



Pine City
North. Nice *and* close.

Final 1st Quarter Report

(Unaudited)

City of Pine City
Pine City, Minnesota

As of March 31, 2017



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

Dear Honorable Mayor and City Council:

All City bank accounts have been reviewed and reconciled through March 31, 2017. The following is a summary of staff's observations. All information presented is unaudited.

Cash and Investments

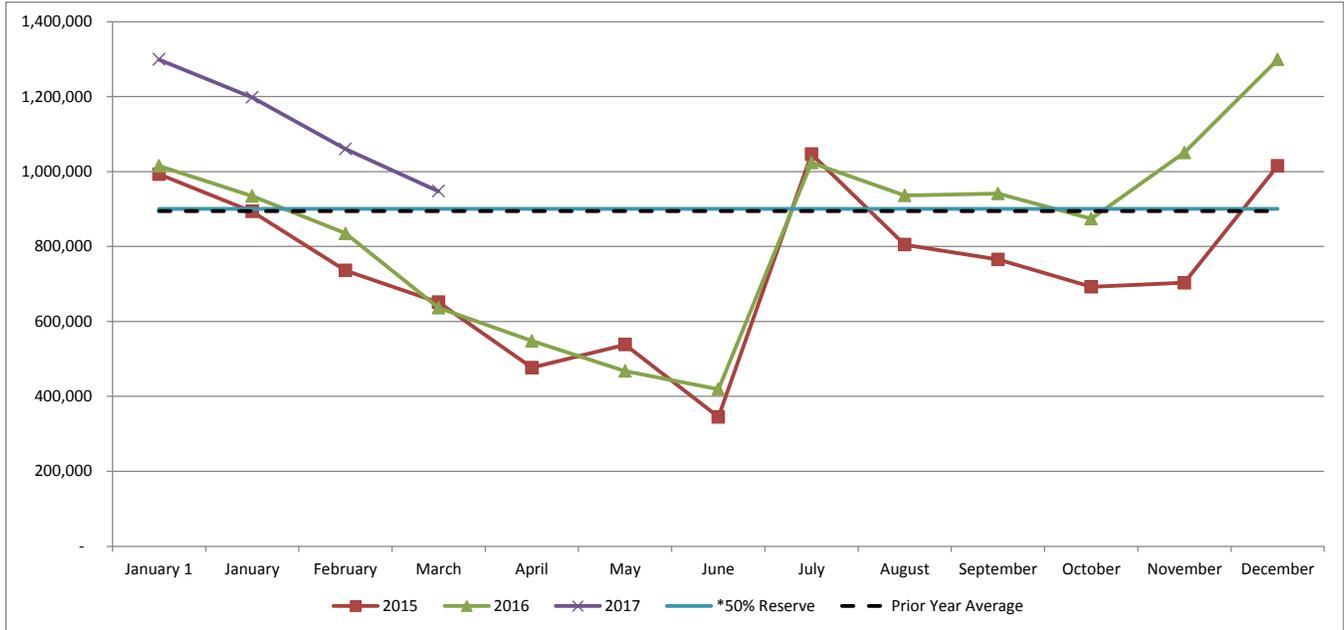
The City's cash and investment balances are as follows:

	<u>3/31/2017</u>	<u>12/31/2016</u>	<u>Increase/ (Decrease)</u>
Cash/Checking	\$ 3,974,499	\$ 3,304,926	\$ 669,573
Investments (at market Value)	<u>3,956,945</u>	<u>5,957,488</u>	<u>(2,000,543)</u>
Total cash & investments	<u>\$ 7,931,444</u>	<u>\$ 9,262,414</u>	<u>\$ (1,330,970)</u>

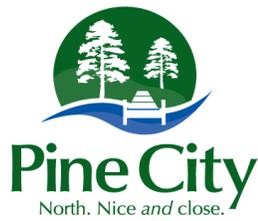
<u>Investment Type</u>	<u>3/31/2017</u>	<u>12/31/2016</u>	<u>Increase/ (Decrease)</u>
Checking	\$ 1,257,234	\$ 3,304,926	\$ (2,047,692)
Money Market	2,912,458	2,468,179	444,279
Negotiable CDs	2,244,018	2,227,173	16,845
Government agency securities	255,600	-	255,600
Escrow (2016A Trust Escrow Account)	<u>1,262,136</u>	<u>1,262,136</u>	<u>(0)</u>
Total investments	<u>\$ 7,931,444</u>	<u>\$ 9,262,414</u>	<u>\$ (1,330,970)</u>



General Fund Cash Balances 2015 - 2017



	2015	2016	2017	*50% Reserve	Prior Year Average
January 1	992,729	1,015,202	1,299,129	900,507	894,271
January	893,222	934,329	1,197,661	900,507	894,271
February	736,094	834,785	1,060,079	900,507	894,271
March	651,303	636,459	947,493	900,507	894,271
April	476,668	547,730		900,507	894,271
May	538,221	467,675		900,507	894,271
June	344,865	419,073		900,507	894,271
July	1,046,380	1,023,353		900,507	894,271
August	804,765	936,025		900,507	894,271
September	765,248	941,094		900,507	894,271
October	692,116	873,860		900,507	894,271
November	703,152	1,050,565		900,507	894,271
December	1,015,202	1,299,129		900,507	894,271



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	10yr
3/31/2014	0.03	0.05	0.07	0.13	0.44	0.90	1.73	2.30	2.73
6/30/2014	0.02	0.04	0.07	0.11	0.47	0.88	1.62	2.13	2.53
9/30/2014	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
3/31/2015	0.05	0.03	0.14	0.26	0.56	0.89	1.37	1.71	1.94
6/30/2015	0.02	0.01	0.11	0.28	0.64	1.01	1.63	2.07	2.35
9/30/2015	-	-	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
3/31/2016	0.18	0.21	0.39	0.59	0.73	0.87	1.21	1.54	1.78
6/30/2016	0.20	0.26	0.36	0.45	0.58	0.71	1.01	1.29	1.49
9/30/2016	0.20	0.29	0.45	0.59	0.77	0.88	1.14	1.42	1.60
12/31/2016	0.44	0.51	0.62	0.85	1.20	1.47	1.93	2.25	2.45
1/31/2017	0.50	0.52	0.64	0.84	1.19	1.46	1.90	2.24	2.45
2/28/2017	0.40	0.53	0.69	0.88	1.22	1.49	1.89	2.19	2.36
3/31/2017	0.74	0.76	0.91	1.03	1.27	1.50	1.93	2.22	2.40

Source: <https://www.treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=yield>

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 in 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.

CITY OF PINE CITY, MINNESOTA
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL -
GENERAL FUND (UNAUDITED)
FOR THE THREE MONTHS ENDED MARCH 31, 2017



	Annual Budget	Quarterly Budget	Q1 Actual Thru 03/31/2017	Q Budget to Actuals - Favorable (Unfavorable)	Percent Received or Expended Based on Budget thru 12/31/2016
REVENUES					
Taxes	\$ 741,707	\$ 185,427	\$ 20,399	\$ (165,028) (1)	2.8%
Intergovernmental	575,631	143,908	-	(143,908) (2)	0.0%
Licenses and permits	48,436	12,109	8,593	\$ (3,516)	17.7%
Charges for services	298,316	74,579	24,653	(49,926) (3)	8.3%
Fines and Forfeits	7,000	1,750	400	\$ (1,350)	5.7%
Interest Earned	4,000	1,000	(224)	(1,224)	-5.6%
Refunds and Reimbursements	21,205	5,301	7,260	\$ 1,959	34.2%
Grants	51,000	12,750	-	(12,750) (4)	0.0%
Miscellaneous revenue	14,700	3,675	147	\$ (3,528)	1.0%
TOTAL REVENUES	1,761,995	440,499	61,228	(379,271)	3.5%
EXPENDITURES					
City Council	25,996	6,499	3,950	\$ 2,549	15.2%
City Administration	223,439	55,860	71,054	(15,194) (5)	31.8%
Elections	165	41	165	\$ (124)	100.1%
City Treasurer	97,637	24,409	39,595	(15,186) (6)	40.6%
City Assessor	17,778	4,445	-	\$ 4,445	0.0%
Planning	99,719	24,930	23,457	1,473	23.5%
Building Inspection	83,854	20,964	18,544	\$ 2,420	22.1%
Legal	11,000	2,750	-	2,750	0.0%
Police Protection	168,813	42,203	42,203	\$ 0	25.0%
Fire Protection	395,423	98,856	56,734	42,121 (7)	14.3%
Street Department	448,611	112,153	99,435	\$ 12,718	22.2%
Capital Outlay	-	-	-	-	N/A
Library	29,500	7,375	9,073	\$ (1,698)	30.8%
Parks and Playgrounds	56,170	14,043	10,601	3,441	18.9%
Swimming Beach	62,750	15,688	319	\$ 15,368 (8)	0.5%
Recreation/Education Social	26,750	6,688	11,550	(4,863)	43.2%
Softball Fields	23,500	5,875	-	\$ 5,875	0.0%
Skating Rink/Warming House	13,509	3,377	-	3,377	0.0%
Miscellaneous	-	-	873	\$ (873)	N/A
TOTAL EXPENDITURES	1,784,614	446,154	387,552	58,601	21.7%
EXCESS REVENUES (EXPENDITURES)	(22,619)	(5,655)	(326,324)	(437,872)	1442.7%
OTHER FINANCING USES					
Transfers in	125,000	31,250	-	(31,250) (10)	0.0%
Transfers Out	16,400	4,100	-	4,100	N/A
TOTAL OTHER FINANCING SOURCES (USES)	108,600	27,150	-	(27,150)	0.0%
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES					
	\$ 85,981	\$ 21,495	\$ (326,324)	\$ (465,022)	(3.795)

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 until Q2.
- (2) Negative variance due to Local Government Aid not being received until Q2.
- (3) Negative variance due to timing. Fire Contract payments to be received in May/June.
- (4) Budgeted \$50k for Fire Aid. Anticipated receipt in September/October.
- (5) Budgeted \$50k for PGC rent. Payment scheduled in a later quarter.
- (6) Budgeted \$12k for AEM contract. Occurred wholly in 1st quarter. Correction to payroll allocation occurred in 2nd quarter (adj. out of Treasurer Dept.).
- (7) Variance due to timing of the payments to the FD Relief Association (~\$70k) - anticipated payments in November.
- (8) Variance due to timing. Beach not yet opened in 1st quarter.
- (9) No transfers In or Out yet recorded. Will catch up at a later reconciliation.

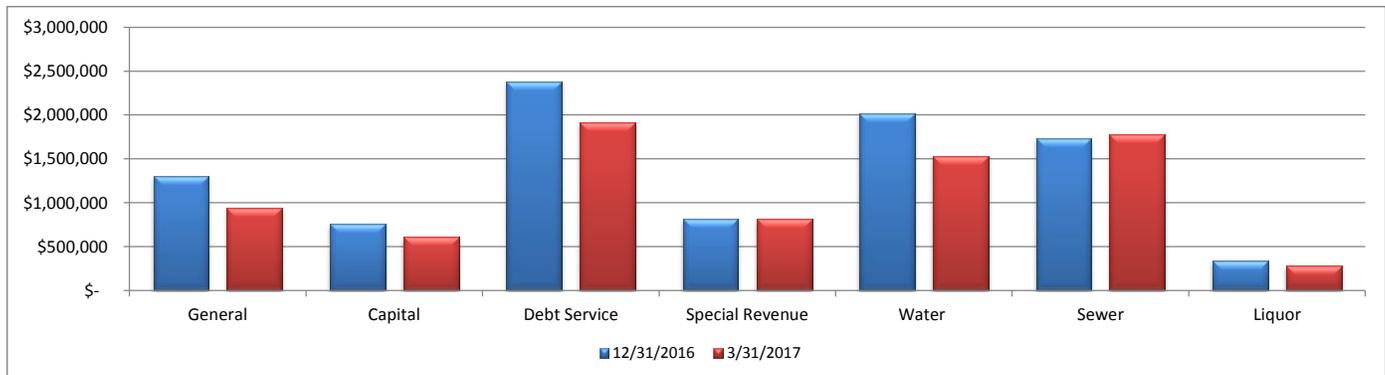


CITY OF PINE CITY, MINNESOTA
UNAUDITED CASH BALANCES BY FUND
DECEMBER 31, 2016 AND MARCH 31, 2017

FUND		Q4 Balance 12/31/2016	Q1 Balance 3/31/2016	Q1 Balance 3/31/2017	YTD Change From 3/31/2016	YTD Change From 12/31/2016
101	General	\$ 1,299,129	\$ 664,266	\$ 947,493	\$ 283,227	\$ (351,637) (1)
305	Capital Improvement	694,721	510,433	564,546	54,113	\$ (130,175) (2)
317	2017 Street Improvements	(3,799)	-	(11,747)	(11,747)	\$ (7,949)
328	2009 Street Reconstruction	(233,379)	(259,310)	(233,528)	25,782	\$ (150)
355	Fire Hall Construction	(500)	(500)	(500)	(0)	\$ (0)
360	2015 Street Improvement Project	267,158	269,764	267,330	(2,434)	\$ 173
407	Refunding Bond Fund	320,209	319,248	320,414	1,166	\$ 206
408	2008 Debt Service Fund	209,742	18,099	61,381	43,282	\$ (148,361) (3)
410	2010 Debt Service Fund	252,626	(30,337)	8,254	38,591	\$ (244,371) (3)
411	2011 Debt Service Fund	18,893	16,060	18,905	2,845	\$ 12
412	2012 Debt Service Fund	41,562	81,814	(34,613)	(116,427)	\$ (76,175) (3)
413	2013 Debt Service Fund	121,398	110,232	126,358	16,126	\$ 4,960
416	2016A G.O. X-over Refund, Bond (Escrow)	1,263,132	-	1,263,942	1,263,942	\$ 811
427	GO Improv Bonds 2008A	112,909	35,915	112,692	76,777	\$ (217)
460	2015 Debt Service Fund	11,961	9,291	11,624	2,333	\$ (337)
601	Cemetery Maintenance	187,340	187,338	189,000	1,662	\$ 1,660
701	Liquor	337,315	267,612	286,624	19,012	\$ (50,691) (4)
703	Water	2,023,184	1,470,615	1,537,265	66,650	\$ (485,919) (3)
707	Sewer	1,730,811	1,440,307	1,783,644	343,337	\$ 52,834
800	EDA Basic	92,495	112,044	88,371	(23,673)	\$ (4,124)
810	Hardee's TIF District 1-1	53,097	53,841	53,131	(710)	\$ 34
820	Minnesota Investment Fund RLF	34,250	31,228	36,186	4,958	\$ 1,936
825	EDA Revolving Loan Fund	447,352	437,054	450,335	13,281	\$ 2,983
855	Northridge Apt - TIF	17,017	9,443	9,709	266	\$ (7,308)
866	Golden Horizon TIF 2003A	30,700	16,470	30,378	13,908	\$ (322)
868	Pine City Bottle Cap Condos	21,487	13,936	14,460	524	\$ (7,027)
870	Atscott Debt Service Fund	(20)	-	(20)	(20)	\$ -
Total		\$ 9,350,789	\$ 5,784,863	\$ 7,901,635	\$ 2,116,772	\$ (1,449,154)

Item Explanation of changes greater than \$50,000

- (1) Decrease due to first-half tax settlement not being received until Q2.
- (2) Decrease due to final payment on PW Truck.
- (3) Decrease due to February payment of principal and interest.
- (4) Decrease due to remodel project outlays. Reclass to capital will correct later in the year.





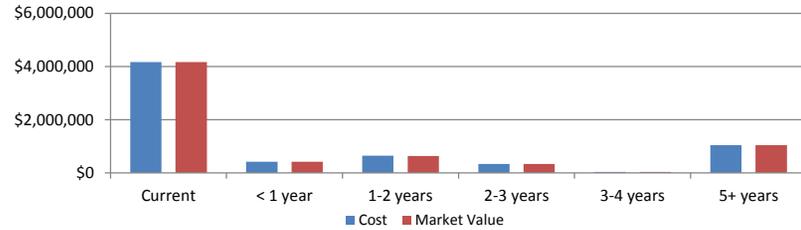
CITY OF PINE CITY, MINNESOTA
 SCHEDULE OF INVESTMENTS
 AS OF MARCH 31, 2017

Institution	Description	Type	Rate	Maturity Date	Market Value		Cost	Market Value	Unrealized
					1/1/2017	Interest	3/31/2017	3/31/2017	gain / (loss)
Northwoods Bank	Savings - XXX-6514	Money Market	0.15%	Current	2,564,186.45	503.88	1,029,916.19	1,029,916.19	-
Northwoods Bank	Checking - XXX-5024	Checking	0.15%	Current	630,040.31	266.92	791,136.38	791,136.38	-
Northwoods Bank	Checking - XXX-4522	Checking		Current	391,355.88	-	446,159.19	446,159.19	-
Northwoods Bank	Checking - XXX-6402	Checking		Current	88,361.67	-	-	-	-
Stearns Bank	Savings - XXX-4752	Money Market	0.15%	Current	1,279,532.77	957.26	1,280,490.03	1,280,490.03	-
Stearns Bank	Checking - XXX-4894	Checking		Current	1,515.29	0.01	-	-	-
Spire Bank	Savings - XXX-316	Money Market	0.15%	Current	131.71	0.02	131.73	131.73	-
Stearns Bank	Savings - XXX-2095	Money Market	0.15%	Current	453,715.83	304.21	406,715.33	406,715.33	-
Stearns Bank	Checking - XXX-7458	Checking		Current	(13,271.15)	-	19,937.98	19,937.98	-
Morgan Stanley	Money Market	Money Market	0.01%	Current	186,693.28	58.08	195,204.63	195,204.63	-
Morgan Stanley	Federal National Mortgage Assn	Government Securities	1.50%	5/17/2024	100,001.00	-	98,099.00	98,054.00	45.00
Morgan Stanley	Federal Home Loan Mortgage Corp	Government Securities	1.25%	9/30/2024	159,480.00	1,000.00	157,646.40	157,545.60	100.80
Morgan Stanley	Barclays Bank of Wilmington, DE	Brokered CD	1.05%	12/19/2016	287.68	-	-	-	-
Morgan Stanley	World Financial Network Bank, DE	Brokered CD	1.85%	6/8/2017	201,360.00	912.34	200,634.00	200,398.00	236.00
Morgan Stanley	State Bank of India, NY	Brokered CD	2.00%	6/22/2017	126,246.25	-	125,542.50	125,348.75	193.75
Morgan Stanley	Amex Centurion, Salk Lake City, UT	Brokered CD	2.00%	8/29/2018	56,050.50	545.48	55,611.05	55,490.60	120.45
Morgan Stanley	Amex Centurion, Salk Lake City, UT	Brokered CD	2.10%	10/24/2018	193,794.30	-	192,122.30	191,664.40	457.90
Morgan Stanley	Ally Bk Midvale UT	Brokered CD	1.60%	1/14/2019	152,949.00	1,209.86	151,489.50	151,075.50	414.00
Morgan Stanley	Goldman Sachs, New York, NY	Brokered CD	1.85%	1/22/2019	147,752.10	1,352.27	146,349.95	145,948.30	401.65
Morgan Stanley	Discover Greenwood DE	Brokered CD	1.65%	12/23/2019	245,000.00	-	245,695.80	244,671.70	1,024.10
Morgan Stanley	Goldman Sachs, New York, NY	Brokered CD	1.70%	1/16/2020	98,685.86	831.28	97,383.15	96,965.08	418.07
Morgan Stanley	HSBC Bk USA N A McLean VA	Brokered CD	1.50%	12/30/2020	44,897.85	166.44	44,242.65	44,041.50	201.15
Morgan Stanley	Kennett National Bank, MO	Brokered CD	1.70%	5/18/2022	100,048.00	419.17	98,113.00	97,536.00	577.00
Morgan Stanley	HSBC Bk USA N A McLean VA	Brokered CD	2.00%	8/16/2024	199,392.00	2,016.44	191,468.00	190,378.00	1,090.00
Northwoods Bank	Northwoods Bank CD	Bank CD	1.10%	12/2/2018	100,500.00	-	100,500.00	100,500.00	-
Stearns Bank	Stearns Bank CD	Bank CD	0.85%	9/30/2017	100,000.00	-	100,000.00	100,000.00	-
Wells Fargo	Wells Fargo	Bank CD	0.85%	7/6/2021	100,000.00	-	100,000.00	100,000.00	-
Wells Fargo	Wells Fargo	Bank CD	0.85%	7/6/2021	100,000.00	-	100,000.00	100,000.00	-
Wells Fargo	Wells Fargo	Bank CD	0.85%	7/6/2021	100,000.00	-	100,000.00	100,000.00	-
Wells Fargo	Wells Fargo	Bank CD	0.85%	7/6/2021	100,000.00	-	100,000.00	100,000.00	-
Wells Fargo	Wells Fargo	Bank CD	0.85%	7/6/2021	50,000.00	-	50,000.00	50,000.00	-
Wells Fargo	Wells Fargo	Bank CD	0.85%	7/6/2021	50,000.00	-	50,000.00	50,000.00	-
Northland Securities	2016A Trust Escrow Account	Escrow			1,262,135.51	-	1,262,135.51	1,262,135.51	-
Total cash and investments					9,370,842.09	10,543.66	7,936,724.27	7,931,444.40	5,279.87

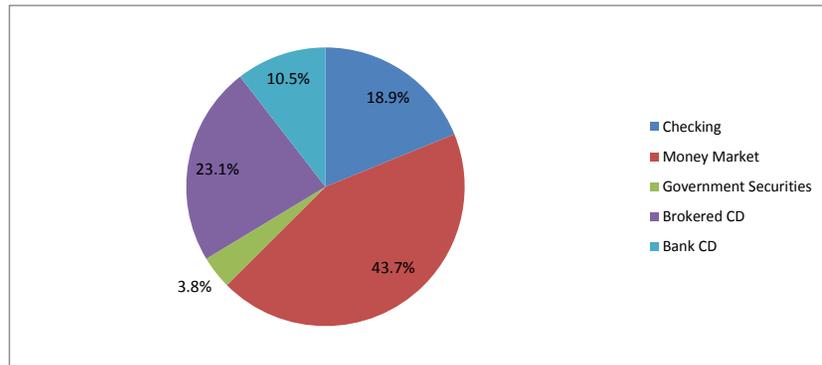


CITY OF PINE CITY, MINNESOTA
 SCHEDULE OF INVESTMENTS
 AS OF MARCH 31, 2017

Maturities



Maturity	Cost 3/31/2017	Market Value 3/31/2017
Current	4,169,691.46	4,169,691.46
< 1 year	426,176.50	425,746.75
1-2 years	646,072.80	644,678.80
2-3 years	343,078.95	341,636.78
3-4 years	44,242.65	44,041.50
5+ years	1,045,326.40	1,043,513.60
Total	6,674,588.76	6,669,308.89



Weighted Average Rate of Return	1.41%	3/31/2017
Weighted Average Maturity	1.24	3/31/2017

Investment Type	Market Value 3/31/2017
Checking	1,257,233.55
Money Market	2,912,457.91
Government Securities	255,599.60
Brokered CD	1,543,517.83
Bank CD	700,500.00
Escrow	1,262,135.51
Total	7,931,444.40



CITY OF PINE CITY, MINNESOTA
STATEMENT OF REVENUES AND EXPENSES -
BUDGET AND ACTUAL -
SEWER FUND (UNAUDITED)
FOR THE THREE MONTHS ENDED MARCH 31, 2017

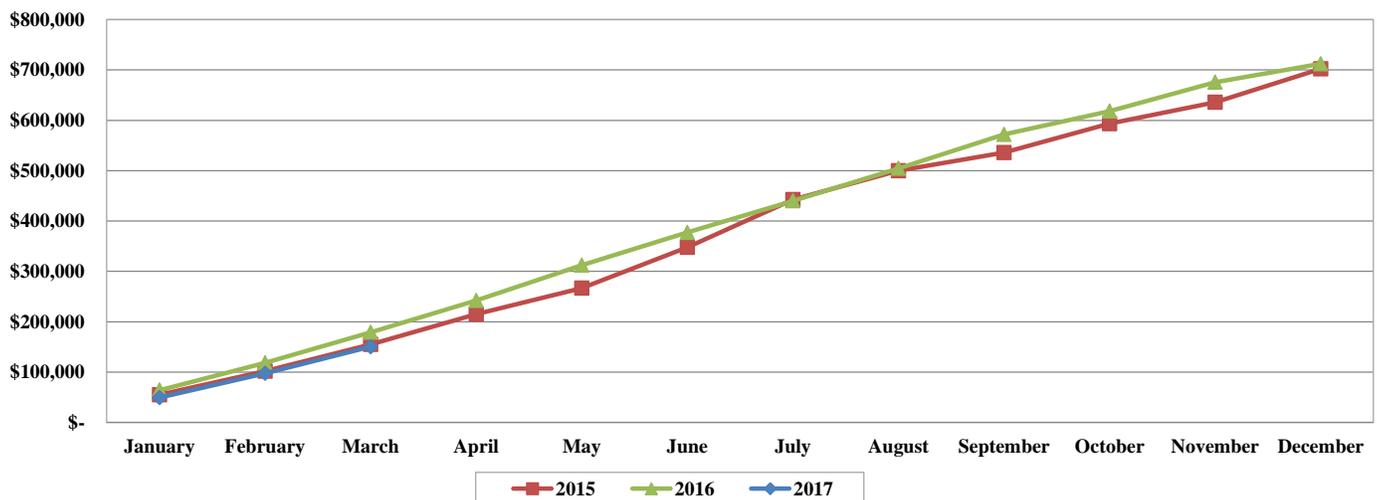
SEWER FUND

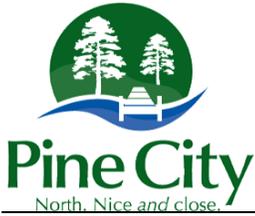
	Annual Budget	Quarterly Budget	Q1 Actual Thru 3/31/2016	Q1 Actual Thru 03/31/2017	Q Budget to Actuals - Favorable (Unfavorable)	Percent Received or Expended Based on Budget Thru 03/31/2017
REVENUES						
Charges for services	\$ 700,800	\$ 175,200	\$ 181,699	\$ 156,205	\$ (18,995)	22.3%
Miscellaneous	15,000	3,750	(682)	61	(3,689)	0.4%
TOTAL REVENUES	715,800	178,950	181,017	156,266	(22,684)	21.8%
EXPENSES						
Salaries and benefits	194,414	48,604	46,316	36,285	12,318 (1)	18.7%
Supplies	350	88	1,136	209	(121)	59.6%
Other services and charges	22,840	5,710	1,030	6,968	(1,258)	30.5%
Repair and maintenance	19,700	4,925	3,856	8,885	(3,960)	45.1%
Utilities	66,300	16,575	16,602	16,907	(332)	25.5%
Interest	29,985	7,496	26,949	21,684	(14,188) (2)	72.3%
Depreciation	199,432	49,858	-	28,736	21,122 (3)	14.4%
TOTAL EXPENSES	533,021	133,255	95,889	119,674	13,581	22.5%
OTHER FINANCING USES						
Transfers Out	57,690	14,423	-	-	14,423 (4)	0.0%
EXCESS REVENUES OVER EXPENSES	\$ 125,089	\$ 31,272	\$ 85,128	\$ 36,592	\$ 5,320	29.3%

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

- (1) Quarterly budget is 1/4 of annual budget. Payroll is not linear. In-line with 2016 quarter 1 payroll.
- (2) Quarterly budget is 1/4 of annual budget. Debt payments are made in Q3 & Q4.
- (3) Depreciation budget based upon AEM error. Quarterly adjustment based upon corrected depreciation schedule.
- (4) No transfers out yet processed. Transfer to occur in December.

Sewer Sales Comparison 2015-2017





CITY OF PINE CITY, MINNESOTA
 STATEMENT OF REVENUES AND EXPENSES -
 BUDGET AND ACTUAL -
 WATER FUND (UNAUDITED)
 FOR THE THREE MONTHS ENDED March 31, 2017

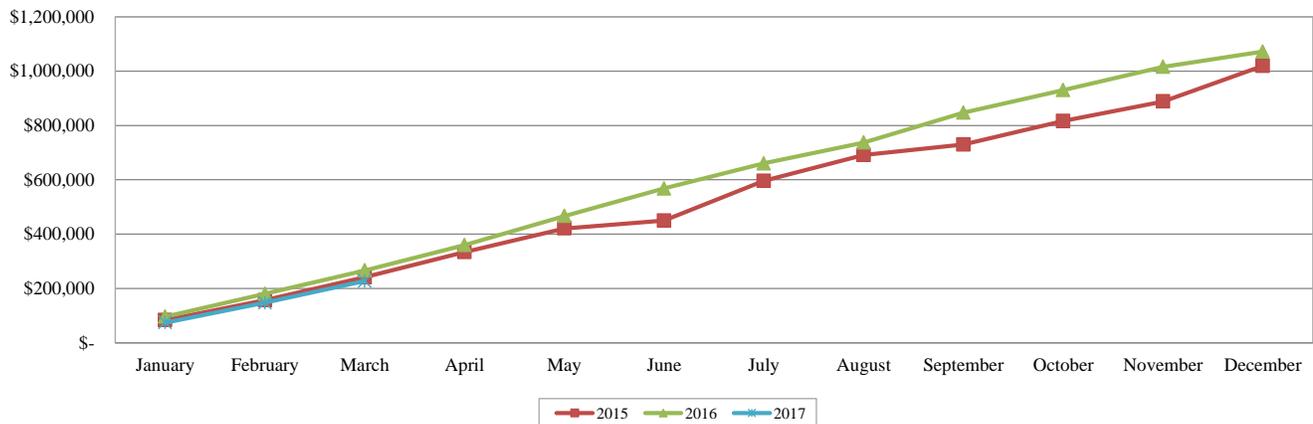
WATER FUND

	<u>Annual Budget</u>	<u>Quarterly Budget</u>	<u>Q1 Actual Thru 03/31/2016</u>	<u>Q1 Actual Thru 03/31/2017</u>	<u>Q Budget to Actuals - Favorable (Unfavorable)</u>	<u>Percent Received or Expended Based on Actual Thru 03/31/2017</u>
REVENUES						
Charges for services	\$ 1,097,000	\$ 274,250	\$ 274,975	\$ 256,329	\$ (17,921)	23.4%
Miscellaneous	3,450	862.50	9,842	(437)	(1,300)	-12.7%
TOTAL REVENUES	<u>1,100,450</u>	<u>275,113</u>	<u>284,817</u>	<u>255,891</u>	<u>(19,221)</u>	<u>23.3%</u>
EXPENSES						
Salaries and benefits	193,978	48,495	40,292	36,116	12,379 (1)	18.6%
Supplies	21,350	5,338	4,855	2,261	3,077	10.6%
Other services and charges	17,840	4,460	4,483	8,760	(4,300)	49.1%
Repair and maintenance	25,000	6,250	1,223	3,923	2,327	15.7%
Utilities	50,600	12,650	13,738	12,314	336	24.3%
Interest	160,121	40,030	98,718	103,452	(63,422) (2)	64.6%
Depreciation	115,696	28,924	-	49,937	(21,013) (3)	43.2%
TOTAL EXPENSES	<u>584,585</u>	<u>146,146</u>	<u>163,309</u>	<u>216,762</u>	<u>(70,616)</u>	<u>37.1%</u>
OTHER FINANCING USES						
Transfers In	-	-	-	-	-	N/A
Transfers Out	53,540	13,385	-	-	13,385 (4)	0.0%
EXCESS REVENUES OVER EXPENSES	<u>\$ 462,325</u>	<u>\$ 115,581</u>	<u>\$ 121,508</u>	<u>\$ 39,129</u>	<u>\$ (76,452)</u>	<u>8.5%</u>

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

- (1) Quarterly budget is 1/4 of annual budget. Payroll is not linear. In-line with 2016 quarter 1 payroll.
- (2) Quarterly budget is 1/4 of annual budget. Debt payments are made in Q3 & Q4.
- (3) Depreciation budget based upon AEM error. Quarterly adjustment based upon corrected depreciation schedule.
- (4) No transfers out yet processed. Transfer to occur in December.

Water Sales Comparison 2015-2017





CITY OF PINE CITY, MINNESOTA
 STATEMENT OF REVENUES AND EXPENSES -
 BUDGET AND ACTUAL -
 LIQUOR STORE FUND (UNAUDITED)
 FOR THE THREE MONTHS ENDED MARCH 31, 2017

LIQUOR STORE

	Annual Budget	Quarterly Budget	Q1 Actual Thru 03/31/2016	Q1 Actual Thru 03/31/2017	Q Budget to Actuals - Favorable (Unfavorable)	Percent Received or Expended Based on Budget Thru 03/31/2017
REVENUES						
Sales	\$ 1,700,500	\$ 425,125	\$ 325,633	\$ 348,154	\$ (76,971) (1)	20.5%
Miscellaneous	4,300	1,075	153	975	(100)	22.7%
TOTAL REVENUES	1,704,800	426,200	325,786	349,129	(77,071)	20.5%
EXPENSES						
Salaries and benefits	247,691	61,923	62,014	62,926	(1,004)	25.4%
Supplies	15,250	3,813	2,967	2,007	1,805	13.2%
Services	53,700	13,425	9,823	38,925	(25,500) (2)	72.5%
Utilities	18,000	4,500	4,286	3,674	826	20.4%
Cost of Goods Sold	1,233,950	308,488	240,141	234,204	74,284	19.0%
Depreciation	9,000	2,250	0	2,296	(46)	25.5%
TOTAL EXPENSES	1,577,591	394,398	319,231.00	344,031.81	50,366	21.8%
TOTAL REVENUE OVER EXPENSES BEFORE TRANSFERS	127,209	31,802	6,555	5,097	(26,705)	4.0%
OTHER FINANCING USES						
Transfers Out	125,000	31,250	31,250	-	31,250 (3)	0.0%
EXCESS REVENUES OVER EXPENSES	\$ 2,209	\$ 552	\$ (24,695)	\$ 5,097	\$ 4,545	

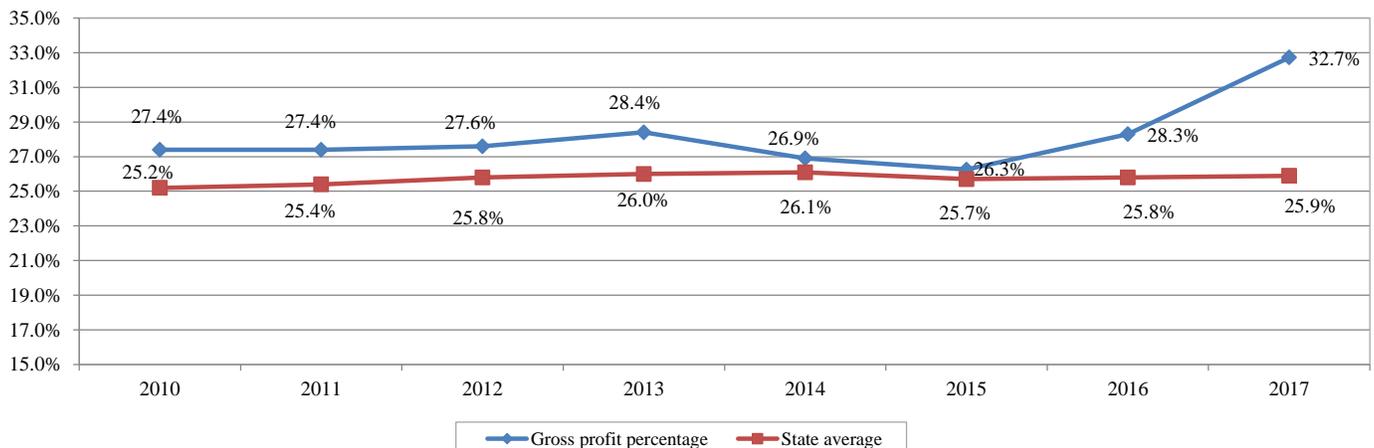
Sales	\$ 348,154
Cost of sales	234,204
Gross profit	<u>\$ 113,950</u>
Gross profit percentage 03/31/2017	32.7%

* 2016 & 2017 municipal liquor state reports are not available at this time. An average percent of the preceding 5 years has been used for 2016 & 2017.

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

- 1 Quarterly budget is based upon a straight proportion of the annual budget. 1st Quarter is known to be a slower quarter relative to later quarters.
- 2 Services includes costs for Liquor Store remodel. Costs to be moved to capital upon completion of the project.
- 3 No transfers out yet processed. Will be corrected on later months.

Gross Profit Percentage vs. State Average





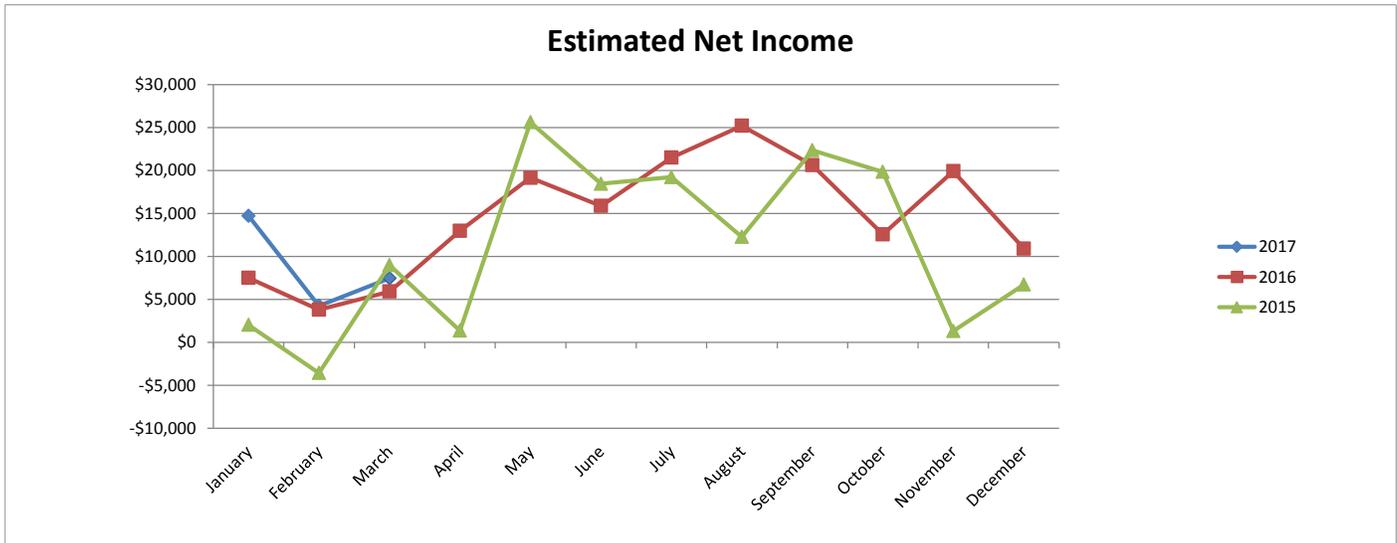
CITY OF PINE CITY, MINNESOTA
ESTIMATED NET INCOME
LIQUOR STORE FUND (UNAUDITED)
FOR THE THREE MONTHS ENDED MARCH 31, 2017

LIQUOR STORE ESTIMATED NET INCOME

Month	2017	2016	2015
January	14,703.19	7,518.71	2,035.61
February	4,260.46	3,811.60	(3,551.42)
March	7,471.33	5,928.74	8,992.30
April		12,975.30	1,355.19
May		19,143.65	25,607.98
June		15,864.39	18,454.10
July		21,497.56	19,231.09
August		25,203.33	12,284.30
September		20,622.90	22,350.51
October		12,567.06	19,841.55
November		19,907.08	1,305.12
December		10,900.28	6,723.47
Total	26,434.98	175,940.60	134,629.80

	2017	2016	2015
Average	8,811.66	14,661.72	11,219.15
Minimum	4,260.46	3,811.60	(3,551.42)
Maximum	14,703.19	25,203.33	25,607.98

QTR 1 YTD	26,434.98	17,259.05	7,476.49
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The estimated net income is derived from the Liquor Store monthly sales and Cost of Goods Sold summary spreadsheets and the actual expense posted through the General Ledger (G/L) in the given month. Estimated net income is delayed one month to allow for the proper posting of expense and payroll to the G/L. Net income is reflected as an estimate as the timing of invoicing an invoice payment vary as does the posting of payroll (i.e. last payroll of the month) is posted to the subsequent month. This estimate is intended to provide an approximation and is to be used as an additional metric for fiscal performance.