



## **FINANCIAL HIGHLIGHTS:**

The following financial report and analysis offers readers a narrative overview of the financial activities of the City for the three-month period ended March 31, 2018. This report includes the General Fund, Communications Fund, Liquor Fund and Utility Operating Funds. The readers are encouraged to consider the information presented here in conjunction with the unaudited financial statements attached to this report, the adopted budget and the five-year Capital Improvement Plan.

### **❖ General Fund - Revenues**

#### *❖ Property tax revenues*

- Tax payments from Dakota County are received in two installments in June and December. The General fund property tax revenues are anticipated to be \$20.1 million for 2018.

#### *❖ Licenses and Permits.*

- Building permit revenue continues to be strong. The Lee Lake Subdivision is a 120-unit apartment complex that was budgeted in 2018, but the permit was issued at the end of 2017. The following chart shows how the number of permits issued in the first quarter compares to the same period in 2017 and the 2018 Adopted Budget:

Permit Type	TTD 1st Quarter 2017	2018 Adopted Budget	First Quarter 2018
Single Family	103	350	100
Townhome	7	70	7
Apartments (Units)	1 (49 units)	1 (120 units)	0
Commercial	0	10	0

#### *❖ Intergovernmental.*

- Revenues comprised of police and fire aid and various grants are typically received in the third and fourth quarters.

#### *❖ Charges for Services.*

- *General government services* are below budget due mainly to lower planning and inspection fees.
- *Public Safety* revenues are in line with budget estimates. The addition of a School Resource Officer at Century Middle School results in increased revenue from ISD 194. Security services from Super Bowl LII amounted to \$18,000. The fire contract with Eureka Township (\$40,170) is billed out in June of the current year.

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

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

#### **❖ *Charges for Services. (Continued)***

- *Public works* revenues are based on summer construction projects and therefore year-to-date revenues are below the annual estimates.
- *Parks and Recreation* revenues are exceeding budget estimates and are up \$26,440 over the same period in 2017.

#### **❖ *Court Fines***

- Revenues from court fines (\$88,000) represent 21 percent of the budget estimates and are down \$34,000 over the period in 2017. The decrease is a result of fewer traffic stops. It should be noted that this also decreases the CAD call numbers used by the Dakota Communications Center to allocate the membership fees.

### **❖ General Fund - Expenditures**

❖ *Motor Fuels* – Motor fuels through March 31, are at 29 percent of the 2018 Budget. Motor fuels are \$34,000 higher than the same period in 2017. Increased snow events for the public works departments contributed to the higher fuel expense. The

❖ *Street Chemicals* – Costs for the first part of 2018 are at 100 percent of the budget. Unused chemicals are stored at the central maintenance facility and will be utilized in the late fall if needed.

❖ *Utilities – Electric & Natural Gas.* Costs are fairly consistent with the same period in 2017. Total costs through the first quarter represent 25 percent of the adopted budget.

❖ *City Administration.* The 2018 budget includes \$15,000 for the community survey, of which \$9,900 has been spent year-to-date. Appropriations (\$15,000) for the Envision Lakeville update are also included in the 2018 budget.

❖ *City Clerk-Elections.* 2018 is an election year. Cost for the elections will not be incurred until late in the 3<sup>rd</sup> quarter and into the 4<sup>th</sup> quarter.

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

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

- ❖ *Planning.* Salaries are up over the same period in 2017 due to the new Planning Assistant/Code Enforcement position that started after the 1<sup>st</sup> quarter in 2017.
- ❖ *Community and Economic Development.* Budget appropriations are included for the Economic Development Guide (\$34,500) as well as funding for the DARTS program (\$10,200) that began at the end of 2017. Both expenditures are covered 100% by grant funding.
- ❖ *Inspections.* Salaries are up over the same period in 2017 due to creating a new Building Inspector position that started in July 2017.
- ❖ *General Government Facilities.* Personnel Services are up compared to 2017 due to the hiring of an additional facility attendant in 2018.
- ❖ *Human Resources.* Contractual services are up due to expenses for the Employee Compensation and Classification Study.
- ❖ *Police.* DCC membership fees for the 1<sup>st</sup> quarter are up \$35,000 over the same period in 2017 as a result of increased CAD events in prior years.
- ❖ *Engineering/GIS.* Contractual services are up over the prior year due to increased engineering services as well as consultant services for GIS.
- ❖ *Operations & Maintenance.* Personnel services are below budget estimates due to employee vacancies. Personnel services are up over the same period in 2017 due to the lower number of vacancies in 2018 compared to 2017.
- ❖ *Streets.* Personnel services are up compared to budget and the prior year due in part to the increased snow events in 2018. Salt costs are at 100% of the budget and likely would have exceeded budget by this time if it were not for the large inventory that was on hand from the prior winter season.
- ❖ *Parks.* Personnel services are up compared to the same period in 2017 and is the result of a longer ice rink season and additional hours spent on snow removal in the parks and trails. Costs are in line with budget appropriations.

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

### **❖ Communications Fund**

- ❖ Revenues from Franchise fees are received on a quarterly basis. They are typically received by the end of the month following the quarter. As of the date of this report, the first 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 up over the same period in 2017 due to the addition of a Marketing Specialist in July of 2017. The position is 100 percent funded by a transfer from the Liquor Fund for the first two years. There are \$342,000 in budget appropriations for the third phase of the fiber installation project. The project is funded by transfers from the General Fund, Liquor Fund and the Utility Fund. Phase II of the fiber project (\$234,000) was budgeted in 2017. The project has been delayed to 2018. Funding from the General Fund, Liquor Fund and Utility Fund was transferred in 2017 and is reflected in the beginning fund balance. The budget also includes a transfer (\$175,000) to the Improvement Construction Fund to fund the cost of fiber installation to be completed in conjunction with the installation of an advanced traffic management system along the 160<sup>th</sup> Street and Pilot Knob road corridors.
- ❖ Capital outlay acquisitions include replacement of the edit station and council chamber cameras.

### **❖ Liquor Fund**

- ❖ Sales for the first quarter amounted to \$3.2 million which is a 13 percent increase over the same period in 2017. The increase can be attributed to the Kenrick store being closed in 2017 for 4 days due to renovations; Easter falling in the second quarter in 2017; the Super Bowl in Minnesota; and the Olympics.
- ❖ Total expenditures are tracking slightly below budget appropriations.
- ❖ The sale of the Kenrick store is anticipated in the second quarter.
- ❖ 2018 Transfers include a \$250,000 transfer to the Equipment Fund. This transfer had been eliminated in 2017 upon review of the Fund's reserve level.

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

### **❖ Water Fund**

- ❖ Water revenues are low in the first quarter which is typical for the first quarter but are exceeding revenues from the same period a year ago due mainly to the water rate increase that went in affect February 1, 2018. Water usage increases as residents and businesses turn on their irrigation systems in late spring.
- ❖ The 2018 major maintenance projects are budgeted as follows:
  - Water Treatment Facility replacement of air-handling units - \$74,000.
  - Water Treatment Facility building automation controls - \$13,500
  - 2018 Street reconstruction project – watermain repair/replacement costs - \$1.07 million. Updated costs following contract approval amounted to \$1.23 million
  - Water meter replacement projects - \$335,357; \$29,000 has been spent year-to-date.
  - Well #3 rehabilitation - \$60,000.
  - Filter backwash pump rehabilitation - \$45,000.
  - Water tower cleaning, inspection, painting and repairs (Michaud Park water tower) \$395,000.

### **❖ Sewer Fund**

- ❖ Sewer revenues are tracking with budget expectations and are up over the same period in 2017 as a result of the increase in sewer rates for the base charge and discharge effective February 1, 2018.
- ❖ Expenditures are below budget estimates and down compared to the same period in 2017.
- ❖ Disposal charges paid to Metropolitan Council of Environmental Services increased 14.5 percent over the 2017 rates and are projected to be \$4.0 million for 2018
- ❖ The 2018 major maintenance projects are budgeted as follows:
  - Lift station rehabilitation - \$45,000.
  - Sewer line improvements - \$250,000.
  - I/I mitigation repairs -\$375,000.

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

### **❖ Street Lighting Fund**

- ❖ Revenues are in line with budget. Street light fees are also collected at the time of final plat but were minimal for the first quarter.
- ❖ Streetlight rates were increased effective February 1, 2018.
- ❖ 2018 electrical costs are in line with budget estimates.

### **❖ Environmental Resources Fund**

- ❖ Revenues are tracking with budget estimates.
- ❖ Rates were increased effective February 1, 2018.
- ❖ Personnel services increased over the same period in 2017 due to the hiring of an Environmental Resources Technician to assist with the growing number of environmental projects.
- ❖ Majority of projects are completed in the spring, summer and fall months which results in lower expenses during the first quarter.

**General Fund**  
**Summary Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Three Month Period Ended March 31, 2018**

	2018		Variance from Amended Budget Positive (Negative)	Actual Percent	Comparative			
	Adopted Budget	3/31/18 Actual			3/31/17 Actual	Variance from 2017 Actual Positive (Negative)		
<b>Revenues</b>								
General property taxes	\$ 20,055,586	\$ 6,991	\$ (20,048,595)	0.0%	\$ 2,409	\$ 4,582	290.2%	
Licenses and permits	2,356,882	598,671	(1,758,211)	25.4%	594,196	4,475	100.8%	
Intergovernmental	1,005,921	60,712	(945,209)	6.0%	87,172	(26,460)	69.6%	
Charges for services	2,926,300	458,097	(2,468,203)	15.7%	436,362	21,735	105.0%	
Court fines	425,000	88,050	(336,950)	20.7%	121,984	(33,934)	72.2%	
Investment income	90,071	22,898	(67,174)	25.4%	22,898	(1)	100.0%	
Miscellaneous	47,303	12,808	(34,495)	27.1%	9,156	3,652	139.9%	
<b>Total revenues</b>	<b>26,907,063</b>	<b>1,248,227</b>	<b>(25,658,837)</b>	<b>4.6%</b>	<b>1,274,177</b>	<b>(25,951)</b>	<b>98.0%</b>	
<b>Expenditures</b>								
Mayor and Council	107,230	27,514	79,717	25.7%	28,221	708	97.5%	
Committees and Commissions	87,600	4,245	83,355	4.8%	6,522	2,277	65.1%	
City Administration	478,570	120,811	357,759	25.2%	100,746	(20,065)	119.9%	
City Clerk	201,157	29,095	172,062	14.5%	39,779	10,684	73.1%	
Legal Counsel	80,000	18,686	61,314	23.4%	18,933	247	98.7%	
Planning	585,768	140,913	444,855	24.1%	116,069	(24,844)	121.4%	
Community and Econ. Development	366,222	101,972	264,250	27.8%	72,523	(29,449)	140.6%	
Inspections	1,225,953	303,568	922,386	24.8%	271,431	(32,137)	111.8%	
General Government Facilities	557,962	138,936	419,026	24.9%	135,014	(3,923)	102.9%	
Finance	781,534	195,887	585,647	25.1%	189,556	(6,331)	103.3%	
Information Systems	673,236	219,605	453,631	32.6%	211,257	(8,348)	104.0%	
Human Resources	511,685	124,450	387,236	24.3%	117,005	(7,445)	106.4%	
Insurance	285,000	71,250	213,750	25.0%	71,250	-	100.0%	
Police	11,259,374	2,720,177	8,539,197	24.2%	2,509,239	(210,938)	108.4%	
Fire	1,855,127	359,679	1,495,448	19.4%	338,508	(21,172)	106.3%	
Engineering	974,588	210,299	764,289	21.6%	181,504	(28,795)	115.9%	
Construction Services	587,152	90,904	496,248	15.5%	50,737	(40,167)	179.2%	
Streets	3,194,298	1,029,098	2,165,200	32.2%	982,104	(46,995)	104.8%	
Parks	2,643,982	561,423	2,082,560	21.2%	507,186	(54,236)	110.7%	
Recreation	700,028	153,839	546,189	22.0%	146,419	(7,420)	105.1%	
Heritage Center	129,549	26,118	103,431	20.2%	26,082	(37)	100.1%	
Arts Center	510,370	167,265	343,105	32.8%	173,490	6,226	96.4%	
Other	(43,090)	-	(43,090)	0.0%	-	-	0.0%	
<b>Total expenditures</b>	<b>27,753,295</b>	<b>6,815,733</b>	<b>20,937,562</b>	<b>24.6%</b>	<b>6,293,573</b>	<b>(522,160)</b>	<b>108.3%</b>	
Excess (deficiency) of revenues over expenditures	(846,232)	(5,567,506)	(4,721,274)		(5,019,396)	(548,111)		
<b>Other financing sources (uses)</b>								
Transfer from other funds	765,232	173,897	(591,335)	22.7%	173,981	(84)	100.0%	
Transfer to other funds	(660,864)	(400,000)	260,864	60.5%	(1,145,000)	745,000	34.9%	
<b>Total other financing sources (uses)</b>	<b>104,368</b>	<b>(226,103)</b>	<b>(330,471)</b>		<b>(971,019)</b>	<b>744,916</b>	<b>23.3%</b>	
Net change in fund balance	(741,864)	(5,793,609)	(5,051,745)		(5,990,415)	196,806		
Beginning fund balance	14,288,353	15,217,019	928,666		15,076,500	140,519		
Ending fund balance	\$ 13,546,489	\$ 9,423,410	\$ (4,123,079)		\$ 9,086,085	\$ 337,325		
<i>Adj fund balance, Dec 31 (net of restricted )</i>	<u>\$ 12,850,659</u>	<u>\$ 8,727,580</u>			<u>\$ 8,390,255</u>			
Net change in fund balance percentage	(5.2%)	(38.1%)			(39.7%)			
Ratio: Fund balance to CY expenditures	48.8%							
Ratio: Fund balance to NY expenditures	48.7%							
<b>Expense Summary:</b>								
Personnel services	20,593,713	4,974,898	15,618,815	24.2%	4,445,061	(529,838)	111.9%	
Commodities	1,723,195	581,970	1,141,225	33.8%	651,503	69,533	89.3%	
Other charges and services	5,440,118	1,258,864	4,181,254	23.1%	1,187,866	(70,998)	106.0%	
Capital outlay	39,359	-	39,359	0.0%	9,143	9,143	0.0%	
<b>Total</b>	<b>27,796,385</b>	<b>6,815,733</b>	<b>20,980,652</b>	<b>24.5%</b>	<b>6,293,573</b>	<b>(522,160)</b>	<b>108.3%</b>	

General Fund  
Schedule of Expenditures

Expenditures	2018		Variance from Adopted Budget Positive (Negative)	Actual Percent	Comparative		
	Adopted Budget	3/31/18 Actual			3/31/17 Actual	Variance from 2016 Actual Positive (Negative)	
<b>Mayor and Council</b>							
Personnel services	\$ 49,041	\$ 13,295	\$ 35,747	27%	\$ 13,371	\$ 77	99.4%
Commodities	50	90	(40)	180%	-	(90)	0.0%
Other charges and services	58,139	14,129	44,010	24%	14,850	721	95.1%
Total	107,230	27,514	79,717	26%	28,221	708	97.5%
<b>Committees/Commissions</b>							
Personnel services	71,902	358	71,544	0%	490	132	73.1%
Commodities	1,630	-	1,630	0%	-	-	0.0%
Other charges and services	14,068	3,887	10,181	28%	6,032	2,145	64.4%
Total	87,600	4,245	83,355	5%	6,522	2,277	65.1%
<b>City Administration</b>							
Personnel services	423,716	106,297	317,419	25%	96,371	(9,926)	110.3%
Commodities	1,200	8	1,192	1%	262	254	3.1%
Other charges and services	52,154	14,506	37,648	28%	4,113	(10,393)	352.7%
Capital outlay	1,500	-	1,500	0%	-	-	0.0%
Total	478,570	120,811	357,759	25%	100,746	(20,065)	119.9%
<b>City Clerk</b>							
Personnel services	115,980	28,141	87,839	24%	28,058	(83)	100.3%
Commodities	1,000	7	993	1%	-	(7)	0.0%
Other charges and services	84,177	947	83,230	1%	11,721	10,774	8.1%
Capital outlay	-	-	-	0%	-	-	0.0%
Total	201,157	29,095	172,062	14%	39,779	10,684	73.1%
<b>Legal Counsel</b>							
Other charges and services	80,000	18,686	61,314	23%	18,933	247	98.7%
<b>Planning</b>							
Personnel services	518,211	132,676	385,535	26%	108,275	(24,401)	122.5%
Commodities	2,291	141	2,150	6%	179	38	78.8%
Other charges and services	65,266	8,096	57,170	12%	7,615	(481)	106.3%
Capital outlay	-	-	-	0%	-	-	0.0%
Total	585,768	140,913	444,855	24%	116,069	(24,844)	121.4%
<b>Community and Economic Development</b>							
Personnel services	294,620	71,898	222,722	24%	69,523	(2,375)	103.4%
Commodities	250	19	231	8%	56	37	33.9%
Other charges and services	71,352	30,055	41,297	42%	2,944	(27,111)	1020.9%
Capital outlay	-	-	-	0%	-	-	0.0%
Total	366,222	101,972	264,250	28%	72,523	(29,449)	140.6%
<b>Inspection</b>							
Personnel services	973,050	235,752	737,299	24%	205,353	(30,399)	114.8%
Commodities	13,792	3,076	10,716	22%	1,438	(1,638)	213.9%
Other charges and services	239,111	64,740	174,371	27%	64,640	(100)	100.2%
Capital outlay	-	-	-	0%	-	-	0.0%
Total	1,225,953	303,568	922,386	25%	271,431	(32,137)	111.8%

(continued)



General Fund  
Schedule of Expenditures

Expenditures (continued)	2018		Variance from Adopted Budget Positive (Negative)	Actual Percent	Comparative		
	Adopted Budget	3/31/18 Actual			3/31/17 Actual	Variance from 2016 Actual Positive (Negative)	
<b>General Government Facilities</b>							
Personnel services	\$ 353,190	\$ 92,119	\$ 261,071	26%	\$ 82,582	\$ (9,538)	111.5%
Commodities	26,243	7,461	18,782	28%	8,076	615	92.4%
Other charges and services	178,529	39,356	139,173	22%	44,356	5,000	88.7%
Capital outlay	-	-	-	0%	-	-	0.0%
Total	557,962	138,936	419,026	25%	135,014	(3,923)	102.9%
<b>Finance</b>							
Personnel services	696,628	176,311	520,317	25%	167,678	(8,634)	105.1%
Commodities	3,500	854	2,646	24%	1,311	457	65.1%
Other charges and services	81,406	18,722	62,684	23%	20,567	1,845	91.0%
Capital outlay	-	-	-	0%	-	-	0.0%
Total	781,534	195,887	585,647	25%	189,556	(6,331)	103.3%
<b>Information Systems</b>							
Personnel services	430,046	104,279	325,767	24%	95,184	(9,095)	109.6%
Commodities	2,995	1,908	1,087	64%	651	(1,257)	293.1%
Other charges and services	240,195	113,418	126,777	47%	115,422	2,004	98.3%
Capital outlay	-	-	-	0%	-	-	0.0%
Total	673,236	219,605	453,631	33%	211,257	(8,348)	104.0%
<b>Human Resources</b>							
Personnel services	387,122	96,799	290,324	25%	94,124	(2,675)	102.8%
Commodities	2,913	476	2,437	16%	694	218	68.6%
Other charges and services	121,650	27,175	94,475	22%	22,187	(4,988)	122.5%
Capital outlay	-	-	-	0%	-	-	0.0%
Total	511,685	124,450	387,236	24%	117,005	(7,445)	106.4%
<b>Insurance</b>							
Other charges and services	285,000	71,250	213,750	25%	71,250	-	100.0%
<b>Police</b>							
Personnel services	8,843,216	2,097,158	6,746,058	24%	1,938,582	(158,576)	108.2%
Commodities	396,022	115,809	280,213	29%	118,722	2,913	97.5%
Other charges and services	2,020,136	507,210	1,512,926	25%	451,935	(55,275)	112.2%
Capital outlay	-	-	-	0%	-	-	0.0%
Total	11,259,374	2,720,177	8,539,197	24%	2,509,239	(210,938)	108.4%
<b>Fire</b>							
Personnel services	1,084,127	267,726	816,401	25%	244,519	(23,208)	109.5%
Fire Relief Contribution/State Aid	347,676	10,000	337,676	3%	-	(10,000)	0.0%
Commodities	151,407	28,885	122,522	19%	24,739	(4,146)	116.8%
Other charges and services	271,917	53,068	218,849	20%	69,250	16,182	76.6%
Capital outlay	-	-	-	0%	-	-	0.0%
Total	1,855,127	359,679	1,495,448	19%	338,508	(21,172)	106.3%

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General Fund  
Schedule of Expenditures

Expenditures (continued)	2018		Variance from Adopted Budget Positive (Negative)	Actual Percent	Comparative		
	Adopted Budget	3/31/18 Actual			3/31/17 Actual	Variance from 2016 Actual Positive (Negative)	
<b>Engineering</b>							
Personnel services	\$ 745,625	\$ 184,465	\$ 561,161	25%	\$ 170,382	\$ (14,083)	108.3%
Commodities	8,476	661	7,815	8%	2,363	1,702	28.0%
Other charges and services	220,487	25,174	195,314	11%	8,759	(16,415)	287.4%
Capital outlay	-	-	-	0%	-	-	0.0%
<b>Total</b>	<b>974,588</b>	<b>210,299</b>	<b>764,289</b>	<b>22%</b>	<b>181,504</b>	<b>(28,795)</b>	<b>115.9%</b>
<b>Construction Services</b>							
Personnel services	538,730	88,325	450,405	16%	49,593	(38,732)	178.1%
Commodities	8,515	946	7,569	11%	441	(505)	214.5%
Other charges and services	11,348	1,633	9,715	14%	703	(930)	232.3%
Capital outlay	28,559	-	28,559	0%	-	-	0.0%
<b>Total</b>	<b>587,152</b>	<b>90,904</b>	<b>496,248</b>	<b>15%</b>	<b>50,737</b>	<b>(40,167)</b>	<b>179.2%</b>
<b>Streets</b>							
Personnel services	2,120,785	634,272	1,486,513	30%	523,144	(111,129)	121.2%
Commodities	722,838	359,440	363,398	50%	422,611	63,171	85.1%
Other charges and services	350,675	35,386	315,289	10%	36,349	963	97.4%
Capital outlay	-	-	-	0%	-	-	0.0%
<b>Total</b>	<b>3,194,298</b>	<b>1,029,098</b>	<b>2,165,200</b>	<b>32%</b>	<b>982,104</b>	<b>(46,995)</b>	<b>104.8%</b>
<b>Parks</b>							
Personnel services	1,854,298	453,373	1,400,926	24%	383,748	(69,624)	118.1%
Commodities	291,804	43,506	248,298	15%	53,787	10,281	80.9%
Other charges and services	492,080	64,544	427,536	13%	69,651	5,107	92.7%
Capital outlay	5,800	-	5,800	0%	-	-	0.0%
<b>Total</b>	<b>2,643,982</b>	<b>561,423</b>	<b>2,082,560</b>	<b>21%</b>	<b>507,186</b>	<b>(54,236)</b>	<b>110.7%</b>
<b>Recreation</b>							
Personnel services	399,504	97,402	302,102	24%	88,404	(8,998)	110.2%
Commodities	35,971	2,590	33,381	7%	2,903	313	89.2%
Other charges and services	264,553	53,847	210,706	20%	55,112	1,265	97.7%
Capital outlay	-	-	-	0%	-	-	0.0%
<b>Total</b>	<b>700,028</b>	<b>153,839</b>	<b>546,189</b>	<b>22%</b>	<b>146,419</b>	<b>(7,420)</b>	<b>105.1%</b>
<b>Heritage Center</b>							
Personnel services	64,261	14,640	49,621	23%	15,966	1,326	91.7%
Commodities	12,578	2,617	9,961	21%	2,694	77	97.1%
Other charges and services	52,710	8,861	43,849	17%	7,422	(1,439)	119.4%
Capital outlay	-	-	-	0%	-	-	0.0%
<b>Total</b>	<b>129,549</b>	<b>26,118</b>	<b>103,431</b>	<b>20%</b>	<b>26,082</b>	<b>(37)</b>	<b>100.1%</b>
<b>Arts Center</b>							
Personnel services	281,985	69,614	212,371	25%	69,716	103	99.9%
Commodities	39,720	13,476	26,244	34%	10,576	(2,900)	127.4%
Other charges and services	185,165	84,175	100,990	45%	84,055	(120)	100.1%
Capital outlay	3,500	-	3,500	0%	9,143	9,143	0.0%
<b>Total</b>	<b>510,370</b>	<b>167,265</b>	<b>343,105</b>	<b>33%</b>	<b>173,490</b>	<b>6,226</b>	<b>96.4%</b>
<b>Other financing uses - transfers</b>							
To Communications Fund (Fiber Project)	260,864	-	260,864	0%	-	260,864	0.0%
To Building Fund	300,000	300,000	-	100%	200,000	(200,000)	150.0%
To Trail Improvement Fund	100,000	100,000	-	100%	-	-	0.0%
<b>Total</b>	<b>660,864</b>	<b>400,000</b>	<b>260,864</b>	<b>61%</b>	<b>200,000</b>	<b>60,864</b>	<b>200.0%</b>

**CITY OF LAKEVILLE, MINNESOTA**  
Special Revenue - Communications Fund  
Statement of Revenues, Expenditures and Changes in Fund Balances  
For the Three Month Period Ended March 31, 2018

	2018		Percent of Budget	Comparative			
	Adopted Budget	3/31/18 Actual		Variance	3/31/17 Actual	Variance from 2017 Actual Positive (Negative)	
<u>Revenues</u>							
Licenses franchise fee	\$ 688,473	\$ 169,000	\$ (519,473)	24.5%	\$ 168,294	\$ 706	100.4%
PEG Fees	60,858	14,917	(45,941)	24.5%	15,437	(520)	96.6%
Intergovernmental State aid	516	-	(516)	0.0%	-	-	0.0%
Investment income	3,155	2,264	(891)	71.8%	796	1,468	284.5%
Total revenues	<u>753,002</u>	<u>186,181</u>	<u>(566,821)</u>	<u>24.7%</u>	<u>184,527</u>	<u>1,654</u>	<u>100.9%</u>
<u>Expenditures - General government</u>							
Personnel services	446,728	106,222	340,506	23.8%	76,879	(29,343)	138.2%
Commodities	9,279	3,634	5,645	39.2%	5,496	1,862	66.1%
Other charges and services	488,930	31,766	457,164	6.5%	31,968	202	99.4%
Capital outlay	51,350	6,557	44,793	12.8%	17,733	11,176	37.0%
Total expenditures	<u>996,287</u>	<u>148,179</u>	<u>848,108</u>	<u>14.9%</u>	<u>132,076</u>	<u>(16,103)</u>	<u>112.2%</u>
Excess (deficiency) of revenues over expenditures	<u>(243,285)</u>	<u>38,002</u>	<u>281,287</u>	<u>-15.6%</u>	<u>52,451</u>	<u>(14,449)</u>	<u>72.5%</u>
<u>Other financing (uses) - Transfers</u>							
From Liquor Fund (Comm/Mkt Position)	87,525	21,881	(65,644)	25.0%	-	21,881	0.0%
From General Fund (fiber project)	260,864	-	(260,864)	0.0%	-	-	0.0%
From Utility Fund (fiber project)	68,460	-	(68,460)	0.0%	-	-	0.0%
From Liquor Fund (fiber project)	13,136	-	(13,136)	0.0%	-	-	0.0%
To General Fund (expense allocations)	(78,663)	(19,666)	58,997	25.0%	(18,857)	(809)	104.3%
To Improvement Construction Fund	(175,000)	-	175,000	0.0%	-	-	0.0%
Total other financing (uses)	<u>176,322</u>	<u>2,216</u>	<u>(174,107)</u>	<u>1.3%</u>	<u>(18,857)</u>	<u>21,073</u>	<u>-11.7%</u>
Net change in fund balance	(66,963)	40,218	107,181		33,594	6,624	
Beginning fund balance	<u>331,226</u>	<u>603,825</u>	<u>272,599</u>		<u>318,696</u>	<u>285,129</u>	
Ending fund balance	<u>\$ 264,263</u>	<u>\$ 644,043</u>	<u>\$ 379,780</u>		<u>\$ 352,290</u>	<u>\$ 291,753</u>	

**CITY OF LAKEVILLE, MINNESOTA**  
Enterprise - Liquor Fund  
Statement of Revenues, Expenditures and Changes in Working Capital  
For the Three Month Period Ended March 31, 2018

	2018			Percent of Budget	Comparative		
	Adopted Budget	3/31/18 Actual	Variance		3/31/17 Actual	Variance from 2017 Actual Positive (Negative)	
<u>Sales and cost of sales</u>							
Sales	\$ 15,003,435	\$ 3,242,250	\$ (11,761,185)	21.6%	\$ 2,876,860	\$ 365,390	112.7%
Cost of sales	<u>11,307,073</u>	<u>2,439,125</u>	<u>8,867,948</u>	<u>21.6%</u>	<u>2,172,191</u>	<u>(266,934)</u>	<u>112.3%</u>
Gross profit	<u>3,696,362</u>	<u>803,125</u>	<u>(2,893,237)</u>	<u>21.7%</u>	<u>704,669</u>	<u>98,456</u>	<u>114.0%</u>
Gross profit %	24.6%	24.8%			24.5%		
<u>Operating expenses</u>							
Personnel services	1,575,765	388,101	1,187,665	24.6%	373,880	(14,221)	103.8%
Commodities	77,818	11,358	66,460	14.6%	12,224	866	92.9%
Other charges and services	<u>1,037,408</u>	<u>170,007</u>	<u>867,402</u>	<u>16.4%</u>	<u>167,481</u>	<u>(2,526)</u>	<u>101.5%</u>
Total operating expenses	<u>2,690,991</u>	<u>569,465</u>	<u>2,121,526</u>	<u>21.2%</u>	<u>553,585</u>	<u>(15,880)</u>	<u>102.9%</u>
Operating income	<u>1,005,371</u>	<u>233,660</u>	<u>(771,711)</u>	<u>23.2%</u>	<u>151,084</u>	<u>82,576</u>	<u>154.7%</u>
<u>Non-operating revenue (expense)</u>							
Investment income	19,110	2,845	(16,265)	14.9%	417	2,428	682.3%
Miscellaneous	7,500	-	(7,500)	0.0%	-	-	0.0%
Capital outlay acquisitions	(7,300)	-	7,300	0.0%	-	-	0.0%
Sale of assets	2,625,000	-	(2,625,000)	0.0%	-	-	0.0%
Interest and bond expense	-	-	-	0.0%	(31,490)	31,490	0.0%
Transfers in (out)							
General Fund	(194,866)	(48,717)	146,150	25.0%	(49,705)	989	98.0%
Communications (Mktg Spec)	(87,525)	(21,881)	65,644	25.0%	-	(21,881)	0.0%
Communications (Fiber)	(13,136)	-	13,136	0.0%	-	-	0.0%
Debt Service:							
CIP Bonds-Police Station	(300,000)	(300,000)	-	100.0%	(346,360)	46,360	86.6%
Capital Projects:							
Equipment Fund	(250,000)	(250,000)	-	100.0%	-	(250,000)	0.0%
Enterprise Fund:							
Environmental Resources - Recycling	(3,050)	-	3,050	0.0%	-	-	0.0%
Total non-operating (net)	<u>1,795,733</u>	<u>(617,753)</u>	<u>(2,413,486)</u>	<u>-34.4%</u>	<u>(427,138)</u>	<u>(190,615)</u>	<u>144.6%</u>
Change in working capital	2,801,104	(384,093)	(3,185,197)		(276,054)	(108,039)	
Beginning working capital	<u>1,348,541</u>	<u>1,571,666</u>	<u>223,125</u>		<u>1,289,347</u>	<u>282,319</u>	
Ending working capital	<u>\$ 4,149,645</u>	<u>\$ 1,187,573</u>	<u>\$ (2,962,072)</u>		<u>\$ 1,013,293</u>	<u>\$ 174,280</u>	

**CITY OF LAKEVILLE, MINNESOTA**  
 Enterprise - Utility Fund Water Operation  
 Statement of Revenues, Expenditures and Changes in Working Capital  
 For the Three Month Period Ended March 31, 2018

	2018		Variance	Percent of Budget	Comparative		
	Adopted Budget	3/31/18 Actual			3/31/17 Actual	Variance from 2017 Actual Positive (Negative)	
<u>Operating revenues</u>							
User charges for services	\$ 4,536,178	\$ 703,288	\$ (3,832,890)	15.5%	\$ 630,685	\$ 72,603	111.5%
Other	153,137	34,721	(118,416)	22.7%	25,923	8,798	133.9%
Total operating revenue	<u>4,689,315</u>	<u>738,009</u>	<u>(3,951,306)</u>	<u>15.7%</u>	<u>656,608</u>	<u>81,401</u>	<u>-601.8%</u>
<u>Operating expenses</u>							
Personnel services	1,197,884	270,926	926,958	22.6%	280,721	9,795	96.5%
Commodities	326,275	63,476	262,799	19.5%	56,217	(7,259)	112.9%
Other charges and services	1,233,995	158,058	1,075,937	12.8%	191,348	33,290	82.6%
Major Maintenance	1,901,515	41,712	1,859,803	2.2%	-	(41,712)	0.0%
Total operating expenses	<u>4,659,669</u>	<u>534,173</u>	<u>4,125,496</u>	<u>11.5%</u>	<u>528,286</u>	<u>(5,887)</u>	<u>101.1%</u>
Operating income (loss)	<u>29,646</u>	<u>203,836</u>	<u>174,190</u>		<u>128,322</u>	<u>75,514</u>	<u>158.8%</u>
<u>Non-operating revenue (expense)</u>							
Intergovernmental	1,632	-	(1,632)	0.0%	-	-	0.0%
Investment income	31,486	12,500	(18,986)	39.7%	7,973	4,527	156.8%
Disposal of assets	4,500	-	(4,500)	0.0%	-	-	0.0%
Capital outlay	(139,078)	(3,956)	135,122	2.8%	(2,472)	(1,484)	160.0%
Bond proceeds	1,066,190	-	(1,066,190)	0.0%	-	-	0.0%
Debt Service	(1,109,305)	(865,828)	243,477	78.1%	(18,645)	(847,183)	4643.8%
Transfers (out)	(425,605)	(125,991)	299,614	29.6%	(34,811)	(91,180)	361.9%
Total non-operating (net)	<u>(570,180)</u>	<u>(983,275)</u>	<u>(413,095)</u>	<u>172.4%</u>	<u>(47,955)</u>	<u>(935,320)</u>	<u>2050.4%</u>
Change in working capital	(540,534)	(779,439)	(238,905)		80,367	(859,806)	-969.8%
Beginning working capital	<u>7,364,204</u>	<u>7,789,196</u>	<u>424,992</u>		<u>7,064,724</u>	<u>724,472</u>	<u>110.3%</u>
Ending working capital	<u>\$ 6,823,670</u>	<u>\$ 7,009,757</u>	<u>\$ 186,087</u>		<u>\$ 7,145,091</u>	<u>(135,334)</u>	<u>98.1%</u>

**CITY OF LAKEVILLE, MINNESOTA**  
 Enterprise - Utility Fund Sanitary Sewer Operation  
 Statement of Revenues, Expenditures and Changes in Working Capital  
 For the Three Month Period Ended March 31, 2018

	2018		Variance	Percent of Budget	Comparative		
	Adopted Budget	3/31/18 Actual			3/31/17 Actual	Variance from 2017 Actual Positive (Negative)	
<b>Operating revenue</b>							
User charges for services	\$ 6,046,862	\$ 1,573,484	\$ (4,473,378)	26.0%	\$ 1,416,592	\$ 156,892	111.1%
<b>Operating expenses</b>							
Personnel services	782,828	158,529	624,299	20.3%	177,535	19,006	89.3%
Commodities	86,715	12,817	73,898	14.8%	19,312	6,495	66.4%
Other charges and services	349,770	47,863	301,907	13.7%	91,583	43,720	52.3%
Disposal charges	4,018,012	1,004,503	3,013,509	25.0%	877,395	(127,108)	114.5%
Major maintenance projects	670,000	-	670,000	0.0%	-	-	0.0%
Total operating expenses	5,907,325	1,223,713	4,683,612	20.7%	1,165,825	(57,888)	105.0%
Operating income (loss)	139,537	349,771	210,234		250,767	99,004	139.5%
<b>Non-operating revenue (expense)</b>							
Intergovernmental State aid	1,632	-	(1,632)	0.0%	-	-	0.0%
Grants	25,000	-	(25,000)	0.0%	-	-	0.0%
Investment income	15,015	6,250	(8,765)	41.6%	6,000	250	104.2%
Disposal of assets	5,250	-	(5,250)	0.0%	-	-	0.0%
Capital outlay	(52,072)	(3,956)	48,116	7.6%	(2,472)	(1,484)	160.0%
Bond proceeds	-	-	-	0.0%	-	-	0.0%
Debt service	(74,325)	(65,350)	8,975	87.9%	(1,821)	(63,529)	3588.7%
Transfers in	23,822	23,822	-	100.0%	23,873	(51)	99.8%
Transfers (out)	(200,012)	(57,614)	142,398	28.8%	(35,907)	(21,707)	160.5%
Total non-operating (net)	(255,690)	(96,848)	158,842	37.9%	(10,327)	(86,521)	937.8%
Change in working capital	(116,153)	252,923	369,076		240,440	12,483	105.2%
Beginning working capital	1,853,064	2,677,180	824,116		2,351,239	325,941	113.9%
Ending working capital	\$ 1,736,911	\$ 2,930,103	\$ 1,193,192		\$ 2,591,679	\$ 338,424	113.1%

**CITY OF LAKEVILLE, MINNESOTA**  
 Enterprise - Utility Fund Street Light Operation  
 Statement of Revenues, Expenditures and Changes in Working Capital  
 For the Three Month Period Ended March 31, 2018

	<b>2018 Adopted Budget</b>	<b>3/31/18 Actual</b>	<b>Variance</b>	<b>Percent of Budget</b>	<b>Comparative</b>		
					<b>3/31/17 Actual</b>	<b>Variance from 2017 Actual Positive (Negative)</b>	
<b><u>Operating revenue</u></b>							
User charges for services	\$ 850,000	\$ 219,196	\$ (630,804)	25.8%	\$ 207,299	\$ 11,897	105.7%
<b><u>Operating expenses</u></b>							
Personnel services	19,038	2,282	16,756	12.0%	2,801	519	81.5%
Commodities	33	171	(138)	518.2%	12	(159)	1425.1%
Other charges and services	740,903	184,120	556,783	24.9%	178,759	(5,361)	103.0%
Total operating expenses	759,974	186,572	573,402	24.5%	181,572	(5,000)	102.8%
Operating income (loss)	90,026	32,624	(57,402)		25,727	6,897	126.8%
<b><u>Non-operating revenue (expense)</u></b>							
Investment income	2,576	844	(1,732)	32.8%	750	94	112.5%
Debt service	(15,075)	(3,230)	11,845	21.4%	-	(3,230)	0.0%
Transfers in (out) - General Fund	(4,407)	(1,102)	3,305	25.0%	(1,096)	(6)	100.5%
Total non-operating (net)	(16,906)	(3,488)	13,418	20.6%	(346)	(3,142)	1008.2%
Change in working capital	73,120	29,135	(43,985)		25,381	3,754	114.8%
Beginning working capital	415,244	426,676	11,432		318,786	107,890	133.8%
Ending working capital	\$ 488,364	\$ 455,811	\$ (32,553)		\$ 344,167	\$ 111,644	132.4%

**CITY OF LAKEVILLE, MINNESOTA**  
 Enterprise - Utility Fund Environmental Resources Operation  
 Statement of Revenues, Expenditures and Changes in Working Capital  
 For the Three Month Period Ended March 31, 2018

	2018 Adopted Budget	3/31/18 Actual	Variance	Percent of Budget	Comparative		
					3/31/17 Actual	Variance from 2017 Actual Positive (Negative)	
<u>Revenues</u>							
User charges for services	\$ 1,137,435	\$ 286,076	\$ (851,359)	25.2%	\$ 247,587	\$ 38,489	115.5%
Charges for services - Recycling	4,592	-	(4,592)	0.0%	-	-	0.0%
Total revenues	<u>1,142,027</u>	<u>286,076</u>	<u>(855,951)</u>	<u>25.0%</u>	<u>247,587</u>	<u>38,489</u>	<u>-345.7%</u>
<u>Expenditures - Public works</u>							
Personnel services	425,286	99,246	326,040	23.3%	75,860	(23,386)	130.8%
Commodities	33,367	16,075	17,292	48.2%	16,381	306	98.1%
Other charges and services	<u>894,578</u>	<u>24,860</u>	<u>869,718</u>	<u>2.8%</u>	<u>29,219</u>	<u>4,359</u>	<u>85.1%</u>
Total expenditures	<u>1,353,231</u>	<u>140,181</u>	<u>1,213,050</u>	<u>10.4%</u>	<u>121,460</u>	<u>(18,721)</u>	<u>115.4%</u>
Operating income (loss)	<u>(211,204)</u>	<u>145,895</u>	<u>357,099</u>		<u>126,127</u>	<u>19,768</u>	<u>115.7%</u>
<u>Non-operating revenue (expense)</u>							
Intergovernmental	208,000	-	(208,000)	0.0%	-	-	0.0%
Investment income	7,151	2,500	(4,651)	35.0%	2,500	-	100.0%
Capital outlay	(58,117)	-	58,117	0.0%	-	-	0.0%
Transfers in (out)							
General Fund	(153,255)	(36,056)	117,199	23.5%	(42,024)	5,968	85.8%
Equipment Fund	(31,000)	(31,000)	-	100.0%	(31,000)	-	100.0%
Storm Sewer Trunk Fund	47,000	10,000	(37,000)	21.3%	(110,000)	120,000	-9.1%
Liquor Fund	3,050	-	(3,050)	0.0%	-	-	0.0%
Sanitary sewer operations	<u>(23,822)</u>	<u>23,822</u>	<u>47,644</u>	<u>-100.0%</u>	<u>(23,873)</u>	<u>47,695</u>	<u>-99.8%</u>
Total other financing (uses)	<u>(993)</u>	<u>(30,734)</u>	<u>(29,741)</u>	<u>3095.1%</u>	<u>(204,397)</u>	<u>173,663</u>	<u>15.0%</u>
Change in working capital	(212,197)	115,161	327,358		(78,270)	193,431	-147.1%
Beginning working capital	<u>839,883</u>	<u>949,516</u>	<u>109,633</u>		<u>1,075,032</u>	<u>(125,516)</u>	<u>88.3%</u>
Ending working capital	<u>\$ 627,686</u>	<u>\$ 1,064,677</u>	<u>\$ 436,991</u>		<u>\$ 996,762</u>	<u>\$ 67,915</u>	<u>106.8%</u>