



## **FINANCIAL HIGHLIGHTS:**

The following financial report and analysis offers readers a narrative overview of the financial activities of the City for the three-month period ended March 31, 2019. 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 \$21.3 million for 2019.

#### *❖ Licenses and Permits.*

- Building permit revenue continues to be strong and are exceeding budget estimates through the first quarter. The following chart shows how the number of permits issued in the first quarter compares to the same period in 2018 and the 2019 Adopted Budget:

Permit Type	YTD 1st Quarter 2018	2019 Adopted Budget	First Quarter 2019
Single Family	100	350	95
Townhome	7	50	17
Apartments (Units)	0	1 (160 units)	0
Commercial	0	10	1

#### *❖ Intergovernmental.*

- Revenues comprised of police and fire aid and various grants are typically received in the third and fourth quarters. \$12,000 has been recognized for an Arts Grant.

#### *❖ Charges for Services.*

- *General government services* are slightly below budget due mainly to lower planning and inspection fees.

## **FINANCIAL HIGHLIGHTS (continued):**

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

#### **❖ *Charges for Services. (Continued)***

- *Public Safety* revenues are slightly below budget estimates. Security services are down compared to the same time in 2018 which included \$18,000 from Super Bowl LII. Security services are also below budget due to many events occurring later in the year such as Easter, Christmas and Samaritan's Purse. The fire contract with Eureka Township (\$41,375) is billed out in June of the current year. 2019 is the first year of a three-year agreement with Eureka Township.
- *Public works* revenues are based on summer construction projects and therefore year-to-date revenues are below the annual estimates. Engineering developer contract administration is collected at the time of the development contract. \$207,000 has been received in the first quarter.
- *Parks and Recreation* revenues are exceeding budget estimates but are down \$12,000 over the same period in 2018.

#### **❖ *Court Fines***

- Revenues from court fines (\$96,000) represent 28 percent of the budget estimates and are up \$6,000 over the period in 2018. Court fine revenues and the membership fees paid to the Dakota Communications Center are both impacted by the number of CAD calls.

### **❖ General Fund - Expenditures**

- ❖ *Personnel* – Actual expenses for personnel will reflect the impact of the implementation of the compensation and classification study and cost of living adjustments that were approved in 2018.
- ❖ *Motor Fuels* – Motor fuels through March 31, are at 32 percent of the 2019 Budget. Motor fuels are \$12,000 higher than the same period in 2018. Increased snow events for the public works departments contributed to the higher fuel expense.
- ❖ *Street Chemicals* – Costs for the first part of 2019 are at 43 percent of the budget. Inventory at the end of 2018 helped keep salt purchases down in 2019. Unused chemicals are stored at the central maintenance facility and will be utilized in the late fall if needed.
- ❖ *Utilities – Electric & Natural Gas*. Costs are fairly consistent with the same period in 2018. Total costs through the first quarter represent 28 percent of the adopted budget.
- ❖ *Community and Economic Development*. Expenditures are down compared to the same period in 2018 due to the Economic Development Guide being completed in 2018.

## **FINANCIAL HIGHLIGHTS (continued):**

### **❖ General Fund - Expenditures (continued)**

- ❖ *Inspections.* Salaries are up over the same period in 2018 due to a recent employee resignation resulting in severance costs.
- ❖ *Information Technology.* Timing of annual maintenance agreements can impact the expense comparison each year. In 2019, increases in ESRI maintenance connected with the Cartegraph upgrade and the county broadband initiative contributed to the increase over the same period in 2018.
- ❖ *Police.* DCC membership fees for the 1<sup>st</sup> quarter are up \$16,000 over the same period in 2018 as a result of increased CAD events in prior years. Commodities increase over the same period in 2018 due to uniforms (\$19,000) for new police reserve officers.
- ❖ *Fire.* The Department migrated to a pay-per-hour compensation plan for firefighters. The increased costs are accounted for in the budget appropriations. The first quarter personnel expenses were 6.9 percent over the same period in 2018.
- ❖ *Engineering/GIS.* GPS receivers were purchased in the first quarter contributing to the increase over 2018
- ❖ *Operations & Maintenance.* Personnel services are below budget estimates due to employee vacancies.
- ❖ *Streets.* Personnel services are up compared to budget and the prior year due in part to the increased snow events in 2019. Salt costs were below the prior year due to the use of significant inventories available at the end of 2018.
- ❖ *Parks.* The parks budget is below budget as the department gets into its busy season. Expenditures exceeded the same period in 2018 as a result of an extended ice rink season.
- ❖ *Arts Center.* A roll drum was purchased in 2019 to allow the use of a screen to be utilized during performances. Funding (\$13,000) was provided by ticket surcharges.

## **FINANCIAL HIGHLIGHTS (continued):**

### **❖ 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 first 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.
- ❖ Expenses are down slightly over the same period in 2018. There is \$180,000 in budget appropriations for the final phase of the fiber installation project. The project is funded by transfers from the General Fund, Liquor Fund and the Utility Fund. Funding from the General Fund was transferred in 2018 and is reflected in the beginning fund balance. Funding from the Liquor Fund and Utility Fund will be made as the project is completed.

### **❖ Liquor Fund**

- ❖ Sales for the first quarter amounted to \$3.3 million which is a 2.7 percent increase over the same period in 2018. Sales were slightly below budget estimates which had much higher expectations for March sales which may have been impacted by the winter weather.
- ❖ Total expenditures are in line with budget appropriations. Rent for the Kenrick liquor store added \$66,000 in additional expenditures for the quarter compared to 2018. Three floor scrubbers were also purchased in the first quarter adding \$14,000 to the 2019 expenditures.
- ❖ 2019 Transfers include a \$400,000 transfer to the Equipment Fund; \$400,000 to the Debt Service Fund for the police station bonds (final maturity - February, 2032); \$274,000 for the 2017 HRA lease revenue bonds (debt for Galaxie Store; final maturity – February, 2027); and \$262,000 in operating transfers.

## **FINANCIAL HIGHLIGHTS (continued):**

### **❖ Water Fund**

- ❖ Water revenues are low in the first quarter which is typical for the first quarter but are exceeding revenues from the same period a year ago due mainly to the water rate increase that went in affect February 1, 2019. Water usage increases as residents and businesses turn on their irrigation systems in late spring.
- ❖ The 2019 major maintenance projects are budgeted as follows:
  - ADA Door operators - \$6,800
  - Water Treatment Facility space needs study - \$50,000
  - Trench drain rehabilitation - \$40,000
  - Well #12 rehabilitation - \$60,000
  - Pump rehabilitation - \$60,000
  - Well house #3 roof replacement - \$12,500
  - 2019 Street reconstruction project – watermain repair/replacement costs - \$1.4 million
  - Water meter replacement projects - \$334,000; \$9,000 has been spent year-to-date

### **❖ Sewer Fund**

- ❖ Sewer revenues are tracking above budget expectations and are up over the same period in 2018 as a result of the increase in sewer rates for the base charge and discharge effective February 1, 2019.
- ❖ Expenditures are below budget estimates but are up compared to the same period in 2018.
- ❖ Disposal charges paid to Metropolitan Council of Environmental Services increased 3.9 percent over the 2018 rates and are projected to be \$4.2 million for 2019
- ❖ The 2019 major maintenance projects are budgeted as follows:
  - Lift station rehabilitation - \$530,000
  - Sewer line improvements - \$250,000
  - I/I mitigation repairs -\$425,000

## **FINANCIAL HIGHLIGHTS (continued):**

### **❖ Street Lighting Fund**

- ❖ Revenues are exceeding budget and are up over the same period in 2018. Street light fees of \$8,300 were collected at the time of final plat in the first quarter.
- ❖ Streetlight rates were increased effective February 1, 2019.
- ❖ 2019 electrical costs are in line with budget estimates.

### **❖ Environmental Resources Fund**

- ❖ Revenues are tracking with budget estimates.
- ❖ Rates were increased effective February 1, 2019.
- ❖ Personnel services are slightly below budget but increased over the same period in 2018.
- ❖ Majority of projects are completed in the spring, summer and fall months which results in lower expenses during the first quarter.

**General Fund**  
**Summary Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Three Month Period Ended March 31, 2019**

	2019		Variance from Amended Budget Positive (Negative)	Actual Percent	Comparative		
	Adopted Budget	3/31/2019 Actual			3/31/18 Actual	Variance from 2018 Actual Positive (Negative)	
<b>Revenues</b>							
General property taxes	\$ 21,327,427	\$ -	\$ (21,327,427)	0.0%	\$ 6,991	\$ (6,991)	0.0%
Licenses and permits	2,390,498	580,822	(1,809,676)	24.3%	598,671	(17,849)	97.0%
Intergovernmental	989,590	21,888	(967,702)	2.2%	60,712	(38,824)	36.1%
Charges for services	2,734,249	662,423	(2,071,826)	24.2%	458,097	204,326	144.6%
Court fines	346,000	95,598	(250,402)	27.6%	88,050	7,548	108.6%
Investment income	120,000	35,108	(84,892)	29.3%	22,898	12,210	153.3%
Miscellaneous	47,163	13,644	(33,519)	28.9%	12,808	836	106.5%
<b>Total revenues</b>	<b>27,954,927</b>	<b>1,409,483</b>	<b>(26,545,444)</b>	<b>5.0%</b>	<b>1,248,227</b>	<b>161,256</b>	<b>112.9%</b>
<b>Expenditures</b>							
Mayor and Council	113,250	27,822	85,428	24.6%	27,514	(309)	101.1%
Committees and Commissions	68,218	4,959	63,259	7.3%	4,245	(714)	116.8%
City Administration	477,506	113,904	363,602	23.9%	120,811	6,907	94.3%
City Clerk	148,586	29,924	118,662	20.1%	29,095	(829)	102.8%
Legal Counsel	81,000	18,179	62,821	22.4%	18,933	754	96.0%
Planning	580,515	144,633	435,882	24.9%	140,913	(3,721)	102.6%
Community and Econ. Development	375,237	88,945	286,292	23.7%	101,972	13,027	87.2%
Inspections	1,273,544	322,179	951,365	25.3%	303,568	(18,612)	106.1%
General Government Facilities	607,324	155,744	451,580	25.6%	138,936	(16,808)	112.1%
Finance	804,429	186,844	617,585	23.2%	195,887	9,043	95.4%
Information Systems	788,545	272,943	515,602	34.6%	219,605	(53,337)	124.3%
Human Resources	527,997	126,720	401,277	24.0%	124,450	(2,270)	101.8%
Insurance	285,000	71,250	213,750	25.0%	71,250	-	100.0%
Police	11,628,288	2,838,060	8,790,228	24.4%	2,720,177	(117,883)	104.3%
Fire	2,034,937	392,036	1,642,901	19.3%	359,679	(32,357)	109.0%
Engineering	881,757	212,767	668,990	24.1%	210,299	(2,468)	101.2%
Construction Services	573,870	101,490	472,380	17.7%	90,904	(10,586)	111.6%
Streets	3,288,617	1,062,937	2,225,680	32.3%	1,029,098	(33,839)	103.3%
Parks	2,744,963	582,487	2,162,476	21.2%	561,423	(21,065)	103.8%
Recreation	745,137	159,142	585,996	21.4%	153,839	(5,303)	103.4%
Heritage Center	138,674	25,815	112,859	18.6%	26,118	304	98.8%
Arts Center	550,049	173,200	376,849	31.5%	167,265	(5,936)	103.5%
Other	79,466	-	79,466	0.0%	-	-	0.0%
<b>Total expenditures</b>	<b>28,796,909</b>	<b>7,111,980</b>	<b>21,684,929</b>	<b>24.7%</b>	<b>6,815,980</b>	<b>(296,000)</b>	<b>104.3%</b>
Excess (deficiency) of revenues over expenditures	(841,982)	(5,702,497)	(4,860,515)		(5,567,753)	(134,745)	
<b>Other financing sources (uses)</b>							
Transfer from other funds	766,482	41,621	(724,862)	5.4%	173,897	(132,277)	23.9%
Transfer to other funds	(630,000)	(480,000)	150,000	76.2%	(400,000)	(80,000)	120.0%
<b>Total other financing sources (uses)</b>	<b>136,482</b>	<b>(438,380)</b>	<b>(574,862)</b>		<b>(226,103)</b>	<b>(212,277)</b>	<b>193.9%</b>
Net change in fund balance	(705,500)	(6,140,877)	(5,435,377)		(5,793,609)	(347,268)	
Beginning fund balance	14,970,310	15,565,945	595,635		15,128,923	437,022	
Ending fund balance	\$ 14,264,810	\$ 9,425,068	\$ (4,839,742)		\$ 9,335,314	\$ 89,754	
Adj fund balance, Dec 31 (net of restricted)	\$ 13,150,435	\$ 8,729,238			\$ 8,639,484		
Net change in fund balance percentage	(4.7%)	(39.5%)			(38.3%)		
Ratio: Fund balance to CY expenditures	45.7%						
Ratio: Fund balance to NY expenditures	44.3%						
<b>Expense Summary:</b>							
Personnel services	21,502,338	5,198,288	16,224,584	24.2%	4,974,898	(223,390)	104.5%
Commodities	1,757,479	566,254	1,191,225	32.2%	581,970	15,716	97.3%
Other charges and services	5,537,092	1,347,437	4,189,655	24.3%	1,259,111	(88,326)	107.0%
Capital outlay	-	-	-	#DIV/0!	-	-	0.0%
<b>Total</b>	<b>28,796,909</b>	<b>7,111,980</b>	<b>21,605,463</b>	<b>24.7%</b>	<b>6,815,980</b>	<b>(296,000)</b>	<b>104.3%</b>

General Fund  
Schedule of Expenditures

Expenditures	2019		Variance from Adopted Budget Positive (Negative)	Actual Percent	Comparative		Variance from 2018 Actual Positive (Negative)	
	Adopted Budget	3/31/2019 Actual			3/31/18 Actual			
<b>Mayor and Council</b>								
Personnel services	\$ 62,561	\$ 15,847	\$ 46,714	25%	\$ 13,295	\$ (2,553)	119.2%	
Commodities	50	64	(14)	128%	90	26	71.1%	
Other charges and services	50,639	11,911	38,728	24%	14,129	2,218	84.3%	
Total	113,250	27,822	85,428	25%	27,514	(309)	101.1%	
<b>Committees/Commissions</b>								
Personnel services	53,388	573	52,815	1%	358	(215)	160.1%	
Commodities	1,630	-	1,630	0%	-	-	0.0%	
Other charges and services	13,200	4,386	8,814	33%	3,887	(499)	112.8%	
Total	68,218	4,959	63,259	7%	4,245	(714)	116.8%	
<b>City Administration</b>								
Personnel services	455,248	109,149	346,099	24%	106,297	(2,851)	102.7%	
Commodities	1,600	136	1,464	8%	8	(128)	1699.8%	
Other charges and services	20,658	4,619	16,039	22%	14,506	9,887	31.8%	
Total	477,506	113,904	363,602	24%	120,811	6,907	94.3%	
<b>City Clerk</b>								
Personnel services	114,305	28,593	85,712	25%	28,141	(452)	101.6%	
Commodities	300	36	264	12%	7	(29)	513.9%	
Other charges and services	33,981	1,295	32,686	4%	947	(348)	136.7%	
Total	148,586	29,924	118,662	20%	29,095	(829)	102.8%	
<b>Legal Counsel</b>								
Other charges and services	81,000	18,179	62,821	22%	18,933	754	96.0%	
<b>Planning</b>								
Personnel services	538,195	135,659	402,536	25%	132,676	(2,984)	102.2%	
Commodities	2,041	63	1,978	3%	141	78	44.7%	
Other charges and services	40,279	8,911	31,368	22%	8,096	(815)	110.1%	
Total	580,515	144,633	435,882	25%	140,913	(3,721)	102.6%	
<b>Community and Economic Development</b>								
Personnel services	307,121	68,599	238,522	22%	71,898	3,299	95.4%	
Commodities	250	4	246	2%	19	15	21.1%	
Other charges and services	67,866	20,342	47,524	30%	30,055	9,713	67.7%	
Total	375,237	88,945	286,292	24%	101,972	13,027	87.2%	
<b>Inspection</b>								
Personnel services	1,003,209	260,151	743,058	26%	235,752	(24,400)	110.3%	
Commodities	13,792	2,685	11,107	19%	3,076	391	87.3%	
Other charges and services	256,543	59,343	197,200	23%	64,740	5,397	91.7%	
Total	1,273,544	322,179	951,365	25%	303,568	(18,612)	106.1%	

(continued)

General Fund  
Schedule of Expenditures

Expenditures (continued)	2019		Variance from Adopted Budget Positive (Negative)	Actual Percent	Comparative		
	Adopted Budget	3/31/2019 Actual			3/31/18 Actual	Variance from 2018 Actual Positive (Negative)	
<b>General Government Facilities</b>							
Personnel services	\$ 399,147	\$ 103,969	\$ 295,178	26%	\$ 92,119	\$ (11,850)	112.9%
Commodities	22,174	7,814	14,360	35%	7,461	(353)	104.7%
Other charges and services	186,003	43,961	142,042	24%	39,356	(4,605)	111.7%
Total	607,324	155,744	451,580	26%	138,936	(16,808)	112.1%
<b>Finance</b>							
Personnel services	716,653	166,605	550,048	23%	176,311	9,706	94.5%
Commodities	3,525	839	2,686	24%	854	15	98.2%
Other charges and services	84,251	19,400	64,851	23%	18,722	(678)	103.6%
Total	804,429	186,844	617,585	23%	195,887	9,043	95.4%
<b>Information Systems</b>							
Personnel services	443,618	106,758	336,860	24%	104,279	(2,479)	102.4%
Commodities	4,425	327	4,098	7%	1,908	1,581	17.2%
Other charges and services	340,502	165,857	174,645	49%	113,418	(52,439)	146.2%
Total	788,545	272,943	515,602	35%	219,605	(53,337)	124.3%
<b>Human Resources</b>							
Personnel services	416,092	98,889	317,203	24%	96,799	(2,091)	102.2%
Commodities	3,865	2,952	913	76%	476	(2,476)	620.2%
Other charges and services	108,040	24,878	83,162	23%	27,175	2,297	91.5%
Total	527,997	126,720	401,277	24%	124,450	(2,270)	101.8%
<b>Insurance</b>							
Other charges and services	285,000	71,250	213,750	25%	71,250	-	100.0%
<b>Police</b>							
Personnel services	9,083,175	2,160,656	6,922,519	24%	2,097,158	(63,498)	103.0%
Commodities	401,462	138,623	262,839	35%	115,809	(22,814)	119.7%
Other charges and services	2,143,651	538,781	1,604,870	25%	507,210	(31,571)	106.2%
Total	11,628,288	2,838,060	8,790,228	24%	2,720,177	(117,883)	104.3%
<b>Fire</b>							
Personnel services	1,245,784	286,208	959,576	23%	267,726	(18,482)	106.9%
Fire Relief Contribution/State Aid	363,351	6,000	357,351	2%	10,000	4,000	60.0%
Commodities	153,816	34,771	119,045	23%	28,885	(5,886)	120.4%
Other charges and services	271,986	65,057	206,929	24%	53,068	(11,989)	122.6%
Total	2,034,937	392,036	1,642,901	19%	359,679	(32,357)	109.0%

(continued)

General Fund  
Schedule of Expenditures

Expenditures (continued)	2019		Variance from Adopted Budget Positive (Negative)	Actual Percent	Comparative		
	Adopted Budget	3/31/2019 Actual			3/31/18 Actual	Variance from 2018 Actual Positive (Negative)	
<u>Engineering</u>							
Personnel services	\$ 769,706	\$ 191,712	\$ 577,994	25%	\$ 184,465	\$ (7,248)	103.9%
Commodities	12,966	3,907	9,059	30%	661	(3,246)	591.1%
Other charges and services	99,085	17,148	81,937	17%	25,174	8,026	68.1%
Total	881,757	212,767	668,990	24%	210,299	(2,468)	101.2%
<u>Construction Services</u>							
Personnel services	552,065	96,995	455,070	18%	88,325	(8,670)	109.8%
Commodities	7,915	423	7,492	5%	946	523	44.7%
Other charges and services	13,890	4,072	9,818	29%	1,633	(2,439)	249.4%
Total	573,870	101,490	472,380	18%	90,904	(10,586)	111.6%
<u>Streets</u>							
Personnel services	2,183,894	707,070	1,476,824	32%	634,272	(72,798)	111.5%
Commodities	746,573	304,630	441,943	41%	359,440	54,810	84.8%
Other charges and services	358,150	51,237	306,913	14%	35,386	(15,851)	144.8%
Total	3,288,617	1,062,937	2,225,680	32%	1,029,098	(33,839)	103.3%
<u>Parks</u>							
Personnel services	1,925,115	462,352	1,462,763	24%	453,373	(8,980)	102.0%
Commodities	296,140	41,770	254,370	14%	43,506	1,736	96.0%
Other charges and services	523,708	78,365	445,343	15%	64,544	(13,821)	121.4%
Total	2,744,963	582,487	2,162,476	21%	561,423	(21,065)	103.8%
<u>Recreation</u>							
Personnel services	419,055	95,660	323,396	23%	97,402	1,743	98.2%
Commodities	35,577	1,918	33,659	5%	2,590	672	74.1%
Other charges and services	290,505	61,564	228,941	21%	53,847	(7,717)	114.3%
Total	745,137	159,142	585,996	21%	153,839	(5,303)	103.4%
<u>Heritage Center</u>							
Personnel services	71,576	14,752	56,824	21%	14,640	(112)	100.8%
Commodities	9,358	1,287	8,071	14%	2,617	1,330	49.2%
Other charges and services	57,740	9,776	47,964	17%	8,861	(915)	110.3%
Total	138,674	25,815	112,859	19%	26,118	304	98.8%
<u>Arts Center</u>							
Personnel services	299,614	82,090	217,524	27%	69,614	(12,477)	117.9%
Commodities	40,020	24,005	16,015	60%	13,476	(10,529)	178.1%
Other charges and services	210,415	67,105	143,310	32%	84,175	17,070	79.7%
Total	550,049	173,200	376,849	31%	167,265	(5,936)	103.5%
<u>Other financing uses - transfers</u>							
To Communications Fund (Fiber Project)	-	-	-	0%	-	-	0.0%
To Building Fund	-	-	-	0%	300,000	(300,000)	0.0%
To Equipment Fund	480,000	-	480,000	0%	-	480,000	0.0%
To Park Improvement Fund	150,000	-	150,000	0%	-	150,000	0.0%
To Trail Improvement Fund	-	-	-	0%	100,000	(100,000)	0.0%
Total	630,000	-	630,000	0%	400,000	230,000	0.0%

**CITY OF LAKEVILLE, MINNESOTA**  
 Special Revenue - Communications Fund  
 Statement of Revenues, Expenditures and Changes in Fund Balances  
 For the Three Month Period Ended March 31, 2019

	2019			Percent of Budget	Comparative		
	Adopted Budget	3/31/2019 Actual	Variance		3/31/18 Actual	Variance from 2018 Actual Positive (Negative)	
<u>Revenues</u>							
Licenses franchise fee	\$ 687,840	\$ 170,000	\$ (517,840)	24.7%	\$ 169,000	\$ 1,000	100.6%
PEG Fees	57,948	14,656	(43,292)	25.3%	14,917	(261)	98.3%
Intergovernmental State aid	516	-	(516)	0.0%	-	-	0.0%
Investment income	2,058	2,911	853	141.5%	2,264	647	128.6%
Total revenues	<u>748,362</u>	<u>187,567</u>	<u>(560,795)</u>	<u>25.1%</u>	<u>186,181</u>	<u>1,386</u>	<u>100.7%</u>
<u>Expenditures - General government</u>							
Personnel services	461,880	108,070	353,810	23.4%	106,222	(1,848)	101.7%
Commodities	14,900	3,172	11,728	21.3%	3,634	462	87.3%
Other charges and services	310,530	26,777	283,753	8.6%	31,766	4,989	84.3%
Capital outlay	59,500	6,442	53,058	10.8%	6,557	115	98.2%
Total expenditures	<u>846,810</u>	<u>144,461</u>	<u>702,349</u>	<u>17.1%</u>	<u>148,179</u>	<u>3,718</u>	<u>97.5%</u>
Excess (deficiency) of revenues over expenditures	<u>(98,448)</u>	<u>43,106</u>	<u>141,554</u>	<u>-43.8%</u>	<u>38,002</u>	<u>103,552</u>	<u>113.4%</u>
<u>Other financing (uses) - Transfers</u>							
From Liquor Fund (Comm/Mkt Position)	91,267	22,817	(68,450)	25.0%	21,881	936	104.3%
From Utility Fund (fiber project)	41,472	-	(41,472)	0.0%	-	-	0.0%
From Liquor Fund (fiber project)	7,503	-	(7,503)	0.0%	-	-	0.0%
To General Fund (expense allocations)	(80,866)	(20,217)	60,650	25.0%	(19,666)	(551)	102.8%
To Improvement Construction Fund	-	-	-	0.0%	-	-	0.0%
Total other financing (uses)	<u>59,376</u>	<u>2,600</u>	<u>(56,776)</u>	<u>4.4%</u>	<u>2,216</u>	<u>385</u>	<u>117.4%</u>
Net change in fund balance	(39,072)	45,707	84,779		40,218	5,489	
Beginning fund balance	498,704	931,544	432,840		603,176	328,368	
Ending fund balance	<u>\$ 459,632</u>	<u>\$ 977,251</u>	<u>\$ 517,619</u>		<u>\$ 643,394</u>	<u>\$ 333,857</u>	

**CITY OF LAKEVILLE, MINNESOTA**  
 Enterprise - Liquor Fund  
 Statement of Revenues, Expenditures and Changes in Working Capital  
 For the Three Month Period Ended March 31, 2019

	2019			Percent of Budget	Comparative		
	Adopted Budget	3/31/2019 Actual	Variance		3/31/18 Actual	Variance from 2018 Actual Positive (Negative)	
<u>Sales and cost of sales</u>							
Sales	\$ 15,360,906	\$ 3,327,917	\$ (12,032,989)	21.7%	\$ 3,241,316	\$ 86,601	102.7%
Cost of sales	<u>11,583,628</u>	<u>2,517,393</u>	<u>9,066,235</u>	<u>21.7%</u>	<u>2,439,125</u>	<u>(78,268)</u>	<u>103.2%</u>
Gross profit	<u>3,777,278</u>	<u>810,524</u>	<u>(2,966,754)</u>	<u>21.5%</u>	<u>802,191</u>	<u>8,333</u>	<u>101.0%</u>
Gross profit %	24.6%	24.4%			24.7%		
<u>Operating expenses</u>							
Personnel services	1,736,357	423,434	1,312,923	24.4%	388,101	(35,333)	109.1%
Commodities	79,362	24,993	54,369	31.5%	11,358	(13,635)	220.0%
Other charges and services	<u>1,087,236</u>	<u>265,026</u>	<u>822,210</u>	<u>24.4%</u>	<u>170,007</u>	<u>(95,020)</u>	<u>155.9%</u>
Total operating expenses	<u>2,902,955</u>	<u>713,453</u>	<u>2,189,502</u>	<u>24.6%</u>	<u>569,465</u>	<u>(143,988)</u>	<u>125.3%</u>
Operating income	<u>874,323</u>	<u>97,071</u>	<u>(777,252)</u>	<u>11.1%</u>	<u>232,726</u>	<u>(135,655)</u>	<u>41.7%</u>
<u>Non-operating revenue (expense)</u>							
Investment income	19,110	12,002	(7,108)	62.8%	2,845	9,157	421.9%
Miscellaneous	6,716	-	(6,716)	0.0%	-	-	0.0%
Capital outlay acquisitions	(79,785)	-	79,785	0.0%	-	-	0.0%
Transfers in (out)							
General Fund	(158,573)	(39,643)	118,930	25.0%	(48,717)	9,073	81.4%
Communications (Mktg Spec)	(91,267)	(22,817)	68,450	25.0%	(21,881)	(936)	104.3%
Communications (Fiber)	(7,503)	-	7,503	0.0%	-	-	0.0%
Debt Service:							
CIP Bonds-Police Station	(400,000)	(400,000)	-	100.0%	(300,000)	(100,000)	133.3%
Galaxie Lease	(274,100)	(245,400)	28,700	89.5%	-	(245,400)	0.0%
Capital Projects:							
Equipment Fund	(400,000)	(400,000)	-	100.0%	(250,000)	150,000	160.0%
Enterprise Fund:							
Environmental Resources - Recycling	<u>(4,525)</u>	<u>-</u>	<u>4,525</u>	<u>0.0%</u>	<u>-</u>	<u>-</u>	<u>0.0%</u>
Total non-operating (net)	<u>(1,389,927)</u>	<u>(1,095,858)</u>	<u>294,069</u>	<u>78.8%</u>	<u>(617,753)</u>	<u>(478,105)</u>	<u>177.4%</u>
Change in working capital	(515,604)	(998,787)	(483,183)		(385,027)	(613,760)	
Beginning working capital	<u>3,007,218</u>	<u>3,840,753</u>	<u>833,535</u>		<u>1,223,019</u>	<u>2,617,734</u>	
Ending working capital	<u>\$ 2,491,614</u>	<u>\$ 2,841,966</u>	<u>\$ 350,352</u>		<u>\$ 837,992</u>	<u>\$ 2,003,974</u>	

**CITY OF LAKEVILLE, MINNESOTA**  
 Enterprise - Utility Fund Water Operation  
 Statement of Revenues, Expenditures and Changes in Working Capital  
 For the Three Month Period Ended March 31, 2019

	2019			Percent of Budget	Comparative		
	Adopted Budget	3/31/2019 Actual	Variance		3/31/18 Actual	Variance from 2018 Actual Positive (Negative)	
<u>Operating revenues</u>							
User charges for services	\$ 5,144,657	\$ 719,513	\$ (4,425,144)	14.0%	\$ 703,288	\$ 16,225	102.3%
Other	231,830	42,193	(189,637)	18.2%	34,721	7,472	121.5%
Total operating revenue	<u>5,376,487</u>	<u>761,706</u>	<u>(4,614,781)</u>	14.2%	<u>738,009</u>	<u>23,697</u>	<u>-625.3%</u>
<u>Operating expenses</u>							
Personnel services	1,215,031	292,317	922,714	24.1%	270,926	(21,391)	107.9%
Commodities	350,868	64,785	286,083	18.5%	63,476	(1,309)	102.1%
Other charges and services	1,253,016	242,754	1,010,262	19.4%	158,058	(84,696)	153.6%
Major Maintenance	1,958,114	9,253	1,948,861	0.5%	41,712	32,459	22.2%
Total operating expenses	<u>4,777,029</u>	<u>609,110</u>	<u>4,167,919</u>	12.8%	<u>534,173</u>	<u>(74,937)</u>	<u>114.0%</u>
Operating income (loss)	<u>599,458</u>	<u>152,596</u>	<u>(446,862)</u>		<u>203,836</u>	<u>(51,240)</u>	
<u>Non-operating revenue (expense)</u>							
Intergovernmental	1,632	-	(1,632)	0.0%	-	-	0.0%
Investment income	36,308	23,849	(12,459)	65.7%	12,500	11,349	190.8%
Disposal of assets	(10,000)	6,011	16,011	-60.1%	-	6,011	0.0%
Capital outlay	(67,739)	(3,956)	63,783	5.8%	(3,956)	-	100.0%
Bond proceeds	1,430,000	-	(1,430,000)	0.0%	-	-	0.0%
Debt Service	(1,215,420)	(855,667)	359,753	70.4%	(865,828)	10,161	98.8%
Transfers (out)	(169,526)	(37,198)	132,329	21.9%	(34,811)	(2,387)	106.9%
Total non-operating (net)	<u>5,255</u>	<u>(866,961)</u>	<u>(872,216)</u>		<u>(892,095)</u>	<u>25,134</u>	
Change in working capital	604,713	(714,365)	(1,319,078)		(688,259)	(26,106)	103.8%
Beginning working capital	<u>7,364,204</u>	<u>7,631,559</u>	<u>267,355</u>		<u>7,687,750</u>	<u>(56,191)</u>	<u>99.3%</u>
Ending working capital	<u>\$ 7,968,917</u>	<u>\$ 6,917,194</u>	<u>\$ (1,051,723)</u>		<u>\$ 6,999,491</u>	<u>(82,297)</u>	<u>98.8%</u>

**CITY OF LAKEVILLE, MINNESOTA**  
 Enterprise - Utility Fund Sanitary Sewer Operation  
 Statement of Revenues, Expenditures and Changes in Working Capital  
 For the Three Month Period Ended March 31, 2019

	2019 Adopted Budget	3/31/2019 Actual	Variance	Percent of Budget	Comparative		
					3/31/18 Actual	Variance from 2018 Actual Positive (Negative)	
<u>Operating revenue</u>							
User charges for services	\$ 6,608,063	\$ 1,719,539	\$ (4,888,524)	26.0%	\$ 1,573,484	\$ 146,055	109.3%
<u>Operating expenses</u>							
Personnel services	834,639	162,450	672,189	19.5%	158,529	(3,921)	102.5%
Commodities	85,471	20,299	65,172	23.7%	12,817	(7,481)	158.4%
Other charges and services	391,263	66,868	324,395	17.1%	47,863	(19,004)	139.7%
Disposal charges	4,174,432	1,043,608	3,130,824	25.0%	1,004,503	(39,105)	103.9%
Major maintenance projects	1,205,000	-	1,205,000	0.0%	-	-	0.0%
Total operating expenses	6,690,805	1,293,224	5,397,581	19.3%	1,223,713	(69,511)	105.7%
Operating income (loss)	(82,742)	426,315	509,057		349,771	76,544	121.9%
<u>Non-operating revenue (expense)</u>							
Intergovernmental State aid	1,632	-	(1,632)	0.0%	-	-	0.0%
Grants	152,368	-	(152,368)	0.0%	-	-	0.0%
Investment income	24,050	10,644	(13,406)	44.3%	6,250	4,394	170.3%
Disposal of assets	(10,000)	-	10,000	0.0%	-	-	0.0%
Capital outlay	(51,529)	-	51,529	0.0%	(3,956)	3,956	0.0%
Debt service	(70,472)	(56,496)	13,976	80.2%	(65,350)	8,854	86.5%
Transfers in	24,165	24,165	-	100.0%	23,822	343	101.4%
Transfers (out)	(174,527)	(43,632)	130,895	25.0%	(57,614)	13,982	75.7%
Total non-operating (net)	(104,313)	(65,319)	38,994	62.6%	(96,848)	31,529	67.4%
Change in working capital	(187,055)	360,996	548,051		252,923	108,073	142.7%
Beginning working capital	2,275,130	3,406,134	1,131,004		2,790,620	615,514	122.1%
Ending working capital	\$ 2,088,075	\$ 3,767,130	\$ 1,679,055		\$ 3,043,543	\$ 723,587	123.8%

**CITY OF LAKEVILLE, MINNESOTA**  
 Enterprise - Utility Fund Street Light Operation  
 Statement of Revenues, Expenditures and Changes in Working Capital  
 For the Three Month Period Ended March 31, 2019

	2019 Adopted Budget	3/31/2019 Actual	Variance	Percent of Budget	Comparative		
					3/31/18 Actual	Variance from 2018 Actual Positive (Negative)	
<u>Operating revenue</u>							
User charges for services	\$ 875,355	\$ 238,492	\$ (636,863)	27.2%	\$ 219,196	\$ 19,296	108.8%
<u>Operating expenses</u>							
Personnel services	19,855	2,409	17,446	12.1%	2,282	(127)	105.6%
Commodities	63	2	61	2.4%	171	169	0.9%
Other charges and services	761,901	190,870	571,031	25.1%	184,120	(6,751)	103.7%
Total operating expenses	781,819	193,281	588,538	24.7%	186,572	(6,709)	103.6%
Operating income (loss)	93,536	45,211	(48,325)		32,624	12,587	138.6%
<u>Non-operating revenue (expense)</u>							
Investment income	2,933	1,757	(1,176)	59.9%	844	914	208.3%
Debt service	(45,375)	(31,396)	13,979	69.2%	(3,230)	(28,166)	971.9%
Transfers in (out) - General Fund	(5,001)	1,250	6,251	-25.0%	(1,102)	2,352	-113.5%
Total non-operating (net)	(47,443)	(28,388)	19,055	59.8%	(3,488)	(24,900)	813.8%
Change in working capital	46,093	16,823	(29,270)		29,135	(12,313)	57.7%
Beginning working capital	477,402	562,342	84,940		432,774	129,568	129.9%
Ending working capital	\$ 523,495	\$ 579,165	\$ 55,670		\$ 461,909	\$ 117,255	125.4%

**CITY OF LAKEVILLE, MINNESOTA**  
 Enterprise - Utility Fund Environmental Resources Operation  
 Statement of Revenues, Expenditures and Changes in Working Capital  
 For the Three Month Period Ended March 31, 2019

	2019 Adopted Budget	3/31/2019 Actual	Variance	Percent of Budget	Comparative		
					3/31/18 Actual	Variance from 2018 Actual Positive (Negative)	
<u>Revenues</u>							
User charges for services	\$ 1,636,903	\$ 413,661	\$ (1,223,242)	25.3%	\$ 286,076	\$ 127,585	144.6%
Total revenues	<u>1,636,903</u>	<u>413,661</u>	<u>(1,223,242)</u>	<u>25.3%</u>	<u>286,076</u>	<u>127,585</u>	<u>-427.6%</u>
<u>Expenditures - Public works</u>							
Personnel services	444,935	106,497	338,438	23.9%	99,246	(7,251)	107.3%
Commodities	34,248	11,405	22,843	33.3%	16,075	4,671	70.9%
Other charges and services	<u>1,161,000</u>	<u>30,658</u>	<u>1,130,342</u>	<u>2.6%</u>	<u>24,860</u>	<u>(5,798)</u>	<u>123.3%</u>
Total expenditures	<u>1,640,183</u>	<u>148,560</u>	<u>1,491,623</u>	<u>9.1%</u>	<u>140,181</u>	<u>(8,379)</u>	<u>106.0%</u>
Operating income (loss)	<u>(3,280)</u>	<u>265,101</u>	<u>268,381</u>		<u>145,895</u>	<u>119,206</u>	<u>181.7%</u>
<u>Non-operating revenue (expense)</u>							
Intergovernmental	120,292	-	(120,292)	0.0%	-	-	0.0%
Investment income	3,140	3,213	73	102.3%	2,500	713	128.5%
Transfers in (out)							
General Fund	(169,461)	(42,365)	127,096	25.0%	(36,056)	(6,309)	117.5%
Equipment Fund	(31,000)	(31,000)	-	100.0%	(31,000)	-	100.0%
Storm Sewer Trunk Fund	20,000	20,000	-	100.0%	10,000	10,000	200.0%
Liquor Fund	4,525	-	(4,525)	0.0%	-	-	0.0%
Sanitary sewer operations	<u>(24,165)</u>	<u>(24,165)</u>	<u>-</u>	<u>100.0%</u>	<u>(23,822)</u>	<u>(343)</u>	<u>101.4%</u>
Total other financing (uses)	<u>(76,669)</u>	<u>(74,317)</u>	<u>2,352</u>	<u>96.9%</u>	<u>(78,378)</u>	<u>4,061</u>	<u>94.8%</u>
Change in working capital	(79,949)	190,784	270,733		67,517	123,267	282.6%
Beginning working capital	<u>782,656</u>	<u>1,028,129</u>	<u>245,473</u>		<u>1,004,332</u>	<u>23,797</u>	<u>102.4%</u>
Ending working capital	<u>\$ 702,707</u>	<u>\$ 1,218,913</u>	<u>\$ 516,206</u>		<u>\$ 1,071,849</u>	<u>\$ 147,064</u>	<u>113.7%</u>