</u>	<u>36,110</u>	<u>17,969</u>
Total governmental activities	<u>3,450,151</u>	<u>58,287</u>	<u>298,453</u>	<u>3,209,985</u>	<u>277,494</u>
Business-type activities					
G.O. bonds payable	1,005,249	-	70,009	935,240	70,475
Revenue notes payable	3,899,958	-	239,000	3,660,958	242,000
Premium on bonds payable	<u>13,125</u>	<u>-</u>	<u>881</u>	<u>12,244</u>	<u>-</u>
Total bonds payable	<u>4,918,332</u>	<u>-</u>	<u>309,890</u>	<u>4,608,442</u>	<u>312,475</u>
Compensated absences	<u>78,916</u>	<u>91,300</u>	<u>91,988</u>	<u>78,228</u>	<u>38,928</u>
Total business-type activities	<u>4,997,248</u>	<u>91,300</u>	<u>401,878</u>	<u>4,686,670</u>	<u>351,403</u>
Total long-term liabilities	<u>\$ 8,447,399</u>	<u>\$ 149,587</u>	<u>\$ 700,331</u>	<u>\$ 7,896,655</u>	<u>\$ 628,897</u>

City of Mora
Notes to Financial Statements

NOTE 7 – FUND BALANCES/NET POSITION

A. Fund Balance Classifications

Fund balances are classified as shown below to reflect the limitations and restrictions of the respective funds.

	General Fund	Grove and Wood Street Improvements	Parker Capital Project	Nonmajor Governmental Funds	Total
Restricted					
Economic development	\$ -	\$ -	\$ -	\$ 56,215	\$ 56,215
Economic development revolving loan	-	-	-	71,602	71,602
Debt service	-	-	-	652,770	652,770
MIC loan	-	-	-	94,368	94,368
Tax increment	-	-	-	9,759	9,759
Small cities development program	-	-	-	17,720	17,720
Perpetual care	-	-	-	125,075	125,075
Total restricted	-	-	-	1,027,509	1,027,509
Assigned					
Future fire equipment	-	-	-	621,521	621,521
Future improvements	-	-	-	584,880	584,880
9th and Wood Street Improvements	-	-	-	10,209	10,209
Total	-	-	-	1,216,610	1,216,610
Unassigned	1,525,168	(379,690)	(279,203)	(868,716)	(2,441)
Total fund balance	<u>\$ 1,525,168</u>	<u>\$ (379,690)</u>	<u>\$ (279,203)</u>	<u>\$ 1,375,403</u>	<u>\$ 2,241,678</u>

B. Net Position

Restricted net position is comprised of the total restricted fund balance in the governmental funds plus the effects of the conversion to the government-wide net position.

NOTE 8 – RISK MANAGEMENT

The City purchases commercial insurance coverage with other cities in the state through the League of Minnesota Cities Insurance Trust (LMCIT), which is a public entity risk pool currently operating as a common risk management and insurance program. The City pays an annual premium to LMCIT for its insurance coverage. LMCIT is self-sustaining through commercial companies for excess claims. The City is covered through the pool for any claims incurred but unreported, however, retains risk for the deductible portion of its insurance policies. The amount of these deductibles is considered immaterial to the financial statements.

There were no significant reductions in insurance from the previous year or settlements in excess of insurance coverage for any of the past three years.

The City's workers' compensation insurance policy is retrospectively rated. With this type of policy, final premiums are determined after loss experience is known. The amount of premium adjustment for 2019 is estimated to be immaterial based on workers' compensation rates and salaries for the year.

City of Mora
Notes to Financial Statements

NOTE 8 – RISK MANAGEMENT (CONTINUED)

At December 31, 2019, there were no other claims liabilities reported based on the requirements of GASB Statement No. 10, which requires a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

NOTE 9 – PENSION PLANS

The City participates in various pension plans. Total pension expense for the year ended December 31, 2019, was \$116,601. The components of pension expense are noted in the following plan summaries for the General Employees Retirement Plan, and the Volunteer Firefighter's Relief Association Plan.

The General Fund, Liquor Fund, Electric Utility Fund, Water Fund, Wastewater Fund and Storm Water Fund typically liquidate the liability related to the pensions.

Public Employees' Retirement Association

A. Plan Description

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

General Employees Retirement Plan

All full-time and certain part-time employees of the City are covered by the General Employees Plan. General Employees Plan members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

B. Benefits Provided

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state legislature. 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.

General Employees Plan Benefits

General Employees Plan 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 Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.2% of average salary for each of the first ten years of service and 1.7% of average salary for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7% of average salary for all years 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.

City of Mora
Notes to Financial Statements

NOTE 9 – PENSION PLANS (CONTINUED)

B. Benefits Provided (Continued)

General Employees Plan Benefits (Continued)

Annuities, disability benefits, and survivor benefits are increased effective every January 1. Beginning January 1, 2019, the postretirement increase will be equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. For members retiring on January 1, 2024, or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

C. Contributions

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

General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.5% of their annual covered salary in calendar year 2019, and the City was required to contribute 7.5% for Coordinated Plan members. The City's contributions to the General Employees Fund for the year ended December 31, 2019, were \$114,409. The City's contributions were equal to the required contributions as set by state statute.

D. Pension Costs

General Employees Fund Pension Costs

At December 31, 2019, the City reported a liability of \$1,149,985 for its proportionate share of the General Employees Fund's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million to the fund in 2019. The State of Minnesota is considered a non-employer contributing entity and the State's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$35,665. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2018, through June 30, 2019, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2019, the City's proportionate share was 0.0208%, which was an increase of 0.0019% from its proportionate share measured as of June 30, 2018.

City of Mora
Notes to Financial Statements

NOTE 9 – PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

General Employees Fund Pension Costs (Continued)

City's proportionate share of the net pension liability	\$ 1,149,985
State of Minnesota's proportionate share of the net pension liability associated with the City	<u>35,665</u>
Total	<u><u>\$ 1,185,650</u></u>

For the year ended December 31, 2019, the City recognized pension expense of \$155,701 for its proportionate share of General Employees Plan's pension expense. Included in this amount, the City recognized \$2,671 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

At December 31, 2019, the City reported its proportionate share of General Employees Plan's deferred outflows of resources and deferred inflows of resources, related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 31,155	\$ -
Changes in actuarial assumptions	-	85,979
Difference between projected and actual investment earnings	-	107,728
Changes in proportion	79,053	31,920
Contributions paid to PERA subsequent to the measurement date	<u>57,205</u>	<u>-</u>
Total	<u><u>\$ 167,413</u></u>	<u><u>\$ 225,627</u></u>

City of Mora
Notes to Financial Statements

NOTE 9 – PENSION PLANS (CONTINUED)

D. Pension Costs (Continued)

General Employees Fund Pension Costs (Continued)

The \$57,205 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Pension Expense Amount</u>
2020	\$ (46,467)
2021	(76,334)
2022	5,529
2023	<u>1,853</u>
Total	<u><u>\$ (115,419)</u></u>

E. Actuarial Assumptions

The total pension liability in the June 30, 2019, actuarial valuation was determined using an individual entry-age normal actuarial cost method and 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 for all plans were based on RP 2014 tables for males or females, as appropriate, with slight adjustments to fit PERA's experience. Cost of living benefit increases after retirement for retirees are assumed to be 1.25% per year for the General Employees Plan.

Actuarial assumptions used in the June 30, 2019, valuation were based on the results of actuarial experience studies. The most recent four-year experience study in the General Employees Plan was completed in 2019. The most recent four-year experience study for Police and Fire Plan was completed in 2016. Economic assumptions were updated in 2018 based on a review of inflation and investment return assumptions.

City of Mora
Notes to Financial Statements

NOTE 9 – PENSION PLANS (CONTINUED)

Public Employees' Retirement Association (Continued)

E. Actuarial Assumptions (Continued)

The following changes in actuarial assumptions occurred in 2019:

General Employees Fund

Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2017 to MP-2018.

Changes in Plan Provisions:

- The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The State's special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return 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 following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	35.5 %	5.10 %
Private markets	25.0	5.90
Fixed income	20.0	0.75
International equity	17.5	5.90
Cash equivalents	2.0	0.00
Total	100 %	

F. Discount Rate

The discount rate used to measure the total pension liability in 2019 was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members and employers will be made at rates set in *Minnesota Statutes*. Based on these assumptions, the fiduciary net positions of the General Employees Fund was 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.

City of Mora
Notes to Financial Statements

NOTE 9 – PENSION PLANS (CONTINUED)

Public Employees' Retirement Association (Continued)

G. Pension Liability Sensitivity

The following presents the City'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'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:

	<u>(6.5%)</u>	<u>(7.5%)</u>	<u>(8.5%)</u>
City's proportionate share of the General Employees Fund net pension liability	\$ 1,890,514	\$ 1,149,985	\$ 538,532

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.

Defined Benefit Pension Plan – Volunteer Firefighter's Relief Association

A. Plan Description

The City of Mora's Fire Department Relief Association is the administrator of a single employer defined benefit pension plan established to provide benefits for members of the City of Mora Fire Department.

The Association issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Mora Fire Relief Association, 101 Lake Street South, Mora, MN 55051.

B. Benefits Provided

Volunteer firefighters of the City are members of the Mora Fire Department Relief Association. Full retirement benefits are payable to members who have reached age 50 and have completed 20 years of service in the amount of \$2,000 per year of service in a lump sum. Partial benefits are payable to members who have reached 50 and have completed ten years of service. Disability benefits and widow and children's survivor benefits are also payable to members or their beneficiaries based upon requirements set forth in the bylaws. These benefit provisions and all other requirements are consistent with enabling state statutes.

City of Mora
Notes to Financial Statements

NOTE 9 – PENSION PLANS (CONTINUED)

Defined Benefit Pension Plan – Volunteer Firefighter's Relief Association (Continued)

C. Members Covered by Benefit Terms

As of the December 31, 2018, actuarial valuation date, the following members were covered by the benefit terms:

Inactive members entitled to but not yet receiving benefits	2
Active members	29
	<hr/>
Total	31
	<hr/> <hr/>

D. Contributions

Minnesota Statutes Chapter 424A.092 specifies minimum support rates required on an annual basis. The minimum support rates from the municipality and from State aid are determined as the amount required to meet the normal cost plus amortizing any existing prior service costs over a ten year period. The City's obligation is the financial requirement for the year less state aids. Any additional payments by the City shall be used to amortize the unfunded liability of the relief association. The Association is comprised of volunteers; therefore, there are no payroll expenditures (i.e., there are no covered payroll percentage calculations). During the year ended December 31, 2019, the City recognized as revenue and as an expenditure an on behalf payment of \$58,770 made by the State of Minnesota for the Relief Association.

E. Net Pension Liability

The City's net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The total pension liability in the December 31, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount rate	5.25 %
Inflation	2.50 %
Investment rate of return	5.25 %, net of pensions plan investment expense: including inflation
Mortality	Healthy Pre Retirement - RP-2014 employee generational mortality table projected with mortality improvement scale MP-2018, from base year 2006 Healthy Post Retirement - RP-2014 annuitant generational mortality table projected with mortality improvement scale MP-2018 from base year 2006. Male rates are adjusted by a factor of 0.96.

City of Mora
Notes to Financial Statements

NOTE 9 – PENSION PLANS (CONTINUED)

Defined Benefit Pension Plan – Volunteer Firefighter's Relief Association (Continued)

E. Net Pension Liability (Continued)

The value of death benefits is similar to the value of the retirement pension. Because of low retirement ages, the plan assumes no pre-retirement mortality. Post-retirement mortality does not apply as the benefit structure and form of payment do not reflect lifetime benefits.

The long-term return on assets has been set based on the plan's target investment allocation along with long-term return expectations by asset class. When there is sufficient historical evidence of market outperformance, historical average returns may be considered. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of the measurement date are summarized below.

Asset Class	Allocation at Measurement Date	Long-Term Expected Real Rate of Return	Long-Term Expected Nominal Rate of Return
Domestic equity	40.33 %	4.76%	7.26
Total	100 %		5.73
			(0.5)
			5.25

The discount rate used to measure the total pension liability was 5.25%. Assets were projected using expected benefit payments and expected asset returns. Expected benefit payments by year were discounted using the expected asset return assumption for years in which the assets were sufficient to pay all benefit payments. Any remaining benefit payments after the trust fund is exhausted are discounted at the municipal bond rate. The equivalent single rate is the discount rate.

City of Mora
Notes to Financial Statements

NOTE 9 – PENSION PLANS (CONTINUED)

Defined Benefit Pension Plan – Volunteer Firefighter's Relief Association (Continued)

F. Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2017	\$ 382,066	\$ 756,503	\$ (374,437)
Changes for the year			
Service cost	25,455	-	25,455
Interest cost	21,395	-	21,395
Difference between expected and actual experience	-	-	-
Changes in assumptions	-	-	-
State and municipal contributions	-	57,478	(57,478)
Donations and other income contributions	-	-	-
Member contributions	-	-	-
Net investment income	-	(5,856)	5,856
Benefit payments	-	-	-
Administrative expense	-	(3,840)	3,840
Net changes	46,850	47,782	(932)
Balances at December 31, 2018	\$ 428,916	\$ 804,285	\$ (375,369)

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the City, calculated using the discount rate of 5.25%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.25%) or 1-percentage-point higher (6.25%) than the current rate:

	1% Decrease 4.25%	Current Discount 5.25%	1% Increase 6.25%
Net pension asset	\$ 358,794	\$ 275,369	\$ 391,417

City of Mora
Notes to Financial Statements

NOTE 9 – PENSION PLANS (CONTINUED)

Defined Benefit Pension Plan – Volunteer Firefighter's Relief Association (Continued)

F. Changes in the Net Pension Liability (Continued)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued relief association financial report.

G. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2019, the City recognized pension expense of (\$39,100). At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Difference between projected and actual investment earnings	\$ 36,876	\$ -
Contributions paid to Association subsequent to the measurement date	<u>58,770</u>	<u>-</u>
Total	<u><u>\$ 95,646</u></u>	<u><u>\$ -</u></u>

The \$58,770 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending</u>	
2020	\$ 9,219
2021	9,219
2022	9,219
2023	<u>9,219</u>
Total	<u><u>\$ 36,876</u></u>

City of Mora
Notes to Financial Statements

NOTE 10 – POST EMPLOYMENT HEALTH CARE PLAN

A. Plan Description

The City's defined benefit OPEB plan provides a single-employer defined benefit health care plan to eligible retirees. The plan offers medical coverage. No assets are acclimated in a trust. A separate report is not issued for this plan.

B. Benefits Provided

Retirees and their spouses can participate in the health care plan at the same premium rate as City employees. Retirees and their spouses are responsible for 100% of these rates. This results in the retirees receiving an implicit rate subsidy.

C. Contributions

Retirees and their spouses contribute to the health care plan at the same rate as City employees. This results in the retirees receiving an implicit rate subsidy. Contribution requirements are established by the City, based on the contract terms with PEIP. The required contributions are based on projected pay-as-you-go financing requirements. For 2019, the City contributed \$14,539 to the plan.

D. Members

As of the December 31, 2018, valuation date, the following were covered by the benefit terms:

Total retirees	2
Total active employees	<u>21</u>
Total	<u><u>23</u></u>

E. Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of December 31, 2018, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Key Methods and Assumptions Used in Valuation of Total OPEB Liability

Inflation	2.50%
Healthcare cost trend increases	Rate 6.4% for 2019, gradually decreasing over several decades to an ultimate rate of 4.00% in 2075 and later years.
Mortality assumption	From the July 1, 2019 PERA of Minnesota General Employees Retirement Plan actuarial valuations, mortality rates were based on the RP-2014 mortality tables with projected mortality improvements based on scale MP-2018 and other adjustments.

City of Mora
Notes to Financial Statements

NOTE 10 – POST EMPLOYMENT HEALTH CARE PLAN

E. Actuarial Assumptions (Continued)

The discount rate used to measure the total OPEB liability was 3.71% based on Fidelity 20-Year Municipal GO AA Index.

F. Total OPEB Liability

The City's total OPEB liability of \$131,392 was measured as of December 31, 2018, and was determined by an actuarial valuation as of December 31, 2018.

Changes in the total OPEB liability are as follows:

	<u>Total OPEB Liability</u>
Balances at January 1, 2019	<u>\$ 137,406</u>
Changes for the year	
Service cost	6,280
Interest	4,531
Changes of assumptions	(3,224)
Employer contributions	<u>(13,601)</u>
Net changes	<u>(6,014)</u>
Balances at December 31, 2019	<u><u>\$ 131,392</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.31% at the December 31, 2017, measurement date to 3.71% at the December 31, 2018, measurement date.

The General Fund and Liquor, Electric, Water, Wastewater, and Stormwater funds typically liquidate the Liability related to OPEB.

G. OPEB Liability Sensitivity

The following presents the City's total OPEB liability calculated using the discount rate of 3.71% as well as the liability measured using 1% lower and 1% higher than the current discount rate.

<u>Total OPEB Liability</u>		
<u>1% decrease (2.71%)</u>	<u>Current (3.71%)</u>	<u>1% increase (4.71%)</u>
\$ 139,583	\$ 131,392	\$ 123,659

City of Mora
Notes to Financial Statements

NOTE 10 – POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)

G. OPEB Liability Sensitivity (Continued)

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower and 1% higher than the current healthcare cost trend rates.

Total OPEB Liability		
1% decrease (5.4% decreasing to 3.0%)	Current (6.4% decreasing to 4.0%)	1% increase (7.4% decreasing to 5.0%)
\$ 121,015	\$ 131,392	\$ 143,435

H. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2019, the City recognized OPEB expense of \$6,952. At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions made subsequent to the measurement date	\$ 14,539	\$ -

The \$14,539 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended December 31, 2020.

NOTE 11 – CONTRACT COMMITMENTS

A. Electric Utility Commitment

The Public Utilities Commission purchases power from Sothern 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 Diesel Generating Facilities.

City of Mora
Notes to Financial Statements

NOTE 12 – SUBSEQUENT EVENT

On March 13, 2020, a national emergency was declared for the COVID-19 outbreak in the United States of America. This event affects the economy and financial markets. The extent of the impact on the City may be both direct and indirect and will vary based on the duration of the outbreak and various other factors. An estimate of the financial effect on the City's financial statements at December 31, 2019, cannot be determined at this time.

NOTE 13 – PRIOR PERIOD ADJUSTMENT

For the year ended December 31, 2019, prior period adjustments were required to adjust beginning net position for the Water, Electric, Sewer, Liquor and Stormwater Funds, beginning fund balance for the General Fund, Fire Fund, Cemetery Fund and the EDA Fund, and beginning net position for governmental activities to correct prior year misstatements. There is also a prior period adjustment to move the storm water fund from governmental to enterprise.

The misstatements from prior year consisted of:

2. Interest receivable
3. Fixed assets
4. Net pension liability
5. OPEB liability
6. Compensated absences
7. Accrued wages and benefits

NOTE 14 – TAX INCREMENT FINANCING

The City has entered into three Tax Increment Financing agreements which meet the criteria for disclosure under *Governmental Accounting Standards Board Statement No. 77 Tax Abatement Disclosures*. The City's authority to enter into these agreements comes from *Minnesota Statute 469*. The City entered into these agreements for the purpose of economic development.

Under each agreement, the City and developer agree on an amount of development costs to be reimbursed to the developer by the City through tax revenues from the additional taxable value of the property generated by the development (tax increment). A "pay-as-you-go" note is established for this amount, on which the City makes payments for a fixed period of time with available tax increment revenue after deducting for certain administrative costs.

During the year ended December 31, 2019, the City generated \$99,111 in tax increment revenue and made \$65,566 in payments to developers.

City of Mora
Notes to Financial Statements

NOTE 15 – HOUSING REVENUE AGREEMENT

The City entered into a Housing Revenue Agreement with the HRA of the City of Mora on October 15, 2019. The HRA undertook a housing development project granted under *Minnesota Statutes*, 469.001 to 469.047 which was financed by the HRA's issuance of \$3,000,000 Housing Revenue Bonds, Series 2009B. The HRA refunded these bonds with the issuance of \$3,095,000 Housing Development Refunding Bonds, Series 2019A in November 2019, which was issued with the City's pledge of its full faith and credit and taxing power. The revenues of the housing project are pledged to pay this debt and the HRA makes payments to the City, which then makes the respective semi-annual bond payments. The final payment on the 2019A bond is due on January 1, 2040.

NOTE 16 – NEW STANDARDS ISSUED BUT NOT YET IMPLEMENTED

GASB Statement No. 87, Leases establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. This statement will be effective for the year ending December 31, 2022.

GASB Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and simplifies accounting for interest cost incurred before the end of a construction period. This statement will be effective for the year ending December 31, 2021.

**REQUIRED SUPPLEMENTARY INFORMATION OTHER
THAN MANAGEMENT'S DISCUSSION AND ANALYSIS**

City of Mora
Schedule of Changes in Total OPEB Liability
and Related Ratios

	December 31, 2019
Total OPEB Liability	
Service cost	\$ 6,280
Interest	4,531
Changes of assumptions	(3,224)
Benefit payments	(13,601)
Net change in total OPEB liability	(6,014)
Beginning of year	137,406
End of year	\$ 131,392
Covered-employee payroll	\$ 1,311,357
Total OPEB liability as a percentage of covered-employee payroll	10.02%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

City of Mora
Schedule of City's Proportionate Share
of Net Pension Liability
General Employees Retirement Fund
Last Ten Years

For Fiscal Year Ended June 30,	City's Proportionate Share (Percentage) of the Net Pension Liability (Asset)	City's Proportionate Share (Amount) of the Net Pension Liability (Asset)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with the City	City's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability Associated with the City	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.0205%	\$ 1,062,416	\$ -	\$ 1,062,416	\$ 1,183,280	89.79%	78.19%
2016	0.0199%	1,615,781	21,145	1,636,926	1,234,320	130.90%	68.91%
2017	0.0199%	1,270,403	15,977	1,286,380	1,282,213	99.08%	75.90%
2018	0.0189%	1,048,495	34,357	1,082,852	1,267,373	82.73%	79.53%
2019	0.0208%	1,149,985	35,665	1,185,650	1,470,187	78.22%	80.23%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

City of Mora
Schedule of City Contributions
General Employees Retirement Fund
Last Ten Years

<u>Year Ending December 31,</u>	<u>Statutorily Required Contribution</u>	<u>Contributions in Relation to the Statutorily Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>City's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
2015	\$ 93,262	\$ 93,262	\$ -	\$ 1,243,493	7.50%
2016	93,128	93,128	-	1,241,707	7.50%
2017	94,439	94,439	-	1,259,187	7.50%
2018	102,603	102,603	-	1,368,040	7.50%
2019	114,409	114,409	-	1,525,453	7.50%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

City of Mora
Schedule of Changes in Net Pension Liability
and Related Ratios - Mora Fire Department Relief Association

	Measurement Date December 31, 2018
Total Pension Liability (TPL)	
Service cost	\$ 25,455
Interest costs	21,395
Net change in total pension liability	<u>46,850</u>
Beginning of year	<u>382,066</u>
End of year	<u><u>\$ 428,916</u></u>
Plan Fiduciary Net Pension (FNP)	
State and municipal contributions	\$ 57,478
Net investment income	(5,856)
Administrative expense	<u>(3,840)</u>
Net change in plan fiduciary net position	<u>47,782</u>
Beginning of year	<u>756,503</u>
End of year	<u><u>\$ 804,285</u></u>
Net Pension Liability (NPL)	<u><u>\$ (375,369)</u></u>
FNP as a percentage of the TPL	187.52%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

City of Mora
Schedule of City Contributions -
Mora Fire Department Relief Association

	December 31, 2018	December 31, 2019
City		
Statutorily determined contribution (SDC)	\$ -	\$ -
Actual contribution	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
State Pass Through		
2% Aid	<u><u>\$ 57,478</u></u>	<u><u>\$ 58,770</u></u>

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

City of Mora
Notes to Required Supplementary Information

GENERAL EMPLOYEES FUND

2019 Changes

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2017 to MP-2018.

Changes in Plan Provisions

- The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The State's special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.

2018 Changes

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.0% per year through 2044 and 2.5% per year thereafter to 1.25% per year.

Changes in Plan Provisions

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00% to 3.00%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Postretirement benefit increases were changed from 1.00% per year with a provision to increase to 2.50% upon attainment of 90.00% funding ratio to 50.00% of the Social Security Cost of Living Adjustment, not less than 1.00% and not more than 1.50%, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 Changes

Changes in Actuarial Assumptions

- The 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% for vested deferred member liability and 3% 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.

Changes in Plan Provisions

- The State's contribution for the Minneapolis Employees Retirement Fund equals \$16,000,000 in 2017 and 2018, and \$6,000,000 thereafter.

City of Mora
Notes to Required Supplementary Information

GENERAL EMPLOYEES FUND (CONTINUED)

2017 Changes (Continued)

Changes in Plan Provisions (Continued)

- The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from \$21,000,000 to \$31,000,000 in calendar years 2019 to 2031. The State's contribution changed from \$16,000,000 to \$6,000,000 in calendar years 2019 to 2031.

2016 Changes

Changes in Actuarial Assumptions

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2035 and 2.5% per year thereafter to 1.0% per year for all future years.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate was changed from 7.9% to 7.5%.
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, the inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

2015 Changes

Changes in Actuarial Assumptions

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2030 and 2.5% per year thereafter to 1.0% per year through 2035 and 2.5% per year thereafter.

Changes in Plan Provisions

- On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised; the State's contribution of \$6.0 million, which meets the special funding situation definition, was due September 2015.

SUPPLEMENTARY INFORMATION

City of Mora Special Revenue Funds

Special Revenue Funds

EDA Fund – To account for the EDA blended component unit.

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.

MIC Loan Fund - To account for funds acquired and loaned to local business 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 1-1 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.

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 firefighting 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 Reconstruction Fund - To account for revenues and expenditures related to the 2008 water and sewer project.

Downtown Feed Mill Redevelopment Fund - To account for revenue and expenses related to the feed mill acquisition and demolition project.

Airport Kastenbauer House Fund - To account for revenue and expenses related to the purchase of a house and 2 acres for future airport expansion.

Crosswind/Yank Property Fund - To account for revenues and expenses related to the runway project.

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

Capital Project Funds (Continued)

9th & Wood St. Improvements Fund - 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 Fund - To account for revenues and expenditures, including tax collections and bond payments for the HRA Eastwood bonds.

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

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

2017A Refunding Fund - 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
Combining Balance Sheet -
Nonmajor Governmental Funds
December 31, 2019

	Special Revenue			
	EDA (227)	Fire Fund (222)	Cemetery Fund (225)	EDA Revolving Loan (230)
Assets				
Cash and investments	\$ 56,842	\$ -	\$ -	\$ 71,602
Restricted cash	-	-	-	-
Taxes receivable	-	-	-	-
Special assessments receivable	-	2,973	-	-
Accounts receivable	-	22,660	-	-
Total assets	<u>\$ 56,842</u>	<u>\$ 25,633</u>	<u>\$ -</u>	<u>\$ 71,602</u>
Liabilities				
Accounts payable	-	-	-	-
Due to other funds	-	26,931	3,720	-
Advances from other funds	-	-	-	-
Salaries and benefits payable	627	50	40	-
Total liabilities	<u>627</u>	<u>26,981</u>	<u>3,760</u>	<u>-</u>
Deferred Inflows of Resources				
Unavailable revenue - taxes	-	-	-	-
Unavailable revenue - special assessments	-	2,973	-	-
Total deferred inflows of resources	<u>-</u>	<u>2,973</u>	<u>-</u>	<u>-</u>
Fund Balances				
Restricted	56,215	-	-	71,602
Assigned	-	-	-	-
Unassigned	-	(4,321)	(3,760)	-
Total fund balances	<u>56,215</u>	<u>(4,321)</u>	<u>(3,760)</u>	<u>71,602</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 56,842</u>	<u>\$ 25,633</u>	<u>\$ -</u>	<u>\$ 71,602</u>

Special Revenue				Capital Projects		
MIC Loan Fund (232)	TIF 2-2 Intrepid (237)	TIF 1-1 KSB (248)	Small Cities Development Program (270)	Future Fire Equipment (407)	Future Improvements (409)	Howe Avenue Reconstruction (439)
\$ 94,368	\$ 9,759	\$ 70,532	\$ 17,720	\$ 621,521	\$ 584,880	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	138,803
-	-	-	-	-	-	-
<u>\$ 94,368</u>	<u>\$ 9,759</u>	<u>\$ 70,532</u>	<u>\$ 17,720</u>	<u>\$ 621,521</u>	<u>\$ 584,880</u>	<u>\$ 138,803</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	41,351
-	-	277,340	-	-	-	-
-	-	-	-	-	-	-
-	-	<u>277,340</u>	-	-	-	<u>41,351</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	138,803
-	-	-	-	-	-	<u>138,803</u>
94,368	9,759	-	17,720	-	-	-
-	-	-	-	621,521	584,880	-
-	-	(206,808)	-	-	-	(41,351)
<u>94,368</u>	<u>9,759</u>	<u>(206,808)</u>	<u>17,720</u>	<u>621,521</u>	<u>584,880</u>	<u>(41,351)</u>
<u>\$ 94,368</u>	<u>\$ 9,759</u>	<u>\$ 70,532</u>	<u>\$ 17,720</u>	<u>\$ 621,521</u>	<u>\$ 584,880</u>	<u>\$ 138,803</u>

City of Mora
Combining Balance Sheet -
Nonmajor Governmental Funds
December 31, 2019

	Capital Projects			
	Downtown Feed Mill Redevelopment (440)	Airport Kastenbauer House (442)	Crosswind/ Yank Property (444)	2012 7th and Grove St. Improvements (451)
Assets				
Cash and investments	\$ -	\$ -	\$ -	\$ -
Restricted cash	-	-	-	-
Taxes receivable	-	-	-	-
Special assessments receivable	-	-	-	-
Accounts receivable	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Liabilities				
Accounts payable	-	-	-	-
Due to other funds	30,227	97,389	170,924	313,936
Advances from other funds	-	-	-	-
Salaries and benefits payable	-	-	-	-
Total liabilities	<u>30,227</u>	<u>97,389</u>	<u>170,924</u>	<u>313,936</u>
Deferred Inflows of Resources				
Unavailable revenue - taxes	-	-	-	-
Unavailable revenue - special assessments	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances				
Restricted	-	-	-	-
Assigned	-	-	-	-
Unassigned	(30,227)	(97,389)	(170,924)	(313,936)
Total fund balances	<u>(30,227)</u>	<u>(97,389)</u>	<u>(170,924)</u>	<u>(313,936)</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Capital Projects	Debt Service					
9th and Wood Street Improvements (455)	Fire Station 2003 (525)	2008-2011 Street Reconstruction (530)	HRA Eastwood (531)	2015B Wood and Grove (532)	2015C Refunding (533)	2017A Refunding (535)
\$ 10,209	\$ 50,879	\$ 164,491	\$ 75,042	\$ 53,976	\$ 221,937	\$ 142,769
-	-	-	250,000	-	-	-
-	1,821	3,125	-	2,146	4,887	710
-	-	-	-	-	322,729	132,031
-	9	772	-	703	787	346
<u>\$ 10,209</u>	<u>\$ 52,709</u>	<u>\$ 168,388</u>	<u>\$ 325,042</u>	<u>\$ 56,825</u>	<u>\$ 550,340</u>	<u>\$ 275,856</u>
-	-	-	308,941	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	308,941	-	-	-
-	1,821	3,125	-	2,146	4,887	710
-	-	-	-	-	322,729	132,031
-	1,821	3,125	-	2,146	327,616	132,741
-	50,888	165,263	16,101	54,679	222,724	143,115
10,209	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>10,209</u>	<u>50,888</u>	<u>165,263</u>	<u>16,101</u>	<u>54,679</u>	<u>222,724</u>	<u>143,115</u>
<u>\$ 10,209</u>	<u>\$ 52,709</u>	<u>\$ 168,388</u>	<u>\$ 325,042</u>	<u>\$ 56,825</u>	<u>\$ 550,340</u>	<u>\$ 275,856</u>

(THIS PAGE LEFT BLANK INTENTIONALLY)

City of Mora
Combining Balance Sheet -
Nonmajor Governmental Funds
December 31, 2019

	Permenant	
	Perpetual Care (301)	Total Nonmajor Governmental Funds
Assets		
Cash and investments	\$ 125,075	\$ 2,371,602
Restricted cash	-	250,000
Taxes receivable	-	12,689
Special assessments receivable	-	596,536
Accounts receivable	-	25,277
Total assets	<u>\$ 125,075</u>	<u>\$ 3,256,104</u>
Liabilities		
Accounts payable	-	308,941
Due to other funds	-	684,478
Advances from other funds	-	277,340
Salaries and benefits payable	-	717
Total liabilities	<u>-</u>	<u>1,271,476</u>
Deferred Inflows of Resources		
Unavailable revenue - taxes	-	12,689
Unavailable revenue - special assessments	-	596,536
Total deferred inflows of resources	<u>-</u>	<u>609,225</u>
Fund Balances		
Restricted	125,075	1,027,509
Assigned	-	1,216,610
Unassigned	-	(868,716)
Total fund balances	<u>125,075</u>	<u>1,375,403</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 125,075</u>	<u>\$ 3,256,104</u>

City of Mora
Combining Statement of Revenues, Expenditures, and Changes
in Fund Balances - Nonmajor Governmental Funds
Year Ended December 31, 2019

	Special Revenue			
	EDA (227)	Fire Fund (222)	Cemetery Fund (225)	EDA Revolving Loan (230)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Tax increments	-	-	-	-
Special assessments	-	288	-	-
Intergovernmental	-	(700)	-	-
Charges for services	-	45,695	70,685	-
Miscellaneous				
Investment income	148	299	76	18,700
Contributions and donations	-	3,855	597	-
Other	1,144	95,389	630	-
Total revenues	<u>1,292</u>	<u>144,826</u>	<u>71,988</u>	<u>18,700</u>
Expenditures				
Current				
Public safety	-	168,149	-	-
Economic development	33,671	-	-	-
Cemetery	-	-	27,685	-
Debt service				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay				
Public works	-	-	-	-
Total expenditures	<u>33,671</u>	<u>168,149</u>	<u>27,685</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(32,379)</u>	<u>(23,323)</u>	<u>44,303</u>	<u>18,700</u>
Other Financing Sources (Uses)				
Transfers in	40,000	35,281	-	-
Transfers out	(167)	(15,370)	(12,107)	-
Total other financing sources (uses)	<u>39,833</u>	<u>19,911</u>	<u>(12,107)</u>	<u>-</u>
Net change in fund balances	7,454	(3,412)	32,196	18,700
Fund Balances				
Beginning of year, as previously stated	49,489	1,867	(35,605)	52,902
Prior period adjustment (Note 14)	<u>(728)</u>	<u>(2,776)</u>	<u>(351)</u>	<u>-</u>
Beginning of year, as restated	<u>48,761</u>	<u>(909)</u>	<u>(35,956)</u>	<u>52,902</u>
End of year	<u>\$ 56,215</u>	<u>\$ (4,321)</u>	<u>\$ (3,760)</u>	<u>\$ 71,602</u>

Special Revenue				Capital Projects		
MIC Loan Fund (232)	TIF 2-2 Intrepid (237)	TIF 1-1 KSB (248)	Small Cities Development Program (270)	Future Fire Equipment (407)	Future Improvements (409)	Fire Station 2003 (425)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	53,348	45,763	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
375	-	-	-	1,623	1,728	-
-	-	-	-	100,400	620	-
-	-	-	8,182	-	-	-
375	53,348	45,763	8,182	102,023	2,348	-
-	-	-	-	-	-	-
-	50,718	14,848	207	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	1,239
-	-	-	-	-	-	-
-	50,718	14,848	207	-	-	1,239
375	2,630	30,915	7,975	102,023	2,348	(1,239)
-	-	-	-	32,400	234,200	83,703
-	(2,667)	(16,070)	-	-	(54,437)	-
-	(2,667)	(16,070)	-	32,400	179,763	83,703
375	(37)	14,845	7,975	134,423	182,111	82,464
93,993	9,796	(221,653)	9,745	487,098	402,769	(82,464)
-	-	-	-	-	-	-
93,993	9,796	(221,653)	9,745	487,098	402,769	(82,464)
\$ 94,368	\$ 9,759	\$ (206,808)	\$ 17,720	\$ 621,521	\$ 584,880	\$ -

City of Mora
Combining Statement of Revenues, Expenditures, and Changes
in Fund Balances - Nonmajor Governmental Funds
Year Ended December 31, 2019

	Capital Projects			
	Howe Avenue Reconstruction (439)	Downtown Feed Mill Redevelopment (440)	Airport Kastenbauer House (442)	Crosswind/Yank Property (444)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Tax increments	-	-	-	-
Special assessments	18,623	-	-	-
Intergovernmental	-	-	-	12,651
Charges for services	-	-	-	-
Miscellaneous				
Investment income	-	-	-	-
Contributions and donations	-	-	-	-
Other	-	-	-	-
Total revenues	<u>18,623</u>	<u>-</u>	<u>-</u>	<u>12,651</u>
Expenditures				
Current				
Public safety	-	-	-	-
Economic development	-	-	-	-
Cemetery	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay				
Public works	-	135	-	2,880
Total expenditures	<u>-</u>	<u>135</u>	<u>-</u>	<u>2,880</u>
Excess (deficiency) of revenues over (under) expenditures	<u>18,623</u>	<u>(135)</u>	<u>-</u>	<u>9,771</u>
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	18,623	(135)	-	9,771
Fund Balances				
Beginning of year, as previously stated	(59,974)	(30,092)	(97,389)	(180,695)
Prior period adjustment (Note 14)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Beginning of year, as restated	<u>(59,974)</u>	<u>(30,092)</u>	<u>(97,389)</u>	<u>(180,695)</u>
End of year	<u>\$ (41,351)</u>	<u>\$ (30,227)</u>	<u>\$ (97,389)</u>	<u>\$ (170,924)</u>

Capital Projects		Debt Service				
2012 7th and Grove St. Improvements (451)	9th and Wood Street Improvements (455)	Fire Station 2003 (525)	2008-2011 Street Reconstruction (530)	HRA Eastwood (531)	2015B Wood and Grove (532)	2015C Refunding (533)
\$ -	\$ -	\$ 26	\$ 84,866	\$ -	\$ 77,255	\$ 86,255
-	-	-	-	-	-	-
-	-	-	-	-	-	41,140
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	44	-	-	7,291	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	44	26	84,866	7,291	77,255	127,395
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	70,000	-	45,000	88,993
-	-	-	8,650	-	30,650	24,536
-	4,971	-	-	-	-	-
-	4,971	-	78,650	-	75,650	113,529
-	(4,927)	26	6,216	7,291	1,605	13,866
-	-	-	-	-	-	-
-	-	(83,703)	-	-	-	-
-	-	(83,703)	-	-	-	-
-	(4,927)	(83,677)	6,216	7,291	1,605	13,866
(313,936)	15,136	134,565	159,047	8,810	53,074	208,858
-	-	-	-	-	-	-
(313,936)	15,136	134,565	159,047	8,810	53,074	208,858
\$ (313,936)	\$ 10,209	\$ 50,888	\$ 165,263	\$ 16,101	\$ 54,679	\$ 222,724

City of Mora
Combining Statement of Revenues, Expenditures, and Changes
in Fund Balances - Nonmajor Governmental Funds
Year Ended December 31, 2019

	Debt Service	Permanent Fund	Total Nonmajor Governmental Funds
	2017A Refunding (535)	Perpetual Care (301)	
Revenues			
Taxes	\$ 38,446	\$ -	\$ 286,848
Tax increments	-	-	99,111
Special assessments	11,116	-	71,167
Intergovernmental	-	-	11,951
Charges for services	-	-	116,380
Miscellaneous			
Investment income	-	544	30,828
Contributions and donations	-	-	105,472
Other	-	-	105,345
Total revenues	<u>49,562</u>	<u>544</u>	<u>827,102</u>
Expenditures			
Current			
Public safety	-	-	168,149
Economic development	-	-	99,444
Cemetery			27,685
Debt service			
Principal	25,997	-	229,990
Interest and other charges	33,362	-	98,437
Capital outlay			
Public works	-	-	7,986
Total expenditures	<u>59,359</u>	<u>-</u>	<u>631,691</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,797)</u>	<u>544</u>	<u>195,411</u>
Other Financing Sources (Uses)			
Transfers in	-	-	425,584
Transfers out	-	-	(184,521)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>241,063</u>
Net change in fund balances	(9,797)	544	436,474
Fund Balances			
Beginning of year, as previously stated	152,912	124,531	942,784
Prior period adjustment (Note 14)	<u>-</u>	<u>-</u>	<u>(3,855)</u>
Beginning of year, as restated	<u>152,912</u>	<u>124,531</u>	<u>938,929</u>
End of year	<u>\$ 143,115</u>	<u>\$ 125,075</u>	<u>\$ 1,375,403</u>

City of Mora
Schedule of Revenues, Expenditures, and
Changes in Fund Balance -
Budget and Actual - EDA Special Revenue Fund
Year Ended December 31, 2019

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget - Over (Under)
Revenues			
Miscellaneous			
Investment income	\$ 140	\$ 148	\$ 8
Contributions and donations	40,000	-	(40,000)
Other	1,365	1,144	(221)
Total revenues	<u>41,505</u>	<u>1,292</u>	<u>(40,213)</u>
Expenditures			
Current			
Economic development	<u>32,460</u>	<u>33,671</u>	<u>1,211</u>
Excess of revenues over (under) expenditures	9,045	(32,379)	(41,424)
Other Financing Sources (Uses)			
Transfers In	-	40,000	40,000
Transfers out	<u>(155)</u>	<u>(167)</u>	<u>(12)</u>
Net change in fund balance	<u>\$ 8,890</u>	7,454	<u>\$ (1,436)</u>
Fund Balance			
Beginning of year, as previously stated		49,489	
Prior period adjustment (Note 14)		<u>(728)</u>	
Beginning of year, as restated		<u>48,761</u>	
End of year		<u>\$ 56,215</u>	

City of Mora
Schedule of Revenues, Expenditures, and
Changes in Fund Balance -
Budget and Actual - Fire Special Revenue Fund
Year Ended December 31, 2019

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget - Over (Under)
Revenues			
Special assessments	\$ -	\$ 288	\$ 288
Intergovernmental	3,000	(700)	(3,700)
Charges for services	40,000	45,695	5,695
Miscellaneous			
Investment income	1,440	299	(1,141)
Contributions and donations	-	3,855	3,855
Other	95,389	95,389	-
Total revenues	<u>139,829</u>	<u>144,826</u>	<u>4,997</u>
Expenditures			
Current			
Public safety	160,180	168,149	7,969
Total expenditures	<u>160,180</u>	<u>168,149</u>	<u>7,969</u>
Deficiency of revenues (Under) expenditures	(20,351)	(23,323)	(2,972)
Other Financing Sources (Uses)			
Transfers in	35,281	35,281	-
Transfers out	(34,606)	(15,370)	19,236
Total other financing sources (Uses)	<u>675</u>	<u>19,911</u>	<u>19,236</u>
Net change in fund balance	<u>\$ (19,676)</u>	(3,412)	<u>\$ 16,264</u>
Fund Balance			
Beginning of Year, As Previously Stated		1,867	
Prior Period Adjustment (Note 14)		<u>(2,776)</u>	
Beginning of year, as restated		<u>(909)</u>	
End of year		<u>\$ (4,321)</u>	

City of Mora
Schedule of Revenues, Expenditures, and
Changes in Fund Balance -
Budget and Actual - Cemetery Special Revenue Fund
Year Ended December 31, 2019

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget - Over (Under)
Revenues			
Charges for services	\$ 57,600	\$ 70,685	\$ 13,085
Investment income	340	76	(264)
Contributions and donations	-	597	597
Other	100	630	530
Total revenues	<u>58,040</u>	<u>71,988</u>	<u>13,948</u>
Expenditures			
Current			
Cemetery	<u>31,624</u>	<u>27,685</u>	<u>(3,939)</u>
Total expenditures	<u>31,624</u>	<u>27,685</u>	<u>(3,939)</u>
Deficiency of revenues over expenditures	26,416	44,303	17,887
Other Financing Uses			
Transfers out	<u>(12,217)</u>	<u>(12,107)</u>	<u>110</u>
Net change in fund balance	<u>\$ 14,199</u>	<u>32,196</u>	<u>\$ 17,997</u>
Fund Balance			
Beginning of year, as previously stated		(35,605)	
Prior period adjustment (Note 14)		<u>(351)</u>	
Beginning of year, as restated		<u>(35,956)</u>	
End of year		<u>\$ (3,760)</u>	

City of Mora
Schedule of Revenues, Expenditures, and
Changes in Fund Balance -
Budget and Actual - Economic Development Revolving Loan Special Revenue Fund
Year Ended December 31, 2019

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget - Over (Under)
Revenues			
Miscellaneous			
Investment income	\$ 19,210	\$ 18,700	\$ (510)
Net change in fund balance	<u>\$ 19,210</u>	18,700	<u>\$ (510)</u>
Fund Balance			
Beginning of year		<u>52,902</u>	
End of year		<u>\$ 71,602</u>	

City of Mora
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual -
Future Fire Equipment Capital Project Fund
Year Ended December 31, 2019

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget - Over (Under)
Revenues			
Miscellaneous			
Investment income	\$ 2,030	\$ 1,623	\$ (407)
Contributions and donations	87,600	100,400	12,800
Total revenues	<u>89,630</u>	<u>102,023</u>	<u>12,393</u>
Other Financing Sources			
Transfers in	<u>52,400</u>	<u>32,400</u>	<u>(20,000)</u>
Net change in fund balance	<u><u>\$ 142,030</u></u>	<u>134,423</u>	<u><u>\$ (7,607)</u></u>
Fund Balance			
Beginning of year		<u>487,098</u>	
End of year		<u><u>\$ 621,521</u></u>	

City of Mora
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual -
Future Improvements Capital Project Fund
Year Ended December 31, 2019

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget - Over (Under)
Revenues			
Miscellaneous			
Investment income	\$ 2,120	\$ 1,728	\$ (392)
Contributions and donations	-	620	620
Total revenues	<u>2,120</u>	<u>2,348</u>	<u>228</u>
Other Financing Sources (Uses)			
Transfers in	12,000	234,200	222,200
Transfers out	(87,000)	(54,437)	32,563
Total other financing sources	<u>(75,000)</u>	<u>179,763</u>	<u>254,763</u>
Net change in fund balance	<u>\$ (72,880)</u>	182,111	<u>\$ 254,991</u>
Fund Balance			
Beginning of year		<u>402,769</u>	
End of year		<u>\$ 584,880</u>	

City of Mora
Schedule of Revenues, Expenditures, and
Changes in Fund Balance -
Budget and Actual - Fire Station 2003 Debt Service Fund
Year Ended December 31, 2019

	Budgeted Amounts		Variance with Final Budget - Over
	Original and Final	Actual Amounts	
Revenues			
Taxes	\$ -	\$ 26	\$ 26
Other Financing Uses			
Transfers out	(83,703)	(83,703)	-
Net change in fund balance	<u>\$ (83,703)</u>	(83,677)	<u>\$ 26</u>
Fund Balance			
Beginning of year		<u>134,565</u>	
End of year		<u>\$ 50,888</u>	

City of Mora
Schedule of Revenues, Expenditures, and
Changes in Fund Balance -
Budget and Actual - 2008-2011 Street Reconstruction Debt Service Fund
Year Ended December 31, 2019

	Budgeted Amounts		Variance with Final Budget - Over (Under)
	Original and Final	Actual Amounts	
Revenues			
Taxes	\$ 86,242	\$ 84,866	\$ (1,376)
Expenditures			
Debt service			
Principal	70,000	70,000	-
Interest and other charges	8,650	8,650	-
Total expenditures	78,650	78,650	-
Net change in fund balance	\$ 7,592	6,216	\$ (1,376)
Fund Balance			
Beginning of year		159,047	
End of year		\$ 165,263	

City of Mora
Schedule of Revenues, Expenditures, and
Changes in Fund Balance -
Budget and Actual - Series 2015B Wood and Grove Debt Service Fund
Year Ended December 31, 2019

	Budgeted Amounts		Variance with Final Budget - Over (Under)
	Original and Final	Actual Amounts	
Revenues			
Taxes	\$ 78,488	\$ 77,255	\$ (1,233)
Expenditures			
Debt service			
Principal	60,000	45,000	(15,000)
Interest and other charges	39,568	30,650	(8,918)
Total expenditures	<u>99,568</u>	<u>75,650</u>	<u>(23,918)</u>
Excess Revenues Under Expenditures	(21,080)	1,605	22,685
Other Financing Sources			
Transfers in	<u>23,868</u>	-	<u>(23,868)</u>
Net change in fund balance	<u><u>\$ 2,788</u></u>	1,605	<u><u>\$ (1,183)</u></u>
Fund Balance			
Beginning of year		<u>53,074</u>	
End of year		<u><u>\$ 54,679</u></u>	

City of Mora
Schedule of Revenues, Expenditures, and
Changes in Fund Balance -
Budget and Actual - Series 2015C Refunding Debt Service Fund
Year Ended December 31, 2019

	Budgeted Amounts		Variance with Final Budget - Over (Under)
	Original and Final	Actual Amounts	
Revenues			
Taxes	\$ 87,756	\$ 86,255	\$ (1,501)
Special assessments	37,364	41,140	3,776
Total revenues	<u>125,120</u>	<u>127,395</u>	<u>2,275</u>
Expenditures			
Debt service			
Principal	97,000	88,993	(8,007)
Interest and other charges	26,579	24,536	(2,043)
Total expenditures	<u>123,579</u>	<u>113,529</u>	<u>(10,050)</u>
Excess revenue over expenditures	1,541	13,866	12,325
Other Financing Sources			
Transfers in	<u>10,000</u>	<u>-</u>	<u>(10,000)</u>
Net change in fund balance	<u><u>\$ 11,541</u></u>	<u>13,866</u>	<u><u>\$ 2,325</u></u>
Fund Balance			
Beginning of year		<u>208,858</u>	
End of year		<u><u>\$ 222,724</u></u>	

City of Mora
Schedule of Revenues, Expenditures, and
Changes in Fund Balance -
Budget and Actual - Series 2017A Refunding Debt Service Fund
Year Ended December 31, 2019

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget - Over (Under)
Revenues			
Taxes	\$ 39,036	\$ 38,446	\$ (590)
Special assessments	14,050	11,116	(2,934)
Total revenues	<u>53,086</u>	<u>49,562</u>	<u>(3,524)</u>
Expenditures			
Debt service			
Principal	35,000	25,997	(9,003)
Interest and other charges	40,050	33,362	(6,688)
Total expenditures	<u>75,050</u>	<u>59,359</u>	<u>(15,691)</u>
Excess of revenues under expenditures	(21,964)	(9,797)	12,167
Other Financing Sources			
Transfers in	<u>15,641</u>	<u>-</u>	<u>(15,641)</u>
Net change in fund balance	<u>\$ (6,323)</u>	(9,797)	<u>\$ (3,474)</u>
Fund Balance			
Beginning of year		<u>152,912</u>	
End of year		<u>\$ 143,115</u>	

City of Mora
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual -
Perpetual Care Permanent Fund
Year Ended December 31, 2019

	Budgeted Amounts Original and Final	Actual Amounts	Variance with Final Budget - Over
Revenues			
Miscellaneous			
Investment income	\$ 680	\$ 544	\$ (136)
Net change in fund balance	<u>\$ 680</u>	544	<u>\$ (136)</u>
Fund Balance			
Beginning of year		<u>124,531</u>	
End of year		<u>\$ 125,075</u>	

STATISTICAL SECTION

City of Mora Statistical Section

This part of the City of Mora's comprehensive annual financial report presents detailed information to assist the reader in understanding the preceding financial statements and reports in the context of the City's overall financial health. The statistical section is designed to complement the comprehensive annual financial report by providing an historical analysis of financial indicators.

CONTENTS

Financial Trend Data

These schedules contain trend information to illustrate how the City of Mora's financial performance has changed over time. They include an analysis of revenues and expenses and changes in net position for governmental activities and business-type activities.

Table 1	Net Position by Component
Table 2	Changes in Net Position
Table 3	Fund Balances of Governmental Funds
Table 4	Changes in Fund Balances of Governmental Funds

Revenue Capacity Data

These schedules contain historical information about the City of Mora's most significant local revenue source, property taxes. Information contained within these schedules includes an illustration of how the City's tax capacity and tax rates have changed over time. Also included is a more comprehensive look at how tax rates of overlapping governments have changed over time.

Table 5	Taxable Assessed Value of Taxable Property
Table 6	Direct and Overlapping Property Tax Rates
Table 7	Principal Property Taxpayers
Table 8	Property Tax Levies and Collections

Debt Capacity Data

These schedules present information designed to help the reader assess the affordability of the City of Mora's current level of outstanding debt and the City's ability to issue additional debt in the future.

**City of Mora
Statistical Section
(Continued)**

CONTENTS

Table 9	Ratios of Outstanding Debt by Type
Table 10	Ratios of General Bonded Debt Outstanding
Table 11	Direct and Overlapping Governmental Activities Debt
Table 12	Legal Debt Margin Information
Table 13	Pledged Revenue Coverage

Demographic and Economic Information

These schedules provide demographic and economic indicators to illustrate the overall environment in which the City of Mora's financial activities take place.

Table 14	Demographic and Economic Statistics
Table 15	Principal Employers

Operating Indicators

These schedules contain information about City services and capital assets to assist the reader in understanding how the information contained within the City of Mora's comprehensive annual financial report relates to the services the City provides and the activities it performs.

Table 16	Full-Time City Government Employees by Function
Table 17	Operating Indicators by Function
Table 18	Capital Asset Statistics by Function

City of Mora
Net Position by Component
Last Ten Fiscal Years
Unaudited

	2010	2011	2012	2013
Governmental Activities				
Net investment in capital assets	\$ 9,599,168	\$ 9,077,983	\$ 9,920,486	\$ 9,531,383
Restricted	589,192	746,871	1,123,326	605,922
Unrestricted	(64,312)	213,740	(1,307,923)	(495,696)
	<u>\$ 10,124,048</u>	<u>\$ 10,038,594</u>	<u>\$ 9,735,889</u>	<u>\$ 9,641,609</u>
Total governmental activities net position				
Business-Type Activities				
Net investment in capital assets	\$ 5,878,027	\$ 7,569,240	\$ 8,657,456	\$ 8,335,737
Restricted	2,067,870	2,067,870	664,161	660,481
Unrestricted	7,760,194	6,156,251	6,845,866	7,692,579
	<u>\$ 15,706,091</u>	<u>\$ 15,793,361</u>	<u>\$ 16,167,483</u>	<u>\$ 16,688,797</u>
Total business-type activities net position				
Primary Government				
Net investment in capital assets	\$ 15,477,195	\$ 16,647,223	\$ 18,577,942	\$ 17,867,120
Restricted	2,657,062	2,814,741	1,787,487	1,266,403
Unrestricted	7,695,882	6,369,991	5,537,943	7,196,883
	<u>\$ 25,830,139</u>	<u>\$ 25,831,955</u>	<u>\$ 25,903,372</u>	<u>\$ 26,330,406</u>
Total primary government net position				

Note: In 2012, the City implemented GASB Statement No. 63, which retitled Net Assets as Net Position.

Table 1

2014	2015	2016	2017	2018	2019
\$ 9,888,253	\$ 10,344,435	\$ 10,710,096	\$ 11,556,594	\$ 11,611,079	\$ 11,730,600
927,431	1,038,255	589,285	764,168	841,797	1,456,706
(227,352)	(883,484)	(841,935)	(650,772)	(243,619)	1,991,400
<u>\$ 10,588,332</u>	<u>\$ 10,499,206</u>	<u>\$ 10,457,446</u>	<u>\$ 11,669,990</u>	<u>\$ 12,209,257</u>	<u>\$ 15,178,706</u>
\$ 8,458,679	\$ 11,359,753	\$ 12,050,343	\$ 11,515,650	\$ 11,589,424	\$ 10,855,383
661,206	661,968	36,812	1,356,930	1,357,082	-
7,593,374	7,336,418	9,142,290	8,953,874	8,827,765	11,601,659
<u>\$ 16,713,259</u>	<u>\$ 19,358,139</u>	<u>\$ 21,229,445</u>	<u>\$ 21,826,454</u>	<u>\$ 21,774,271</u>	<u>\$ 22,457,042</u>
\$ 18,346,932	\$ 21,704,188	\$ 22,760,439	\$ 23,072,244	\$ 23,200,503	\$ 22,585,983
1,588,637	1,700,223	626,097	2,121,098	2,198,879	1,456,706
7,366,022	6,452,934	8,300,355	8,303,102	8,584,146	13,593,059
<u>\$ 27,301,591</u>	<u>\$ 29,857,345</u>	<u>\$ 31,686,891</u>	<u>\$ 33,496,444</u>	<u>\$ 33,983,528</u>	<u>\$ 37,635,748</u>

City of Mora
Changes in Net Position
Last Ten Fiscal Years
Unaudited

	2010	2011	2012	2013
Expenses				
Governmental activities				
General government	\$ 482,961	\$ 514,691	\$ 477,547	\$ 572,569
Public safety	885,754	1,340,101	531,449	1,053,981
Public works	880,659	899,165	864,140	853,953
Culture and recreation	247,197	327,637	262,476	261,623
Economic development	64,142	(56,110)	(482,493)	131,300
Cemetery	54,568	58,501	46,395	50,104
Capital projects	(122,296)	111,995	462,702	173,267
Interest and fiscal charges	138,026	827,341	853,015	89,537
Total governmental activities expenses	<u>2,631,011</u>	<u>4,023,321</u>	<u>3,015,231</u>	<u>3,186,334</u>
Business-type activities				
Liquor	2,324,242	2,475,319	2,598,991	2,542,384
Electric	5,168,762	5,166,409	5,147,945	5,177,296
Water	552,514	606,161	619,188	582,613
Wastewater	787,295	807,184	738,245	732,007
Storm water	-	-	-	-
Total business-type activities expenses	<u>8,832,813</u>	<u>9,055,073</u>	<u>9,104,369</u>	<u>9,034,300</u>
Total primary government expenses	<u>\$ 11,463,824</u>	<u>\$ 13,078,394</u>	<u>\$ 12,119,600</u>	<u>\$ 12,220,634</u>
Program Revenues				
Governmental activities				
Charges for services				
General government	\$ 427,318	\$ 673,684	\$ 169,056	\$ 434,079
Public safety	179,246	64,149	28,626	45,266
Public works	46,846	-	37,230	62,077
Culture and recreation	126,918	-	109,367	112,515
Economic development	33,729	-	-	-
Cemetery	33,475	-	45,260	39,500
Capital projects				
Operating grants and contributions	939,449	1,305,081	1,115,154	1,051,443
Capital grants and contributions	42,385	-	-	-
Total government activities program revenues	<u>1,829,366</u>	<u>2,042,914</u>	<u>1,504,693</u>	<u>1,744,880</u>
Business-type activities				
Charges for services				
Liquor	2,509,291	2,645,500	2,853,810	2,805,744
Electric	5,288,455	5,267,408	4,764,417	5,416,970
Water	557,885	547,318	555,809	581,412
Wastewater	833,067	757,228	734,175	912,171
Storm water	-	-	-	-
Operating grants and contributions	-	-	-	-
Capital grants and contributions	-	-	-	-
Total business-type activities program revenues	<u>9,188,698</u>	<u>9,217,454</u>	<u>8,908,211</u>	<u>9,716,297</u>
Total primary government program revenues	<u>\$ 11,018,064</u>	<u>\$ 11,260,368</u>	<u>\$ 10,412,904</u>	<u>\$ 11,461,177</u>

Table 2

2014	2015	2016	2017	2018	2019
\$ 666,550	\$ 636,825	\$ 524,732	\$ 549,250	\$ 573,960	\$ 474,247
963,669	992,749	990,412	679,097	868,520	1,006,076
897,477	832,453	899,069	647,172	1,218,149	1,295,146
321,358	322,420	410,756	364,861	325,858	407,854
125,539	117,556	676,903	500,669	267,417	96,951
72,779	73,064	70,931	39,845	47,538	27,885
136,302	375,513	83,907	811,872	449,426	
80,859	84,388	83,034	115,890	112,847	98,063
3,264,533	3,434,968	3,739,744	3,708,656	3,863,715	3,406,222
2,603,292	2,751,495	2,845,219	2,848,151	3,098,021	3,052,355
5,110,192	5,139,160	5,233,142	5,380,104	5,730,054	5,144,174
659,693	591,704	594,067	610,671	749,392	726,154
730,607	860,989	732,519	979,108	1,139,110	1,145,180
-	-	-	-	-	82,242
9,103,784	9,343,348	9,404,947	9,818,034	10,716,577	10,150,105
\$ 12,368,317	\$ 12,778,316	\$ 13,144,691	\$ 13,526,690	\$ 14,580,292	\$ 13,556,327
\$ 456,628	\$ 492,582	\$ 353,641	\$ 328,958	\$ 329,748	\$ 38,153
178,886	239,819	239,448	326,855	246,978	244,073
48,019	47,941	112,263	120,301	145,707	75,568
155,458	167,364	157,762	147,141	154,861	145,745
-	-	-	-	-	1,144
44,175	45,335	62,600	48,510	56,655	71,315
-	10,400	8,400	910	-	-
1,057,562	1,125,972	1,285,474	1,557,087	1,276,675	208,793
-	161,878	150,209	805,216	34,024	1,262,210
1,940,728	2,291,291	2,369,797	3,334,978	2,244,648	2,047,001
2,883,872	3,072,768	3,197,563	3,193,135	3,283,903	3,407,656
5,381,694	5,469,025	5,618,004	5,480,407	5,719,120	5,850,513
625,425	669,507	680,043	734,543	768,010	742,756
829,454	3,337,175	1,993,661	1,144,778	1,101,131	1,028,004
-	-	-	-	-	99,496
-	-	-	-	-	-
-	-	-	-	-	324,452
9,720,445	12,548,475	11,489,271	10,552,863	10,872,164	11,452,877
\$ 11,661,173	\$ 14,839,766	\$ 13,859,068	\$ 13,887,841	\$ 13,116,812	\$ 13,499,878

City of Mora
Changes in Net Position
Last Ten Fiscal Years
Unaudited

	2010	2011	2012	2013
Program Revenues				
Net (expense)/revenue				
Governmental activities	\$ (801,645)	\$ (1,980,407)	\$ (1,510,538)	\$ (1,441,454)
Business-type activities	355,885	162,381	(196,158)	681,997
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total primary government net expense	<u>\$ (445,760)</u>	<u>\$ (1,818,026)</u>	<u>\$ (1,706,696)</u>	<u>\$ (759,457)</u>
General Revenues and Other				
Changes in Net Position				
Governmental activities				
General revenues				
Property taxes	\$ 535,245	\$ 576,629	\$ 615,824	\$ 605,942
Special assessments	1,439	163,858	12,695	780
Tax increment	191,721	174,918	131,818	121,599
Unrestricted state aid	-	-	-	-
Unrestricted investment earnings	88,976	41,750	73,077	82,746
Other general revenue	-	667,798	104,419	266,107
Gain on sale of assets	-	-	-	-
Transfers	270,000	270,000	270,000	270,000
Total governmental activities	<u>1,087,381</u>	<u>1,894,953</u>	<u>1,207,833</u>	<u>1,347,174</u>
Business-type activities				
General revenues				
Unrestricted investment earnings	\$ 235,076	\$ 196,135	\$ 840,280	\$ 109,317
Gain on sale of assets	-	-	-	-
Transfers	<u>(270,000)</u>	<u>(270,000)</u>	<u>(270,000)</u>	<u>(270,000)</u>
Total business-type activities	<u>(64,924)</u>	<u>(73,865)</u>	<u>570,280</u>	<u>(160,683)</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total primary government	<u>\$ 1,022,457</u>	<u>\$ 1,821,088</u>	<u>\$ 1,778,113</u>	<u>\$ 1,186,491</u>
Change in net position				
Governmental activities	\$ 285,736	\$ (85,454)	\$ (302,705)	\$ (94,280)
Business-type activities	<u>290,961</u>	<u>88,516</u>	<u>374,122</u>	<u>521,314</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total primary government	<u>\$ 576,697</u>	<u>\$ 3,062</u>	<u>\$ 71,417</u>	<u>\$ 427,034</u>

Note: In 2012, the City implemented GASB Statement No. 63, which retitled Net Assets as Net Position.

Table 2 (Continued)

2014	2015	2016	2017	2018	2019
\$ (1,323,805)	\$ (1,143,677)	\$ (1,369,947)	\$ (373,678)	\$ (1,619,067)	\$ (1,359,221)
616,661	3,205,127	2,084,324	734,829	155,587	1,302,772
<u>\$ (707,144)</u>	<u>\$ 2,061,450</u>	<u>\$ 714,377</u>	<u>\$ 361,151</u>	<u>\$ (1,463,480)</u>	<u>\$ (56,449)</u>
\$ 625,105	\$ 623,338	\$ 653,211	\$ 697,963	\$ 815,950	\$ 830,963
-	198,346	121,236	376,534	144,541	-
131,854	123,271	118,742	112,999	114,454	107,743
-	-	-	-	-	930,998
53,802	36,900	53,105	30,113	31,411	79,453
738,566	421,101	20,259	65,963	737,668	308,721
1,200	-	68,002	71,964	9,500	6,212
720,001	694,440	293,633	230,686	304,810	352,755
<u>2,270,528</u>	<u>2,097,396</u>	<u>1,328,188</u>	<u>1,586,222</u>	<u>2,158,334</u>	<u>2,616,845</u>
\$ 137,802	\$ 134,193	\$ 150,528	\$ 137,745	\$ 146,893	\$ 299,301
-	-	-	-	-	911
(730,001)	(694,440)	(363,546)	(275,565)	(354,663)	(352,755)
<u>(592,199)</u>	<u>(560,247)</u>	<u>(213,018)</u>	<u>(137,820)</u>	<u>(207,770)</u>	<u>(52,543)</u>
<u>\$ 1,678,329</u>	<u>\$ 1,537,149</u>	<u>\$ 1,115,170</u>	<u>\$ 1,448,402</u>	<u>\$ 1,950,564</u>	<u>\$ 2,564,302</u>
\$ 946,723	\$ 953,719	\$ (41,759)	\$ 1,212,544	\$ 539,267	\$ 1,257,624
24,462	2,644,880	1,871,306	597,009	(52,183)	1,250,229
<u>\$ 971,185</u>	<u>\$ 3,598,599</u>	<u>\$ 1,829,547</u>	<u>\$ 1,809,553</u>	<u>\$ 487,084</u>	<u>\$ 2,507,853</u>

City of Mora
Fund Balances of Governmental Funds
Last Ten Fiscal Years
Unaudited

	Fiscal Year			
	2010	2011	2012	2013
General Fund				
Nonspendable	\$ 49,680	\$ 48,911	\$ 48,547	\$ 31,684
Unassigned	965,593	1,006,954	1,065,516	1,144,303
Total general fund	<u>\$ -</u>	<u>\$ 1,055,865</u>	<u>\$ 1,114,063</u>	<u>\$ 1,175,987</u>
All Other Governmental Funds				
Nonspendable	\$ 781	\$ 778	\$ 796	\$ 10,366
Restricted	482,488	652,354	712,259	380,947
Assigned	-	94,517	109,329	304,790
Unassigned, reported in				
Special revenue funds	(976,677)	(981,685)	(2,007,356)	(1,715,355)
Capital projects funds	-	-	-	-
Total all other governmental funds	<u>\$ (493,408)</u>	<u>\$ (234,036)</u>	<u>\$ (1,184,972)</u>	<u>\$ (1,019,252)</u>

Note: The City implemented GASB Statement No. 54 in 2011, resulting in a change in fund balance classifications.

Table 3

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 37,227	\$ 361,186	\$ -	\$ -	\$ -	\$ -
1,115,324	1,290,128	1,158,986	1,115,118	1,126,538	1,525,168
<u>\$ 1,152,551</u>	<u>\$ 1,651,314</u>	<u>\$ 1,158,986</u>	<u>\$ 1,115,118</u>	<u>\$ 1,126,538</u>	<u>\$ 1,525,168</u>
\$ 10,226	\$ 9,827	\$ -	\$ -	\$ -	\$ -
671,315	330,233	390,319	640,136	717,266	1,027,509
46,890	123,519	123,636	124,032	124,531	1,216,610
(1,184,176)	(446,334)	(721,800)	(744,068)	(176,064)	(214,889)
-	-	-	-	(558,096)	(1,312,720)
<u>\$ (455,745)</u>	<u>\$ 17,245</u>	<u>\$ (207,845)</u>	<u>\$ 20,100</u>	<u>\$ 107,637</u>	<u>\$ 716,510</u>

City of Mora
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
Unaudited

	Fiscal Year			
	2010	2011	2012	2013
Revenues				
Property taxes	\$ 535,245	\$ 561,906	\$ 615,824	\$ 605,942
Tax increments	191,721	174,919	131,818	121,599
Licenses and permits	29,949	42,635	39,180	40,788
Special assessments	84,052	16,850	3,997	(12,939)
Intergovernmental	966,409	1,334,430	1,115,154	1,051,443
Charges for services	341,153	333,956	346,362	693,437
Fines and forfeits	21,943	21,514	23,080	23,208
Interest income	123,334	101,245	73,077	38,246
Contributions and donations	-	-	-	-
Miscellaneous revenue	352,940	412,403	384,284	215,830
Total revenues	<u>2,646,746</u>	<u>2,999,858</u>	<u>2,732,776</u>	<u>2,777,554</u>
Expenditures				
General government	505,796	551,344	638,779	439,181
Public safety	870,618	1,280,949	923,748	942,906
Public works	457,389	597,855	433,104	450,577
Culture and recreation	252,742	291,450	284,573	244,085
Housing and economic development	172,578	184,188	115,732	119,608
Cemetery	48,790	53,437	40,549	44,258
Capital outlay	527,375	359,507	422,030	173,267
Miscellaneous			-	159,185
Debt service				
Principal	212,833	200,500	910,500	195,500
Interest	124,265	118,461	126,499	95,843
Total expenditures	<u>3,172,386</u>	<u>3,637,691</u>	<u>3,895,514</u>	<u>2,864,410</u>
Excess (deficiency) of revenues over (under) expenditures	(525,640)	(637,833)	(1,162,738)	(86,856)
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	-	-	-	-
Transfers in	421,724	1,275,208	1,197,121	489,275
Transfers out	(151,724)	(1,005,208)	(927,121)	(219,275)
Insurance recoveries	-	-	-	-
Miscellaneous	-	-	-	-
Bond issuance and bond premium/discount	-	667,798	-	44,500
Total other financing sources (uses)	<u>270,000</u>	<u>937,798</u>	<u>270,000</u>	<u>314,500</u>
Net change in fund balances	<u>\$ (255,640)</u>	<u>\$ 299,965</u>	<u>\$ (892,738)</u>	<u>\$ 227,644</u>
Debt service as a percentage of noncapital expenditures	12.7%	9.7%	29.9%	10.8%

Table 4

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 625,105	\$ 623,338	\$ 663,581	\$ 710,951	\$ 828,075	\$ 811,165
131,854	123,271	108,372	101,010	102,328	107,743
31,748	70,300	100,290	160,333	143,624	110,729
45,594	198,346	103,157	376,520	75,527	124,675
1,056,661	1,283,162	1,651,715	2,287,145	1,226,965	1,808,464
664,426	753,030	688,885	665,774	713,216	655,525
18,488	21,227	18,452	16,535	15,121	15,798
53,802	36,900	69,535	23,711	18,748	79,453
-	-	-	-	9,500	105,752
162,255	584,673	284,210	310,194	252,684	123,712
2,789,933	3,694,247	3,688,197	4,652,173	3,385,788	3,943,016
484,267	489,714	499,528	580,989	530,517	483,499
859,463	879,060	890,992	965,431	939,538	962,396
519,045	419,584	494,872	1,039,319	1,058,502	824,458
315,873	316,436	344,588	300,443	319,069	357,429
114,571	105,590	676,903	500,669	154,570	99,444
56,325	55,113	65,416	33,833	27,172	27,685
136,302	2,238,898	667,486	2,259,304	224,871	349,625
192,447	261,536	448,210	66,556	5,798	-
259,475	1,944,504	192,500	231,000	211,000	229,990
32,095	34,583	93,753	84,579	120,604	103,925
2,969,863	6,745,018	4,374,248	6,062,123	3,591,641	3,438,451
(179,930)	(3,050,771)	(686,051)	(1,409,950)	(205,853)	504,565
-	-	-	-	-	6,212
1,372,153	1,593,712	1,022,822	1,124,511	743,432	853,157
(652,152)	(899,272)	(729,189)	(893,825)	(438,622)	(500,402)
-	-	-	-	-	77,604
-	-	-	38,341	79,439	-
-	3,003,084	-	1,325,000	-	-
720,001	3,697,524	293,633	1,594,027	384,249	436,571
\$ 540,071	\$ 646,753	\$ (392,418)	\$ 184,077	\$ 178,396	\$ 941,136
10.3%	43.9%	7.7%	8.3%	9.8%	10.8%

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

Table 5

<u>Fiscal Year</u>	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Industrial Property</u>	<u>Other Taxable Property</u>	<u>Total Estimated Market Value</u>	<u>Total Tax Capacity of Taxable Property</u>	<u>Total Direct Tax Rate as a Per Cent of Tax Capacity</u>
2010	145,936,500	33,040,700	8,339,700	6,702,600	194,019,500	2,128,231	27.336
2011	133,890,500	31,354,500	7,891,100	4,617,000	177,753,100	1,974,492	29.465
2012	120,843,900	31,643,500	7,883,700	4,353,100	164,724,200	1,734,974	35.987
2013	110,442,700	31,430,600	8,247,400	4,777,000	154,897,700	1,551,770	38.459
2014	105,824,200	31,227,500	8,648,600	4,288,341	149,988,641	1,572,709	39.054
2015	119,502,400	30,956,300	8,506,000	3,187,129	162,151,829	1,704,137	40.268
2016	119,776,300	29,256,300	7,564,000	3,082,045	159,678,645	1,666,106	40.049
2017	130,143,700	33,107,700	7,690,000	2,168,100	173,109,500	1,843,056	42.344
2018	148,086,300	36,936,600	7,860,300	1,581,600	194,464,800	2,104,139	42.727
2019	160,337,000	40,951,800	9,234,700	1,512,800	212,036,300	2,337,141	39.351

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

City of Mora, MN
Direct and Overlapping Property Tax Rates
as a Percentage of Net Tax Capacity
Last Ten Fiscal Years

Table 6

<u>Fiscal Year</u>	<u>General Fund</u>	<u>Debt Service</u>	<u>Total City Tax Rate</u>	<u>School</u>	<u>County</u>	<u>Region (ECRDC)</u>	<u>Region (KCEDA)</u>	<u>Total Tax Rate</u>
2010	15.946	11.390	27.336	15.999	74.510	0.155		118.000
2011	17.107	12.358	29.465	17.347	80.318	0.175		127.305
2012	18.564	17.423	35.987	16.500	97.876	0.216		150.579
2013	20.560	17.899	38.459	19.410	103.078	0.226		161.173
2014	23.861	15.193	39.054	19.697	111.355	0.257		170.363
2015	22.216	18.052	40.268	7.216	104.869	0.235		152.588
2016	20.619	19.430	40.049	26.106	100.155	0.229		166.539
2017	20.927	21.417	42.344	27.979	100.815	0.234	1.661	173.033
2018	24.781	17.946	42.727	28.106	96.536	0.218	1.496	169.083
2019	25.164	14.187	39.351	27.060	93.131	0.212	1.386	161.140

Figures from Kanabec County Auditor

(THIS PAGE LEFT BLANK INTENTIONALLY)

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

Table 7

Taxpayer	2019			2010		
	Net Taxable Tax Capacity	Rank	Percentage of Total Net City Tax Capacity	Net Taxable Tax Capacity	Rank	Percentage of Total Net City Tax Capacity
Engineered Polymers Corp.	\$ 67,098	1	2.87%	\$ 60,224	1	2.83%
Recovering Hope Treatment Center (RHTC LLC)	46,079	2	1.97%			
First Citizens Bank (FKA Kanabec State Bank)	41,380	3	1.77%	45,406	4	2.13%
Coborn's Inc.	38,514	4	1.65%	33,352	7	1.57%
Gorham Housing Partners LLP	36,872	5	1.58%	44,064	5	2.07%
Minmor, LLC (FKA Fingerhut)	30,562	6	1.31%	35,662	6	1.68%
Spire Credit Union (FKA Greater MN Credit Union)	28,956	7	1.24%	26,512	8	1.25%
Eldris, LLC	20,034	8				
Daniel G Kamin Mora LLC (Shopko)	19,746	9		17,314	10	0.81%
Living Services Foundation	19,113	10	0.82%	51,714	2	2.43%
Kanabec County				45,673	3	2.15%
Paul Belkholm, Inc.				19,178	9	0.90%
Total	\$ 348,354		13.20%	\$ 379,099		17.81%
Total Net Taxable Tax Capacity	\$ 2,337,141			\$ 2,128,231		

Source: Data from the Kanabec County Assessor

City of Mora, MN
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		Collections in Subsequent Years
				Amount	Percentage of Levy	
2010	339,376	242,411	581,787	543,800	93.47%	37,987
2011	337,780	244,007	581,787	543,800	93.47%	37,836
2012	308,033	289,098	597,131	576,120	96.48%	20,604
2013	319,051	277,752	596,803	573,151	96.04%	23,087
2014	298,775	287,802	586,577	575,120	98.05%	10,245
2015	339,794	276,112	615,906	609,110	98.90%	5,700
2016	322,514	338,000	660,514	645,242	97.69%	14,251
2017	336,815	344,722	681,537	668,219	98.05%	12,380
2018	442,988	320,801	763,789	754,367	98.77%	4,525
2019	517,063	291,522	808,585	797,797	98.67%	0

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

*Mobile home taxes not included, because MH taxes are not levied.

Table 8

Total Collections to Date		Outstanding Delinquent Taxes
Amount	Percentage of Levy	
581,787	100.00%	-
581,636	99.97%	151
596,724	99.93%	407
596,238	99.91%	565
585,365	99.79%	1,212
614,810	99.82%	1,096
659,493	99.85%	1,021
680,599	99.86%	938
758,892	99.36%	4,897
797,797	98.67%	10,788

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

Table 9

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Special Assessment Bonds</u>	<u>Equipment Certificates</u>	<u>Electric Bonds</u>	<u>Water Bonds</u>	<u>Wastewater Bonds</u>	<u>Total Primary Government</u>	<u>Per Capita</u>
2010	\$ 1,115,000	\$ 2,590,000	\$ -	\$ -	\$ 2,388,800	\$ 1,016,500	\$ 7,110,300	\$ 1,991
2011	1,695,000	2,470,000	-	-	1,561,000	740,500	6,466,500	1,811
2012	875,000	1,710,995	-	-	1,774,688	289,237	4,649,920	1,302
2013	770,000	2,220,000	-	-	1,361,000	-	4,351,000	1,218
2014	665,000	2,085,000	-	-	1,292,000	-	4,042,000	1,132
2015	1,945,000	1,770,000	-	-	1,222,000	2,204,366	7,141,366	2,000
2016	1,850,000	1,710,000	-	-	1,151,000	3,111,367	7,822,367	2,191
2017	1,715,000	2,900,000	-	-	1,078,000	3,056,957	8,749,957	2,450
2018	1,590,000	2,770,000	-	-	1,004,000	2,895,958	8,259,958	2,313
2019	1,460,000	2,600,000	-	-	928,000	2,732,958	7,720,958	2,162

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

Table 10

Fiscal Year	General Obligation Bonds	Taxable Market Value	GO Bond Percentage of Taxable Market Value	Population	Per Capita
2010	\$ 1,115,000	\$ 194,019,500	0.57%	3571	\$ 312
2011	1,695,000	177,753,100	0.95%	3571	475
2012	875,000	164,724,200	0.53%	3571	245
2013	770,000	154,897,700	0.50%	3528	218
2014	665,000	149,988,641	0.44%	3523	189
2015	1,945,000	162,151,829	1.20%	3518	553
2016	1,850,000	159,678,645	1.16%	3518	526
2017	1,715,000	169,004,825	1.01%	3504	489
2018	1,590,000	190,046,055	0.84%	3507	453
2019	1,460,000	207,264,615	0.70%	3598	406

City of Mora
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	\$ -	\$ 7,260,000	\$ 7,260,000	\$ 13,392,888
Independent School District 332	-	20,220,000	20,220,000	8,907,553
Subtotal	-	27,480,000	27,480,000	22,300,441
City of Mora	3,692,495	-	3,692,495	2,337,141
Grand Total	<u>\$ 3,692,495</u>	<u>\$ 27,480,000</u>	<u>\$ 31,172,495</u>	<u>\$ 24,637,582</u>

Figures from Kanabec County Auditor & Assessor

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.

Table 11

Taxable Net Tax Capacity Within the City's Boundaries	Percentage of Direct and Overlapping Debt Applicable to the City*	City's Estimated Share of Debt
\$ 2,337,141	17.45%	\$ 1,266,914
2,337,141	26.24%	5,305,272
<u>4,674,282</u>		<u>6,572,186</u>
 2,337,141	 100.00%	 3,692,495
<u>\$ 4,674,282</u>		<u>\$ 10,264,681</u>

(THIS PAGE LEFT BLANK INTENTIONALLY)

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

Table 12

<u>Fiscal Year</u>	<u>Taxable Market Value</u>	<u>Debt Limit 3.00%</u>	<u>Debt Applicable to Limit</u>	<u>Legal Debt Margin</u>	<u>Debt Percentage of Limit</u>
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%
2018	190,046,055	5,701,382	1,590,000	4,111,382	27.89%
2019	207,264,615	6,217,938	1,460,000	4,757,938	23.48%

City of Mora
Pledged-Revenue Coverage
Last Ten Fiscal Years

Fiscal Year	Water Revenue Bonds					
	Utility Revenues	Less: Expenses	Net Available Revenue	Principal	Interest	Coverage
2010	\$ 593,318	\$ 552,514	\$ 40,804	\$ 27,866	\$ 48,752	53%
2011	571,820	606,162	-	846,326	65,117	0%
2012	580,054	619,187	-	149,606	41,522	0%
2013	585,937	582,613	3,324	87,446	39,709	3%
2014	626,049	659,693	-	88,186	38,536	0%
2015	670,645	773,259	-	89,846	36,983	0%
2016	682,339	594,661	87,678	90,846	37,295	68%
2017	745,307	611,606	133,700	93,506	18,205	120%
2018	773,714	651,246	122,469	97,822	26,837	98%
2019	822,238	744,947	77,291	97,182	24,818	63%

Table 13

Wastewater Revenue Bonds						
Utility		Net Available				
Revenues	Less: Expenses	Revenue	Principal	Interest	Coverage	
\$ 865,238	\$ 788,044	\$ 77,194	\$ 270,134	\$ 58,328	\$ 0	
780,801	807,184	-	291,974	45,850	-	
782,258	738,246	44,012	756,474	19,812	0	
923,213	732,007	191,206	15,974	11,630	7	
836,366	730,607	105,759	16,814	11,268	4	
3,345,883	1,035,318	2,310,564	17,654	10,857	81	
2,003,611	733,112	1,270,499	58,011	30,788	14	
1,224,070	980,043	244,028	178,494	37,138	1	
1,110,230	982,930	127,300	181,178	36,167	1	
1,208,536	1,171,633	36,903	179,818	34,063	0	

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

Table 14

Year	Population (1)	Total Personal Income	Per Capita Personal Income (1)	Median Age (1)	Percent HS Degree or Higher (1)	Percent BA Degree or Higher (1)	School Enrollment (2)	Unemployment Rate-December (3)
2010	3,571	\$ 79,954,690	\$ 22,390	42.1	87.1	13.9	1778	12.80%
2011	3,557	NA	NA	NA	NA	NA	1777	10.80%
2012	3,518	NA	NA	NA	NA	NA	1761	11.00%
2013	3,528	NA	NA	NA	NA	NA	1755	9.80%
2014	3,523	NA	NA	NA	NA	NA	1651	7.70%
2015	3,518	NA	NA	NA	NA	NA	1645	8.10%
2016	3,518	NA	NA	NA	NA	NA	1719	8.10%
2017	3,504	NA	NA	NA	NA	NA	1602	7.30%
2018	3,507	NA	NA	NA	NA	NA	1621	6.90%
2019	3,598	NA	NA	NA	NA	NA	1593	8.80%

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

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

Table 15

Employer	2019			2015		
	Employees	Rank	Percent of Total	Employees	Rank	Percent of Total
FirstLight Health System (formerly Kanabec Hospital)	504	1	27.0%	424	1	23.2%
Mora Public Schools	325	2	17.4%	325	2	17.8%
Kanabec County	219	3	11.7%	225	3	12.3%
Imperial Plastics (formerly EPC)	174	4	9.3%	200	4	11.0%
St. Clare Living Community (formerly Villa Health Care Center)	171	5	9.2%	128	6	7.0%
Coborns, Inc.	131	6	7.0%	170	5	9.3%
Lakes & Pines Community Action Council	103	7	5.5%	106	8	5.8%
City of Mora	91	8	4.9%	83	9	4.5%
RJ Mechanical	75	9	4.0%	58	10	3.2%
OlymPak	71	10	3.8%	107	7	5.9%
Total	1864		100.0%	1826		100.0%

Source: City Survey of Employers, completed annually in April

City of Mora, MN
Full-time Equivalent Employees by Function/Program

Table 16

Function/Program	Full-time Equivalent Employees as of June 30*									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Government										
Management Services	2	3	3	2	2	2	2	2	2	2
Finance**	5	4	4	4	3	3	3	3	3	3
Planning	1	1	1	1	1	1	1	1	1	1
Building	1	1	1	1	1	1	1	1	1	1
Streets & Parks**	4	5	5	4	5	6	6	7	7	7
Aquatic Center	3	1	1	2	2	1	1	1	1	1
Electric	3	3	3	3	3	3	3	3	3	4
Water/Wastewater**	3	4	4	3	5	5	5	5	6	6
Liquor Store	2	2	2	2	2	2	2	2	2	2
Total	24	24	24	22	24	24	24	25	26	27

*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.

City of Mora, MN
Operating Indicators by Function/Program
Last Ten Fiscal Years

Table 17

Function/Program	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Police-contracted with the sheriff starting March 1, 2010										
Physical arrests	92	76	69	75	59	54	1,252	745	908	594
Parking violations	200	186	6	21	356	287	165	165	158	105
Traffic violations	1,487	1,678	1,969	2,061	1,391	1,303	1,293	913	1,359	604
Fire										
Emergency responses	113	102	103	90	109	70	54	92	75	69
Fires extinguished	51	41	44	15	39	29	36	56	43	31
Inspections	10	16	-	10	-	9	13	8	7	8
Public Works										
Street resurfacing (miles)	0.75	1.00	0.75	2.75	-	-	-	0.25	0.49	1.28
Potholes repaired	630	405	220	410	305	270	297	135	167	319
Library										
Visits	29,856	31,983	37,603	39,517	39,999	37,693	41,619	47,117	49,403	
Items in collection	16,403	12,460	20,984	21,523	22,490	38,814	32,000	30,000	30,000	30,000
Total items borrowed	42,194	47,282	51,147	52,460	54,768	56,153	58,486	67,313	87,000	89,800
Computer Use	25,781	9,540	6,592	6,471	6,576	6,699	5,866	6,170	8,614	
Water										
Total connections	1,219	1,173	1,165	1,158	1,155	1,168	1,172	1,173	1,179	1,178
Water-main breaks	1	3	3	3	2	4	0	0	0	3

NA-not available

Data from City of Mora department managers

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

Table 18

Function/Program	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Law Enforcement-Contracted with Sheriff's Dept Starting in 2010										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	5	5	5	5	5	5	5	5	5	5
Fire Stations	1	1	1	1	1	1	1	1	1	1
Other Public Works										
Streets (miles)	24	24	24	24	24	24	24	24.16	24.16	24.16
Street lights	695	693	690	690	458	458	458	458	458	458
Parks and recreation										
Acreage	28	28	28	28	28	28	28	28.44	28.44	28.44
Playgrounds	4	4	4	4	4	4	4	4	4	4
Baseball/softball fields	3	3	3	3	3	3	3	3	3	3
Walking/biking trails (miles)	5	5	5	5	5	5	5	4.80	4.80	4.80
Water										
Water mains (miles)	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00
Fire hydrants	281	281	281	281	281	281	281	281	281	281
Storage capacity (gallons)	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000
Wastewater										
Sanitary sewers (miles)	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00
Storm sewers (miles)	7.00	7.00	6.87	6.87	6.87	6.87	6.87	6.87	6.87	6.87
Treatment capacity (gallons/day)	825,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000

Data from City of Mora department managers