



CITY OF  
**Otsego**  
MINNESOTA

**Comprehensive Annual Financial Report**  
For the Year Ended December 31, 2019



Norin Landing – Opened 2019



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# City of Otsego, Minnesota



## Comprehensive Annual Financial Report

For the Year Ended  
December 31, 2019

Adam Flaherty  
City Administrator

Prepared by:  
Finance Department

Member of the:

Government Finance Officers' Association  
of the United States and Canada

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May 20, 2020

Honorable Mayor and Members of the City Council  
City of Otsego

Transmitted herewith is the Comprehensive Annual Financial Report of the City of Otsego for the fiscal year ended December 31, 2019.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the City following the policies and procedures specified by the City's system of internal control. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

To the best of our knowledge and belief, the enclosed data is accurate, in all material respects, and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures deemed necessary to enable the reader to gain an understanding of the City's financial activities have been included.

Minnesota Statutes require that the financial statements of the City be audited annually by the State Auditor or a Certified Public Accountant selected by the City Council. These financial statements have been audited by BerganKDV (the Auditors). The Auditors expressed an unmodified opinion on the financial statements, and their opinion letter is included as the first component within the financial section of this report.

The Auditors have also issued a number of other reports on compliance with Government Auditing Standards and Minnesota Legal Compliance. These reports have been issued under separate cover.

Accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the auditors.

## **PROFILE OF THE CITY**

The first town site in Otsego was originally platted in 1857 in what was once known as the Big Woods, heavily laden with deciduous trees, and interspersed with rivers, ponds, and prairies. The first settlers to the area were of European descent settling the area in 1852. On April 5, 1858, Otsego Township was established. The area remained a township until 1990 when it was incorporated into the City of Otsego to more fully serve its residents and to manage growth.

Otsego is located at the confluence of the Mississippi and Crow Rivers approximately thirty miles northwest of Minneapolis. The Mississippi River runs along the northern and eastern borders of the City and the Crow River runs along the southern border in the far eastern part of the City until it enters the Mississippi River.

The City is located in the northeast corner of Wright County and covers an area of about 30.5 square miles. The State Demographer's most recent population estimate was 17,323, compared with 6,389 from the 2000 US Census. Otsego is the fastest growing City in Wright County and outpaces growth in neighboring cities outside Wright County.

The City operates under the "Optional Plan A" form of government as defined in Minnesota Statutes. Under this plan, the government of the City is directed by a City Council consisting of an elected mayor and four elected councilmembers at large. The City Council exercises legislative authority and determines all matters of policy. The City Council appoints personnel responsible for the proper administration of all affairs relating to the City. The mayor and councilmembers serve four year terms with two councilmembers elected to four year terms every two years. The mayor is also elected to a four year term.

The City provides its residents and businesses a full range of municipal services consisting of the construction & maintenance of highways, streets, and other infrastructure, park facilities, recreational opportunities, and general administrative services. The City services also provide public utilities including water, sanitary sewer and storm water services accounted for in enterprise funds. Police protection has been provided for more than 25 years through an agreement with the Wright County Sheriff's department which provides 48 hours of service each and every day. Fire suppression and emergency response services are provided through agreements with the neighboring cities of Albertville, Elk River and Rogers. Each agreement has geographical boundaries based upon response times, however; all three of the departments have great relationships and provide for mutual aid whenever the instance warrants.

Financial planning and control for the City of Otsego are based on the annual Operating Budget and the multi-year Capital Improvement Plan. Under Minnesota Statutes, a preliminary property tax levy must be adopted by the City Council no later than September 30th of each year for the ensuing year's collection. This establishes a maximum levy that may subsequently be lowered but may not be increased at time of final adoption. A ceiling on the increase of the annual property tax levy is established from time to time by the Minnesota Legislature. Such a limit was not in place for taxes payable 2019 and 2020.

Effective establishment of this levy means that a preliminary operating budget must be prepared. The City Administrator, with the assistance of the Finance Director and management staff, prepares such a budget each year and presents it along with the preliminary levy for City Council review. The City Council is required to adopt a final tax levy and annual budget each December for the subsequent year, which begins on January 1. Departments may make transfers of appropriations within their department. However, transfers of budget appropriations between departments needs authorization of the City Administrator. The legal level of budgetary control is at the fund level, so any appropriation transfers between funds needs the approval of the City Council.

In addition, a Capital Improvement Plan covering a ten year period is reviewed and revised during the annual budget process. This includes projects for which the City may issue debt and/or assess portions of the cost to adjacent or benefitting property owners. Because there are limited funds available each year and the City does not wish to issue excessive amounts of debt, these projects are reviewed and reprioritized each year.

## **ECONOMIC CONDITION**

Otsego continues to experience strong residential and commercial growth due to its ideal location. The City is 30 miles from downtown Minneapolis, the center of the Twin Cities metropolitan area and has excellent transportation access with Interstate 94 and State Highway 101. The City maintains a Comprehensive Plan document for land use and development to manage and encourage growth.

The residential growth can be expressed with the 300 new residential construction permits issued during 2019. The average number of new residential construction permits through the past five years is 247. The latest estimates from the State Demographer's office show total households at 5,975 or a growth of 26 percent since 2010.

The City is expecting for this trend in residential housing growth to continue into the future as well. There have been a number of builders continuing to develop properties and go through the final platting process.

The taxable market value of property within the City increased \$196 million (11.57 percent) to a total of \$1,892,088,300 for taxes payable 2020. According to Wright County, for taxes payable 2020, there was approximately \$98 million of value added for new residential and commercial / industrial development. The remaining portion of the growth would be due to market driven factors. The increased taxable value translates into increased tax capacity and has allowed the City to maintain or slightly decrease the property tax rate in seven consecutive years. The City's tax rate for payable 2020 is 35.099.

Wright County is currently working on the 2020 Assessment, for taxes payable 2021 and has informed the City that it was the first City within Wright County to obtain an estimated market value in excess of \$2 billion.

During 2019, the City approved multiple commercial developments within the Great River Centre district. The first commercial project was for the construction of an office building for a well-known realty company, which opened for business in early 2020. The second commercial project was for the construction of a childcare center that will be licensed for approximately 190 children, with operations expected by fall 2020.

Aligned with the City's Strategic Plan of having diverse housing options, and currently under construction, River Edge Apartments will provide a new housing choice for residents looking to call Otsego home. The first phase of this complex includes 96 market rate apartment units, with one, two- and three-bedroom options, with leasing expected to begin in the summer of 2020. This project also included the construction of commercial mini-storage as an adjacent project.

In 2019, Independent School District No. 728 received approval through a voter referendum to construct the first middle school within the City. The new middle school will help serve the educational needs of the rapid residential growth occurring within the City. The City is working closely with School District officials on planning efforts for the school, with construction expected to begin in the fall of 2020.

Additional projects that have received City Council approval and are expected to begin construction during 2020 include two multiple family apartment buildings, with 260 units after phased construction and a commercial grocery store, which will include a coffee shop, liquor store and convenience gasoline pumps.

The City is committed to efforts in growing the commercial, retail and industrial sectors within the City to provide employment, services and tax base within the community.

## LONG-TERM FINANCIAL PLANNING

The City has adopted and annually updates a ten-year Capital Improvement Plan (CIP) to facilitate the growth and maintenance of public infrastructure, community facilities and capital equipment. Projects in the CIP demonstrate the importance of developing long range financial planning strategies to facilitate the growth and prosperity of the City. The process assists with both short and long range financial planning needs by:

- Prioritizing capital projects and equipment acquisitions
- Estimating resource needs and related cash flows
- Identifying adequate and sustainable funding sources

## MAJOR INITIATIVES

With all of the growth that has been experienced in Otsego, the City has identified the need to expand our future planning, and has illustrated this by developing a Strategic Plan. Within this Plan, the City has developed a practical vision of what Otsego should be in three to five years. The following list outlines the City's strategic directions with certain examples of initiatives that have been accomplished in 2019 or set as goals in 2020.

- Positioning for Growth.
  - *Completed Master Plans for Water Utilities and Parks & Recreation*
  - *Initiated construction of East Wastewater Facility Biosolids Project*
  - *Determine Scope of Services for Comprehensive Plan Update*
- Empowering the Organization.
  - *Commitment to an annual Strategic Planning process*
  - *Establish an Employee Survey to gauge employee engagement*
  - *Develop Comprehensive Employee Review Process*
- Engaging Stakeholders.
  - *Began Marketing of City Owned Property for Development*
  - *Initiated Business Outreach Program*
  - *Expand Joint Powers Agreement with School District*

## RELEVANT FINANCIAL POLICIES

The City Council has approved a fund balance policy that established the minimum fund balance requirements of the General Fund at forty-five percent of the subsequent year's expenditures. The policy also includes the annual review of the fund balance reserves of all other funds and the criteria for the use of reserves. Reserve balances are reviewed annually as part of the budget/financial planning process and at the time the Capital Improvement Plan is approved by the City Council.

Financial management staff of the City of Otsego have developed and implemented internal controls designed to protect the City's assets from loss, abuse, theft or other misappropriation. These controls provide reasonable assurance of the safety of the City's assets while recognizing that management estimates and judgements as to the cost of such controls are also important to deriving maximum benefit from these controls.

Policies relating to investment of City funds, billing and collection of public utility charges, management of long term debt, purchasing, fund balances and general accounting procedures have been developed. In addition, goals and objectives have been established for internal and external financial reporting and for long-term financial planning strategies.

### **FINANCIAL REPORTING AWARD**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Otsego for its 2018 Comprehensive Annual Financial Report (CAFR). The City first applied for this award in 2012, and has received the award every year since.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both accounting principles generally accepted in the United States and applicable federal, state and local legal requirements.

A Certificate of Achievement is valid for a period of one year. It is expected that the 2019 report conforms to the Certificate of Achievement program requirements. It will be submitted to the GFOA to determine the City's eligibility for another Certificate.

### **ACKNOWLEDGEMENTS**

The preparation of this report would not have been possible without the expertise and dedication of the City's staff. Further, the City Council's support to promote and sustain the highest standards of professionalism in the financial management of the City of Otsego are acknowledged and appreciated.

Respectfully submitted,



Adam Flaherty  
City Administrator & Finance Director



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**CITY OF OTSEGO, MINNESOTA**  
ELECTED OFFICIALS AND ADMINISTRATION

**ELECTED OFFICIALS**

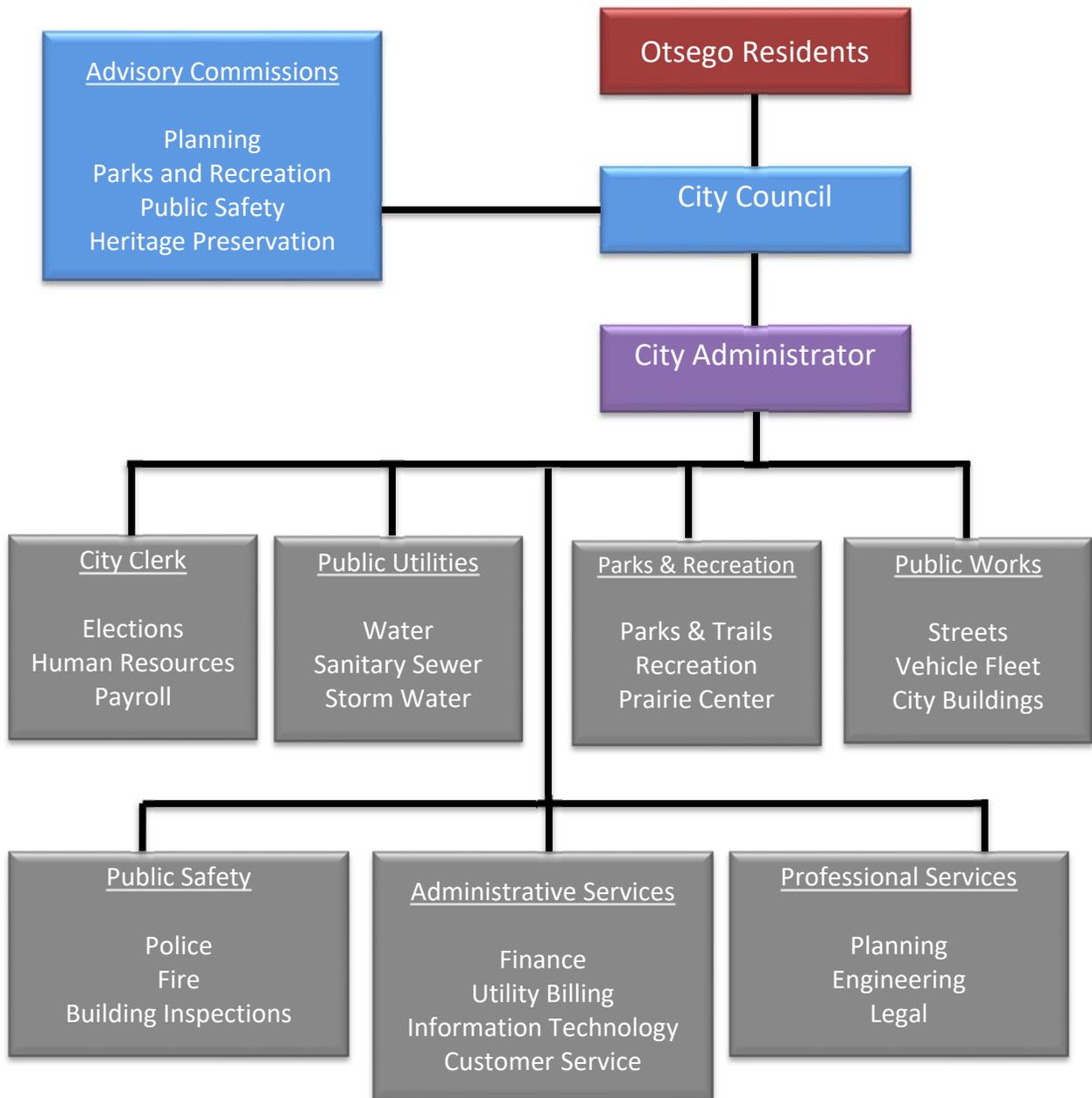
<u>Name</u>	<u>Position</u>	<u>Term Expires</u>
Jessica Stockamp	Mayor	December 31, 2020
Jason Warehime	Council Member	December 31, 2020
Corey Tanner	Council Member	December 31, 2020
Tina Goede	Council Member	December 31, 2022
Tom Darkenwald	Council Member	December 31, 2022

**ADMINISTRATION**

<u>Name</u>	<u>Position</u>
Tami Loff	City Clerk
Adam Flaherty	City Administrator & Finance Director
Kevin Lamson	Street Operations Manager
Ross Demant	Parks & Recreation Director
Kurt Neidermeier	Public Utilities Manager
Andrew MacArthur	City Attorney
Daniel Licht	City Planner
Ron Wagner	City Engineer



# Organizational Chart





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Ostego  
Minnesota**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2018**

*Christopher P. Morill*

Executive Director/CEO

## **Independent Auditor's Report**

Honorable Mayor and Members  
of the City Council  
City of Otsego  
Otsego, Minnesota

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Otsego, Minnesota, as of and for the year ended December 31, 2019, and the related notes to financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Otsego, Minnesota, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgeting comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Implementation of GASB 84**

As discussed in Note 6 to the financial statements, the City has adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, which follows this report letter, and Required Supplementary Information as listed in the Table of Contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund financial statements and schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## **Other Matters (Continued)**

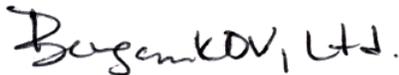
### *Other Information (Continued)*

The supplementary information contains prior year comparative information taken from the City's 2018 financial statements. We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the City's basic financial statements for the year ended December 31, 2018, which are not presented with the accompanying financial statements. In our report dated May 29, 2019, we expressed unmodified opinions on the respective financial statements of governmental activities, business type activities, each major fund, and the aggregate remaining fund information. In our opinion, the 2018 supplementary information is fairly stated in all material respects in relation to the basic financial statements for the year ended December 31, 2018, taken as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 20, 2020, on our consideration of the City of Otsego's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Otsego's internal control over financial reporting and compliance.



St. Cloud, Minnesota  
May 20, 2020

As management of the City of Otsego, Minnesota, (the City), we offer readers of the City's Comprehensive Annual Financial Report (CAFR), this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-6 of this CAFR.

**Financial Highlights**

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$100,653,978 (net position). Of this amount, \$30,277,331 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$11,777,766 (13.25%) from the previous year. The net position of the governmental activities increased \$4,503,103 (9.81%). The increase is primarily attributable to the investment in public assets and infrastructure by the City and housing developers in the community. This infrastructure consists of streets, trail systems and park additions. The business type activities increased \$7,274,663 (16.92%) due to a combination of connection fees to the City's public utility system, and similar to the governmental activities, the investment in public assets and infrastructure.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$17,013,766, which is a decrease of \$453,329 (2.60%) from the previous year. The single largest change in fund balance occurred within the MSA Construction fund, which decreased \$3,205,406 as a result of expenditures for the 85th Street and Maciver Avenue extension project. The Park Development fund had the single largest increase in fund balance, \$2,411,410, which will be used for future expansion of the City's park system. Of the total fund balance, the unassigned portion is a deficit of \$690,586, which is free from any internal or external constraints upon its use.
- The General fund has a fund balance of \$4,319,810 at the close of the current fiscal year. During 2019, the fund balance increased \$206,143 (5.01%) from the previous year. The primary reason for the increase is that licenses and permits revenue exceeded budgeted expectations by \$717,478. In accordance with the City's fund balance policy, a transfer of \$971,726 was made to the Capital Improvements fund. That policy indicates that any fund balance exceeding 45% of the subsequent years budget will be transferred, and set aside for future capital expenditures. There is \$323,124 (7.48%) of fund balance that is nonspendable, which is a combination of prepaid items and land held for resale. The remaining fund balance is either assigned, \$223,740 (5.18%) or is unassigned, \$3,772,946 (87.34%).
- The City issued \$3,525,000 of General Obligation Revenue Refunding bonded debt during the year to refund the 2009A bond issue to take advantage of lower interest rates, resulting in a decrease of future debt service payments. The City's total outstanding bonded debt decreased by \$6,240,000 (20.81%) during the current fiscal year.

**Overview of the Financial Statements**

The discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This CAFR also contains other supplementary information in addition to the basic financial statements themselves.

**Government-Wide Financial Statements:** The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City's assets, liabilities and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the City's overall financial position is stable, improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes, special assessments and earned but unused personal time off).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include: general government, public safety, public works, culture & recreation, economic development, and interest on long-term debt. The business-type activities of the City include: water utility, sanitary sewer utility and storm water utility.

The government-wide financial statements can be found on pages 28 through 29 of this CAFR.

**Fund Financial Statements:** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the City can be divided into two categories: governmental funds and proprietary funds.

**Governmental Funds:** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financial decisions. Both the governmental funds balance sheet and governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains 23 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the following: General fund, the Debt Service Fund, the MSA Construction Fund, and the Development & Builder Escrows Fund, which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements or schedules, elsewhere in this CAFR.

The City adopts an annual appropriated budget for the General Fund, the Debt Service Fund, the Revolving Loan and Tax Increment District No. 1 special revenue funds. A budgetary comparison statement has been provided in the basic financial statements for the General fund.

The basic governmental fund financial statements can be found on pages 30 through 37 of this CAFR.

**Proprietary Funds:** Proprietary funds provide similar information to the government-wide financial statements, but in more detail. The City maintains one type of proprietary fund.

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, sanitary sewer and storm water utilities. All of the City's enterprise funds are considered to be major funds, and separate information is provided for each of them in the basic financial statements.

The basic proprietary fund financial statements can be found on pages 38 through 40 of this CAFR.

**Notes to the Financial Statements:** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 41 through 70 of this CAFR.

**Other Information:** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information in relation to the City's net pension liability. The schedules can be found on pages 71 through 74 of this CAFR.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining statements can be found on pages 76 through 107 of this CAFR.

**CITY OF OTSEGO, MINNESOTA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2019**

**Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$100,653,978 at the close of the most recent fiscal year.

The largest portion of the City's net position (\$62,718,978 or 62.31%) reflects its investment in capital assets, which includes: land, infrastructure, buildings, and machinery & equipment, less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**CITY OF OTSEGO - SUMMARY OF NET POSITION**

	Governmental Activities			Business-type Activities		
	2019	2018	Increase (Decrease)	2019	2018	Increase (Decrease)
Current Assets	\$ 27,290,747	\$ 24,502,771	\$ 2,787,976	\$ 19,540,834	\$ 18,726,845	\$ 813,989
Capital Assets	38,752,165	33,905,496	4,846,669	48,860,266	46,827,944	2,032,322
Total Assets	66,042,912	58,408,267	7,634,645	68,401,100	65,554,789	2,846,311
Deferred Outflows of Resources	115,522	209,301	(93,779)	29,860	55,334	(25,474)
Long-term Liabilities	7,079,876	8,403,225	(1,323,349)	15,442,116	20,170,179	(4,728,063)
Other Liabilities	5,245,641	2,219,154	3,026,487	2,679,487	2,387,442	292,045
Total Liabilities	12,325,517	10,622,379	1,703,138	18,121,603	22,557,621	(4,436,018)
Deferred Inflows of Resources	3,443,301	2,108,676	1,334,625	44,995	62,803	(17,808)
Net Investment in Capital Assets	31,373,524	25,330,507	6,043,017	31,344,999	24,701,888	6,643,111
Restricted	7,658,124	6,929,688	728,436	-	-	-
Unrestricted	11,357,968	13,626,318	(2,268,350)	18,919,363	18,287,811	631,552
Total Net Position	\$ 50,389,616	\$ 45,886,513	\$ 4,503,103	\$ 50,264,362	\$ 42,989,699	\$ 7,274,663

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

A portion of the City's net position (7.61%) represents resources that are subject to external restrictions on how they may be used. The unrestricted portion (30.08%) may be used to meet the City's ongoing obligations to citizens and creditors.

The governmental activities experienced significant increases in both current and capital assets. The increase of current assets is due to increased cash and investment balances. A portion of this increase is the result of accumulating resources for future projects; however a significant portion is the result of the implementation of GASB 84, *Fiduciary Activities*. This standard change results in an additional \$3,070,621 in governmental activities current assets. The increase in capital assets can be explained most notably by the 85th Street and Maciver Avenue Improvement project. The increase in liabilities also relates to the implementation of GASB 84, *Fiduciary Activities*. This standard change results in an additional \$3,070,621 in governmental activities other liabilities compared to the previous year.

The business-type activities had a large fluctuation in long-term liabilities and both current and capital assets. During 2019, the City made principal payments in the amount of \$8,580,000, which is offset with the issuance of \$3,525,000 in bonded debt. The City saw continued growth in residential development, which generates revenues such as water and sewer access fees which are currently in cash assets to be used for future debt service or infrastructure costs.

**CITY OF OTSEGO - CHANGES IN NET POSITION**

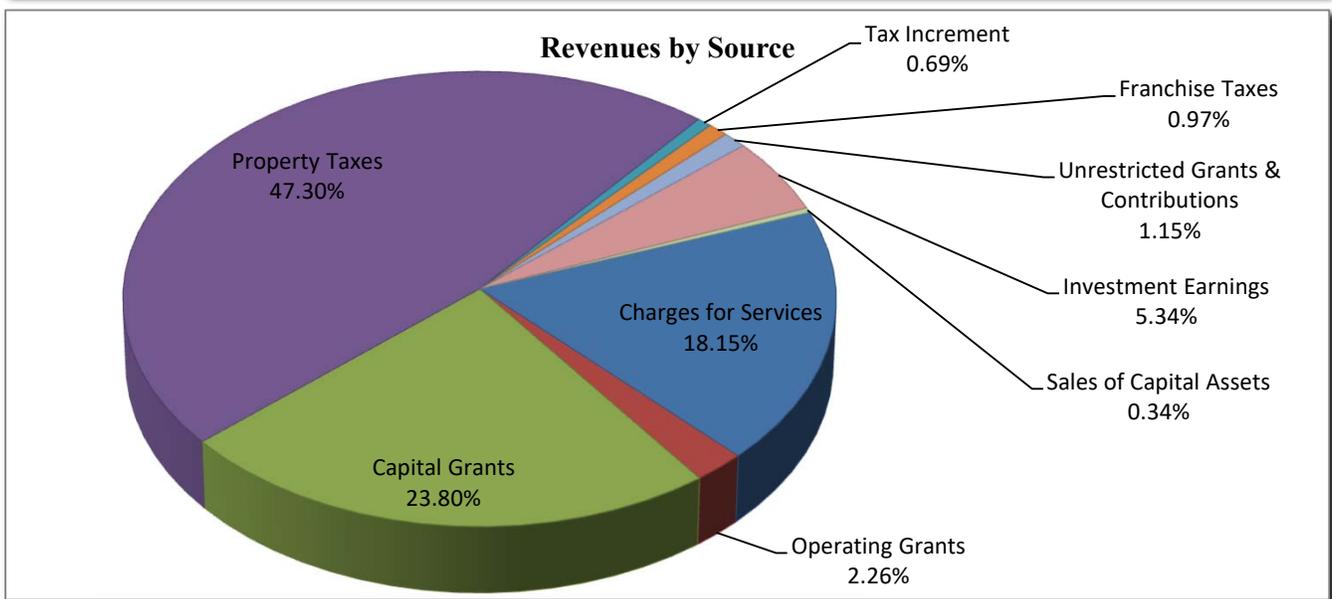
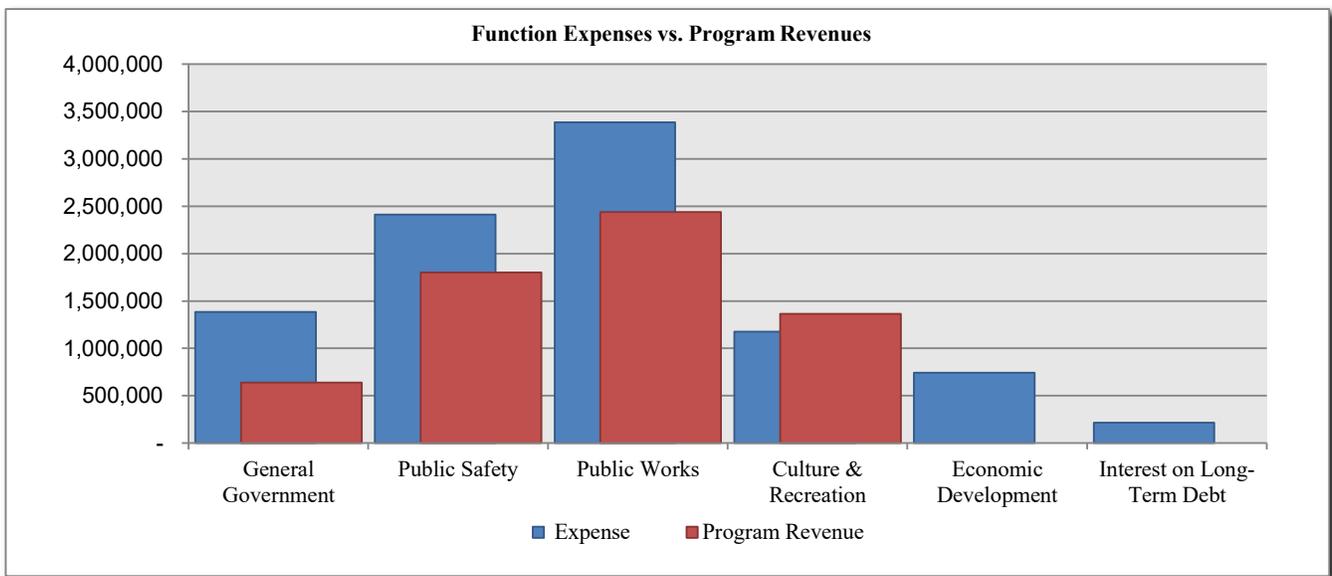
	Governmental Activities			Business-type Activities		
	2019	2018	Increase (Decrease)	2019	2018	Increase (Decrease)
<b>Program Revenues</b>						
Charges for Services	\$ 2,564,173	\$ 2,838,830	\$ (274,657)	\$ 4,098,150	\$ 3,792,748	\$ 305,402
Operating Grants and Contributions	319,332	328,410	(9,078)	-	-	-
Capital Grants and Contributions	3,361,497	5,800,583	(2,439,086)	6,543,224	5,500,794	1,042,430
<b>General Revenues</b>						
Property Taxes	6,681,989	6,078,341	603,648	30,000	26,000	4,000
Tax Increment	97,419	96,938	481	-	-	-
Franchise Taxes	137,510	139,161	(1,651)	-	-	-
Grants and Contributions not						
Restricted to Specific Programs	162,120	191,570	(29,450)	-	-	-
Unrestricted Investment Earnings	754,079	263,784	490,295	748,799	260,833	487,966
Other General Revenues	47,362	37,563	9,799	-	7,884	(7,884)
<b>Total Revenues</b>	<b>14,125,481</b>	<b>15,775,180</b>	<b>(1,649,699)</b>	<b>11,420,173</b>	<b>9,588,259</b>	<b>1,831,914</b>
<b>Expenses</b>						
General Government	1,383,291	1,228,607	154,684	-	-	-
Public Safety	2,411,751	2,207,699	204,052	-	-	-
Public Works	3,387,481	3,348,200	39,281	-	-	-
Culture and Recreation	1,177,721	1,095,151	82,570	-	-	-
Economic Development	741,705	223,175	518,530	-	-	-
Interest on Long-term Debt	212,402	276,423	(64,021)	-	-	-
Water Utility	-	-	-	1,729,938	1,468,485	261,453
Sanitary Sewer Utility	-	-	-	2,600,436	2,561,070	39,366
Storm Water Utility	-	-	-	123,163	71,040	52,123
<b>Total Expenses</b>	<b>9,314,351</b>	<b>8,379,255</b>	<b>935,096</b>	<b>4,453,537</b>	<b>4,100,595</b>	<b>352,942</b>
Increase (Decrease) Before Transfers	4,811,130	7,395,925	(2,584,795)	6,966,636	5,487,664	1,478,972
Transfers	212,869	207,840	5,029	(212,869)	(207,840)	(5,029)
Transfers - Capital Assets	(520,896)	(1,525,768)	1,004,872	520,896	1,525,768	(1,004,872)
Change in Net Position	4,503,103	6,077,997	(1,574,894)	7,274,663	6,805,592	469,071
Net Position - January 1	45,886,513	39,808,516	6,077,997	42,989,699	36,184,107	6,805,592
Net Position - December 31	<b>\$ 50,389,616</b>	<b>\$ 45,886,513</b>	<b>\$ 4,503,103</b>	<b>\$ 50,264,362</b>	<b>\$ 42,989,699</b>	<b>\$ 7,274,663</b>

**Governmental Activities**

Governmental activities resulted in an increase of the City's net position by \$4,503,103. Key elements of this change is as follows:

- Revenues decreased \$1,649,699 (10.46%) from the previous year; with the most notable decrease within capital grants and contributions which are the result of intergovernmental revenues, specifically MSA construction funding decreasing. Notable increases occurred within property taxes and investment earnings.
- Expenses increased \$935,096 (11.16%) from the previous year. The most notable increase was within the economic development function which in part was due to an incentive payment for development within Waterfront East. The other notable change occurred within the public safety function, and represents increased costs for police and fire protection.

Below are specific graphs which provide comparisons of the governmental activities revenues and expenses:

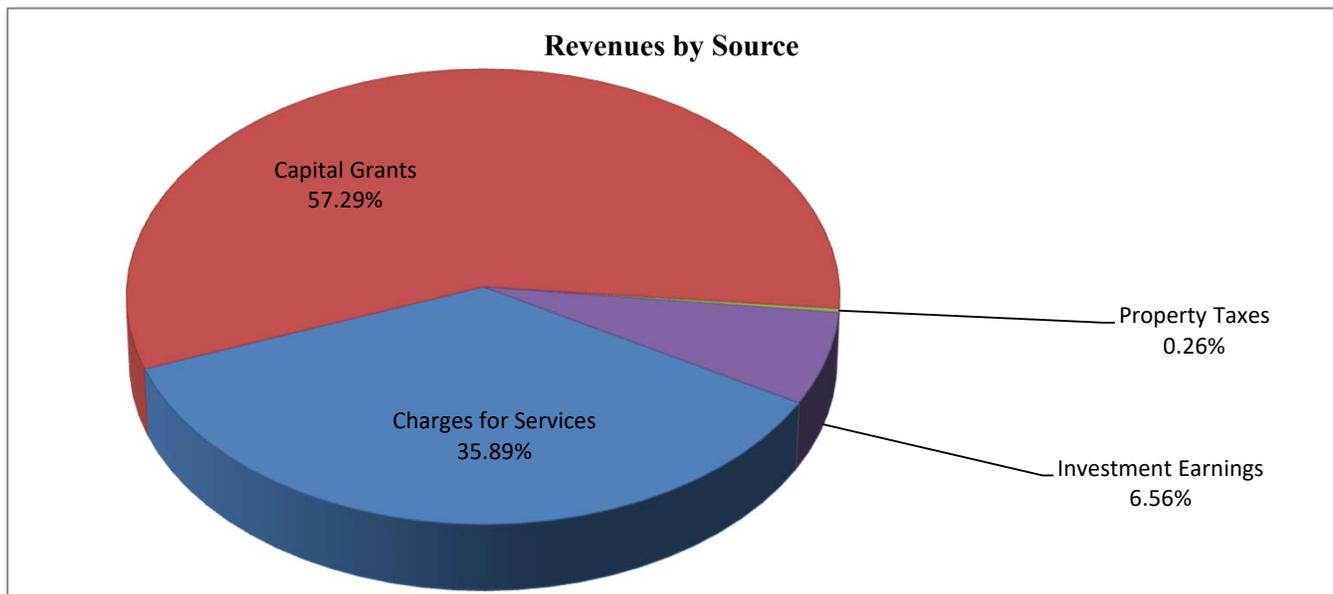
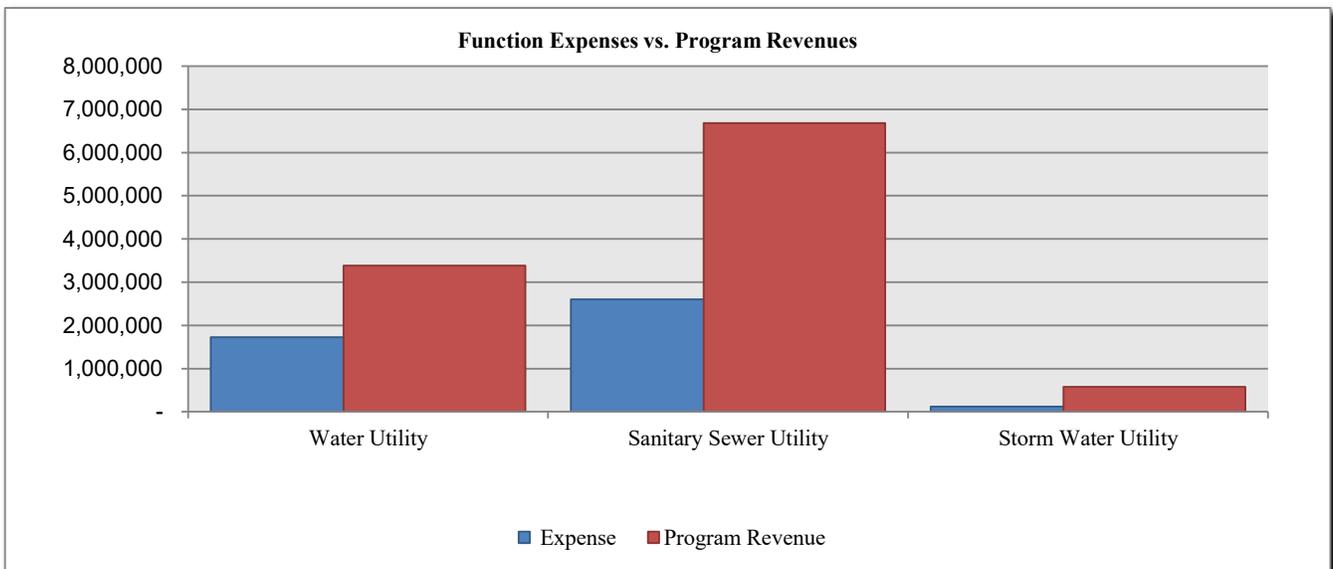


**Business-type Activities**

Business-type activities resulted in an increase of net position by \$7,274,663. Key elements of this change are as follows:

- Increases were noted in both revenues, \$1,831,914 (19.11%) and expenses, \$352,942 (8.61%) from the prior year.
- Capital Grants and Contributions totaled \$6,543,224 and represents a combination of utility system connection fees and capital asset contributions from developers.
- Revenues exceeded expenses by \$6,966,636 primarily the result of the continued residential growth within the City. This housing growth generates connection fees to the public utility system, which is used to retire debt service and for future capital costs.

Below are specific graphs which provide comparisons of the business-type activities revenues and expenses:



**Financial Analysis of the Government's Funds**

**Governmental Funds:** The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as useful measure of a government's net resources available at the end of the fiscal year.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$17,013,766, which is a decrease of \$453,329 (2.60%) from the previous year. The unassigned fund balance, which is not subject to internal or external constraints upon its use, currently has a deficit balance of \$690,586.

***Major Funds***

The General fund is the primary operating fund of the City. At the end of the current fiscal year, total fund balance is \$4,319,810, an increase of \$206,143 (5.01%). The increase in fund balance was largely the result of revenues exceeding expenditures by \$1,005,969, made possible with favorable budget variances in both revenues and expenditures. In accordance with the City's fund balance policy, a transfer out of \$971,726 was made to the Capital Improvements fund for future capital needs. As a measure of the General fund's liquidity, it may be useful to compare both unassigned and total fund balance, to total fund expenditures. The unassigned fund balance, which is \$3,772,946, represents 66.34% of the current year General fund expenditures. Total General fund balance represents 75.96% of those same expenditures.

The Debt Service fund has a total fund balance of \$1,547,850 at the end of the year, a decrease of \$175,557 (10.19%) from the previous year. The City retired \$1,185,000 of principal on the outstanding bonded debt during 2019.

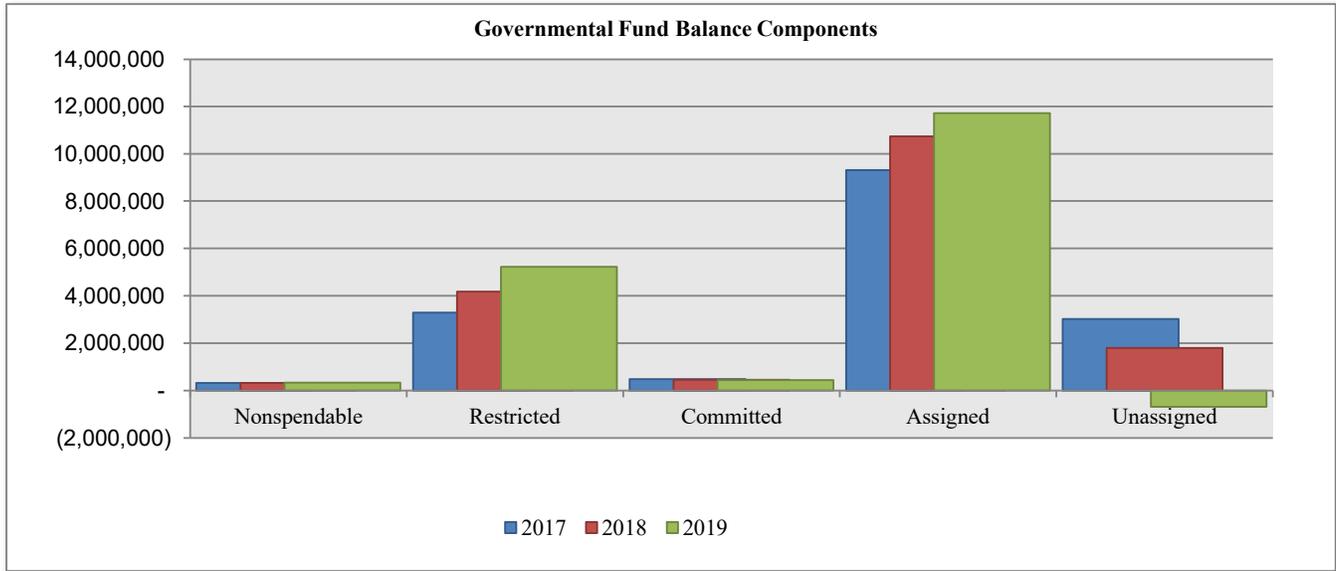
The MSA Construction fund has a deficit fund balance of \$4,305,681 and is the result of ongoing capital expenditures for the 85th Street and Maciver Avenue street extension project, which totaled \$3,928,747 during the year. The fund balance deficit will be reduced over the next five years, as municipal-state-aid for construction revenue will reimburse the City for the project costs.

The Development & Builder Escrows fund has no fund balance at the end of the current fiscal year. In previous years, this fund had been reported as a Fiduciary fund; however, with the implementation of GASB 84 *Fiduciary Activities* this fund is now reported as a governmental fund. The revenues and expenditures in this fund correlate with the level of development activity within the City.

**Proprietary Funds:** The City's proprietary funds provide the same type of information presented as business-type activities found in the government-wide financial statements, but in more detail.

The enterprise funds have a combined ending net position of \$50,264,362, an increase of \$7,274,663 (16.92%). There are two components to net position in the enterprise funds, unrestricted (\$18,919,363 or 37.64%) and net investment in capital assets (\$31,344,999 or 62.36%). As a measure of liquidity, the unrestricted net position amounts to 515.81% of the current year operating expenses. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

Below is a graph with comparative amounts for each fund balance component for fiscal years 2017, 2018 and 2019:



The City's Unassigned fund balance is currently a deficit of \$690,586, and represents negative 4.06% of total governmental fund balance. The City also has four other components of fund balance, including Nonspendable (1.90%), Restricted (30.72%), Committed (2.58%) and Assigned (68.86%).

- Nonspendable fund balance represents the amount of assets the City has invested in prepaid items and land assets held for resale. This fund balance component can largely fluctuate with the timing of certain payments (e.g. insurance premiums) and the net realizable value of the land assets being held by the City for future resale.
- The City's restricted fund balance is the result of external constraints placed upon it. The source of that constraint includes debt service park development, and tax increments. The debt service component has decreased slightly over the past three years as the bonds payable balance has declined, while the park dedication component has increased due to revenues exceeding expenditures.
- The committed fund balances are within the City's special revenue funds for Street Lighting and Revolving Loans. This fund balance component has stayed consistent over the past three years.
- Assigned fund balances are primarily associated with the City's capital project funds. The fund balance in this component has been increasing each of the past three years, and is the result of the City accumulating resources for future capital improvement projects and capital equipment purchases.

A more detailed breakdown of the fund balance components can be found in the basic financial statements and accompanying financial statement footnotes.

**General Fund Budgetary Highlights**

During the year, there were no amendments to the General fund budget. The budgeted revenues and expenditures resulted in no change in fund balance. Actual results for the fiscal year were an increase of \$206,143 (5.01%). The key elements of this change are as follows:

- Actual revenues exceeded the budget by \$1,052,303 (18.66%). The largest revenue variance was provided by licenses and permits, which were over budget by \$717,478. The City projected 175 new residential construction permits when preparing the budget with actuals results being 300 new residential construction permits. Another significant variance was within charges for services, which exceeded the budget by \$148,051, again being driven by conservative development budgets.
- Actual expenditures were less than budget by \$125,566 (2.16%). The largest variance was within the general government function and is mostly the result of an unused contingency budget within the City Council department. The Streets Maintenance department was the only other significant variance, which was under budget in personal services and charges for services.
- Transfers in resulted in no variance from the budget. These transfers are from the Water and Sanitary Sewer utility funds, and are annual contributions to help manage the property tax levy.
- Transfers out were not budgeted for during 2019. The actual transfer out of \$971,726 is in accordance with the City's fund balance policy. That policy outlines that any General fund balance exceeding 45% of the subsequent year's expenditure budget will be transferred, and assigned for future capital items.

The ending unassigned fund balance of the General fund (\$3,772,946) represents 59.77% of the adopted 2020 budget.

**Capital Asset and Debt Administration**

**Capital Assets:** The City's investment in capital assets for its governmental and business-type activities at the end of the current year, amounts to \$87,612,431 (net of accumulated depreciation). This investment in capital assets includes: land, buildings, street and utility infrastructure, parks equipment, trails, machinery and equipment and construction in progress. The City's investment in capital assets increased \$6,878,991 (8.52%) from the previous year.

Major capital asset events during the current year included the following:

- The City updated its machinery & equipment fleet with several new pieces of equipment. The majority of these acquisitions were replacements of existing assets, with one new asset being a roll-off hot box used for asphalt patching projects throughout the City.
- The City purchased property for a future fire station in accordance with the Response Time Improvement & Fire Service Model.
- The City received contributed infrastructure from housing developers. These assets include: streets, trail systems, and public utility infrastructure. These assets are paid for and installed by the developer, are inspected by the City Engineer to City standards, and are later accepted by the City, who is responsible for future maintenance and replacement.
- The City initiated the East Wastewater Treatment Facility Biosolids project that removes the long-term liquid storage from the facility by further processing the material into a dry matter, which can be removed from the site to landfills or distributed as fertilizer.
- The 85th Street and Maciver Avenue road extensions project was nearly completed during the year. The new road extensions created approximately two miles of new roadway and pedestrian trails. This project provided an important east-west travel route.
- The City initiated construction of Lift Station No. 7, which is located just east of County Road 137 and Maciver Avenue. This lift station is the permanent replacement of a temporary lift station nearby. The new lift station will serve existing development, the newly platted Magnolia Landing development, and hundreds of acres of future development in the area.
- The City completed construction of Norin Landing, which is a community feature located on the shores of the Mississippi River. The City received a grant from the Minnesota DNR to assist with construction of a boat landing, gazebo, natural trails and landscaping.

**CITY OF OTSEGO - CAPITAL ASSETS**  
*(net of depreciation)*

	Governmental Activities			Business-type Activities		
	2019	2018	Increase (Decrease)	2019	2018	Increase (Decrease)
Land	\$ 3,840,461	\$ 2,694,199	\$ 1,146,262	\$ 631,739	\$ 631,739	\$ -
Construction in Progress	6,038,505	3,125,257	2,913,248	3,771,825	1,830,806	1,941,019
Buildings and Improvements	4,479,102	4,578,217	(99,115)	161,431	172,129	(10,698)
Land Improvements	3,778,467	3,403,746	374,721	-	-	-
Machinery and Equipment	1,964,075	1,718,933	245,142	1,051,475	1,054,905	(3,430)
Infrastructure	18,651,555	18,385,144	266,411	43,243,796	43,138,365	105,431
	\$ 38,752,165	\$ 33,905,496	\$ 4,846,669	\$ 48,860,266	\$ 46,827,944	\$ 2,032,322

Additional information on the City's capital assets can be found in Note 3 (B) on pages 53 through 54 of this CAFR.

**Long-Term Debt:** At the end of the current year, the City had outstanding long-term bonded debt of \$23,750,000.

**CITY OF OTSEGO - OUTSTANDING DEBT**

	Governmental Activities			Business-type Activities		
	2019	2018	Increase (Decrease)	2019	2018	Increase (Decrease)
General Obligation Bonds	\$ 7,310,000	\$ 8,455,000	\$ (1,145,000)	\$ -	\$ -	\$ -
Equipment Certificates	-	40,000	(40,000)	-	-	-
General Obligation Revenue Bonds	-	-	-	16,440,000	21,495,000	(5,055,000)
Unamortized Premiums	68,641	79,989	(11,348)	1,075,267	631,056	444,211
Compensated Absences	91,889	87,373	4,516	17,875	18,412	(537)
Total	<u>\$ 7,470,530</u>	<u>\$ 8,662,362</u>	<u>\$ (1,191,832)</u>	<u>\$ 17,533,142</u>	<u>\$ 22,144,468</u>	<u>\$ (4,611,326)</u>

Revenue streams for the repayment of the outstanding debt liabilities include: special assessments upon benefitting properties, fees from new connections to the water and sanitary sewer utility systems, and property tax levies. Should any of these sources of revenues prove inadequate, all outstanding bonds are backed by the full faith and credit of the City.

During 2019, the City issued \$3,525,000 of General Obligation Revenue Refunding Bonds to achieve interest savings from lower interest rates. The refunding resulted in a decrease of future debt service payments in the amount of \$573,108, with a net present value cash flow savings in the amount of \$525,022. The City made scheduled principal payments of \$9,765,000, which provided a net reduction of \$6,240,000 (20.81%) in the total outstanding long-term debt.

The City's bond rating is AA+, with a stable outlook from Standard & Poor's Rating Services.

State statutes limit the amount of general obligation debt a Minnesota city may issue to 3% of total Estimated Market Value. The current debt limitation for the City is \$50,876,523, with \$3,399,451 in debt outstanding that is applicable to the limit.

Additional information on the City's long-term debt can be found in Note 3 (E) on pages 57 through 59 of this CAFR.

**Economic Factors and Next Year's Budget and Rates**

The following economic factors were identified by the City as potentially having an impact on the financial future of the City, and were considered in preparation of the 2020 operating budgets and capital improvement plans.

- The Taxable Market Value of real estate and personal property within the City increased 11.57% for taxes payable 2020. This increase is driven by both new construction within the City as well as market driven valuation increases.
- New construction in the residential sector continues within the City. During 2019, the City issued 300 building permits for new residential construction. The City also continues to see builders final platting new developments for future years construction.
- The City is initiating a project at the City's East Wastewater Treatment Facility. The project, first identified in the City's Master Sewer Plan, will provide for not only expansion of the facility, but will change the way the City completes the biosolids processing within sanitary sewer operations. Construction of this facility will begin in the spring of 2020, with estimated completion in the spring of 2021.
- In 2019, Independent School District No. 728 received approval through a voter referendum to construct the first middle-school within the City of Otsego. The new middle-school will help serve the rapid residential growth within the City. The City is working with School District officials on planning efforts for the school, with construction expected to begin in the fall of 2020.
- In 2019, the City worked closely with Wright County on planning efforts for two significant road infrastructure projects, expected to begin in the spring of 2020. CSAH 38 and CSAH 19 improvements are a joint effort between the City, Wright County and the City of Albertville. CSAH 39 improvements are a joint effort between the City and the County. Both improvement projects will address safety issues, rising traffic counts, public and private utility improvements, and the addition of pedestrian trail facilities.
- The City is expecting an increase in multi-family and commercial development within the City for the spring of 2020. The City Council has approved, or is in the process of approving two multi-family residential apartment buildings and three commercial developments.
- The City continues to expand upon and make improvements to the Capital Improvement Plan (CIP). The adopted CIP for 2020 plans for capital purchasing ten years into the future. These long range planning efforts assure that the City is always looking into the future and that the City is adequately planning from a financial resources standpoint.

**Requests for Information**

This financial report is designed to provide a general overview of the City of Otsego's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the: Finance Director, 13400 90th Street NE, Otsego, MN 55330.



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**CITY OF OTSEGO, MINNESOTA**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2019**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Investments	\$ 23,589,157	\$ 18,434,057	\$ 42,023,214
Receivables			
Interest	123,014	-	123,014
Accounts	11,110	498,321	509,431
Taxes	108,852	-	108,852
Special Assessments	3,132,318	535,834	3,668,152
Due from Other Governments	3,172	28,997	32,169
Land Held for Resale	202,200	-	202,200
Prepaid Items	120,924	43,625	164,549
Capital Assets			
Nondepreciable	9,878,966	4,403,564	14,282,530
Depreciable, Net of Accumulated Depreciation	28,873,199	44,456,702	73,329,901
Total Assets	<u>66,042,912</u>	<u>68,401,100</u>	<u>134,444,012</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
General Employees Retirement Plan Pension Resources	115,522	29,860	145,382
Total Deferred Outflows of Resources	<u>115,522</u>	<u>29,860</u>	<u>145,382</u>
<b>LIABILITIES</b>			
Accounts Payable	758,624	279,676	1,038,300
Deposits Payable	3,034,675	-	3,034,675
Due to Other Governments	22,515	9,797	32,312
Accrued Salaries Payable	8,277	3,356	11,633
Accrued Interest Payable	73,172	48,083	121,255
Compensated Absences Payable			
Due Within One Year	18,378	3,575	21,953
Due in More than One Year	73,511	14,300	87,811
Bonds Payable			
Due Within One Year	1,330,000	2,335,000	3,665,000
Due in More than One Year	6,048,641	15,180,267	21,228,908
General Employees Retirement Plan Net Pension Payable	957,724	247,549	1,205,273
Total Liabilities	<u>12,325,517</u>	<u>18,121,603</u>	<u>30,447,120</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Grants for Subsequent Years	3,269,225	-	3,269,225
General Employees Retirement Plan Pension Resources	174,076	44,995	219,071
Total Deferred Inflows of Resources	<u>3,443,301</u>	<u>44,995</u>	<u>3,488,296</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	31,373,524	31,344,999	62,718,523
Restricted			
Debt Service	3,979,190	-	3,979,190
Tax Increment Financing	42,166	-	42,166
Park Development	3,636,768	-	3,636,768
Unrestricted	11,357,968	18,919,363	30,277,331
Total Net Position	<u>\$ 50,389,616</u>	<u>\$ 50,264,362</u>	<u>\$ 100,653,978</u>

*The notes to the financial statements are an integral part of this statement.*

CITY OF OTSEGO, MINNESOTA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2019

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position			
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Government Activities</b>							
General Government	\$ 1,383,291	\$ 639,077	\$ -	\$ -	\$ (744,214)	\$ -	\$ (744,214)
Public Safety	2,411,751	1,726,367	76,197	-	(609,187)	-	(609,187)
Public Works	3,387,481	127,176	217,949	2,093,798	(948,558)	-	(948,558)
Culture and Recreation	1,177,721	71,553	25,186	1,267,699	186,717	-	186,717
Economic Development	741,705	-	-	-	(741,705)	-	(741,705)
Interest on Long-Term Debt	212,402	-	-	-	(212,402)	-	(212,402)
Total Government Activities	<u>9,314,351</u>	<u>2,564,173</u>	<u>319,332</u>	<u>3,361,497</u>	<u>(3,069,349)</u>	<u>-</u>	<u>(3,069,349)</u>
<b>Business-Type Activities</b>							
Water Utility	1,729,938	1,734,090	-	1,647,402	-	1,651,554	1,651,554
Sanitary Sewer Utility	2,600,436	2,254,688	-	4,425,411	-	4,079,663	4,079,663
Storm Water Utility	123,163	109,372	-	470,411	-	456,620	456,620
Total Business-Type Activities	<u>4,453,537</u>	<u>4,098,150</u>	<u>-</u>	<u>6,543,224</u>	<u>-</u>	<u>6,187,837</u>	<u>6,187,837</u>
Total	<u>\$ 13,767,888</u>	<u>\$ 6,662,323</u>	<u>\$ 319,332</u>	<u>\$ 9,904,721</u>	<u>(3,069,349)</u>	<u>6,187,837</u>	<u>3,118,488</u>
<b>General Revenues</b>							
Property Taxes					6,681,989	30,000	6,711,989
Tax Increments					97,419	-	97,419
Franchise Taxes					137,510	-	137,510
Grants and Contributions Not Restricted to Specific Programs					162,120	-	162,120
Unrestricted Investment Earnings					754,079	748,799	1,502,878
Gain on Disposal of Capital Assets					47,362	-	47,362
Transfers					212,869	(212,869)	-
Transfers - Capital Assets					(520,896)	520,896	-
Total General Revenues and Transfers					<u>7,572,452</u>	<u>1,086,826</u>	<u>8,659,278</u>
Change in Net Position					4,503,103	7,274,663	11,777,766
Net Position - January 1					<u>45,886,513</u>	<u>42,989,699</u>	<u>88,876,212</u>
Net Position - December 31					<u>\$ 50,389,616</u>	<u>\$ 50,264,362</u>	<u>\$ 100,653,978</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF OTSEGO, MINNESOTA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2019**

	<u>General</u>	<u>Debt Service</u>
<b>ASSETS</b>		
Cash and Investments	\$ 3,933,569	\$ 1,548,060
Receivables		
Interest	123,014	-
Accounts	8,935	-
Taxes		
Current	56,317	-
Delinquent	52,535	-
Special Assessments		
Current	-	684
Deferred	4,100	2,503,867
Delinquent	1,444	645
Due from Other Governments	3,172	-
Due from Other Funds	2,867	-
Land Held for Resale	202,200	-
Prepaid Items	120,924	-
	<u>4,509,077</u>	<u>4,053,256</u>
<b>LIABILITIES</b>		
Accounts Payable	100,396	894
Accrued Salaries Payable	8,277	-
Deposits Payable	-	-
Due to Other Governments	22,515	-
Due to Other Funds	-	-
Total Liabilities	<u>131,188</u>	<u>894</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable Revenue - Property Taxes	52,535	-
Unavailable Revenue - Special Assessments	5,544	2,504,512
Grants for Subsequent Years	-	-
Total Deferred Inflows of Resources	<u>58,079</u>	<u>2,504,512</u>
<b>FUND BALANCES</b>		
Nonspendable	323,124	-
Restricted	-	1,547,850
Committed	-	-
Assigned	223,740	-
Unassigned	3,772,946	-
Total Fund Balances (Deficits)	<u>4,319,810</u>	<u>1,547,850</u>
	<u>\$ 4,509,077</u>	<u>\$ 4,053,256</u>

*The notes to the financial statements are an integral part of this statement.*

<u>MSA Construction</u>	<u>Development &amp; Builder Escrows</u>	<u>Other Nonmajor Governmental</u>	<u>Total Governmental</u>
\$ -	\$ 3,070,621	\$ 15,036,907	\$ 23,589,157
-	-	-	123,014
-	-	2,175	11,110
-	-	-	56,317
-	-	-	52,535
-	-	504	1,188
-	-	617,313	3,125,280
-	-	3,761	5,850
-	-	-	3,172
-	-	717,227	720,094
-	-	-	202,200
-	-	-	120,924
<u>-</u>	<u>3,070,621</u>	<u>16,377,887</u>	<u>28,010,841</u>
388,783	35,946	232,605	758,624
-	-	-	8,277
-	3,034,675	-	3,034,675
-	-	-	22,515
<u>647,673</u>	<u>-</u>	<u>72,421</u>	<u>720,094</u>
<u>1,036,456</u>	<u>3,070,621</u>	<u>305,026</u>	<u>4,544,185</u>
-	-	-	52,535
-	-	621,074	3,131,130
<u>3,269,225</u>	<u>-</u>	<u>-</u>	<u>3,269,225</u>
<u>3,269,225</u>	<u>-</u>	<u>621,074</u>	<u>6,452,890</u>
-	-	-	323,124
-	-	3,678,934	5,226,784
-	-	438,676	438,676
-	-	11,492,028	11,715,768
<u>(4,305,681)</u>	<u>-</u>	<u>(157,851)</u>	<u>(690,586)</u>
<u>(4,305,681)</u>	<u>-</u>	<u>15,451,787</u>	<u>17,013,766</u>
<u>\$ -</u>	<u>\$ 3,070,621</u>	<u>\$ 16,377,887</u>	<u>\$ 28,010,841</u>

**CITY OF OTSEGO, MINNESOTA**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2019**



Fund Balances - Governmental Funds	\$ 17,013,766
Amounts reported for the governmental activities within the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources, and therefore, are not reported as assets in governmental funds.	
Cost of Capital Assets	53,255,192
Accumulated Depreciation	(14,503,027)
Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore, are not reported as liabilities in governmental funds.	
Bonds Payable	(7,310,000)
Unamortized Premium on Bonds Payable	(68,641)
Accrued Interest Payable	(73,172)
Compensated Absences Payable	(91,889)
GERF Pension Payable	(957,724)
Some receivables are not available soon enough to pay for the current period's expenditures, and therefore, are unavailable in governmental funds.	
Delinquent Property Taxes Receivable	52,535
Special Assessments Receivable	3,131,130
Deferred resources from pensions reported in governmental activities are not financial resources and are not payable in the current period, therefore are not reported in governmental funds.	
GERF Pension Deferred Outflows of Resources	115,522
GERF Pension Deferred Inflows of Resources	(174,076)
	<hr/>
Total Net Position - Governmental Activities	<u>\$ 50,389,616</u>

*The notes to the financial statements are an integral part of this statement.*



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**CITY OF OTSEGO, MINNESOTA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES (DEFICITS)**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	General	Debt Service
<b>REVENUES</b>		
Property Taxes	\$ 4,192,198	\$ 734,293
Tax Increments	-	-
Franchise Taxes	137,510	-
Licenses and Permits	1,699,879	-
Intergovernmental	88,328	-
Charges for Services	310,871	-
Special Assessments	5,703	467,086
Fines and Forfeitures	26,488	-
Investment Earnings (net)	155,709	186
Miscellaneous	76,173	-
Total Revenues	<u>6,692,859</u>	<u>1,201,565</u>
<b>EXPENDITURES</b>		
Current		
General Government	1,208,058	-
Public Safety	2,379,440	-
Public Works	1,240,227	-
Culture and Recreation	710,406	-
Economic Development	114,141	-
Capital Outlay		
General Government	19,507	-
Public Safety	-	-
Public Works	10,491	-
Culture and Recreation	4,620	-
Economic Development	-	-
Debt Service		
Principal	-	1,185,000
Interest	-	230,217
Fiscal Agent Fees	-	2,874
Total Expenditures	<u>5,686,890</u>	<u>1,418,091</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,005,969</u>	<u>(216,526)</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers In	171,900	40,969
Sales of Capital Assets	-	-
Transfers Out	(971,726)	-
Total Other Financing Sources (Uses)	<u>(799,826)</u>	<u>40,969</u>
Net Change in Fund Balance	206,143	(175,557)
Fund Balance (Deficit) - January 1	<u>4,113,667</u>	<u>1,723,407</u>
Fund Balance (Deficit) - December 31	<u>\$ 4,319,810</u>	<u>\$ 1,547,850</u>

*The notes to the financial statements are an integral part of this statement.*

MSA Construction	Development & Builder Escrows	Other Nonmajor Governmental	Total Governmental
\$ -	\$ -	\$ 1,735,816	\$ 6,662,307
-	-	97,419	97,419
-	-	-	137,510
-	-	-	1,699,879
653,845	-	1,059,241	1,801,414
-	517,051	1,302,620	2,130,542
-	-	113,320	586,109
-	-	-	26,488
39,496	-	558,688	754,079
30,000	-	35,360	141,533
<u>723,341</u>	<u>517,051</u>	<u>4,902,464</u>	<u>14,037,280</u>
-	105,120	-	1,313,178
-	-	-	2,379,440
-	411,931	31,800	1,683,958
-	-	-	710,406
-	-	151,357	265,498
-	-	42,666	62,173
-	-	1,100,640	1,100,640
3,928,747	-	1,184,248	5,123,486
-	-	234,159	238,779
-	-	476,207	476,207
-	-	-	1,185,000
-	-	-	230,217
-	-	-	2,874
<u>3,928,747</u>	<u>517,051</u>	<u>3,221,077</u>	<u>14,771,856</u>
<u>(3,205,406)</u>	<u>-</u>	<u>1,681,387</u>	<u>(734,576)</u>
-	-	1,061,726	1,274,595
-	-	68,378	68,378
-	-	(90,000)	(1,061,726)
-	-	<u>1,040,104</u>	<u>281,247</u>
(3,205,406)	-	2,721,491	(453,329)
<u>(1,100,275)</u>	<u>-</u>	<u>12,730,296</u>	<u>17,467,095</u>
<u>\$ (4,305,681)</u>	<u>\$ -</u>	<u>\$ 15,451,787</u>	<u>\$ 17,013,766</u>

**CITY OF OTSEGO, MINNESOTA**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES (DEFICITS) OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

Total Net Change in Fund Balances - Governmental Funds	\$ (453,329)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives as depreciation.	
Capital Outlays	5,840,369
Depreciation Expense	(1,539,349)
Assets Contributed by Developers	1,087,561
Contributions of capital assets to the proprietary funds decrease net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	
	(520,896)
In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus the change in net position differs from the change in fund balance by the cost of the capital assets sold.	
	(21,016)
The repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.	
Principal Repayments	1,185,000
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities; however, interest expense is recognized as the interest accrues, regardless of when it is due.	
	20,689
Certain revenues are recognized as soon as they are earned. Under the modified accrual basis of accounting, certain revenues cannot be recognized until they are available to liquidate liabilities of the current period.	
Property Taxes	19,682
Special Assessments	(437,982)
Intergovernmental	(628,422)
In the statement of activities, personnel expenses are recognized as they are accrued, however these expenses do not consume current financial resources, and under the modified accrual basis of accounting, are not reported in the governmental funds until they are due.	
Compensated Absences	(4,516)
GERF Pension	(44,688)
Change in Net Position - Governmental Activities	<u>\$ 4,503,103</u>

*The notes to the financial statements are an integral part of this statement.*

**CITY OF OTSEGO, MINNESOTA**  
**GENERAL FUND - STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ 4,190,235	\$ 4,190,235	\$ 4,192,198	\$ 1,963
Franchise Taxes	140,000	140,000	137,510	(2,490)
Licenses and Permits	982,401	982,401	1,699,879	717,478
Intergovernmental	70,800	70,800	88,328	17,528
Charges for Services	162,820	162,820	310,871	148,051
Special Assessments	5,300	5,300	5,703	403
Fines and Forfeitures	24,000	24,000	26,488	2,488
Investment Earnings (net)	65,000	65,000	155,709	90,709
Miscellaneous	-	-	76,173	76,173
Total Revenues	<u>5,640,556</u>	<u>5,640,556</u>	<u>6,692,859</u>	<u>1,052,303</u>
<b>EXPENDITURES</b>				
Current				
General Government	1,309,861	1,309,861	1,208,058	(101,803)
Public Safety	2,374,426	2,374,426	2,379,440	5,014
Public Works	1,288,089	1,288,089	1,240,227	(47,862)
Culture and Recreation	703,920	703,920	710,406	6,486
Economic Development	114,260	114,260	114,141	(119)
Capital Outlay				
General Government	9,100	9,100	19,507	10,407
Public Works	9,800	9,800	10,491	691
Culture and Recreation	3,000	3,000	4,620	1,620
Total Expenditures	<u>5,812,456</u>	<u>5,812,456</u>	<u>5,686,890</u>	<u>(125,566)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(171,900)</u>	<u>(171,900)</u>	<u>1,005,969</u>	<u>1,177,869</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	171,900	171,900	171,900	-
Transfers Out	-	-	(971,726)	(971,726)
Total Other Financing Sources (Uses)	<u>171,900</u>	<u>171,900</u>	<u>(799,826)</u>	<u>(971,726)</u>
Net Change in Fund Balance	-	-	206,143	206,143
Fund Balance - January 1	<u>4,113,667</u>	<u>4,113,667</u>	<u>4,113,667</u>	-
Fund Balance - December 31	<u>\$ 4,113,667</u>	<u>\$ 4,113,667</u>	<u>\$ 4,319,810</u>	<u>\$ 206,143</u>

*The notes to the financial statements are an integral part of this statement.*

**CITY OF OTSEGO, MINNESOTA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2019**

	Water Utility	Sanitary Sewer Utility	Storm Water Utility	Total Enterprise
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and Cash Equivalents	\$ 8,277,578	\$ 9,823,772	\$ 332,707	\$ 18,434,057
Receivables				
Accounts	163,440	326,087	8,794	498,321
Special Assessments				
Current	-	-	249	249
Delinquent	2,402	-	490	2,892
Due from Other Governments	10,000	18,997	-	28,997
Prepaid Items	10,251	33,374	-	43,625
Total Current Assets	<u>8,463,671</u>	<u>10,202,230</u>	<u>342,240</u>	<u>19,008,141</u>
<b>Noncurrent Assets</b>				
Special Assessments				
Deferred	220,781	270,271	41,641	532,693
Capital Assets				
Land	98,222	533,517	-	631,739
Buildings and Building Improvements	109,096	68,508	-	177,604
Machinery and Equipment	430,948	1,060,322	-	1,491,270
Infrastructure	22,020,656	36,197,591	2,690,638	60,908,885
Construction in Progress	207,740	1,688,805	1,875,280	3,771,825
Total Capital Assets	<u>22,866,662</u>	<u>39,548,743</u>	<u>4,565,918</u>	<u>66,981,323</u>
Less: Accumulated Depreciation	<u>(6,271,756)</u>	<u>(11,568,553)</u>	<u>(280,748)</u>	<u>(18,121,057)</u>
Net Capital Assets	<u>16,594,906</u>	<u>27,980,190</u>	<u>4,285,170</u>	<u>48,860,266</u>
Total Noncurrent Assets	<u>16,815,687</u>	<u>28,250,461</u>	<u>4,326,811</u>	<u>49,392,959</u>
Total Assets	<u>25,279,358</u>	<u>38,452,691</u>	<u>4,669,051</u>	<u>68,401,100</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
General Employees Retirement Plan Pension Resources	<u>7,465</u>	<u>22,395</u>	<u>-</u>	<u>29,860</u>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts Payable	12,304	267,318	54	279,676
Due to Other Governments	9,797	-	-	9,797
Accrued Salaries Payable	839	2,517	-	3,356
Accrued Interest Payable	17,310	30,773	-	48,083
Bonds Payable	840,600	1,494,400	-	2,335,000
Compensated Absences Payable	894	2,681	-	3,575
Total Current Liabilities	<u>881,744</u>	<u>1,797,689</u>	<u>54</u>	<u>2,679,487</u>
<b>Noncurrent Liabilities</b>				
Bonds Payable (net)	5,464,896	9,715,371	-	15,180,267
Compensated Absences Payable	3,575	10,725	-	14,300
General Employees Retirement Plan Net Pension Payable	61,887	185,662	-	247,549
Total Noncurrent Liabilities	<u>5,530,358</u>	<u>9,911,758</u>	<u>-</u>	<u>15,442,116</u>
Total Liabilities	<u>6,412,102</u>	<u>11,709,447</u>	<u>54</u>	<u>18,121,603</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
General Employees Retirement Plan Pension Resources	<u>11,249</u>	<u>33,746</u>	<u>-</u>	<u>44,995</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	10,289,410	16,770,419	4,285,170	31,344,999
Unrestricted	8,574,062	9,961,474	383,827	18,919,363
Total Net Position	<u>\$ 18,863,472</u>	<u>\$ 26,731,893</u>	<u>\$ 4,668,997</u>	<u>\$ 50,264,362</u>

*The notes to the financial statements are an integral part of this statement.*

**CITY OF OTSEGO, MINNESOTA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	Water Utility	Sanitary Sewer Utility	Storm Water Utility	Total Enterprise
<b>OPERATING REVENUES</b>				
Charges for Services	\$ 1,626,076	\$ 2,246,688	\$ 109,372	\$ 3,982,136
<b>OPERATING EXPENSES</b>				
Personal Services	118,877	356,633	25,748	501,258
Supplies	278,790	190,388	16,512	485,690
Insurance	10,204	34,711	-	44,915
Utilities	85,252	225,323	-	310,575
Services and Other Charges	360,960	302,300	22,935	686,195
Depreciation	592,967	988,308	57,968	1,639,243
Total Operating Expenses	<u>1,447,050</u>	<u>2,097,663</u>	<u>123,163</u>	<u>3,667,876</u>
Operating Income (Loss)	<u>179,026</u>	<u>149,025</u>	<u>(13,791)</u>	<u>314,260</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Antenna Rental	79,076	-	-	79,076
Property Taxes	-	-	30,000	30,000
Investment Earnings (net)	325,632	411,903	11,264	748,799
Miscellaneous Revenue	28,938	8,000	-	36,938
Interest and Fiscal Agent Fees	(282,888)	(502,773)	-	(785,661)
Total Nonoperating Revenues (Expenses)	<u>150,758</u>	<u>(82,870)</u>	<u>41,264</u>	<u>109,152</u>
Income Before Capital Contributions and Transfers	329,784	66,155	27,473	423,412
Connection Fees	1,181,077	3,749,611	-	4,930,688
Capital Contributions - Developer Assets	466,325	675,800	470,411	1,612,536
Capital Contributions - Governmental Funds	3,582	11	517,303	520,896
Transfers Out	(51,169)	(161,700)	-	(212,869)
Change in Net Position	1,929,599	4,329,877	1,015,187	7,274,663
Net Position - January 1	<u>16,933,873</u>	<u>22,402,016</u>	<u>3,653,810</u>	<u>42,989,699</u>
Net Position - December 31	<u>\$ 18,863,472</u>	<u>\$ 26,731,893</u>	<u>\$ 4,668,997</u>	<u>\$ 50,264,362</u>

*The notes to the financial statements are an integral part of this statement.*

**CITY OF OTSEGO, MINNESOTA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	Water Utility	Sanitary Sewer Utility	Storm Water Utility	Total Enterprise
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from Customers and Users	\$ 1,637,432	\$ 2,241,806	\$ 111,123	\$ 3,990,361
Other Operating Receipts	98,014	8,000	-	106,014
Payments to Suppliers	(734,046)	(747,040)	(41,493)	(1,522,579)
Payments to Employees	(117,251)	(351,754)	(25,748)	(494,753)
Net Cash Flows Provided by Operating Activities	<u>884,149</u>	<u>1,151,012</u>	<u>43,882</u>	<u>2,079,043</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Property Taxes	-	-	30,000	30,000
Principal Paid on Revenue Bonds	(1,631,486)	(2,900,420)	-	(4,531,906)
Interest Paid on Revenue Bonds	(317,961)	(565,126)	-	(883,087)
Transfers Out	(51,169)	(161,700)	-	(212,869)
Net Cash Flows Provided (Used) by Noncapital Financing Activities	<u>(2,000,616)</u>	<u>(3,627,246)</u>	<u>30,000</u>	<u>(5,597,862)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and Construction of Capital Assets	(144,145)	(1,205,108)	-	(1,349,253)
Connection Fees	1,204,956	3,804,504	-	5,009,460
Net Cash Flows Provided by Capital and Related Financing Activities	<u>1,060,811</u>	<u>2,599,396</u>	<u>-</u>	<u>3,660,207</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest on Investments	325,632	411,903	11,264	748,799
Net Increase in Cash and Cash Equivalents	269,976	535,065	85,146	890,187
Cash and Cash Equivalents - January 1	8,007,602	9,288,707	247,561	17,543,870
Cash and Cash Equivalents - December 31	<u>\$ 8,277,578</u>	<u>\$ 9,823,772</u>	<u>\$ 332,707</u>	<u>\$ 18,434,057</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES</b>				
Operating Income (Loss)	\$ 179,026	\$ 149,025	\$ (13,791)	\$ 314,260
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows Provided by Operating Activities:				
Depreciation	592,967	988,308	57,968	1,639,243
GERF Pension Activity	1,455	4,366	-	5,821
Other Income Related to Operations	108,014	8,000	-	116,014
(Increase) Decrease in Assets & Deferred Outflows of Resources:				
Accounts Receivable	10,939	(4,089)	8	6,858
Special Assessments	417	-	1,743	2,160
Due from Other Governments	(10,000)	(793)	-	(10,793)
Prepaid Items	(132)	(667)	-	(799)
Increase (Decrease) in Liabilities & Deferred Inflows of Resources:				
Accounts Payable	(7,250)	6,349	(2,046)	(2,947)
Due to Other Governments	8,542	-	-	8,542
Accrued Salaries Payable	305	916	-	1,221
Compensated Absences Payable	(134)	(403)	-	(537)
Net Cash Flows Provided by Operating Activities	<u>\$ 884,149</u>	<u>\$ 1,151,012</u>	<u>\$ 43,882</u>	<u>\$ 2,079,043</u>
<b>NONCASH FINANCING ACTIVITIES</b>				
Amortization of Premium on Bonds Payable	\$ 28,398	\$ 50,485	\$ -	\$ 78,883
Acquisition of Capital Assets on Account	\$ 1,443	\$ 221,626	\$ -	\$ 223,069
Contribution of Capital Assets - Developer	\$ 466,325	\$ 675,800	\$ 470,411	\$ 1,612,536
Contribution of Capital Assets - Governmental Funds	\$ 3,582	\$ 11	\$ 517,303	\$ 520,896

*The notes to the financial statements are an integral part of this statement.*

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. REPORTING ENTITY**

The City of Otsego, Minnesota (the City) was incorporated in 1990 after being an established township since 1858. The City operates under the "Optional Plan A" form of government, as defined in Minnesota statutes. The governing body of the City (City Council) consists of an elected Mayor, and four elected Council members, all of which are elected at-large and serve four year staggered terms. The City Council exercises legislative authority and determines all matters of policy.

The financial statements of the City have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), as applied to governmental units by the Governmental Accounting Standards Board (GASB).

The City includes all funds, organizations, institutions, agencies, departments, boards, and offices that are not legally separate from the City. Component units are legally separate organizations for which the elected officials of the City are financially accountable and are included within the basic financial statements of the City because of the significance of their operational or financial relationships with the City.

The City is considered financially accountable for a component unit if it appoints a voting majority of the organization's governing body and is able to impose its will on the organization by significantly influencing the programs, projects, activities, or level of services performed or provided by the organization, or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the City.

Blended component units, although legally separate, are, in substance, part of the government's operations. A blended component unit is reported as if it were a fund of the City throughout the year. It is included at both the government-wide and fund financial reporting levels.

A description of the City's blended component unit follows:

The City of Otsego Economic Development Authority (EDA) – The EDA is a legal entity separate from the City. Although legally separate, the EDA is reported as if it were part of the primary government because the Board of Commissioners is made up of the Mayor and four Council members and the City has operational responsibility over the EDA. It is this criterion that results in the EDA being reported as a blended component unit within the primary government, although there is currently no financial activity for the EDA. Separate financial statements would not be prepared for the EDA, even if there was financial activity.

**B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all non-fiduciary activities of the City and its component units. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or business-type activity and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or business-type activity. Taxes and other items not included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes and special assessments are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, compensated absences, as well as expenditures related to claims and judgements, are recorded only when payment is due.

Property taxes, special assessments, intergovernmental revenues, charges for services and interest associated with the current fiscal year are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. Only the portion of special assessments receivable due within the current fiscal year is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

**General Fund** - This is the City's primary operating fund, and accounts for all of the general financial resources of the City, except those required to be accounted for in another fund. Most of the current day-to-day operations of the City are financed from this fund.

**Debt Service Fund** - This fund is used to account for the collection of property taxes, special assessments and other resources which are used to repay the principal and interest on debt issued for various improvements in the City.

**Municipal State-Aid for Construction Fund** - This fund was established to account for the State allotment of construction aid. The source of the State funding is provided for through collection of gasoline taxes. The funds accumulated are used on transportation related construction projects.

**Development and Builder Escrows Fund** - This fund was established to receipt funds and to account for the expenditure of such funds, for costs associated within residential, commercial and industrial developments in the City.

The City reports the following major enterprise funds:

**Water Utility Fund** - This fund accounts for the operations of the public water utility system. The resources accumulated are primarily from system user charges and system connection fees. The accumulated funds are then used to pay for the operational costs of pumping and distributing water to the system customers. The fund also accumulates resources to finance certain capital improvements and to pay the debt service associated with the water utility.

**Sanitary Sewer Utility Fund** - This fund accounts for the operations of the public sewer utility system. The resources accumulated are primarily from system user charges and system connection fees. The accumulated funds are then used to pay for the operational costs of collection and treatment of sewage from the system. The fund also accumulates resources to finance certain capital improvements and to pay the debt service associated with the sewer utility.

**Storm Water Utility Fund** - This fund accounts for the operations of the storm water collection system. The resources accumulated are primarily from system user charges and property taxes. The accumulated funds are then used to pay for the operational costs of collection and treatment of surface water runoff that does not require treatment.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are transactions that would be treated as revenues, expenditures or expenses if they involved external organizations, such as buying goods and services or payments in lieu of taxes. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenue and expenses.

**D. DEPOSITS AND INVESTMENTS**

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and investments with a maturity of three months or less when from the date of acquisition. All of the deposits and investments allocated to the proprietary funds are considered to meet this criteria.

Cash balances from all funds are pooled and invested, to the extent available, in certificates of deposit and other authorized investments. Earnings from such investments are allocated on the basis of applicable participation by each of the funds.

Minnesota statute §118A.04 governs the investment of public funds and outlines the allowable investment types. The City's investment policy is more restrictive than statute, and authorizes the City to invest in the following:

- a] Securities which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress.
- b] Shares of investment companies registered under the Federal Securities Act of 1940, and received the highest credit rating and is rated in one of the two highest categories by at least one nationally recognized statistical rating agency.
- c] Obligations of any state or local government with taxing powers rated "A" for general obligations or with a rating of "AA" or better for revenue backed obligations, with the ratings being provided by a national bond rating service.
- d] Commercial paper issued by a United States corporation or their Canadian subsidiaries that is rated in the highest quality by at least two nationally recognized rating agencies.
- e] Time deposits that are fully insured by the Federal Deposit Insurance Corporation.

Certain investments for the City are reported at fair value as disclosed in Note 3 (A). The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 79, the Minnesota Municipal Investment Pool (4M) securities are valued at amortized cost, which approximates fair value. There are no restrictions or limitations on withdrawals from the 4M Liquid Asset Fund.

## E. RECEIVABLES AND PAYABLES

### *Accounts Receivable*

Receivables include amounts billed for services provided by the City before year-end. Receivables within the enterprise funds do include unbilled charges for services provided from the middle of December to the end of the year, as the City bills for those services mid-month. The City currently has not established an allowance for doubtful accounts for either trade or utility charge receivables. The City annually certifies unpaid trade and utility charge receivable to Wright County for collection in the following year, and is the primary factor in reporting the receivables at a gross amount, rather than net of allowance.

### *Property Taxes*

The City Council annually adopts a property tax levy and certifies it to Wright County in December. The County allocates this levy across taxable properties in the City based on valuations assessed in the prior year. These taxes become an enforceable lien against the property on January 1st, and are recorded as receivables by the City as of that date.

Tax statements are generated and mailed by the County to the respective taxpayers, with half of the total due on May 15th and the second half due on October 15th. The County is also the collecting agency, and remits the amounts collected to the City with primary settlements in June and December, and a minor settlement in January.

Property taxes that are unpaid as of December 31st, are then classified as delinquent. Delinquent taxes receivable include the past six years of uncollected taxes and are fully offset by a deferred inflow of resources for those collections not received within 60 days of year-end in the governmental fund financial statements.

### *Special Assessments*

Special assessments represent the financing for public improvements paid for by benefiting property owners. These assessments are recorded as receivables upon certification to the County. Special assessments have been offset by a deferred inflow of resources for those collections not received within 60 days after year end in the governmental fund financial statements.

### *Interfund Receivables and Payables*

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. Short-term interfund loans are classified as "due to/from other funds." All short-term interfund receivables and payables at December 31, 2019 are planned to be eliminated in 2020. Long-term interfund loans are classified as "advances to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

## F. PREPAID ITEMS

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are reported using the consumption method and recorded as expenditures/expenses at the time of consumption rather than when purchased.

## G. ASSETS HELD FOR RESALE

Assets held for resale represent various parcels of land that are currently owned by the City with the intent to sell in the future to create economic development activity within the City. The assets are reported at their net realizable value in the General fund. During the year ended December 31, 2019, management has reviewed the reported values of the assets.

**H. CAPITAL ASSETS**

Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) and intangible assets such as easements and computer software, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary fund financial statements. Capital assets are defined by the City as assets with an initial, individual cost in excess of the amounts in the table below and with an estimated useful life in excess of three years. All land assets are recorded by the City with no assigned cost threshold. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Infrastructure	\$ 100,000
Buildings and Building Improvements	50,000
Land Improvements	25,000
Machinery and Equipment	5,000

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed . For the year ended December 31, 2019 no interest was capitalized in connection with construction in progress.

Capital assets of the City, are depreciated using the straight line method over the following estimated useful lives:

Infrastructure	25 - 40 years
Buildings and Building Improvements	10 - 40 years
Land Improvements	5 - 20 years
Machinery and Equipment	3 - 15 years

**I. DEFERRED OUTFLOWS OF RESOURCES**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City presents deferred outflows of resources on the Statement of Net Position for deferred outflows of resources related to pensions for various estimate differences that will be amortized and recognized over future years.

**J. COMPENSATED ABSENCES**

It is the City's policy to permit employees to accumulate earned but unused personal time-off (PTO) benefits. All PTO pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental fund financial statements only if they have matured, for example, as a result of an employee retirement or resignation. The General fund is typically used to liquidate the compensated absences payable for governmental activities.

**K. LONG TERM OBLIGATIONS**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**L. PENSIONS**

For purposes of measuring the net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to or deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA except that PERA's fiscal year end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The General fund is typically used to liquidate the net pension liability for governmental activities. The Water Utility and Sanitary Sewer Utility funds would be used to liquidate the net pension liability for business-type activities.

**M. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS**

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. The primary objective of this Statement was to improve accounting and financial reporting for postemployment benefits other than pensions (OPEB). The City has no plans that would result in an OPEB liability and, therefore, the City anticipates it will not incur any future explicit or implicit OPEB costs for its employees, and therefore, no liability will be recorded.

**N. DEFERRED INFLOWS OF RESOURCES**

In addition to liabilities, statements of financial position or balance sheets will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items which qualify for reporting in this category. One item, unavailable revenue, which arises only under a modified accrual basis of accounting, therefore, is reported only in the governmental funds Balance Sheet. The governmental funds report unavailable revenue from sources such as: property taxes and special assessments not collected within 60 days of year-end. The governmental funds also report deferred inflows of grants for subsequent years due to timing requirements not being met at year-end. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The second item presented by the City are deferred inflows of resources on the Statement of Net Position for deferred inflows of resources related to pensions for various estimate differences that will be amortized and recognized over future years.

## O. FUND EQUITY

Fund equity in the fund financial statements is classified as fund balance for governmental funds and net position for proprietary funds. Fund equity in the government-wide financial statements is classified as net position for both governmental and business-type activities.

**Fund Balance** – In the fund financial statements, governmental funds report fund balance in classifications that disclose restraints for which amounts in those funds can be spent. These classifications are as follows:

*Nonspendable* – consists of amounts that are not in spendable form or are required to be maintained intact.

*Restricted* – consists of amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by state statutory provisions.

*Committed* – consists of internally imposed constraints. These constraints are imposed by formal action (resolution) of the City Council, which is the highest level of decision making authority.

*Assigned* – consists of internally imposed constraints. These constraints reflect the specific purpose for which it is the City's intended use. These constraints are established by the City Council or, pursuant to council resolution, the City Administrator or the Finance Director.

*Unassigned* – is the residual classification for the General fund and also reflects negative residual amounts in other funds.

When committed, assigned, or unassigned resources are available for an allowable use, it is the City's policy to use resources in the following order; 1) committed, 2) assigned, and 3) unassigned.

The City has formally adopted a fund balance policy for the General Fund. The policy establishes a year-end target fund balance amount of 45% of the next year's operating budget for cash flow needs.

**Net Position** – Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net position can be displayed in the three following classifications:

*Net Investment in Capital Assets* – consists of capital assets, net of accumulated depreciation, and further reduced by the outstanding balance of any long-term debt used to build or acquire the respective capital assets.

*Restricted* – reported when there are limitations of use through external restrictions imposed by creditors, grantors, or laws and regulations of other governments.

*Unrestricted* – all remaining net position is reported in this classification.

When both restricted and unrestricted net position are available for an allowable use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

**P. USE OF ESTIMATES**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP), requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Actual results could differ from such estimates.

**Q. BUDGETARY INFORMATION**

An annual budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP) for the General fund, the Debt Service fund, and the Revolving Loan and Tax Increment District No. 1 special revenue funds. All annual appropriations lapse at year-end. The City does not use encumbrance accounting.

In June of each year, General fund departments submit requests for appropriations to the City Administrator so that a budget may be prepared. The requested budget appropriations are presented and reviewed with the City Council. The proposed General fund budget and preliminary property tax levy must be certified to Wright County prior to September 30. The City Council holds public hearings and a final budget is adopted in early December, with the final property tax levy required to be certified to Wright County prior to the end of December.

The appropriated budget is prepared by fund and department. The City's department heads are authorized to make transfers of budgeted appropriations within a department. Any transfers of appropriations between a department needs authorization of the City Administrator. The legal level of budgetary control is at the fund level, so any appropriations transfers between funds needs the approval of the City Council. There were no transfers of budgeted appropriations or budget amendments during the year.

**NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. DEFICIT FUND EQUITY**

Deficit fund equity exists at December 31, 2019 in the following funds:

Major Governmental Funds:	
Capital Project Funds	
MSA Construction	\$ 4,305,681
Nonmajor Governmental Funds:	
Special Revenue Funds	
Tax Increment District No. 3	1,634
Tax Increment District No. 4	1,233
Capital Project Funds	
Kadler Avenue Improvements	154,984

The deficits are being funded through internal borrowing. The MSA Construction fund deficit will be repaid with State-Aid funding from 2020 through 2024, which has been advanced to the City for the 85th Street and Maciver Avenue street extension project. The Kadler Avenue Improvements fund deficit will be repaid with project funding sources such as grant monies and reimbursements from an industrial developer. The Tax Increment District No. 3 fund deficit will be repaid with future collections of tax increment, which is expected to begin generating in 2020. The Tax Increment District No. 4 fund deficit will be repaid with future collections of tax increment, which is expected to begin generating in 2021.

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. DEPOSITS AND INVESTMENTS**

In accordance with Minnesota Statutes, the City maintains deposits at only those depository banks authorized by the City Council. All such depositories are members of the Federal Reserve System.

Minnesota Statutes require that all City deposits with financial institutions be protected by federal deposit insurance, corporate surety bonds or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by insurance or bonds. Minnesota Statutes require that all securities pledged as collateral be placed in safekeeping in a restricted account at the Federal Reserve Bank, or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral.

At year-end, the City's carrying amount of deposits was \$456,208, and a bank balance of \$1,287,294.

Custodial credit risk for the City's deposits would arise in the event of a bank failure, where the City's deposits may not be returned to it. As of year-end, the City's bank balance was not exposed to custodial credit risk because it was insured and fully collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.

As of December 31, 2019 the City had the following investments:

Investment Type	Fair Value	Investment Maturities (In Years)		
		< 1	1 - 3	3 - 5
Negotiable Certificates of Deposit	\$ 18,906,088	\$ 3,719,805	\$ 7,993,070	\$ 7,193,213
U.S. Government Agency Securities	10,493,213	3,156,518	4,426,937	2,909,758
Municipal Bonds	5,209,848	1,681,770	3,217,386	310,692
External Investment Pool	5,855,201	5,855,201	-	-
Brokered Money Market Accounts	1,102,056	1,102,056	-	-
<b>Total</b>	<b>\$ 41,566,406</b>	<b>\$ 15,515,350</b>	<b>\$ 15,637,393</b>	<b>\$ 10,413,663</b>

The external investment pool and brokered money market investments are valued at amortized cost. All of the remaining City investments have recurring fair value measurements using a matrix pricing model (level 2 inputs).

**CITY OF OTSEGO, MINNESOTA**  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2019

As of December 31, 2019, the City's investments in U.S. Government Agency Securities and Municipal Bonds carried the following ratings as well as their respective concentration percentage when compared to the total investment portfolio. An indication of "NR" in the ratings below mean that the respective rating organization has not provided a rating on the respective investment.

Investment Type	Moody's Rating	S & P Rating	Fair Value	Portfolio Concentration %
U.S. Government Agency Securities				
Federal Farm Credit Bank (FFCB)	Aaa	AA+	\$ 3,043,166	7.32%
Federal Home Loan Bank (FHLB)	Aaa	AA+	4,378,491	10.53%
Federal Home Loan Mortgage Corporation (FHLMC)	Aaa	AA+	1,252,454	3.01%
Federal National Mortgage Association (FNMA)	Aaa	AA+	1,819,102	4.38%
Total			\$ 10,493,213	25.24%

None of the U.S. Government Agency Securities investments are individually over 5% of the total investment portfolio.

**Municipal Bonds**

Lake County School District, Illinois	Aa2	AA+	\$ 680,000	1.64%
Lincoln Consolidated School District, Michigan	NR	AA	500,630	1.20%
City of Portsmouth, Virginia	Aa2	AA	501,140	1.21%
Swift County, Minnesota	NR	AA-	325,315	0.78%
City of Oklahoma City, Oklahoma	Aaa	AAA	507,410	1.22%
State of California	Aa3	AA-	498,515	1.20%
Pinckney School District, Michigan	NR	AA	175,438	0.42%
Milan School District, Michigan	NR	AA	506,591	1.22%
State of Connecticut	A1	A	497,335	1.20%
City of Kaukauna, Wisconsin	NR	AA-	203,472	0.49%
Milwaukee County, Wisconsin	Aa2	AA	503,310	1.21%
City of Bloomington, Minnesota	NR	AAA	159,253	0.38%
City of Minneapolis, Minnesota	NR	AAA	151,439	0.36%
Total			\$ 5,209,848	12.53%

The following is a summary of total deposits and investments as of December 31, 2019 and presented in the basic financial statements in the Statement of Net Position:

Deposits	\$ 456,208
Investments	41,566,406
Petty Cash and Change Funds	600
Total	\$ 42,023,214

Interest Rate Risk – This is the risk that the market values of the securities in the City's investment portfolio would decrease due to changes in market interest rates. The City identifies interest rate risk within the second and fourth objectives of the City's investment policy, which are liquidity and return on investment. The City attempts to limit its exposure to interest rate risk by keeping the investment portfolio sufficiently liquid to meet cash flow requirements, while still attempting to obtain a reasonable return on investment. The City also addresses interest rate risk by attempting to create proportions in the maturities of the City's investment portfolio which places longer term investments higher on the yield curve than those shorter term investments.

Credit Risk – This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Minnesota Statutes limits allowable investments to those that are in the top two ratings issued by nationally recognized statistical rating organizations. The City's investment policy also addresses credit risk by further limiting investments to the list provided within Note 1-D.

Concentration of Credit Risk – This is the risk of loss attributed to the magnitude of the City's investment in any single issuer. The first objective of the City's investment policy is safety. To obtain this objective, diversification is to be considered in the type of investment, maturity and the issuer of the respective investments. Each of the City's certificates of deposit are purchased in amounts not exceeding federal deposit insurance. The tables above outline the concentrations of the City's other investment types, including U.S. Government Agency Securities and Municipal Bonds.

Custodial Credit Risk – This is the risk that in the event of the failure of a counterparty to an investment, the City will not be able to recover the value of an investment or collateral securities that are in possession of an outside party. In accordance with the City's investment policy, all investment securities shall be held by a single safekeeping agent in the name of the City.

**CITY OF OTSEGO, MINNESOTA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

**B. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2019 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
Capital Assets, not Being Depreciated:				
Land	\$ 2,694,199	\$ 1,146,262	\$ -	\$ 3,840,461
Construction in Progress	3,125,257	3,602,080	(688,832)	6,038,505
<b>Total Capital Assets, not Being Depreciated</b>	<b>5,819,456</b>	<b>4,748,342</b>	<b>(688,832)</b>	<b>9,878,966</b>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	6,500,501	61,549	-	6,562,050
Land Improvements	6,034,245	627,282	-	6,661,527
Machinery and Equipment	3,664,570	571,132	(193,101)	4,042,601
Infrastructure	25,022,487	1,087,561	-	26,110,048
<b>Total Capital Assets, Being Depreciated</b>	<b>41,221,803</b>	<b>2,347,524</b>	<b>(193,101)</b>	<b>43,376,226</b>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	1,922,284	160,664	-	2,082,948
Land Improvements	2,630,499	252,561	-	2,883,060
Machinery and Equipment	1,945,637	304,974	(172,085)	2,078,526
Infrastructure	6,637,343	821,150	-	7,458,493
<b>Total Accumulated Depreciation</b>	<b>13,135,763</b>	<b>1,539,349</b>	<b>(172,085)</b>	<b>14,503,027</b>
<b>Total Capital Assets Being Depreciated - Net</b>	<b>28,086,040</b>	<b>808,175</b>	<b>(21,016)</b>	<b>28,873,199</b>
<b>Governmental Activities Capital Assets - Net</b>	<b>\$ 33,905,496</b>	<b>\$ 5,556,517</b>	<b>\$ (709,848)</b>	<b>\$ 38,752,165</b>

Depreciation expense was charged to the functions of the City as follows:

<b>Governmental Activities:</b>	
General Government	\$ 26,156
Public Safety	3,985
Public Works	1,127,744
Culture and Recreation	381,464
<b>Total Depreciation Expense - Governmental Activities</b>	<b>\$ 1,539,349</b>

**CITY OF OTSEGO, MINNESOTA**  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2019

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type Activities:</b>				
Capital Assets, not Being Depreciated:				
Land	\$ 631,739	\$ -	\$ -	\$ 631,739
Construction in progress	1,830,806	2,016,275	(75,256)	3,771,825
<b>Total Capital Assets, not Being Depreciated</b>	<b>2,462,545</b>	<b>2,016,275</b>	<b>(75,256)</b>	<b>4,403,564</b>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	177,604	-	-	177,604
Machinery and Equipment	1,373,260	118,010	-	1,491,270
Infrastructure	59,296,349	1,612,536	-	60,908,885
<b>Total Capital Assets, Being Depreciated</b>	<b>60,847,213</b>	<b>1,730,546</b>	<b>-</b>	<b>62,577,759</b>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	5,475	10,698	-	16,173
Machinery and Equipment	318,355	121,440	-	439,795
Infrastructure	16,157,984	1,507,105	-	17,665,089
<b>Total Accumulated Depreciation</b>	<b>16,481,814</b>	<b>1,639,243</b>	<b>-</b>	<b>18,121,057</b>
<b>Total Capital Assets Being Depreciated - Net</b>	<b>44,365,399</b>	<b>91,303</b>	<b>-</b>	<b>44,456,702</b>
<b>Business-type Activities Capital Assets - Net</b>	<b>\$ 46,827,944</b>	<b>\$ 2,107,578</b>	<b>\$ (75,256)</b>	<b>\$ 48,860,266</b>

Depreciation expense was charged to the functions of the City as follows:

Business-type Activities:	
Water Utility	\$ 592,967
Sanitary Sewer Utility	988,308
Storm Water Utility	57,968
<b>Total Depreciation Expense - Business-type Activities</b>	<b>\$ 1,639,243</b>

**C. CONSTRUCTION COMMITMENTS**

At December 31, 2019 the City had construction project contracts in progress. The commitments related to remaining contract balances are summarized as follows:

Project	Contract Amount	Remaining Commitment
85th Street and Maciver Avenue Extensions	\$ 5,520,437	\$ 116,209
Kadler Avenue Improvements	1,364,062	16,235
Lift Station No. 7	223,115	113,433

**D. INTERFUND BALANCES AND TRANSFERS**

At December 31, 2019, the composition of balances for due to/from other funds of the City were as follows:

Fund	Due from Other Funds	Due to Other Funds
Major Governmental Funds:		
General	\$ 2,867	\$ -
MSA Construction	-	647,673
Nonmajor Governmental Funds:		
Special Revenue Funds		
Tax Increment District No. 3	-	1,634
Tax Increment District No. 4	-	1,233
Capital Project Funds		
Capital Improvements	717,227	-
Kadler Avenue Improvements	-	69,554
Total	<u>\$ 720,094</u>	<u>\$ 720,094</u>

Interfund due to/from balances are representative of lending/borrowing arrangements to cover deficit cash balances at the end of the fiscal year. The balance in the Tax Increment District No. 3 fund will be repaid with future collections of tax increment, which is expected to begin in 2020. The balance in the Tax Increment District No. 4 fund will be repaid with future collections of tax increment, which is expected to begin in 2021. The balance in the Municipal State-Aid for Construction fund will be repaid with State-Aid funding for the 85th Street and Maciver Avenue extension projects. The balance in the Kadler Avenue Improvements fund will be repaid with project funding sources such as grant monies and reimbursements from an industrial developer.

**CITY OF OTSEGO, MINNESOTA**  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2019

Transfers between funds made during the year ended December 31, 2019 were as follows:

Fund	Transfer In	Transfer Out
<b>Major Governmental Funds:</b>		
General	\$ 171,900	\$ 971,726
Debt Service	40,969	-
<b>Nonmajor Governmental Funds:</b>		
Building & Property Maintenance	90,000	-
Capital Improvements	971,726	90,000
Total Governmental Funds	<u>1,274,595</u>	<u>1,061,726</u>
<b>Major Proprietary Funds:</b>		
Water Utility	-	51,169
Sanitary Sewer Utility	-	161,700
Total Proprietary Funds	<u>-</u>	<u>212,869</u>
 Total All Funds	 <u>\$ 1,274,595</u>	 <u>\$ 1,274,595</u>

Interfund transfers allow the City to allocate financial resources to the funds that receive benefit from services provided by another fund or to provide additional capital and infrastructure funding. In addition, interfund transfers are occasionally authorized to allow redistribution of resources between funds for the most efficient use of funds. In 2019, the following transfers were made between funds:

- The General fund transferred \$971,726 to the Capital Improvements fund in accordance with the City's fund balance policy, where any balance exceeding the minimum fund balance is set aside for future capital items.
- The Water and Sanitary Sewer funds transferred \$42,975 and \$128,925 respectively to the General fund as an annual contribution to help manage the property tax levy.
- The Water and Sanitary Sewer funds transferred \$8,194 and \$32,775 to the Debt Service fund to contribute their portion of the debt service associated with the purchase of the Jet Vac truck.
- The Capital Improvement Fund transferred \$90,000 to the newly created Building and Property Maintenance fund which will accumulate resources that will provide for the costs associated with maintaining City buildings and property.

**E. LONG-TERM DEBT**

*Governmental Activities*

The City issued general obligation bonds to provide funding for the acquisition and construction of major capital facilities and construction of infrastructure in the governmental activities. General obligation bonds have also been issued to refinance general obligation improvement bonds, which were originally intended to be fully repaid with collections of special assessments. All long-term indebtedness outstanding is backed by the full faith and credit of the City. Bonds in the governmental activities will be retired with future property tax levies and collections of special assessments. In the event that a deficiency exists because of unpaid or delinquent taxes or special assessments at the time a debt service payment is due, the City must provide resources to cover the deficiency until other resources are available. At the end of the current year, there are \$4,053,256 of assets accumulated in the debt service funds for future debt service. Included within those accumulated assets, there are \$645 of delinquent special assessments receivable, of which collection is uncertain.

	Interest Rates	Issue Date	Final Maturity Date	Original Issue	Payable 12/31/19
General Obligation Bonds:					
Refunding Bonds, Series 2010B	2.00 - 3.00%	11/30/2010	12/1/2021	\$ 3,705,000	\$ 950,000
Refunding Bonds, Series 2010D	2.00 - 3.60%	11/30/2010	2/1/2028	1,220,000	890,000
Refunding Bonds, Series 2011A	2.00 - 3.20%	12/21/2011	2/1/2028	4,640,000	2,765,000
Refunding Bonds, Series 2012A	2.00%	3/14/2012	12/1/2021	1,400,000	400,000
Improvement Bonds, Series 2018A	3.00 - 3.13%	7/11/2018	2/1/2034	2,305,000	2,305,000
Total - Bonded Indebtedness				<u>\$ 13,270,000</u>	7,310,000
Other Liabilities:					
Unamortized Premium on Issuance of Bonds					68,641
Compensated Absences Payable					<u>91,889</u>
Total Governmental Activities					<u>\$ 7,470,530</u>

Annual debt service requirements to maturity for governmental activities long-term indebtedness are as follows:

Year Ending December 31	Governmental Activities	
	General Obligation Bonds Principal	Interest
2020	\$ 1,330,000	\$ 196,200
2021	1,360,000	162,531
2022	705,000	126,443
2023	720,000	107,441
2024	490,000	90,481
2025 - 2029	2,375,000	218,749
2030 - 2034	330,000	26,403
Total	<u>\$ 7,310,000</u>	<u>\$ 928,248</u>

**CITY OF OTSEGO, MINNESOTA**  
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***Business-type Activities***

The City issued general obligation bonds to provide funding for the acquisition and construction of major capital facilities and construction of infrastructure in the business-type activities. All long-term indebtedness outstanding is backed by the full faith and credit of the City. Bonds in the business-type activities will be retired with the net revenues of the Water and Sanitary Sewer funds. (Net revenues are defined as the excess of gross revenues and earnings over the normal, reasonable and current costs of operating and maintenance). In the event that a deficiency exists because of inadequate net revenues at the time a debt service payment is due, the City must provide resources to cover the deficiency until other resources are available. At the end of the current year, the Water and Sanitary Sewer funds provided net revenues of \$5,258,739, which accounts for a debt-service coverage ratio of 97.11%.

	Interest Rates	Date	Final Maturity Date	Original Issue	Payable 12/31/19
General Obligation Bonds:					
Revenue Bonds, Series 2010C	2.00 - 5.00%	11/30/2010	12/1/2026	\$ 21,300,000	\$ 12,915,000
Revenue Bonds, Series 2019A	4.00 - 4.00%	12/19/2019	12/1/2026	<u>3,525,000</u>	<u>3,525,000</u>
Total - Bonded Indebtedness				<u>\$ 24,825,000</u>	16,440,000
Other Liabilities:					
Unamortized Premium on Issuance of Bonds					1,075,267
Compensated Absences Payable					<u>17,875</u>
Total Business-type Activities					<u>\$ 17,533,142</u>

Annual debt service requirements to maturity for business-type activities long-term indebtedness are as follows:

Year Ending December 31	<u>Business-type Activities</u>	
	<u>General Obligation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2020	\$ 2,335,000	\$ 584,050
2021	2,410,000	521,050
2022	2,550,000	400,550
2023	2,650,000	322,775
2024	2,165,000	239,300
2025 - 2026	<u>4,330,000</u>	<u>248,243</u>
Total	<u>\$ 16,440,000</u>	<u>\$ 2,315,968</u>

In December 2019, the City issued \$3,525,000 of General Obligation Revenue Refunding Bond, Series 2019A for the current refunding of the General Obligation Revenue Refunding Bond, Series 2009A. The refunding was done to take advantage of lower interest rates. The refunding resulted in a decrease of future debt service payments of \$573,108. The net present value cash flow savings from this transaction was \$525,022.

**CITY OF OTSEGO, MINNESOTA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

***Changes in Long-Term Liabilities***

Long-term liability activity for the year ended December 31, 2019 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
<b>Bonds Payable:</b>					
General Obligation Bonds	\$ 8,455,000	\$ -	\$ (1,145,000)	\$ 7,310,000	\$ 1,330,000
Equipment Certificates	40,000	-	(40,000)	-	-
<b>Total Bonded Indebtedness</b>	<b>8,495,000</b>	<b>-</b>	<b>(1,185,000)</b>	<b>7,310,000</b>	<b>1,330,000</b>
Unamortized Bond Premium	79,989	-	(11,348)	68,641	-
Compensated Absences	87,373	131,845	(127,329)	91,889	18,378
<b>Total - Governmental</b>	<b>8,662,362</b>	<b>131,845</b>	<b>(1,323,677)</b>	<b>7,470,530</b>	<b>1,348,378</b>
<b>Business-type Activities:</b>					
<b>Bonds Payable:</b>					
General Obligation Bonds	21,495,000	3,525,000	(8,580,000)	16,440,000	2,335,000
Unamortized Bond Premium	631,056	523,094	(78,883)	1,075,267	-
Compensated Absences	18,412	29,849	(30,386)	17,875	3,575
<b>Total - Business-type</b>	<b>22,144,468</b>	<b>4,077,943</b>	<b>(8,689,269)</b>	<b>17,533,142</b>	<b>2,338,575</b>
<b>Grand Total Long-Term Liabilities</b>	<b>\$30,806,830</b>	<b>\$ 4,209,788</b>	<b>\$(10,012,946)</b>	<b>\$ 25,003,672</b>	<b>\$ 3,686,953</b>

The General fund is typically used to liquidate the compensated absences payable for governmental activities.

**F. CONDUIT DEBT OBLIGATIONS**

Conduit debt obligations are certain limited-obligation revenue bonds or similar instruments issued for the express purpose of providing capital financing for a specific third party. The City has issued various revenue bonds to provide funding to private sector entities for projects deemed to be in the public interest. Although these bonds bear the name of the City, the City has no obligation for such debt. Accordingly, the bonds are not reported as liabilities in the financial statements of the City.

As of December 31, 2019, the City's conduit debt consisted of the following:

Guardian Angels Senior Services Revenue Bonds, Series 2017	\$ 29,320,000
Guardian Angels Senior Services Revenue Refunding Bonds, Series 2017A	9,670,000
Revenue Refunding Bonds, Series 2017B	6,160,000
Kaleidoscope Charter School Revenue Bonds, Series 2014A	15,010,000

**G. TAX ABATEMENTS**

The City has entered into certain agreements for economic development purposes to either attract new businesses or retain existing business operations within the City. The authority for the City to enter into such agreements comes from *Minnesota Statute §469*. The City further has an established Business Subsidy Policy that provides evaluation criteria for any business subsidy requests. As of December 31, 2019, the City has entered into two types of agreements.

***Property Tax Abatements***

For the year ended December 31, 2019, the City abated property taxes totaling \$60,039. Details of each agreement and the abatement for the current year are as follows:

- The City has entered into a tax abatement agreement with Duke Realty for land acquisition costs paid by the developer that ultimately allowed for the City to construct street infrastructure within the Gateway North industrial park. The agreement outlines that 50 percent of taxes payable in 2016-2022 will be abated by the City, to a maximum value of \$340,000. The abatement amounted to \$56,491 in the current year.
- The City has entered into a tax abatement agreement with Family Speech & Therapy Services for costs to upgrade and provide rehabilitation of an existing commercial building within the City. The agreement outlines that 100 percent of taxes payable in 2014-2019 will be abated by the City, to a maximum value of \$25,000. The abatement amounted to \$3,548 in the current year.

***Tax Increment Financing***

For the year ended December 31, 2019, the Tax Increment Financing Districts within the City generated increment in the amount of \$97,419 and payments to the developers in the amount of \$87,461. Details of each agreement are as follows:

- Tax Increment Financing District No. 1 was established in 2015 for the purpose of promoting industrial development on a parcel owned by the City which had been obtained through the tax forfeiture process. The parcel would not have been developed but-for tax increment financing given the existing special assessments and the extraordinary amount of soil improvements. Under the agreement, up to \$694,487 of costs incurred by the developer will be reimbursed through a tax increment revenue note, payable beginning in 2018 and concluding in 2027. Payments on the tax increment revenue note are only made to the extent of increment generated by the district. For 2019, this tax increment financing district generated increment in the amount of \$97,419 and payments to the developer in the amount of \$87,461.
- Tax Increment Financing District No. 3 was established in 2017 for the purpose of facilitating the development of a 142 unit senior housing facility, consisting of independent living, assisted living and memory care. The tax increment district is a housing district, and is intended for occupancy, in part, by persons or families of low and moderate income. In order to qualify as a housing district, the senior housing facility is required to provide at least 20% of the residential units to persons whose incomes do not exceed 50% of the County median income. By providing the affordable housing, the City believes that such a project was in the best interests of the City and its residents and agreed to reimburse the developer the lesser of \$2,389,400 or the costs of the site improvements actually incurred. The reimbursements will be made through a tax increment revenue note, payable beginning in 2020 and concluding in 2047. Payments of the tax increment revenue note are only made to the extent of increment generated by the district.
- Tax Increment Financing District No. 4 was established in 2018 for the purpose of facilitating the redevelopment of an existing site including the decommissioning of a private wastewater treatment facility. The redevelopment of this site will facilitate the construction of 164 units of market-rate multifamily housing, a mini-storage facility, and will create shovel ready sites for approximately 15,000 square feet of future commercial retail development. The City determined this development will ultimately preserve and enhance the tax base, redevelop sub-standard areas and provide employment opportunities within the City that would not reasonably be expected to occur solely through private investment within the foreseeable future. Under the agreement, up to \$3,359,685 of costs incurred by the developer will be reimbursed through a tax increment revenue note, payable beginning in 2021 and concluding in 2046. Payments on the tax increment revenue note are only made to the extent of increment generated by the district.

**H. FUND EQUITY**

Net position reported in the government-wide statement of net position at December 31, 2019 include the following:

**Governmental Activities**

Net Investment in Capital Assets:	
Cost of Capital Assets	\$ 53,255,192
Less: Accumulated Depreciation	(14,503,027)
Less: Related Long-Term Debt Outstanding	(7,378,641)
Total Net Investment in Capital Assets	<u>31,373,524</u>
Restricted for Tax Increment Financing	<u>42,166</u>
Restricted for Debt Service	
Fund Balance - Governmental Fund Financial Statements	1,547,850
Add: Unavailable Revenue - Special Assessments	2,504,512
Less: Accrued Interest Payable	(73,172)
Total Restricted for Debt Service	<u>3,979,190</u>
Restricted for Park Development	<u>3,636,768</u>
Unrestricted	<u>11,357,968</u>
Total Governmental Activities Net position	<u><u>\$ 50,389,616</u></u>

**Business-type Activities**

Net Investment in Capital Assets:	
Cost of Capital Assets	\$ 66,981,323
Less: Accumulated Depreciation	(18,121,057)
Less: Related Long-Term Debt Outstanding	(17,515,267)
Total Net Investment in Capital Assets	<u>31,344,999</u>
Unrestricted	<u>18,919,363</u>
Total Business-type Activities Net Position	<u><u>\$ 50,264,362</u></u>

**CITY OF OTSEGO, MINNESOTA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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Aggregated funds balances reported in the governmental funds balance sheet at December 31, 2019 include the following:

**Governmental Funds**

	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>
General Fund				
Prepaid Items	\$ 120,924	\$ -	\$ -	\$ -
Assets Held for Resale	202,200	-	-	-
Insurance Deductibles	-	-	-	195,708
Educational Programs	-	-	-	28,032
Debt Service				
Debt Service	-	1,547,850	-	-
Nonmajor Governmental Funds				
Park Development	-	3,636,768	-	-
Street Light Replacement	-	-	67,219	-
Business Development Loans	-	-	371,457	-
Tax Increment Financing	-	42,166	-	-
City Buildings & Infrastructure	-	-	-	11,074,590
City Parks	-	-	-	417,438
	<u>\$ 323,124</u>	<u>\$ 5,226,784</u>	<u>\$ 438,676</u>	<u>\$ 11,715,768</u>
Total Fund Balances	<u>\$ 323,124</u>	<u>\$ 5,226,784</u>	<u>\$ 438,676</u>	<u>\$ 11,715,768</u>

**NOTE 4 RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters.

Property and casualty insurance is provided through the League of Minnesota Cities Insurance Trust (LMCIT), a public entity risk pool currently operating as a common risk management and insurance program. The City pays an annual premium to the LMCIT for its insurance coverage. The LMCIT is self-sustaining through member premiums and reinsures through commercial companies for excess claims. The City is covered through the pool for any claims incurred but unreported, however, retains risk for the deductible portions of the insurance policies. The amount of those deductibles is considered immaterial to the financial statements.

Workers' compensation coverage is provided through a pooled self-insurance program through the LMCIT. The respective insurance policy is retrospectively rated. With this type of coverage, final premiums are determined after loss experience is known. The amount of premium adjustment, if any, is considered immaterial and not recorded until received or paid. This coverage is not subject to a deductible.

There were no significant reductions in insurance from the previous year or settlements in excess of insurance coverage for any of the past three years.

The City is subject to certain legal claims in the normal course of business. Management does not expect the resolution of these claims will have a material impact on the City's financial condition or results of operations.

**NOTE 5 PENSION PLAN**

*Public Employee's Retirement Association*

**A. PLAN DESCRIPTION**

The City participates in the following cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees Retirement Association of Minnesota (PERA). PERA's defined benefit pension plans are established and administered in accordance with Minnesota Statutes, Chapters 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

*General Employees Retirement Plan*

All full-time and certain part-time employees of the City are covered by the General Employees Plan. General Employees Plan members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

**B. BENEFITS PROVIDED**

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state legislature. Vested, terminated employees who are entitled to benefits but are not receiving them yet are bound by the provisions in effect at the time they last terminated their public service.

*General Employees Plan Benefits*

Benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination or service. Two methods are used to compute benefits for PERA's Coordinated Plan members. The retiring member, if hired prior to July 1, 1989, receives the higher of a step-rate benefit accrual formula (Method 1) or level accrual formula (Method 2), which is used for members hired after June 30, 1989. Under Method 1, the accrual rate for a Coordinated Plan member is 1.2 percent of average salary for each of the first ten years of service and 1.7 percent of average salary for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7 percent of average salary for all years of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

Annuities, disability benefits, and survivor benefits are increased effective every January 1. Beginning January 1, 2019 the postretirement increase will be equal to 50 percent of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1 percent and a maximum of 1.5 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. For members retiring on January 1, 2024, or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt for the delay to normal retirement.

**C. CONTRIBUTIONS**

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state legislature.

*General Employees Fund Contributions*

Coordinated Plan members were required to contribute 6.5 percent of their annual covered salary in calendar year 2019 and the City was required to contribute 7.5 percent for Coordinated Plan members. The City's contributions to the General Employees Fund for years ended December 31, 2019, 2018 and 2017 were \$120,583, \$110,473, and \$98,542. The City's contributions were equal to the required contributions as set by state statute.

**D. PENSION COSTS**

*General Employees Fund Pension Costs*

At December 31, 2019, the City reported a liability of \$1,205,273 for its proportionate share of the General Employees Fund's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million to the fund in 2019. The State of Minnesota is considered a non-employer contributing entity and the State's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$37,332. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2018 through June 30, 2019, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2019, the City's proportionate share was 0.0218 percent, which was an increase of 0.0003 percent from its proportionate share measured as of June 30, 2018.

City's proportionate share of the net pension liability	\$ 1,205,273
State of Minnesota's proportionate of the net pension liability associated with the City	<u>37,332</u>
Total	<u><u>\$ 1,242,605</u></u>

For the year ended December 31, 2019, the City recognized pension expense of \$173,888 for its proportionate share of the General Employees Plan's pension expense. Included in that amount, the City recognized \$2,796 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

**CITY OF OTSEGO, MINNESOTA**  
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At December 31, 2019, the City reported its proportionate share of the General Employees Plan's deferred outflows of resources and deferred inflows of resources, related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 33,178	\$ -
Changes in Actuarial Assumptions	-	93,703
Differences Between Projected and Actual Investment Earnings	-	125,368
Changes in Proportion	46,991	-
Contributions Paid Subsequent to the Measurement Date	65,213	-
Totals	<u>\$ 145,382</u>	<u>\$ 219,071</u>

Deferred outflows totaling \$65,213 related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Pension Expense Amount
2020	\$ (29,716)
2021	(91,507)
2022	(19,621)
2023	1,942
2024	-
Thereafter	-
Total	<u>\$ (138,902)</u>

**E. ACTUARIAL ASSUMPTIONS**

The total pension liability in the June 30, 2019, actuarial valuation was determined using an individual entry age normal actuarial cost method and the following actuarial assumptions:

Inflation	2.50% per year
Active Member Payroll Growth	3.25% per year
Investment Rate of Return	7.50%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabilitants for the plan were based on RP-2014 tables for males or females, as appropriate, with slight adjustments to fit PERA's experience. Cost of living benefit increases after retirement for retirees are assumed to be 1.25 percent per year.

Actuarial assumptions used in the June 30, 2019 valuation were based on the results of actuarial experience studies. The most recent four-year experience study in the Plan was completed in 2019. Economic assumptions were updated in 2018 based on a review of inflation and investment return assumptions.

The following changes in actuarial assumptions occurred in 2019:

- The mortality projection scale was changed from MP-2017 to MP-2018.

The following changes in plan provisions occurred in 2019:

- The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The State's special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness of the long-term expected rate of return on a regular basis using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	35.50%	5.10%
Private Markets	25.00%	5.90%
Fixed Income	20.00%	0.75%
International Equity	17.50%	5.90%
Cash Equivalents	2.00%	0.00%
Total	<u>100.00%</u>	

**F. DISCOUNT RATE**

The discount rate used to measure the total pension liability in 2019 was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members and employers will be made at rates set in *Minnesota Statutes*. Based on these assumptions, the fiduciary net positions of the General Employees Fund was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**G. PENSION LIABILITY SENSITIVITY**

The following presents the City's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current rate.

City's Proportionate Share of the Net Pension Liability	6.50% One Point Decrease	7.50% Current Rate	8.50% One Point Increase
General Employees Fund	\$ 1,981,404	\$ 1,205,273	\$ 564,423

**H. PENSION PLAN FIDUCIARY NET POSITION**

Detailed information about each pension plan's fiduciary net position is available in a separately issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained at [www.mnpera.org](http://www.mnpera.org).

**NOTE 6 CHANGE IN ACCOUNTING PRINCIPLE/PRIOR PERIOD ADJUSTMENT**

For the year ended December 31, 2019, the City implemented GASB Statement No. 84, *Fiduciary Activities*. As a result, the Development and Builder Escrows Fund was reclassified from a fiduciary fund to a governmental capital project fund.

**NOTE 7 NEW ACCOUNTING PRONOUNCEMENTS**

The Governmental Accounting Standards Board recently approved the following statements which were not implemented in these financial statements. The effect these standards may have on future financial statements has not been determined.

- Statement No. 87, *Leases*  
This new standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and deferred inflow of resources, thereby enhancing the relevance and consistency about governments' leasing activities. This statement will be effective for the year ending December, 31, 2022.
  
- Statement No. 89, *Accounting for Interest Cost Incurred Before the End of Construction Period*  
This new standard enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and simplifies accounting for interest cost incurred before the end of a construction period. This statement will be effective for the year ending December 31, 2021.

**NOTE 8 SUBSEQUENT EVENTS**

On March 11, 2020, the World Health Organization characterized the COVID-19 outbreak as a pandemic. In response, the President of the United States of America declared a national emergency on March 13, 2020; and furthermore, on the same date, the Governor of the State of Minnesota declared a peactime emergency. This pandemic has caused affects on the economy and financial markets. The extent of the impact on the City may be both direct and indirect and will vary based on the duration of the outbreak and various other factors. An estimate of the financial effect on the City's financial statements as of December 31, 2019 cannot be determined at this time.

**CITY OF OTSEGO, MINNESOTA**  
**REQUIRED SUPPLEMENTARY INFORMATION (LAST TEN YEARS\*)**  
**SCHEDULE OF CITY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY**  
**GENERAL EMPLOYEE'S RETIREMENT FUND**

Fiscal Year Ending	City's Proportionate (%) Share of Net Pension Liability	City's Proportionate (\$) Share of Net Pension Liability	State's Proportionate (\$) Share of the Net Pension Liability Associated With the City	City's Proportionate (\$) Share of the Net Pension Liability Associated With the City	City's Covered Payroll	City's Proportionate (%) Share of Net Pension Liability Compared With Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
June 30, 2019	0.0218%	\$ 1,205,273	\$ 37,332	\$ 1,242,605	\$ 1,531,014	78.72%	80.20%
June 30, 2018	0.0215%	1,192,732	39,115	1,231,847	1,365,460	87.35%	79.50%
June 30, 2017	0.0215%	1,372,546	17,254	1,389,800	1,332,687	102.99%	75.89%
June 30, 2016	0.0198%	1,607,662	20,935	1,628,597	1,136,013	141.52%	68.91%
June 30, 2015	0.0195%	1,010,592	-	1,010,592	1,124,606	89.86%	78.19%

*This supplementary information is provided prospectively beginning with the Year Ended December 31, 2015.*

**CITY OF OTSEGO, MINNESOTA**  
**REQUIRED SUPPLEMENTARY INFORMATION (LAST TEN YEARS\*)**  
**SCHEDULE OF CITY'S CONTRIBUTIONS**  
**GENERAL EMPLOYEE'S RETIREMENT FUND**

Year Ending	Statutorily Required Contributions	Contributions in Relation to Statutorily Required Contributions	Contribution (Excess) Deficiency	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
December 31, 2019	\$ 120,583	\$ 120,583	\$ -	\$ 1,607,772	7.50%
December 31, 2018	110,473	110,473	-	1,472,972	7.50%
December 31, 2017	98,542	98,542	-	1,313,896	7.50%
December 31, 2016	96,567	96,567	-	1,287,564	7.50%
December 31, 2015	83,256	83,256	-	1,110,085	7.50%

*This supplementary information is provided prospectively beginning with the Year Ended December 31, 2015.*

**NOTE 1 GENERAL EMPLOYEES FUND**

**CHANGES FOR 2019**

*Changes in Actuarial Assumptions*

- The mortality projection scale was changed from MP-2017 to MP-2018.

*Changes in Plan Provisions*

- The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The State's special funding contribution was changed prospectively, requiring \$16.0 million per year through 2031.

**CHANGES FOR 2018**

*Changes in Actuarial Assumptions*

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2044 and 2.50 percent per year thereafter to 1.25 percent per year.

*Changes in Plan Provisions*

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.0 percent to 3.0 percent, beginning July 1, 2018.
- Deferred augmentation was changed to 0.0 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Postretirement benefit increases were changed from 1.0 percent per year with a provision to increase to 2.5 percent upon attainment of 90.0 percent funding ratio to 50.0 percent of the Social Security Cost of Living Adjustment, not less than 1.0 percent and not more than 1.5 percent, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

**CHANGES FOR 2017**

*Changes in Actuarial Assumptions*

- The Combined Service Annuity (CSA) loads were changed from 0.80 percent for active members and 60 percent for both vested and non-vested deferred members. The revised CSA loads are now 0.00 percent for active member liability, 15 percent for vested deferred member liability, and 3.00 percent for non-vested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year for all years to 1.00 percent per year through 2044, and 2.50% percent thereafter.

*Changes in Plan Provisions*

- The State's contribution for the Minneapolis Employees Retirement Fund equals \$16.0 million in 2017 and 2018, and \$6.0 million thereafter.
- The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from \$21.0 million to \$31.0 million in calendar years 2019 to 2031. The State's contribution changed from \$16.0 million to \$6.0 million in calendar years 2019 to 2031.

**CHANGES FOR 2016**

*Changes in Actuarial Assumptions*

- The assumed post-retirement benefit increase was changed from 1.00% per year through 2035 and 2.50% per year thereafter to 1.00% per year for all future years.
- The assumed investment return was changed from 7.90% to 7.50%. The single discount rate was changed from 7.90% to 7.50%.
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases and payroll growth were decreased by 0.25% to 3.25%. Inflation was decreased 0.25% to 2.50%.

**CHANGES FOR 2015**

*Changes in Actuarial Assumptions*

- The assumed post-retirement benefit increase rate was changed from 1.00% per year through 2030 and 2.50% per year thereafter to 1.00% per year through 2035 and 2.50% per year thereafter.

*Changes in Plan Provisions*

- On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.10 billion, and increased the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised; the State's contribution of \$6.0 million, which meets the special funding situation definition, was due September 2015.



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**CITY OF OTSEGO, MINNESOTA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2019**

	Special Revenue	Capital Project	Total Nonmajor Governmental
<b>ASSETS</b>			
Cash and Investments	\$ 478,667	\$ 14,558,240	\$ 15,036,907
Receivables			
Accounts	2,175	-	2,175
Special Assessments			
Current	-	504	504
Deferred	-	617,313	617,313
Delinquent	-	3,761	3,761
Due from Other Funds	-	717,227	717,227
	<u>480,842</u>	<u>15,897,045</u>	<u>16,377,887</u>
<b>LIABILITIES</b>			
Accounts Payable	-	232,605	232,605
Due to Other Funds	2,867	69,554	72,421
Total Liabilities	<u>2,867</u>	<u>302,159</u>	<u>305,026</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue - Special Assessments	-	621,074	621,074
<b>FUND BALANCES</b>			
Restricted			
Tax Increment Financing	42,166	-	42,166
Park Development	-	3,636,768	3,636,768
Committed			
Street Light Replacement	67,219	-	67,219
Business Development Loans	371,457	-	371,457
Assigned			
City Buildings & Infrastructure	-	11,074,590	11,074,590
City Parks	-	417,438	417,438
Unassigned (Deficits)	(2,867)	(154,984)	(157,851)
Total Fund Balances	<u>477,975</u>	<u>14,973,812</u>	<u>15,451,787</u>
	<u>\$ 480,842</u>	<u>\$ 15,897,045</u>	<u>\$ 16,377,887</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 480,842</u>	<u>\$ 15,897,045</u>	<u>\$ 16,377,887</u>

**CITY OF OTSEGO, MINNESOTA**  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2019

	Special Revenue	Capital Project	Total Nonmajor Governmental
<b>REVENUES</b>			
Property Taxes	\$ 60,816	\$ 1,675,000	\$ 1,735,816
Tax Increments	97,419	-	97,419
Intergovernmental	-	1,059,241	1,059,241
Charges for Services	4,181	1,298,439	1,302,620
Special Assessments	-	113,320	113,320
Investment Earnings (net)	16,819	541,869	558,688
Miscellaneous	-	35,360	35,360
Total Revenues	179,235	4,723,229	4,902,464
<b>EXPENDITURES</b>			
Current			
Public Works	31,800	-	31,800
Economic Development	151,357	-	151,357
Capital Outlay			
General Government	-	42,666	42,666
Public Safety	-	1,100,640	1,100,640
Public Works	-	1,184,248	1,184,248
Culture and Recreation	-	234,159	234,159
Economic Development	-	476,207	476,207
Total Expenditures	183,157	3,037,920	3,221,077
Excess of Revenues			
Over Expenditures	(3,922)	1,685,309	1,681,387
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	1,061,726	1,061,726
Sales of Capital Assets	-	68,378	68,378
Transfers Out	-	(90,000)	(90,000)
Total Other Financing Sources (Uses)	-	1,040,104	1,040,104
Net Change in Fund Balance	(3,922)	2,725,413	2,721,491
Fund Balance - January 1	481,897	12,248,399	12,730,296
Fund Balance - December 31	\$ 477,975	\$ 14,973,812	\$ 15,451,787



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A special revenue fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Street Lighting

This fund accounts for the electrical service, maintenance, repair and replacement of street lights within the City's above standard street-lighting district for commercially developed areas. The primary funding source of the fund is generated through charges for services imposed upon the benefitting properties in the district.

Revolving Loans

This fund was established to provide for economic development subsidies and loans to be provided to business entities in the City through the City's Economic Development Authority (EDA).

Tax Increment District No. 1 - Great River Centre

This fund was established to account for the collection of tax increment generated revenues for parcels within the District. The District encompasses two parcels in the Great River Centre commercial and industrial area. The increment generated is used for specific economic development incentives within the District.

Tax Increment District No. 3 - Riverview Landing

This fund was established to account for the collection of tax increment generated revenues for parcels within the District. The District is a housing district and is located in the Waterfront East development area. The increment generated is used to provide 20% of the residential units to persons or families of low and moderate income.

Tax Increment District No. 4 - Riverbend North

This fund was established to account for the collection of tax increment generated revenues for parcels within the District. The District is a redevelopment district and includes four parcels within the Riverbend North plat, located near CSAH 42 and Highway 101. The increment generated is used to redevelop the existing site, including the decommissioning of a private wastewater facility, construction of multifamily housing, a mini-storage facility and site preparations to accommodate approximately 15,000 square feet of future commercial development.

CITY OF OTSEGO, MINNESOTA  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 DECEMBER 31, 2019

	Street Lighting	Revolving Loans	Tax Increment District No. 1	Tax Increment District No. 3	Tax Increment District No. 4	Total Nonmajor Special Revenue
<b>ASSETS</b>						
Cash and Investments	\$ 65,044	\$ 371,457	\$ 42,166	\$ -	\$ -	\$ 478,667
Receivables						
Accounts	2,175	-	-	-	-	2,175
Total Assets	<u>67,219</u>	<u>371,457</u>	<u>42,166</u>	<u>-</u>	<u>-</u>	<u>480,842</u>
<b>LIABILITIES</b>						
Due to Other Funds	-	-	-	1,634	1,233	2,867
<b>FUND BALANCES</b>						
Restricted						
Tax Increment Financing	-	-	42,166	-	-	42,166
Committed						
Street Light Replacement	67,219	-	-	-	-	67,219
Business Development Loans	-	371,457	-	-	-	371,457
Unassigned	-	-	-	(1,634)	(1,233)	(2,867)
Total Fund Balances (Deficits)	<u>67,219</u>	<u>371,457</u>	<u>42,166</u>	<u>(1,634)</u>	<u>(1,233)</u>	<u>477,975</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 67,219</u>	<u>\$ 371,457</u>	<u>\$ 42,166</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 480,842</u>

**CITY OF OTSEGO, MINNESOTA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES (DEFICITS)**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	Street Lighting	Revolving Loans	Tax Increment District No. 1	Tax Increment District No. 3	Tax Increment District No. 4	Total Nonmajor Special Revenue
<b>REVENUES</b>						
Property Taxes	\$ -	\$ 60,816	\$ -	\$ -	\$ -	\$ 60,816
Tax Increments	-	-	97,419	-	-	97,419
Charges for Services	4,181	-	-	-	-	4,181
Investment Earnings (net)	3,150	13,669	-	-	-	16,819
Total Revenues	<u>7,331</u>	<u>74,485</u>	<u>97,419</u>	<u>-</u>	<u>-</u>	<u>179,235</u>
<b>EXPENDITURES</b>						
Current						
Public Works	31,800	-	-	-	-	31,800
Economic Development	-	60,039	88,851	1,234	1,233	151,357
Total Expenditures	<u>31,800</u>	<u>60,039</u>	<u>88,851</u>	<u>1,234</u>	<u>1,233</u>	<u>183,157</u>
Net Change in Fund Balance	(24,469)	14,446	8,568	(1,234)	(1,233)	(3,922)
Fund Balance (Deficit) - January 1	<u>91,688</u>	<u>357,011</u>	<u>33,598</u>	<u>(400)</u>	<u>-</u>	<u>481,897</u>
Fund Balance (Deficit) - December 31	<u>\$ 67,219</u>	<u>\$ 371,457</u>	<u>\$ 42,166</u>	<u>\$ (1,634)</u>	<u>\$ (1,233)</u>	<u>\$ 477,975</u>

**CITY OF OTSEGO, MINNESOTA**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**REVOLVING LOANS FUND - SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ 60,816	\$ 60,816	\$ 60,816	\$ -
Investment Earnings (net)	-	-	13,669	13,669
Total Revenues	<u>60,816</u>	<u>60,816</u>	<u>74,485</u>	<u>13,669</u>
<b>EXPENDITURES</b>				
Current				
Economic Development				
Services and Other Charges	<u>60,816</u>	<u>60,816</u>	<u>60,039</u>	<u>(777)</u>
Net Change in Fund Balance	-	-	14,446	14,446
Fund Balance - January 1	<u>357,011</u>	<u>357,011</u>	<u>357,011</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 357,011</u>	<u>\$ 357,011</u>	<u>\$ 371,457</u>	<u>\$ 14,446</u>

**CITY OF OTSEGO, MINNESOTA**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**TAX INCREMENT DISTRICT NO. 1 - SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
<b>REVENUES</b>				
Tax Increments	\$ 96,938	\$ 96,938	\$ 97,419	\$ 481
<b>EXPENDITURES</b>				
Current				
Economic Development				
Personal Services	-	-	482	482
Services and Other Charges	89,495	89,495	88,369	(1,126)
Total Expenditures	89,495	89,495	88,851	(644)
Net Change in Fund Balance	7,443	7,443	8,568	1,125
Fund Balance - January 1	33,598	33,598	33,598	-
Fund Balance - December 31	\$ 41,041	\$ 41,041	\$ 42,166	\$ 1,125

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Pavement Management

This fund was established to provide funds and to account for the expenditure of such funds, for costs associated with the City's street maintenance and replacement plan adopted annually within the Capital Improvement Plan. Annual projects may include: fog & seal coating, crack filling, paint striping, patching and asphalt overlays.

Trails Management

This fund was established to provide funds and to account for the expenditure of such funds, for costs associated with the City's trail maintenance plan adopted annually within the Capital Improvement Plan. Annual projects will typically include: crack filling, patching and seal coating.

Park Development

This fund was established to accumulate funds that will be used to provide for the acquisition and construction of new park sites, buildings and facilities throughout our growing City.

Parks Capital Equipment

This fund was established to accumulate funds for major maintenance and future replacement of equipment within the City's park system.

Revolving Capital Equipment

This fund was established to provide funds and to account for the expenditure of such funds, for costs associated with the replacement of capital equipment, most significantly the City's machinery and vehicle fleet.

Community Facilities

This fund was established to accumulate funds that will be used to provide for the costs associated with the improvements of existing City facilities and the acquisition and construction of additional City facilities.

Collector Streets

This fund was established to accumulate funds derived from ongoing residential and commercial development that will provide for the costs associated with the construction of future arterial collector street infrastructure.

Fire Reserve

This fund was established to accumulate funds that will be used to finance the costs associated with the future construction of a fire department building and the capital equipment that will be housed within.

Watershed Districts

This fund was established to provide funds and to account for the expenditure of such funds, for costs associated with the maintenance of major water drainage system ditches throughout the City.

Odean Improvements

This fund was established to track the expenditures incurred for major improvements made to Odean Avenue in 1998. The outstanding special assessments to the benefitting property owners provide the funding for the costs.

Capital Improvements

This fund was established to accumulate resources that may be used to internally finance future City projects.

Slabtown Improvements

This fund was established to track the expenditures incurred for infrastructure improvements to the Slabtown area. The outstanding special assessments to the benefitting property owners provide the funding for the costs.

Kadler Avenue Improvements

This fund was established to track the expenditures incurred for infrastructure improvements being planned for Kadler Avenue. The improvements will provide for an urban style street capable of handling the volumes and type of traffic associated with an industrial park, of which has received preliminary development approvals.

Buildings & Property Maintenance

This fund was established to provide funds and to account for the expenditure of such funds, for costs associated with the maintenance of and improvements to City buildings and properties.

**CITY OF OTSEGO, MINNESOTA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR CAPITAL PROJECT FUNDS**  
**DECEMBER 31, 2019**

	<u>Pavement Management</u>	<u>Trails Management</u>	<u>Park Development</u>	<u>Parks Capital Equipment</u>
<b>ASSETS</b>				
Cash and Investments	\$ 3,199,088	\$ 2,561	\$ 3,636,768	\$ 424,738
Receivables				
Special Assessments				
Current	-	-	-	-
Deferred	122,528	-	-	-
Delinquent	447	-	-	-
Due from Other Funds	-	-	-	-
	<u>3,322,063</u>	<u>2,561</u>	<u>3,636,768</u>	<u>424,738</u>
<b>LIABILITIES</b>				
Accounts Payable	945	425	-	7,300
Due to Other Funds	-	-	-	-
Total Liabilities	<u>945</u>	<u>425</u>	<u>-</u>	<u>7,300</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Special Assessments	<u>122,975</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Restricted				
Park Development	-	-	3,636,768	-
Assigned				
City Buildings & Infrastructure	3,198,143	2,136	-	-
City Parks	-	-	-	417,438
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	<u>3,198,143</u>	<u>2,136</u>	<u>3,636,768</u>	<u>417,438</u>
	<u>\$ 3,322,063</u>	<u>\$ 2,561</u>	<u>\$ 3,636,768</u>	<u>\$ 424,738</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	<u>\$ 3,322,063</u>	<u>\$ 2,561</u>	<u>\$ 3,636,768</u>	<u>\$ 424,738</u>

<u>Revolving Capital Equipment</u>	<u>Community Facilities</u>	<u>Collector Streets</u>	<u>Fire Reserve</u>	<u>Watershed Districts</u>	<u>Odean Improvements</u>	<u>Capital Improvements</u>
\$ 394,536	\$ 747	\$ 1,822,509	\$ 1,564,514	\$ 1,090,423	\$ 5,075	\$ 2,339,321
-	-	-	504	-	-	-
-	-	163,593	-	-	7,000	318,591
-	-	2,871	443	-	-	-
-	-	-	-	-	-	717,227
<u>394,536</u>	<u>747</u>	<u>1,988,973</u>	<u>1,565,461</u>	<u>1,090,423</u>	<u>12,075</u>	<u>3,375,139</u>
99,252	-	540	-	-	-	38,713
-	-	-	-	-	-	-
<u>99,252</u>	<u>-</u>	<u>540</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,713</u>
-	-	166,464	443	-	7,000	318,591
-	-	-	-	-	-	-
295,284	747	1,821,969	1,565,018	1,090,423	5,075	3,017,835
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>295,284</u>	<u>747</u>	<u>1,821,969</u>	<u>1,565,018</u>	<u>1,090,423</u>	<u>5,075</u>	<u>3,017,835</u>
<u>\$ 394,536</u>	<u>\$ 747</u>	<u>\$ 1,988,973</u>	<u>\$ 1,565,461</u>	<u>\$ 1,090,423</u>	<u>\$ 12,075</u>	<u>\$ 3,375,139</u>

**CITY OF OTSEGO, MINNESOTA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR CAPITAL PROJECT FUNDS**  
**DECEMBER 31, 2019**

**(CONTINUED)**

	<u>Slabtown Improvements</u>	<u>Kadler Avenue Improvements</u>	<u>City Buildings &amp; Property Maintenance</u>	<u>Total Nonmajor Capital Projects</u>
<b>ASSETS</b>				
Cash and Investments	\$ 22,794	\$ -	\$ 55,166	\$ 14,558,240
Receivables				
Special Assessments				
Current	-	-	-	504
Deferred	5,601	-	-	617,313
Delinquent	-	-	-	3,761
Due from Other Funds	-	-	-	717,227
	<u>28,395</u>	<u>-</u>	<u>55,166</u>	<u>15,897,045</u>
<b>LIABILITIES</b>				
Accounts Payable	-	85,430	-	232,605
Due to Other Funds	-	69,554	-	69,554
Total Liabilities	<u>-</u>	<u>154,984</u>	<u>-</u>	<u>302,159</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Special Assessments	<u>5,601</u>	<u>-</u>	<u>-</u>	<u>621,074</u>
<b>FUND BALANCES</b>				
Restricted				
Park Development	-	-	-	3,636,768
Assigned				
City Buildings & Infrastructure	22,794	-	55,166	11,074,590
City Parks	-	-	-	417,438
Unassigned	-	(154,984)	-	(154,984)
Total Fund Balances (Deficits)	<u>22,794</u>	<u>(154,984)</u>	<u>55,166</u>	<u>14,973,812</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	<u>\$ 28,395</u>	<u>\$ -</u>	<u>\$ 55,166</u>	<u>\$ 15,897,045</u>



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**CITY OF OTSEGO, MINNESOTA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES (DEFICITS)**  
**NONMAJOR CAPITAL PROJECT FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	Pavement Management	Trails Management	Park Development	Parks Capital Equipment
<b>REVENUES</b>				
Property Taxes	\$ 800,000	\$ 32,000	\$ -	\$ 58,000
Intergovernmental	280,819	-	-	-
Charges for Services	-	-	1,117,699	-
Special Assessments	29,396	-	-	-
Investment Earnings (net)	104,554	172	123,807	13,798
Miscellaneous	-	-	-	24,341
Total Revenues	<u>1,214,769</u>	<u>32,172</u>	<u>1,241,506</u>	<u>96,139</u>
<b>EXPENDITURES</b>				
Capital Outlay				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	357,790	-	-	-
Culture and Recreation	-	31,776	16,148	7,300
Economic Development	-	-	-	-
Total Expenditures	<u>357,790</u>	<u>31,776</u>	<u>16,148</u>	<u>7,300</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>856,979</u>	<u>396</u>	<u>1,225,358</u>	<u>88,839</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Sales of Capital Assets	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	856,979	396	1,225,358	88,839
Fund Balance (Deficit) - January 1	<u>2,341,164</u>	<u>1,740</u>	<u>2,411,410</u>	<u>328,599</u>
Fund Balance (Deficit) - December 31	<u>\$ 3,198,143</u>	<u>\$ 2,136</u>	<u>\$ 3,636,768</u>	<u>\$ 417,438</u>

(CONTINUED)

<u>Revolving Capital Equipment</u>	<u>Community Facilities</u>	<u>Collector Streets</u>	<u>Fire Reserve</u>	<u>Watershed Districts</u>	<u>Odean Improvements</u>	<u>Capital Improvements</u>
\$ 260,000	\$ -	\$ -	\$ 170,000	\$ -	\$ -	\$ 355,000
-	150,000	-	-	-	-	-
-	-	-	-	180,740	-	-
-	-	9,556	772	-	7,000	63,521
16,179	-	70,053	71,955	51,413	-	89,142
-	10,000	-	-	-	-	-
<u>276,179</u>	<u>160,000</u>	<u>79,609</u>	<u>242,727</u>	<u>232,153</u>	<u>7,000</u>	<u>507,663</u>
-	-	-	-	-	-	6,017
-	-	-	1,100,640	-	-	-
467,864	-	161,210	-	-	-	39,713
81,583	97,352	-	-	-	-	-
-	-	-	-	-	-	476,207
<u>549,447</u>	<u>97,352</u>	<u>161,210</u>	<u>1,100,640</u>	<u>-</u>	<u>-</u>	<u>521,937</u>
<u>(273,268)</u>	<u>62,648</u>	<u>(81,601)</u>	<u>(857,913)</u>	<u>232,153</u>	<u>7,000</u>	<u>(14,274)</u>
-	-	-	-	-	-	971,726
68,378	-	-	-	-	-	-
-	-	-	-	-	-	(90,000)
<u>68,378</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>881,726</u>
(204,890)	62,648	(81,601)	(857,913)	232,153	7,000	867,452
<u>500,174</u>	<u>(61,901)</u>	<u>1,903,570</u>	<u>2,422,931</u>	<u>858,270</u>	<u>(1,925)</u>	<u>2,150,383</u>
<u>\$ 295,284</u>	<u>\$ 747</u>	<u>\$ 1,821,969</u>	<u>\$ 1,565,018</u>	<u>\$ 1,090,423</u>	<u>\$ 5,075</u>	<u>\$ 3,017,835</u>

**CITY OF OTSEGO, MINNESOTA**  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES (DEFICITS)  
 NONMAJOR CAPITAL PROJECT FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2019

(CONTINUED)

	Slabtown Improvements	Kadler Avenue Improvements	City Buildings & Property Maintenance	Total Nonmajor Capital Projects
<b>REVENUES</b>				
Property Taxes	\$ -	\$ -	\$ -	\$ 1,675,000
Intergovernmental	-	628,422	-	1,059,241
Charges for Services	-	-	-	1,298,439
Special Assessments	3,075	-	-	113,320
Investment Earnings (net)	-	-	796	541,869
Miscellaneous	-	-	1,019	35,360
Total Revenues	<u>3,075</u>	<u>628,422</u>	<u>1,815</u>	<u>4,723,229</u>
<b>EXPENDITURES</b>				
Capital Outlay				
General Government	-	-	36,649	42,666
Public Safety	-	-	-	1,100,640
Public Works	-	157,671	-	1,184,248
Culture and Recreation	-	-	-	234,159
Economic Development	-	-	-	476,207
Total Expenditures	<u>-</u>	<u>157,671</u>	<u>36,649</u>	<u>3,037,920</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,075</u>	<u>470,751</u>	<u>(34,834)</u>	<u>1,685,309</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	90,000	1,061,726
Sales of Capital Assets	-	-	-	68,378
Transfers Out	-	-	-	(90,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>90,000</u>	<u>1,040,104</u>
Net Change in Fund Balance	3,075	470,751	55,166	2,725,413
Fund Balance (Deficit) - January 1	<u>19,719</u>	<u>(625,735)</u>	<u>-</u>	<u>12,248,399</u>
Fund Balance (Deficit) - December 31	<u>\$ 22,794</u>	<u>\$ (154,984)</u>	<u>\$ 55,166</u>	<u>\$ 14,973,812</u>

**CITY OF OTSEGO, MINNESOTA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**  
(With Comparative Actual Amounts for the Year Ended December 31, 2018)

	2019			Variance with Final Budget - Over (Under)	2018
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
<b>REVENUES</b>					
Property Taxes					
Current	\$ 4,168,235	\$ 4,168,235	\$ 4,173,764	\$ 5,529	\$ 3,964,545
Delinquent	20,000	20,000	16,292	(3,708)	25,362
Penalties and interest	2,000	2,000	2,142	142	2,842
Total Property Taxes	<u>4,190,235</u>	<u>4,190,235</u>	<u>4,192,198</u>	<u>1,963</u>	<u>3,992,749</u>
Franchise Taxes	<u>140,000</u>	<u>140,000</u>	<u>137,510</u>	<u>(2,490)</u>	<u>139,161</u>
Licenses and Permits					
Business Licenses	37,342	37,342	34,765	(2,577)	36,154
Rental Licenses	36,625	36,625	39,515	2,890	47,900
Other Licenses	2,000	2,000	6,323	4,323	3,865
Right of Way Permits	40,000	40,000	64,900	24,900	62,800
Building Permits	857,134	857,134	1,543,726	686,592	1,510,077
Other Permits	9,300	9,300	10,650	1,350	12,110
Total Licenses and Permits	<u>982,401</u>	<u>982,401</u>	<u>1,699,879</u>	<u>717,478</u>	<u>1,672,906</u>
Intergovernmental					
State					
Police Aid	59,000	59,000	75,425	16,425	65,843
Other Aid & Grants	11,800	11,800	12,503	703	12,594
Local					
Other Aid & Grants	-	-	400	400	-
Total Intergovernmental	<u>70,800</u>	<u>70,800</u>	<u>88,328</u>	<u>17,528</u>	<u>78,437</u>
Charges for Services					
General Government	27,600	27,600	116,323	88,723	111,816
Public Works	66,250	66,250	122,995	56,745	123,836
Culture and Recreation	68,970	68,970	71,553	2,583	80,047
Total Charges for Services	<u>162,820</u>	<u>162,820</u>	<u>310,871</u>	<u>148,051</u>	<u>315,699</u>
Special Assessments	<u>5,300</u>	<u>5,300</u>	<u>5,703</u>	<u>403</u>	<u>6,403</u>
Fines and Forfeitures	<u>24,000</u>	<u>24,000</u>	<u>26,488</u>	<u>2,488</u>	<u>25,616</u>
Investment Earnings (net)	<u>65,000</u>	<u>65,000</u>	<u>155,709</u>	<u>90,709</u>	<u>48,761</u>
Miscellaneous					
Refunds and Reimbursements	-	-	26,947	26,947	16,621
Contributions and Donations	-	-	26,829	26,829	4,756
Other	-	-	22,397	22,397	4,681
Total Miscellaneous	<u>-</u>	<u>-</u>	<u>76,173</u>	<u>76,173</u>	<u>26,058</u>
Total Revenues	<u>5,640,556</u>	<u>5,640,556</u>	<u>6,692,859</u>	<u>1,052,303</u>	<u>6,305,790</u>

**CITY OF OTSEGO, MINNESOTA**

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2019

(With Comparative Actual Amounts for the Year Ended December 31, 2018)

	2019		Actual Amounts	Variance with Final Budget - Over (Under)	2018
	Budgeted Amounts				Actual
	Original	Final			Amounts
<b>EXPENDITURES</b>					
General Government					
City Council					
Personal Services	36,669	36,669	31,749	(4,920)	32,904
Supplies	375	375	80	(295)	240
Services and Other Charges	103,645	103,645	45,172	(58,473)	53,201
Total	140,689	140,689	77,001	(63,688)	86,345
City Administrator					
Personal Services	162,321	162,321	158,652	(3,669)	151,124
Supplies	50	50	47	(3)	45
Services and Other Charges	5,148	5,148	2,897	(2,251)	3,194
Total	167,519	167,519	161,596	(5,923)	154,363
Administration					
Personal Services	262,351	262,351	241,285	(21,066)	239,311
Supplies	11,150	11,150	10,039	(1,111)	8,010
Services and Other Charges	56,031	56,031	59,062	3,031	55,241
Total	329,532	329,532	310,386	(19,146)	302,562
Elections					
Personal Services	-	-	-	-	10,527
Supplies	-	-	921	921	5,682
Services and Other Charges	1,650	1,650	1,626	(24)	2,192
Total	1,650	1,650	2,547	897	18,401
Assessing					
Services and Other Charges	112,680	112,680	112,976	296	101,911
Finance					
Personal Services	155,399	155,399	145,308	(10,091)	148,174
Supplies	2,600	2,600	1,791	(809)	948
Services and Other Charges	68,387	68,387	66,631	(1,756)	57,830
Total	226,386	226,386	213,730	(12,656)	206,952
Information Technology					
Supplies	5,000	5,000	1,586	(3,414)	1,310
Services and Other Charges	80,600	80,600	69,373	(11,227)	65,297
Total	85,600	85,600	70,959	(14,641)	66,607
Legal					
Services and Other Charges	91,000	91,000	95,478	4,478	86,249
Human Resources					
Personal Services	-	-	173	173	-
Services and Other Charges	-	-	119	119	-
Total	-	-	292	292	-

**CITY OF OTSEGO, MINNESOTA**

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2019

(With Comparative Actual Amounts for the Year Ended December 31, 2018)

EXPENDITURES (CONTINUED)	2019		Actual Amounts	Variance with Final Budget - Over (Under)	2018
	Budgeted Amounts				Actual
	Original	Final			Amounts
General Government (Continued)					
Prairie Center					
Supplies	8,900	8,900	7,613	(1,287)	7,728
Services and Other Charges	30,319	30,319	33,058	2,739	29,414
Total	39,219	39,219	40,671	1,452	37,142
City Hall & Public Works Garage					
Supplies	12,400	12,400	9,840	(2,560)	10,481
Services and Other Charges	99,886	99,886	109,666	9,780	108,432
Total	112,286	112,286	119,506	7,220	118,913
Old Town Hall					
Services and Other Charges	3,300	3,300	2,916	(384)	3,514
Total General Government	1,309,861	1,309,861	1,208,058	(101,803)	1,182,959
Public Safety					
Police Services					
Services and Other Charges	1,329,240	1,329,240	1,326,668	(2,572)	1,177,836
Public Safety Commission					
Personal Services	960	960	670	(290)	670
Supplies	600	600	-	(600)	12
Services and Other Charges	1,500	1,500	-	(1,500)	-
Total	3,060	3,060	670	(2,390)	682
Fire Protection					
Supplies	500	500	-	(500)	-
Services and Other Charges	633,393	633,393	633,384	(9)	581,458
Total	633,893	633,893	633,384	(509)	581,458
Building Inspections					
Personal Services	128,878	128,878	131,188	2,310	112,451
Supplies	4,100	4,100	2,916	(1,184)	4,086
Services and Other Charges	257,355	257,355	265,828	8,473	275,731
Total	390,333	390,333	399,932	9,599	392,268
Emergency Management					
Supplies	500	500	1,944	1,444	29
Services and Other Charges	2,100	2,100	605	(1,495)	534
Total	2,600	2,600	2,549	(51)	563
Animal Control					
Services and Other Charges	15,300	15,300	16,237	937	15,380
Total Public Safety	2,374,426	2,374,426	2,379,440	5,014	2,168,187

**CITY OF OTSEGO, MINNESOTA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**  
(With Comparative Actual Amounts for the Year Ended December 31, 2018)

	2019		Actual Amounts	Variance with Final Budget - Over (Under)	2018
	Budgeted Amounts				Actual
	Original	Final			Amounts
<b>EXPENDITURES (CONTINUED)</b>					
Public Works					
Streets Maintenance					
Personal Services	587,483	587,483	545,903	(41,580)	503,063
Supplies	161,144	161,144	160,829	(315)	133,829
Services and Other Charges	87,282	87,282	64,664	(22,618)	81,968
Total	<u>835,909</u>	<u>835,909</u>	<u>771,396</u>	<u>(64,513)</u>	<u>718,860</u>
Engineering					
Services and Other Charges	81,400	81,400	90,784	9,384	91,493
Street Lighting					
Services and Other Charges	145,660	145,660	144,594	(1,066)	148,217
Fleet Management					
Personal Services	77,136	77,136	79,182	2,046	93,614
Supplies	137,324	137,324	135,067	(2,257)	109,702
Services and Other Charges	10,660	10,660	19,204	8,544	8,578
Total	<u>225,120</u>	<u>225,120</u>	<u>233,453</u>	<u>8,333</u>	<u>211,894</u>
Total Public Works	<u>1,288,089</u>	<u>1,288,089</u>	<u>1,240,227</u>	<u>(47,862)</u>	<u>1,170,464</u>
Culture and Recreation					
Parks Maintenance					
Personal Services	286,869	286,869	281,008	(5,861)	245,610
Supplies	76,810	76,810	77,589	779	72,762
Services and Other Charges	115,008	115,008	122,648	7,640	120,257
Total	<u>478,687</u>	<u>478,687</u>	<u>481,245</u>	<u>2,558</u>	<u>438,629</u>
Recreation					
Personal Services	145,267	145,267	160,132	14,865	143,112
Supplies	15,150	15,150	7,818	(7,332)	11,563
Services and Other Charges	62,336	62,336	60,931	(1,405)	60,585
Total	<u>222,753</u>	<u>222,753</u>	<u>228,881</u>	<u>6,128</u>	<u>215,260</u>
Heritage Preservation Commission					
Personal Services	480	480	280	(200)	380
Supplies	500	500	-	(500)	5
Services and Other Charges	1,500	1,500	-	(1,500)	512
Total	<u>2,480</u>	<u>2,480</u>	<u>280</u>	<u>(2,200)</u>	<u>897</u>
Total Culture and Recreation	<u>703,920</u>	<u>703,920</u>	<u>710,406</u>	<u>6,486</u>	<u>654,786</u>

**CITY OF OTSEGO, MINNESOTA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**  
(With Comparative Actual Amounts for the Year Ended December 31, 2018)

	2019		Actual Amounts	Variance with Final Budget - Over (Under)	2018
	Budgeted Amounts				Actual
	Original	Final			Amounts
<b>EXPENDITURES (CONTINUED)</b>					
Economic Development					
Planning Commission					
Personal Services	2,500	2,500	1,500	(1,000)	1,000
Services and Other Charges	1,500	1,500	-	(1,500)	-
Total	<u>4,000</u>	<u>4,000</u>	<u>1,500</u>	<u>(2,500)</u>	<u>1,012</u>
Planning					
Services and Other Charges	96,000	96,000	107,637	11,637	99,962
Economic Development					
Supplies	100	100	66	(34)	-
Services and Other Charges	14,160	14,160	4,938	(9,222)	12,337
Total	<u>14,260</u>	<u>14,260</u>	<u>5,004</u>	<u>(9,256)</u>	<u>12,337</u>
Total Economic Development	<u>114,260</u>	<u>114,260</u>	<u>114,141</u>	<u>(119)</u>	<u>113,311</u>
Capital Outlay					
General Government	9,100	9,100	19,507	10,407	5,260
Public Works	9,800	9,800	10,491	691	-
Culture and Recreation	3,000	3,000	4,620	1,620	-
Total	<u>21,900</u>	<u>21,900</u>	<u>34,618</u>	<u>12,718</u>	<u>5,260</u>
Total Expenditures	<u>5,812,456</u>	<u>5,812,456</u>	<u>5,686,890</u>	<u>(125,566)</u>	<u>5,294,967</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(171,900)</u>	<u>(171,900)</u>	<u>1,005,969</u>	<u>1,177,869</u>	<u>1,010,823</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	171,900	171,900	171,900	-	159,840
Sales of Capital Assets	-	-	-	-	435
Transfers Out	-	-	(971,726)	(971,726)	(948,076)
Total Other Financing Sources (Uses)	<u>171,900</u>	<u>171,900</u>	<u>(799,826)</u>	<u>(971,726)</u>	<u>(787,801)</u>
Net Change in Fund Balance	-	-	206,143	206,143	223,022
Fund Balance - January 1	<u>4,113,667</u>	<u>4,113,667</u>	<u>4,113,667</u>	-	<u>3,890,645</u>
Fund Balance - December 31	<u>\$ 4,113,667</u>	<u>\$ 4,113,667</u>	<u>\$ 4,319,810</u>	<u>\$ 206,143</u>	<u>\$ 4,113,667</u>

**CITY OF OTSEGO, MINNESOTA**  
**COMBINING BALANCE SHEET**  
**DEBT SERVICE FUND BY ACCOUNT**  
**DECEMBER 31, 2019**

	Series 2012A	Series 2018A	Series 2010D & 2011A
<b>ASSETS</b>			
Cash and Investments	\$ 347,936	\$ 380,989	\$ 732,230
Receivables			
Special Assessments			
Current	-	684	-
Deferred	84,431	1,155,317	1,256,027
Delinquent	-	645	-
	<u>432,367</u>	<u>1,537,635</u>	<u>1,988,257</u>
<b>LIABILITIES</b>			
Accounts Payable	<u>179</u>	<u>179</u>	<u>357</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue - Special Assessments	<u>84,431</u>	<u>1,155,962</u>	<u>1,256,027</u>
<b>FUND BALANCES</b>			
Restricted	<u>347,757</u>	<u>381,494</u>	<u>731,873</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 432,367</u>	<u>\$ 1,537,635</u>	<u>\$ 1,988,257</u>

Series 2010B	Series 2007B	Series 2010A	Total Debt Service
\$ 74,420	\$ 12,485	\$ -	\$ 1,548,060
-	-	-	684
-	8,092	-	2,503,867
-	-	-	645
<u>74,420</u>	<u>20,577</u>	<u>-</u>	<u>4,053,256</u>
<u>179</u>	<u>-</u>	<u>-</u>	<u>894</u>
<u>-</u>	<u>8,092</u>	<u>-</u>	<u>2,504,512</u>
<u>74,241</u>	<u>12,485</u>	<u>-</u>	<u>1,547,850</u>
<u>\$ 74,420</u>	<u>\$ 20,577</u>	<u>\$ -</u>	<u>\$ 4,053,256</u>

**CITY OF OTSEGO, MINNESOTA**  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES  
 DEBT SERVICE FUND BY ACCOUNT  
 FOR THE YEAR ENDED DECEMBER 31, 2019

	Series 2012A	Series 2018A	Series 2010D & 2011A
<b>REVENUES</b>			
Property Taxes	\$ -	\$ 79,293	\$ 205,000
Special Assessments	80,495	228,869	133,237
Investment Earnings (net)	-	186	-
Total Revenues	<u>80,495</u>	<u>308,348</u>	<u>338,237</u>
<b>EXPENDITURES</b>			
Debt Service			
Principal	210,000	-	480,000
Interest	12,200	73,262	104,065
Fiscal Agent Fees	674	674	852
Total Expenditures	<u>222,874</u>	<u>73,936</u>	<u>584,917</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(142,379)	234,412	(246,680)
<b>OTHER FINANCING SOURCES</b>			
Transfers In	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(142,379)	234,412	(246,680)
Fund Balance (Deficit) - January 1	<u>490,136</u>	<u>147,082</u>	<u>978,553</u>
Fund Balance - December 31	<u><u>\$ 347,757</u></u>	<u><u>\$ 381,494</u></u>	<u><u>\$ 731,873</u></u>

Series 2010B	Series 2007B	Series 2010A	Total Debt Service
\$ 450,000	\$ -	\$ -	\$ 734,293
-	24,485	-	467,086
-	-	-	186
<u>450,000</u>	<u>24,485</u>	<u>-</u>	<u>1,201,565</u>
455,000	-	40,000	1,185,000
39,390	-	1,300	230,217
674	-	-	2,874
<u>495,064</u>	<u>-</u>	<u>41,300</u>	<u>1,418,091</u>
(45,064)	24,485	(41,300)	(216,526)
-	-	40,969	40,969
(45,064)	24,485	(331)	(175,557)
<u>119,305</u>	<u>(12,000)</u>	<u>331</u>	<u>1,723,407</u>
<u>\$ 74,241</u>	<u>\$ 12,485</u>	<u>\$ -</u>	<u>\$ 1,547,850</u>

**CITY OF OTSEGO, MINNESOTA**  
**DEBT SERVICE FUND - SERIES 2012A**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
<b>REVENUES</b>				
Special Assessments	\$ 52,103	\$ 52,103	\$ 80,495	\$ 28,392
<b>EXPENDITURES</b>				
Debt Service				
Principal	210,000	210,000	210,000	-
Interest	12,200	12,200	12,200	-
Fiscal Agent Fees	500	500	674	174
Total Expenditures	<u>222,700</u>	<u>222,700</u>	<u>222,874</u>	<u>174</u>
Net Change in Fund Balance	(170,597)	(170,597)	(142,379)	28,218
Fund Balance - January 1	<u>490,136</u>	<u>490,136</u>	<u>490,136</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 319,539</u>	<u>\$ 319,539</u>	<u>\$ 347,757</u>	<u>\$ 28,218</u>

**CITY OF OTSEGO, MINNESOTA**  
**DEBT SERVICE FUND - SERIES 2018A**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ 79,293	\$ 79,293	\$ 79,293	\$ -
Special Assessments	146,536	146,536	228,869	82,333
Investment Earnings (net)	-	-	186	186
Total Revenues	<u>225,829</u>	<u>225,829</u>	<u>308,348</u>	<u>82,519</u>
<b>EXPENDITURES</b>				
Debt Service				
Interest	73,262	73,262	73,262	-
Fiscal Agent Fees	500	500	674	174
Total Expenditures	<u>73,762</u>	<u>73,762</u>	<u>73,936</u>	<u>174</u>
Net Change in Fund Balance	152,067	152,067	234,412	82,345
Fund Balance - January 1	<u>147,082</u>	<u>147,082</u>	<u>147,082</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 299,149</u>	<u>\$ 299,149</u>	<u>\$ 381,494</u>	<u>\$ 82,345</u>

**CITY OF OTSEGO, MINNESOTA**  
DEBT SERVICE FUND - SERIES 2010D & 2011A  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ 205,000	\$ 205,000	\$ 205,000	\$ -
Special Assessments	127,394	127,394	133,237	5,843
Total Revenues	<u>332,394</u>	<u>332,394</u>	<u>338,237</u>	<u>5,843</u>
<b>EXPENDITURES</b>				
Debt Service				
Principal	480,000	480,000	480,000	-
Interest	104,066	104,066	104,065	(1)
Fiscal Agent Fees	1,000	1,000	852	(148)
Total Expenditures	<u>585,066</u>	<u>585,066</u>	<u>584,917</u>	<u>(149)</u>
Net Change in Fund Balance	(252,672)	(252,672)	(246,680)	5,992
Fund Balance - January 1	<u>978,553</u>	<u>978,553</u>	<u>978,553</u>	<u>-</u>
Fund Balance - December 31	<u>\$ 725,881</u>	<u>\$ 725,881</u>	<u>\$ 731,873</u>	<u>\$ 5,992</u>

**CITY OF OTSEGO, MINNESOTA**  
**DEBT SERVICE FUND - SERIES 2010B**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
<b>REVENUES</b>				
Property Taxes	\$ 450,000	\$ 450,000	\$ 450,000	\$ -
<b>EXPENDITURES</b>				
Debt Service				
Principal	455,000	455,000	455,000	-
Interest	39,390	39,390	39,390	-
Fiscal Agent Fees	500	500	674	174
Total Expenditures	494,890	494,890	495,064	174
Net Change in Fund Balance	(44,890)	(44,890)	(45,064)	(174)
Fund Balance - January 1	119,305	119,305	119,305	-
Fund Balance - December 31	\$ 74,415	\$ 74,415	\$ 74,241	\$ (174)

**CITY OF OTSEGO, MINNESOTA**  
DEBT SERVICE FUND - SERIES 2007B  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
<b>REVENUES</b>				
Special Assessments	\$ 11,894	\$ 11,894	\$ 24,485	\$ 12,591
Fund Balance (Deficit) - January 1	<u>(12,000)</u>	<u>(12,000)</u>	<u>(12,000)</u>	<u>-</u>
Fund Balance - December 31	<u>\$ (106)</u>	<u>\$ (106)</u>	<u>\$ 12,485</u>	<u>\$ 12,591</u>

**CITY OF OTSEGO, MINNESOTA**  
**DEBT SERVICE FUND - SERIES 2010A**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
<b>EXPENDITURES</b>				
Debt Service				
Principal	\$ 40,000	\$ 40,000	\$ 40,000	\$ -
Interest	1,300	1,300	1,300	-
Fiscal Agent Fees	500	500	-	(500)
Total Expenditures	<u>41,800</u>	<u>41,800</u>	<u>41,300</u>	<u>(500)</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(41,800)	(41,800)	(41,300)	500
<b>OTHER FINANCING SOURCES</b>				
Transfers In	<u>41,000</u>	<u>41,000</u>	<u>40,969</u>	<u>(31)</u>
Net Change in Fund Balance	(800)	(800)	(331)	469
Fund Balance - January 1	<u>331</u>	<u>331</u>	<u>331</u>	<u>-</u>
Fund Balance - December 31	<u>\$ (469)</u>	<u>\$ (469)</u>	<u>\$ -</u>	<u>\$ 469</u>



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This part of the City of Otsego's comprehensive annual financial report (CAFR) presents detailed information as a context for understanding what the financial statements, note disclosures, and required supplementary information say about the City's overall financial health.

	<u>Page No.</u>
<u>Financial Trends</u> These tables contain trend information to help the readers of the CAFR understand the City's financial performance by comparing the current year with a historical perspective.	110
<u>Revenue Capacity</u> These tables contain information to help the readers of the CAFR assess the City's most significant revenue source, which is property taxes.	124
<u>Debt Capacity</u> These tables present information to help the readers of the CAFR assess the affordability of the City's current levels of outstanding debt and the City's ability to issue debt in the future.	130
<u>Demographic and Economic Information</u> These tables offer demographic and economic indicators to help the readers of the CAFR to understand the environment in which the City's financial activities take place.	137
<u>Operating Information</u> These tables contain service and infrastructure data to assist the readers of the CAFR to understand how the City's financial report relates to the services the City provides.	139

Sources: Unless otherwise noted, the information in these tables is derived from the CAFR for each respective year.

**CITY OF OTSEGO, MINNESOTA**  
**STATISTICAL SECTION (UNAUDITED)**  
**NET POSITION BY COMPONENT**  
 Last Ten Fiscal Years  
 (accrual basis of accounting)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Governmental Activities</b>				
Net Investment in Capital Assets	\$ 12,600,418	\$ 13,039,318	\$ 13,673,424	\$ 14,709,024
Restricted	7,506,642	6,547,412	6,570,533	5,882,912
Unrestricted	8,568,988	8,490,450	7,850,150	7,313,054
<b>Total Governmental Activities Net Position</b>	<u>\$ 28,676,048</u>	<u>\$ 28,077,180</u>	<u>\$ 28,094,107</u>	<u>\$ 27,904,990</u>
<b>Business-type activities</b>				
Net Investment in Capital Assets	\$ 17,255,564	\$ 16,017,362	\$ 14,795,965	\$ 13,694,517
Unrestricted	9,661,840	8,220,490	9,054,217	10,546,291
<b>Total Business-type Activities Net Position</b>	<u>\$ 26,917,404</u>	<u>\$ 24,237,852</u>	<u>\$ 23,850,182</u>	<u>\$ 24,240,808</u>
<b>Primary Government</b>				
Net Investment in Capital Assets	\$ 29,855,982	\$ 29,056,680	\$ 28,469,389	\$ 28,403,541
Restricted	7,506,642	6,547,412	6,570,533	5,882,912
Unrestricted	18,230,828	16,710,940	16,904,367	17,859,345
<b>Total Primary Government Net Position</b>	<u>\$ 55,593,452</u>	<u>\$ 52,315,032</u>	<u>\$ 51,944,289</u>	<u>\$ 52,145,798</u>

Sources: The data for this table has been extracted from the respective years CAFR document.

**Table 1**

2014	2015	2016	2017	2018	2019
\$ 15,515,291	\$ 15,303,426	\$ 19,103,702	\$ 21,496,582	\$ 25,330,507	\$ 31,373,524
5,430,795	4,547,327	4,292,589	4,973,536	6,929,688	7,658,124
9,601,854	9,627,962	10,745,858	13,338,398	13,626,318	11,357,968
<u>\$ 30,547,940</u>	<u>\$ 29,478,715</u>	<u>\$ 34,142,149</u>	<u>\$ 39,808,516</u>	<u>\$ 45,886,513</u>	<u>\$ 50,389,616</u>
\$ 12,619,305	\$ 11,553,869	\$ 15,889,294	\$ 20,504,751	\$ 24,701,888	\$ 31,344,999
13,487,231	15,474,362	15,248,794	15,679,356	18,287,811	18,919,363
<u>\$ 26,106,536</u>	<u>\$ 27,028,231</u>	<u>\$ 31,138,088</u>	<u>\$ 36,184,107</u>	<u>\$ 42,989,699</u>	<u>\$ 50,264,362</u>
\$ 28,134,596	\$ 26,857,295	\$ 34,992,996	\$ 42,001,333	\$ 50,032,395	\$ 62,718,523
5,430,795	4,547,327	4,292,589	4,973,536	6,929,688	7,658,124
23,089,085	25,102,324	25,994,652	29,017,754	31,914,129	30,277,331
<u>\$ 56,654,476</u>	<u>\$ 56,506,946</u>	<u>\$ 65,280,237</u>	<u>\$ 75,992,623</u>	<u>\$ 88,876,212</u>	<u>\$ 100,653,978</u>

**CITY OF OTSEGO, MINNESOTA**  
**STATISTICAL SECTION (UNAUDITED)**  
**CHANGES IN NET POSITION - CONTINUED ON THE FOLLOWING PAGES**  
Last Ten Fiscal Years  
(accrual basis of accounting)

	2010	2011	2012	2013
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>Expenses</b>				
General Government	\$ 910,830	\$ 956,651	\$ 1,002,690	\$ 906,102
Public Safety	1,615,763	1,647,285	1,445,397	1,447,887
Public Works	2,029,922	2,114,975	2,486,553	2,760,130
Culture and Recreation	401,563	569,431	575,592	573,581
Economic Development	17,096	12,353	103,884	75,303
Interest on Long-term Debt	919,907	661,447	631,129	543,821
<b>Total Expenses</b>	<b>5,895,081</b>	<b>5,962,142</b>	<b>6,245,245</b>	<b>6,306,824</b>
<b>Program Revenues</b>				
Charges for Services				
General Government	109,349	109,686	54,674	36,735
Public Safety	889,878	819,537	588,894	784,038
Public Works	24,082	111,873	50,906	106,913
Culture and Recreation	360	3,101	8,840	28,600
Operating Grants and Contributions	191,850	197,325	203,645	220,790
Capital Grants and Contributions	563,690	233,832	620,574	485,533
<b>Total Program Revenues</b>	<b>1,779,209</b>	<b>1,475,354</b>	<b>1,527,533</b>	<b>1,662,609</b>
<b>Net (Expense) / Revenue</b>	<b>(4,115,872)</b>	<b>(4,486,788)</b>	<b>(4,717,712)</b>	<b>(4,644,215)</b>
<b>General Revenues and Transfers</b>				
Taxes				
Property	3,587,177	3,719,778	4,271,751	4,333,972
Tax Increments	-	-	-	-
Franchise Taxes	97,228	100,176	106,547	83,681
Unrestricted Grants and Contributions	29,797	26,051	54,601	10,954
Investment Earnings (net)	227,484	290,962	212,731	(17,852)
Gain on Disposal of Capital Assets	37,000	16,500	40,009	44,343
Transfers	10,000	44,000	49,000	-
Transfers - Capital Assets	-	-	-	-
<b>Total General Revenues and Transfers</b>	<b>3,988,686</b>	<b>4,197,467</b>	<b>4,734,639</b>	<b>4,455,098</b>
<b>Change in Net Position</b>	<b>\$ (127,186)</b>	<b>\$ (289,321)</b>	<b>\$ 16,927</b>	<b>\$ (189,117)</b>

**Table 2**  
**Page 1 of 3**

2014	2015	2016	2017	2018	2019
\$ 1,230,335	\$ 1,174,510	\$ 1,376,793	\$ 1,085,554	\$ 1,228,607	\$ 1,383,291
1,499,538	1,670,627	1,846,459	1,906,843	2,207,699	2,411,751
2,383,890	6,521,708	3,389,909	2,618,584	3,348,200	3,387,481
792,525	792,936	847,553	1,013,252	1,095,151	1,177,721
45,024	145,771	302,296	365,768	223,175	741,705
347,503	231,242	223,938	197,282	276,423	212,402
6,298,815	10,536,794	7,986,948	7,187,283	8,379,255	9,314,351
119,757	36,235	81,876	100,125	118,219	639,077
1,159,073	1,191,134	1,677,788	1,384,626	1,698,522	1,726,367
724,009	247,260	656,570	805,248	942,042	127,176
43,606	52,075	59,236	67,112	80,047	71,553
233,606	244,497	248,910	261,814	328,410	319,332
1,619,209	3,154,662	4,437,611	3,957,672	5,800,583	3,361,497
3,899,260	4,925,863	7,161,991	6,576,597	8,967,823	6,245,002
(2,399,555)	(5,610,931)	(824,957)	(610,686)	588,568	(3,069,349)
4,476,810	4,602,153	4,963,787	5,572,250	6,078,341	6,681,989
-	-	-	-	96,938	97,419
120,964	128,722	131,229	135,652	139,161	137,510
132,104	242,970	255,951	231,683	191,570	162,120
157,640	55,909	82,385	124,052	263,784	754,079
32,355	35,600	31,160	38,373	37,563	47,362
122,632	284,586	186,755	195,686	207,840	212,869
-	-	(162,876)	(20,643)	(1,525,768)	(520,896)
5,042,505	5,349,940	5,488,391	6,277,053	5,489,429	7,572,452
\$ 2,642,950	\$ (260,991)	\$ 4,663,434	\$ 5,666,367	\$ 6,077,997	\$ 4,503,103

**CITY OF OTSEGO, MINNESOTA**  
**STATISTICAL SECTION (UNAUDITED)**  
**CHANGES IN NET POSITION - CONTINUED**  
 Last Ten Fiscal Years  
 (accrual basis of accounting)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
<b>Expenses</b>				
Water Utility	\$ 1,314,133	\$ 1,530,108	\$ 1,301,990	\$ 1,241,343
Sanitary Sewer Utility	2,307,213	2,778,657	2,326,550	2,123,381
Storm Water Utility	68,903	61,024	69,834	72,944
<b>Total Expenses</b>	<u>3,690,249</u>	<u>4,369,789</u>	<u>3,698,374</u>	<u>3,437,668</u>
<b>Program Revenues</b>				
Charges for Services				
Water Utility	745,395	736,448	1,049,531	1,259,942
Sanitary Sewer Utility	989,847	1,067,088	1,055,557	1,186,523
Storm Water Utility	72,081	98,873	69,608	41,831
Capital Grants and Contributions	990,041	333,151	1,032,687	1,267,189
<b>Total Program Revenues</b>	<u>2,797,364</u>	<u>2,235,560</u>	<u>3,207,383</u>	<u>3,755,485</u>
<b>Net (Expense) / Revenue</b>	<u>(892,885)</u>	<u>(2,134,229)</u>	<u>(490,991)</u>	<u>317,817</u>
<b>General Revenues and Transfers</b>				
Property Taxes	-	-	-	57,739
Investment Earnings (net)	180,266	235,166	152,321	(34,717)
Gain on Disposal of Capital Assets	-	-	-	18,733
Transfers	(10,000)	(44,000)	(49,000)	-
Transfers - Capital Assets	-	-	-	-
<b>Total General Revenues and Transfers</b>	<u>170,266</u>	<u>191,166</u>	<u>103,321</u>	<u>41,755</u>
<b>Change in Net Position</b>	<u>\$ (722,619)</u>	<u>\$ (1,943,063)</u>	<u>\$ (387,670)</u>	<u>\$ 359,572</u>

2014	2015	2016	2017	2018	2019
\$ 1,187,553	\$ 1,246,064	\$ 1,276,338	\$ 1,377,537	\$ 1,468,485	\$ 1,729,938
2,052,493	2,207,811	2,480,519	2,477,995	2,561,070	2,600,436
57,977	95,533	42,342	62,172	71,040	123,163
<u>3,298,023</u>	<u>3,549,408</u>	<u>3,799,199</u>	<u>3,917,704</u>	<u>4,100,595</u>	<u>4,453,537</u>
1,167,066	1,261,303	1,334,442	1,529,127	1,754,947	1,734,090
1,325,181	1,479,703	1,601,172	1,744,067	1,932,885	2,254,688
45,570	76,211	75,932	94,919	104,916	109,372
2,560,270	2,020,299	4,766,947	5,591,332	5,500,794	6,543,224
<u>5,098,087</u>	<u>4,837,516</u>	<u>7,778,493</u>	<u>8,959,445</u>	<u>9,293,542</u>	<u>10,641,374</u>
<u>1,800,064</u>	<u>1,288,108</u>	<u>3,979,294</u>	<u>5,041,741</u>	<u>5,192,947</u>	<u>6,187,837</u>
24,824	25,000	25,000	25,000	26,000	30,000
168,320	85,259	129,442	154,321	260,833	748,799
28,440	-	-	-	7,884	-
(122,632)	(284,586)	(186,755)	(195,686)	(207,840)	(212,869)
<u>-</u>	<u>-</u>	<u>162,876</u>	<u>20,643</u>	<u>1,525,768</u>	<u>520,896</u>
<u>98,952</u>	<u>(174,327)</u>	<u>130,563</u>	<u>4,278</u>	<u>1,612,645</u>	<u>1,086,826</u>
<u>\$ 1,899,016</u>	<u>\$ 1,113,781</u>	<u>\$ 4,109,857</u>	<u>\$ 5,046,019</u>	<u>\$ 6,805,592</u>	<u>\$ 7,274,663</u>

**CITY OF OTSEGO, MINNESOTA**  
**STATISTICAL SECTION (UNAUDITED)**  
**CHANGES IN NET POSITION - CONTINUED**  
 Last Ten Fiscal Years  
 (accrual basis of accounting)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>TOTAL PRIMARY GOVERNMENT</b>				
<b>Expenses</b>				
Governmental Activities	\$ 5,895,081	\$ 5,962,142	\$ 6,245,245	\$ 6,306,824
Business-type Activities	<u>3,690,249</u>	<u>4,369,789</u>	<u>3,698,374</u>	<u>3,437,668</u>
<b>Total Expenses</b>	<u>9,585,330</u>	<u>10,331,931</u>	<u>9,943,619</u>	<u>9,744,492</u>
<b>Program Revenues</b>				
Governmental Activities	1,779,209	1,475,354	1,527,533	1,662,609
Business-type Activities	<u>2,797,364</u>	<u>2,235,560</u>	<u>3,207,383</u>	<u>3,755,485</u>
<b>Total Program Revenues</b>	<u>4,576,573</u>	<u>3,710,914</u>	<u>4,734,916</u>	<u>5,418,094</u>
<b>Net (Expense) / Revenue</b>	<u>(5,008,757)</u>	<u>(6,621,017)</u>	<u>(5,208,703)</u>	<u>(4,326,398)</u>
<b>General Revenues and Transfers</b>				
Governmental Activities	3,988,686	4,197,467	4,734,639	4,455,098
Business-type Activities	<u>170,266</u>	<u>191,166</u>	<u>103,321</u>	<u>41,755</u>
<b>Total General Revenues and Transfers</b>	<u>4,158,952</u>	<u>4,388,633</u>	<u>4,837,960</u>	<u>4,496,853</u>
<b>Change in Net Position</b>	<u>\$ (849,805)</u>	<u>\$ (2,232,384)</u>	<u>\$ (370,743)</u>	<u>\$ 170,455</u>

Sources: The data for this table has been extracted from the respective years CAFR document.

2014	2015	2016	2017	2018	2019
\$ 6,298,815	\$ 10,536,794	\$ 7,986,948	\$ 7,187,283	\$ 8,379,255	\$ 9,314,351
3,298,023	3,549,408	3,799,199	3,917,704	4,100,595	4,453,537
9,596,838	14,086,202	11,786,147	11,104,987	12,479,850	13,767,888
3,899,260	4,925,863	7,161,991	6,576,597	8,967,823	6,245,002
5,098,087	4,837,516	7,778,493	8,959,445	9,293,542	10,641,374
8,997,347	9,763,379	14,940,484	15,536,042	18,261,365	16,886,376
(599,491)	(4,322,823)	3,154,337	4,431,055	5,781,515	3,118,488
5,042,505	5,349,940	5,488,391	6,277,053	5,489,429	7,572,452
98,952	(174,327)	130,563	4,278	1,612,645	1,086,826
5,141,457	5,175,613	5,618,954	6,281,331	7,102,074	8,659,278
\$ 4,541,966	\$ 852,790	\$ 8,773,291	\$ 10,712,386	\$ 12,883,589	\$ 11,777,766

**CITY OF OTSEGO, MINNESOTA**  
**STATISTICAL SECTION (UNAUDITED)**  
**GOVERNMENTAL ACTIVITIES TAX REVENUE BY SOURCE**  
 Last Ten Fiscal Years  
 (accrual basis of accounting)

**Table 3**

	Property Taxes	Tax Increments	Franchise Taxes	Total
2010	\$ 3,587,177	\$ -	\$ 97,228	\$ 3,684,405
2011	3,719,778	-	100,176	3,819,954
2012	4,271,751	-	106,547	4,378,298
2013	4,333,972	-	83,681	4,417,653
2014	4,476,810	-	120,964	4,597,774
2015	4,602,153	-	128,722	4,730,875
2016	4,963,787	-	131,229	5,095,016
2017	5,572,250	-	135,652	5,707,902
2018	6,078,341	96,938	139,161	6,314,440
2019	6,681,989	97,419	137,510	6,916,918

Sources: The data for this table has been extracted from the respective years CAFR document.



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**CITY OF OTSEGO, MINNESOTA**  
**STATISTICAL SECTION (UNAUDITED)**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General Fund				
Unreserved	\$ 1,713,440	\$ -	\$ -	\$ -
Nonspendable	-	-	11,254	11,254
Assigned	-	81,168	87,971	103,418
Unassigned	-	1,622,430	1,665,366	1,797,403
Total General Fund	<u>\$ 1,713,440</u>	<u>\$ 1,703,598</u>	<u>\$ 1,764,591</u>	<u>\$ 1,912,075</u>
All Other Governmental Funds				
Reserved	\$ 1,197,967	\$ -	\$ -	\$ -
Unreserved, Reported in:				
Special Revenue Funds	2,811,289	-	-	-
Capital Project Funds	2,157,424	-	-	-
Nonspendable	-	-	4,601	351
Restricted	-	5,985,647	7,898,825	8,805,554
Committed	-	39,142	52,360	595,191
Assigned	-	6,517,609	5,605,265	4,267,012
Unassigned	-	(700,854)	(341,194)	(9,555)
Total All Other Governmental Funds	<u>\$ 6,166,680</u>	<u>\$ 11,841,544</u>	<u>\$ 13,219,857</u>	<u>\$ 13,658,553</u>

Sources: The data for this table has been extracted from the respective years CAFR document.

Note: During 2011, the City implemented GASB Statement No. 54, *Fund Balance and Governmental Fund Type Definitions*.

Table 4

2014	2015	2016	2017	2018	2019
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
80,423	105,547	110,973	317,197	320,887	323,124
101,833	128,646	192,408	205,257	205,449	223,740
3,211,382	2,656,330	3,342,821	3,368,191	3,587,331	3,772,946
<u>\$ 3,393,638</u>	<u>\$ 2,890,523</u>	<u>\$ 3,646,202</u>	<u>\$ 3,890,645</u>	<u>\$ 4,113,667</u>	<u>\$ 4,319,810</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	2,675	2,000	1,325	650	-
2,576,729	2,278,379	1,931,757	3,290,750	4,167,765	5,226,784
387,033	406,683	419,829	474,863	448,699	438,676
5,218,020	6,825,237	7,221,257	9,098,697	10,526,550	11,492,028
(10,584)	(26,070)	(281,273)	(355,150)	(1,790,236)	(4,463,532)
<u>\$ 8,171,198</u>	<u>\$ 9,486,904</u>	<u>\$ 9,293,570</u>	<u>\$ 12,510,485</u>	<u>\$ 13,353,428</u>	<u>\$ 12,693,956</u>

**CITY OF OTSEGO, MINNESOTA**  
**STATISTICAL SECTION (UNAUDITED)**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting)

	2010	2011	2012	2013
<b>Revenues</b>				
Property Taxes	\$ 3,671,320	\$ 3,886,919	\$ 4,344,415	\$ 4,564,068
Tax Increments	-	-	-	-
Franchise Taxes	-	-	-	-
Licenses and Permits	339,568	303,059	553,577	819,493
Intergovernmental	191,784	375,703	621,447	241,996
Charges for Services	126,453	200,256	86,655	170,194
Special Assessments	1,511,510	2,055,623	875,822	1,987,647
Fines and Forfeitures	-	1,000	2,000	-
Investment Earnings (net)	227,484	290,962	209,984	(17,852)
Miscellaneous	33,153	25,302	56,625	78,457
<b>Total Revenues</b>	<u>6,101,272</u>	<u>7,138,824</u>	<u>6,750,525</u>	<u>7,844,003</u>
<b>Expenditures</b>				
General Government	802,632	887,847	918,055	923,255
Public Safety	1,604,062	1,586,504	1,440,908	1,447,182
Public Works	962,329	974,557	1,009,827	1,121,981
Culture and Recreation	201,080	246,075	277,605	313,023
Economic Development	17,096	12,353	103,884	75,303
Capital Outlay	1,533,354	1,178,526	1,707,346	1,984,531
Debt Service				
Principal	1,345,000	745,000	810,000	840,000
Interest	989,718	489,184	554,245	574,715
Bond Issuance & Fiscal Agent Fee's	125,275	86,285	42,900	-
<b>Total Expenditures</b>	<u>7,580,546</u>	<u>6,206,331</u>	<u>6,864,770</u>	<u>7,279,990</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,479,274)</u>	<u>932,493</u>	<u>(114,245)</u>	<u>564,013</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	931,682	2,069,009	997,325	-
Issuance of Debt	5,310,000	4,640,000	1,400,000	-
Premium on Issuance of Debt	-	48,529	64,542	-
Sales of Capital Assets	56,000	-	40,009	-
Refunded Bonds Redeemed	(4,325,000)	-	-	-
Insurance Recovery	-	-	-	22,167
Transfers Out	(917,937)	(2,025,009)	(948,325)	-
<b>Total Other Financing Sources (Uses)</b>	<u>1,054,745</u>	<u>4,732,529</u>	<u>1,553,551</u>	<u>22,167</u>
<b>Net Change in Fund Balances</b>	<u>\$ (424,529)</u>	<u>\$ 5,665,022</u>	<u>\$ 1,439,306</u>	<u>\$ 586,180</u>
Debt Service as a Percentage of Noncapital Expenditures	<u>36.16%</u>	<u>22.68%</u>	<u>22.37%</u>	<u>23.32%</u>

Sources: The data for this table has been extracted from the respective years CAFR document.

Table 5

2014	2015	2016	2017	2018	2019
\$ 4,524,092	\$ 4,651,453	\$ 4,960,518	\$ 5,595,120	\$ 6,084,051	\$ 6,662,307
-	-	-	-	96,938	97,419
120,964	128,722	131,229	135,652	139,161	137,510
1,238,823	1,179,136	1,661,565	1,363,384	1,672,906	1,699,879
1,034,552	3,570,630	2,111,727	1,093,154	2,339,286	1,801,414
1,142,453	555,660	1,274,578	2,129,514	2,328,991	2,130,542
905,441	560,748	575,155	734,522	508,865	586,109
4,000	11,998	16,223	21,092	25,616	26,488
157,640	55,909	82,385	124,052	263,784	754,079
50,286	105,573	119,732	294,909	233,946	141,533
<u>9,178,251</u>	<u>10,819,829</u>	<u>10,933,112</u>	<u>11,491,399</u>	<u>13,693,544</u>	<u>14,037,280</u>
1,169,697	1,141,113	1,233,680	1,072,195	1,182,959	1,313,178
1,495,008	1,664,031	1,807,985	1,886,661	2,168,187	2,379,440
1,023,693	1,044,024	1,019,946	1,066,349	1,205,464	1,683,958
464,840	466,205	534,122	587,739	654,786	710,406
45,024	145,771	196,534	195,716	223,175	265,498
1,688,847	4,477,153	4,349,555	2,160,857	8,422,796	7,001,285
6,965,000	1,130,000	1,210,000	1,125,000	1,160,000	1,185,000
454,566	256,148	233,498	206,748	182,875	230,217
-	2,979	3,362	3,267	74,512	2,874
<u>13,306,675</u>	<u>10,327,424</u>	<u>10,588,682</u>	<u>8,304,532</u>	<u>15,274,754</u>	<u>14,771,856</u>
<u>(4,128,424)</u>	<u>492,405</u>	<u>344,430</u>	<u>3,186,867</u>	<u>(1,581,210)</u>	<u>(734,576)</u>
612,433	1,574,500	648,087	1,278,609	1,397,210	1,274,595
-	-	-	-	2,305,000	-
-	-	-	-	58,475	-
-	35,600	31,160	78,805	75,860	68,378
-	-	-	-	-	-
-	-	-	-	-	-
<u>(489,801)</u>	<u>(1,289,914)</u>	<u>(461,332)</u>	<u>(1,082,923)</u>	<u>(1,189,370)</u>	<u>(1,061,726)</u>
<u>122,632</u>	<u>320,186</u>	<u>217,915</u>	<u>274,491</u>	<u>2,647,175</u>	<u>281,247</u>
<u>\$ (4,005,792)</u>	<u>\$ 812,591</u>	<u>\$ 562,345</u>	<u>\$ 3,461,358</u>	<u>\$ 1,065,965</u>	<u>\$ (453,329)</u>
<u>60.23%</u>	<u>14.22%</u>	<u>18.40%</u>	<u>19.32%</u>	<u>16.69%</u>	<u>15.85%</u>

**CITY OF OTSEGO, MINNESOTA**  
**STATISTICAL SECTION (UNAUDITED)**  
**ESTIMATED ACTUAL VALUE, TAXABLE MARKET VALUE AND TAX CAPACITY OF TAXABLE PROPERTY**  
**Last Ten Fiscal Years**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Estimated Actual Value	<u>\$ 1,297,319,800</u>	<u>\$ 1,122,091,900</u>	<u>\$ 1,070,068,000</u>	<u>\$ 989,365,300</u>
Taxable Market Value				
Real Estate	<u>\$ 1,163,465,900</u>	<u>\$ 1,045,413,800</u>	<u>\$ 913,874,900</u>	<u>\$ 839,428,800</u>
Personal Property	<u>13,099,300</u>	<u>14,203,900</u>	<u>14,003,900</u>	<u>14,305,700</u>
Total Taxable Market Value	<u>\$ 1,176,565,200</u>	<u>\$ 1,059,617,700</u>	<u>\$ 927,878,800</u>	<u>\$ 853,734,500</u>
Taxable Market Value as a Percentage of Estimated Actual Value	90.69%	94.43%	86.71%	86.29%
Tax Capacity				
Real Estate	<u>\$ 12,750,856</u>	<u>\$ 11,376,627</u>	<u>\$ 9,999,046</u>	<u>\$ 9,184,748</u>
Personal Property	<u>261,328</u>	<u>283,499</u>	<u>279,502</u>	<u>285,540</u>
Net Tax Capacity for Direct Rate	<u>\$ 13,012,184</u>	<u>\$ 11,660,126</u>	<u>\$ 10,278,548</u>	<u>\$ 9,470,288</u>
Net Tax Capacity as a Percentage of Estimated Actual Value	1.00%	1.04%	0.96%	0.96%
Property Tax Levies				
General Revenues	<u>\$ 3,252,000</u>	<u>\$ 3,500,000</u>	<u>\$ 3,836,000</u>	<u>\$ 3,952,910</u>
Debt Service	<u>566,000</u>	<u>466,000</u>	<u>425,000</u>	<u>425,000</u>
Total Property Taxes Levied	<u>\$ 3,818,000</u>	<u>\$ 3,966,000</u>	<u>\$ 4,261,000</u>	<u>\$ 4,377,910</u>
Tax Rates				
General Revenues	<u>24.992</u>	<u>30.017</u>	<u>37.320</u>	<u>41.740</u>
Debt Service	<u>4.350</u>	<u>3.997</u>	<u>4.135</u>	<u>4.488</u>
Total Direct Tax Rate	<u>29.342</u>	<u>34.013</u>	<u>41.455</u>	<u>46.228</u>

Sources: The data for this table has been provided by the Wright County Auditor / Treasurer's Office.

Table 6

2014	2015	2016	2017	2018	2019
<u>\$ 1,051,543,200</u>	<u>\$ 1,177,857,500</u>	<u>\$ 1,340,579,000</u>	<u>\$ 1,473,986,500</u>	<u>\$ 1,644,926,700</u>	<u>\$ 1,837,875,900</u>
<u>\$ 908,532,000</u> <u>14,513,300</u>	<u>\$ 1,039,579,100</u> <u>14,952,700</u>	<u>\$ 1,195,720,700</u> <u>16,476,000</u>	<u>\$ 1,327,925,100</u> <u>20,388,300</u>	<u>\$ 1,490,919,200</u> <u>23,397,400</u>	<u>\$ 1,666,323,700</u> <u>29,560,400</u>
<u>\$ 923,045,300</u>	<u>\$ 1,054,531,800</u>	<u>\$ 1,212,196,700</u>	<u>\$ 1,348,313,400</u>	<u>\$ 1,514,316,600</u>	<u>\$ 1,695,884,100</u>
87.78%	89.53%	90.42%	91.47%	92.06%	92.27%
<u>\$ 9,805,499</u> <u>290,266</u>	<u>\$ 11,060,135</u> <u>298,480</u>	<u>\$ 12,909,476</u> <u>328,948</u>	<u>\$ 14,465,922</u> <u>407,194</u>	<u>\$ 16,228,630</u> <u>467,378</u>	<u>\$ 18,029,678</u> <u>578,862</u>
<u>\$ 10,095,765</u>	<u>\$ 11,358,615</u>	<u>\$ 13,238,424</u>	<u>\$ 14,873,116</u>	<u>\$ 16,696,008</u>	<u>\$ 18,608,540</u>
0.96%	0.96%	0.99%	1.01%	1.02%	1.01%
<u>\$ 4,024,715</u> <u>475,285</u>	<u>\$ 4,070,000</u> <u>610,000</u>	<u>\$ 4,380,206</u> <u>640,000</u>	<u>\$ 4,974,745</u> <u>655,000</u>	<u>\$ 5,448,302</u> <u>655,000</u>	<u>\$ 5,975,816</u> <u>734,293</u>
<u>\$ 4,500,000</u>	<u>\$ 4,680,000</u>	<u>\$ 5,020,206</u>	<u>\$ 5,629,745</u>	<u>\$ 6,103,302</u>	<u>\$ 6,710,109</u>
<u>39.865</u> <u>4.708</u>	<u>35.832</u> <u>5.370</u>	<u>33.087</u> <u>4.834</u>	<u>33.448</u> <u>4.404</u>	<u>32.632</u> <u>3.923</u>	<u>32.114</u> <u>3.946</u>
<u>44.573</u>	<u>41.202</u>	<u>37.921</u>	<u>37.852</u>	<u>36.555</u>	<u>36.060</u>

**CITY OF OTSEGO, MINNESOTA**  
**STATISTICAL SECTION (UNAUDITED)**  
**TAX CAPACITY OF REAL ESTATE & PERSONAL PROPERTY**  
 Last Ten Fiscal Years

**Table 7**

	Residential		Commercial & Industrial	Agricultural	Personal Property	Other	Total
	Homestead	Non Homestead					
2010	\$ 8,126,189 62.45%	\$ 1,661,573 12.77%	\$ 2,164,323 16.63%	\$ 719,579 5.53%	\$ 261,328 2.01%	\$ 79,192 0.61%	\$ 13,012,184 100.00%
2011	7,547,244 64.73%	1,251,967 10.74%	1,893,120 16.24%	606,587 5.20%	283,499 2.43%	77,709 0.67%	11,660,126 100.00%
2012	6,460,276 62.85%	1,097,107 10.67%	1,821,302 17.72%	543,596 5.29%	279,502 2.72%	76,765 0.75%	10,278,548 100.00%
2013	5,906,265 62.37%	903,006 9.54%	1,788,872 18.89%	533,264 5.63%	285,540 3.02%	53,341 0.56%	9,470,288 100.00%
2014	6,607,296 65.45%	918,439 9.10%	1,664,605 16.49%	536,842 5.32%	290,266 2.88%	78,317 0.78%	10,095,765 100.00%
2015	7,732,867 68.08%	1,057,409 9.31%	1,633,988 14.39%	582,530 5.13%	298,480 2.63%	53,341 0.47%	11,358,615 100.00%
2016	8,878,089 67.06%	1,183,843 8.94%	2,166,341 16.36%	627,666 4.74%	328,948 2.48%	53,537 0.40%	13,238,424 100.00%
2017	9,942,548 66.85%	1,232,700 8.29%	2,627,164 17.66%	597,483 4.02%	407,194 2.74%	66,027 0.44%	14,873,116 100.00%
2018	11,298,428 67.67%	1,276,749 7.65%	2,981,199 17.86%	612,928 3.67%	467,378 2.80%	59,326 0.36%	16,696,008 100.00%
2019	12,807,798 68.83%	1,481,672 7.96%	3,017,858 16.22%	667,248 3.59%	578,862 3.11%	55,102 0.30%	18,608,540 100.00%

Sources: The data for this table has been provided by the Wright County Auditor / Treasurer's Office.

**CITY OF OTSEGO, MINNESOTA**  
**STATISTICAL SECTION (UNAUDITED)**  
**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS**  
 Last Ten Fiscal Years

**Table 8**

	Overlapping Rates				Total Direct & Overlapping			
	City	School District 728	School District 882	School District 885	County	School District 728	School District 882	School District 885
2010	29.342	39.967	24.948	52.062	35.819	105.128	90.109	117.223
2011	34.013	43.489	27.029	51.369	39.306	116.808	100.348	124.688
2012	41.455	45.548	28.262	52.646	43.452	130.455	113.169	137.553
2013	46.228	50.058	26.229	57.213	44.288	140.574	116.745	147.729
2014	44.573	51.286	28.269	51.570	43.450	139.309	116.292	139.593
2015	41.202	42.483	22.882	51.082	40.593	124.278	104.677	132.877
2016	37.921	39.266	20.857	49.102	39.970	117.157	98.748	126.993
2017	37.852	36.659	16.242	46.893	39.599	114.110	93.693	124.344
2018	36.555	36.137	15.621	47.950	39.946	112.638	92.122	124.451
2019	36.060	32.865	16.972	47.143	44.273	113.198	97.305	127.476

Sources: The data for this table has been provided by the Wright County Auditor / Treasurer's Office.

**CITY OF OTSEGO, MINNESOTA**  
 STATISTICAL SECTION (UNAUDITED)  
 PRINCIPAL PROPERTY TAXPAYERS  
 Current Year and Nine Years Ago

**Table 9**

Taxpayer	Classification	2019			2010		
		Net Tax Capacity	Rank	Percentage of Total Tax Capacity Value	Net Tax Capacity	Rank	Percentage of Total Tax Capacity Value
Duke Realty	Industrial	\$ 1,228,448	1	6.60%	\$ 294,468	1	2.26%
Centerpoint Energy	Utility	387,788	2	2.08%	120,830	7	0.93%
Target Corporation	Commercial	199,450	3	1.07%	280,440	2	2.16%
Wagner Spray Tech Corporation	Industrial	173,718	4	0.93%			
Wright-Hennepin Electric Co-Op	Utility	123,497	5	0.66%	97,657	9	0.75%
Elk Inn Partners LP	Commercial	99,250	6	0.53%	99,250	8	0.76%
P & F Properties Inc	Industrial	87,662	7	0.47%			
Apex Business Center, LLC	Industrial	73,924	8	0.40%	74,578	10	0.57%
Kwik Trip Inc	Commercial	64,204	9	0.35%			
WFCIII LLC	Commercial	59,250	10	0.32%			
Wells Fargo Bank NA	Residential				127,079	5	0.98%
Land Funding I LLC	Commercial				125,210	6	0.96%
OHW LLC	Residential				141,869	4	1.09%
Appello Group LLC	Commercial				144,988	3	1.11%
Totals		<u>\$ 2,497,191</u>		<u>13.41%</u>	<u>\$ 1,506,369</u>		<u>11.57%</u>

Sources: The data for this table has been provided by the Wright County Auditor / Treasurer's Office.

**CITY OF OTSEGO, MINNESOTA**  
**STATISTICAL SECTION (UNAUDITED)**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
 Last Ten Fiscal Years

**Table 10**

	Certified Property Tax Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage to Date
2010	\$ 3,818,000	\$ 3,610,870	94.57%	\$ 207,130	\$ 3,818,000	100.00%
2011	3,966,000	3,820,747	96.34%	145,253	3,966,000	100.00%
2012	4,261,000	4,111,857	96.50%	149,143	4,261,000	100.00%
2013	4,377,910	4,306,802	98.38%	71,108	4,377,910	100.00%
2014	4,500,000	4,444,153	98.76%	52,605	4,496,758	99.93%
2015	4,680,000	4,641,720	99.18%	37,420	4,679,140	99.98%
2016	5,020,206	4,979,508	99.19%	38,667	5,018,175	99.96%
2017	5,629,745	5,606,101	99.58%	20,762	5,626,863	99.95%
2018	6,103,302	6,084,700	99.70%	15,028	6,099,728	99.94%
2019	6,710,109	6,670,163	99.40%	-	6,670,163	99.40%

Sources: The data for this table has been provided by Wright County and from City financial maintenance documents.

Note: The components of the Certified Property Tax Levy can be viewed in table 6 of the statistical section.

**CITY OF OTSEGO, MINNESOTA**  
**STATISTICAL SECTION (UNAUDITED)**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
 Last Ten Fiscal Years

**Table 11**

	Governmental Activities		Business-Type Activities	Total Debt	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Equipment Certificates	General Obligation Revenue Bonds			
2010	\$ 13,750,000	\$ 385,000	\$ 28,922,111	\$ 43,057,111	9.24%	\$ 3,173
2011	17,728,529	350,000	28,843,229	46,921,758	9.17%	3,396
2012	18,413,438	310,000	28,764,347	47,487,785	8.82%	3,384
2013	17,601,634	265,000	28,685,465	46,552,099	8.26%	3,220
2014	10,664,830	220,000	28,606,583	39,491,413	6.33%	2,638
2015	9,553,029	175,000	28,527,701	38,255,730	5.61%	2,473
2016	8,380,857	130,000	26,448,820	34,959,677	4.68%	2,182
2017	7,293,686	85,000	24,334,937	31,713,623	3.95%	1,910
2018	8,534,989	40,000	22,126,056	30,701,045	3.53%	1,772
2019	7,378,641	-	17,515,267	24,893,908	2.75%	1,382

Sources: The data for this table has been provided from City financial maintenance documents.

Note: More detailed information for Population and Personal Income can be viewed in table 16 of the statistical section.

**CITY OF OTSEGO, MINNESOTA**  
 STATISTICAL SECTION (UNAUDITED)  
 RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
 Last Ten Fiscal Years

**Table 12**

	General Obligation Bonds	Equipment Certificates	Total General Bonded Debt Outstanding	Less: Amounts Restricted to Debt Service	Net General Obligation Debt	Percentage of Estimated Actual Value of Property	Per Capita
2010	\$ 13,750,000	\$ 385,000	\$ 14,135,000	\$ 6,962,030	\$ 7,172,970	0.55%	\$ 529
2011	17,728,529	350,000	18,078,529	6,547,412	11,531,117	1.03%	835
2012	18,413,438	310,000	18,723,438	6,570,533	12,152,905	1.14%	866
2013	17,601,634	265,000	17,866,634	5,882,912	11,983,722	1.21%	829
2014	10,664,830	220,000	10,884,830	5,430,795	5,454,035	0.52%	364
2015	9,553,029	175,000	9,728,029	4,506,243	5,221,786	0.44%	337
2016	8,380,857	130,000	8,510,857	4,292,589	4,218,268	0.31%	263
2017	7,293,686	85,000	7,378,686	3,596,348	3,782,338	0.26%	228
2018	8,534,989	40,000	8,574,989	4,484,680	4,090,309	0.25%	236
2019	7,378,641	-	7,378,641	3,979,190	3,399,451	0.18%	189

Sources: The data for this table has been provided from City financial maintenance documents.

Note: More detailed information for Population can be viewed in table 16 of the statistical section.

Note: More detailed information for Estimated Property Values can be viewed in table 6 of the statistical section.

**CITY OF OTSEGO, MINNESOTA**  
 STATISTICAL SECTION (UNAUDITED)  
 COMPUTATION OF DIRECT AND OVERLAPPING  
 GOVERNMENTAL ACTIVITIES DEBT  
 DECEMBER 31, 2019

**Table 13**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Overlapping Debt:			
School Districts:			
No. 728 - Elk River	\$ 207,155,000	20.58%	\$ 42,632,499
No. 882 - Monticello	49,895,000	3.97%	1,980,832
No. 885 - St. Michael-Albertville	167,170,000	4.42%	7,388,914
Wright County	<u>153,290,000</u>	11.61%	<u>17,796,969</u>
Total Overlapping Debt	<u>\$ 577,510,000</u>		69,799,214
City of Otsego Direct Debt			<u>7,378,641</u>
Total Direct and Overlapping Debt			<u>\$ 77,177,855</u>

Sources: The majority of the data for this table has been provided by Wright County Auditor / Treasurer's Office.

Sources: The remaining data for this table was provided by School District No. 728.

Note: More detailed information for the City's outstanding debt can be viewed in table 11 of the statistical section.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. The schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Note: The percentage of overlapping debt applicable is estimated using tax capacity values. Applicable percentages were estimated by determining the portion of each entity's tax capacity that is within the City's boundaries, and dividing it by the entity's total tax capacity.



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**CITY OF OTSEGO, MINNESOTA**  
**STATISTICAL SECTION (UNAUDITED)**  
**LEGAL DEBT MARGIN INFORMATION**  
 Last Ten Fiscal Years

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Taxable Market Value	\$ 1,176,565,200	\$ 1,059,617,700	\$ 927,878,800	\$ 853,734,500
Debt Limit Percentage	<u>3.00%</u>	<u>3.00%</u>	<u>3.00%</u>	<u>3.00%</u>
Debt Limit	35,296,956	31,788,531	27,836,364	25,612,035
Total Net Debt Applicable to Limit	<u>7,172,970</u>	<u>11,531,117</u>	<u>12,152,905</u>	<u>11,983,722</u>
Legal Debt Margin	<u>\$ 28,123,986</u>	<u>\$ 20,257,414</u>	<u>\$ 15,683,459</u>	<u>\$ 13,628,313</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	20.32%	36.27%	43.66%	46.79%

Sources: The data for this table has been provided by Wright County and from City financial maintenance documents.

**Table 14**

2014	2015	2016	2017	2018	2019
\$ 923,045,300	\$ 1,054,531,800	\$ 1,212,196,700	\$ 1,348,313,400	\$ 1,514,316,600	\$ 1,695,884,100
3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
27,691,359	31,635,954	36,365,901	40,449,402	45,429,498	50,876,523
5,454,035	5,221,786	4,218,268	3,782,338	4,090,309	3,399,451
<u>\$ 22,237,324</u>	<u>\$ 26,414,168</u>	<u>\$ 32,147,633</u>	<u>\$ 36,667,064</u>	<u>\$ 41,339,189</u>	<u>\$ 47,477,072</u>
19.70%	16.51%	11.60%	9.35%	9.00%	6.68%

**CITY OF OTSEGO, MINNESOTA**  
**STATISTICAL SECTION (UNAUDITED)**  
**PLEDGED-REVENUE COVERAGE**  
 Last Ten Fiscal Years

**Table 15**

General Obligation Revenue Bonds							
	Water and Sanitary Sewer Utility Charges	Water and Sanitary Sewer Connection Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
					Principal	Interest	
2010	\$ 1,915,508	\$ 990,041	\$ 1,109,346	\$ 1,796,203	\$ -	\$ 1,214,508	147.90%
2011	2,038,433	333,151	1,228,236	1,143,348	-	1,343,403	85.11%
2012	2,256,616	1,032,687	1,148,605	2,140,698	-	1,006,961	212.59%
2013	2,429,661	1,233,224	1,136,790	2,526,095	-	1,007,100	250.83%
2014	2,687,572	2,435,460	1,016,382	4,106,650	-	1,007,585	407.57%
2015	2,641,566	2,020,299	2,524,073	2,137,792	-	1,007,762	212.13%
2016	2,857,174	3,662,097	2,831,346	3,687,925	2,000,000	1,007,725	122.62%
2017	3,197,486	3,577,039	2,973,383	3,801,142	2,035,000	967,815	126.59%
2018	3,588,031	4,195,354	3,229,493	4,553,892	2,130,000	886,043	150.99%
2019	3,872,764	4,930,688	3,544,713	5,258,739	4,531,906	883,087	97.11%

Sources: The data for this table has been provided from City financial maintenance documents.



	Population	No. of Households	Personal Income	Per Capita Personal Income	Unemployment Rate	Median Age	School Enrollments		
							No. 728 Elk River	No. 882 Monticello	No. 885 St. Michael Albertville
2010	13,571	4,736	\$ 465,770,291	\$ 34,321	8.0%	32.2	12,932	4,073	5,326
2011	13,816	4,826	511,523,584	37,024	6.8%	32.4	12,801	4,110	5,497
2012	14,034	4,894	538,231,968	38,352	5.9%	33.4	12,753	4,137	5,645
2013	14,457	5,035	563,823,000	39,000	5.0%	33.4	13,123	4,137	5,747
2014	14,968	5,218	623,821,336	41,677	4.2%	33.8	13,076	4,193	5,904
2015	15,472	5,394	682,361,616	44,103	3.7%	34.1	13,136	4,096	6,096
2016	16,019	5,580	746,373,267	46,593	3.9%	33.2	13,219	4,094	6,286
2017	16,605	5,787	803,366,505	48,381	3.5%	34.3	13,461	4,168	6,335
2018	17,323	5,975	869,285,463	50,181	3.0%	34.7	13,670	4,125	6,463
2019	18,019	6,275	904,195,222	50,181	3.3%	34.7	13,921	4,201	6,557

Sources: Population & Households - Minnesota State Demographer [2019 Estimated by City]  
 Personal Income - Calculated by the City  
 Per Capita Personal Income - US Department of Commerce; Bureau of Economic Analysis  
 Unemployment Rate - Minnesota Department of Employment and Economic Development  
 Median Age - US Department of Commerce, Bureau of the Census  
 School Enrollment - Minnesota Department of Education

Note: Some data was not yet available for 2019. In those instances, 2018 data was shown for the current year.

**CITY OF OTSEGO, MINNESOTA**  
**STATISTICAL SECTION (UNAUDITED)**  
**PRINCIPAL EMPLOYMENT SECTORS**  
 Current Year and Nine Years Ago

**Table 17**

Employment Industry	2019			2010		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Education & Health Services	1,302	1	36.84%	142	4	9.97%
Trade, Transportation & Utilities	824	2	23.32%	455	1	31.95%
Leisure & Hospitality	441	3	12.48%	324	2	22.75%
Construction	345	4	9.76%	182	3	12.78%
Professional & Business Services	246	5	6.96%	131	5	9.20%
Other Services	99	6	2.80%	96	6	6.74%
Public Administration	39	7	1.10%	18	7	1.26%
Totals	<u>3,296</u>		<u>93.27%</u>	<u>1,348</u>		<u>94.66%</u>

Sources: The data for this table has been provided from the Minnesota Department of Employment and Economic Development.

Note: Due to data privacy within the State, data for principal employers of the City is not available. Given this limitation, the City determined it was appropriate to provide data regarding employment industry data. The City felt that this data would still provide the user information to understand the degree to which the City's economy is or is not dependent on a certain employment sector.

CITY OF OTSEGO, MINNESOTA  
 STATISTICAL SECTION (UNAUDITED)  
 FULL TIME CITY GOVERNMENT POSITIONS BY FUNCTION  
 Last Ten Fiscal Years

Table 18

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government										
Administration	3.0	3.0	3.0	3.0	3.0	4.0	3.5	3.6	3.6	3.6
Finance	3.9	3.9	3.9	3.7	3.9	3.0	3.0	3.0	3.0	3.0
Total General Government	6.9	6.9	6.9	6.7	6.9	7.0	6.5	6.6	6.6	6.6
Public Safety										
Police	-	-	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-	-	-
Building Inspections	1.6	1.0	1.0	1.0	1.0	1.0	1.5	1.5	1.8	2.0
Total Public Safety	1.6	1.0	1.0	1.0	1.0	1.0	1.5	1.5	1.8	2.0
Public Works										
Street Maintenance	6.9	6.9	5.9	5.8	5.8	6.9	6.9	6.9	6.8	7.8
Mechanic	-	-	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Total Public Works	6.9	6.9	6.9	6.8	6.8	7.9	7.9	7.9	7.8	8.8
Culture and Recreation										
Parks Maintenance	1.0	1.0	1.4	1.4	1.4	3.5	3.5	3.5	3.9	4.4
Recreation	-	-	0.6	1.1	1.1	1.4	1.4	1.4	1.5	1.5
Total Culture and Recreation	1.0	1.0	2.0	2.5	2.5	4.9	4.9	4.9	5.4	5.9
Public Utilities										
Water Utility	-	-	-	2.0	2.0	1.3	1.3	1.3	1.4	1.5
Sanitary Sewer Utility	-	-	-	2.0	2.0	3.7	3.7	3.7	4.1	4.5
Total Public Utilities	-	-	-	4.0	4.0	5.0	5.0	5.0	5.5	6.0
<b>Total</b>	<u>16.4</u>	<u>15.8</u>	<u>16.8</u>	<u>21.0</u>	<u>21.2</u>	<u>25.8</u>	<u>25.8</u>	<u>25.9</u>	<u>27.1</u>	<u>29.3</u>

Sources: The data for this table has been provided from City financial maintenance documents.

Note: Police and Fire services are contracted services with Wright County and neighboring Cities respectively, therefore no City employees.

Note: Public Utilities staffing were contracted with a service provider through 2012. In 2013, the City hired a staff and assumed operations.

CITY OF OTSEGO, MINNESOTA  
 STATISTICAL SECTION (UNAUDITED)  
 OPERATING INDICATORS BY FUNCTION  
 Last Ten Fiscal Years

Table 19

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Administration</b>										
Rental Licenses Issued	180	246	292	337	372	372	387	351	329	332
Code Enforcement Citations	11	60	89	20	16	31	41	30	68	18
Registered Voters			7,168		7,329		9,324		9,754	
Actual Votes Tallied	4,737		7,126		4,693		7,362		6,228	
<b>Police</b>										
Total Calls for Service	3,905	4,111	4,234	3,856	4,060	3,575	3,619	4,310	4,279	4,484
<b>Fire</b>										
Calls - Albertville Department					82	76	93	129	131	164
Calls - Elk River Department					74	73	80	92	96	105
Calls - Rogers Department						18	15	12	27	26
<b>Building Inspections</b>										
Number of Permits - All Types	617	570	645	699	692	893	968	722	1,147	1,173
New Homes Constructed	73	58	143	190	188	207	219	210	300	300
<b>Public Works</b>										
Miles of Streets Constructed			0.45	1.33	2.30	1.66	2.59	3.93	7.80	4.68
Miles of Streets Reconstructed							0.35	1.80	5.30	-
Snow Plowing Events	55	40	46	37	22	16	16	22	37	21
<b>Culture and Recreation</b>										
Parks Acres Maintained	161.5	167.8	167.8	184.3	184.3	184.3	190.3	160.0	160.0	160.0
Prairie Festival Attendance				4,900	5,100	6,200	5,000	4,000	4,800	6,450
Recreation Programs Offered			17	60	106	132	100	127	231	153
Recreation Programs Participants			550	9,875	14,958	12,662	12,662	17,341	20,885	18,500
<b>Water Utility</b>										
Connections	2,321	2,379	2,517	2,678	2,829	3,023	3,155	3,278	3,748	4,014
Gallons Delivered	348,498,610	353,515,800	429,293,500	409,492,730	375,299,840	389,118,330	393,795,210	491,484,000	527,795,004	491,047,000
<b>Sanitary Sewer Utility</b>										
Average Daily Gallons Treated	509,000	512,000	485,000	543,000	539,000	551,000	600,000	627,000	673,000	738,000

Sources: The data for this table has been provided by each respective City department.

Note: The City made significant changes to the indicators included in this table for 2015. Not all historical data was able to be compiled, and this table will be updated on a go-forward basis.

CITY OF OTSEGO, MINNESOTA  
 STATISTICAL SECTION (UNAUDITED)  
 CAPITAL ASSET STATISTICS BY FUNCTION  
 Last Ten Fiscal Years

Table 20

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Public Works</b>										
Street Miles (MSA)	112.85	112.85	113.30	114.63	116.93	118.59	120.88	124.81	131.00	131.00
Heavy Duty Trucks	7	8	8	8	8	8	8	8	9	9
Light Duty Vehicles	10	10	11	15	15	15	15	17	17	16
Tractors & Grading Equipment	7	8	8	8	8	8	8	8	7	7
<b>Culture and Recreation</b>										
Trail Miles	19.68	19.68	19.68	19.68	19.68	19.96	21.13	25.11	25.60	27.95
Number of Parks	7	8	8	10	10	10	11	12	14	14
Playgrounds	6	6	7	7	7	7	8	9	10	10
Park Shelters	7	9	9	9	9	9	10	10	12	13
Ball Fields	4	5	5	5	5	5	6	6	6	6
Soccer Fields	-	-	-	-	-	3	3	3	3	3
Basketball Courts	4	5	5	5	5	5	5	5	6	6
Tennis Courts	6	7	7	7	7	7	8	8	8	8
Outdoor Ice Rinks				1	1	1	1	1	1	1
Mowing Equipment	3	4	5	5	5	5	6	6	6	6
<b>Water Utility</b>										
Water Towers	3	3	3	3	3	3	3	3	3	3
Wells	8	8	8	8	8	8	8	8	8	7
Miles of Water Main				63	63	74	77	79	83	87
Hydrants				717	722	794	846	871	923	975
Water Valves				1,555	1,603	1,659	1,841	1,881	1,983	2,106
<b>Sanitary Sewer Utility</b>										
Treatment Facilities	2	2	2	2	2	2	2	2	2	2
Lift Stations	9	9	9	9	9	9	10	10	10	10
Miles of Sanitary Sewer Lines				69	-	74	75.8	79.5	81.8	86.1
Manholes				1,257	1,257	1,366	1,480	1,524	1,594	1,730
Miles of Sanitary Forcemain				20	20	20	20	20	21	21

Sources: The data for this table has been provided by each respective City department.

Note: The City made significant changes to the statistics included in this table for 2015. Not all historical data was able to be compiled, and this table will be updated on a go-forward basis.



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