



## **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, 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 three quarters. The following chart shows how the number of permits issued in the third quarter compares to the same period in 2018 and the 2019 Adopted Budget:

Permit Type	YTD 3rd Quarter 2018	2019 Adopted Budget	YTD 3rd Quarter 2019
Single Family	352	350	378
Townhome	68	50	65
Apartments (Units)	1 (55 units)	1 (160 units)	2 (215 units)
Commercial	6	10	2

In October, twenty-four (24) single family and twelve (12) townhome permits have been issued bringing the year-to-date total to 402 for single family and 77 for townhomes.

#### *❖ Intergovernmental.*

- Police state aid revenue of \$501,000 exceeds budget estimates by \$37,000. Fire state aid revenue of \$384,000 exceeds budget estimates by \$20,000.
- Other grant revenues through the third quarter amounted to \$150,000. These grants include: police post board grant, PERA rate increase aid, firefighter safety training grants, police vest reimbursements, Art Center grant, DARTS and senior chores funding.

## FINANCIAL HIGHLIGHTS (continued):

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

#### ❖ *Charges for Services.*

- *General government services* are in line with the budget. \$78,000 has been received for fiscal agent fees from the Dakota Communications Center and Lakeville Arenas.
- *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. 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. \$625,000 has been received in the first half of the year and is exceeding budget by \$418,000. Preliminary engineering platting fees were not anticipated in the 2019 budget, however \$27,000 has been received to date.
- *Parks and Recreation* revenues are exceeding budget estimates and are up \$49,000 over the same period in 2018.

#### ❖ *Court Fines*

- Revenues from court fines (\$281,000) represent 81 percent of the budget estimates and are up \$21,000 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 September 30 are at 81 percent of the 2019 Budget. Increased snow events for the public works departments contributed to the higher fuel expense.
- ❖ *Street Chemicals* – Costs 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.

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

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

- ❖ *Utilities – Electric & Natural Gas.* Costs are fairly consistent with the same period in 2018. Total costs through the first three quarters represent 72 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.
- ❖ *Legal.* Legal fees are up 28 percent over the same period in 2018 and currently at 85 percent of the 2019 budget.
- ❖ *Inspections.* Other charges and services are exceeding budget estimates due to higher than anticipated contract electrical inspections. The increased costs are funded by the increase in electrical permit revenues.
- ❖ *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 nine months are up \$48,000 over the same period in 2018 as a result of increased CAD events in prior years. Personnel services are slightly below the 2019 budget due in part to various employee transitions and vacancies.
- ❖ *Fire.* The Department migrated to a pay-per-hour compensation plan for firefighters. The increased costs are accounted for in the budget appropriations. Personnel expenses for the first nine months were 11.7 percent over the same period in 2018. Fire Relief State Aid increased \$12,000 over 2018.
- ❖ *Engineering/GIS.* GPS receivers (mapping grade) were purchased in the first quarter contributing to the increase over 2018. Contractual services are down in 2019 compared to 2018 when contractual engineering services were used to update the Transportation Plan and the Transit ADA Plan.
- ❖ *Construction Services.* Personnel services are below budget estimates due to employee vacancies. All positions have been filled since July.
- ❖ *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.
- ❖ *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 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.
- ❖ 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. The fiber project is anticipated to be completed by the end of the year but may run into the next year depending on contract acceptance and the actual start date.

### **❖ Liquor Fund**

- ❖ Sales through the third quarter amounted to \$11.7 million which is a 5.8 percent increase over the same period in 2018. Sales are slightly above budget estimates due to strong summer sales.
- ❖ Total expenditures are slightly below budget appropriations. Rent for the Kenrick liquor store added \$199,000 in additional expenditures year to date compared to 2018. \$25,000 was contributed to the Lakeville school district for chemical prevention programs. \$46,500 was expended on a space needs analysis in conjunction with a proposed fourth liquor store. 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.
- ❖ Capital outlay consists of \$63,000 for the Galaxie monument. Other capital outlay anticipated in 2019 is for lighting upgrades (\$25,000) at the Galaxie location. The upgrades will be completed in the fourth quarter.

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

### **❖ Water Fund**

- ❖ Water revenues are below budget expectations through the end of the third quarter as a result of a higher than average precipitation over the summer months. Consumption was down 12.3 percent with revenues down 10.9 percent which was minimized due to the water rate increase that went in affect February 1, 2019.
- ❖ 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; \$10,000 has been spent year-to-date
  - 2019 Street reconstruction project – watermain repair/replacement costs - \$1.4 million; \$633,000 has been spent year-to-date.
  - Water meter replacement projects - \$334,000; \$11,000 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.
- ❖ 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.
- ❖ Expenditures are below budget estimates but are up compared to the same period in 2018.
- ❖ The 2019 major maintenance projects are budgeted as follows:
  - Lift station rehabilitation - \$530,000; \$112,000 has been spent year-to-date
  - Sewer line improvements - \$250,000; \$223,000 has been spent year to date
  - I/I mitigation repairs -\$425,000; \$681,000 has been spent year-to-date with unspent appropriations from the prior year

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

### **❖ Street Lighting Fund**

- ❖ Revenues are exceeding budget and are up over the same period in 2018. Streetlight fees of \$24,000 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. Intergovernmental grant revenues were budgeted at \$120,000. The request for funding will be made once the final contract payments are made.
- ❖ Rates were increased effective February 1, 2019.
- ❖ Personnel services are slightly above budget due to the addition of a full-time Forester position late in the second quarter which was inadvertently left out of the 2019 budget.
- ❖ Majority of projects are currently in progress and will be completed in the fourth quarter resulting in lower expenses compared to the budget.

**General Fund**  
**Summary Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Nine Month Period Ended September 30, 2019**

	2019		9/30/2019	Variance from	Actual	Comparative		
	Adopted	Amended				9/30/18	Variance from	
	Budget	Budget	Actual	Amended Budget	Percent	Actual	2018 Actual	
				Positive (Negative)			Positive (Negative)	
<b>Revenues</b>								
General property taxes	\$ 21,327,427	\$ 21,327,427	\$ 11,435,656	\$ (9,891,771)	53.6%	\$ 11,041,782	\$ 393,874	103.6%
Licenses and permits	2,390,498	2,390,498	2,866,874	476,376	119.9%	2,539,397	327,477	112.9%
Intergovernmental	989,590	989,590	1,035,185	45,595	104.6%	1,050,623	(15,438)	98.5%
Charges for services	2,734,249	2,734,249	2,590,858	(143,391)	94.8%	2,520,707	70,151	102.8%
Court fines	346,000	346,000	280,873	(65,127)	81.2%	260,021	20,852	108.0%
Investment income	120,000	120,000	105,324	(14,676)	87.8%	68,693	36,631	153.3%
Miscellaneous	47,163	52,135	55,941	3,806	107.3%	47,186	8,755	118.6%
<b>Total revenues</b>	<b>27,954,927</b>	<b>27,959,899</b>	<b>18,370,711</b>	<b>(9,589,188)</b>	<b>65.7%</b>	<b>17,528,409</b>	<b>842,302</b>	<b>104.8%</b>
<b>Expenditures</b>								
Mayor and Council	113,250	113,250	96,609	16,642	85.3%	84,031	(12,578)	115.0%
Committees and Commissions	68,218	68,218	106,210	(37,992)	155.7%	94,691	(11,519)	112.2%
City Administration	477,506	477,506	366,394	111,112	76.7%	362,456	(3,938)	101.1%
City Clerk	148,586	148,586	107,482	41,105	72.3%	124,457	16,976	86.4%
Legal Counsel	81,000	81,000	68,504	12,496	84.6%	53,518	(14,986)	128.0%
Planning	580,515	580,515	431,623	148,892	74.4%	408,233	(23,390)	105.7%
Community and Econ. Development	375,237	375,237	259,260	115,977	69.1%	296,811	37,551	87.3%
Inspections	1,273,544	1,273,544	957,233	316,311	75.2%	907,102	(50,131)	105.5%
General Government Facilities	607,324	607,324	460,640	146,684	75.8%	435,252	(25,388)	105.8%
Finance	804,429	804,429	595,010	209,419	74.0%	583,971	(11,039)	101.9%
Information Systems	788,545	788,545	609,716	178,829	77.3%	517,954	(91,762)	117.7%
Human Resources	527,997	527,997	367,125	160,872	69.5%	368,560	1,435	99.6%
Insurance	285,000	285,000	213,750	71,250	75.0%	213,750	-	100.0%
Police	11,628,288	11,628,288	8,292,715	3,335,574	71.3%	7,989,063	(303,652)	103.8%
Fire	2,034,937	2,039,909	1,564,968	474,941	76.7%	1,472,475	(92,493)	106.3%
Engineering	881,757	881,757	650,243	231,514	73.7%	623,833	(26,410)	104.2%
Construction Services	573,870	573,870	374,821	199,049	65.3%	375,832	1,011	99.7%
Streets	3,288,617	3,288,617	2,524,322	764,295	76.8%	2,464,407	(59,915)	102.4%
Parks	2,744,963	2,744,963	2,015,003	729,960	73.4%	2,002,941	(12,062)	100.6%
Recreation	745,137	745,137	562,474	182,664	75.5%	537,923	(24,551)	104.6%
Heritage Center	138,674	138,674	85,748	52,926	61.8%	90,427	4,679	94.8%
Arts Center	550,049	550,049	463,492	86,557	84.3%	396,293	(67,199)	117.0%
Other	79,466	79,466	-	79,466	0.0%	-	-	0.0%
<b>Total expenditures</b>	<b>28,796,909</b>	<b>28,801,881</b>	<b>21,173,339</b>	<b>7,628,542</b>	<b>73.5%</b>	<b>20,403,980</b>	<b>(769,359)</b>	<b>103.8%</b>
Excess (deficiency) of revenues over expenditures	(841,982)	(841,982)	(2,802,628)	(1,960,646)		(2,875,571)	72,943	
<b>Other financing sources (uses)</b>								
Transfer from other funds	766,482	611,482	445,306	(166,176)	72.8%	591,335	(146,029)	75.3%
Transfer to other funds	(630,000)	(1,030,000)	(1,030,000)	-	100.0%	(526,800)	(503,200)	195.5%
<b>Total other financing sources (uses)</b>	<b>136,482</b>	<b>(418,518)</b>	<b>(584,694)</b>	<b>(166,176)</b>		<b>64,535</b>	<b>(649,229)</b>	<b>-906.0%</b>
Net change in fund balance	(705,500)	(1,260,500)	(3,387,322)	(2,126,822)		(5,793,609)	2,406,287	
Beginning fund balance	14,970,310	14,970,310	15,732,733	762,423		15,128,923	603,810	
Ending fund balance	\$ 14,264,810	\$ 13,709,810	\$ 12,345,411	\$ (1,364,399)		\$ 9,335,314	\$ 3,010,097	
<i>Adj fund balance, Dec 31 (net of restricted )</i>	<i>\$ 13,150,435</i>	<i>\$ 12,595,435</i>	<i>\$ 11,649,581</i>			<i>\$ 8,639,484</i>		
Net change in fund balance percentage	(4.7%)	(8.4%)	(21.5%)			(38.3%)		
Ratio: Fund balance to CY expenditures	45.7%	43.7%						
Ratio: Fund balance to NY expenditures	43.0%	41.2%						
<b>Expense Summary:</b>								
Personnel services	21,502,338	21,502,338	15,928,828	5,494,044	74.1%	15,102,497	(826,331)	105.5%
Commodities	1,757,479	1,762,451	1,199,091	563,360	68.0%	1,300,998	101,907	92.2%
Other charges and services	5,537,092	5,537,092	4,030,425	1,506,667	72.8%	3,968,167	(62,258)	101.6%
Capital outlay	-	-	14,995	(14,995)	0.0%	32,318	17,323	46.4%
<b>Total</b>	<b>28,796,909</b>	<b>28,801,881</b>	<b>21,173,339</b>	<b>7,549,076</b>	<b>73.5%</b>	<b>20,403,980</b>	<b>(769,359)</b>	<b>103.8%</b>

General Fund  
Schedule of Expenditures

Expenditures	2019 Adopted Budget	2019 Amended Budget	9/30/2019 Actual	Variance from Adopted Budget Positive (Negative)	Actual Percent	Comparative		Variance from 2018 Actual Positive (Negative)	
						9/30/18 Actual			
<b>Mayor and Council</b>									
Personnel services	\$ 62,561	\$ 62,561	\$ 42,116	\$ 20,446	67%	\$ 37,127	\$ (4,989)	113.4%	
Commodities	50	50	64	(14)	128%	90	26	71.1%	
Other charges and services	50,639	50,639	54,429	(3,790)	107%	46,814	(7,615)	116.3%	
<b>Total</b>	<b>113,250</b>	<b>113,250</b>	<b>96,609</b>	<b>16,642</b>	<b>85%</b>	<b>84,031</b>	<b>(12,578)</b>	<b>115.0%</b>	
<b>Committees/Commissions</b>									
Personnel services	53,388	53,388	79,257	(25,869)	148%	70,679	(8,578)	112.1%	
Commodities	1,630	1,630	2,191	(561)	134%	2,247	56	97.5%	
Other charges and services	13,200	13,200	24,762	(11,562)	188%	21,765	(2,997)	113.8%	
<b>Total</b>	<b>68,218</b>	<b>68,218</b>	<b>106,210</b>	<b>(37,992)</b>	<b>156%</b>	<b>94,691</b>	<b>(11,519)</b>	<b>112.2%</b>	
<b>City Administration</b>									
Personnel services	455,248	455,248	336,932	118,316	74%	316,191	(20,741)	106.6%	
Commodities	1,600	1,600	282	1,318	18%	966	684	29.2%	
Other charges and services	20,658	20,658	29,180	(8,522)	141%	43,629	14,449	66.9%	
Capital outlay	-	-	-	-	0%	1,670	1,670	0.0%	
<b>Total</b>	<b>477,506</b>	<b>477,506</b>	<b>366,394</b>	<b>111,112</b>	<b>77%</b>	<b>362,456</b>	<b>(3,938)</b>	<b>101.1%</b>	
<b>City Clerk</b>									
Personnel services	114,305	114,305	86,959	27,347	76%	85,572	(1,387)	101.6%	
Commodities	300	300	184	116	61%	3,659	3,475	5.0%	
Other charges and services	33,981	33,981	20,339	13,642	60%	35,226	14,887	57.7%	
<b>Total</b>	<b>148,586</b>	<b>148,586</b>	<b>107,482</b>	<b>41,105</b>	<b>72%</b>	<b>124,457</b>	<b>16,976</b>	<b>86.4%</b>	
<b>Legal Counsel</b>									
Other charges and services	81,000	81,000	68,504	12,496	85%	53,518	(14,986)	128.0%	
<b>Planning</b>									
Personnel services	538,195	538,195	407,505	130,690	76%	380,924	(26,581)	107.0%	
Commodities	2,041	2,041	719	1,322	35%	1,141	422	63.0%	
Other charges and services	40,279	40,279	23,399	16,880	58%	26,168	2,769	89.4%	
<b>Total</b>	<b>580,515</b>	<b>580,515</b>	<b>431,623</b>	<b>148,892</b>	<b>74%</b>	<b>408,233</b>	<b>(23,390)</b>	<b>105.7%</b>	
<b>Community and Economic Development</b>									
Personnel services	307,121	307,121	218,121	89,000	71%	224,101	5,980	97.3%	
Commodities	250	250	96	154	38%	203	107	47.3%	
Other charges and services	67,866	67,866	41,043	26,823	60%	72,507	31,464	56.6%	
<b>Total</b>	<b>375,237</b>	<b>375,237</b>	<b>259,260</b>	<b>115,977</b>	<b>69%</b>	<b>296,811</b>	<b>37,551</b>	<b>87.3%</b>	
<b>Inspection</b>									
Personnel services	1,003,209	1,003,209	739,187	264,022	74%	699,211	(39,976)	105.7%	
Commodities	13,792	13,792	7,141	6,651	52%	8,071	930	88.5%	
Other charges and services	256,543	256,543	210,905	45,638	82%	199,820	(11,085)	105.5%	
<b>Total</b>	<b>1,273,544</b>	<b>1,273,544</b>	<b>957,233</b>	<b>316,311</b>	<b>75%</b>	<b>907,102</b>	<b>(50,131)</b>	<b>105.5%</b>	

(continued)



General Fund  
Schedule of Expenditures

Expenditures (continued)	2019 Adopted Budget	2019 Amended Budget	9/30/2019 Actual	Variance from Adopted Budget Positive (Negative)	Actual Percent	Comparative		9/30/18 Actual	Variance from 2018 Actual Positive (Negative)	
<b>General Government Facilities</b>										
Personnel services	\$ 399,147	\$ 399,147	\$ 309,857	\$ 89,290	78%	\$ 284,509	\$ (25,348)		108.9%	
Commodities	22,174	22,174	16,354	5,820	74%	18,640	2,286		87.7%	
Other charges and services	<u>186,003</u>	<u>186,003</u>	<u>134,429</u>	<u>51,574</u>	<u>72%</u>	<u>132,103</u>	<u>(2,326)</u>		<u>101.8%</u>	
Total	<u>607,324</u>	<u>607,324</u>	<u>460,640</u>	<u>146,684</u>	<u>76%</u>	<u>435,252</u>	<u>(25,388)</u>		<u>105.8%</u>	
<b>Finance</b>										
Personnel services	716,653	716,653	521,234	195,419	73%	512,670	(8,564)		101.7%	
Commodities	3,525	3,525	1,152	2,373	33%	1,619	467		71.2%	
Other charges and services	<u>84,251</u>	<u>84,251</u>	<u>72,624</u>	<u>11,627</u>	<u>86%</u>	<u>69,682</u>	<u>(2,942)</u>		<u>104.2%</u>	
Total	<u>804,429</u>	<u>804,429</u>	<u>595,010</u>	<u>209,419</u>	<u>74%</u>	<u>583,971</u>	<u>(11,039)</u>		<u>101.9%</u>	
<b>Information Technology</b>										
Personnel services	443,618	443,618	329,195	114,423	74%	309,494	(19,701)		106.4%	
Commodities	4,425	4,425	5,243	(818)	118%	4,100	(1,143)		127.9%	
Other charges and services	<u>340,502</u>	<u>340,502</u>	<u>275,278</u>	<u>65,224</u>	<u>81%</u>	<u>204,360</u>	<u>(70,918)</u>		<u>134.7%</u>	
Total	<u>788,545</u>	<u>788,545</u>	<u>609,716</u>	<u>178,829</u>	<u>77%</u>	<u>517,954</u>	<u>(91,762)</u>		<u>117.7%</u>	
<b>Human Resources</b>										
Personnel services	416,092	416,092	300,975	115,117	72%	286,328	(14,647)		105.1%	
Commodities	3,865	3,865	3,683	182	95%	1,066	(2,617)		345.5%	
Other charges and services	<u>108,040</u>	<u>108,040</u>	<u>62,467</u>	<u>45,573</u>	<u>58%</u>	<u>81,166</u>	<u>18,699</u>		<u>77.0%</u>	
Total	<u>527,997</u>	<u>527,997</u>	<u>367,125</u>	<u>160,872</u>	<u>70%</u>	<u>368,560</u>	<u>1,435</u>		<u>99.6%</u>	
<b>Insurance</b>										
Other charges and services	<u>285,000</u>	<u>285,000</u>	<u>213,750</u>	<u>71,250</u>	<u>75%</u>	<u>213,750</u>	<u>-</u>		<u>100.0%</u>	
<b>Police</b>										
Personnel services	9,083,175	9,083,175	6,540,804	2,542,372	72%	6,214,742	(326,062)		105.2%	
Commodities	401,462	401,462	253,857	147,605	63%	293,552	39,695		86.5%	
Other charges and services	<u>2,143,651</u>	<u>2,143,651</u>	<u>1,498,054</u>	<u>645,597</u>	<u>70%</u>	<u>1,480,769</u>	<u>(17,285)</u>		<u>101.2%</u>	
Total	<u>11,628,288</u>	<u>11,628,288</u>	<u>8,292,715</u>	<u>3,335,574</u>	<u>71%</u>	<u>7,989,063</u>	<u>(303,652)</u>		<u>103.8%</u>	
<b>Fire</b>										
Personnel services	1,245,784	1,245,784	901,175	344,609	72%	806,571	(94,604)		111.7%	
Fire Relief Contribution/State Aid	363,351	363,351	383,598	(20,247)	106%	371,701	(11,897)		103.2%	
Commodities	153,816	158,788	78,050	80,738	49%	91,624	13,574		85.2%	
Other charges and services	<u>271,986</u>	<u>271,986</u>	<u>202,145</u>	<u>69,841</u>	<u>74%</u>	<u>202,579</u>	<u>434</u>		<u>99.8%</u>	
Total	<u>2,034,937</u>	<u>2,039,909</u>	<u>1,564,968</u>	<u>474,941</u>	<u>77%</u>	<u>1,472,475</u>	<u>(92,493)</u>		<u>106.3%</u>	

(continued)

General Fund  
Schedule of Expenditures

Expenditures (continued)	2019 Adopted Budget	2019 Amended Budget	9/30/2019 Actual	Variance from Adopted Budget Positive (Negative)	Actual Percent	Comparative		
						9/30/18 Actual	Variance from 2018 Actual Positive (Negative)	
<b>Engineering</b>								
Personnel services	\$ 769,706	\$ 769,706	\$ 586,450	\$ 183,256	76%	\$ 520,505	\$ (65,945)	112.7%
Commodities	12,966	12,966	7,342	5,624	57%	5,999	(1,343)	122.4%
Other charges and services	99,085	99,085	56,451	42,634	57%	97,329	40,878	58.0%
Total	881,757	881,757	650,243	231,514	74%	623,833	(26,410)	104.2%
<b>Construction Services</b>								
Personnel services	552,065	552,065	364,167	187,898	66%	337,735	(26,432)	107.8%
Commodities	7,915	7,915	6,094	1,821	77%	5,226	(868)	116.6%
Other charges and services	13,890	13,890	4,560	9,330	33%	4,119	(441)	110.7%
Capital outlay	-	-	-	-	0%	28,752	28,752	0.0%
Total	573,870	573,870	374,821	199,049	65%	375,832	1,011	99.7%
<b>Streets</b>								
Personnel services	2,183,894	2,183,894	1,721,382	462,512	79%	1,627,522	(93,860)	105.8%
Commodities	746,573	746,573	562,653	183,920	75%	600,756	38,103	93.7%
Other charges and services	358,150	358,150	240,287	117,863	67%	236,129	(4,158)	101.8%
Total	3,288,617	3,288,617	2,524,322	764,295	77%	2,464,407	(59,915)	102.4%
<b>Parks</b>								
Personnel services	1,925,115	1,925,115	1,447,577	477,538	75%	1,458,861	11,284	99.2%
Commodities	296,140	296,140	207,437	88,703	70%	213,099	5,662	97.3%
Other charges and services	523,708	523,708	359,989	163,719	69%	329,085	(30,904)	109.4%
Capital outlay	-	-	-	-	0%	1,896	1,896	0.0%
Total	2,744,963	2,744,963	2,015,003	729,960	73%	2,002,941	(12,062)	100.6%
<b>Recreation</b>								
Personnel services	419,055	419,055	312,027	107,029	74%	301,205	(10,822)	103.6%
Commodities	35,577	35,577	14,090	21,487	40%	12,751	(1,339)	110.5%
Other charges and services	290,505	290,505	236,357	54,148	81%	223,967	(12,390)	105.5%
Total	745,137	745,137	562,474	182,664	75%	537,923	(24,551)	104.6%
<b>Heritage Center</b>								
Personnel services	71,576	71,576	46,400	25,176	65%	46,343	(57)	100.1%
Commodities	9,358	9,358	2,988	6,370	32%	6,084	3,096	49.1%
Other charges and services	57,740	57,740	36,360	21,380	63%	38,000	1,640	95.7%
Total	138,674	138,674	85,748	52,926	62%	90,427	4,679	94.8%
<b>Arts Center</b>								
Personnel services	299,614	299,614	253,913	45,701	85%	210,506	(43,407)	120.6%
Commodities	40,020	40,020	29,471	10,549	74%	30,105	634	97.9%
Other charges and services	210,415	210,415	165,113	45,302	78%	155,682	(9,431)	106.1%
Capital outlay	-	-	14,995	(14,995)	0%	-	(14,995)	0.0%
Total	550,049	550,049	463,492	86,557	84%	396,293	(67,199)	117.0%

**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, 2019

	2019			Percent of Budget	Comparative		
	Adopted Budget	9/30/2019 Actual	Variance		9/30/18 Actual	Variance from 2018 Actual Positive (Negative)	
<b>Revenues</b>							
Licenses franchise fee	\$ 687,840	\$ 512,424	\$ (175,416)	74.5%	\$ 501,235	\$ 11,189	102.2%
PEG Fees	57,948	43,156	(14,792)	74.5%	40,245	2,911	107.2%
Intergovernmental State aid	516	258	(258)	50.0%	258	-	100.0%
Investment income	<u>2,058</u>	<u>8,726</u>	<u>6,668</u>	<u>424.0%</u>	<u>4,529</u>	<u>4,197</u>	<u>192.7%</u>
Total revenues	<u>748,362</u>	<u>564,564</u>	<u>(183,798)</u>	<u>75.4%</u>	<u>546,267</u>	<u>18,297</u>	<u>103.3%</u>
<b>Expenditures - General government</b>							
Personnel services	461,880	342,887	118,993	74.2%	321,677	(21,211)	106.6%
Commodities	14,900	6,009	8,891	40.3%	7,385	1,376	81.4%
Other charges and services	310,530	116,114	194,416	37.4%	151,992	35,878	76.4%
Capital outlay	<u>59,500</u>	<u>25,287</u>	<u>34,213</u>	<u>42.5%</u>	<u>47,869</u>	<u>22,582</u>	<u>52.8%</u>
Total expenditures	<u>846,810</u>	<u>490,297</u>	<u>356,513</u>	<u>57.9%</u>	<u>528,923</u>	<u>38,625</u>	<u>92.7%</u>
Excess (deficiency) of revenues over expenditures	<u>(98,448)</u>	<u>74,267</u>	<u>172,715</u>	<u>-75.4%</u>	<u>17,344</u>	<u>155,371</u>	<u>428.2%</u>
<b>Other financing (uses) - Transfers</b>							
From Liquor Fund (Comm/Mkt Position)	91,267	68,450	(22,817)	75.0%	101,379	(32,929)	67.5%
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)	<u>(80,866)</u>	<u>(60,650)</u>	<u>20,217</u>	<u>75.0%</u>	<u>(58,997)</u>	<u>(1,653)</u>	<u>102.8%</u>
Total other financing (uses)	<u>59,376</u>	<u>7,801</u>	<u>(51,576)</u>	<u>13.1%</u>	<u>42,382</u>	<u>(34,582)</u>	<u>18.4%</u>
Net change in fund balance	(39,072)	82,067	121,139		59,726	22,341	
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>\$ 1,012,859</u>	<u>\$ 553,227</u>		<u>\$ 662,901</u>	<u>\$ 349,958</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, 2019

	2019			Percent of Budget	Comparative		
	Adopted Budget	9/30/2019 Actual	Variance		9/30/18 Actual	Variance from 2018 Actual Positive (Negative)	
<u>Sales and cost of sales</u>							
Sales	\$ 15,360,906	\$ 11,702,365	\$ (3,658,541)	76.2%	\$ 11,057,365	\$ 645,000	105.8%
Cost of sales	<u>11,583,628</u>	<u>8,770,711</u>	<u>2,812,917</u>	75.7%	<u>8,294,216</u>	<u>(476,495)</u>	<u>105.7%</u>
Gross profit	<u>3,777,278</u>	<u>2,931,654</u>	<u>(845,624)</u>	77.6%	<u>2,763,149</u>	<u>168,505</u>	<u>106.1%</u>
Gross profit %	24.6%	25.1%			25.0%		
<u>Operating expenses</u>							
Personnel services	1,736,357	1,207,678	528,679	69.6%	1,171,385	(36,293)	103.1%
Commodities	79,362	53,762	25,600	67.7%	37,789	(15,973)	142.3%
Other charges and services	<u>1,087,236</u>	<u>857,569</u>	<u>229,667</u>	78.9%	<u>709,433</u>	<u>(148,136)</u>	<u>120.9%</u>
Total operating expenses	<u>2,902,955</u>	<u>2,119,009</u>	<u>783,946</u>	73.0%	<u>1,918,607</u>	<u>(200,402)</u>	<u>110.4%</u>
Operating income	<u>874,323</u>	<u>812,645</u>	<u>(61,678)</u>	92.9%	<u>844,542</u>	<u>(31,897)</u>	<u>96.2%</u>
<u>Non-operating revenue (expense)</u>							
Investment income	19,110	36,474	17,364	190.9%	20,693	15,781	176.3%
Miscellaneous	6,716	1,881	(4,835)	28.0%	3,764	(1,883)	50.0%
Capital outlay acquisitions	(79,785)	(76,427)	3,358	95.8%	(7,100)	(69,327)	1076.4%
Sale of assets	-	-	-	0.0%	2,350,761	(2,350,761)	0.0%
<u>Transfers in (out)</u>							
General Fund	(158,573)	(125,232)	33,341	79.0%	(146,150)	20,918	85.7%
Communications (Mktg Spec)	(91,267)	(68,450)	22,817	75.0%	(101,379)	32,929	67.5%
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)	(273,650)	450	99.8%	(44,418)	(229,232)	616.1%
<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%	(2,178)	(2,179)	157.2%
Total non-operating (net)	<u>(1,389,927)</u>	<u>(1,308,829)</u>	<u>81,098</u>	94.2%	<u>1,523,993</u>	<u>(2,832,822)</u>	<u>-85.9%</u>
Change in working capital	(515,604)	(496,184)	19,420		2,368,535	(2,864,719)	
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>\$ 3,394,341</u>	<u>\$ 902,727</u>		<u>\$ 3,591,554</u>	<u>\$ (197,213)</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, 2019

	2019		Variance	Percent of Budget	Comparative		
	Adopted Budget	9/30/2019 Actual			9/30/18 Actual	Variance from 2018 Actual Positive (Negative)	
<u>Operating revenues</u>							
User charges for services	\$ 5,144,657	\$ 3,270,516	\$ (1,874,141)	63.6%	\$ 3,671,205	\$ (400,689)	89.1%
Other	231,830	188,831	(42,999)	81.5%	120,308	68,524	157.0%
Total operating revenue	<u>5,376,487</u>	<u>3,459,347</u>	<u>(1,917,140)</u>	<u>64.3%</u>	<u>3,791,513</u>	<u>(332,166)</u>	<u>-50.6%</u>
<u>Operating expenses</u>							
Personnel services	1,215,031	868,786	346,245	71.5%	829,081	(39,705)	104.8%
Commodities	350,868	233,404	117,464	66.5%	223,801	(9,603)	104.3%
Other charges and services	1,253,016	781,216	471,800	62.3%	776,290	(4,927)	100.6%
Major Maintenance	1,958,114	659,229	1,298,885	33.7%	1,498,366	839,137	44.0%
Total operating expenses	<u>4,777,029</u>	<u>2,542,635</u>	<u>2,234,394</u>	<u>53.2%</u>	<u>3,327,537</u>	<u>784,903</u>	<u>76.4%</u>
Operating income (loss)	<u>599,458</u>	<u>916,712</u>	<u>317,254</u>		<u>463,975</u>	<u>452,737</u>	
<u>Non-operating revenue (expense)</u>							
Intergovernmental	1,632	5,408	3,776	331.4%	816	4,592	662.7%
Investment income	36,308	67,929	31,621	187.1%	37,500	30,429	181.1%
Disposal of assets	(10,000)	7,134	17,134	-71.3%	7,183	(49)	99.3%
Capital outlay	(67,739)	(28,578)	39,161	42.2%	(94,498)	65,920	30.2%
Bond proceeds	1,430,000	855,543	(574,457)	59.8%	486,947	368,596	175.7%
Debt Service	(1,215,420)	(1,167,961)	47,459	96.1%	(986,891)	(181,070)	118.3%
Transfers (In)	-	-	-	0.0%	307,661	(307,661)	0.0%
Transfers (out)	(169,526)	(111,593)	57,934	65.8%	(296,637)	185,045	37.6%
Total non-operating (net)	<u>5,255</u>	<u>(372,117)</u>	<u>(377,372)</u>		<u>(537,919)</u>	<u>165,802</u>	
Change in working capital	604,713	544,595	(60,118)		(73,944)	618,539	-736.5%
Beginning working capital	<u>7,364,204</u>	<u>7,245,758</u>	<u>(118,446)</u>		<u>7,687,750</u>	<u>(441,992)</u>	<u>94.3%</u>
Ending working capital	<u>\$ 7,968,917</u>	<u>\$ 7,790,353</u>	<u>\$ (178,564)</u>		<u>\$ 7,613,806</u>	<u>176,547</u>	<u>102.3%</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, 2019

	2019 Adopted Budget	9/30/2019 Actual	Variance	Percent of Budget	Comparative		
					9/30/18 Actual	Variance from 2018 Actual Positive (Negative)	
<u>Operating revenue</u>							
User charges for services	\$ 6,608,063	\$ 5,033,320	\$ (1,574,743)	76.2%	\$ 4,650,130	\$ 383,190	108.2%
<u>Operating expenses</u>							
Personnel services	834,639	538,861	295,778	64.6%	515,606	(23,255)	104.5%
Commodities	85,471	58,382	27,089	68.3%	59,535	1,153	98.1%
Other charges and services	391,263	230,668	160,595	59.0%	187,489	(43,179)	123.0%
Disposal charges	4,174,432	3,130,824	1,043,608	75.0%	3,013,509	(117,315)	103.9%
Major maintenance projects	1,205,000	1,015,953	189,047	84.3%	100,759	(915,194)	1008.3%
Total operating expenses	6,690,805	4,974,688	1,716,117	74.4%	3,876,898	(1,097,790)	128.3%
Operating income (loss)	(82,742)	58,632	141,374		773,232	(714,600)	7.6%
<u>Non-operating revenue (expense)</u>							
Intergovernmental State aid	1,632	816	(816)	50.0%	816	-	100.0%
Grants	152,368	-	(152,368)	0.0%	-	-	0.0%
Investment income	24,050	28,538	4,488	118.7%	18,750	9,788	152.2%
Disposal of assets	(10,000)	750	10,750	-7.5%	-	750	0.0%
Capital outlay	(51,529)	(9,637)	41,892	18.7%	(38,793)	29,156	24.8%
Debt service	(70,472)	(56,496)	13,976	80.2%	(65,700)	9,204	86.0%
Transfers in	24,165	24,165	-	100.0%	23,822	343	101.4%
Transfers (out)	(174,527)	(130,895)	43,632	75.0%	(129,726)	(1,169)	100.9%
Total non-operating (net)	(104,313)	(142,759)	(38,446)	136.9%	(190,831)	48,072	74.8%
Change in working capital	(187,055)	(84,128)	102,927		582,401	(666,529)	-14.4%
Beginning working capital	2,275,130	3,044,063	768,933		2,790,620	253,443	109.1%
Ending working capital	\$ 2,088,075	\$ 2,959,935	\$ 871,860		\$ 3,373,021	\$ (413,086)	87.8%

**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, 2019

	2019			Percent of Budget	Comparative		
	Adopted Budget	9/30/2019 Actual	Variance		9/30/18 Actual	Variance from 2018 Actual Positive (Negative)	
<u>Operating revenue</u>							
User charges for services	\$ 875,355	\$ 717,342	\$ (158,013)	81.9%	\$ 678,052	\$ 39,290	105.8%
<u>Operating expenses</u>							
Personnel services	19,855	16,246	3,609	81.8%	12,865	(3,381)	126.3%
Commodities	63	12	51	18.5%	338	326	3.5%
Other charges and services	761,901	544,636	217,265	71.5%	552,401	7,765	98.6%
Total operating expenses	781,819	560,893	220,926	71.7%	565,604	4,711	99.2%
Operating income (loss)	93,536	156,449	62,913		112,448	44,001	139.1%
<u>Non-operating revenue (expense)</u>							
Investment income	2,933	5,355	2,422	182.6%	3,563	1,792	150.3%
Debt service	(45,375)	(39,021)	6,354	86.0%	(9,593)	(29,428)	406.8%
Transfers in (out) - General Fund	(5,001)	(3,751)	1,250	75.0%	(3,505)	(246)	107.0%
Total non-operating (net)	(47,443)	(37,417)	10,026	78.9%	(9,535)	(27,882)	392.4%
Change in working capital	46,093	119,032	72,939		102,913	16,119	115.7%
Beginning working capital	477,402	571,214	93,812		432,774	138,440	132.0%
Ending working capital	\$ 523,495	\$ 690,246	\$ 166,751		\$ 535,687	\$ 154,559	128.9%

**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, 2019

	2019 Adopted Budget	9/30/2019 Actual	Variance	Percent of Budget	Comparative		
					9/30/18 Actual	Variance from 2018 Actual Positive (Negative)	
<b>Revenues</b>							
User charges for services	\$ 1,636,903	\$ 1,222,448	\$ (414,455)	74.7%	\$ 866,498	\$ 355,950	141.1%
Charges for services - Recycling	-	4,090	4,090	0.0%	7,740	(3,650)	52.8%
Total revenues	<u>1,636,903</u>	<u>1,226,538</u>	<u>(410,365)</u>	<u>74.9%</u>	<u>874,238</u>	<u>352,300</u>	<u>-46.9%</u>
<b>Expenditures - Public works</b>							
Personnel services	444,935	347,034	97,901	78.0%	326,688	(20,346)	106.2%
Commodities	34,248	26,518	7,730	77.4%	24,304	(2,214)	109.1%
Other charges and services	<u>1,161,000</u>	<u>557,435</u>	<u>603,565</u>	<u>48.0%</u>	<u>224,177</u>	<u>(333,258)</u>	<u>248.7%</u>
Total expenditures	<u>1,640,183</u>	<u>930,987</u>	<u>709,196</u>	<u>56.8%</u>	<u>575,169</u>	<u>(355,818)</u>	<u>161.9%</u>
Operating income (loss)	<u>(3,280)</u>	<u>295,551</u>	<u>298,831</u>		<u>299,069</u>	<u>(3,518)</u>	<u>98.8%</u>
<b>Non-operating revenue (expense)</b>							
Intergovernmental	120,292	-	(120,292)	0.0%	-	-	0.0%
Investment income	3,140	10,260	7,120	326.7%	7,500	2,760	136.8%
Capital outlay	-	-	-	0.0%	(26,741)	26,741	0.0%
Transfers in (out)							
General Fund	(169,461)	(146,238)	23,223	86.3%	(132,352)	(13,886)	110.5%
Equipment Fund	(31,000)	(31,000)	-	100.0%	(31,000)	-	100.0%
Storm Sewer Trunk Fund	20,000	-	(20,000)	0.0%	10,000	(10,000)	0.0%
Liquor Fund	4,525	3,425	(1,100)	75.7%	2,178	1,247	157.3%
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>(187,718)</u>	<u>(111,049)</u>	<u>244.8%</u>	<u>(194,237)</u>	<u>6,519</u>	<u>96.6%</u>
Change in working capital	(79,949)	107,833	187,782		104,832	3,001	102.9%
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>\$ 1,202,209</u>	<u>\$ 499,502</u>		<u>\$ 1,109,164</u>	<u>\$ 93,045</u>	<u>108.4%</u>