

2nd Quarter Report

City of Pine City
Pine City, Minnesota

As of June 30, 2016

**ABDO
EICK &
MEYERS** LLP

AEM Financial Solutions™

**People
+ Process.**
*Going
Beyond the
Numbers*



AEM Financial Solutions™

August 26, 2016

ACCOUNTANT'S COMPILATION REPORT

Honorable Mayor and City Council
City of Pine City
Pine City, Minnesota

Management is responsible for the accompanying financial statements of the City of Pine City, MN, which comprise the budget to actual statement of revenues and expenditures for the General fund and statements of revenues and expenses for the Water, Sewer, and Liquor funds as of June 30, 2016, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or the completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially all of the disclosures and the statement of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures and the statement of cash flows were included in the financial statements, they might influence the user's conclusions about the City's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Sincerely,

AEM FINANCIAL SOLUTIONS, LLC
Minneapolis, Minnesota



AEM Financial Solutions™

August 26, 2016

Honorable Mayor and City Council
 City of Pine City
 Pine City, Minnesota

Dear Honorable Mayor and City Council:

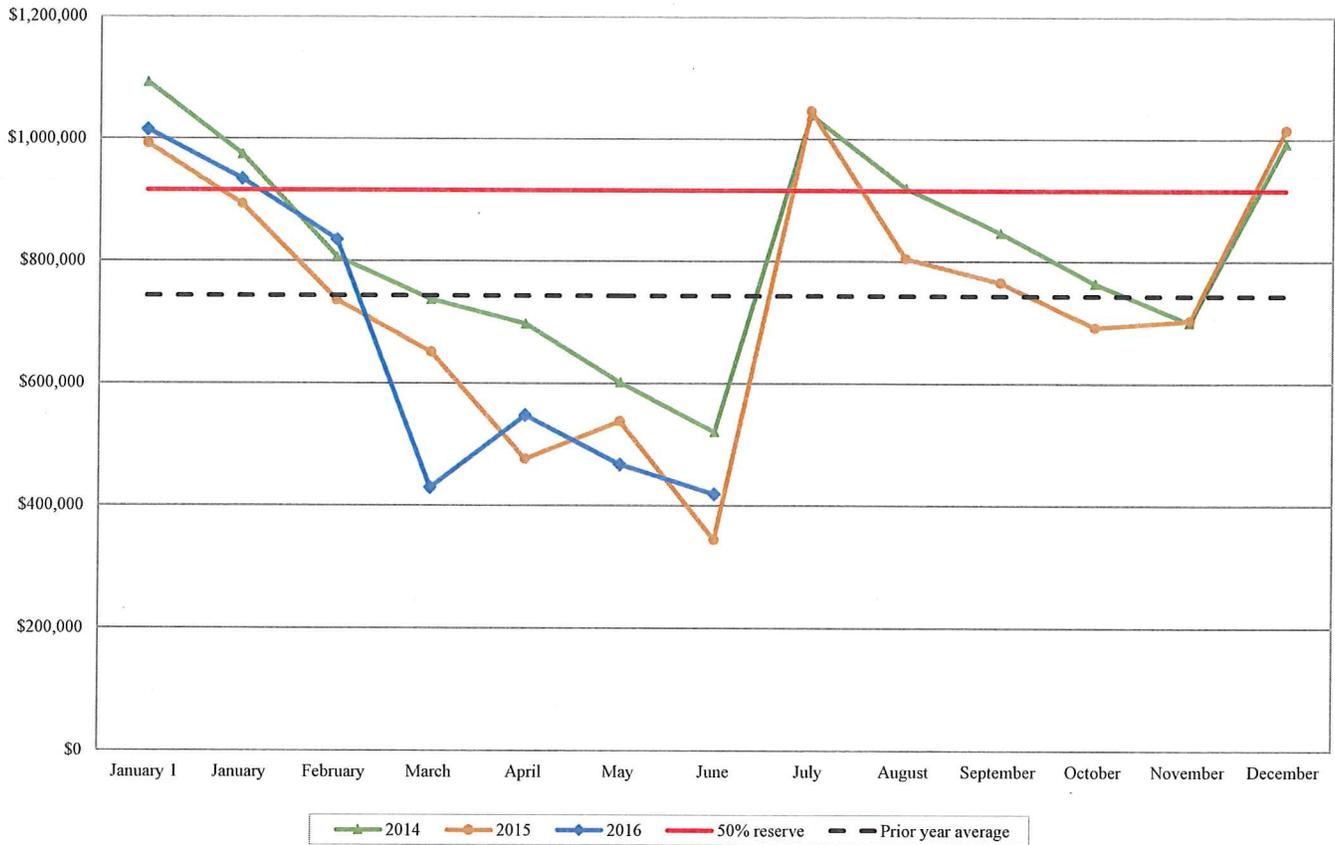
We have reconciled all bank accounts through June 30, 2016 and reviewed activity in all funds. The following is a summary of our observations. All information presented is unaudited.

Cash and Investments

The City's cash and investment balances are as follows:

	<u>06/30/2016</u>	<u>12/31/2015</u>	<u>Increase/ (Decrease)</u>
Checking	\$ 1,228,614	\$ 439,656	\$ 788,958
Investments (at market value)	<u>4,695,352</u>	<u>6,631,012</u>	<u>(1,935,660)</u>
 Total cash and investments	 <u>\$ 5,923,966</u>	 <u>\$ 7,070,668</u>	 <u>\$ (1,146,702)</u>
 <u>Investment Type</u>	 <u>06/30/2016</u>	 <u>12/31/2015</u>	 <u>Increase/ (Decrease)</u>
Checking	\$ 1,228,614	\$ 439,656	\$ 788,958
Money Market	2,468,179	4,465,716	(1,997,537)
Negotiable CDs	2,227,173	1,965,200	261,973
Government agency securities	<u>-</u>	<u>200,096</u>	<u>(200,096)</u>
 Total investments	 <u>\$ 5,923,966</u>	 <u>\$ 7,070,668</u>	 <u>\$ (1,146,702)</u>

General Fund Cash Balances 2014-2016



General Fund									
	YTD Budget	YTD Actual	Percent of YTD Budget		YTD Budget	YTD Actual	Percent of YTD Budget		
Receipts					Disbursements				
Taxes	\$ 333,614	\$ 314	0.1 %	↓	City Council	\$ 14,183	\$ 10,033	70.7 %	↑
Intergovernmental	313,084	-	-	↓	City Administration	159,696	124,974	78.3	↑
Licenses and permits	30,226	38,677	128.0	↑	Elections	2,140	165	7.7	↑
Charges for services	166,542	235,482	141.4	↑	City Treasurer	49,987	49,209	98.4	↓
Fines and Forfeits	5,500	1,622	29.5	↓	City Assessor	7,709	17,260	223.9	↓
Interest Eamed	1,000	3,355	335.5	↑	Planning	44,559	48,509	108.9	↓
Refunds and Reimbursements	6,388	15,925	249.3	↑	Building Inspection	51,178	35,702	69.8	↓
Grants	-	29,939	N/A	↑	Legal	7,500	9,625	128.3	↓
Miscellaneous revenue	6,500	8,250	126.9	↑	Police Protection	83,494	83,494	100.0	↓
	<u>\$ 862,853</u>	<u>\$ 333,564</u>	<u>38.7 %</u>	↓	Fire Protection	177,375	128,172	72.3	↑
					Street Department	227,908	180,019	79.0	↑
					Parks and Playgrounds	48,975	36,324	74.2	↑
					Swimming Beach	28,250	8,428	29.8	↑
					Recreation/Education Social	13,050	22,736	174.2	↓
					Miscellaneous	-	21,793	N/A	↓
						<u>\$ 916,002</u>	<u>\$ 776,443</u>	<u>84.8 %</u>	↑

Key
 ↑ Varies more than 10% than budget positively
 ↓ Varies more than 10% than budget negatively
 → Within 10% of budget

Current short-term rates being offered by financial institutions are very low as evidenced by the table of U.S. Treasury rates below. The U.S. Treasury rates provide a benchmark perspective for rate of return.

Date	Treasury Yields								
	1 mo	3 mo	6 mo	1 yr	2 yr	3 yr	5 yr	7 yr	10 yr
12/31/2010	0.07	0.12	0.19	0.29	0.61	1.02	2.01	2.71	3.30
12/30/2011	0.01	0.02	0.06	0.12	0.25	0.36	0.83	1.35	1.89
12/31/2012	0.02	0.05	0.11	0.16	0.25	0.36	0.72	1.18	1.78
03/31/2013	0.04	0.07	0.11	0.14	0.25	0.36	0.77	1.24	1.87
06/30/2013	0.02	0.04	0.10	0.15	0.36	0.66	1.41	1.96	2.52
09/30/2013	0.03	0.02	0.04	0.10	0.33	0.63	1.39	2.02	2.64
12/31/2013	0.01	0.07	0.10	0.13	0.38	0.78	1.75	2.45	3.04
03/31/2014	0.03	0.05	0.07	0.13	0.44	0.90	1.73	2.30	2.73
06/30/2014	0.02	0.04	0.07	0.11	0.47	0.88	1.62	2.13	2.53
09/30/2014	0.02	0.02	0.03	0.13	0.58	1.07	1.78	2.22	2.52
12/31/2014	0.03	0.03	0.12	0.23	0.69	1.11	1.68	2.00	2.20
03/31/2015	0.05	0.03	0.14	0.26	0.56	0.89	1.37	1.71	1.94
06/30/2015	0.02	0.01	0.11	0.28	0.64	1.01	1.63	2.07	2.35
09/30/2015	-	-	0.08	0.33	0.64	0.92	1.37	1.75	2.06
12/31/2015	0.14	0.16	0.49	0.65	1.06	1.31	1.76	2.09	2.27
03/31/2016	0.18	0.21	0.39	0.59	0.73	0.87	1.21	1.54	1.78
06/30/2016	0.20	0.26	0.36	0.45	0.58	0.71	1.01	1.29	1.49

Budget Summary

A more detailed analysis of funds is included as Attachment A.

Cash Balance Summary

A detailed view of department totals compared with budget is included as Attachment B.

Investment Summary

A detailed summary of current investments is included as Attachment C.

Enterprise Fund Summary

A detailed summary of enterprise fund financial results is included as Attachment D.

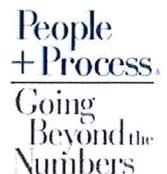
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This information is unaudited and is intended solely for the information and use of management and City Council and is not intended and should not be used by anyone other than these specified parties.

If you have any questions or wish to discuss any of the items contained in this letter or the attachments, please feel free to contact us at your convenience. We wish to thank you for the continued opportunity to be of service and for the courtesy and cooperation extended to us by your staff.

Sincerely,

AEM FINANCIAL SOLUTIONS, LLC
 Minneapolis, Minnesota



CITY OF PINE CITY, MINNESOTA
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL -
GENERAL FUND (UNAUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2016

Attachment A

	Annual Budget	Budget thru 06/30/2016	Actual Thru 06/30/2016	Variance - Favorable (Unfavorable)	Percent Received or Expended Based on Budget thru 06/30/2016
REVENUES					
Taxes	\$ 667,228	\$ 333,614	\$ 314	\$ (333,300) (1)	0.1 %
Intergovernmental	626,167	313,084	-	(313,084) (2)	-
Licenses and permits	60,452	30,226	38,677	8,451	128.0
Charges for services	333,083	166,542	235,482	68,941 (3)	141.4
Fines and Forfeits	11,000	5,500	1,622	(3,878)	29.5
Interest Earned	2,000	1,000	3,355	2,355	335.5
Refunds and Reimbursements	12,775	6,388	15,925	9,538	249.3
Grants	-	-	29,939	29,939 (4)	N/A
Miscellaneous revenue	13,000	6,500	8,250	1,750	126.9
TOTAL REVENUES	1,725,705	862,853	333,564	(529,289)	38.7
EXPENDITURES					
City Council	28,365	14,183	10,033	4,150	70.7
City Administration	319,391	159,696	124,974	34,722 (5)	78.3
Elections	4,280	2,140	165	1,975	7.7
City Treasurer	99,974	49,987	49,209	778	98.4
City Assessor	15,417	7,709	17,260	(9,552)	223.9
Planning	89,118	44,559	48,509	(3,950)	108.9
Building Inspection	102,356	51,178	35,702	15,476 (6)	69.8
Legal	15,000	7,500	9,625	(2,125)	128.3
Police Protection	166,988	83,494	83,494	-	100.0
Fire Protection	354,749	177,375	128,172	49,203 (7)	72.3
Street Department	455,815	227,908	180,019	47,889 (8)	79.0
Capital Outlay	-	-	-	-	N/A
Parks and Playgrounds	97,950	48,975	36,324	12,651	74.2
Swimming Beach	56,500	28,250	8,428	19,822 (9)	29.8
Recreation/Education Social	26,100	13,050	22,736	(9,686)	174.2
Miscellaneous	-	-	21,793	(21,793) (4)	N/A
TOTAL EXPENDITURES	1,832,003	916,002	776,443	139,559	84.8
EXCESS REVENUES (EXPENDITURES)	(106,298)	(53,149)	(442,879)	(389,730)	833.3
OTHER FINANCING USES					
Transfers in	125,000	62,500	62,500.0	-	100.0
Transfers Out	-	-	-	-	N/A
TOTAL OTHER FINANCING SOURCES (USES)	125,000	62,500	62,500	-	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES					
	\$ 18,702	\$ 9,351	\$ (380,379)	\$ (389,730)	(4,067.8) %

Item Explanation of items for which percentage received/expended less than 80% or greater than 120% and \$ variance greater than \$15,000.

- (1) Negative variance due to first-half tax settlement not being received till July.
- (2) Negative variance due to first-half LGA not being received till July.
- (3) Positive variance from receipt of fire contract payment from townships.
- (4) Variance due to pass-through grants; revenue for Grants and expenditure for Miscellaneous (from where pass-throughs have been paid) categories comparable.
- (5) Positive variance due to \$45,000 budgeted lease payment to County not paid till Q3.
- (6) Positive variance due to proposed building inspector not being hired. Budgeted wages of \$23,000 attributable to that position.
- (7) Positive variance due to fire relief pension contribution and State fire aid payment not being made till Q3.
- (8) Positive variance due to budgeted blacktop and sealcoating of \$53,000 not being completed as of end of Q2.
- (9) Positive variance due to bulk of salaries and wages for summer programs not paid as of end of Q2.

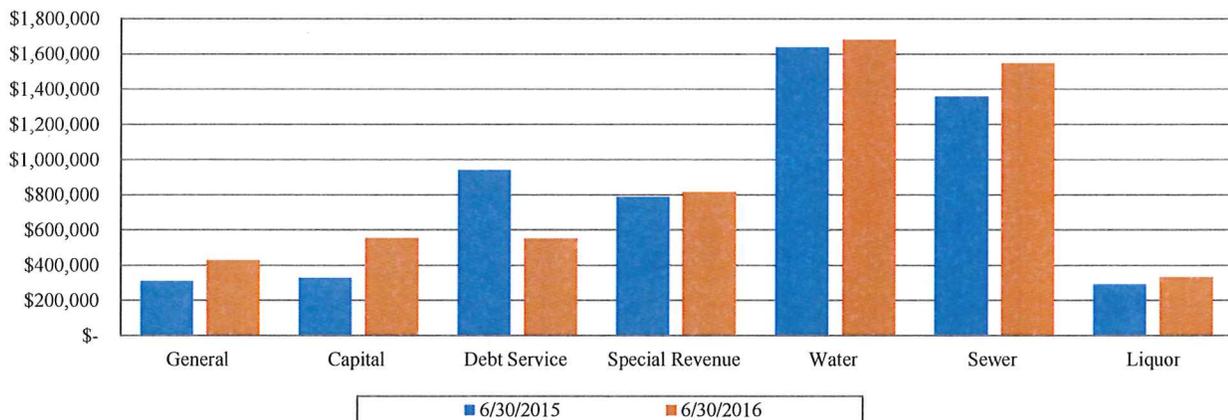
CITY OF PINE CITY, MINNESOTA
 UNAUDITED CASH BALANCES BY FUND
 JUNE 30, 2015, DECEMBER 31, 2015 AND JUNE 30, 2016

Attachment B

Fund	Balance 06/30/2015	Balance 12/31/2015	Balance 06/30/2016	YTD Change From 12/31/2015	Change From 06/30/2015
101 General	\$ 310,984	\$ 1,015,202	\$ 429,359	\$ (585,843) (1)	\$ 118,375
305 Capital Improvement	565,913	518,926	496,011	(22,915)	(69,902)
328 2009 Street Reconstruction	(259,310)	(259,310)	(233,379)	25,931	25,931
355 Fire Hall Construction	-	(500)	(500)	-	(500)
360 2015 Street Improvement Project	-	269,764	270,608	844	270,608
407 Refunding Bond Fund	901,140	316,286	320,238	3,952	(580,902)
408 2008 Debt Service Fund	-	163,237	18,018	(145,219) (2)	18,018
410 2010 Debt Service Fund	-	210,418	(24,158)	(234,576) (2)	(24,158)
411 2011 Debt Service Fund	-	16,060	(9,067)	(25,127)	(9,067)
412 2012 Debt Service Fund	-	152,754	81,916	(70,838) (2)	81,916
413 2013 Debt Service Fund	-	109,545	110,439	894	110,439
425 GO Bonds 2007A Improv.	-	-	-	-	-
427 GO Improv Bonds 2008A	33,026	107,886	35,890	(71,996) (2)	2,864
460 2015 Debt Service Fund	-	9,291	355	(8,936)	355
601 Cemetery Maintenance	182,995	185,183	185,479	296	2,484
701 Liquor	291,631	300,471	333,824	33,353	42,193
703 Water	1,639,182	1,827,939	1,682,525	(145,414) (3)	43,343
707 Sewer	1,358,721	1,436,690	1,549,486	112,796 (4)	190,765
800 EDA Basic	565,794	119,128	105,400	(13,728)	(460,394)
810 Hardee's TIF District 1-1	40,007	53,841	54,010	169	14,003
820 Minnesota Investment Fund RLF	-	29,316	32,275	2,959	32,275
825 EDA Revolving Loan Fund	-	434,359	441,110	6,751	441,110
855 DMC Company TIF	9,153	16,602	9,495	(7,107)	342
866 GO Taxable TIF of 2003	9,084	16,641	20,631	3,990	11,547
868 Pine City Bottle Cap Condos	13,206	20,939	14,001	(6,938)	795
870 Astcott Debt Service Fund	-	-	-	-	-
Total	<u>\$ 5,661,526</u>	<u>\$ 7,070,668</u>	<u>\$ 5,923,966</u>	<u>\$ (1,146,702)</u>	<u>\$ 262,440</u>

- Item** **Explanation of changes greater than \$50,000.**
- (1) Decrease due to first-half tax settlement not being received till July; see Attachment A for further detail of General Fund activity.
- (2) Decrease due to February payment of principal and interest.
- (3) Decrease due to payment of February payment of principal and interest. Revenue and expense variances for Water fund both favorable compared to same period in 2015.
- (4) Increase due to revenues in excess of expenditures; see Attachment D for further detail of enterprise fund activity.

Cash Balance by Fund Compared to Prior Year



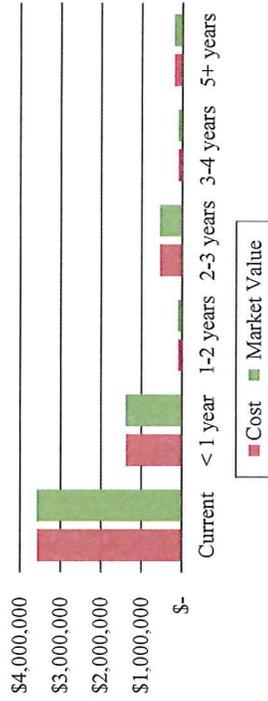
<p>Fund</p> <ul style="list-style-type: none"> ↑ General ↑ Capital ↓ Debt Service → Special Revenue → Water ↑ Sewer ↑ Liquor 	<p>Key</p> <ul style="list-style-type: none"> ↑ Balance increased more than 10% over prior year ↓ Balance decreased more than 10% over prior year → Balance within 10% of prior year
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City of Pine City
 Schedule of Investments
 For the Month Ending June 30, 2016

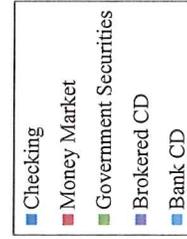
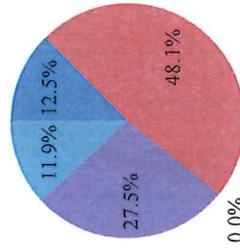
Institution	Description	Rate	Maturity Date	Cost 1/1/2016	Interest	Cost 6/30/2016	Market Value 6/30/2016	Unrealized gain / (loss)
Northwoods Bank	Savings - XXXX-6514	0.15%	Current	\$ 1,800,390.97	\$ 722.12	\$ 782,570.56	\$ 782,570.56	-
Northwoods Bank	Checking - XXXX-5024	0.15%	Current	313,995.31	269.25	429,539.83	429,539.83	-
Northwoods Bank	Checking - XXXX-4522		Current	131,555.65	-	277,593.19	277,593.19	-
Stearns Bank	Checkng - XXXX-0032	0.15%	Current	19,400.57	19.59	-	-	-
Stearns Bank	Savings - XXXX-4752	0.15%	Current	2,022,739.05	1,909.50	1,277,609.90	1,277,609.90	-
Stearns Bank	Checkng - XXXX-4894		Current	1,887.22	-	3,650.26	3,650.26	-
Spire Bank	Savings - XXXX-316	0.15%	Current	29.08	-	29.08	29.08	-
Stearns Bank	Savings - XXXX-2095	0.15%	Current	377,674.96	597.80	407,969.21	407,969.21	-
Stearns Bank	Checking - XXXX-7458		Current	25,037.84	-	29,489.04	29,489.04	-
Morgan Stanley	Money Market	0.01%	Current	511,266.95	16.19	374,562.12	374,562.12	-
Morgan Stanley	Federal Home Loan Mortgage Corp	2.00%	3/27/2023	200,000.00	2,000.00	-	-	-
Morgan Stanley	Federal National Mortgage Assn	1.50%	5/17/2024	-	-	100,006.50	100,044.00	37.50
Morgan Stanley	GE Capital Retail Bank, UT	2.00%	9/23/2016	200,000.00	1,994.52	201,340.00	200,650.00	(690.00)
Morgan Stanley	Barclays Bank of Wilmington, DE	1.05%	12/19/2016	248,000.00	1,305.57	248,674.56	248,582.80	(91.76)
Morgan Stanley	World Financial Network Bank, DE	1.85%	6/8/2017	200,000.00	1,855.08	202,050.00	201,818.00	(212.00)
Morgan Stanley	State Bank of India, NY	2.00%	6/22/2017	125,000.00	1,253.42	126,711.25	126,512.50	(198.75)
Morgan Stanley	Amex Centurion, Salk Lake City, UT	2.00%	8/29/2018	55,000.00	548.49	55,931.15	56,070.30	139.15
Morgan Stanley	Amex Centurion, Salk Lake City, UT	2.10%	10/24/2018	190,000.00	2,000.47	193,228.10	193,811.40	583.30
Morgan Stanley	Ally Bk Midvale UT	1.60%	1/14/2019	-	-	152,220.00	152,889.50	669.50
Morgan Stanley	Goldman Sachs, New York, NY	1.85%	1/22/2019	145,000.00	1,352.27	147,408.45	147,697.00	288.55
Morgan Stanley	Goldman Sachs, New York, NY	1.70%	1/16/2020	97,000.00	831.28	97,217.28	98,470.52	1,253.24
Morgan Stanley	Kennett National Bank, MO	1.70%	5/18/2022	-	144.38	100,000.00	100,127.00	127.00
Northwoods Bank	Northwoods Bank CD	1.10%	11/2/2016	100,500.00	-	100,500.00	100,500.00	-
Stearns Bank	Stearns Bank CD	0.85%	9/30/2017	100,000.00	-	100,000.00	100,000.00	-
Wells Fargo	Wells Fargo	0.85%	7/6/2016	100,000.00	-	100,000.00	100,000.00	-
Wells Fargo	Wells Fargo	0.85%	7/6/2016	100,000.00	-	100,000.00	100,000.00	-
Wells Fargo	Wells Fargo	0.85%	7/6/2016	100,000.00	-	100,000.00	100,000.00	-
Wells Fargo	Wells Fargo	0.85%	7/6/2016	100,000.00	-	100,000.00	100,000.00	-
Wells Fargo	Wells Fargo	0.85%	7/6/2016	50,000.00	-	50,000.00	50,000.00	-
Wells Fargo	Wells Fargo	0.85%	7/6/2016	50,000.00	-	50,000.00	50,000.00	-
Total cash and investments				\$ 7,364,477.60	\$ 16,819.93	\$ 5,908,280.48	\$ 5,910,186.21	\$ 1,905.73

City of Pine City
 Schedule of Investments
 For the Month Ending June 30, 2016

Maturities



Weighted Average Rate of Return 1.27% 6/30/2016
 Weighted Average Maturity 0.64 6/30/2016



Maturity	Cost 6/30/2016	Market Value 6/30/2016
Current	\$ 3,583,013.19	\$ 3,583,013.19
< 1 year	1,379,255.81	1,378,063.30
1-2 years	100,000.00	100,000.00
2-3 years	548,787.70	550,468.20
3-4 years	97,217.28	98,470.52
5+ years	200,006.50	200,171.00
	<u>\$ 5,908,280.48</u>	<u>\$ 5,910,186.21</u>

Investment Type	Market Value 6/30/2016
Checking	740,272.32
Money Market	2,842,740.87
Government Securities	-
Brokered CD	1,626,673.02
Bank CD	700,500.00
	<u>\$ 5,910,186.21</u>

CITY OF PINE CITY, MINNESOTA
STATEMENT OF REVENUES AND EXPENSES -
BUDGET AND ACTUAL -
SEWER FUND (UNAUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2016

Attachment D

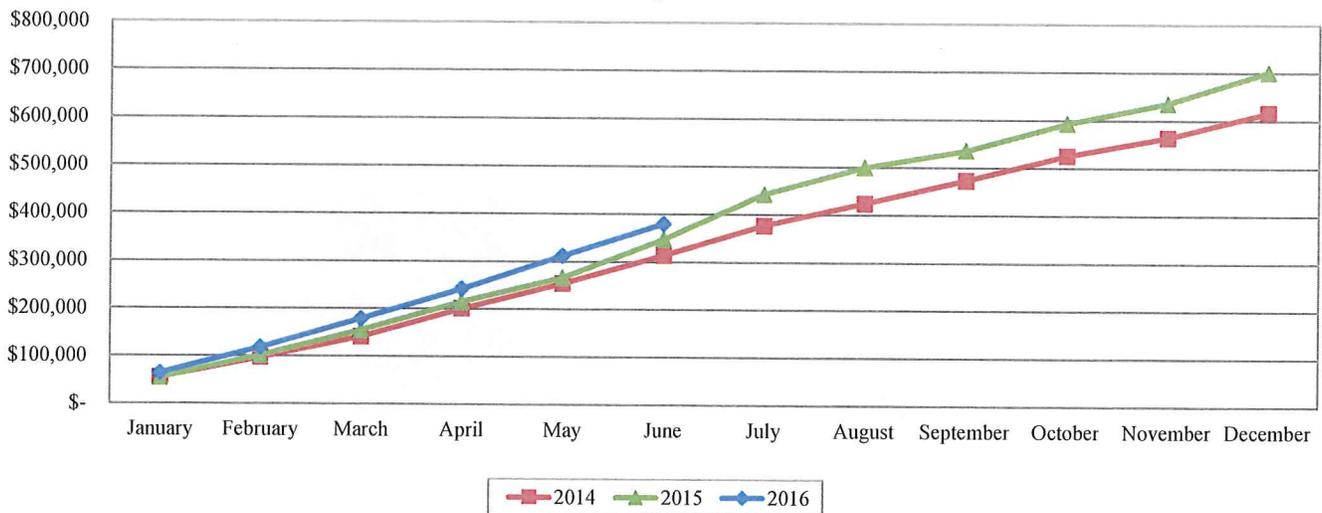
SEWER FUND

	Actual Thru 6/30/2015	Actual Thru 06/30/2016	Variance - Favorable (Unfavorable)	Percent Received or Expended Based on Budget Thru 06/30/2016	Budget Thru 06/30/2016
REVENUES					
Charges for services	\$ 355,635	\$ 380,153	\$ 24,518	106.9 %	\$ 339,850
Miscellaneous	13,211	6,615	(6,596)	50.1	5,000
TOTAL REVENUES	368,846	386,768	17,922	112.2	344,850
EXPENSES					
Salaries and benefits	74,376	76,483	(2,107)	102.8	80,196
Supplies	3,693	3,208	485	86.9	1,575
Other services and charges	7,778	6,954	824	89.4	16,400
Repair and maintenance	8,781	9,960	(1,179)	113.4	16,757
Utilities	26,588	32,860	(6,272)	123.6	32,200
Interest	28,054	27,087	967	96.6	15,411
Depreciation	59,201	99,716	(40,515) (1)	168.4	59,700
TOTAL EXPENSES	208,471	256,268	(47,797)	122.9	222,238
OTHER FINANCING USES					
Transfers Out	60,410	14,003	46,407 (2)	23.2	110,533
EXCESS REVENUES OVER EXPENSES	\$ 99,965	\$ 116,497	\$ 19,312	116.5 %	\$ 12,079

Item Explanation of items percentage received/expended less than 80% or greater than 120% and \$ variance greater than \$10,000.

- (1) Fixed assets assigned to wrong fund per AEM audit at year-end; depreciation will be higher for 2016 and future years.
- (2) Budgeted transfers for debt service no longer necessary as fund 407 no longer pays debt service for sewer.

Sewer Sales Comparison 2014-2016



CITY OF PINE CITY, MINNESOTA
 STATEMENT OF REVENUES AND EXPENSES -
 BUDGET AND ACTUAL -
 WATER FUND (UNAUDITED)
 FOR THE SIX MONTHS ENDED JUNE 30, 2016

Attachment D

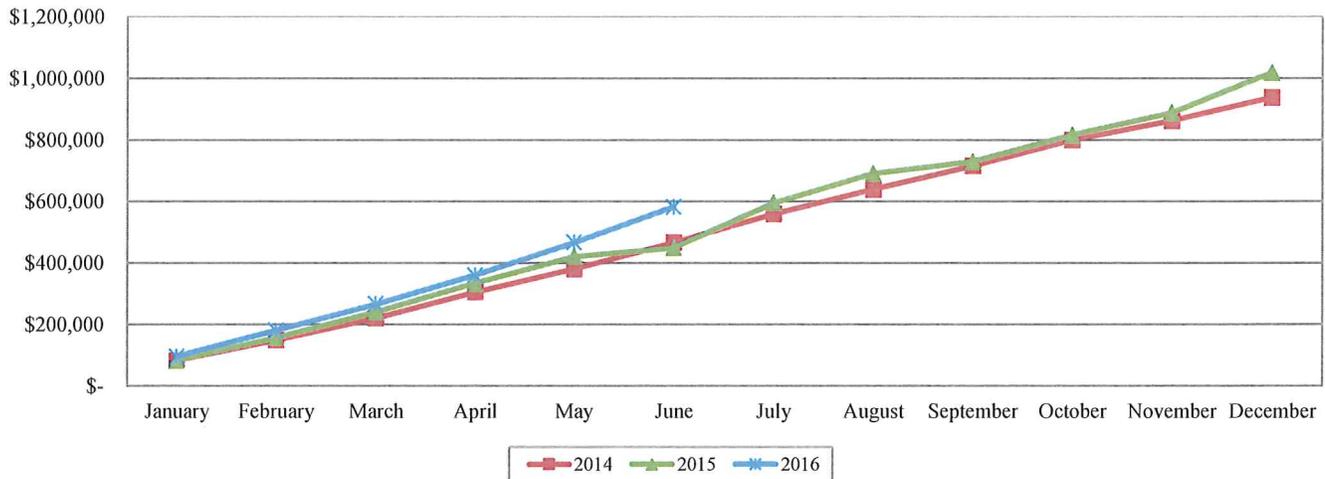
WATER FUND

	Actual Thru 6/30/2015	Actual Thru 06/30/2016	Variance - Favorable (Unfavorable)	Percent Received or Expended Based on Actual Thru 06/30/2016	Budget Thru 06/30/2016
REVENUES					
Charges for services	\$ 469,782	\$ 582,198	\$ 112,416	123.9 %	\$ 519,400
Miscellaneous	16,282	28,914	12,632 (1)	177.6	8,950
TOTAL REVENUES	486,064	611,112	125,048	115.7	528,350
EXPENSES					
Salaries and benefits	67,629	70,460	(2,831)	104.2	76,596
Supplies	9,695	7,262	2,433	74.9	11,800
Other services and charges	8,065	12,601	(4,536)	156.2	22,070
Repair and maintenance	8,881	6,489	2,392	73.1	15,457
Utilities	28,874	24,985	3,889	86.5	26,400
Interest	104,156	98,856	5,300	94.9	83,466
Depreciation	99,716	57,848	41,868 (2)	58.0	99,500
TOTAL EXPENSES	327,016	278,501	48,515	83.1	335,288
OTHER FINANCING USES					
Transfers Out	60,410	11,928	48,482 (3)	19.7	62,500
EXPENSES	\$ 98,638	\$ 320,683	\$ 28,051	245.6 %	\$ 130,562

Item Explanation of items percentage received/expended less than 80% or greater than 120% and \$ variance greater than \$10,000.

- (1) Negative variance due to first-half interest payment made in February.
- (2) Fixed assets assigned to wrong fund per AEM audit at year-end; depreciation will be lower for 2016 and future years.
- (3) Budgeted transfers for debt service no longer necessary as fund 407 no longer pays debt service for water.

Water Sales Comparison 2014-2016

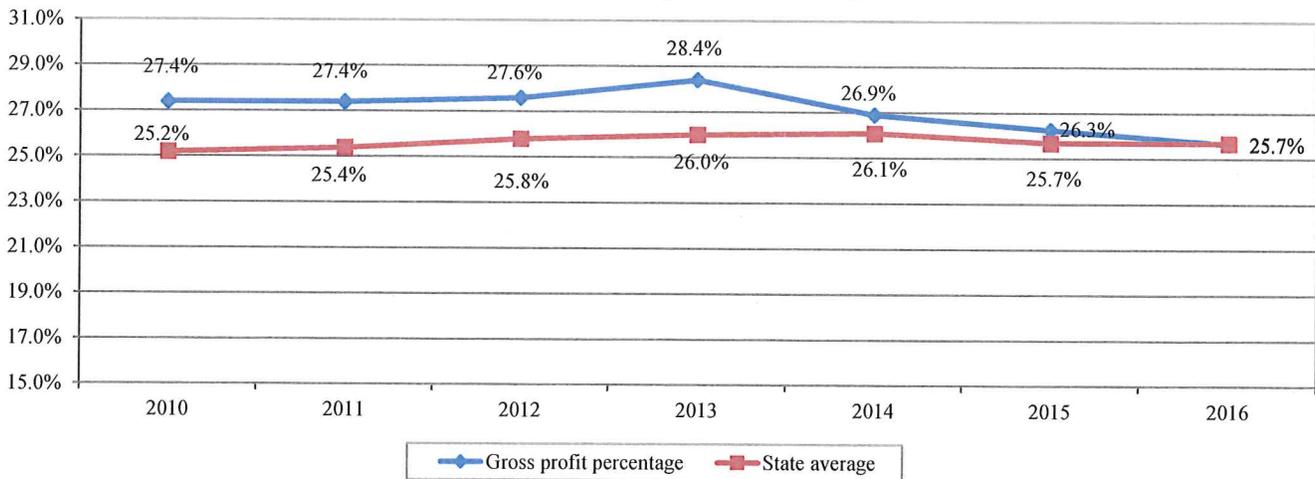


CITY OF PINE CITY, MINNESOTA
 STATEMENT OF REVENUES AND EXPENSES -
 BUDGET AND ACTUAL -
 LIQUOR STORE FUND (UNAUDITED)
 FOR THE SIX MONTHS ENDED JUNE 30, 2016

Attachment D

	Actual Thru 6/30/2015	Actual Thru 06/30/2016	Variance - Favorable (Unfavorable)	Percent Received or Expended Based on Budget Thru 06/30/2016	Budget Thru 06/30/2016
REVENUES					
Sales	\$ 763,094	\$ 795,048	\$ 31,954	104.2 %	\$ 850,250
Miscellaneous	1,311	1,987	676	151.6	2,150
TOTAL REVENUES	764,405	797,035	32,630	93.5	852,400
EXPENSES					
Salaries and benefits	110,859	112,701	(1,842)	101.7	118,450
Supplies	8,300	8,023	277	96.7	7,625
Services	28,922	25,884	3,038	89.5	28,850
Utilities	8,120	8,234	(114)	101.4	9,000
Cost of Goods Sold	572,971	591,043	(18,072)	103.2	616,975
Depreciation	4,592	4,592	-	100.0	4,500
TOTAL EXPENSES	733,764	750,477	(16,713)	102.3	785,400
TOTAL REVENUE OVER EXPENSES BEFORE TRANSFERS	30,641	46,558	15,917	151.9	67,000
OTHER FINANCING USES					
Transfers Out	62,500	62,500	-	100.0	62,500
EXCESS REVENUES OVER EXPENSES	\$ (31,859)	\$ (15,942)	N/A	50.0 %	\$ 4,500
Sales		\$ 795,048			
Cost of sales		591,043			
Gross profit		<u>\$ 204,005</u>			
Gross profit percentage 3/31/16		25.7%			

Gross Profit Percentage vs. State Average



* 2015 & 2016 municipal liquor state report is not available at this time. An average percent of 5 years has been used for the 2015 state average for 2015 & 2016.

Item Explanation of items percentage received/expended greater than 20% and \$ variance greater than \$10,000.