



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, 2020. 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.

Following guidance from state health officials, the City of Lakeville closed public access to all facilities effective March 17, 2020 to limit the potential for community transmission of COVID-19. The closure included Lakeville City Hall, Lakeville Area Arts Center, Heritage Center, Hasse and Ames Arenas, Central Maintenance Facility, Water Treatment Facility, all four fire stations and the lobby of the Lakeville Police Department. Essential City services continued without interruption. City facilities were reopened to the public on June 17, 2020.

This financial report and future reports will include information related to the financial impact of COVID-19, when available. City Administrator Miller and department directors made expenditure adjustments in 2020 to mitigate the impacts of lost revenues.

❖ General Fund - Revenues

❖ Property tax revenues

- Tax payments from Dakota County are typically received in two installments in June and December. Due to COVID-19, the Dakota County Board of Commissioners extended the property tax deadline from May 15 to July 15 for certain qualifying properties. Distributions to cities are scheduled for May 27, July 6, July 10 and July 31. The General fund property tax revenues are anticipated to be \$22.5 million for 2020.

❖ 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 2019 and the 2020 Adopted Budget:

Permit Type	YTD 2nd Quarter 2019	2020 Adopted Budget	YTD 2nd Quarter 2020
Single Family	243	350	265
Townhome	44	50	65
Apartments (Units)	1 (160 units)	0	8 (200 units)
Commercial	2	8	2
Industrial	2	0	0

FINANCIAL HIGHLIGHTS (continued):

❖ General Fund - Revenues (Continued)

❖ Licenses and Permits. (Continued)

- Year-to-date permits issued through July 20, 2020 are as follows:
 - Single Family – 292
 - Townhome – 70
 - Apartment (units) – 8 (200 units)
- Liquor license fees were reduced by 20 percent and will be made in two installments (June and November).

❖ Intergovernmental.

- Revenues comprised of police and fire aid and various grants are typically received in the third and fourth quarters. \$8,000 has been recognized for an Arts Grant. \$21,000 was received from Dakota County towards the 2020 primary election. Fire training grants (\$22,000) exceeds the 2020 budget of \$18,000.

❖ Charges for Services.

- *General government services* are exceeding the budget. \$53,000 has been received for fiscal agent fees from the Dakota Communications Center and Lakeville Arenas.
- *Public Safety* revenues are below budget estimates. Security services are down significantly compared to the same time in 2019 due to reductions in request for service at Hosanna!. SRO contributions are comparable to 2019. Despite the school closing for COVID-19, the school district honored the existing contract through the end of the school year. The fire contract with Eureka Township (\$42,265) was billed out in June of the current year. 2020 is the second 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. \$101,000 has been received in the first half which is \$241,000 less than the first half 2019. Preliminary engineering platting fees (\$15,000) are at 52 percent of the adopted budget.
- *Parks and Recreation* revenues are below budget with many program cancellations from the end of March through June due to COVID-19 and the State of Minnesota “Stay at Home” executive order. Future revenues will be significantly impacted due to COVID-19. Current gross revenue is down \$214,000 over the same period in 2019.

FINANCIAL HIGHLIGHTS (continued):



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

❖ *Court Fines*

- Revenues from court fines (\$134,000) represent only 37 percent of the budget estimates and are down \$64,000 from the same period in 2019. Court fine revenues and the membership fees paid to the Dakota Communications Center are both impacted by the number of CAD calls. It is difficult to determine how much of an impact that COVID-19 will have on court fines in future quarters.

❖ **General Fund - Expenditures**

- ❖ *Personnel* – First half expenditures for personnel are at 46 percent of the 2020 budget. 2020 is the first full year of implementation of the compensation and classification study for non-union staff; compensation adjustments for the unions are being implemented in 2020. Due to the staged implementation, comparisons to prior year will vary by department.
- ❖ *Motor Fuels* – Motor fuels through June 30 are at 45 percent of the 2020 Budget. Decreased snow events for the public works departments contributed to the lower fuel expense. The first half fuel expense was \$32,000 lower than the same period in 2019.
- ❖ *Street Chemicals* –2020 salt purchases are 100 percent higher than the same period in 2019. Inventory at the end of 2018 helped keep salt purchases down in 2019 compared to 2020. Unused chemicals are stored at the central maintenance facility and will be utilized in the late fall if needed.
- ❖ *Utilities* – Electric costs are lower (\$21,000) than the same period in 2019 due to energy saving improvements in lighting. Natural gas costs are in line with the same period in 2019.
- ❖ *City Clerk*. Expenditures are up compared to the same period in 2019 due to election judge training and the purchase of voting booths.
- ❖ *Legal*. Legal fees are in line with budget. Expenditures are up 14 percent over the same period in 2019.
- ❖ *Inspections*. Capital outlay includes a new vehicle replacement in 2020. This replacement was planned in 2019 but was delayed. Other charges and services are exceeding prior year due to increased contract electrical inspections.
- ❖ *General Government Facilities*. The City migrated from Frontier Communications to Vonage for the City's telephone system. The contract with Vonage began in April 2020. Equipment and maintenance are included in the monthly contract and reflected in operating costs. 2020 costs are anticipated to exceed budget by \$16,000.

FINANCIAL HIGHLIGHTS (continued):

❖ General Fund - Expenditures (continued)

- ❖ *Information Technology.* Timing of annual maintenance agreements can impact the expense comparison each year. In 2020, the Laserfiche annual maintenance paid in the first quarter 2019 expired in March 2020. Laserfiche is being upgraded in 2020 and the new maintenance contract was paid in the second quarter 2020 for July1, 2020 through December 31, 2020.
- ❖ *Police.* Personnel services are exceeding the same period in 2019. However, there are savings due to the delay in hiring the new officer from April until September. Overtime is also down resulting from a decreased need from entities such as Hosanna! Personnel services are at 46 percent of the 2020 amended budget. DCC membership fees for the first half decreased \$7,000 over the same period in 2019. The fee is allocated among the members based on the number of CAD events over a three-year period. Lakeville's share of total CAD events went down, resulting in an annual reduction of \$15,000.
- ❖ *Fire.* Personnel services are exceeding budget due to the extension of the duty crews as a result of COVID-19. If the duty crew schedule is maintained, additional costs for 2020 are estimated to be \$41,000. Delays in purchasing firefighter bunker gear, cancelled attendance for schools and the cancellation of the annual banquet kept expenses below the same period in 2019.
- ❖ *Engineering/GIS.* Personnel services are below budget estimates due to an employee vacancy through the end of the second quarter. Purchase of a drone and GPS equipment resulted in the increase in commodities.
- ❖ *Construction Services.* Personnel services are up over the prior year due to leave hours paid out for an employee resignation in 2020 and by vacancies in the first quarter of 2019. Replacement of the current vacated position is currently being evaluated.
- ❖ *Streets.* Personnel services are slightly below budget and are down \$113,000 compared to the same period in 2019 due to reduced snow events.
- ❖ *Parks.* Commodities and contractual expenses are below budget and are \$52,000 below the same period in 2019. Some park maintenance activities were down due to lower use of many park facilities.
- ❖ *Recreation and Heritage Center.* Expenses are below budget and the prior year because of program cancellations due to COVID-19.
- ❖ *Arts Center.* Personnel services are exceeding the prior year due to the addition of the Administrative Assistant that was added in 2019. Contractual expenses are below budget because of program cancellations due to COVID-19.

❖ **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 2nd 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 over the same period in 2019. The Marking Specialist/Events Coordinator personnel costs are expensed directly into the Liquor Fund. In previous years, the costs were included in Communications Fund and then funded by an interfund transfer from the Liquor Fund. The final segment of the fiber project is being completed in 2020, and final costs are anticipated in 2020. The project was funded by transfers from the General Fund, Liquor Fund, and the Utility Fund, and the funding will be finalized after the final costs are invoiced by the County.

❖ **Liquor Fund**

- ❖ Sales through the first half amounted to \$8.4 million which is a 12.8 percent increase over the same period in 2019. The “Stay at Home” order may have contributed to the increased sales despite intermittent store closures.
- ❖ Total expenditures are slightly below budget appropriations. Personnel services are down as a result of the COVID-19 virus forcing stores to operate with minimal staffing.
- ❖ 2020 Transfers include a \$500,000 transfer to the Equipment Fund; \$400,000 to the Debt Service Fund for the police station bonds (final maturity - February, 2032); \$258,000 for the 2017 HRA lease revenue bonds (debt for Galaxie Store; final maturity – February, 2027); \$13,000 for the 2020 fireworks; and \$143,000 in operating transfers.
- ❖ Capital outlay appropriations consists of \$15,000 for the condenser replacement at the Heritage location; \$26,000 for the replacement of the sliding front door at the Galaxie location; and \$9,000 for a cardboard bailer at the Kenrick location.

FINANCIAL HIGHLIGHTS (continued):

❖ **Water Fund**

- ❖ Water revenues are low in the first half which is typical for the first two quarters but are exceeding revenues from the same period a year ago. A four percent increase in consumption can be attributed with the three percent increase in customer base. A Water rate increase that went in affect February 1, 2020 also contributed to the increase. Water usage increases as residents and businesses turn on their irrigation systems in late spring.

- ❖ The 2020 major maintenance projects are budgeted as follows:
 - Automatic shut off for chlorine tanks - \$45,000
 - PLC Replacement - \$413,000
 - Lunchroom floor epoxy coating - \$12,000
 - Condenser replacement - \$30,000
 - Air compressor replacement - \$54,000
 - Well and pump rehabilitations - \$286,000
 - Fairfield water tower logo painting - \$100,000
 - Dakota Heights water tower lot repaving - \$85,000
 - 2020 Street reconstruction project – watermain repair/replacement costs - \$2.5 million
 - Water meter replacement projects - \$342,000

❖ Sewer Fund

- ❖ Sewer revenues are exceeding budget expectations and are up over the same period in 2019. Similar to water revenues, sewer revenues increased as a result of the increased customer base and an increase in sewer rates for the base charge and discharge effective February 1, 2020.
- ❖ Disposal charges paid to Metropolitan Council of Environmental Services increased 3.1 percent over the 2019 rates and are projected to be \$4.3 million for 2020.
- ❖ Expenditures are below budget estimates and the same period in 2019.
- ❖ The 2020 major maintenance projects are budgeted as follows:
 - Sewer line improvements - \$598,000
 - I/I mitigation repairs - \$425,000

FINANCIAL HIGHLIGHTS (continued):

❖ Street Lighting Fund

- ❖ Revenues are exceeding budget and are up over the same period in 2019. Streetlight fees of \$1,000 were collected at the time of final plat in the first quarter.
- ❖ Streetlight rates were increased effective February 1, 2020.
- ❖ 2020 electrical costs are below budget estimates but are exceeding prior year by approximately 10 percent due to added streetlights in new developments and rate increases.

❖ Environmental Resources Fund

- ❖ Revenues are tracking slightly below 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, 2020.
- ❖ Personnel services are slightly below budget but are exceeding prior year due to the addition of a full-time Forester position late in the second quarter of 2019.
- ❖ Majority of projects are still currently in progress or have not been started resulting in lower expenses compared to the budget.

General Fund
Summary Statement of Revenues, Expenditures and Changes in Fund Balances
For the Six Month Period Ended June 30, 2020

	2020		6/30/2020 Actual	Variance from Amended Budget Positive (Negative)	Actual Percent	Comparative		Variance from 2019 Actual Positive (Negative)	
	Adopted Budget	Amended Budget				6/30/2019 Actual			
Revenues									
General property taxes	\$ 22,509,080	\$ 22,509,080	\$ 11,327,822	\$ (11,181,258)	50.3%	\$ 11,297,597	\$ 30,225	100.3%	
Licenses and permits	2,657,099	2,657,099	1,904,867	(752,232)	71.7%	1,953,638	(48,771)	97.5%	
Intergovernmental	1,053,453	1,053,453	69,530	(983,923)	6.6%	57,781	11,749	120.3%	
Charges for services	2,976,026	2,976,026	1,052,254	(1,923,772)	35.4%	1,527,529	(475,275)	68.9%	
Court fines	360,000	360,000	134,137	(225,863)	37.3%	198,602	(64,465)	67.5%	
Investment income	128,000	128,000	74,375	(53,625)	58.1%	70,216	4,159	105.9%	
Miscellaneous	42,893	68,782	50,157	(18,625)	72.9%	22,679	27,478	221.2%	
Total revenues	29,726,551	29,752,440	14,613,142	(15,139,298)	49.1%	15,128,042	(514,900)	96.6%	
Expenditures									
Mayor and Council	121,006	121,006	51,321	69,686	42.4%	51,430	110	99.8%	
Committees and Commissions	91,616	91,616	4,974	86,642	5.4%	7,475	2,501	66.5%	
City Administration	498,062	498,062	239,124	258,938	48.0%	246,528	7,404	97.0%	
City Clerk	265,446	265,446	102,652	162,795	38.7%	70,192	(32,460)	146.2%	
Legal Counsel	83,500	83,500	41,948	41,552	50.2%	39,986	(1,962)	104.9%	
Planning	597,315	597,315	292,041	305,275	48.9%	283,599	(8,442)	103.0%	
Community and Econ. Development	382,316	382,316	168,635	213,681	44.1%	173,251	4,616	97.3%	
Inspections	1,439,695	1,439,695	699,991	739,704	48.6%	622,753	(77,238)	112.4%	
General Government Facilities	637,091	637,091	323,729	313,362	50.8%	307,164	(16,566)	105.4%	
Finance	859,493	879,693	426,854	452,840	48.5%	393,221	(33,633)	108.6%	
Information Systems	818,247	850,247	518,726	331,522	61.0%	487,321	(31,405)	106.4%	
Human Resources	557,705	557,705	249,031	308,674	44.7%	247,179	(1,852)	100.7%	
Insurance	285,000	285,000	142,500	142,500	50.0%	142,500	-	100.0%	
Police	12,428,732	12,506,121	5,844,639	6,661,482	46.7%	5,519,547	(325,092)	105.9%	
Fire	2,103,412	2,119,412	828,730	1,290,682	39.1%	773,269	(55,462)	107.2%	
Engineering	1,024,200	1,024,200	427,753	596,448	41.8%	402,617	(25,136)	106.2%	
Construction Services	620,977	620,977	250,033	370,944	40.3%	222,272	(27,762)	112.5%	
Streets	3,547,487	3,547,487	1,806,733	1,740,754	50.9%	1,853,072	46,339	97.5%	
Parks	2,869,618	2,869,618	1,300,597	1,569,022	45.3%	1,317,465	16,868	98.7%	
Recreation	786,925	786,925	313,083	473,843	39.8%	319,292	6,210	98.1%	
Heritage Center	151,221	151,221	58,789	92,433	38.9%	50,971	(7,818)	115.3%	
Arts Center	633,472	633,472	271,747	361,726	42.9%	310,641	38,894	87.5%	
Other	(45,939)	(45,939)	-	(45,939)	0.0%	-	-	0.0%	
Total expenditures	30,756,597	30,902,186	14,363,625	16,538,561	46.5%	13,841,740	(521,885)	103.8%	
Excess (deficiency) of revenues over expenditures	(1,030,046)	(1,149,746)	249,517	1,399,263		1,286,302	(1,036,785)		
Other financing sources (uses)									
Transfer from other funds	830,371	830,371	448,391	(381,980)	54.0%	344,958	103,433	130.0%	
Transfer to other funds	(550,000)	(550,000)	(550,000)	-	100.0%	(630,000)	80,000	87.3%	
Total other financing sources (uses)	280,371	280,371	(101,609)	(381,980)		(285,042)	183,433	35.6%	
Net change in fund balance	(749,675)	(869,375)	147,908	1,017,283		1,001,260	(853,352)		
Beginning fund balance	16,012,291	16,012,291	17,203,248	1,190,957		15,563,485	1,639,763		
Ending fund balance	\$ 15,262,616	\$ 15,142,916	\$ 17,351,156	\$ 2,208,240		\$ 16,564,745	\$ 786,411		
<i>Adj fund balance, Dec 31 (net of restricted)</i>	<i>\$ 14,338,795</i>	<i>\$ 14,219,095</i>	<i>\$ 16,327,335</i>			<i>\$ 15,868,915</i>			
Net change in fund balance percentage	(4.7%)	(5.4%)	0.9%			6.4%			
Ratio: Fund balance to CY expenditures	46.6%	46.0%							
Ratio: Fund balance to NY expenditures	45.0%	44.4%							
Expense Summary:									
Personnel services	23,014,364	23,014,364	10,618,780	12,441,523	46.1%	10,252,369	(366,411)	103.6%	
Commodities	1,863,320	1,956,709	971,689	985,020	49.7%	901,302	(70,387)	107.8%	
Other charges and services	5,863,108	5,915,308	2,732,571	3,182,737	46.2%	2,674,890	(57,681)	102.2%	
Capital outlay	15,805	15,805	40,585	(24,780)	256.8%	13,179	(27,406)	308.0%	
Total	30,756,597	30,902,186	14,363,625	16,584,500	46.5%	13,841,740	(521,885)	103.8%	

General Fund
Schedule of Expenditures

Expenditures	2020 Adopted Budget	2020 Amended Budget	6/30/2020 Actual	Variance from Adopted Budget Positive (Negative)	Actual Percent	Comparative		
						6/30/2019 Actual	Variance from 2019 Actual Positive (Negative)	
Mayor and Council								
Personnel services	\$ 62,561	\$ 62,561	\$ 30,216	\$ 32,346	48%	\$ 30,121	\$ (95)	100.3%
Commodities	50	50	-	50	0%	64	64	0.0%
Other charges and services	58,395	58,395	21,105	37,290	36%	21,245	140	99.3%
Total	121,006	121,006	51,321	69,686	42%	51,430	110	99.8%
Committees/Commissions								
Personnel services	58,261	58,261	854	57,407	1%	1,072	218	79.7%
Commodities	2,530	2,530	-	2,530	0%	-	-	0.0%
Other charges and services	30,825	30,825	4,120	26,705	13%	6,403	2,283	64.3%
Total	91,616	91,616	4,974	86,642	5%	7,475	2,501	66.5%
City Administration								
Personnel services	471,198	471,198	230,443	240,755	49%	222,686	(7,757)	103.5%
Commodities	1,600	1,600	1,802	(202)	113%	189	(1,613)	953.4%
Other charges and services	25,264	25,264	6,879	18,385	27%	23,653	16,774	29.1%
Capital outlay	-	-	-	-	0%	-	-	0.0%
Total	498,062	498,062	239,124	258,938	48%	246,528	7,404	97.0%
City Clerk								
Personnel services	219,099	219,099	64,626	154,474	29%	57,326	(7,300)	112.7%
Commodities	4,090	4,090	4,083	7	100%	36	(4,047)	11341.7%
Other charges and services	42,257	42,257	33,943	8,314	80%	12,830	(21,113)	264.6%
Total	265,446	265,446	102,652	162,795	39%	70,192	(32,460)	146.2%
Legal Counsel								
Other charges and services	83,500	83,500	41,948	41,552	50%	39,986	(1,962)	104.9%
Planning								
Personnel services	561,507	561,507	277,518	283,990	49%	268,631	(8,887)	103.3%
Commodities	1,718	1,718	347	1,371	20%	317	(30)	109.5%
Other charges and services	34,090	34,090	14,176	19,914	42%	14,651	475	96.8%
Total	597,315	597,315	292,041	305,275	49%	283,599	(8,442)	103.0%
Community and Economic Development								
Personnel services	325,688	325,688	157,241	168,447	48%	144,072	(13,170)	109.1%
Commodities	275	275	-	275	0%	4	4	0.0%
Other charges and services	56,353	56,353	11,394	44,959	20%	29,175	17,781	39.1%
Total	382,316	382,316	168,635	213,681	44%	173,251	4,616	97.3%
Inspection								
Personnel services	1,110,274	1,110,274	535,690	574,584	48%	498,192	(37,498)	107.5%
Commodities	15,931	15,931	9,175	6,756	58%	4,782	(4,393)	191.9%
Other charges and services	305,810	305,810	124,124	181,686	41%	119,779	(4,345)	103.6%
Capital outlay	7,680	7,680	31,002	(23,322)	404%	-	(31,002)	0.0%
Total	1,439,695	1,439,695	699,991	739,704	49%	622,753	(77,238)	112.4%

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General Fund
Schedule of Expenditures

Expenditures (continued)	2020 Adopted Budget	2020 Amended Budget	6/30/2020 Actual	Variance from Adopted Budget Positive (Negative)	Actual Percent	Comparative		Variance from 2019 Actual Positive (Negative)	
						6/30/2019 Actual			
General Government Facilities									
Personnel services	\$ 424,529	\$ 424,529	\$ 208,545	\$ 215,984	49%	\$ 207,883	\$ (663)	100.3%	
Commodities	27,822	27,822	10,043	17,779	36%	12,728	2,685	78.9%	
Other charges and services	184,740	184,740	105,141	79,599	57%	86,553	(18,588)	121.5%	
Total	637,091	637,091	323,729	313,362	51%	307,164	(16,566)	105.4%	
Finance									
Personnel services	757,706	757,706	346,639	411,068	46%	341,423	(5,216)	101.5%	
Commodities	1,575	1,575	1,167	408	74%	1,045	(122)	111.7%	
Other charges and services	100,212	120,412	79,048	41,364	66%	50,753	(28,295)	155.8%	
Total	859,493	879,693	426,854	452,840	49%	393,221	(33,633)	108.6%	
Information Technology									
Personnel services	469,695	469,695	235,210	234,486	50%	217,752	(17,458)	108.0%	
Commodities	3,800	3,800	5,190	(1,390)	137%	3,071	(2,119)	169.0%	
Other charges and services	344,752	376,752	278,326	98,426	74%	266,498	(11,828)	104.4%	
Total	818,247	850,247	518,726	331,522	61%	487,321	(31,405)	106.4%	
Human Resources									
Personnel services	425,855	425,855	209,124	216,731	49%	197,652	(11,472)	105.8%	
Commodities	3,100	3,100	828	2,272	27%	3,356	2,528	24.7%	
Other charges and services	128,750	128,750	39,079	89,671	30%	46,171	7,092	84.6%	
Total	557,705	557,705	249,031	308,674	45%	247,179	(1,852)	100.7%	
Insurance									
Other charges and services	285,000	285,000	142,500	142,500	50%	142,500	-	100.0%	
Police									
Personnel services	9,760,854	9,760,854	4,535,038	5,225,816	46%	4,322,828	(212,210)	104.9%	
Commodities	373,796	451,185	223,708	227,477	50%	196,050	(27,658)	114.1%	
Other charges and services	2,294,082	2,294,082	1,085,893	1,208,189	47%	1,000,669	(85,224)	108.5%	
Total	12,428,732	12,506,121	5,844,639	6,661,482	47%	5,519,547	(325,092)	105.9%	
Fire									
Personnel services	1,309,742	1,309,742	670,175	639,567	51%	589,976	(80,200)	113.6%	
Fire Relief Contribution/State Aid	375,000	375,000	2,000	373,000	1%	6,000	4,000	33.3%	
Commodities	146,449	162,449	47,484	114,965	29%	49,959	2,475	95.0%	
Other charges and services	272,221	272,221	109,071	163,150	40%	127,334	18,263	85.7%	
Total	2,103,412	2,119,412	828,730	1,290,682	39%	773,269	(55,462)	107.2%	

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General Fund
Schedule of Expenditures

Expenditures (continued)	2020 Adopted Budget	2020 Amended Budget	6/30/2020 Actual	Variance from Adopted Budget Positive (Negative)	Actual Percent	Comparative		
						6/30/2019 Actual	Variance from 2019 Actual Positive (Negative)	
Engineering								
Personnel services	\$ 892,142	\$ 892,142	\$ 381,152	\$ 510,991	43%	\$ 365,894	\$ (15,258)	104.2%
Commodities	15,526	15,526	9,255	6,271	60%	5,680	(3,575)	162.9%
Other charges and services	116,532	116,532	37,346	79,186	32%	31,043	(6,303)	120.3%
Total	<u>1,024,200</u>	<u>1,024,200</u>	<u>427,753</u>	<u>596,448</u>	<u>42%</u>	<u>402,617</u>	<u>(25,136)</u>	<u>106.2%</u>
Construction Services								
Personnel services	598,042	598,042	243,478	354,564	41%	215,397	(28,082)	113.0%
Commodities	9,207	9,207	4,867	4,340	53%	3,194	(1,673)	152.4%
Capital outlay	-	-	-	-	0%	-	-	0.0%
Total	<u>620,977</u>	<u>620,977</u>	<u>250,033</u>	<u>370,944</u>	<u>40%</u>	<u>222,272</u>	<u>(27,762)</u>	<u>112.5%</u>
Streets								
Personnel services	2,321,085	2,321,085	1,104,966	1,216,119	48%	1,217,823	112,857	90.7%
Commodities	887,173	887,173	509,756	377,417	57%	454,574	(55,182)	112.1%
Other charges and services	339,229	339,229	192,011	147,218	57%	180,675	(11,336)	106.3%
Total	<u>3,547,487</u>	<u>3,547,487</u>	<u>1,806,733</u>	<u>1,740,754</u>	<u>51%</u>	<u>1,853,072</u>	<u>46,339</u>	<u>97.5%</u>
Parks								
Personnel services	2,039,577	2,039,577	987,714	1,051,864	48%	974,560	(13,154)	101.3%
Commodities	287,489	287,489	113,279	174,210	39%	135,573	22,294	83.6%
Other charges and services	542,552	542,552	199,604	342,948	37%	207,332	7,728	96.3%
Total	<u>2,869,618</u>	<u>2,869,618</u>	<u>1,300,597</u>	<u>1,569,022</u>	<u>45%</u>	<u>1,317,465</u>	<u>16,868</u>	<u>98.7%</u>
Recreation								
Personnel services	440,186	440,186	208,572	231,615	47%	173,928	(34,644)	119.9%
Commodities	33,296	33,296	6,426	26,870	19%	7,423	997	86.6%
Other charges and services	313,443	313,443	98,085	215,358	31%	137,941	39,856	71.1%
Total	<u>786,925</u>	<u>786,925</u>	<u>313,083</u>	<u>473,843</u>	<u>40%</u>	<u>319,292</u>	<u>6,210</u>	<u>98.1%</u>
Heritage Center								
Personnel services	70,331	70,331	29,340	40,992	42%	31,274	1,934	93.8%
Commodities	9,743	9,743	2,077	7,666	21%	1,685	(392)	123.3%
Other charges and services	71,147	71,147	27,372	43,775	38%	18,012	(9,360)	152.0%
Total	<u>151,221</u>	<u>151,221</u>	<u>58,789</u>	<u>92,433</u>	<u>39%</u>	<u>50,971</u>	<u>(7,818)</u>	<u>115.3%</u>
Arts Center								
Personnel services	366,971	366,971	160,244	206,728	44%	167,884	7,640	95.4%
Commodities	38,150	38,150	22,202	15,948	58%	21,572	(630)	102.9%
Other charges and services	220,226	220,226	79,718	140,508	36%	108,006	28,288	73.8%
Capital outlay	8,125	8,125	9,583	(1,458)	118%	13,179	3,596	72.7%
Total	<u>633,472</u>	<u>633,472</u>	<u>271,747</u>	<u>361,726</u>	<u>43%</u>	<u>310,641</u>	<u>38,894</u>	<u>87.5%</u>

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, 2020

	2020 Adopted Budget	6/30/2020 Actual	Variance	Percent of Budget	Comparative		
					6/30/2019 Actual	Variance from 2019 Actual Positive (Negative)	
Revenues							
Licenses franchise fee	\$ 698,256	\$ 337,421	\$ (360,835)	48.3%	\$ 341,540	\$ (4,119)	98.8%
PEG Fees	58,266	24,831	(33,435)	42.6%	30,819	(5,988)	80.6%
Intergovernmental State aid	516	258	(258)	50.0%	258	-	100.0%
Investment income	2,058	3,293	1,235	160.0%	3,878	(585)	84.9%
Total revenues	<u>759,096</u>	<u>365,803</u>	<u>(393,293)</u>	<u>48.2%</u>	<u>376,495</u>	<u>(10,692)</u>	<u>97.2%</u>
Expenditures - General government							
Personnel services	417,437	204,695	212,742	49.0%	222,922	18,227	91.8%
Commodities	20,300	10,047	10,253	49.5%	4,387	(5,660)	229.0%
Other charges and services	114,292	39,480	74,812	34.5%	35,006	(4,474)	112.8%
Capital outlay	185,000	-	185,000	0.0%	802	802	0.0%
Total expenditures	<u>737,029</u>	<u>254,222</u>	<u>482,807</u>	<u>34.5%</u>	<u>263,117</u>	<u>8,895</u>	<u>96.6%</u>
Excess (deficiency) of revenues over expenditures	<u>22,067</u>	<u>111,580</u>	<u>89,513</u>	<u>505.6%</u>	<u>113,378</u>	<u>(23,865)</u>	<u>98.4%</u>
Other financing (uses) - Transfers							
From Liquor Fund (Comm/Mkt Position)	-	-	-	0.0%	45,634	(45,634)	0.0%
To General Fund (expense allocations)	(83,739)	(41,870)	41,869	50.0%	(40,434)	(1,436)	103.6%
To Technology Fund (expense allocations)	(4,400)	(4,400)	-	100.0%	-	(4,400)	0.0%
Total other financing (uses)	<u>(88,139)</u>	<u>(46,270)</u>	<u>41,869</u>	<u>52.5%</u>	<u>5,200</u>	<u>(51,470)</u>	<u>-889.8%</u>
Net change in fund balance	(66,072)	65,310	131,382		118,578	(53,268)	
Beginning fund balance	808,425	1,053,663	245,238		930,791	122,872	
Ending fund balance	<u>\$ 742,353</u>	<u>\$ 1,118,973</u>	<u>\$ 376,620</u>		<u>\$ 1,049,369</u>	<u>\$ 69,604</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, 2020

	2020			Percent of Budget	Comparative		
	Adopted Budget	6/30/2020 Actual	Variance		6/30/2019 Actual	Variance from 2019 Actual Positive (Negative)	
<u>Sales and cost of sales</u>							
Sales	\$ 15,898,952	\$ 8,350,049	\$ (7,548,903)	52.5%	\$ 7,401,394	\$ 948,655	112.8%
Cost of sales	<u>11,923,215</u>	<u>6,226,435</u>	<u>5,696,780</u>	<u>52.2%</u>	<u>5,538,094</u>	<u>(688,341)</u>	<u>112.4%</u>
Gross profit	<u>3,975,737</u>	<u>2,123,614</u>	<u>(1,852,123)</u>	<u>53.4%</u>	<u>1,863,300</u>	<u>260,314</u>	<u>114.0%</u>
Gross profit %	25.0%	25.4%			25.2%		
<u>Operating expenses</u>							
Personnel services	1,832,091	854,900	977,191	46.7%	825,071	(29,829)	103.6%
Commodities	79,619	24,323	55,296	30.5%	36,986	12,663	65.8%
Other charges and services	<u>1,371,375</u>	<u>616,265</u>	<u>755,110</u>	<u>44.9%</u>	<u>510,001</u>	<u>(106,264)</u>	<u>120.8%</u>
Total operating expenses	<u>3,283,085</u>	<u>1,495,488</u>	<u>1,787,597</u>	<u>45.6%</u>	<u>1,372,058</u>	<u>(123,430)</u>	<u>109.0%</u>
Operating income	<u>692,652</u>	<u>628,126</u>	<u>(64,526)</u>	<u>90.7%</u>	<u>491,242</u>	<u>136,884</u>	<u>127.9%</u>
<u>Non-operating revenue (expense)</u>							
Investment income	15,000	23,895	8,895	159.3%	24,316	(421)	98.3%
Miscellaneous	3,762	-	(3,762)	0.0%	-	-	0.0%
Capital outlay acquisitions	(49,790)	(8,000)	41,790	16.1%	-	(8,000)	0.0%
Sale of assets	-	-	-	0.0%	-	-	0.0%
Transfers in (out)							
General Fund	(143,412)	(71,706)	71,706	50.0%	(79,287)	7,581	90.4%
General Fund - Fireworks	(13,000)	-	13,000	0.0%	-	-	0.0%
Communications (Mktg Spec)	-	-	-	0.0%	(45,634)	45,634	0.0%
Debt Service:							
CIP Bonds-Police Station	(400,000)	(400,000)	-	100.0%	(400,000)	-	100.0%
Galaxie Lease	(284,808)	(258,250)	26,558	90.7%	(245,400)	(12,850)	105.2%
Capital Projects:							
Equipment Fund	(500,000)	(500,000)	-	100.0%	(400,000)	(100,000)	125.0%
Technology Fund	(69,677)	(69,677)	-	100.0%	-	(69,677)	0.0%
Enterprise Fund:							
Environmental Resources - Recycling	(4,356)	-	4,356	0.0%	(3,425)	(3,425)	0.0%
Total non-operating (net)	<u>(1,446,281)</u>	<u>(1,283,738)</u>	<u>162,543</u>	<u>88.8%</u>	<u>(1,149,430)</u>	<u>(134,308)</u>	<u>111.7%</u>
Change in working capital	(753,629)	(655,612)	98,017		(658,188)	2,576	
Beginning working capital	<u>3,378,854</u>	<u>3,823,210</u>	<u>444,356</u>		<u>3,890,525</u>	<u>(67,315)</u>	
Ending working capital	<u>\$ 2,625,225</u>	<u>\$ 3,167,598</u>	<u>\$ 542,373</u>		<u>\$ 3,232,337</u>	<u>\$ (64,739)</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, 2020

	2020			Percent of Budget	Comparative		
	Adopted Budget	6/30/2020 Actual	Variance		6/30/2019 Actual	Variance from 2019 Actual Positive (Negative)	
<u>Operating revenues</u>							
User charges for services	\$ 5,762,460	\$ 1,820,863	\$ (3,941,597)	31.6%	\$ 1,491,332	\$ 329,531	122.1%
Other	133,479	67,769	(65,710)	50.8%	88,186	(20,417)	76.8%
Total operating revenue	<u>5,895,939</u>	<u>1,888,632</u>	<u>(4,007,307)</u>	<u>32.0%</u>	<u>1,579,518</u>	<u>309,114</u>	<u>-253.7%</u>
<u>Operating expenses</u>							
Personnel services	1,279,486	651,826	627,660	50.9%	583,832	(67,994)	111.6%
Commodities	359,080	135,610	223,470	37.8%	146,405	10,795	92.6%
Other charges and services	1,409,280	549,866	859,414	39.0%	417,982	(131,884)	131.6%
Major Maintenance	<u>3,845,340</u>	<u>72,391</u>	<u>3,772,949</u>	<u>1.9%</u>	<u>50,649</u>	<u>(21,742)</u>	<u>142.9%</u>
Total operating expenses	<u>6,893,186</u>	<u>1,409,693</u>	<u>5,483,493</u>	<u>20.5%</u>	<u>1,198,868</u>	<u>(210,825)</u>	<u>117.6%</u>
Operating income (loss)	<u>(997,247)</u>	<u>478,939</u>	<u>1,476,186</u>		<u>380,650</u>	<u>98,289</u>	
<u>Non-operating revenue (expense)</u>							
Intergovernmental	1,632	816	(816)	50.0%	816	-	100.0%
Investment income	32,484	47,412	14,928	146.0%	45,286	2,126	104.7%
Disposal of assets	(10,000)	-	10,000	0.0%	6,761	(6,761)	0.0%
Capital outlay	(66,261)	(72,213)	(5,952)	109.0%	(3,956)	(68,257)	1825.4%
Bond proceeds	3,470,000	-	(3,470,000)	0.0%	-	-	0.0%
Debt Service	(1,273,737)	(936,001)	337,736	73.5%	(855,667)	(80,334)	109.4%
Transfers (out)	<u>(180,367)</u>	<u>(94,084)</u>	<u>86,284</u>	<u>52.2%</u>	<u>(37,198)</u>	<u>(56,886)</u>	<u>252.9%</u>
Total non-operating (net)	<u>1,973,751</u>	<u>(1,054,069)</u>	<u>(3,027,820)</u>		<u>(843,958)</u>	<u>(210,111)</u>	
Change in working capital	976,504	(575,130)	(1,551,634)		(463,308)	(111,822)	124.1%
Beginning working capital	<u>7,386,740</u>	<u>7,585,974</u>	<u>199,234</u>		<u>7,245,758</u>	<u>340,216</u>	<u>104.7%</u>
Ending working capital	<u>\$ 8,363,244</u>	<u>\$ 7,010,844</u>	<u>\$ (1,352,400)</u>		<u>\$ 6,782,450</u>	<u>228,394</u>	<u>103.4%</u>

CITY OF LAKEVILLE, MINNESOTA
 Enterprise - Utility Fund Sanitary Sewer Operation
 Statement of Revenues, Expenditures and Changes in Working Capital
 For the Six Month Period Ended June 30, 2020

	2020 Adopted Budget	6/30/2020 Actual	Variance	Percent of Budget	Comparative		
					6/30/2019 Actual	Variance from 2019 Actual Positive (Negative)	
<u>Operating revenue</u>							
User charges for services	\$ 6,969,526	\$ 3,606,651	\$ (3,362,875)	51.7%	\$ 3,327,079	\$ 279,572	108.4%
<u>Operating expenses</u>							
Personnel services	848,707	368,954	479,753	43.5%	369,870	916	99.8%
Commodities	85,148	26,172	58,976	30.7%	41,790	15,618	62.6%
Other charges and services	384,787	146,959	237,828	38.2%	330,655	183,696	44.4%
Disposal charges	4,305,768	2,152,884	2,152,884	50.0%	2,087,214	(65,670)	103.1%
Major maintenance projects	1,023,000	8,238	1,014,762	0.8%	192,111	183,873	4.3%
Total operating expenses	6,647,410	2,703,207	3,944,203	40.7%	3,021,640	318,433	89.5%
Operating income (loss)	322,116	903,444	581,328		305,439	598,005	295.8%
<u>Non-operating revenue (expense)</u>							
Intergovernmental State aid	816	816	-	100.0%	816	-	100.0%
Grants	25,816	-	(25,816)	0.0%	-	-	0.0%
Investment income	40,544	22,154	(18,390)	54.6%	19,025	3,129	116.4%
Disposal of assets	(10,000)	-	10,000	0.0%	-	-	0.0%
Capital outlay	(66,261)	(72,212)	(5,951)	109.0%	-	(72,212)	0.0%
Debt service	(72,450)	(68,142)	4,308	94.1%	(56,496)	(11,646)	120.6%
Transfers in	24,187	24,187	-	100.0%	24,165	22	100.1%
Transfers (out)	(187,412)	(97,606)	89,806	52.1%	(87,264)	(10,342)	111.9%
Total non-operating (net)	(244,760)	(190,803)	53,957	78.0%	(99,754)	(91,049)	191.3%
Change in working capital	77,356	712,641	635,285		205,685	506,956	346.5%
Beginning working capital	2,880,764	3,544,582	663,818		3,044,063	500,519	116.4%
Ending working capital	\$ 2,958,120	\$ 4,257,223	\$ 1,299,103		\$ 3,249,748	\$ 1,007,475	131.0%

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, 2020

	2020 Adopted Budget	6/30/2020 Actual	Variance	Percent of Budget	Comparative		
					6/30/2019 Actual	Variance from 2019 Actual Positive (Negative)	
<u>Operating revenue</u>							
User charges for services	\$ 1,017,739	\$ 536,356	\$ (481,383)	52.7%	\$ 473,561	\$ 62,795	113.3%
<u>Operating expenses</u>							
Personnel services	22,657	10,193	12,464	45.0%	9,699	(494)	105.1%
Commodities	67	96	(29)	143.7%	6	(90)	1604.2%
Other charges and services	964,218	393,614	570,604	40.8%	359,526	(34,088)	109.5%
Total operating expenses	986,942	403,904	583,038	40.9%	369,231	(34,673)	109.4%
Operating income (loss)	30,797	132,452	101,655		104,330	28,122	127.0%
<u>Non-operating revenue (expense)</u>							
Investment income	3,686	4,748	1,062	128.8%	2,380	2,368	199.5%
Debt service	(48,700)	(38,521)	10,179	79.1%	(31,396)	(7,125)	122.7%
Transfers in (out) - General Fund	(5,614)	(2,808)	2,806	50.0%	(2,501)	(307)	112.3%
Total non-operating (net)	(50,628)	(36,581)	14,047	72.3%	(31,517)	(5,064)	116.1%
Change in working capital	(19,831)	95,871	115,702		72,813	23,058	131.7%
Beginning working capital	584,861	759,654	174,793		571,214	188,440	133.0%
Ending working capital	\$ 565,030	\$ 855,525	\$ 290,495		\$ 644,027	\$ 211,498	132.8%



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, 2020

	2020 Adopted Budget	6/30/2020 Actual	Variance	Percent of Budget	Comparative		
					6/30/2019 Actual	Variance from 2019 Actual Positive (Negative)	
<u>Revenues</u>							
User charges for services	\$ 2,020,828	\$ 952,279	\$ (1,068,549)	47.1%	\$ 810,168	\$ 142,111	117.5%
Charges for services - Recycling	4,090	-	(4,090)	0.0%	4,090	(4,090)	0.0%
Total revenues	<u>2,024,918</u>	<u>952,279</u>	<u>(1,072,639)</u>	<u>47.0%</u>	<u>814,258</u>	<u>138,021</u>	<u>-131.7%</u>
<u>Expenditures - Public works</u>							
Personnel services	539,971	252,386	287,585	46.7%	238,525	(13,861)	105.8%
Commodities	37,856	14,500	23,356	38.3%	20,046	5,546	72.3%
Other charges and services	<u>1,581,698</u>	<u>236,662</u>	<u>1,345,036</u>	<u>15.0%</u>	<u>214,629</u>	<u>(22,033)</u>	<u>110.3%</u>
Total expenditures	<u>2,159,525</u>	<u>503,548</u>	<u>1,655,977</u>	<u>23.3%</u>	<u>473,200</u>	<u>(30,348)</u>	<u>106.4%</u>
Operating income (loss)	<u>(134,607)</u>	<u>448,731</u>	<u>583,338</u>		<u>341,058</u>	<u>107,673</u>	<u>131.6%</u>
<u>Non-operating revenue (expense)</u>							
Intergovernmental	120,292	627	(119,665)	0.5%	627	-	100.0%
Investment income	4,189	9,240	5,051	220.6%	6,840	2,400	135.1%
Transfers in (out)							
General Fund	(182,427)	(130,919)	51,508	71.8%	(123,014)	(7,905)	106.4%
Storm Sewer Infrastructure Fund	-	-	-	0.0%	20,000	(20,000)	0.0%
Equipment Fund	(31,000)	(31,000)	-	100.0%	(31,000)	-	100.0%
Technology Fund	(3,600)	(3,600)	-	100.0%	-	(3,600)	0.0%
Liquor Fund	4,356	-	(4,356)	0.0%	-	-	0.0%
Sanitary sewer operations	<u>(24,187)</u>	<u>(24,187)</u>	<u>-</u>	<u>100.0%</u>	<u>(24,165)</u>	<u>(22)</u>	<u>100.1%</u>
Total other financing (uses)	<u>(112,377)</u>	<u>(179,839)</u>	<u>(67,462)</u>	<u>160.0%</u>	<u>(150,712)</u>	<u>(29,127)</u>	<u>119.3%</u>
Change in working capital	(246,984)	268,892	515,876		190,346	78,546	141.3%
Beginning working capital	<u>1,070,254</u>	<u>1,478,379</u>	<u>408,125</u>		<u>1,094,376</u>	<u>384,003</u>	<u>135.1%</u>
Ending working capital	<u>\$ 823,270</u>	<u>\$ 1,747,271</u>	<u>\$ 924,001</u>		<u>\$ 1,284,722</u>	<u>\$ 462,549</u>	<u>136.0%</u>