



City of East Bethel

October 2019 Financial Statement Analysis

The summary below was derived from observations related to the City of East Bethel's monthly financial statements, which should be read in conjunction with the analysis below. The City of East Bethel utilizes a fund accounting system consisting of a General Fund, Special Revenue Funds, Debt Service Funds, Other Governmental Funds and Enterprise Funds.

Balance Sheet

Assets

Cash and Cash Equivalents: The City of East Bethel ended the month of October with \$5,843,746 in reconciled bank balances. A summary of the City's cash account holdings is chronicled on the attached bank reconciliation sheet. The city also holds \$150 in petty cash and is reconciled on a daily basis.

Taxes Receivable: The City has tax receivables of roughly \$130,979—delinquent taxes derived from balances remaining from 2000 through 2018.

Special Assessments Deferred: The City has future special assessment principal balances from various sources in the amount of \$520,272. These are outstanding principal balances with annual payment schedules, which are then used to assist in the payment of their respective bond issues.

Land/Other Fixed Assets: The City had roughly \$42,024,364 in capitalized infrastructure and other fixed assets (net of depreciation) at the end of fiscal year 2018.

Liabilities

Contract Retainage: Contract retainage is money owed, but held by the City in relation to the 2018 street improvement project. This amount is \$17,074 at months end.

MCES Reserve Capacity Loan: The Reserve Capacity loan balance at year end 2018 was \$703,384. The Reserve Capacity Loan ERU goal for 2019 is 111 of which 66 have been secured—leaving a projected loan balance of \$838,921 at year end 2019.

External Debt: The City of East Bethel has four outstanding bond issues at the end of the month—2013A, 2008A, 2014A, and 2015A totaling \$17,770,000 in principal.

Escrows: The City requires escrow accounts for various purposes to ensure City guidelines are followed and fulfilled. Escrow amounts totaled \$276,951 at the end of October.

Fund Balance

Fund Balance: The City of East Bethel began fiscal year 2019 with a General Fund balance of \$3,112,118 and has since (1/1/19 to 10/31/19) incurred an excess of expenditures over revenues of (\$1,530,248)—leaving the City with a total General Fund balance of \$1,581,870 at the end of October.

Revenue / Expense Statement – General Fund

Revenue

Property Tax and State Grants: The City has received property tax revenue in the amount of \$2,382,560 or 53% of the annual budget through the month of October.

Franchise Taxes: Franchise tax revenue consists of franchise fees administered by Midcontinent Communications. The City has received roughly \$50,246 or 80% of the annual budget through the month of October.

Licenses and Fees: Licenses and Fee revenue consists of mostly fees derived from the selling of liquor and tobacco licenses. The City has received \$37,732 in this revenue source or 94% of the annual budget through the month of October.

Building Inspection: Building inspection revenues are comprised of the various permits associated with building projects—plumbing, building, and mechanical. The City has received roughly \$323,895 in Building inspection revenue or 113% of the annual budget through the month of October.

State Aid: State Aid revenue is mostly comprised of street maintenance aid and fire relief aid. The City has received \$288,223 in this revenue source or 107% of the annual budget through the month of October.

Fines and Forfeits: The City has received roughly \$21,233 or 52% of the annual budget in this classification through October.

Site Lease Revenue: Tower Lease revenue consists of revenue from American Tower and Verizon in relation to leasing land for their cell towers. The City has received \$62,248 or 94% of the annual budget through October.

Interest Earnings: The City has received \$31,147 in interest revenue or 260% of the annual budget through the month of October.

Overall, General Fund Revenues are coming in at roughly \$3,467,645 or 63% of the annual budget through October.

Expenses

General Government: General Government expenditures include salaries / benefits, supplies and purchased services in conjunction with activities performed by the Mayor, four City Council Members and City Administration / Finance team. Expenditures for Legal and Assessing services are also captured in this classification. General Government expenditures total roughly \$874,489 or 81% of the annual budget through October.

Community Development: Community Development expenditures include salaries / benefits, supplies and purchased services in conjunction with activities performed by the departments Director, Building Official, Building Inspector and Administrative support personnel. Community Development expenditures totaled roughly \$428,210 or 73% of the annual budget through October.

Public Safety: The City of East Bethel contracts with Anoka County to provide police services and has an in-house fire department. Public Safety expenditures totaled roughly \$1,764,239 or 97% of the annual budget through October.

Public Works: Public Works expenditures include salaries / benefits associated with the departments full and part time employees. This classification captures expenditures of supplies and purchased services that are used to maintain the city parks and streets. Public Works expenditures totaled roughly \$1,171,919 or 85% of the annual budget through October.

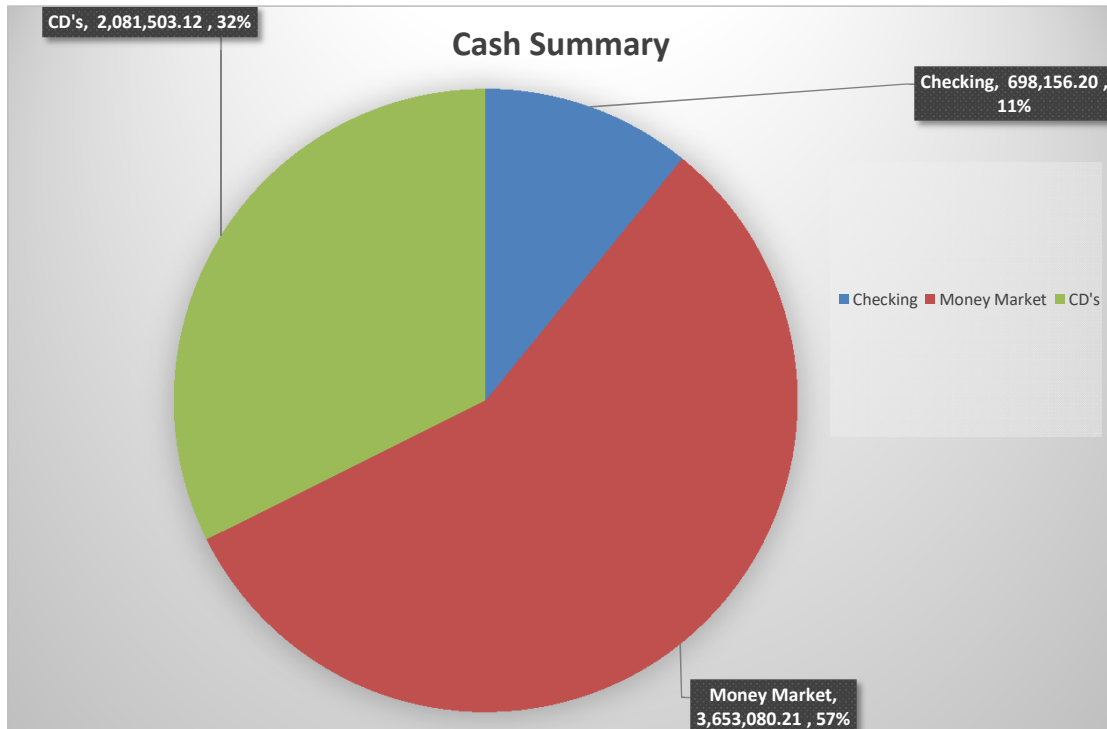
Transfers / Other: All internal transfers to Building Capital, Street Capital, and Parks Capital have been completed and total \$580,000. The City also made a property acquisition of \$152,183.

Overall, General Fund Expenditures totaled roughly \$4,997,893 through October or 91% of the annual budget.

**City of East Bethel
Bank Reconciliation
Fiscal Year 2019
10/31/19**

<i>Institution</i>	<i>Instrument</i>	10/1/2019	<i>Deposits</i>	<i>Expenditures</i>	<i>Transfers</i>	<i>Interest</i>	10/31/2019
First Bank and Trust	Main Checking	91,953.99	165,223.83	759,036.54	1,200,000.00	14.92	698,156.20
		91,953.99	165,223.83	759,036.54	1,200,000.00	14.92	698,156.20
Village Bank	CD - Village Bank	218,135.27					218,135.27
		218,135.27	-	-	-	-	218,135.27
4M Fund	Money Market	4,772,474.96	74,357.92		(1,200,000.00)	6,247.33	3,653,080.21
	CD - Servisfirst Bank	245,300.00					245,300.00
	CD - CFG Community Bank	245,600.00					245,600.00
	CD - Morgan Stanley	224,422.70					224,422.70
	CD - Goldman Sachs	224,645.15					224,645.15
	CD - Workers Credit Union	236,400.00					236,400.00
	CD - Sonabank	237,000.00					237,000.00
	CD - Financial Federal	225,000.00					225,000.00
	CD - First Internet Bank of Indiana	225,000.00					225,000.00
			6,635,842.81	74,357.92	-	(1,200,000.00)	6,247.33
Total Cash per Statements		6,945,932.07	239,581.75	759,036.54	-	6,262.25	6,432,739.53

G xxx-10100	BDS	5,843,746.04
	Outstanding	588,993.49
	Total	6,432,739.53
	Unreconciled	-
	OK	
	PB Collateral	1,328,989.46



**City of East Bethel
Balance Sheet
Fiscal Year 2019
10/31/19**

Fund Name	General Fund	Special Revenue Funds	Debt Service Funds	Governmental Funds - Committed	Governmental Funds - Restricted	Enterprise Funds	All Funds
G xxx-10100 Cash	1,832,377.38	80,884.96	485,496.41	2,123,973.50	415,404.97	905,608.82	5,843,746.04
G xxx-10200 Petty Cash	150.00	-	-	-	-	-	150.00
G xxx-10400 Interest Receivable	17,688.68	-	-	-	-	-	17,688.68
G xxx-10700 Taxes Receivable-Delinquent	102,449.24	3,127.46	25,401.84	-	-	-	130,978.54
G xxx-12300 Special Assess Rec-Deferred	-	7,361.49	215,911.40	293,475.26	-	3,524.00	520,272.15
G xxx-xxxxx Pension (Deferred Outflows)	-	-	854,932.00	-	-	-	854,932.00
G xxx-xxxxx Fixed Assets	-	-	69,244,757.65	4,040,154.86	-	18,532,306.68	91,817,219.19
G xxx-xxxxx Accumulated Depreciation	-	-	(43,480,478.25)	(1,921,069.88)	-	(4,391,306.95)	(49,792,855.08)
Total Assets	1,952,665.30	91,373.91	27,346,021.05	4,536,533.74	415,404.97	15,050,132.55	49,392,131.52
G xxx-20400 Sales Tax Payable	1,169.60	-	-	-	-	-	1,169.60
G xxx-20600 Contract Retainage	-	-	-	17,074.11	-	-	17,074.11
G xxx-20810 State Surcharges	698.52	-	-	-	-	384.49	1,083.01
G xxx-20820 SAC	-	-	-	-	-	15,925.00	15,925.00
G xxx-20830 MCES Reserve Capacity Loan	-	-	-	-	-	703,384.00	703,384.00
G xxx-217xx Payroll Liabilities	(10,472.38)	-	-	-	-	-	(10,472.38)
G xxx-22200 Deferred Revenues	102,449.24	10,488.95	(406,413.45)	293,475.26	-	3,648.00	3,648.00
G xxx-23110 Bonds Principle Payable	-	-	17,770,000.00	-	-	-	17,770,000.00
G xxx-21500 Accrued Interest Payable	-	-	259,806.00	-	-	-	259,806.00
G xxx-23900 Compensated Absences Payable	-	-	-	172,633.79	-	-	172,633.79
G xxx-23999 Pension Liability	-	-	1,466,444.00	-	-	-	1,466,444.00
G xxx-24500 Escrow	276,950.53	-	-	-	-	-	276,950.53
Total Liabilities	370,795.51	10,488.95	19,089,836.55	483,183.16	-	723,341.49	20,677,645.66
Fund Balance							
G xxx-25300 Unreserved Fund Balance at 12/31/18	3,112,118.17	319,113.17	8,223,524.64	3,976,440.49	21,241.65	13,955,856.35	29,608,294.47
Excess of Revenues over Expenses (1/1/19 to 10/31/19)	(1,530,248.38)	(238,228.21)	32,659.86	76,910.09	394,163.32	370,934.71	(893,808.61)
Total Fund Balance	1,581,869.79	80,884.96	8,256,184.50	4,053,350.58	415,404.97	14,326,791.06	28,714,485.86
Total Liabilities and Fund Balance	1,952,665.30	91,373.91	27,346,021.05	4,536,533.74	415,404.97	15,050,132.55	49,392,131.52

City of East Bethel
Income Statement (Summary)
Fiscal Year 2019
1/1/19 to 10/31/19

General Fund	Account Description	2019 Actual through 10/31/19	2019 Final Budget	YTD as a % of Budget
Revenues				
	Property Tax	2,382,559.78	4,466,500.00	53%
	Franchise Tax	50,246.22	63,000.00	80%
	Gambling Tax	33,253.84	35,000.00	95%
	Licenses and Fees	37,732.25	40,000.00	94%
	Building Inspection Permits	323,895.15	286,000.00	113%
	Building Inspection Permits (Bethel)	1,903.63	1,000.00	190%
	State Aid	288,223.01	269,000.00	107%
	Fines and Forfeits	21,232.88	41,000.00	52%
	Intergovernmental Charges	185,939.60	186,000.00	100%
	Other Fees	4,081.75	3,000.00	136%
	Cemetery Revenue	650.00	5,000.00	13%
	Site Lease Revenue	62,248.45	66,000.00	94%
	Refunds and Reimbursements	44,531.07	22,000.00	202%
	Interest Earnings	31,147.45	12,000.00	260%
Total Revenues - General Fund		3,467,645.08	5,495,500.00	63%
Expenditures				
General Government				
	Mayor and Council	64,218.20	80,300.00	80%
	Administration	304,616.67	379,000.00	80%
	Elections	2,629.28	3,800.00	69%
	Finance	237,007.07	289,700.00	82%
	Assessing	43,689.00	55,000.00	79%
	Legal	107,355.21	140,000.00	77%
	Government Buildings	35,548.84	41,700.00	85%
	Risk Management	79,425.00	90,000.00	88%
Total General Government		874,489.27	1,079,500.00	81%
Community Development				
	Planning and Zoning	169,329.23	267,300.00	63%
	Building Inspection	258,880.45	322,400.00	80%
Total Community Development		428,209.68	589,700.00	73%
Public Safety				
	Police Protection	1,103,452.10	1,109,200.00	99%
	Fire Protection	660,786.94	713,700.00	93%
Total Public Safety		1,764,239.04	1,822,900.00	97%
Engineering				
	Engineering	21,853.42	40,000.00	55%
Total Engineering		21,853.42	40,000.00	55%
Public Works				
	Park Maintenance	372,640.35	440,500.00	85%
	Street Maintenance	799,278.85	937,900.00	85%
Total Public Works		1,171,919.20	1,378,400.00	85%
Civic Events				
	Civic Events	5,000.00	5,000.00	100%
Total Culture and Recreation		5,000.00	5,000.00	100%
Transfers / Other				
	Transfer to Building Capital	50,000.00	50,000.00	100%
	Transfer to Street Capital	450,000.00	450,000.00	100%
	Transfer to Parks Capital	80,000.00	80,000.00	100%
	Land Purchase	152,182.85	-	N/A

City of East Bethel
Income Statement (Summary)
Fiscal Year 2019
1/1/19 to 10/31/19

Total Other		732,182.85	580,000.00	126%
Total Expenditures - General Fund		4,997,893.46	5,495,500.00	91%
Excess of Revenues over Expenditures - General Fund		(1,530,248.38)	-	N/A
Special Revenue Funds				
Revenues				
	Recycling	44,797.53	66,400.00	67%
	HRA	31,277.93	57,600.00	54%
	EDA	63,101.33	118,600.00	53%
Total Revenue - Debt Service		139,176.79	242,600.00	57%
Expenses				
	Recycling	63,955.21	66,400.00	96%
	HRA	127,295.00	28,600.00	445%
	EDA	186,154.79	118,600.00	157%
Total Expenditures - Debt Service		377,405.00	213,600.00	177%
Excess of Revenues over Expenditures - Debt Service		(238,228.21)	29,000.00	
Debt Service				
Revenues				
	2013A, 2008A, 2015A, 2014A	650,769.86	1,214,000.00	54%
Total Revenue - Debt Service		650,769.86	1,214,000.00	54%
Expenses				
	2013A, 2008A, 2015A, 2014A	1,228,110.00	1,226,985.00	100%
Total Expenditures - Debt Service		1,228,110.00	1,226,985.00	100%
Excess of Revenues over Expenditures - Debt Service		(577,340.14)	(12,985.00)	
Other Governmental Funds				
Revenues				
	Other Governmental Funds	1,770,172.71	921,000.00	192%
Total Revenue - Other Governmental Funds		1,770,172.71	921,000.00	192%
Expenses				
	Other Governmental Funds	1,299,099.30	54,100.00	2401%
Total Expenditures - Other Governmental Funds		1,299,099.30	54,100.00	2401%
Excess of Revenues over Expenditures - Other Governmental Funds		471,073.41	866,900.00	
Enterprise Funds				
Revenues				
	Water	313,212.57	84,900.00	369%
	Sewer	242,189.13	119,300.00	203%
	Arena	148,985.92	232,800.00	64%
Total Revenue - Enterprise Funds		704,387.62	437,000.00	161%
Expenses				
	Water	72,319.89	336,700.00	21%
	Sewer	100,451.04	744,500.00	13%
	Arena	160,681.98	232,800.00	69%
Total Expenditures - Enterprise Funds		333,452.91	1,314,000.00	25%
Net Income - Enterprise Funds		370,934.71	(877,000.00)	