



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, 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 half. 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 2nd Quarter 2018	2019 Adopted Budget	Second Quarter 2019
Single Family	244	350	243
Townhome	33	50	44
Apartments (Units)	0	1 (160 units)	1 (160 units)
Commercial	3	10	2

❖ Intergovernmental.

- Revenues comprised of police and fire aid and various grants are typically received in the third and fourth quarters. \$16,000 has been recognized for fire department training grants and \$15,000 has been recognized for an Arts Grant.

❖ Charges for Services.

- *General government services* are in line with the budget. \$52,000 has been received for fiscal agent fees from the Dakota Communications Center and Lakeville Arenas.

FINANCIAL HIGHLIGHTS (continued):

❖ General Fund - Revenues (Continued)

❖ *Charges for Services. (Continued)*

- *Public Safety* revenues are slightly above 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. The fire contract with Eureka Township is \$41,375. 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. \$343,000 has been received in the first half of the year and is exceeding budget by \$136,000.
- *Parks and Recreation* revenues are exceeding budget estimates and are up \$28,000 over the same period in 2018.

❖ *Court Fines*

- Revenues from court fines (\$199,000) represent 57 percent of the budget estimates and are up \$20,000 over the same 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 June 30, are at 57 percent of the 2019 Budget. Motor fuels are equal with 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 44 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 an 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 1st half are up \$32,000 over the same period in 2018 as a result of increased CAD events in prior years.
- ❖ *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 half personnel expenses were 12.4 percent over the same period in 2018.
- ❖ *Engineering/GIS.* GPS receivers were purchased in the first quarter contributing to the increase over 2018. GIS professional fees in 2018 is the reason for the decrease in 2019.
- ❖ *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.* 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 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.
- ❖ 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 \$7.4 million which is a 4.4 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 slightly below budget appropriations. Rent for the Kenrick liquor store added \$132,000 in additional expenditures for the quarter compared to 2018. Three floor scrubbers were also purchased 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 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, 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; \$5,000 has been spent year-to-date
 - 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; \$15,000 has been spent year-to-date
 - Water meter replacement projects - \$334,000; \$9,000 has been spent year-to-date

❖ Sewer Fund

- ❖ Sewer revenues are in line with 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; \$16,000 has been spent year-to-date
 - Sewer line improvements - \$250,000
 - I/I mitigation repairs -\$425,000; \$176,000 has been spent year-to-date

FINANCIAL HIGHLIGHTS (continued):

❖ Street Lighting Fund

- ❖ Revenues are exceeding budget and are up over the same period in 2018. Streetlight fees of \$12,700 were collected at the time of final plat in the first half.
- ❖ 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 Six Month Period Ended June 30, 2019

	2019		Variance from Amended Budget Positive (Negative)	Actual Percent	Comparative		
	Adopted Budget	6/30/2019 Actual			6/30/18 Actual	Variance from 2018 Actual Positive (Negative)	
Revenues							
General property taxes	\$ 21,327,427	\$ 11,297,597	\$ (10,029,830)	53.0%	\$ 11,036,385	\$ 261,212	102.4%
Licenses and permits	2,390,498	1,953,638	(436,860)	81.7%	1,627,911	325,727	120.0%
Intergovernmental	989,590	52,456	(937,134)	5.3%	128,178	(75,722)	40.9%
Charges for services	2,734,249	1,527,529	(1,206,720)	55.9%	1,293,271	234,258	118.1%
Court fines	346,000	198,602	(147,398)	57.4%	179,008	19,594	110.9%
Investment income	120,000	70,216	(49,784)	58.5%	45,795	24,421	153.3%
Miscellaneous	47,163	22,679	(24,484)	48.1%	19,643	3,036	115.5%
Total revenues	27,954,927	15,122,717	(12,832,210)	54.1%	14,330,191	792,526	105.5%
Expenditures							
Mayor and Council	113,250	51,430	61,820	45.4%	38,856	(12,574)	132.4%
Committees and Commissions	68,218	7,475	60,743	11.0%	5,233	(2,242)	142.8%
City Administration	477,506	246,528	230,978	51.6%	247,129	601	99.8%
City Clerk	148,586	70,192	78,394	47.2%	68,963	(1,229)	101.8%
Legal Counsel	81,000	39,986	41,014	49.4%	34,893	(5,093)	114.6%
Planning	580,515	283,599	296,917	48.9%	274,430	(9,169)	103.3%
Community and Econ. Development	375,237	173,251	201,987	46.2%	209,607	36,356	82.7%
Inspections	1,273,544	622,753	650,791	48.9%	588,184	(34,569)	105.9%
General Government Facilities	607,324	307,164	300,161	50.6%	281,192	(25,972)	109.2%
Finance	804,429	393,221	411,208	48.9%	393,626	405	99.9%
Information Systems	788,545	487,321	301,224	61.8%	420,682	(66,639)	115.8%
Human Resources	527,997	247,179	280,818	46.8%	239,324	(7,855)	103.3%
Insurance	285,000	142,500	142,500	50.0%	142,500	-	100.0%
Police	11,628,288	5,519,547	6,108,741	47.5%	5,385,149	(134,398)	102.5%
Fire	2,034,937	773,269	1,261,669	38.0%	727,422	(45,847)	106.3%
Engineering	881,757	402,617	479,141	45.7%	439,686	37,070	91.6%
Construction Services	573,870	222,272	351,599	38.7%	240,372	18,101	92.5%
Streets	3,288,617	1,853,072	1,435,546	56.3%	1,792,531	(60,541)	103.4%
Parks	2,744,963	1,317,465	1,427,499	48.0%	1,283,036	(34,429)	102.7%
Recreation	745,137	319,292	425,845	42.9%	317,644	(1,648)	100.5%
Heritage Center	138,674	50,971	87,704	36.8%	55,320	4,350	92.1%
Arts Center	550,049	310,641	239,409	56.5%	278,185	(32,456)	111.7%
Other	79,466	-	79,466	0.0%	-	-	0.0%
Total expenditures	28,796,909	13,841,740	14,955,169	48.1%	13,463,963	(377,777)	102.8%
Excess (deficiency) of revenues over expenditures	(841,982)	1,280,977	2,122,959		866,228	414,749	
Other financing sources (uses)							
Transfer from other funds	766,482	344,958	(421,524)	45.0%	404,938	(59,980)	85.2%
Transfer to other funds	(630,000)	(630,000)	-	100.0%	(401,800)	(228,200)	156.8%
Total other financing sources (uses)	136,482	(285,042)	(421,524)		3,138	(288,180)	-9083.6%
Net change in fund balance	(705,500)	995,935	1,701,435		(5,793,609)	6,789,544	
Beginning fund balance	14,970,310	15,732,733	762,423		15,128,923	603,810	
Ending fund balance	\$ 14,264,810	\$ 16,728,668	\$ 2,463,858		\$ 9,335,314	\$ 7,393,354	
<i>Adj fund balance, Dec 31 (net of restricted)</i>	<i>\$ 13,150,435</i>	<i>\$ 16,032,838</i>			<i>\$ 8,639,484</i>		
Net change in fund balance percentage	(4.7%)	6.3%			(38.3%)		
Ratio: Fund balance to CY expenditures	45.7%						
Ratio: Fund balance to NY expenditures	44.3%						
Expense Summary:							
Personnel services	21,502,338	10,252,369	11,170,503	47.7%	9,792,266	(460,103)	104.7%
Commodities	1,757,479	901,302	856,177	51.3%	942,739	41,437	95.6%
Other charges and services	5,537,092	2,674,890	2,862,202	48.3%	2,698,996	24,106	99.1%
Capital outlay	-	13,179	(13,179)	0.0%	29,962	16,783	44.0%
Total	28,796,909	13,841,740	14,875,703	48.1%	13,463,963	(377,777)	102.8%

General Fund
Schedule of Expenditures

Expenditures	2019		Variance from Adopted Budget Positive (Negative)	Actual Percent	Comparative		
	Adopted Budget	6/30/2019 Actual			6/30/18 Actual	Variance from 2018 Actual Positive (Negative)	
Mayor and Council							
Personnel services	\$ 62,561	\$ 30,121	\$ 32,440	48%	\$ 24,178	\$ (5,943)	124.6%
Commodities	50	64	(14)	128%	90	26	71.1%
Other charges and services	50,639	21,245	29,394	42%	14,588	(6,657)	145.6%
Total	113,250	51,430	61,820	45%	38,856	(12,574)	132.4%
Committees/Commissions							
Personnel services	53,388	1,072	52,316	2%	1,095	23	97.9%
Commodities	1,630	-	1,630	0%	-	-	0.0%
Other charges and services	13,200	6,403	6,797	49%	4,138	(2,265)	154.7%
Total	68,218	7,475	60,743	11%	5,233	(2,242)	142.8%
City Administration							
Personnel services	455,248	222,686	232,562	49%	211,731	(10,955)	105.2%
Commodities	1,600	189	1,411	12%	947	758	20.0%
Other charges and services	20,658	23,653	(2,995)	114%	32,781	9,128	72.2%
Capital outlay	-	-	-	0%	1,670	1,670	0.0%
Total	477,506	246,528	230,978	52%	247,129	601	99.8%
City Clerk							
Personnel services	114,305	57,326	56,979	50%	55,286	(2,040)	103.7%
Commodities	300	36	264	12%	514	478	7.0%
Other charges and services	33,981	12,830	21,151	38%	13,163	333	97.5%
Total	148,586	70,192	78,394	47%	68,963	(1,229)	101.8%
Legal Counsel							
Other charges and services	81,000	39,986	41,014	49%	34,893	(5,093)	114.6%
Planning							
Personnel services	538,195	268,631	269,565	50%	253,343	(15,288)	106.0%
Commodities	2,041	317	1,724	16%	366	49	86.6%
Other charges and services	40,279	14,651	25,628	36%	20,721	6,070	70.7%
Total	580,515	283,599	296,917	49%	274,430	(9,169)	103.3%
Community and Economic Development							
Personnel services	307,121	144,072	163,050	47%	148,029	3,957	97.3%
Commodities	250	4	246	2%	164	160	2.4%
Other charges and services	67,866	29,175	38,691	43%	61,414	32,239	47.5%
Total	375,237	173,251	201,987	46%	209,607	36,356	82.7%
Inspection							
Personnel services	1,003,209	498,192	505,017	50%	466,054	(32,138)	106.9%
Commodities	13,792	4,782	9,010	35%	5,887	1,105	81.2%
Other charges and services	256,543	119,779	136,764	47%	116,243	(3,536)	103.0%
Total	1,273,544	622,753	650,791	49%	588,184	(34,569)	105.9%

(continued)

General Fund
Schedule of Expenditures

Expenditures (continued)	2019		Variance from Adopted Budget Positive (Negative)	Actual Percent	Comparative		
	Adopted Budget	6/30/2019 Actual			6/30/18 Actual	Variance from 2018 Actual Positive (Negative)	
General Government Facilities							
Personnel services	\$ 399,147	\$ 207,883	\$ 191,265	52%	\$ 186,300	\$ (21,583)	111.6%
Commodities	22,174	12,728	9,446	57%	12,847	119	99.1%
Other charges and services	186,003	86,553	99,450	47%	82,045	(4,508)	105.5%
Total	607,324	307,164	300,161	51%	281,192	(25,972)	109.2%
Finance							
Personnel services	716,653	341,423	375,230	48%	337,903	(3,520)	101.0%
Commodities	3,525	1,045	2,480	30%	1,567	522	66.7%
Other charges and services	84,251	50,753	33,498	60%	54,156	3,403	93.7%
Total	804,429	393,221	411,208	49%	393,626	405	99.9%
Information Technology							
Personnel services	443,618	217,752	225,866	49%	204,107	(13,645)	106.7%
Commodities	4,425	3,071	1,354	69%	2,999	(72)	102.4%
Other charges and services	340,502	266,498	74,004	78%	213,576	(52,922)	124.8%
Total	788,545	487,321	301,224	62%	420,682	(66,639)	115.8%
Human Resources							
Personnel services	416,092	197,652	218,440	48%	189,578	(8,074)	104.3%
Commodities	3,865	3,356	509	87%	885	(2,471)	379.2%
Other charges and services	108,040	46,171	61,869	43%	48,861	2,690	94.5%
Total	527,997	247,179	280,818	47%	239,324	(7,855)	103.3%
Insurance							
Other charges and services	285,000	142,500	142,500	50%	142,500	-	100.0%
Police							
Personnel services	9,083,175	4,322,828	4,760,347	48%	4,145,313	(177,515)	104.3%
Commodities	401,462	196,050	205,412	49%	196,364	314	99.8%
Other charges and services	2,143,651	1,000,669	1,142,982	47%	1,043,472	42,803	95.9%
Capital outlay	-	-	-	0%	-	-	0.0%
Total	11,628,288	5,519,547	6,108,741	47%	5,385,149	(134,398)	102.5%
Fire							
Personnel services	1,245,784	589,976	655,809	47%	525,052	(64,924)	112.4%
Fire Relief Contribution/State Aid	363,351	6,000	357,351	2%	10,000	4,000	60.0%
Commodities	153,816	49,959	103,857	32%	59,202	9,243	84.4%
Other charges and services	271,986	127,334	144,652	47%	133,168	5,834	95.6%
Total	2,034,937	773,269	1,261,669	38%	727,422	(45,847)	106.3%

(continued)

General Fund
Schedule of Expenditures

Expenditures (continued)	2019		Variance from Adopted Budget Positive (Negative)	Actual Percent	Comparative		
	Adopted Budget	6/30/2019 Actual			6/30/18 Actual	Variance from 2018 Actual Positive (Negative)	
Engineering							
Personnel services	\$ 769,706	\$ 365,894	\$ 403,813	48%	\$ 346,607	\$ (19,287)	105.6%
Commodities	12,966	5,680	7,286	44%	2,938	(2,742)	193.3%
Other charges and services	99,085	31,043	68,042	31%	90,141	59,098	34.4%
Total	881,757	402,617	479,141	46%	439,686	37,070	91.6%
Construction Services							
Personnel services	552,065	215,397	336,669	39%	206,576	(8,821)	104.3%
Commodities	7,915	3,194	4,721	40%	2,655	(539)	120.3%
Other charges and services	13,890	3,681	10,209	27%	2,849	(832)	129.2%
Capital outlay	-	-	-	0%	28,292	28,292	0.0%
Total	573,870	222,272	351,599	39%	240,372	18,101	92.5%
Streets							
Personnel services	2,183,894	1,217,823	966,072	56%	1,147,893	(69,930)	106.1%
Commodities	746,573	454,574	291,999	61%	503,794	49,220	90.2%
Other charges and services	358,150	180,675	177,475	50%	140,844	(39,831)	128.3%
Total	3,288,617	1,853,072	1,435,546	56%	1,792,531	(60,541)	103.4%
Parks							
Personnel services	1,925,115	974,560	950,556	51%	987,259	12,700	98.7%
Commodities	296,140	135,573	160,567	46%	120,451	(15,122)	112.6%
Other charges and services	523,708	207,332	316,376	40%	175,326	(32,006)	118.3%
Total	2,744,963	1,317,465	1,427,499	48%	1,283,036	(34,429)	102.7%
Recreation							
Personnel services	419,055	173,928	245,127	42%	171,184	(2,744)	101.6%
Commodities	35,577	7,423	28,154	21%	6,487	(936)	114.4%
Other charges and services	290,505	137,941	152,564	47%	139,973	2,032	98.5%
Total	745,137	319,292	425,845	43%	317,644	(1,648)	100.5%
Heritage Center							
Personnel services	71,576	31,274	40,303	44%	31,718	445	98.6%
Commodities	9,358	1,685	7,673	18%	4,467	2,782	37.7%
Other charges and services	57,740	18,012	39,728	31%	19,135	1,123	94.1%
Total	138,674	50,971	87,704	37%	55,320	4,350	92.1%
Arts Center							
Personnel services	299,614	167,884	131,731	56%	143,061	(24,823)	117.4%
Commodities	40,020	21,572	18,448	54%	20,115	(1,457)	107.2%
Other charges and services	210,415	108,006	102,409	51%	115,009	7,003	93.9%
Capital outlay	-	13,179	(13,179)	0%	-	(13,179)	0.0%
Total	550,049	310,641	239,409	56%	278,185	(32,456)	111.7%
Other financing uses - transfers							
To Building Fund	-	-	-	0%	300,000	(300,000)	0.0%
To Equipment Fund	480,000	480,000	-	100%	-	480,000	0.0%
To Park Improvement Fund	150,000	150,000	-	100%	-	150,000	0.0%
To Trail Improvement Fund	-	-	-	0%	100,000	(100,000)	0.0%
Total	630,000	630,000	-	100%	400,000	230,000	157.5%

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, 2019

	2019		Percent of Budget	Comparative			
	Adopted Budget	6/30/2019 Actual		Variance	6/30/18 Actual	Variance from 2018 Actual Positive (Negative)	
<u>Revenues</u>							
Licenses franchise fee	\$ 687,840	\$ 170,000	\$ (517,840)	24.7%	\$ 337,085	\$ (167,085)	50.4%
PEG Fees	57,948	14,656	(43,292)	25.3%	30,023	(15,367)	48.8%
Intergovernmental State aid	516	258	(258)	50.0%	258	-	100.0%
Investment income	<u>2,058</u>	<u>3,878</u>	<u>1,820</u>	<u>188.4%</u>	<u>3,019</u>	<u>859</u>	<u>128.5%</u>
Total revenues	<u>748,362</u>	<u>188,792</u>	<u>(559,570)</u>	<u>25.2%</u>	<u>370,385</u>	<u>(181,593)</u>	<u>51.0%</u>
<u>Expenditures - General government</u>							
Personnel services	461,880	222,922	238,959	48.3%	213,093	(9,829)	104.6%
Commodities	14,900	4,387	10,513	29.4%	4,798	411	91.4%
Other charges and services	310,530	35,006	275,524	11.3%	47,822	12,816	73.2%
Capital outlay	<u>59,500</u>	<u>802</u>	<u>58,698</u>	<u>1.3%</u>	<u>9,638</u>	<u>8,836</u>	<u>8.3%</u>
Total expenditures	<u>846,810</u>	<u>263,117</u>	<u>583,694</u>	<u>31.1%</u>	<u>275,351</u>	<u>12,235</u>	<u>95.6%</u>
Excess (deficiency) of revenues over expenditures	<u>(98,448)</u>	<u>(74,324)</u>	<u>24,124</u>	<u>75.5%</u>	<u>95,034</u>	<u>(70,910)</u>	<u>-78.2%</u>
<u>Other financing (uses) - Transfers</u>							
From Liquor Fund (Comm/Mkt Position)	91,267	45,634	(45,634)	50.0%	79,498	(33,865)	57.4%
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%	(39,332)	19,116	51.4%
To Improvement Construction Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>0.0%</u>	<u>-</u>	<u>-</u>	<u>0.0%</u>
Total other financing (uses)	<u>59,376</u>	<u>25,417</u>	<u>(33,959)</u>	<u>42.8%</u>	<u>40,166</u>	<u>(14,749)</u>	<u>63.3%</u>
Net change in fund balance	(39,072)	(48,907)	(9,835)		135,200	(184,107)	
Beginning fund balance	<u>498,704</u>	<u>930,792</u>	<u>432,088</u>		<u>603,175</u>	<u>327,617</u>	
Ending fund balance	<u>\$ 459,632</u>	<u>\$ 881,885</u>	<u>\$ 422,253</u>		<u>\$ 738,375</u>	<u>\$ 143,510</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, 2019

	2019			Percent of Budget	Comparative		
	Adopted Budget	6/30/2019 Actual	Variance		6/30/18 Actual	Variance from 2018 Actual Positive (Negative)	
<u>Sales and cost of sales</u>							
Sales	\$ 15,360,906	\$ 7,401,394	\$ (7,959,512)	48.2%	\$ 7,088,123	\$ 313,271	104.4%
Cost of sales	<u>11,583,628</u>	<u>5,538,094</u>	<u>6,045,534</u>	47.8%	<u>5,310,014</u>	<u>(228,080)</u>	<u>104.3%</u>
Gross profit	<u>3,777,278</u>	<u>1,863,300</u>	<u>(1,913,978)</u>	49.3%	<u>1,778,109</u>	<u>85,191</u>	<u>104.8%</u>
Gross profit %	24.6%	25.2%			25.1%		
<u>Operating expenses</u>							
Personnel services	1,736,357	825,071	911,287	47.5%	764,322	(60,749)	107.9%
Commodities	79,362	36,986	42,376	46.6%	24,503	(12,483)	150.9%
Other charges and services	<u>1,087,236</u>	<u>510,001</u>	<u>577,235</u>	46.9%	<u>451,477</u>	<u>(58,524)</u>	<u>113.0%</u>
Total operating expenses	<u>2,902,955</u>	<u>1,372,058</u>	<u>1,530,898</u>	47.3%	<u>1,240,302</u>	<u>(131,756)</u>	<u>110.6%</u>
Operating income	<u>874,323</u>	<u>491,243</u>	<u>(383,081)</u>	56.2%	<u>537,807</u>	<u>(46,565)</u>	<u>91.3%</u>
<u>Non-operating revenue (expense)</u>							
Investment income	19,110	24,316	5,206	127.2%	9,197	15,119	264.4%
Miscellaneous	6,716	-	(6,716)	0.0%	-	-	0.0%
Capital outlay acquisitions	(79,785)	-	79,785	0.0%	-	-	0.0%
Sale of assets	-	-	-	0.0%	2,349,283	(2,349,283)	0.0%
<u>Transfers in (out)</u>							
General Fund	(158,573)	(79,287)	79,287	50.0%	(97,433)	18,147	81.4%
Communications (Mktg Spec)	(91,267)	(45,634)	45,634	50.0%	(79,498)	33,865	57.4%
Communications (Fiber)	(7,503)	-	7,503	0.0%	-	-	0.0%
<u>Debt Service:</u>							
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%
<u>Capital Projects:</u>							
Equipment Fund	(400,000)	(400,000)	-	100.0%	(250,000)	150,000	160.0%
<u>Enterprise Fund:</u>							
Environmental Resources - Recycling	(4,525)	(3,425)	1,100	75.7%	(2,176)	(2,177)	157.4%
Total non-operating (net)	<u>(1,389,927)</u>	<u>(1,149,429)</u>	<u>240,498</u>	82.7%	<u>1,629,373</u>	<u>(2,778,802)</u>	<u>-70.5%</u>
Change in working capital	(515,604)	(658,186)	(142,582)		2,167,180	(2,825,366)	
Beginning working capital	<u>3,007,218</u>	<u>3,890,525</u>	<u>883,307</u>		<u>1,223,019</u>	<u>2,667,506</u>	
Ending working capital	<u>\$ 2,491,614</u>	<u>\$ 3,232,339</u>	<u>\$ 740,725</u>		<u>\$ 3,390,199</u>	<u>\$ (157,860)</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, 2019

	2019 Adopted Budget	6/30/2019 Actual	Variance	Percent of Budget	Comparative		
					6/30/18 Actual	Variance from 2018 Actual Positive (Negative)	
<u>Operating revenues</u>							
User charges for services	\$ 5,144,657	\$ 1,491,332	\$ (3,653,325)	29.0%	\$ 1,462,077	\$ 29,255	102.0%
Other	231,830	88,186	(143,644)	38.0%	75,675	12,511	116.5%
Total operating revenue	5,376,487	1,579,518	(3,796,969)	29.4%	1,537,752	41,766	-246.9%
<u>Operating expenses</u>							
Personnel services	1,215,031	583,832	631,199	48.1%	553,616	(30,216)	105.5%
Commodities	350,868	146,405	204,463	41.7%	122,732	(23,673)	119.3%
Other charges and services	1,253,016	417,982	835,034	33.4%	386,857	(31,125)	108.0%
Major Maintenance	1,958,114	50,649	1,907,465	2.6%	112,268	61,619	45.1%
Total operating expenses	4,777,029	1,198,868	3,578,161	25.1%	1,175,473	(23,395)	102.0%
Operating income (loss)	599,458	380,650	(218,808)		362,279	18,371	
<u>Non-operating revenue (expense)</u>							
Intergovernmental	1,632	816	(816)	50.0%	(816)	1,632	-100.0%
Investment income	36,308	45,286	8,978	124.7%	25,000	20,286	181.1%
Disposal of assets	(10,000)	6,761	16,761	-67.6%	7,016	(255)	96.4%
Capital outlay	(67,739)	(3,956)	63,783	5.8%	(46,133)	42,177	8.6%
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%	(91,467)	54,270	40.7%
Total non-operating (net)	5,255	(843,958)	(849,213)		(972,228)	128,270	
Change in working capital	604,713	(463,307)	(1,068,020)		(609,949)	146,642	76.0%
Beginning working capital	7,364,204	7,245,758	(118,446)		7,687,750	(441,992)	94.3%
Ending working capital	\$ 7,968,917	\$ 6,782,451	\$ (1,186,466)		\$ 7,077,801	(295,350)	95.8%

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, 2019

	2019 Adopted Budget	6/30/2019 Actual	Variance	Percent of Budget	Comparative		
					6/30/18 Actual	Variance from 2018 Actual Positive (Negative)	
<u>Operating revenue</u>							
User charges for services	\$ 6,608,063	\$ 3,327,079	\$ (3,280,984)	50.3%	\$ 3,074,891	\$ 252,188	108.2%
<u>Operating expenses</u>							
Personnel services	834,639	369,870	464,769	44.3%	339,347	(30,523)	109.0%
Commodities	85,471	41,790	43,681	48.9%	22,290	(19,500)	187.5%
Other charges and services	391,263	330,655	60,608	84.5%	120,912	(209,743)	273.5%
Disposal charges	4,174,432	2,087,214	2,087,218	50.0%	2,009,006	(78,208)	103.9%
Major maintenance projects	1,205,000	192,111	1,012,889	15.9%	31,810	(160,301)	603.9%
Total operating expenses	6,690,805	3,021,640	3,669,165	45.2%	2,523,365	(498,275)	119.7%
Operating income (loss)	(82,742)	305,439	388,181		551,526	(246,087)	55.4%
<u>Non-operating revenue (expense)</u>							
Intergovernmental State aid	1,632	816	(816)	50.0%	(816)	1,632	-100.0%
Grants	152,368	-	(152,368)	0.0%	-	-	0.0%
Investment income	24,050	19,025	(5,025)	79.1%	12,500	6,525	152.2%
Disposal of assets	(10,000)	-	10,000	0.0%	-	-	0.0%
Capital outlay	(51,529)	-	51,529	0.0%	(29,624)	29,624	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)	(87,264)	87,264	50.0%	(93,670)	6,407	93.2%
Total non-operating (net)	(104,313)	(99,753)	4,560	95.6%	(153,138)	53,385	65.1%
Change in working capital	(187,055)	205,686	392,741		398,388	(192,702)	51.6%
Beginning working capital	2,275,130	3,044,063	768,933		2,790,620	253,443	109.1%
Ending working capital	\$ 2,088,075	\$ 3,249,749	\$ 1,161,674		\$ 3,189,008	\$ 60,741	101.9%

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, 2019

	2019			Percent of Budget	Comparative		
	Adopted Budget	6/30/2019 Actual	Variance		6/30/18 Actual	Variance from 2018 Actual Positive (Negative)	
<u>Operating revenue</u>							
User charges for services	\$ 875,355	\$ 473,561	\$ (401,794)	54.1%	\$ 442,432	\$ 31,129	107.0%
<u>Operating expenses</u>							
Personnel services	19,855	9,699	10,156	48.9%	9,004	(695)	107.7%
Commodities	63	6	57	10.2%	176	170	3.6%
Other charges and services	761,901	359,526	402,375	47.2%	370,659	11,133	97.0%
Total operating expenses	781,819	369,231	412,588	47.2%	379,839	10,608	97.2%
Operating income (loss)	93,536	104,330	10,794		62,593	41,737	166.7%
<u>Non-operating revenue (expense)</u>							
Investment income	2,933	2,380	(553)	81.1%	2,375	5	100.2%
Debt service	(45,375)	(31,396)	13,979	69.2%	(6,461)	(24,935)	485.9%
Transfers in (out) - General Fund	(5,001)	(2,501)	2,501	50.0%	(2,204)	(297)	113.5%
Total non-operating (net)	(47,443)	(31,516)	15,927	66.4%	(6,290)	(25,226)	501.1%
Change in working capital	46,093	72,813	26,720		56,303	16,510	129.3%
Beginning working capital	477,402	571,214	93,812		432,774	138,440	132.0%
Ending working capital	\$ 523,495	\$ 644,027	\$ 120,532		\$ 489,077	\$ 154,950	131.7%

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, 2019

	2019 Adopted Budget	6/30/2019 Actual	Variance	Percent of Budget	Comparative		
					6/30/18 Actual	Variance from 2018 Actual Positive (Negative)	
Revenues							
User charges for services	\$ 1,636,903	\$ 810,168	\$ (826,735)	49.5%	\$ 569,735	\$ 240,433	142.2%
Charges for services - Recycling	-	4,090	4,090	0.0%	7,740	(3,650)	52.8%
Total revenues	<u>1,636,903</u>	<u>814,258</u>	<u>(822,645)</u>	<u>49.7%</u>	<u>577,475</u>	<u>236,783</u>	<u>-142.5%</u>
Expenditures - Public works							
Personnel services	444,935	238,525	206,410	53.6%	216,417	(22,108)	110.2%
Commodities	34,248	20,046	14,202	58.5%	27,140	7,094	73.9%
Other charges and services	<u>1,161,000</u>	<u>214,629</u>	<u>946,371</u>	<u>18.5%</u>	<u>116,825</u>	<u>(97,804)</u>	<u>183.7%</u>
Total expenditures	<u>1,640,183</u>	<u>473,200</u>	<u>1,166,983</u>	<u>28.9%</u>	<u>360,382</u>	<u>(112,818)</u>	<u>131.3%</u>
Operating income (loss)	<u>(3,280)</u>	<u>341,058</u>	<u>344,338</u>		<u>217,093</u>	<u>123,965</u>	<u>157.1%</u>
Non-operating revenue (expense)							
Intergovernmental	120,292	-	(120,292)	0.0%	-	-	0.0%
Investment income	3,140	6,840	3,700	217.8%	5,000	1,840	136.8%
Capital outlay	-	-	-	0.0%	(1,226)	1,226	0.0%
Transfers in (out)							
General Fund	(169,461)	(84,731)	84,731	50.0%	(111,448)	26,718	76.0%
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>(113,056)</u>	<u>(36,387)</u>	<u>147.5%</u>	<u>(152,496)</u>	<u>39,440</u>	<u>74.1%</u>
Change in working capital	(79,949)	228,003	307,952		64,597	163,406	353.0%
Beginning working capital	<u>782,656</u>	<u>1,094,376</u>	<u>311,720</u>		<u>1,004,332</u>	<u>90,044</u>	<u>109.0%</u>
Ending working capital	<u>\$ 702,707</u>	<u>\$ 1,322,379</u>	<u>\$ 619,672</u>		<u>\$ 1,068,929</u>	<u>\$ 253,450</u>	<u>123.7%</u>