



FINANCIAL HIGHLIGHTS:

The following financial report and analysis offers readers a narrative overview of the financial activities of the City for the nine-month period ended September 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 nine months of the year compares to the same period in 2017 and the 2018 Adopted Budget:

Permit Type	YTD 3rd Quarter 2017	2018 Adopted Budget	YTD 3rd Quarter 2018
Single Family	346	350	353
Townhome	62	70	68
Apartments (Units)	2 (196 units)	1 (120 units)	1 (55 units)
Commercial	7	10	6

❖ *Intergovernmental.*

- Police state aid revenue of \$464,000 exceeds budget estimates by \$13,000. Fire state aid revenue of \$348,000 exceeds budget estimates by \$24,000.
- Other grant revenues through the third quarter amounted to \$239,000.

❖ *Charges for Services.*

- *General government services* are within budget estimates and are consistent with the prior year.

FINANCIAL HIGHLIGHTS (continued):

❖ General Fund - Revenues (Continued)

❖ *Charges for Services. (Continued)*

- *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 \$40,000.
- *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 \$52,000 over the same period in 2017.

❖ *Court Fines*

- Revenues from court fines (\$260,000) represent 61 percent of the budget estimates and are down \$63,000 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 September are at 84 percent of the 2018 Budget. Motor fuels are \$67,000 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. \$2,000 tons of ice control materials (\$166,520) were ordered for the up coming winter season. This will be placed in inventory and expensed based on usage.
- ❖ *Utilities – Electric & Natural Gas.* Costs of \$322,000 are higher compared with the same period in 2017. Total costs through the third quarter represent 75 percent of the adopted budget. Utility costs are typically highest in the winter and summer months.

FINANCIAL HIGHLIGHTS (continued):

❖ General Fund - Expenditures (continued)

- ❖ *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 \$10,000 for two thirds of the contract has been expended.
- ❖ *City Clerk-Elections.* 2018 is an election year. Cost for the elections will be incurred starting late in the 3rd quarter (primary election) and into the 4th quarter (general election).
- ❖ *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 with \$18,000 incurred year-to-date.
- ❖ *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 three quarters of 2018 compared to the same period in 2017. Despite this increase, personnel expenses in 2018 are below budget. 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.

FINANCIAL HIGHLIGHTS (continued):

❖ General Fund - Expenditures (continued)

- ❖ *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.
- ❖ *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. The department had one vacant position as of the end of the third quarter. 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.
- ❖ *General Fund Transfers Out.* The third phase of the fiber project will be starting in November 2018. Funds will be transferred after the project has commenced.

❖ 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 third 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.

❖ FINANCIAL HIGHLIGHTS (continued):

❖ **Communications Fund (Continued)**

- ❖ Phase II of the fiber project (\$234,000) was budgeted in 2017. The project was 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. Majority of the sites in phase II have been completed. 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. The project will be starting in November 2018. The project is funded by transfers from the General Fund, Liquor Fund and the Utility Fund. Funds will be transferred after the project has commenced.
- ❖ 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. The revised estimate for this project is \$106,000 and is anticipated to be completed by the end of 2018.
- ❖ Capital outlay acquisitions include replacement of the edit station and council chamber cameras.

❖ **Liquor Fund**

- ❖ Sales for the first half amounted to \$11.1 million which is a 4.8 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. Overall sales are trailing the year-to-date sales from 2013 by \$32,000 which was the largest volume year. The strong sales 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.

❖ FINANCIAL HIGHLIGHTS (continued):

❖ **Liquor Fund (Continued)**

- ❖ 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 transfers out.

❖ **Water Fund**

- ❖ Water revenues are up \$226,000 or 6.6 percent over the same period 2017. The summer of 2018 had hot dry periods contributing to the increase. The rate increase in February 2018 also contributed to the increase in revenues.
- ❖ 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 - \$335,000; \$399,000 has been spent year-to-date.
 - Well #3 rehabilitation will be postponed and rehabilitation of well #11 will be done in its place - \$60,000.
 - Filter backwash pump rehabilitation project will begin in November - \$45,000.
 - Water tower cleaning, inspection, painting and repairs (Michaud Park water tower) \$395,000. Reducing the scope of the project results in actual costs amounting to \$53,000.

- ❖ Transfers out includes \$230,000 to the Improvement Construction Fund for the Kenrick Avenue watermain. \$170,000 has been expended through the third quarter.

❖ **Sewer Fund**

- ❖ Sewer revenues are slightly above budget expectations and are up \$442,000 or 10.5 percent 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.

❖ FINANCIAL HIGHLIGHTS (continued):

❖ Sewer Fund (Continued)

- ❖ 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.

❖ Street Lighting Fund

- ❖ Revenues are exceeding budget estimates. Street light fees are also collected at the time of final plat (\$24,000).
- ❖ Streetlight rates were increased effective February 1, 2018.
- ❖ 2018 electrical costs are in line with budget estimates.

❖ Environmental Resources Fund

- ❖ Revenues are tracking slightly above budget estimates. Environmental Resources fees are also collected at the time of final plat (\$27,000).
- ❖ 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 still in progress and will be completed in the 4th quarter. The South Creek Restoration project (\$130,000) will be accounted for in the Storm Water Infrastructure Fund which is contributing to the lower cost in other charges and services for 2018.
- ❖ 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 Nine Month Period Ended September 30, 2018

	2018		9/30/18 Actual	Variance from Amended Budget Positive (Negative)	Actual Percent	Comparative		
	Adopted Budget	Amended Budget				9/30/17 Actual	Variance from 2017 Actual Positive (Negative)	
Revenues								
General property taxes	\$ 20,055,586	\$ 20,055,586	\$ 11,041,782	\$ (9,013,804)	55.1%	\$ 9,784,500	\$ 1,257,282	112.8%
Licenses and permits	2,356,882	2,356,882	2,539,397	182,515	107.7%	2,506,395	33,002	101.3%
Intergovernmental	1,005,921	1,005,921	1,050,623	44,702	104.4%	1,002,078	48,545	104.8%
Charges for services	2,926,300	2,926,300	2,503,848	(422,452)	85.6%	2,107,985	395,863	118.8%
Court fines	425,000	425,000	260,021	(164,979)	61.2%	323,044	(63,023)	80.5%
Investment income	90,071	90,071	68,693	(21,379)	76.3%	68,693	(1)	100.0%
Miscellaneous	47,303	47,303	47,186	(117)	99.8%	37,888	9,298	124.5%
Total revenues	26,907,063	26,907,063	17,511,550	(9,395,514)	65.1%	15,830,583	1,680,967	110.6%
Expenditures								
Mayor and Council	107,230	107,230	84,031	23,200	78.4%	85,419	1,389	98.4%
Committees and Commissions	87,600	87,600	94,691	(7,091)	108.1%	91,387	(3,304)	103.6%
City Administration	478,570	478,570	362,456	116,115	75.7%	304,439	(58,017)	119.1%
City Clerk	201,157	201,157	124,457	76,701	61.9%	108,031	(16,426)	115.2%
Legal Counsel	80,000	80,000	53,518	26,482	66.9%	57,320	3,802	93.4%
Planning	585,768	585,768	408,233	177,535	69.7%	381,148	(27,085)	107.1%
Community and Econ. Development	366,222	366,222	296,811	69,411	81.0%	219,121	(77,690)	135.5%
Inspections	1,225,953	1,225,953	907,102	318,852	74.0%	831,761	(75,341)	109.1%
General Government Facilities	557,962	557,962	435,252	122,710	78.0%	377,444	(57,809)	115.3%
Finance	781,534	781,534	583,971	197,563	74.7%	570,002	(13,969)	102.5%
Information Systems	673,236	673,236	517,954	155,282	76.9%	461,653	(56,301)	112.2%
Human Resources	511,685	511,685	368,560	143,125	72.0%	337,972	(30,588)	109.1%
Insurance	285,000	285,000	213,750	71,250	75.0%	213,750	-	100.0%
Police	11,259,374	11,259,374	7,989,063	3,270,311	71.0%	7,563,834	(425,229)	105.6%
Fire	1,855,127	1,855,127	1,472,475	382,652	79.4%	1,410,516	(61,960)	104.4%
Engineering	974,588	974,588	642,817	331,772	66.0%	586,257	(56,560)	109.6%
Construction Services	587,152	587,152	375,832	211,320	64.0%	331,104	(44,729)	113.5%
Streets	3,194,298	3,194,298	2,464,407	729,892	77.2%	2,320,906	(143,501)	106.2%
Parks	2,643,982	2,643,982	1,999,941	644,041	75.6%	1,840,473	(159,468)	108.7%
Recreation	700,028	700,028	537,923	162,105	76.8%	512,760	(25,163)	104.9%
Heritage Center	129,549	129,549	90,427	39,122	69.8%	85,438	(4,989)	105.8%
Arts Center	510,370	510,370	396,293	114,077	77.6%	386,782	(9,511)	102.5%
Other	(43,090)	(43,090)	-	(43,090)	0.0%	-	-	0.0%
Total expenditures	27,753,295	27,753,295	20,419,961	7,333,334	73.6%	19,077,515	(1,342,446)	107.0%
Excess (deficiency) of revenues over expenditures	(846,232)	(846,232)	(2,908,412)	(2,062,180)		(3,246,932)	338,521	
Other financing sources (uses)								
Transfer from other funds	765,232	765,232	591,335	(173,897)	77.3%	608,672	(17,337)	97.2%
Transfer to other funds	(660,864)	(787,664)	(526,800)	260,864	66.9%	(1,145,000)	618,200	46.0%
Total other financing sources (uses)	104,368	(22,432)	64,535	86,967		(536,328)	600,863	-12.0%
Net change in fund balance	(741,864)	(868,664)	(2,843,877)	(1,975,213)		(3,783,260)	939,384	
Beginning fund balance	14,288,353	14,288,353	15,217,019	928,666		15,076,500	140,519	
Ending fund balance	\$ 13,546,489	\$ 13,419,689	\$ 12,373,142	\$ (1,046,547)		\$ 11,293,240	\$ 1,079,903	
Adj fund balance, Dec 31 (net of restricted)	\$ 12,850,659	\$ 12,723,859	\$ 11,677,312			\$ 10,597,410		
Net change in fund balance percentage	(5.2%)	(6.1%)	(18.7%)			(25.1%)		
Ratio: Fund balance to CY expenditures	48.8%	48.4%						
Ratio: Fund balance to NY expenditures	48.7%	48.3%						
Expense Summary:								
Personnel services	20,593,713	20,593,713	15,102,496	5,491,217	73.3%	14,097,075	(1,005,421)	107.1%
Commodities	1,723,195	1,723,195	1,300,998	422,197	75.5%	1,367,362	66,364	95.1%
Other charges and services	5,440,118	5,440,118	3,984,150	1,455,969	73.2%	3,569,773	(414,377)	111.6%
Capital outlay	39,359	39,359	32,318	7,041	82.1%	43,305	10,987	74.6%
Total	27,796,385	27,796,385	20,419,961	7,376,424	73.5%	19,077,515	(1,342,446)	107.0%

General Fund
Schedule of Expenditures

Expenditures	2018 Adopted Budget	2018 Amended Budget	9/30/18 Actual	Variance from Amended Budget Positive (Negative)	Actual Percent	Comparative		9/30/17 Actual	Variance from 2016 Actual Positive (Negative)	
Mayor and Council										
Personnel services	\$ 49,041	\$ 49,041	\$ 37,127	\$ 11,915	76%	\$ 38,030	\$ 904		97.6%	
Commodities	50	50	90	(40)	180%	-	(90)		0.0%	
Other charges and services	58,139	58,139	46,814	11,325	81%	47,389	575		98.8%	
Total	107,230	107,230	84,031	23,200	78%	85,419	1,389		98.4%	
Committees/Commissions										
Personnel services	71,902	71,902	70,679	1,223	98%	69,832	(847)		101.2%	
Commodities	1,630	1,630	2,247	(617)	138%	1,646	(601)		136.5%	
Other charges and services	14,068	14,068	21,765	(7,697)	155%	19,909	(1,856)		109.3%	
Total	87,600	87,600	94,691	(7,091)	108%	91,387	(3,304)		103.6%	
City Administration										
Personnel services	423,716	423,716	316,191	107,526	75%	290,063	(26,128)		109.0%	
Commodities	1,200	1,200	966	234	81%	679	(287)		142.3%	
Other charges and services	52,154	52,154	43,629	8,525	84%	13,697	(29,932)		318.5%	
Capital outlay	1,500	1,500	1,670	(170)	111%	-	(1,670)		0.0%	
Total	478,570	478,570	362,456	116,115	76%	304,439	(58,017)		119.1%	
City Clerk										
Personnel services	115,980	115,980	85,572	30,409	74%	83,459	(2,113)		102.5%	
Commodities	1,000	1,000	3,659	(2,659)	366%	45	(3,614)		8131.1%	
Other charges and services	84,177	84,177	35,226	48,951	42%	24,527	(10,699)		143.6%	
Total	201,157	201,157	124,457	76,701	62%	108,031	(16,426)		115.2%	
Legal Counsel										
Other charges and services	80,000	80,000	53,518	26,482	67%	57,320	3,802		93.4%	
Planning										
Personnel services	518,211	518,211	380,924	137,287	74%	359,356	(21,568)		106.0%	
Commodities	2,291	2,291	1,141	1,150	50%	838	(303)		136.2%	
Other charges and services	65,266	65,266	26,168	39,098	40%	20,954	(5,214)		124.9%	
Total	585,768	585,768	408,233	177,535	70%	381,148	(27,085)		107.1%	
Community and Economic Development										
Personnel services	294,620	294,620	224,101	70,519	76%	198,187	(25,914)		113.1%	
Commodities	250	250	203	47	81%	129	(74)		157.4%	
Other charges and services	71,352	71,352	72,507	(1,155)	102%	20,805	(51,702)		348.5%	
Total	366,222	366,222	296,811	69,411	81%	219,121	(77,690)		135.5%	
Inspection										
Personnel services	973,050	973,050	699,211	273,840	72%	629,274	(69,937)		111.1%	
Commodities	13,792	13,792	8,071	5,721	59%	6,914	(1,157)		116.7%	
Other charges and services	239,111	239,111	199,820	39,291	84%	194,297	(5,523)		102.8%	
Capital outlay	-	-	-	-	0%	1,276	1,276		0.0%	
Total	1,225,953	1,225,953	907,102	318,852	74%	831,761	(75,341)		109.1%	

(continued)

General Fund
Schedule of Expenditures

Expenditures (continued)	2018 Adopted Budget	2018 Amended Budget	9/30/18 Actual	Variance from Amended Budget Positive (Negative)	Actual Percent	Comparative		Variance from 2016 Actual Positive (Negative)	
						9/30/17 Actual			
General Government Facilities									
Personnel services	\$ 353,190	\$ 353,190	\$ 284,509	\$ 68,681	81%	\$ 235,475	\$ (49,035)	120.8%	
Commodities	26,243	26,243	18,640	7,603	71%	17,214	(1,426)	108.3%	
Other charges and services	178,529	178,529	132,103	46,426	74%	124,755	(7,348)	105.9%	
Total	557,962	557,962	435,252	122,710	78%	377,444	(57,809)	115.3%	
Finance									
Personnel services	696,628	696,628	512,670	183,958	74%	502,243	(10,427)	102.1%	
Commodities	3,500	3,500	1,619	1,881	46%	1,982	363	81.7%	
Other charges and services	81,406	81,406	69,682	11,724	86%	65,777	(3,905)	105.9%	
Total	781,534	781,534	583,971	197,563	75%	570,002	(13,969)	102.5%	
Information Systems									
Personnel services	430,046	430,046	309,494	120,552	72%	273,893	(35,601)	113.0%	
Commodities	2,995	2,995	4,100	(1,105)	137%	2,220	(1,880)	184.7%	
Other charges and services	240,195	240,195	204,360	35,835	85%	185,540	(18,820)	110.1%	
Total	673,236	673,236	517,954	155,282	77%	461,653	(56,301)	112.2%	
Human Resources									
Personnel services	387,122	387,122	286,328	100,794	74%	285,707	(621)	100.2%	
Commodities	2,913	2,913	1,066	1,847	37%	1,549	483	68.8%	
Other charges and services	121,650	121,650	81,166	40,484	67%	50,716	(30,450)	160.0%	
Total	511,685	511,685	368,560	143,125	72%	337,972	(30,588)	109.1%	
Insurance									
Other charges and services	285,000	285,000	213,750	71,250	75%	213,750	-	100.0%	
Police									
Personnel services	8,843,216	8,843,216	6,214,742	2,628,474	70%	5,919,514	(295,229)	105.0%	
Commodities	396,022	396,022	293,552	102,470	74%	288,458	(5,094)	101.8%	
Other charges and services	2,020,136	2,020,136	1,480,769	539,368	73%	1,355,862	(124,907)	109.2%	
Total	11,259,374	11,259,374	7,989,063	3,270,311	71%	7,563,834	(425,229)	105.6%	
Fire									
Personnel services	1,084,127	1,084,127	806,571	277,556	74%	764,746	(41,826)	105.5%	
Fire Relief Contribution/State Aid	347,676	347,676	371,701	(24,025)	107%	347,635	(24,066)	106.9%	
Commodities	151,407	151,407	91,624	59,783	61%	97,151	5,527	94.3%	
Other charges and services	271,917	271,917	202,579	69,338	75%	200,984	(1,595)	100.8%	
Total	1,855,127	1,855,127	1,472,475	382,652	79%	1,410,516	(61,960)	104.4%	

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General Fund
Schedule of Expenditures

Expenditures (continued)	2018 Adopted Budget	2018 Amended Budget	9/30/18 Actual	Variance from Amended Budget Positive (Negative)	Actual Percent	Comparative		Variance from 2016 Actual Positive (Negative)	
						9/30/17 Actual			
Engineering									
Personnel services	\$ 745,625	\$ 745,625	\$ 520,505	\$ 225,120	70%	\$ 551,028	\$ 30,523	94.5%	
Commodities	8,476	8,476	5,999	2,477	71%	5,383	(616)	111.4%	
Other charges and services	220,487	220,487	116,313	104,175	53%	29,846	(86,467)	389.7%	
Total	974,588	974,588	642,817	331,772	66%	586,257	(56,560)	109.6%	
Construction Services									
Personnel services	538,730	538,730	337,735	200,995	63%	290,718	(47,018)	116.2%	
Commodities	8,515	8,515	5,226	3,289	61%	6,043	817	86.5%	
Other charges and services	11,348	11,348	4,119	7,229	36%	4,292	173	96.0%	
Capital outlay	28,559	28,559	28,752	(193)	101%	30,051	1,299	95.7%	
Total	587,152	587,152	375,832	211,320	64%	331,104	(44,729)	113.5%	
Streets									
Personnel services	2,120,785	2,120,785	1,627,522	493,263	77%	1,406,965	(220,558)	115.7%	
Commodities	722,838	722,838	600,756	122,082	83%	698,676	97,920	86.0%	
Other charges and services	350,675	350,675	236,129	114,547	67%	215,265	(20,864)	109.7%	
Total	3,194,298	3,194,298	2,464,407	729,892	77%	2,320,906	(143,501)	106.2%	
Parks									
Personnel services	1,854,298	1,854,298	1,458,861	395,437	79%	1,321,026	(137,835)	110.4%	
Commodities	291,804	291,804	213,099	78,705	73%	192,894	(20,205)	110.5%	
Other charges and services	492,080	492,080	326,085	165,995	66%	323,828	(2,257)	100.7%	
Capital outlay	5,800	5,800	1,896	3,904	33%	2,725	829	69.6%	
Total	2,643,982	2,643,982	1,999,941	644,041	76%	1,840,473	(159,468)	108.7%	
Recreation									
Personnel services	399,504	399,504	301,205	98,299	75%	283,302	(17,903)	106.3%	
Commodities	35,971	35,971	12,751	23,220	35%	17,845	5,094	71.5%	
Other charges and services	264,553	264,553	223,967	40,586	85%	211,613	(12,354)	105.8%	
Total	700,028	700,028	537,923	162,105	77%	512,760	(25,163)	104.9%	
Heritage Center									
Personnel services	64,261	64,261	46,343	17,918	72%	45,906	(437)	101.0%	
Commodities	12,578	12,578	6,084	6,494	48%	5,074	(1,010)	119.9%	
Other charges and services	52,710	52,710	38,000	14,710	72%	34,348	(3,652)	110.6%	
Total	129,549	129,549	90,427	39,122	70%	85,438	(4,989)	105.8%	
Arts Center									
Personnel services	281,985	281,985	210,506	71,479	75%	200,718	(9,788)	104.9%	
Commodities	39,720	39,720	30,105	9,615	76%	22,622	(7,483)	133.1%	
Other charges and services	185,165	185,165	155,682	29,483	84%	154,299	(1,383)	100.9%	
Capital outlay	3,500	3,500	-	3,500	0%	9,143	9,143	0.0%	
Total	510,370	510,370	396,293	114,077	78%	386,782	(9,511)	102.5%	
Other financing uses - transfers									
To Communications Fund (Fiber Project)	260,864	260,864	-	260,864	0%	-	-	0.0%	
To Building Fund	300,000	300,000	300,000	-	100%	200,000	(100,000)	150.0%	
To Equipment Fund	-	-	-	-	0%	945,000	945,000	0.0%	
To Park Improvement Fund	-	125,000	125,000	-	100%	-	(125,000)	0.0%	
To Trail Improvement Fund	100,000	100,000	100,000	-	100%	-	(100,000)	0.0%	
Work in Progress - Property Acq	-	1,800	1,800	-	100%	-	1,800	0.0%	
Total	660,864	787,664	526,800	260,864	67%	1,145,000	621,800	46.0%	

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

	2018		Variance	Percent of Budget	Comparative		
	Adopted Budget	9/30/18 Actual			9/30/17 Actual	Variance from 2017 Actual Positive (Negative)	
<u>Revenues</u>							
Licenses franchise fee	\$ 688,473	\$ 501,235	\$ (187,238)	72.8%	\$ 507,770	\$ (6,535)	98.7%
PEG Fees	60,858	40,245	(20,613)	66.1%	46,304	(6,059)	86.9%
Intergovernmental State aid	516	258	(258)	50.0%	-	258	0.0%
Investment income	3,155	4,529	1,374	143.5%	1,195	3,334	378.9%
Total revenues	<u>753,002</u>	<u>546,267</u>	<u>(206,735)</u>	<u>72.5%</u>	<u>555,269</u>	<u>(9,002)</u>	<u>98.4%</u>
<u>Expenditures - General government</u>							
Personnel services	446,728	321,677	125,052	72.0%	260,671	(61,006)	123.4%
Commodities	9,279	7,385	1,894	79.6%	8,425	1,040	87.7%
Other charges and services	488,930	151,992	336,938	31.1%	101,336	(50,656)	150.0%
Capital outlay	51,350	47,869	3,481	93.2%	20,872	(26,997)	229.3%
Total expenditures	<u>996,287</u>	<u>528,923</u>	<u>467,365</u>	<u>53.1%</u>	<u>391,304</u>	<u>(137,619)</u>	<u>135.2%</u>
Excess (deficiency) of revenues over expenditures	<u>(243,285)</u>	<u>17,344</u>	<u>260,629</u>	<u>-7.1%</u>	<u>163,966</u>	<u>(146,621)</u>	<u>10.6%</u>
<u>Other financing (uses) - Transfers</u>							
From Liquor Fund (Comm/Mkt Position)	87,525	101,379	13,854	115.8%	14,315	87,064	708.2%
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)	(58,997)	19,666	75.0%	(56,572)	(2,425)	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>42,382</u>	<u>(133,941)</u>	<u>24.0%</u>	<u>(42,257)</u>	<u>84,639</u>	<u>-100.3%</u>
Net change in fund balance	(66,963)	59,726	126,689		121,709	(61,983)	
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>\$ 663,551</u>	<u>\$ 399,288</u>		<u>\$ 440,405</u>	<u>\$ 223,146</u>	

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

	2018			Percent of Budget	Comparative		
	Adopted Budget	9/30/18 Actual	Variance		9/30/17 Actual	Variance from 2017 Actual Positive (Negative)	
<u>Sales and cost of sales</u>							
Sales	\$ 15,003,435	\$ 11,057,365	\$ (3,946,070)	73.7%	\$ 10,553,525	\$ 503,840	104.8%
Cost of sales	<u>11,307,073</u>	<u>8,294,216</u>	<u>3,012,857</u>	73.4%	<u>7,957,583</u>	<u>(336,633)</u>	<u>104.2%</u>
Gross profit	<u>3,696,362</u>	<u>2,763,149</u>	<u>(933,213)</u>	<u>74.8%</u>	<u>2,595,942</u>	<u>167,207</u>	<u>106.4%</u>
Gross profit %	24.6%	25.0%			24.6%		
<u>Operating expenses</u>							
Personnel services	1,575,765	1,171,385	404,380	74.3%	1,095,229	(76,156)	107.0%
Commodities	77,818	37,789	40,029	48.6%	36,756	(1,033)	102.8%
Other charges and services	<u>1,037,408</u>	<u>709,433</u>	<u>327,975</u>	<u>68.4%</u>	<u>577,186</u>	<u>(132,247)</u>	<u>122.9%</u>
Total operating expenses	<u>2,690,991</u>	<u>1,918,607</u>	<u>772,384</u>	<u>71.3%</u>	<u>1,709,171</u>	<u>(209,436)</u>	<u>112.3%</u>
Operating income	<u>1,005,371</u>	<u>844,542</u>	<u>(160,829)</u>	<u>84.0%</u>	<u>886,771</u>	<u>(42,229)</u>	<u>95.2%</u>
<u>Non-operating revenue (expense)</u>							
Investment income	19,110	20,693	1,583	108.3%	2,813	17,880	735.6%
Miscellaneous	7,500	3,764	(3,736)	50.2%	1,881	1,883	200.1%
Capital outlay acquisitions	(7,300)	(7,100)	200	97.3%	(48,577)	41,477	14.6%
Sale of assets	2,625,000	2,350,761	(274,239)	89.6%	-	2,350,761	0.0%
Interest and bond expense	-	-	-	0.0%	(294,469)	294,469	0.0%
Transfers in (out)							
General Fund	(194,866)	(146,150)	48,717	75.0%	(149,114)	2,965	98.0%
Communications (Mktg Spec)	(87,525)	(101,379)	(13,854)	115.8%	-	(101,379)	0.0%
Communications (Fiber)	(13,136)	-	13,136	0.0%	-	-	0.0%
Debt Service:							
HRA Lease Rev. Fund	-	(44,418)	(44,418)	0.0%	-	-	0.0%
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)	(2,178)	872	71.4%	(2,483)	305	87.7%
Total non-operating (net)	<u>1,795,733</u>	<u>1,523,993</u>	<u>(271,740)</u>	<u>84.9%</u>	<u>(836,309)</u>	<u>2,360,302</u>	<u>-182.2%</u>
Change in working capital	2,801,104	2,368,535	(432,569)		50,462	2,318,073	
Beginning working capital	<u>1,348,541</u>	<u>1,223,019</u>	<u>(125,522)</u>		<u>1,289,347</u>	<u>(66,328)</u>	
Ending working capital	<u>\$ 4,149,645</u>	<u>\$ 3,591,554</u>	<u>\$ (558,091)</u>		<u>\$ 1,339,809</u>	<u>\$ 2,251,745</u>	

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

	2018		Variance	Percent of Budget	Comparative		
	Adopted Budget	9/30/18 Actual			9/30/17 Actual	Variance from 2017 Actual Positive (Negative)	
Operating revenues							
User charges for services	\$ 4,536,178	\$ 3,671,205	\$ (864,973)	80.9%	\$ 3,445,331	\$ 225,874	106.6%
Other	153,137	120,308	(32,830)	78.6%	212,425	(92,118)	56.6%
Total operating revenue	<u>4,689,315</u>	<u>3,791,513</u>	<u>(897,803)</u>	<u>80.9%</u>	<u>3,657,756</u>	<u>133,757</u>	<u>-24.5%</u>
Operating expenses							
Personnel services	1,197,884	829,081	368,804	69.2%	829,276	196	100.0%
Commodities	326,275	223,801	102,474	68.6%	203,031	(20,770)	110.2%
Other charges and services	1,233,995	776,290	457,705	62.9%	720,428	(55,862)	107.8%
Major Maintenance	1,901,515	1,498,366	403,149	78.8%	1,250,194	(248,172)	119.9%
Total operating expenses	<u>4,659,669</u>	<u>3,327,537</u>	<u>1,332,132</u>	<u>71.4%</u>	<u>3,002,929</u>	<u>(324,608)</u>	<u>110.8%</u>
Operating income (loss)	<u>29,646</u>	<u>463,975</u>	<u>434,329</u>		<u>654,827</u>	<u>(190,852)</u>	<u>70.9%</u>
Non-operating revenue (expense)							
Intergovernmental	1,632	816	(816)	50.0%	816	-	100.0%
Investment income	31,486	37,500	6,014	119.1%	25,628	11,872	146.3%
Disposal of assets	4,500	7,183	2,683	159.6%	-	7,183	0.0%
Capital outlay	(139,078)	(94,498)	44,580	67.9%	(44,671)	(49,827)	211.5%
Bond proceeds	1,066,190	486,947	(579,243)	45.7%	960,898	(473,951)	50.7%
Debt Service	(1,109,305)	(986,891)	122,414	89.0%	(759,668)	(227,223)	129.9%
Transfers in (Capital Projects)	-	307,661	307,661	0.0%	-	307,661	0.0%
Transfers (out)	(425,605)	(296,637)	128,968	69.7%	(104,433)	(192,204)	284.0%
Total non-operating (net)	<u>(570,180)</u>	<u>(537,919)</u>	<u>32,261</u>	<u>94.3%</u>	<u>78,570</u>	<u>(616,489)</u>	<u>-684.6%</u>
Change in working capital	(540,534)	(73,944)	466,590		733,397	(807,341)	-10.1%
Beginning working capital	<u>7,364,204</u>	<u>7,789,196</u>	<u>424,992</u>		<u>7,064,724</u>	<u>724,472</u>	<u>110.3%</u>
Ending working capital	<u>\$ 6,823,670</u>	<u>\$ 7,715,252</u>	<u>\$ 891,582</u>		<u>\$ 7,798,121</u>	<u>(82,869)</u>	<u>98.9%</u>

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

	2018		Percent of Budget	Comparative			
	Adopted Budget	9/30/18 Actual		Variance	9/30/17 Actual	Variance from 2017 Actual Positive (Negative)	
<u>Operating revenue</u>							
User charges for services	\$ 6,046,862	\$ 4,650,130	\$ (1,396,732)	76.9%	\$ 4,208,511	\$ 441,619	110.5%
<u>Operating expenses</u>							
Personnel services	782,828	515,606	267,222	65.9%	549,100	33,495	93.9%
Commodities	86,715	9,015	77,700	10.4%	42,809	33,793	21.1%
Other charges and services	349,770	187,489	162,281	53.6%	158,321	(29,168)	118.4%
Disposal charges	4,018,012	3,013,509	1,004,503	75.0%	2,632,185	(381,324)	114.5%
Major maintenance projects	670,000	100,759	569,241	15.0%	713,748	612,989	14.1%
Total operating expenses	5,907,325	3,826,378	2,080,947	64.8%	4,096,163	269,785	93.4%
Operating income (loss)	139,537	823,752	684,215		112,348	711,404	733.2%
<u>Non-operating revenue (expense)</u>							
Intergovernmental State aid	1,632	816	(816)	50.0%	816	-	100.0%
Grants	25,000	-	(25,000)	0.0%	-	-	0.0%
Investment income	15,015	18,750	3,735	124.9%	13,500	5,250	138.9%
Disposal of assets	5,250	-	(5,250)	0.0%	-	-	0.0%
Capital outlay	(52,072)	(38,793)	13,279	74.5%	(36,800)	(1,993)	105.4%
Debt service	(74,325)	(65,700)	8,625	88.4%	(21,425)	(44,275)	306.7%
Transfers in	23,822	23,822	-	100.0%	23,873	(51)	99.8%
Transfers (out)	(200,012)	(129,726)	70,286	64.9%	(107,721)	(22,005)	120.4%
Total non-operating (net)	(255,690)	(190,831)	64,859	74.6%	(127,757)	(63,074)	149.4%
Change in working capital	(116,153)	632,921	749,074		(15,409)	648,330	-4107.6%
Beginning working capital	1,853,064	2,677,180	824,116		2,351,239	325,941	113.9%
Ending working capital	\$ 1,736,911	\$ 3,310,101	\$ 1,573,190		\$ 2,335,830	\$ 974,271	141.7%

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

	2018		Variance	Percent of Budget	Comparative		
	Adopted Budget	9/30/18 Actual			9/30/17 Actual	Variance from 2017 Actual Positive (Negative)	
<u>Operating revenue</u>							
User charges for services	\$ 850,000	\$ 678,052	\$ (171,948)	79.8%	\$ 644,195	\$ 33,857	105.3%
<u>Operating expenses</u>							
Personnel services	19,038	12,865	6,173	67.6%	11,466	(1,399)	112.2%
Commodities	33	338	(305)	1024.2%	20	(318)	1689.9%
Other charges and services	740,903	552,401	188,502	74.6%	537,912	(14,489)	102.7%
Total operating expenses	759,974	565,604	194,370	74.4%	549,398	(16,206)	102.9%
Operating income (loss)	90,026	112,448	22,422		94,797	17,651	118.6%
<u>Non-operating revenue (expense)</u>							
Investment income	2,576	3,563	987	138.3%	1,688	2,693	211.0%
Bond proceeds	-	-	-	0.0%	394,553	(394,553)	0.0%
Debt service	(15,075)	(9,593)	5,482	63.6%	-	(9,593)	0.0%
Transfers out - General Fund	(4,407)	(3,505)	902	79.5%	(3,288)	(217)	106.6%
Total non-operating (net)	(16,906)	(9,536)	7,371	56.4%	392,953	(401,670)	-2.4%
Change in working capital	73,120	102,912	29,792		487,750	(384,838)	21.1%
Beginning working capital	415,244	426,676	11,432		318,786	107,890	133.8%
Ending working capital	\$ 488,364	\$ 529,588	\$ 41,224		\$ 806,536	\$ (276,948)	65.7%

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

	2018		Variance	Percent of Budget	Comparative		
	Adopted Budget	9/30/18 Actual			9/30/17 Actual	Variance from 2017 Actual Positive (Negative)	
Revenues							
User charges for services	\$ 1,137,435	\$ 866,498	\$ (270,937)	76.2%	\$ 742,650	\$ 123,848	116.7%
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>874,238</u>	<u>(267,789)</u>	<u>76.6%</u>	<u>745,310</u>	<u>128,928</u>	<u>-35.9%</u>
Expenditures - Public works							
Personnel services	425,286	326,688	98,598	76.8%	267,553	(59,135)	122.1%
Commodities	33,367	24,304	9,063	72.8%	23,829	(475)	102.0%
Other charges and services	894,578	224,177	670,401	25.1%	215,054	(9,123)	104.2%
Total expenditures	<u>1,353,231</u>	<u>575,169</u>	<u>778,062</u>	<u>42.5%</u>	<u>506,436</u>	<u>(68,733)</u>	<u>113.6%</u>
Operating income (loss)	<u>(211,204)</u>	<u>299,069</u>	<u>510,273</u>		<u>238,874</u>	<u>60,195</u>	<u>125.2%</u>
Non-operating revenue (expense)							
Intergovernmental	208,000	-	(208,000)	0.0%	-	-	0.0%
Investment income	7,151	7,500	349	104.9%	7,500	-	100.0%
Capital outlay	(58,117)	(26,741)	31,376	46.0%	-	(26,741)	0.0%
Transfers in (out)							
General Fund	(153,255)	(132,352)	20,903	86.4%	(147,753)	15,401	89.6%
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	2,178	(872)	71.4%	2,483	(305)	87.7%
Sanitary sewer operations	(23,822)	(23,822)	-	100.0%	(23,873)	51	99.8%
Total other financing (uses)	<u>(993)</u>	<u>(194,237)</u>	<u>(193,244)</u>	<u>19560.6%</u>	<u>(82,643)</u>	<u>(111,594)</u>	<u>235.0%</u>
Change in working capital	(212,197)	104,832	317,029		156,231	(51,399)	67.1%
Beginning working capital	839,883	949,516	109,633		1,075,032	(125,516)	88.3%
Ending working capital	<u>\$ 627,686</u>	<u>\$ 1,054,348</u>	<u>\$ 426,662</u>		<u>\$ 1,231,263</u>	<u>\$ (176,915)</u>	<u>85.6%</u>