



Pine City
North. Nice *and* close.

2017

4th Quarter Report

(Unaudited)

City of Pine City
Pine City, Minnesota

As of December 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 December 31, 2017. The following is a summary of staff's observations. All information presented is unaudited.

Cash and Investments

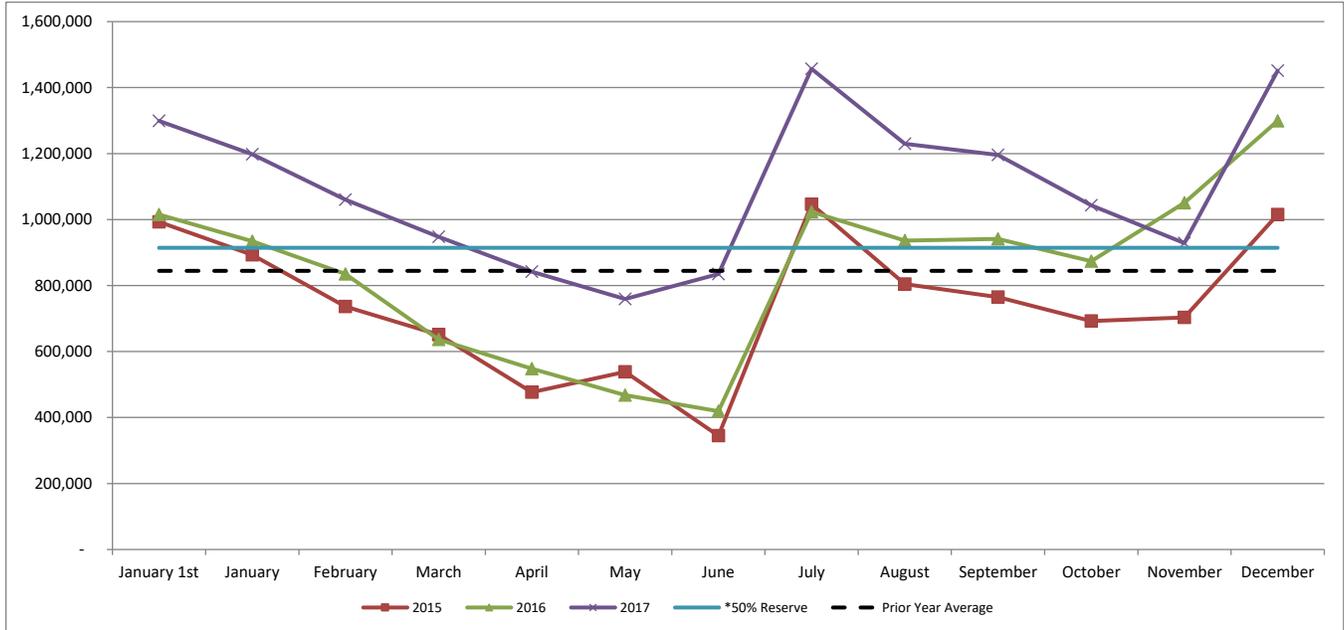
The City's cash and investment balances are as follows:

	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>Increase/ (Decrease)</u>
Cash/Checking	\$ 5,783,619	\$ 5,395,569	\$ 388,051
Investments (at market Value)	<u>3,409,065</u>	<u>3,953,819</u>	<u>(544,754)</u>
Total cash & investments	<u>\$ 9,192,684</u>	<u>\$ 9,349,388</u>	<u>\$ (156,703)</u>

<u>Investment Type</u>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>Increase/ (Decrease)</u>
Checking	\$ 5,734,947	\$ 5,395,569	\$ 339,379
Money Market	48,672	186,693	(138,021)
Negotiable CDs	1,956,063	2,250,067	(294,004)
Government agency securities	206,873	254,923	(48,050)
Escrow (2016A Trust Escrow Account)	<u>1,246,129</u>	<u>1,262,136</u>	<u>(16,007)</u>
Total investments	<u>\$ 9,192,684</u>	<u>\$ 9,349,388</u>	<u>\$ (156,703)</u>



General Fund Cash Balances 2015 - 2017



	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>*50% Reserve</u>	<u>Prior Year Average</u>
January 1st	992,729	1,015,202	1,299,129	914,367	844,560
January	893,222	934,329	1,197,661	914,367	844,560
February	736,094	834,785	1,060,079	914,367	844,560
March	651,303	636,459	947,493	914,367	844,560
April	476,668	547,730	842,240	914,367	844,560
May	538,221	467,675	759,170	914,367	844,560
June	344,865	419,073	834,875	914,367	844,560
July	1,046,380	1,023,353	1,456,860	914,367	844,560
August	804,765	936,025	1,229,658	914,367	844,560
September	765,248	941,094	1,195,781	914,367	844,560
October	692,116	873,860	1,043,023	914,367	844,560
November	703,152	1,050,565	928,860	914,367	844,560
December	1,015,202	1,299,129	1,451,005	914,367	844,560



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
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
4/28/2017	0.68	0.80	0.99	1.07	1.28	1.45	1.81	2.10	2.29
5/31/2017	0.86	0.98	1.08	1.17	1.28	1.44	1.75	2.02	2.21
6/30/2017	0.84	1.03	1.14	1.24	1.38	1.55	1.89	2.14	2.31
7/31/2017	1.00	1.07	1.13	1.23	1.34	1.51	1.84	2.11	2.30
8/31/2017	0.95	1.01	1.08	1.23	1.33	1.44	1.70	1.95	2.12
9/29/2017	0.96	1.06	1.20	1.31	1.47	1.62	1.92	2.16	2.33
10/31/2017	0.99	1.15	1.28	1.43	1.60	1.73	2.01	2.23	2.38
11/30/2017	1.14	1.27	1.44	1.62	1.78	1.90	2.14	2.31	2.42
12/29/2017	1.28	1.39	1.53	1.76	1.89	1.98	2.20	2.33	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.

Liquor Estimated Net Earnings Summary

A detailed summary of estimated net earnings for the Liquor Store is included as Attachment E.

EDA Budget to Actuals Summary

A summary of the budget to actuals for the EDA is included as Attachment F.

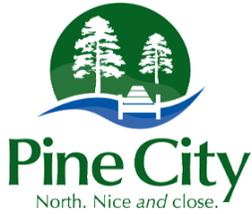
CITY OF PINE CITY, MINNESOTA
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL -
GENERAL FUND (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2017



	Increase ↑ neutral ■ Decrease ↓	2017 Annual Budget	Q4 Actual Thru 12/31/2017	Q4 Budget to Actuals - Favorable (Unfavorable)	Percent Received or Expended Based on Budget thru 12/31/2017
REVENUES					
Taxes/Special Assessments		\$ 741,707	\$ 828,328	\$ 86,621 (1)	111.7% ↑
Intergovernmental		575,631	575,832	201	100.0% ■
Licenses and permits		56,436	63,154	\$ 6,718 (2)	111.9% ↑
Charges for services		283,510	288,762	5,252	101.9% ↓
Fines and Forfeits		7,000	2,757	\$ (4,243)	39.4% ↓
Interest Earned		4,000	9,870	5,870 (3)	246.8% ↑
Refunds and Reimbursements		21,205	28,648	\$ 7,443	135.1% ↑
Grants		63,846	98,614	34,768 (4)	154.5% ↑
Miscellaneous revenue		8,660	4,830	\$ (3,830) (5)	55.8% ↓
TOTAL REVENUES		<u>1,761,995</u>	<u>1,900,796</u>	<u>138,801</u>	<u>107.9% ↑</u>
EXPENDITURES					
City Council/Mayor		25,997	24,108	\$ 1,889	92.7% ↑
City Administration		320,777	356,103	(35,326) (6)	111.0% ↓
Elections		165	165	\$ (0)	100.1% ■
City Assessor		17,778	16,185	\$ 1,593	91.0% ↑
Planning		99,719	74,462	25,257 (7)	74.7% ↑
Building Inspection		83,854	81,171	\$ 2,683	96.8% ↑
Legal		11,000	11,000	-	100.0% ■
Police Protection		168,813	168,813	\$ 0	100.0% ■
Fire Protection		395,423	329,949	65,474 (8)	83.4% ↑
Street Department		476,329	442,949	\$ 33,380 (9)	93.0% ↑
Library		29,500	26,892	\$ 2,608	91.2% ↑
Parks and Playgrounds		56,170	59,406	(3,236)	105.8% ↓
Swimming Beach		62,750	47,813	\$ 14,937 (10)	76.2% ↑
Recreation/Education Social		26,750	39,653	(12,903) (11)	148.2% ↓
Softball Fields		23,500	11,301	\$ 12,199 (12)	48.1% ↑
Skating Rink/Warming House		13,509	1,105	12,404 (13)	8.2% ↑
Miscellaneous		300	(580)	\$ 880	-193.3% ↑
TOTAL EXPENDITURES		<u>1,812,334</u>	<u>1,690,494</u>	<u>121,840</u>	<u>93.3%</u>
EXCESS REVENUES (EXPENDITURES)		(50,339)	210,301	16,961	-417.8%
OTHER FINANCING USES					
Transfers In		125,000	125,000	-	100.0% ■
Transfers Out		16,400	15,927	473	-3.0% ↓
TOTAL OTHER FINANCING SOURCES (USES)		<u>108,600</u>	<u>109,073</u>	<u>473</u>	<u>-0.4%</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES		<u>\$ 58,261</u>	<u>\$ 319,374</u>	<u>\$ 17,434</u>	<u>548%</u>

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

- (1) Positive variance due to a prior period adjustment and changes from preliminary to final property values.
- (2) Positive variance due to increased permit activity for alcohol, peddlers and licensing + some additional building permit revenue.
- (3) Positive variance due to higher than average cash balance i.e.. Additional property tax.
- (4) Positive variance due to addition of small cities assistance \$23,718, \$4,400 in police aid, and \$7,700 in fire aid.
- (5) Negative Variance due to elimination of escrow receipts from fund revenue. A revenue for this item was included in the budget
- (6) Overage due to office supplies/computers and legal expense, under budgeted insurance, and general engineering
- (7) Variance a result of vacancy within the Planning Department.
- (8) Variance due to department under expenditure for equipment.
- (9) Variance due to under expenditure in road preservation sealcoating and overlay.
- (10) Miscoded Ice Rink Wages to Beach.
- (11) Act on Alzheimer's Project pass through expense.
- (12) Repairs and maintenance expense differed.
- (13) Miscoded Ice Rink Wages to Beach.

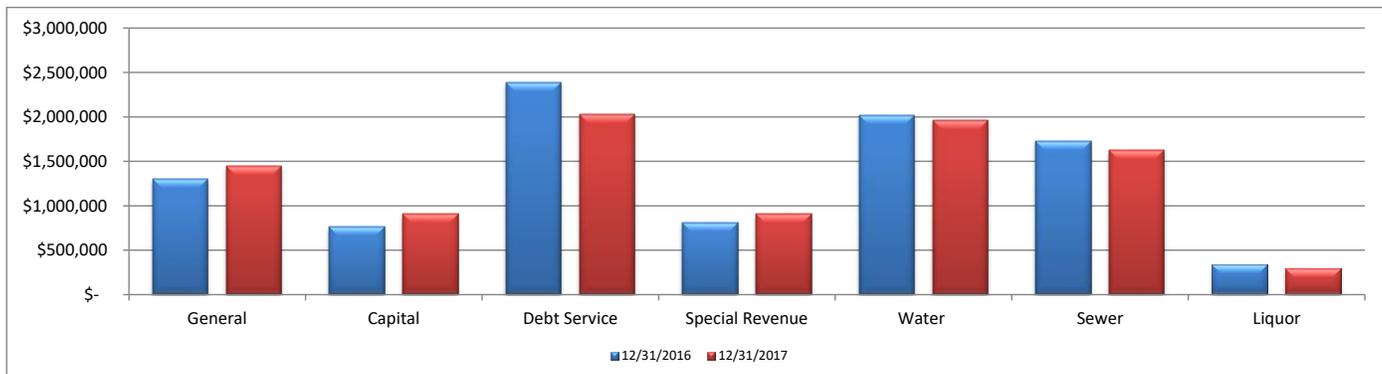


CITY OF PINE CITY, MINNESOTA
UNAUDITED CASH BALANCES BY FUND
DECEMBER 31, 2016, SEPTEMBER 30, 2017 AND DECEMBER 31, 2017

FUND		Q4 Balance 12/31/2016	Q3 Balance 9/30/2017	Q4 Balance 12/31/2017	YTD Change From 9/30/2017	YTD Change From 12/31/2016
100	General	\$ 1,298,704	\$ 1,195,356	\$ 1,449,320	\$ 253,965	\$ 150,616 (1)
201	Economic Development Authority Operations Fund	92,495	99,038	100,928	\$ 1,890	\$ 8,433
202	Former MIF Fund	\$ 34,250	\$ 36,300	\$ 37,100	\$ 800	\$ 2,849
203	EDA Revolving Loan Fund	447,352	457,116	470,054	\$ 12,938	\$ 22,702
204	Cemetery Maintenance	\$ 187,340	\$ 185,418	\$ 184,680	\$ (739)	\$ (2,660)
205	Hardee's TIF District 1-1	53,097	52,302	52,518	\$ 216	\$ (579)
213	Housing Redevelopment Authority Levy Fund	-	-	-	\$ -	\$ -
225	Park Dedication Fund	-	-	21,862	\$ 21,862	\$ 21,862 (2)
301	Refunding Bond Fund (Former Comingled Debt Service Fund)	\$ 320,209	\$ -	\$ -	\$ -	\$ (320,209) (3)
302	Atscott Debt Service Fund	(20)	-	-	\$ -	\$ 20
303	Golden Horizon TIF Bonds	\$ 30,700	\$ 39,337	\$ 39,338	\$ 1	\$ 8,638
305	GO Improvement Bonds 2008A	112,909	129,173	119,191	\$ (9,982)	\$ 6,281
306	2008 Debt Service Fund	\$ 209,742	\$ 150,639	\$ 76,573	\$ (74,066)	\$ (133,170) (4)
307	2010 Debt Service Fund	252,626	231,598	400,591	\$ 168,993	\$ 147,965 (5)
308	2011 Debt Service Fund	\$ 18,893	\$ 19,837	\$ 11,679	\$ (8,159)	\$ (7,214)
309	2012 Debt Service Fund	41,562	(6,675)	50,311	\$ 56,986	\$ 8,750
310	2013 Debt Service Fund	\$ 121,398	\$ 134,356	\$ 84,967	\$ (49,389)	\$ (36,430)
311	2015 Debt Service Fund	11,961	20,347	4,383	\$ (15,964)	\$ (7,578)
312	2016A G.O., X-over Refund, Bond (Escrow)	\$ 1,263,132	\$ 1,254,145	\$ 1,246,129	\$ (8,016)	\$ (17,003)
401	Capital Improvement	694,721	734,527	743,641	\$ 9,114	\$ 48,920
402	Fire Hall Construction	\$ (500)	\$ (501)	\$ -	\$ 501	\$ 500
403	Northridge Apt - TIF- Pay-Go	17,017	9,385	17,404	\$ 8,019	\$ 388
404	Pine City Bottle Cap Condos - TIF Pay-Go	\$ 21,487	\$ 14,678	\$ 23,131	\$ 8,453	\$ 1,644
405	2009 Street Reconstruction Project Fund	(233,379)	(234,243)	-	\$ 234,243	\$ 233,379 (6)
406	2015 Street Improvement Project Fund	\$ 267,158	\$ 267,310	\$ 167,888	\$ (99,421)	\$ (99,269) (7)
407	2017 Street Improvements Project Fund	(3,799)	(465,501)	-	\$ 465,501	\$ 3,799
408	Snake River Utility Crossing Project Fund	-	-	-	\$ -	\$ -
409	2018 Street Improvement Project Fund	-	-	-	\$ -	\$ -
601	Water	\$ 2,023,184	\$ 1,969,577	\$ 1,964,569	\$ (5,008)	\$ (58,615) (8)
602	Sewer	1,730,811	1,927,949	1,630,624	\$ (297,325)	\$ (100,187) (9)
609	Liquor	\$ 335,815	\$ 229,188	\$ 295,804	\$ 66,615	\$ (40,012)
Total		\$ 9,348,864	\$ 8,450,656	\$ 9,192,684	\$ 742,029	\$ (156,180)

Item Explanation of changes greater than \$50,000

- (1) Increase due to department under expenditures and higher than anticipated tax revenue.
- (2) Park Dedication Fund was established separate from the General Fund in 2017.
- (3) Fund balance used for debt service payment in August. Former Comingled Debt Service Fund slated to be retired.
- (4) Decrease due to payments of principal and interest (P&I) on debt service.
- (5) Scheduled Debt Service levy revenue per authorization.
- (6) 2009 Utility Project Loan to Water & Sewer. Negative cash was journalized out of cash as interfund loan.
- (7) Temporary Proj. Funds are setup with no cash and are dispersed back to debt, capital and enterprise funds at proj. close out. This project was transferred to 2015 Debt Svc Fund
- (8) Operational Costs and P&I payments on debt.
- (9) Operational Costs and P&I payments on debt.





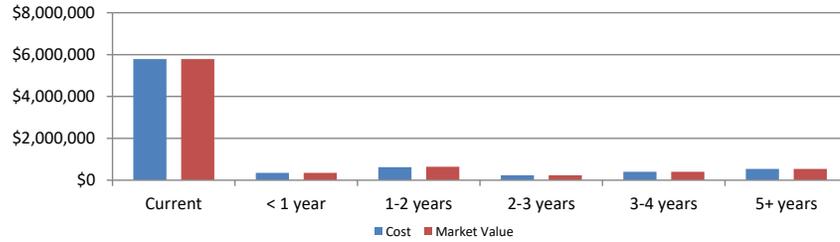
CITY OF PINE CITY, MINNESOTA
 SCHEDULE OF INVESTMENTS
 AS OF December 31, 2017

Institution	Identification	Description	Type	Rate	Maturity Date	Market Value 1/1/2017	YTD Interest 12/31/2017	Cost 12/31/2017	Market Value 12/31/2017	Unrealized gain / (loss)
Northwoods Bank	6006514	Savings - XXX-6514	Money Market	0.15%	Current	2,564,186.45	1,486.04	1,166,053.52	1,166,053.52	-
Northwoods Bank	1005024	Checking - XXX-5024	Checking	0.15%	Current	630,040.31	1,646.16	1,661,659.75	1,661,659.75	-
Northwoods Bank	1004522	Checking - XXX-4522	Checking		Current	391,355.88	-	629,106.16	629,106.16	-
Northwoods Bank	1010032	Checking - XXX-6402 (Truck Loan)	Checking		Current	88,361.67	-	-	-	-
Stearns Bank	118004752	Savings - XXX-4752	Money Market	0.15%	Current	1,279,532.77	-	1,809,190.60	1,809,190.60	-
Stearns Bank	1004894	Checking - XXX-4894 (ATM)	Checking		Current	1,515.29	7,113.35	-	-	-
Spire Bank	-316	Savings - XXX-316	Money Market	0.15%	Current	131.71	0.11	131.82	131.82	-
Stearns Bank	118002095	Savings - XXX-2095	Money Market	0.15%	Current	453,715.83	2,238.03	414,040.07	414,040.07	-
Stearns Bank	2157458	Checking - XXX-7458 (EDA)	Checking		Current	(13,271.15)	-	54,765.54	54,765.54	-
Morgan Stanley		Checking	Checking		Current	168.29	-	2,732.03	-	(2,732.03)
Morgan Stanley	MSSB MM	Money Market	Money Market	0.01%	Current	186,693.28	726.07	45,939.96	48,671.99	2,732.03
Morgan Stanley	3136G3LK9	Federal National Mortgage Assn	Government Securities	1.50%	5/17/2024	100,001.00	1,500.00	98,379.00	98,420.00	41.00
Morgan Stanley	3134GALW2	Federal Home Loan Mortgage Corp	Government Securities	1.25%	9/30/2024	159,480.00	2,000.00	153,406.40	153,508.80	102.40
Morgan Stanley	982999JF2	World Financial Network Bank, DE	Brokered CD	1.85%	6/8/2017	201,360.00	1,905.77	-	-	-
Morgan Stanley	856284F58	State Bank of India, NY	Brokered CD	2.00%	6/22/2017	126,246.25	1,246.58	-	-	-
Morgan Stanley	02587DSP4	Amex Centurion, Salk Lake City, U7	Brokered CD	2.00%	8/29/2018	56,050.50	1,100.00	55,200.75	55,139.15	(61.60)
Morgan Stanley	02587DVH8	Amex Centurion, Salk Lake City, U7	Brokered CD	2.10%	10/24/2018	193,794.30	3,990.00	190,701.10	190,484.50	(216.60)
Morgan Stanley	02006LXN8	Ally Bk Midvale UT	Brokered CD	1.60%	1/14/2019	152,949.00	2,400.00	150,444.00	150,204.00	(240.00)
Morgan Stanley	38148KHW4	Goldman Sachs, New York, NY	Brokered CD	1.85%	1/22/2019	147,752.10	2,682.50	145,378.75	145,145.00	(233.75)
Morgan Stanley	254672W95	Discover Greenwood DE	Brokered CD	1.65%	12/23/2019	245,000.00	4,042.50	224,083.70	243,294.80	19,211.10
Morgan Stanley	38143A4L6	Goldman Sachs, New York, NY	Brokered CD	1.70%	1/16/2020	98,685.86	1,649.00	96,693.48	96,376.29	(317.19)
Morgan Stanley	40434YCA3	HSBC Bk USA N A McLean VA	Brokered CD	1.50%	12/30/2020	44,897.85	506.72	43,969.50	43,848.90	(120.60)
Morgan Stanley	489642BQ0	Kennett National Bank, MO	Brokered CD	1.70%	5/18/2022	100,048.00	1,699.99	97,941.00	97,531.00	(410.00)
Morgan Stanley	02006L6Y4	ALLY BK MIDVALE UT CD	Brokered CD	2.10%	11/30/2020	-	-	95,095.95	94,808.10	(287.85)
Morgan Stanley	05580ALL6	BMW SALT LAKE CITY UT CD	Brokered CD	2.20%	11/29/2021	-	-	200,528.00	199,528.00	(1,000.00)
Morgan Stanley	20099AK22	Comentiy Bank Jumbo	Brokered CD	2.25%	6/14/2021	199,392.00	2,108.21	199,574.00	198,716.00	(858.00)
Morgan Stanley	40434YBA4	HSBC Bk USA N A McLean VA	Brokered CD	2.00%	8/16/2024	199,392.00	4,000.00	189,612.00	189,058.00	(554.00)
Northwoods Bank	NW CD	Northwoods Bank CD	Bank CD	1.10%	12/2/2018	100,500.00	3,234.73	100,500.00	103,734.73	3,234.73
Stearns Bank	Stearns CD	Stearns Bank CD	Bank CD	0.85%	9/30/2019	100,000.00	3,138.49	100,000.00	103,138.49	3,138.49
Wells Fargo	8683236171	Wells Fargo	Bank CD	0.85%	7/6/2021	100,000.00	4,512.85	-	-	-
Wells Fargo	8683236189	Wells Fargo	Bank CD	0.85%	7/6/2021	100,000.00	4,512.85	-	-	-
Wells Fargo	8683236197	Wells Fargo	Bank CD	0.85%	7/6/2021	100,000.00	4,512.85	-	-	-
Wells Fargo	8683236205	Wells Fargo	Bank CD	0.85%	7/6/2021	100,000.00	4,512.85	-	-	-
Wells Fargo	8683236221	Wells Fargo	Bank CD	0.85%	7/6/2021	50,000.00	2,256.43	-	-	-
Wells Fargo	8683236288	Wells Fargo	Bank CD	0.85%	7/6/2021	50,000.00	2,256.43	-	-	-
*Northland Securities		2016A Trust Escrow Account			Current	1,262,135.51	(8,016.00)	1,246,129.00	1,246,129.00	-
Total cash and investments						9,570,114.70	64,962.51	9,171,256.08	9,192,684.21	21,428.13
Total City-Wide Cash and Investments (Excludes Escrow)								7,925,127.08	7,946,555.21	21,428.13

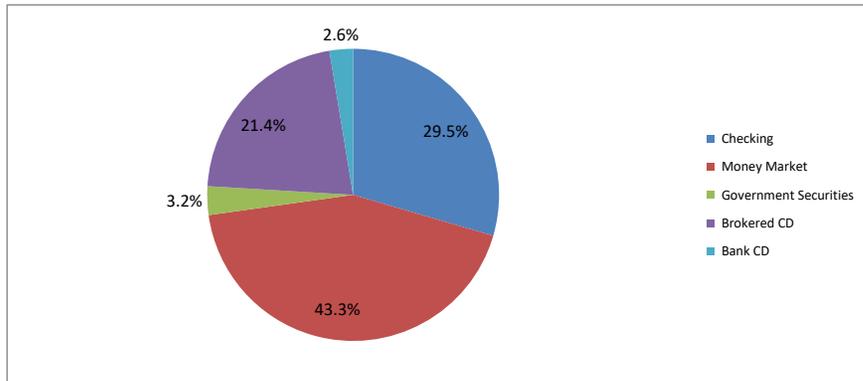


CITY OF PINE CITY, MINNESOTA
 SCHEDULE OF INVESTMENTS
 AS OF December 31, 2017 (4th Quarter)

Maturities



Maturity	Cost 12/31/2017	Market Value 12/31/2017
Current	5,783,619.45	5,783,619.45
< 1 year	346,401.85	349,358.38
1-2 years	619,906.45	641,782.29
2-3 years	235,758.93	235,033.29
3-4 years	400,102.00	398,244.00
5+ years	539,338.40	538,517.80
Total	7,925,127.08	7,946,555.21



Weighted Av. Rate of Return	1.73%	12/31/2017
Weighted Average Maturity	0.71	12/31/2017

Investment Type	Market Value 12/31/2017
Checking	2,345,531.45
Money Market	3,438,088.00
Government Securities	251,928.80
Brokered CD	1,704,133.74
Bank CD	206,873.22
Escrow	1,246,129.00
Total	9,192,684.21



CITY OF PINE CITY, MINNESOTA
 STATEMENT OF REVENUES AND EXPENSES -
 BUDGET AND ACTUAL -
 SEWER FUND (602) (UNAUDITED)
 FOR THE YEAR ENDED DECEMBER 31, 2017

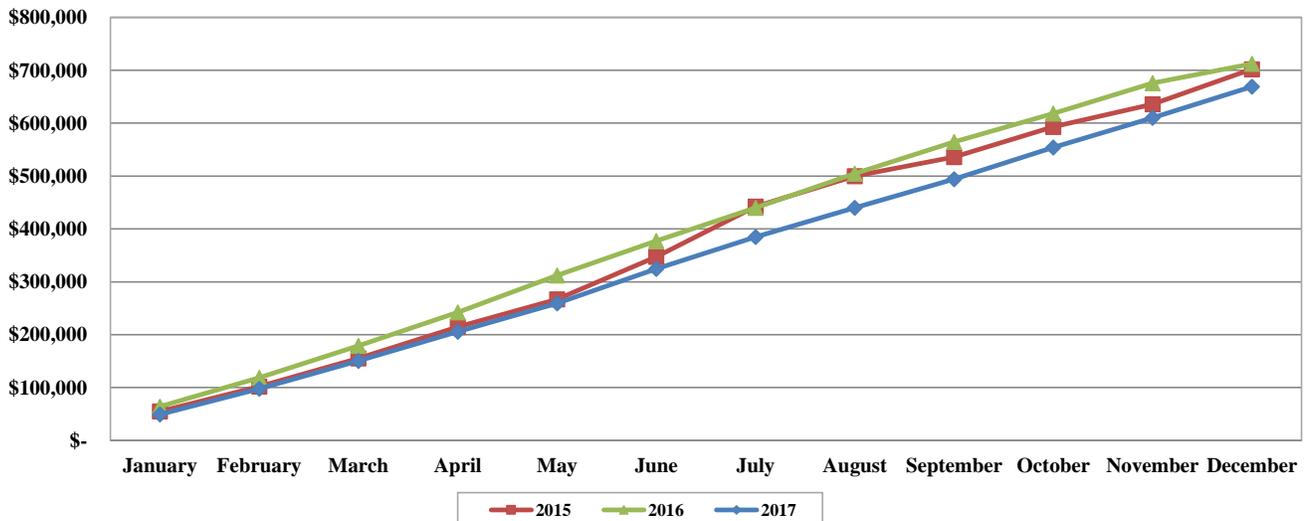
SEWER FUND

	2017 Annual Budget	Q4 Actual Thru 12/31/2016	Q4 Actual Thru 12/31/2017	Q4 Budget to Actuals - Favorable (Unfavorable)	Percent Received or Expended Based on Budget Thru 12/31/2017
REVENUES					
Charges for services	\$ 700,800	\$ 719,725	\$ 643,295	\$ (57,505)	91.8%
Miscellaneous	15,000	27,749	74,232	59,232 (1)	494.9%
TOTAL REVENUES	715,800	747,474	717,527	1,727	100.2%
EXPENDITURES					
Salaries and benefits	188,100	130,467	181,187	6,913	96.3%
Supplies	350	302	541	(191)	154.6%
Other services and charges	29,904	112,740	59,289	(29,385) (2)	198.3%
Repair and maintenance	19,950	23,849	26,315	(6,365)	131.9%
Utilities	66,300	63,626	60,865	5,435	91.8%
Interest	28,985	29,651	30,132	(1,147)	104.0%
Depreciation	199,432	422,532	107,428	92,004 (3)	53.9%
TOTAL EXPENSES	533,021	783,166	465,757	67,264	87.4%
OTHER FINANCING USES					
Transfers Out	57,690	75,068	155,238	(97,548) (4)	269.1%
EXCESS REVENUES OVER EXPENSES	\$ 125,089	\$ (110,760)	\$ 96,532	\$ (28,557)	77.2%

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

- (1) Deferred Special Assessments, interest earnings and TASC retiree health insurance reimbursements
- (2) Increase due to Elhers Utility Rate Study and 2017-2018 WWTP Repair Project (Northdale Const.). Future adjustment to capital fund.
- (3) Depreciation budget based upon AEM error. Quarterly adjustment based upon corrected depreciation schedule.
- (4) Prior Period Audit Adjustment for the 2009 Construction Fund Negative Balance

Sewer Sales Comparison 2015-2017





CITY OF PINE CITY, MINNESOTA
 STATEMENT OF REVENUES AND EXPENSES -
 BUDGET AND ACTUAL -
 WATER FUND (601) (UNAUDITED)
 FOR THE YEAR ENDED DECEMBER 31, 2017

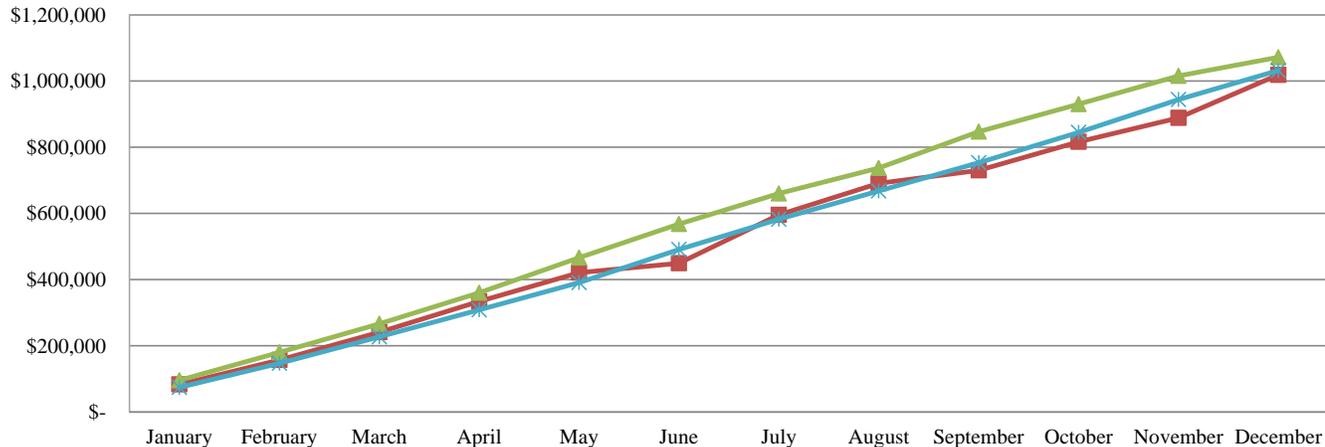
WATER FUND

	2017 Annual Budget	Q4 Actual Thru 12/31/2016	Q4 Actual Thru 12/31/2017	Q4 Budget to Actuals - Favorable (Unfavorable)	Percent Received or Expended Based on Actual Thru 12/31/2017
REVENUES					
Charges for services	\$ 1,097,000	\$ 1,115,045	\$ 1,139,028	\$ 42,028 (1)	103.8%
Miscellaneous	3,450	43,544	71,634	68,184 (2)	2076.4%
TOTAL REVENUES	1,100,450	1,158,589	1,210,662	110,212	110.0%
EXPENDITURES					
Salaries and benefits	188,100	130,468	181,540	6,560	96.5%
Supplies	19,150	12,150	13,046	6,104	68.1%
Other services and charges	20,428	29,554	23,632	(3,204)	115.7%
Repair and maintenance	27,000	26,519	16,631	10,369	61.6%
Utilities	54,090	47,294	45,137	8,953	83.4%
Interest	160,121	166,116	188,393	(28,272) (3)	117.7%
Depreciation	115,696	(107,840)	197,704	(82,008) (4)	170.9%
TOTAL EXPENSES	584,585	304,261	666,082	(81,497)	113.9%
OTHER FINANCING USES					
Transfers In	-	-	-	-	N/A
Transfers Out	53,540	72,993	136,562	(83,022) (5)	255.1%
EXCESS REVENUES OVER EXPENSES	\$ 462,325	\$ 781,335	\$ 408,018	\$ (54,307)	88.3%

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

- (1) Resulting from a Prior Period adjustment (\$39k)
- (2) Deferred Special Assessments, interest earnings and TASC retiree health insurance reimbursements
- (3) Overage due to a prior period adjustment on Bond Premiums
- (4) Depreciation budget based upon AEM error. Quarterly adjustment based upon corrected depreciation schedule.
- (5) Prior Period Audit Adjustment for the 2009 Construction Fund Negative Balance

Water Sales Comparison 2015-2017





CITY OF PINE CITY, MINNESOTA
STATEMENT OF REVENUES AND EXPENSES -
BUDGET AND ACTUAL -
LIQUOR STORE FUND (609) (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2017

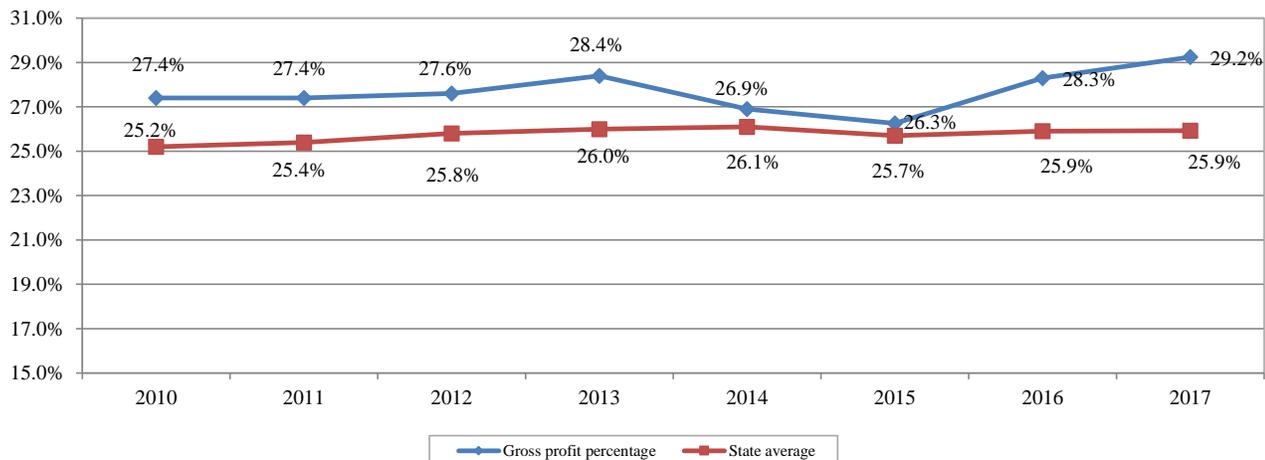
LIQUOR STORE

	2017 Annual Budget	Q4 Actual Thru 12/31/2016	Q4 Actual Thru 12/31/2017	Q4 Budget to Actuals - Favorable (Unfavorable)	Percent Received or Expended Based on Budget Thru 12/31/2017
REVENUES					
Sales	\$ 1,700,500	\$ 1,792,989	\$ 1,901,388	\$ 200,888 (1)	111.8%
Miscellaneous	4,300	1,829	2,713	(1,587)	63.1%
TOTAL REVENUES	<u>1,704,800</u>	<u>1,794,818</u>	<u>1,904,100</u>	<u>199,300</u>	<u>111.7%</u>
EXPENDITURES					
Salaries and benefits	237,640	234,185	242,691	(5,051)	102.1%
Supplies	8,000	9,390	7,349	651	91.9%
Services	79,001	79,110	68,425	10,576	86.6%
Utilities	20,000	17,566	14,997	5,003	75.0%
Cost of Goods Sold	1,223,950	1,275,973	1,345,372	(121,422) (2)	109.9%
Depreciation	9,000	9,184	7,548	1,452	83.9%
TOTAL EXPENSES	<u>1,577,591</u>	<u>1,625,408</u>	<u>1,686,383</u>	<u>(108,792)</u>	<u>106.9%</u>
TOTAL REVENUE OVER EXPENSES BEFORE TRANSFERS	<u>127,209</u>	<u>169,410</u>	<u>217,717</u>	<u>90,508</u>	<u>171.1%</u>
OTHER FINANCING USES					
Transfers Out	125,000	125,000	125,000	-	100.0%
EXCESS REVENUES OVER EXPENSES	<u>\$ 2,209</u>	<u>\$ 44,410</u>	<u>\$ 92,717</u>	<u>\$ 90,508</u>	
			Sales	\$ 1,901,388	
			Cost of sales	1,345,372	
			Gross profit	<u>\$ 556,015</u>	
			Gross profit percent:	29.2%	

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

- (1) Increase sales with a like increase in Cost of Goods Sold (COGS).* *Note: COGS is approximately 70%-73% of Sales.
 (2) Increase Cost of Goods sold (COGS) with a like increase in Sales.

Gross Profit Percentage thru Q2 2017 vs. Annual Estimated State Average



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



CITY OF PINE CITY, MINNESOTA
ESTIMATED NET INCOME
LIQUOR STORE FUND (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2017

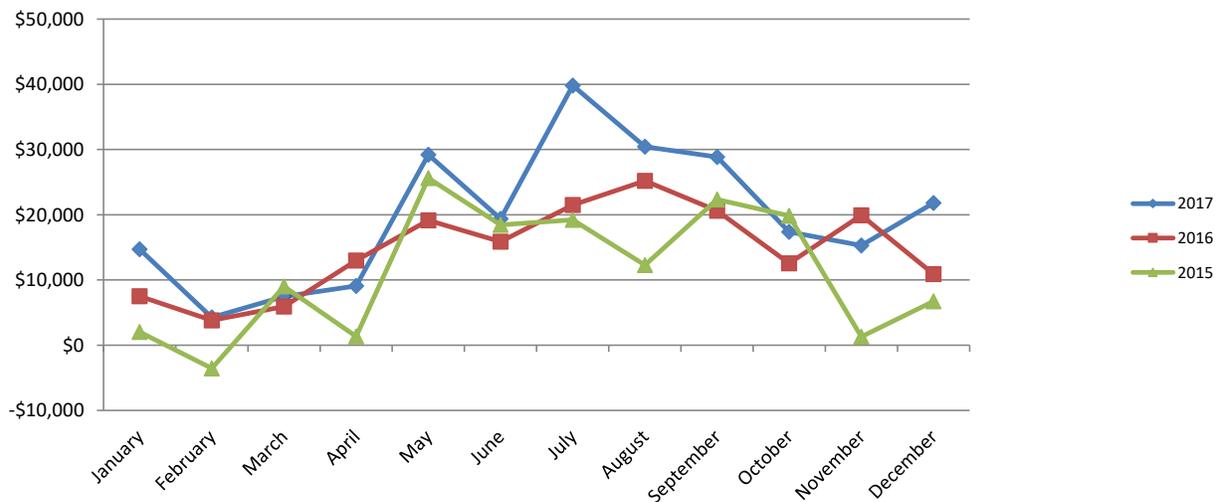
LIQUOR STORE ESTIMATED NET INCOME

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	9,079.06	12,975.30	1,355.19
May	29,200.18	19,143.65	25,607.98
June	19,365.43	15,864.39	18,454.10
July	39,818.46	21,497.56	19,231.09
August	30,432.30	25,203.33	12,284.30
September	28,849.95	20,622.90	22,350.51
October	17,373.95	12,567.06	19,841.55
November	15,301.10	19,907.08	1,305.12
December	21,801.41	10,900.28	6,723.47
Total	237,656.82	175,940.60	134,629.80

	2017	2016	2015
Average	19,804.74	14,661.72	11,219.15
Minimum	4,260.46	3,811.60	(3,551.42)
Maximum	39,818.46	25,203.33	25,607.98

QTR 1	26,434.98	17,259.05	7,476.49
QTR 2	57,644.67	47,983.34	35,955.47
QTR 3	99,100.71	67,323.79	45,417.27
QTR 4	54,476.46	43,374.42	27,870.14
YTD Through QTR 4	237,656.82	175,940.60	134,629.80

Estimated Net Income



The estimated net income is derived from the Liquor Store monthly sales and Cost of Goods Sold (COGS) 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.

CITY OF PINE CITY, MINNESOTA
STATEMENT OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL -
EDA FUND (201) (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2017



	2017 Annual Budget	Q4 Actual Thru 12/31/2016	Q4 Actual Thru 12/31/2017	Q4 Budget to Actuals - Favorable (Unfavorable)	Percent Received or Expended Based on Budget thru 12/31/2017
REVENUES					
Taxes	\$ 36,369	\$ 32,976	\$ 36,962	\$ 593	101.6%
Intergovernmental	-	-	-	-	N/A
Charges for services	-	-	-	-	N/A
Interest Earned	400	1,087	751	351 (1)	187.6%
Refunds and Reimbursements	-	(18)	135	\$ 135	N/A
Grants	-	4,910	-	-	N/A
Miscellaneous revenue	100	100	99	\$ (1)	99.3%
TOTAL REVENUES	36,869	39,055	37,947	1,078	102.9%
EXPENDITURES					
Professional Services	2,000	1,366	2,236	\$ (236)	111.8%
Engineering Services	1,275	923	-	1,275	0.0%
Audit	1,250	-	540	\$ 710	43.2%
Administrative Services	-	-	-	-	N/A
Billboard/Sign Promotion	1,000	-	-	1,000	0.0%
Advertising and Promotion	9,725	4,845	6,080	\$ 3,645	62.5%
Insurance	1,597	364	925	672	57.9%
Lease Payments (Slip Lease w/ Bottle Cap Condos)	1,000	1,000	1,050	\$ (50)	105.0%
Bank Service Charges	-	-	30	(30)	N/A
Dues and Subscriptions	1,500	850	1,900	\$ (400) (2)	126.7%
Conferences and Seminars	750	-	40	710	5.3%
Travel, Meals, and Lodging	750	594	743	\$ 7	99.0%
City Staff Expense	5,000	20	5,000	-	100.0%
Miscellaneous	-	52,672	5,541	\$ (5,541)	N/A
TOTAL EXPENDITURES	25,847	62,634	24,084	1,763	93.2%
EXCESS REVENUES (EXPENDITURES)	11,022	(23,579)	13,863	(686)	125.8%
OTHER FINANCING USES					
Transfers In	-	-	-	-	N/A
Transfers Out	11,021	-	11,021	-	N/A
TOTAL OTHER FINANCING SOURCES (USES)	(11,021)	-	11,021	-	-100.0%
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ 1	\$ (23,579)	\$ 2,842	\$ (686)	

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

- (1) Adjustment due to adjustment to interest allocation
- (2) GPS 45:93 Due paid for 2017 and 2018 in 2017