

**City of Big Lake  
Summary Financial Report**

The purpose of this report is to provide a summary of financial information concerning the City of Big Lake to interested citizens. The complete financial statements may be examined at City Hall, 160 Lake Street North. Questions about this report should be directed to Deb Wegeleben, Finance Director at (763) 251-2974

**Statement of Revenues, Expenditures, and Changes in Fund Balance  
For General Operations  
(Governmental Funds)  
For the Year Ended December 31, 2018**

|  | Total<br>2018        | Total<br>2017       | Percent<br>Increase<br>(Decrease) |
|--|----------------------|---------------------|-----------------------------------|
| <b>REVENUES:</b>                                   |                      |                     |                                   |
| Property Taxes                                     | \$ 4,158,096         | \$ 4,026,987        | 3.26%                             |
| Tax Increments                                     | 188,976              | 142,631             | 100.00%                           |
| Franchise Fees                                     | 497,577              | 434,945             | 14.40%                            |
| Special Assessments                                | 640,316              | 536,451             | 19.36%                            |
| Licenses and Permits                               | 538,945              | 620,877             | -13.20%                           |
| Intergovernmental                                  | 1,686,894            | 1,778,825           | -5.17%                            |
| Charges for Services                               | 295,638              | 385,684             | -23.35%                           |
| Fines and Forfeitures                              | 72,672               | 61,601              | 17.97%                            |
| Miscellaneous:                                     |                      |                     |                                   |
| Investment Income and other interest income        | 77,963               | 77,174              | 1.02%                             |
| Contributions, Donations and Other                 | 118,007              | 123,289             | -4.28%                            |
| <b>Total Revenues</b>                              | <b>\$ 8,275,084</b>  | <b>\$ 8,188,464</b> | <b>1.06%</b>                      |
| Per Capita   | 758                  | 750                 | 1.06%                             |
| <b>EXPENDITURES:</b>                               |                      |                     |                                   |
| <b>Current:</b>                                    |                      |                     |                                   |
| General Government                                 | \$ 836,229           | \$ 819,949          | 1.99%                             |
| Public Safety                                      | 2,262,176            | 2,152,186           | 5.11%                             |
| Streets and Highways                               | 624,780              | 512,742             | 21.85%                            |
| Culture and Recreation                             | 633,299              | 610,022             | 3.82%                             |
| Economic Development                               | 294,542              | 791,484             | -62.79%                           |
| <b>Debt Service:</b>                               |                      |                     |                                   |
| Principal  | 1,983,568            | 2,044,215           | -2.97%                            |
| Interest and Other Charges                         | 526,137              | 529,834             | -0.70%                            |
| Capital Outlay:                                    | 3,028,733            | 1,824,342           | 66.02%                            |
| <b>Total Expenditures</b>                          | <b>\$ 10,189,464</b> | <b>\$ 9,284,774</b> | <b>9.74%</b>                      |
| Per Capita   | 933                  | 850                 | 9.74%                             |
| Total Long-term Indebtedness                       | \$ 17,561,103        | \$ 17,194,671       | 2.13%                             |
| Per Capita   | 1,608                | 1,575               | 2.13%                             |
| General Fund Unassigned Fund Balance - December 31 | \$ 2,965,325         | \$ 2,990,373        | -0.84%                            |
| Per Capita   | 272                  | 274                 | -0.84%                            |

**City of Big Lake**  
**Statement of Net Position - Proprietary Funds**  
**December 31, 2018**

|  | Water<br>(301,399)   | Sewer<br>(401,499)   | Liquor<br>(501,599) | Storm Sewer<br>(601,699) | Total                |
|--|----------------------|----------------------|---------------------|--------------------------|----------------------|
| <b>ASSETS:</b>   |                      |                      |                     |                          |                      |
| <b>Current Assets:</b>   |                      |                      |                     |                          |                      |
| Cash and Investments<br>(Including Cash Equivalents)                     | \$ 661,859           | \$ 3,318,424         | \$ 1,174,884        | \$ 290,152               | \$ 5,445,319         |
| Accounts Receivable  | 138,960              | 216,885              | 1,471               | 24,459                   | 381,775              |
| Due from Other Governments   | 5,490                | 3,614                | -                   | 767                      | 9,871                |
| Special Assessment Receivable:   |                      |                      |                     |                          |                      |
| Delinquent   | 13,403               | 5,880                | -                   | 912                      | 20,195               |
| Deferred   | 74,010               | 85,380               | -                   | 1,306                    | 160,696              |
| Inventories  | -                    | -                    | 382,584             | -                        | 382,584              |
| Prepaid Expenses   | 20,030               | 16,274               | 8,770               | 4,000                    | 49,074               |
| <b>Total Current Assets</b>  | <u>913,752</u>       | <u>3,646,457</u>     | <u>1,567,709</u>    | <u>321,596</u>           | <u>6,449,514</u>     |
| <b>Noncurrent Assets:</b>  |                      |                      |                     |                          |                      |
| Restricted Cash and Cash Equivalents                                     | -                    | 125,222              | -                   | -                        | 125,222              |
| Advances to Other Fund -After One Year                                   | -                    | 1,320,110            | -                   | -                        | 1,320,110            |
| <b>Capital Assets:</b>   |                      |                      |                     |                          |                      |
| Land   | 277,006              | 1,257,023            | -                   | 291                      | 1,534,320            |
| Buildings  | 9,651,417            | 15,996,156           | 1,915,613           | 84,905                   | 27,648,091           |
| Collection and Distribution Systems                                      | 16,750,392           | 22,811,429           | -                   | 6,718,991                | 46,280,812           |
| Machinery and Equipment  | 317,158              | 528,850              | 218,745             | 301,727                  | 1,366,480            |
| Leasehold Improvements   | 166,068              | -                    | 57,765              | -                        | 223,833              |
| Construction in Progress   | -                    | 28,097               | -                   | -                        | 28,097               |
| <b>Total Capital Assets</b>  | <u>27,162,041</u>    | <u>40,621,555</u>    | <u>2,192,123</u>    | <u>7,105,914</u>         | <u>77,081,633</u>    |
| Less Accumulated Depreciation  | (10,818,656)         | (14,399,180)         | (958,706)           | (3,811,216)              | (29,987,758)         |
| <b>Net Capital Assets</b>  | <u>16,343,385</u>    | <u>26,222,375</u>    | <u>1,233,417</u>    | <u>3,294,698</u>         | <u>47,093,875</u>    |
| <b>Total Noncurrent Assets</b>   | <u>16,343,385</u>    | <u>27,667,707</u>    | <u>1,233,417</u>    | <u>3,294,698</u>         | <u>48,539,207</u>    |
| <b>Total Assets</b>  | <u>17,257,137</u>    | <u>31,314,164</u>    | <u>2,801,126</u>    | <u>3,616,294</u>         | <u>54,988,721</u>    |
| <b>Deferred Outflows of Resources</b>                                    |                      |                      |                     |                          |                      |
| Deferred outflows of resources related to city pensions                  | 78,710               | 78,710               | 65,194              | 19,943                   | 242,557              |
| <b>Total Assets and Deferred Outflows of Resources</b>                   | <u>\$ 17,335,847</u> | <u>\$ 31,392,874</u> | <u>\$ 2,866,320</u> | <u>\$ 3,636,237</u>      | <u>\$ 55,231,278</u> |
| <b>LIABILITIES AND NET ASSETS:</b>                                       |                      |                      |                     |                          |                      |
| <b>Current Liabilities:</b>  |                      |                      |                     |                          |                      |
| Accounts Payable   | \$ 52,800            | \$ 174,466           | \$ 75,162           | \$ 905                   | \$ 303,333           |
| Salaries and Benefits Payable  | 10,939               | 10,939               | 8,554               | 2,690                    | 33,122               |
| Interest Payable   | 52,514               | 140,438              | 5,325               | -                        | 198,277              |
| Unearned Revenue   | -                    | 13,065               | -                   | -                        | 13,065               |
| Due to Other Governments   | 629                  | -                    | 38,448              | -                        | 39,077               |
| Current Compensated Absences   | 45,582               | 45,582               | 29,527              | 12,596                   | 133,287              |
| Amount Due Within One Year   | 677,788              | 1,315,212            | 72,670              | -                        | 2,065,670            |
| <b>Total Current Liabilities</b>   | <u>840,252</u>       | <u>1,699,702</u>     | <u>229,686</u>      | <u>16,191</u>            | <u>2,785,831</u>     |
| <b>Noncurrent Liabilities:</b>   |                      |                      |                     |                          |                      |
| Advances from Other Funds  | 353,920              | -                    | -                   | -                        | 353,920              |
| Revenue Bonds, Net of Unamortized Discount                               | 1,863,913            | 4,534,281            | 580,132             | -                        | 6,978,326            |
| PFA G.O. Revenue Note  | 3,190,000            | 9,376,000            | -                   | -                        | 12,566,000           |
| Net Pension Liability  | 314,216              | 314,215              | 260,261             | 79,615                   | 968,307              |
| Less Amount Due Within One Year  | (677,788)            | (1,315,212)          | (72,670)            | -                        | (2,065,670)          |
| <b>Total Noncurrent Liabilities</b>                                      | <u>5,044,261</u>     | <u>12,909,284</u>    | <u>767,723</u>      | <u>79,615</u>            | <u>18,800,883</u>    |
| <b>Total Liabilities</b>   | <u>5,884,513</u>     | <u>14,608,986</u>    | <u>997,409</u>      | <u>95,806</u>            | <u>21,586,714</u>    |
| <b>Deferred inflows of resources</b>                                     |                      |                      |                     |                          |                      |
| Deferred inflows of resources related to city pensions                   | 75,813               | 75,813               | 62,795              | 19,209                   | 233,630              |
| <b>Net Position</b>  |                      |                      |                     |                          |                      |
| Net investment in capital assets   | 11,289,472           | 12,312,094           | 653,285             | 3,294,698                | 27,549,549           |
| Unrestricted   | 86,049               | 4,395,981            | 1,152,831           | 226,524                  | 5,861,385            |
| <b>Total Net Position</b>  | <u>11,375,521</u>    | <u>16,708,075</u>    | <u>1,806,116</u>    | <u>3,521,222</u>         | <u>33,410,934</u>    |
| <b>Total liabilities, deferred inflows of resources and net position</b> | <u>\$ 17,335,847</u> | <u>\$ 31,392,874</u> | <u>\$ 2,866,320</u> | <u>\$ 3,636,237</u>      | <u>\$ 55,231,278</u> |

**City of Big Lake**  
**Statement of Revenues, Expenses and Changes**  
**in Net Position - Proprietary Funds**  
**Year Ended December 31, 2018**

|  | Water (301,399)      | Sewer<br>(401,499)   | Liquor<br>(501,599) | Storm Sewer<br>(601,699) | Total                |
|--|----------------------|----------------------|---------------------|--------------------------|----------------------|
| <b>SALES AND COST OF SALES:</b>                          |                      |                      |                     |                          |                      |
| Sales  | \$ -                 | \$ -                 | \$ 4,239,809        | \$ -                     | \$ 4,239,809         |
| Cost of Sales  | -                    | -                    | 3,061,062           | -                        | 3,061,062            |
| Gross Profit   | <u>-</u>             | <u>-</u>             | <u>1,178,747</u>    | <u>-</u>                 | <u>1,178,747</u>     |
| <b>OPERATING REVENUES:</b>                               |                      |                      |                     |                          |                      |
| Charges for Services                                     | 1,815,313            | 2,201,964            | -                   | 252,566                  | 4,269,843            |
| <b>OPERATING EXPENSES:</b>                               |                      |                      |                     |                          |                      |
| Wages and Salaries                                       | 398,157              | 398,156              | 334,091             | 100,254                  | 1,230,658            |
| Employee Benefits  | 142,688              | 144,122              | 114,145             | 36,378                   | 437,333              |
| Materials and Supplies                                   | 50,190               | 68,342               | 5,998               | 584                      | 125,114              |
| Repairs and Maintenance                                  | 19,738               | 44,852               | 16,767              | 10,603                   | 91,960               |
| Professional Services                                    | 81,852               | 44,887               | 86,266              | 7,413                    | 220,418              |
| Insurance  | 26,014               | 21,920               | 12,903              | 2,491                    | 63,328               |
| Utilities and Refuse                                     | 124,987              | 209,088              | 27,319              | 1,503                    | 362,897              |
| Depreciation   | 865,728              | 1,284,262            | 66,905              | 222,632                  | 2,439,527            |
| Travel   | 9,498                | 11,221               | 338                 | 1,915                    | 22,972               |
| Bad Debt Expense   | 1,411                | 1,648                | 821                 | 173                      | 4,053                |
| Equipment  | 126                  | 3,948                | 3,282               | -                        | 7,356                |
| Advertising  | 1,379                | 707                  | 11,296              | 671                      | 14,053               |
| Dues, Memberships and Training                           | 9,119                | 6,986                | 4,928               | 979                      | 22,012               |
| Telephone  | 4,155                | 9,584                | 6,024               | 602                      | 20,365               |
| Postage  | 11,100               | 5,830                | 253                 | 1,200                    | 18,383               |
| Water Meters   | 23,442               | -                    | -                   | -                        | 23,442               |
| Uniforms   | 1,607                | 2,108                | 397                 | 328                      | 4,440                |
| Miscellaneous  | -                    | -                    | 1,023               | -                        | 1,023                |
| Total Operating Expenses                                 | <u>1,771,191</u>     | <u>2,257,661</u>     | <u>692,756</u>      | <u>387,726</u>           | <u>5,109,334</u>     |
| Operating Income (Loss)                                  | <u>44,122</u>        | <u>(55,697)</u>      | <u>485,991</u>      | <u>(135,160)</u>         | <u>339,256</u>       |
| <b>NONOPERATING REVENUES (EXPENSES):</b>                 |                      |                      |                     |                          |                      |
| Investment Income (Loss)                                 | 8,139                | 111,576              | 15,065              | 4,610                    | 139,390              |
| Refunds and Reimbursements                               | 3,061                | 3,394                | 8,923               | 73                       | 15,451               |
| Trunk and Access Charges                                 | 188,250              | 291,000              | -                   | 15,000                   | 494,250              |
| Interest Expense   | (147,672)            | (349,752)            | (13,281)            | -                        | (510,705)            |
| Amortization Expense                                     | 4,826                | 16,410               | 2,260               | -                        | 23,496               |
| Rent   | -                    | 23,382               | -                   | -                        | 23,382               |
| Other Income   | 2,037                | -                    | 599                 | -                        | 2,636                |
| Total Nonoperating Revenues (Expenses)                   | <u>58,641</u>        | <u>96,010</u>        | <u>13,566</u>       | <u>19,683</u>            | <u>187,900</u>       |
| Income (Loss) before Capital Contributions and Transfers | 102,763              | 40,313               | 499,557             | (115,477)                | 527,156              |
| Transfers Out  | <u>(42,067)</u>      | <u>(31,355)</u>      | <u>(400,000)</u>    | <u>(39,641)</u>          | <u>(513,063)</u>     |
| Change in Net Position                                   | 60,696               | 8,958                | 99,557              | (155,118)                | 14,093               |
| Net Position   |                      |                      |                     |                          |                      |
| Beginning of Year  | <u>11,314,825</u>    | <u>16,699,117</u>    | <u>1,706,559</u>    | <u>3,676,340</u>         | <u>33,396,841</u>    |
| End of Year  | <u>\$ 11,375,521</u> | <u>\$ 16,708,075</u> | <u>\$ 1,806,116</u> | <u>\$ 3,521,222</u>      | <u>\$ 33,410,934</u> |

**City of Big Lake**  
**State of Cash Flow - Proprietary Funds**  
**Year Ended December 31, 2018**

|  | Water<br>(301,399) | Sewer<br>(401,499)  | Liquor<br>(501,599) | Storm Sewer<br>(601,699) | Total               |
|--|--------------------|---------------------|---------------------|--------------------------|---------------------|
| <b>CASH FLOWS - OPERATING ACTIVITIES:</b>  |                    |                     |                     |                          |                     |
| Receipts from Customers and Users  | \$ 1,826,920       | \$ 2,242,950        | \$ 4,239,319        | \$ 255,087               | \$ 8,564,276        |
| Payments to Suppliers  | (349,282)          | (421,471)           | (3,091,676)         | (31,748)                 | (3,894,177)         |
| Payments to Employees  | (527,006)          | (528,441)           | (415,707)           | (133,568)                | (1,604,722)         |
| Net Cash Flows - Operating Activities  | <u>950,632</u>     | <u>1,293,038</u>    | <u>731,936</u>      | <u>89,771</u>            | <u>3,065,377</u>    |
| <b>CASH FLOWS - NONCAPITAL FINANCING ACTIVITIES:</b>                                       |                    |                     |                     |                          |                     |
| Receipt (Payment) of Advances from/to Other Funds  | (100,000)          | 223,709             | -                   | -                        | 123,709             |
| Refunds and Reimbursements   | 3,061              | 3,394               | 8,923               | 73                       | 15,451              |
| Rent   | -                  | 23,382              | -                   | -                        | 23,382              |
| Transfer to Other Funds  | (42,067)           | (31,355)            | (400,000)           | (39,641)                 | (513,063)           |
| Net Cash Flows - Noncapital Financing Activities   | <u>(139,006)</u>   | <u>219,130</u>      | <u>(391,077)</u>    | <u>(39,568)</u>          | <u>(350,521)</u>    |
| <b>CASH FLOWS - CAPITAL AND RELATED FINANCING ACTIVITIES:</b>                              |                    |                     |                     |                          |                     |
| Trunk and Access Charges   | 188,250            | 291,000             | -                   | 15,000                   | 494,250             |
| Principal Paid on Debt   | (670,204)          | (1,283,796)         | (76,304)            | -                        | (2,030,304)         |
| Interest Paid on Debt  | (154,668)          | (362,718)           | (13,917)            | -                        | (531,303)           |
| Acquisition of Capital Assets  | -                  | (28,097)            | (19,350)            | (370)                    | (47,817)            |
| Net Cash Flows - Capital and Related Financing Activities                                  | <u>(636,622)</u>   | <u>(1,383,611)</u>  | <u>(109,571)</u>    | <u>14,630</u>            | <u>(2,115,174)</u>  |
| <b>CASH FLOWS - INVESTING ACTIVITIES:</b>  |                    |                     |                     |                          |                     |
| Interest and Dividends Received  | 8,139              | 111,576             | 15,067              | 4,611                    | 139,393             |
| Net Change in Cash and Cash Equivalents  | 183,143            | 240,133             | 246,355             | 69,444                   | 739,075             |
| <b>CASH AND CASH EQUIVALENTS:</b>  |                    |                     |                     |                          |                     |
| As of January 1  | <u>478,716</u>     | <u>3,203,513</u>    | <u>928,529</u>      | <u>220,708</u>           | <u>4,831,466</u>    |
| As of December 31  | <u>\$ 661,859</u>  | <u>\$ 3,443,646</u> | <u>\$ 1,174,884</u> | <u>\$ 290,152</u>        | <u>\$ 5,570,541</u> |
| <b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS - OPERATING ACTIVITIES:</b> |                    |                     |                     |                          |                     |
| Operating Income (Loss)  | \$ 44,122          | \$ (55,697)         | \$ 485,991          | \$ (135,160)             | \$ 339,256          |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows - Operating Activities: |                    |                     |                     |                          |                     |
| Operating Activities:  |                    |                     |                     |                          |                     |
| Other Revenues   | 2,037              | -                   | 599                 | -                        | 2,636               |
| Depreciation Expense   | 865,728            | 1,284,262           | 66,905              | 222,632                  | 2,439,527           |
| Net pension liability Expense  | 5,283              | 5,281               | 20,013              | 1,248                    | 31,825              |
| Accounts Receivable  | 10,552             | 31,264              | (1,089)             | 3,423                    | 44,150              |
| Special Assessments Receivable   | 4,344              | 22,421              | -                   | (174)                    | 26,591              |
| Due from Other Governments   | (5,326)            | (3,409)             | -                   | (728)                    | (9,463)             |
| Prepaid Items  | (296)              | 416                 | (263)               | (2,796)                  | (2,939)             |
| Inventory  | -                  | -                   | 128,982             | -                        | 128,982             |
| Accounts Payable   | 15,624             | 9,234               | 16,345              | (490)                    | 40,713              |
| Due to Other Governmental Units  | 8                  | -                   | 1,937               | -                        | 1,945               |
| Salaries Payable   | 2,700              | 2,700               | 1,318               | 581                      | 7,299               |
| Unearned Revenue   | -                  | (9,290)             | -                   | -                        | (9,290)             |
| Compensated Absences Payable   | 5,856              | 5,856               | 11,198              | 1,235                    | 24,145              |
| Total Adjustments  | <u>906,510</u>     | <u>1,348,735</u>    | <u>245,945</u>      | <u>224,931</u>           | <u>2,726,121</u>    |
| Net Cash Flows - Operating Activities  | <u>\$ 950,632</u>  | <u>\$ 1,293,038</u> | <u>\$ 731,936</u>   | <u>\$ 89,771</u>         | <u>\$ 3,065,377</u> |