



FINANCIAL HIGHLIGHTS:

The following financial report and analysis offers readers a narrative overview of the financial activities of the City for the six-month period ended June 30, 2018. This report includes the General Fund, Communications Fund, Liquor Fund and Utility Operating Funds. The readers are encouraged to consider the information presented here in conjunction with the unaudited financial statements attached to this report, the adopted budget and the five-year Capital Improvement Plan.

❖ **General Fund - Revenues**

❖ *Property tax revenues*

- Tax payments from Dakota County are received in two installments in June and December. The General fund property tax revenues are anticipated to be \$20.1 million for 2018.

❖ *Licenses and Permits.*

- Building permit revenue continues to be strong. The Lee Lake Subdivision is a 120-unit apartment complex that was budgeted in 2018, but the permit was issued at the end of 2017. The following chart shows how the number of permits issued in the first half of the year compares to the same period in 2017 and the 2018 Adopted Budget:

Permit Type	First Half 2017	2018 Adopted Budget	First Half 2018
Single Family	227	350	244
Townhome	36	70	33
Apartments (Units)	2 (195 units)	1 (120 units)	0
Commercial	4	10	3

❖ *Intergovernmental.*

- Revenues comprised of police and fire aid and various grants are typically received in the third and fourth quarters.

❖ *Charges for Services.*

- *General government services* are within budget estimates and are consistent with the prior year.
- *Public Safety* revenues are exceeding budget estimates. The addition of a School Resource Officer during a three-week period at Century Middle School resulted in increased revenue (\$6,000) from ISD 194. Security services from Super Bowl LII amounted to \$18,000. The fire contract with Eureka Township is \$40,170.

FINANCIAL HIGHLIGHTS (continued):

❖ **General Fund - Revenues (Continued)**

❖ *Charges for Services. (Continued)*

- *Public works* revenues are based on summer construction projects and are not recorded in the General Fund until the projects are completed. Due to lower than anticipated staffing levels and the need to utilize outside contractors, the estimated revenues (\$727,000) are anticipated to be \$342,000 below budget.
- *Parks and Recreation* revenues are exceeding budget estimates and are up \$12,000 over the same period in 2017.

❖ *Court Fines*

- Revenues from court fines (\$179,000) represent 42 percent of the budget estimates and are down \$42,000 over the period in 2017. The decrease is a result of fewer traffic stops. It should be noted that this also decreases the CAD call numbers used by the Dakota Communications Center to allocate the membership fees in future years.

❖ **General Fund - Expenditures**

❖ *Motor Fuels* – Motor fuels through June are at 57 percent of the 2018 Budget. Motor fuels are \$52,000 higher than the same period in 2017. Increased snow events for the public works departments contributed to the higher fuel expense.

❖ *Street Chemicals* – Costs for ice control materials for the first part of 2018 are at 100 percent of the budget. Unused chemicals are stored at the central maintenance facility and will be utilized in the late fall if needed.

❖ *Utilities – Electric & Natural Gas.* Costs of \$194,000 are lower compared with the same period in 2017. Total costs through the second quarter represent 45 percent of the adopted budget.

❖ *City Administration.* The community survey budgeted in 2018 has been completed. Appropriations (\$15,000) for the Envision Lakeville update are also included in the 2018 budget of which \$4,900 has been expended.

❖ *City Clerk-Elections.* 2018 is an election year. Cost for the elections will not be incurred until late in the 3rd quarter (primary election) and into the 4th quarter (general election).

FINANCIAL HIGHLIGHTS (continued):

❖ General Fund - Expenditures (continued)

- ❖ *Planning.* Salaries are up over the same period in 2017 due to the new Planning Assistant/Code Enforcement position that started the second quarter of 2017.
- ❖ *Community and Economic Development.* Budget appropriations are included for the Economic Development Guide (\$34,500) as well as funding for the DARTS program (\$10,200) that began at the end of 2017. Both expenditures are covered 100% by grant funding.
- ❖ *Inspections.* Salaries are up over the same period in 2017 due to creating a new Building Inspector position that started in July 2017. Contractual electrical inspections are down slightly over the same period in 2017. The first half of 2017 included a few commercial permits that were finalized during that same time frame.
- ❖ *General Government Facilities.* Personnel Services are up compared to 2017 due to the hiring of an additional facility attendant in 2018.
- ❖ *Information Systems.* Office 365 maintenance (\$49,000) was added in 2018 and results in a significant increase over the 2017 maintenance expenses during the same period. Also new for 2018 is the addition of the Dakota County Broadband JPA in the amount of \$7,600.
- ❖ *Human Resources.* Contractual services are up due to expenses for the Employee Compensation and Classification Study.
- ❖ *Police.* The department has been experiencing turnover in the recent years. Vacancies in early 2017 and the hiring of the two additional officer positions not taking place until late 2017 contribute to increase in expense for the first half of 2018 compared to the same period in 2017. DCC membership fees for the first half of the year are up \$69,000 over the same period in 2017 as a result of increased CAD events in prior years.
- ❖ *Engineering/GIS.* Contractual services are up over the prior year due to increased outside engineering services related to the Transportation Plan and the Transit ADA Plan updates as well as consultant services for GIS.

FINANCIAL HIGHLIGHTS (continued):

❖ General Fund - Expenditures (continued)

- ❖ *Construction Services.* The department has experienced employee turnover in recent years resulting in personnel costs below budget estimates. Staffing levels have improved in 2018 resulting in a significant increase in personnel expenses compared to the same period in 2017. Due to staffing levels some projects required the use of outside consultants that will result in significant loss of revenues (\$342,000) for the General Fund.
- ❖ *Streets.* Personnel services are up compared to budget and the prior year due in part to the increased snow events in 2018. Salt costs are at 100% of the budget and likely would have exceeded budget by this time if it were not for the large inventory that was on hand from the prior winter season.
- ❖ *Parks.* Personnel services are up compared to the same period in 2017 and is the result a new Park Maintenance II position added in the second quarter 2017, additional hours spent on snow removal in the parks and trails and a longer ice rink season. Costs are in line with budget appropriations.

❖ Communications Fund

- ❖ Revenues from Franchise fees are received on a quarterly basis. They are typically received by the end of the month following the quarter. As of the date of this report, the second quarter franchise fees have not been received and the amount was estimated based on historical numbers. Revenues are anticipated to remain consistent with prior years.
- ❖ Personnel expenses are up over the same period in 2017 due to the addition of a Marketing Specialist in July of 2017. The position is 100 percent funded by a transfer from the Liquor Fund for the first two years.
- ❖ Phase II of the fiber project (\$234,000) was budgeted in 2017. The project has been delayed to 2018. Funding from the General Fund, Liquor Fund and Utility Fund was transferred in 2017 and is reflected in the beginning fund balance. The budget does not reflect the expenses associated with this phase. Staff will be recommending a budget amendment.
- ❖ There are \$342,000 in budget appropriations for the third phase of the fiber installation project. This project is still in the planning phase and the project is funded by transfers from the General Fund, Liquor Fund and the Utility Fund.

❖ FINANCIAL HIGHLIGHTS (continued):

❖ **Communications Fund (Continued)**

- ❖ The budget also includes a transfer (\$175,000) to the Improvement Construction Fund to fund the cost of fiber installation to be completed in conjunction with the installation of an advanced traffic management system along the 160th Street and Pilot Knob road corridors.
- ❖ Capital outlay acquisitions include replacement of the edit station and council chamber cameras.

❖ **Liquor Fund**

- ❖ Sales for the first half amounted to \$7.1 million which is a seven percent increase over the same period in 2017. Construction on the Kenrick building and road construction in the area kept sales down at this location, but overall sales are exceeding the year-to-date sales from 2013 which was the largest volume year. The overall increase can be attributed to the Super Bowl in Minnesota and the Olympics.
- ❖ Total expenditures are tracking slightly below budget appropriations.
- ❖ The sale of the Kenrick store closed in the second quarter. Lease payments for the Kenrick store began in May and is reflected in other charges and services.
- ❖ 2018 Transfers include a \$250,000 transfer to the Equipment Fund. This transfer had been eliminated in 2017 upon review of the Fund's reserve level.
- ❖ The 2007 liquor bonds were refunded in 2017. The 2017 liquor bonds are paid from annual lease revenue payments from the Liquor Fund to the HRA debt service fund. These payments are included in other charges and services.

❖ FINANCIAL HIGHLIGHTS (continued):

❖ **Water Fund**

- ❖ Water revenues are low in the first half which is typical for the first half of the year but are exceeding revenues from the same period a year ago due mainly to the water rate increase that went in affect February 1, 2018. Water usage increases as residents and businesses turn on their irrigation systems in late spring.

- ❖ The 2018 major maintenance projects are budgeted as follows:
 - Water Treatment Facility replacement of air-handling units - \$74,000.
 - Water Treatment Facility building automation controls - \$13,500
 - 2018 Street reconstruction project – watermain repair/replacement costs - \$1.07 million. Updated costs following contract approval amounted to \$1.23 million
 - Water meter replacement projects - \$335,357; \$29,000 has been spent year-to-date.
 - Well #3 rehabilitation - \$60,000.
 - Filter backwash pump rehabilitation - \$45,000.
 - Water tower cleaning, inspection, painting and repairs (Michaud Park water tower) \$395,000.

❖ **Sewer Fund**

- ❖ Sewer revenues are tracking with budget expectations and are up over the same period in 2017 as a result of the increase in sewer rates for the base charge and discharge effective February 1, 2018.

- ❖ Expenditures are below budget estimates and down compared to the same period in 2017.

- ❖ Disposal charges paid to Metropolitan Council of Environmental Services increased 14.5 percent over the 2017 rates and are projected to be \$4.0 million for 2018

- ❖ The 2018 major maintenance projects are budgeted as follows:
 - Lift station rehabilitation - \$45,000.
 - Sewer line improvements - \$250,000.
 - I/I mitigation repairs -\$375,000.

FINANCIAL HIGHLIGHTS (continued):

❖ Street Lighting Fund

- ❖ Revenues are exceeding budget estimates. Street light fees are also collected at the time of final plat but were minimal for the first half.
- ❖ Streetlight rates were increased effective February 1, 2018.
- ❖ 2018 electrical costs are in line with budget estimates.

❖ Environmental Resources Fund

- ❖ Revenues are tracking with budget estimates.
- ❖ Rates were increased effective February 1, 2018.
- ❖ Personnel services increased over the same period in 2017 due to the hiring of an Environmental Resources Technician to assist with the growing number of environmental projects.
- ❖ Majority of projects are completed in the spring, summer and fall months which results in lower expenses during the first half of the year.
- ❖ The 2018 budget estimates \$208,000 in grant funding for projects within the Vermillion Watershed. The grants will be received once the projects are completed in late fall.

General Fund
Summary Statement of Revenues, Expenditures and Changes in Fund Balances
For the Six Month Period Ended June 30, 2018

	2018		Variance from Amended Budget Positive (Negative)	Actual Percent	Comparative		
	Amended Budget	6/30/18 Actual			6/30/17 Actual	Variance from 2017 Actual Positive (Negative)	
Revenues							
General property taxes	\$ 20,055,586	\$ 11,036,385	\$ (9,019,201)	55.0%	\$ 9,784,500	\$ 1,251,885	112.8%
Licenses and permits	2,356,882	1,627,911	(728,971)	69.1%	1,797,665	(169,754)	90.6%
Intergovernmental	1,005,921	128,178	(877,743)	12.7%	133,575	(5,397)	96.0%
Charges for services	2,926,300	1,030,570	(1,895,730)	35.2%	975,608	54,962	105.6%
Court fines	425,000	179,008	(245,992)	42.1%	221,382	(42,374)	80.9%
Investment income	90,071	45,795	(44,276)	50.8%	45,795	-	100.0%
Miscellaneous	47,303	19,643	(27,660)	41.5%	21,118	(1,475)	93.0%
Total revenues	<u>26,907,063</u>	<u>14,067,490</u>	<u>(12,839,573)</u>	<u>52.3%</u>	<u>12,979,643</u>	<u>1,087,847</u>	<u>108.4%</u>
Expenditures							
Mayor and Council	107,230	38,856	68,374	36.2%	40,121	1,265	96.8%
Committees and Commissions	87,600	5,233	82,367	6.0%	7,724	2,491	67.8%
City Administration	478,570	247,129	231,441	51.6%	200,567	(46,563)	123.2%
City Clerk	201,157	68,963	132,194	34.3%	77,362	8,399	89.1%
Legal Counsel	80,000	34,893	45,107	43.6%	37,960	3,067	91.9%
Planning	585,768	274,430	311,339	46.8%	248,821	(25,609)	110.3%
Community and Econ. Development	366,222	209,607	156,616	57.2%	140,901	(68,706)	148.8%
Inspections	1,225,953	588,184	637,769	48.0%	535,118	(53,066)	109.9%
General Government Facilities	557,962	281,192	276,770	50.4%	262,770	(18,422)	107.0%
Finance	781,534	393,626	387,909	50.4%	374,610	(19,016)	105.1%
Information Systems	673,236	420,682	252,555	62.5%	346,847	(73,835)	121.3%
Human Resources	511,685	239,324	272,362	46.8%	226,735	(12,589)	105.6%
Insurance	285,000	142,500	142,500	50.0%	91,090	(51,410)	156.4%
Police	11,259,374	5,385,149	5,874,226	47.8%	5,035,792	(349,357)	106.9%
Fire	1,855,127	727,422	1,127,706	39.2%	692,095	(35,327)	105.1%
Engineering	974,588	439,686	534,902	45.1%	370,844	(68,842)	118.6%
Construction Services	587,152	240,372	346,781	40.9%	160,364	(80,008)	149.9%
Streets	3,194,298	1,792,531	1,401,767	56.1%	1,711,726	(80,805)	104.7%
Parks	2,643,982	1,283,036	1,360,947	48.5%	1,157,062	(125,974)	110.9%
Recreation	700,028	317,644	382,384	45.4%	308,933	(8,712)	102.8%
Heritage Center	129,549	55,320	74,230	42.7%	55,238	(82)	100.1%
Arts Center	510,370	278,185	232,186	54.5%	285,312	7,127	97.5%
Other	(43,090)	-	(43,090)	0.0%	-	-	0.0%
Total expenditures	<u>27,753,295</u>	<u>13,463,959</u>	<u>14,289,337</u>	<u>48.5%</u>	<u>12,367,988</u>	<u>(1,095,971)</u>	<u>108.9%</u>
Excess (deficiency) of revenues over expenditures	<u>(846,232)</u>	<u>603,531</u>	<u>1,449,763</u>		<u>611,655</u>	<u>(8,124)</u>	
Other financing sources (uses)							
Transfer from other funds	765,232	417,438	(347,795)	54.6%	434,693	(17,256)	96.0%
Transfer to other funds	(662,664)	(401,800)	260,864	60.6%	(1,145,000)	743,200	35.1%
Total other financing sources (uses)	<u>102,568</u>	<u>15,638</u>	<u>(86,931)</u>		<u>(710,307)</u>	<u>725,945</u>	<u>-2.2%</u>
Net change in fund balance	(743,664)	619,169	1,362,833		(98,652)	717,820	
Beginning fund balance	14,288,353	15,217,019	928,666		15,076,500	140,519	
Ending fund balance	<u>\$ 13,544,689</u>	<u>\$ 15,836,188</u>	<u>\$ 2,291,499</u>		<u>\$ 14,977,848</u>	<u>\$ 858,339</u>	
Adj fund balance, Dec 31 (net of restricted)	<u>\$ 12,848,859</u>	<u>\$ 15,140,358</u>			<u>\$ 14,282,018</u>		
Net change in fund balance percentage	<u>(5.2%)</u>	<u>4.1%</u>			<u>(0.7%)</u>		
Ratio: Fund balance to CY expenditures	<u>48.8%</u>						
Ratio: Fund balance to NY expenditures	<u>48.7%</u>						
Expense Summary:							
Personnel services	20,593,713	9,792,262	10,801,452	47.5%	8,908,855	(883,407)	109.9%
Commodities	1,723,195	942,404	780,791	54.7%	1,057,621	115,217	89.1%
Other charges and services	5,440,118	2,698,996	2,741,122	49.6%	2,391,384	(307,612)	112.9%
Capital outlay	39,359	30,297	9,062	77.0%	10,128	(20,169)	299.1%
	<u>27,796,385</u>	<u>13,463,959</u>	<u>14,332,427</u>	<u>48.4%</u>	<u>12,367,988</u>	<u>(1,095,971)</u>	<u>108.9%</u>

General Fund
Schedule of Expenditures

Expenditures	2018		Variance from Amended Budget Positive (Negative)	Actual Percent	Comparative		Variance from 2016 Actual Positive (Negative)	
	Amended Budget	6/30/18 Actual			6/30/17 Actual			
<u>Mayor and Council</u>								
Personnel services	\$ 49,041	\$ 24,178	\$ 24,863	49%	\$ 24,724	\$ 546	97.8%	
Commodities	50	90	(40)	180%	-	(90)	0.0%	
Other charges and services	58,139	14,588	43,551	25%	15,397	809	94.7%	
Total	107,230	38,856	68,374	36%	40,121	1,265	96.8%	
<u>Committees/Commissions</u>								
Personnel services	71,902	1,095	70,807	2%	2,013	918	54.4%	
Commodities	1,630	-	1,630	0%	-	-	0.0%	
Other charges and services	14,068	4,138	9,930	29%	5,711	1,573	72.5%	
Total	87,600	5,233	82,367	6%	7,724	2,491	67.8%	
<u>City Administration</u>								
Personnel services	423,716	211,731	211,985	50%	191,481	(20,251)	110.6%	
Commodities	1,200	947	253	79%	525	(422)	180.4%	
Other charges and services	52,154	32,781	19,373	63%	8,561	(24,220)	382.9%	
Capital outlay	1,500	1,670	(170)	111%	-	(1,670)	0.0%	
Total	478,570	247,129	231,441	52%	200,567	(46,563)	123.2%	
<u>City Clerk</u>								
Personnel services	115,980	55,286	60,694	48%	55,309	23	100.0%	
Commodities	1,000	514	486	51%	-	(514)	0.0%	
Other charges and services	84,177	13,163	71,014	16%	22,053	8,890	59.7%	
Total	201,157	68,963	132,194	34%	77,362	8,399	89.1%	
<u>Legal Counsel</u>								
Other charges and services	80,000	34,893	45,107	44%	37,960	3,067	91.9%	
<u>Planning</u>								
Personnel services	518,211	253,343	264,869	49%	231,984	(21,359)	109.2%	
Commodities	2,291	366	1,925	16%	476	110	76.9%	
Other charges and services	65,266	20,721	44,545	32%	16,361	(4,360)	126.6%	
Total	585,768	274,430	311,339	47%	248,821	(25,609)	110.3%	
<u>Community and Economic Development</u>								
Personnel services	294,620	148,029	146,592	50%	130,373	(17,656)	113.5%	
Commodities	250	164	86	66%	84	(80)	195.2%	
Other charges and services	71,352	61,414	9,938	86%	10,444	(50,970)	588.0%	
Total	366,222	209,607	156,616	57%	140,901	(68,706)	148.8%	
<u>Inspection</u>								
Personnel services	973,050	466,054	506,996	48%	400,537	(65,517)	116.4%	
Commodities	13,792	5,887	7,905	43%	4,184	(1,703)	140.7%	
Other charges and services	239,111	116,243	122,868	49%	129,412	13,169	89.8%	
Capital outlay	-	-	-	0%	985	985	0.0%	
Total	1,225,953	588,184	637,769	48%	535,118	(53,066)	109.9%	

(continued)

General Fund
Schedule of Expenditures

Expenditures (continued)	2018		Variance from Amended Budget Positive (Negative)	Actual Percent	Comparative		
	Amended Budget	6/30/18 Actual			6/30/17 Actual	Variance from 2016 Actual Positive (Negative)	
General Government Facilities							
Personnel services	\$ 353,190	\$ 186,300	\$ 166,890	53%	\$ 162,636	\$ (23,664)	114.6%
Commodities	26,243	12,847	13,396	49%	13,874	1,027	92.6%
Other charges and services	178,529	82,045	96,484	46%	86,260	4,215	95.1%
Total	557,962	281,192	276,770	50%	262,770	(18,422)	107.0%
Finance							
Personnel services	696,628	337,903	358,726	49%	332,865	(5,038)	101.5%
Commodities	3,500	1,567	1,933	45%	1,363	(204)	115.0%
Other charges and services	81,406	54,156	27,250	67%	40,382	(13,774)	134.1%
Total	781,534	393,626	387,909	50%	374,610	(19,016)	105.1%
Information Systems							
Personnel services	430,046	204,107	225,940	47%	189,769	(14,338)	107.6%
Commodities	2,995	2,999	(4)	100%	907	(2,092)	330.7%
Other charges and services	240,195	213,576	26,619	89%	156,171	(57,405)	136.8%
Total	673,236	420,682	252,555	62%	346,847	(73,835)	121.3%
Human Resources							
Personnel services	387,122	189,578	197,545	49%	188,147	(1,431)	100.8%
Commodities	2,913	885	2,028	30%	723	(162)	122.4%
Other charges and services	121,650	48,861	72,789	40%	37,865	(10,996)	129.0%
Total	511,685	239,324	272,362	47%	226,735	(12,589)	105.6%
Insurance							
Other charges and services	285,000	142,500	142,500	50%	91,090	(51,410)	156.4%
Police							
Personnel services	8,843,216	4,145,313	4,697,904	46.9%	3,859,010	(286,303)	107.4%
Commodities	396,022	196,364	199,658	50%	213,385	17,021	92.0%
Other charges and services	2,020,136	1,043,472	976,664	52%	963,397	(80,075)	108.3%
Total	11,259,374	5,385,149	5,874,226	48%	5,035,792	(349,357)	106.9%
Fire							
Personnel services	1,084,127	525,052	559,076	48%	497,406	(27,646)	105.6%
Fire Relief Contribution/State Aid	347,676	10,000	337,676	3%	-	(10,000)	0.0%
Commodities	151,407	59,202	92,205	39%	58,528	(674)	101.2%
Other charges and services	271,917	133,168	138,749	49%	136,161	2,993	97.8%
Total	1,855,127	727,422	1,127,706	39%	692,095	(35,327)	105.1%

(continued)

General Fund
Schedule of Expenditures

Expenditures (continued)	2018		Variance from Amended Budget Positive (Negative)	Actual Percent	Comparative		
	Amended Budget	6/30/18 Actual			6/30/17 Actual	Variance from 2016 Actual Positive (Negative)	
Engineering							
Personnel services	\$ 745,625	\$ 346,607	\$ 399,018	46%	\$ 349,641	\$ 3,034	99.1%
Commodities	8,476	2,938	5,538	35%	4,388	1,450	67.0%
Other charges and services	220,487	90,141	130,346	41%	16,815	(73,326)	536.1%
Total	974,588	439,686	534,902	45%	370,844	(68,842)	118.6%
Construction Services							
Personnel services	538,730	206,576	332,155	38%	155,242	(51,334)	133.1%
Commodities	8,515	2,655	5,860	31%	3,439	784	77.2%
Other charges and services	11,348	2,849	8,499	25%	1,683	(1,166)	169.3%
Capital outlay	28,559	28,292	267	99%	-	(28,292)	0.0%
Total	587,152	240,372	346,781	41%	160,364	(80,008)	149.9%
Streets							
Personnel services	2,120,785	1,147,893	972,892	54%	944,355	(203,538)	121.6%
Commodities	722,838	503,794	219,044	70%	600,741	96,947	83.9%
Other charges and services	350,675	140,844	209,831	40%	166,630	25,786	84.5%
Total	3,194,298	1,792,531	1,401,767	56%	1,711,726	(80,805)	104.7%
Parks							
Personnel services	1,854,298	987,259	867,040	53%	843,392	(143,867)	117.1%
Commodities	291,804	120,116	171,688	41%	126,552	6,436	94.9%
Other charges and services	492,080	175,326	316,754	36%	187,118	11,792	93.7%
Capital outlay	5,800	335	5,465	6%	-	(335)	0.0%
Total	2,643,982	1,283,036	1,360,947	49%	1,157,062	(125,974)	110.9%
Recreation							
Personnel services	399,504	171,184	228,320	43%	182,306	11,122	93.9%
Commodities	35,971	6,487	29,484	18%	9,369	2,882	69.2%
Other charges and services	264,553	139,973	124,580	53%	117,258	(22,715)	119.4%
Total	700,028	317,644	382,384	45%	308,933	(8,712)	102.8%
Heritage Center							
Personnel services	64,261	31,718	32,544	49%	32,179	461	98.6%
Commodities	12,578	4,467	8,111	36%	3,236	(1,231)	138.0%
Other charges and services	52,710	19,135	33,575	36%	19,823	688	96.5%
Total	129,549	55,320	74,230	43%	55,238	(82)	100.1%
Arts Center							
Personnel services	281,985	143,061	138,925	51%	135,490	(7,571)	105.6%
Commodities	39,720	20,115	19,605	51%	15,847	(4,268)	126.9%
Other charges and services	185,165	115,009	70,156	62%	124,832	9,823	92.1%
Capital outlay	3,500	-	3,500	0%	9,143	9,143	0.0%
Total	510,370	278,185	232,186	55%	285,312	7,127	97.5%
Other financing uses - transfers							
To Communications Fund (Fiber Project)	260,864	-	260,864	0%	-	260,864	0.0%
To Building Fund	300,000	300,000	-	100%	200,000	(200,000)	150.0%
To Equipment Fund	-	-	-	0%	945,000	(945,000)	0.0%
To Trail Improvement Fund	100,000	100,000	-	100%	-	-	0.0%
Total	660,864	400,000	260,864	61%	1,145,000	(884,136)	34.9%

CITY OF LAKEVILLE, MINNESOTA
Special Revenue - Communications Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Six Month Period Ended June 30, 2018

	2018		Variance	Percent of Budget	Comparative		
	Adopted Budget	6/30/18 Actual			6/30/17 Actual	Variance from 2017 Actual Positive (Negative)	
Revenues							
Licenses franchise fee	\$ 688,473	\$ 337,085	\$ (351,388)	49.0%	\$ 337,294	\$ (209)	99.9%
PEG Fees	60,858	30,023	(30,835)	49.3%	30,743	(720)	97.7%
Intergovernmental State aid	516	258	(258)	50.0%	258	-	100.0%
Investment income	3,155	3,019	(136)	95.7%	1,252	1,768	241.2%
Total revenues	<u>753,002</u>	<u>370,385</u>	<u>(382,617)</u>	<u>49.2%</u>	<u>369,547</u>	<u>839</u>	<u>100.2%</u>
Expenditures - General government							
Personnel services	446,728	213,093	233,635	47.7%	160,528	(52,565)	132.7%
Commodities	9,279	4,798	4,481	51.7%	5,822	1,024	82.4%
Other charges and services	488,930	47,822	441,108	9.8%	51,548	3,726	92.8%
Capital outlay	51,350	9,638	41,712	18.8%	18,738	9,100	51.4%
Total expenditures	<u>996,287</u>	<u>275,351</u>	<u>720,936</u>	<u>27.6%</u>	<u>236,636</u>	<u>(38,715)</u>	<u>116.4%</u>
Excess (deficiency) of revenues over expenditures	<u>(243,285)</u>	<u>95,034</u>	<u>338,319</u>	<u>-39.1%</u>	<u>132,911</u>	<u>(37,876)</u>	<u>71.5%</u>
Other financing (uses) - Transfers							
From Liquor Fund (Comm/Mkt Position)	87,525	79,498	(8,028)	90.8%	-	79,498	0.0%
From General Fund (fiber project)	260,864	-	(260,864)	0.0%	-	-	0.0%
From Utility Fund (fiber project)	68,460	-	(68,460)	0.0%	-	-	0.0%
From Liquor Fund (fiber project)	13,136	-	(13,136)	0.0%	-	-	0.0%
To General Fund (expense allocations)	(78,663)	(39,332)	39,332	50.0%	(37,715)	(1,617)	104.3%
To Improvement Construction Fund	<u>(175,000)</u>	-	<u>175,000</u>	<u>0.0%</u>	-	-	<u>0.0%</u>
Total other financing (uses)	<u>176,322</u>	<u>40,166</u>	<u>(136,156)</u>	<u>22.8%</u>	<u>(37,715)</u>	<u>77,881</u>	<u>-106.5%</u>
Net change in fund balance	(66,963)	135,200	202,163		95,196	40,005	
Beginning fund balance	<u>331,226</u>	<u>603,825</u>	<u>272,599</u>		<u>318,696</u>	<u>285,129</u>	
Ending fund balance	<u>\$ 264,263</u>	<u>\$ 739,025</u>	<u>\$ 474,762</u>		<u>\$ 413,892</u>	<u>\$ 325,134</u>	

CITY OF LAKEVILLE, MINNESOTA
 Enterprise - Liquor Fund
 Statement of Revenues, Expenditures and Changes in Working Capital
 For the Six Month Period Ended June 30, 2018

	2018			Percent of Budget	Comparative		
	Adopted Budget	6/30/18 Actual	Variance		6/30/17 Actual	Variance from 2017 Actual Positive (Negative)	
<u>Sales and cost of sales</u>							
Sales	\$ 15,003,435	\$ 7,088,123	\$ (7,915,312)	47.2%	\$ 6,629,843	\$ 458,280	106.9%
Cost of sales	<u>11,307,073</u>	<u>5,310,014</u>	<u>5,997,059</u>	<u>47.0%</u>	<u>5,001,177</u>	<u>(308,837)</u>	<u>106.2%</u>
Gross profit	<u>3,696,362</u>	<u>1,778,109</u>	<u>(1,918,253)</u>	<u>48.1%</u>	<u>1,628,666</u>	<u>149,443</u>	<u>109.2%</u>
Gross profit %	24.6%	25.1%			24.6%		
<u>Operating expenses</u>							
Personnel services	1,575,765	764,322	811,443	48.5%	742,017	(22,306)	103.0%
Commodities	77,818	24,503	53,315	31.5%	26,452	1,949	92.6%
Other charges and services	<u>1,037,408</u>	<u>451,477</u>	<u>585,931</u>	<u>43.5%</u>	<u>382,778</u>	<u>(68,699)</u>	<u>117.9%</u>
Total operating expenses	<u>2,690,991</u>	<u>1,240,302</u>	<u>1,450,689</u>	<u>46.1%</u>	<u>1,209,479</u>	<u>(30,823)</u>	<u>102.5%</u>
Operating income	<u>1,005,371</u>	<u>537,807</u>	<u>(467,564)</u>	<u>53.5%</u>	<u>419,187</u>	<u>118,620</u>	<u>128.3%</u>
<u>Non-operating revenue (expense)</u>							
Investment income	19,110	9,197	(9,913)	48.1%	4,798	4,399	191.7%
Miscellaneous	7,500	-	(7,500)	0.0%	-	-	0.0%
Capital outlay acquisitions	(7,300)	-	7,300	0.0%	-	-	0.0%
Sale of assets	2,625,000	2,349,283	(275,717)	89.5%	-	2,349,283	0.0%
Interest and bond expense	-	-	-	0.0%	(62,980)	62,980	0.0%
Transfers in (out)							
General Fund	(194,866)	(97,433)	97,433	50.0%	(99,410)	1,977	98.0%
Communications (Mktg Spec)	(87,525)	(79,498)	8,028	90.8%	-	(79,498)	0.0%
Communications (Fiber)	(13,136)	-	13,136	0.0%	-	-	0.0%
Debt Service:							
CIP Bonds-Police Station	(300,000)	(300,000)	-	100.0%	(346,360)	46,360	86.6%
Capital Projects:							
Equipment Fund	(250,000)	(250,000)	-	100.0%	-	(250,000)	0.0%
Enterprise Fund:							
Environmental Resources - Recycling	(3,050)	-	3,050	0.0%	-	-	0.0%
Total non-operating (net)	<u>1,795,733</u>	<u>1,631,549</u>	<u>(164,184)</u>	<u>90.9%</u>	<u>(503,953)</u>	<u>2,135,502</u>	<u>-323.8%</u>
Change in working capital	2,801,104	2,169,356	(631,748)		(84,766)	2,254,122	
Beginning working capital	<u>1,348,541</u>	<u>1,571,666</u>	<u>223,125</u>		<u>1,289,347</u>	<u>282,319</u>	
Ending working capital	<u>\$ 4,149,645</u>	<u>\$ 3,741,022</u>	<u>\$ (408,623)</u>		<u>\$ 1,204,582</u>	<u>\$ 2,536,441</u>	

CITY OF LAKEVILLE, MINNESOTA
Enterprise - Utility Fund Water Operation
Statement of Revenues, Expenditures and Changes in Working Capital
For the Six Month Period Ended June 30, 2018

	2018		Variance	Percent of Budget	Comparative		
	Adopted Budget	6/30/18 Actual			6/30/17 Actual	Variance from 2017 Actual Positive (Negative)	
<u>Operating revenues</u>							
User charges for services	\$ 4,536,178	\$ 1,462,077	\$ (3,074,101)	32.2%	\$ 1,360,446	\$ 101,631	107.5%
Other	153,137	75,675	(77,462)	49.4%	77,506	(1,831)	97.6%
Total operating revenue	<u>4,689,315</u>	<u>1,537,752</u>	<u>(3,151,563)</u>	<u>32.8%</u>	<u>1,437,952</u>	<u>99,800</u>	<u>-219.2%</u>
<u>Operating expenses</u>							
Personnel services	1,197,884	553,616	644,268	46.2%	548,383	(5,234)	101.0%
Commodities	326,275	122,732	203,543	37.6%	123,013	281	99.8%
Other charges and services	1,233,995	386,857	847,138	31.3%	362,008	(24,850)	106.9%
Major Maintenance	1,901,515	112,268	1,789,247	5.9%	204,497	92,229	54.9%
Total operating expenses	<u>4,659,669</u>	<u>1,175,474</u>	<u>3,484,195</u>	<u>25.2%</u>	<u>1,237,900</u>	<u>62,427</u>	<u>95.0%</u>
Operating income (loss)	<u>29,646</u>	<u>362,279</u>	<u>332,633</u>		<u>200,052</u>	<u>162,227</u>	<u>181.1%</u>
<u>Non-operating revenue (expense)</u>							
Intergovernmental	1,632	(816)	(2,448)	-50.0%	816	(1,632)	-100.0%
Investment income	31,486	25,000	(6,486)	79.4%	37,155	(12,155)	67.3%
Disposal of assets	4,500	7,016	2,516	155.9%	-	7,016	0.0%
Capital outlay	(139,078)	(46,133)	92,945	33.2%	(2,472)	(43,661)	1866.2%
Bond proceeds	1,066,190	-	(1,066,190)	0.0%	-	-	0.0%
Debt Service	(1,109,305)	(865,828)	243,477	78.1%	(429,947)	(435,881)	201.4%
Transfers (out)	(425,605)	(91,467)	334,138	21.5%	(69,622)	(21,845)	131.4%
Total non-operating (net)	<u>(570,180)</u>	<u>(972,228)</u>	<u>(402,048)</u>	<u>170.5%</u>	<u>(464,070)</u>	<u>(508,158)</u>	<u>209.5%</u>
Change in working capital	(540,534)	(609,949)	(69,415)		(264,018)	(345,931)	231.0%
Beginning working capital	7,364,204	7,789,196	424,992		7,064,724	724,472	110.3%
Ending working capital	<u>\$ 6,823,670</u>	<u>\$ 7,179,247</u>	<u>\$ 355,577</u>		<u>\$ 6,800,706</u>	<u>378,541</u>	<u>105.6%</u>

CITY OF LAKEVILLE, MINNESOTA
 Enterprise - Utility Fund Sanitary Sewer Operation
 Statement of Revenues, Expenditures and Changes in Working Capital
 For the Six Month Period Ended June 30, 2018

	2018		Variance	Percent of Budget	Comparative		
	Adopted Budget	6/30/18 Actual			6/30/17 Actual	Variance from 2017 Actual Positive (Negative)	
<u>Operating revenue</u>							
User charges for services	\$ 6,046,862	\$ 3,074,891	\$ (2,971,971)	50.9%	\$ 2,787,588	\$ 287,303	110.3%
<u>Operating expenses</u>							
Personnel services	782,828	339,347	443,481	43.3%	373,347	33,999	90.9%
Commodities	86,715	22,290	64,425	25.7%	34,069	11,778	65.4%
Other charges and services	349,770	120,912	228,858	34.6%	119,789	(1,123)	100.9%
Disposal charges	4,018,012	2,009,006	2,009,006	50.0%	1,754,790	(254,216)	114.5%
Major maintenance projects	670,000	31,810	638,190	4.7%	28,682	(3,128)	110.9%
Total operating expenses	5,907,325	2,523,366	3,383,959	42.7%	2,310,677	(212,689)	109.2%
Operating income (loss)	139,537	551,525	411,988		476,911	74,614	115.6%
<u>Non-operating revenue (expense)</u>							
Intergovernmental State aid	1,632	(816)	(2,448)	-50.0%	816	(1,632)	-100.0%
Grants	25,000	-	(25,000)	0.0%	-	-	0.0%
Investment income	15,015	12,500	(2,515)	83.3%	19,115	(6,615)	65.4%
Disposal of assets	5,250	-	(5,250)	0.0%	-	-	0.0%
Capital outlay	(52,072)	(29,624)	22,448	56.9%	(2,472)	(27,152)	1198.4%
Debt service	(74,325)	(65,350)	8,975	87.9%	(12,127)	(53,223)	538.9%
Transfers in	23,822	23,822	-	100.0%	23,873	(51)	99.8%
Transfers (out)	(200,012)	(93,670)	106,342	46.8%	(71,814)	(21,856)	130.4%
Total non-operating (net)	(255,690)	(153,138)	102,552	59.9%	(42,609)	(110,529)	359.4%
Change in working capital	(116,153)	398,387	514,540		434,302	(35,915)	91.7%
Beginning working capital	1,853,064	2,677,180	824,116		2,351,239	325,941	113.9%
Ending working capital	\$ 1,736,911	\$ 3,075,567	\$ 1,338,656		\$ 2,785,541	\$ 290,026	110.4%

CITY OF LAKEVILLE, MINNESOTA
 Enterprise - Utility Fund Street Light Operation
 Statement of Revenues, Expenditures and Changes in Working Capital
 For the Six Month Period Ended June 30, 2018

	2018		Variance	Percent of Budget	Comparative		
	Adopted Budget	6/30/18 Actual			6/30/17 Actual	Variance from 2017 Actual Positive (Negative)	
<u>Operating revenue</u>							
User charges for services	\$ 850,000	\$ 442,432	\$ (407,568)	52.1%	\$ 424,934	\$ 17,498	104.1%
<u>Operating expenses</u>							
Personnel services	19,038	9,004	10,034	47.3%	6,868	(2,136)	131.1%
Commodities	33	176	(143)	533.6%	12	(164)	1467.4%
Other charges and services	740,903	370,659	370,244	50.0%	356,017	(14,642)	104.1%
Total operating expenses	759,974	379,840	380,134	50.0%	362,897	(16,943)	104.7%
Operating income (loss)	90,026	62,592	(27,434)		62,037	555	100.9%
<u>Non-operating revenue (expense)</u>							
Investment income	2,576	2,375	(201)	92.2%	2,693	2,693	88.2%
Debt service	(15,075)	(6,461)	8,614	42.9%	-	(6,461)	0.0%
Transfers out - General Fund	(4,407)	(2,204)	2,203	50.0%	(2,192)	(12)	100.5%
Total non-operating (net)	(16,906)	(6,290)	10,616	37.2%	501	(3,780)	-1255.4%
Change in working capital	73,120	56,303	(16,817)		62,538	(6,235)	90.0%
Beginning working capital	415,244	426,676	11,432		318,786	107,890	133.8%
Ending working capital	\$ 488,364	\$ 482,979	\$ (5,385)		\$ 381,324	\$ 101,655	126.7%

CITY OF LAKEVILLE, MINNESOTA
 Enterprise - Utility Fund Environmental Resources Operation
 Statement of Revenues, Expenditures and Changes in Working Capital
 For the Six Month Period Ended June 30, 2018

	2018			Percent of Budget	Comparative		
	Adopted Budget	6/30/18 Actual	Variance		6/30/17 Actual	Variance from 2017 Actual Positive (Negative)	
<u>Revenues</u>							
User charges for services	\$ 1,137,435	\$ 569,735	\$ (567,700)	50.1%	\$ 493,018	\$ 76,717	115.6%
Charges for services - Recycling	4,592	7,740	3,148	168.6%	2,660	5,080	291.0%
Total revenues	<u>1,142,027</u>	<u>577,475</u>	<u>(564,552)</u>	<u>50.6%</u>	<u>495,678</u>	<u>81,797</u>	<u>-113.9%</u>
<u>Expenditures - Public works</u>							
Personnel services	425,286	216,417	208,869	50.9%	179,450	(36,967)	120.6%
Commodities	33,367	27,140	6,227	81.3%	21,520	(5,620)	126.1%
Other charges and services	894,578	116,825	777,753	13.1%	99,925	(16,900)	116.9%
Total expenditures	<u>1,353,231</u>	<u>360,383</u>	<u>992,848</u>	<u>26.6%</u>	<u>300,895</u>	<u>(59,488)</u>	<u>119.8%</u>
Operating income (loss)	<u>(211,204)</u>	<u>217,092</u>	<u>428,296</u>		<u>194,783</u>	<u>22,309</u>	<u>111.5%</u>
<u>Non-operating revenue (expense)</u>							
Intergovernmental	208,000	-	(208,000)	0.0%	-	-	0.0%
Investment income	7,151	5,000	(2,151)	69.9%	8,085	(3,085)	61.8%
Capital outlay	(58,117)	(1,226)	56,891	2.1%	-	(1,226)	0.0%
Transfers in (out)							
General Fund	(153,255)	(111,448)	41,807	72.7%	(127,411)	15,963	87.5%
Equipment Fund	(31,000)	(31,000)	-	100.0%	(31,000)	-	100.0%
Storm Sewer Trunk Fund	47,000	10,000	(37,000)	21.3%	110,000	(100,000)	9.1%
Liquor Fund	3,050	-	(3,050)	0.0%	-	-	0.0%
Sanitary sewer operations	(23,822)	(23,822)	-	100.0%	(23,873)	51	99.8%
Total other financing (uses)	<u>(993)</u>	<u>(152,496)</u>	<u>(151,503)</u>	<u>15357.1%</u>	<u>(64,200)</u>	<u>(88,297)</u>	<u>237.5%</u>
Change in working capital	(212,197)	64,596	276,793		130,584	(65,987)	49.5%
Beginning working capital	839,883	949,516	109,633		1,075,032	(125,516)	88.3%
Ending working capital	<u>\$ 627,686</u>	<u>\$ 1,014,112</u>	<u>\$ 386,426</u>		<u>\$ 1,205,616</u>	<u>\$ (191,503)</u>	<u>84.1%</u>