

## Summary Financial Report City of Hermantown

The purpose of this report is to provide a summary of financial information concerning the City of Hermantown to interested citizens. The complete financial statements may be examined at City Hall, 5105 Maple Grove Road. Questions about this report should be directed to Arlene Tucker, Finance Director (729-3600).

### Revenue and Expenditures for General Operations (Governmental Funds) December 31, 2008

	<u>2008</u>	<u>2007</u>	<u>% Increase (Decrease)</u>
<b>Revenues</b>			
Taxes	\$ 3,601,626	\$ 3,520,190	2.31%
Special Assessments	792,386	492,490	60.89%
Licenses and Permits	275,688	341,135	-19.19%
Intergovernmental	982,211	1,725,056	-43.06%
Charges for Services	89,800	85,155	5.45%
Fines and Forfeits	103,226	81,054	27.35%
Other	648,787	1,140,431	-43.11%
<b>Total Revenues</b>	<b>\$ 6,493,724</b>	<b>\$ 7,385,511</b>	-12.07%
<b>Per Capita</b>	<b>\$ 701</b>	<b>\$ 803</b>	-12.81%
<b>Expenditures</b>			
<b>Current</b>			
General Government	866,787	828,162	4.66%
Public Safety	2,154,649	1,939,366	11.10%
Streets and Highways	528,585	600,910	-12.04%
Health	1,392	2,113	-34.12%
Recreation	226,027	288,070	-21.54%
Cable TV	12,194	8,962	36.06%
Economic Development	39,290	51,237	-23.32%
<b>Capital Outlay</b>	2,241,710	8,630,011	-74.02%
<b>Debt Service</b>	6,334,561	2,340,115	170.69%
<b>Total Expenditures</b>	<b>\$ 12,405,195</b>	<b>\$ 14,688,946</b>	-15.55%
<b>Per Capita</b>	<b>\$ 1,338</b>	<b>\$ 1,598</b>	-16.25%
 Total Long-term Indebtedness	 \$ 26,304,375	 \$ 31,414,233	 -16.27%
<b>Per Capita</b>	<b>\$ 2,838</b>	<b>\$ 3,418</b>	<b>-16.96%</b>
 General Fund and Special Revenue Funds Unreserved			
<b>Fund Balance - December 31</b>	<b>\$ 1,680,530</b>	<b>\$ 1,700,424</b>	<b>-1.17%</b>
<b>Per Capita</b>	<b>\$ 181</b>	<b>\$ 185</b>	<b>-1.99%</b>

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**City of Hermantown  
Statement of Net Assets  
Proprietary Funds  
December 31, 2008**

	Business-type Activities Enterprise Funds			Total Enterprise Funds	
	Major Funds		Nonmajor Fund		
	Water Utility	Sewage Disposal	Street Lighting	<u>2008</u>	<u>2007</u>
<b><u>ASSETS</u></b>					
<b>Current Assets</b>					
Cash and Temporary Cash Investments	\$ 151,113	\$ 103,321	\$ 88,376	\$ 342,810	\$ 184,524
Investments	1,417,911	497,882	81,959	1,997,752	1,803,688
Accounts Receivable	98,836	81,677	22,754	203,267	193,028
Interest Receivable	19,791	4,870	3,320	27,981	22,497
Due From Other Funds	450,000	400,000		850,000	983,763
Inventories	67,058	10,738		77,796	114,627
Prepaid Expense	9,508	6,117		15,625	10,059
Current Portion of Contracts Receivable	1,937	7,856		9,793	13,492
<b>Total Current Assets</b>	<u>2,216,154</u>	<u>1,112,461</u>	<u>196,409</u>	<u>3,525,024</u>	<u>3,325,678</u>
<b>Capital Assets, Net of Depreciation</b>					
Assets Not Being Depreciated	169,886			169,886	4,914,887
Assets Being Depreciated	4,205,996	20,154,935		24,360,931	18,759,531
<b>Net</b>	<u>4,375,882</u>	<u>20,154,935</u>		<u>24,530,817</u>	<u>23,674,418</u>
<b>Other Assets</b>					
Long-term Portion of Contracts Receivable	8,951	37,466		46,417	48,662
Special Assessments Receivable, Deferred	4,813			4,813	4,813
<b>Total Other Assets</b>	<u>13,764</u>	<u>37,466</u>		<u>51,230</u>	<u>53,475</u>
<b>Total Assets</b>	<u>6,605,800</u>	<u>21,304,862</u>	<u>196,409</u>	<u>28,107,071</u>	<u>27,053,571</u>
<b><u>LIABILITIES</u></b>					
<b>Current Liabilities</b>					
Accounts Payable	52,074	37,909	1,550	91,533	68,469
Wages and Salaries Payable	45,140	30,248		75,388	70,747
Deposits	15,200			15,200	15,200
<b>Total Current Liabilities</b>	<u>112,414</u>	<u>68,157</u>	<u>1,550</u>	<u>182,121</u>	<u>154,416</u>
<b><u>NET ASSETS</u></b>					
Invested in Capital Assets	4,375,882	20,154,935		24,530,817	23,674,418
Unrestricted	2,117,504	1,081,770	194,859	3,394,133	3,224,737
<b>Total Net Assets</b>	<u>\$6,493,386</u>	<u>\$21,236,705</u>	<u>\$194,859</u>	<u>\$27,924,950</u>	<u>\$26,899,155</u>

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**City of Hermantown**  
**Statement of Revenues, Expenses and Changes in Net Assets**  
**Proprietary Funds**  
**For the Year Ended December 31, 2008**

	Business-type Activities Enterprise Funds			Total Enterprise Funds	
	Major Funds		Nonmajor Fund		
	Water Utility	Sewage Disposal	Street Lighting	2008	2007
<b>Operating Revenues</b>					
User Fees	\$ 787,151	\$ 616,417	\$ 91,279	\$ 1,494,847	\$ 1,497,321
Service Charges	35,302	37,314		72,616	69,652
Total Operating Revenues	<u>822,453</u>	<u>653,731</u>	<u>91,279</u>	<u>1,567,463</u>	<u>1,566,973</u>
<b>Operating Expenses</b>					
Personal Services	202,662	163,908		366,570	354,230
Water Purchase	533,846			533,846	572,496
WLSSD Charges		371,071		371,071	286,641
Electricity Charges			34,342	34,342	20,411
Maint., Supplies & Operational Expenses	172,621	105,109		277,730	248,406
Utilities	9,762	14,660		24,422	24,842
Professional Services	14,318	8,081		22,399	12,007
Insurance	10,572	5,176		15,748	16,351
Total Operating Expenses	<u>943,781</u>	<u>668,005</u>	<u>34,342</u>	<u>1,646,128</u>	<u>1,535,384</u>
Operating Income (Loss) Before Depreciation	(121,328)	(14,274)	56,937	(78,665)	31,589
Less Depreciation Expense	<u>(80,754)</u>	<u>(217,327)</u>		<u>(298,081)</u>	<u>(266,293)</u>
<b>Net Operating Income (Loss)</b>	<u>(202,082)</u>	<u>(231,601)</u>	<u>56,937</u>	<u>(376,746)</u>	<u>(234,704)</u>
<b>Non-operating Revenues</b>					
Hookups and Miscellaneous Income	96,722	119,463		216,185	192,299
Investment Income	91,114	39,813	4,251	135,178	180,063
Total Non-operating Revenues	<u>187,836</u>	<u>159,276</u>	<u>4,251</u>	<u>351,363</u>	<u>372,362</u>
<b>Net Income Before Operating Transfers and Contributions</b>	(14,246)	(72,325)	61,188	(25,383)	137,658
Contributed Capital Assets	57,651	1,036,066		1,093,717	3,531,921
Operating Transfers Out	<u>(7,790)</u>	<u>(32,249)</u>	<u>(2,500)</u>	<u>(42,539)</u>	<u>(37,300)</u>
<b>Net Income</b>	35,615	931,492	58,688	1,025,795	3,632,279
<b>Net Assets, January 1</b>	<u>6,457,771</u>	<u>20,305,213</u>	<u>136,171</u>	<u>26,899,155</u>	<u>23,266,876</u>
<b>Net Assets, December 31</b>	<u>\$6,493,386</u>	<u>\$21,236,705</u>	<u>\$194,859</u>	<u>\$27,924,950</u>	<u>\$26,899,155</u>

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**City of Hermantown  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2008**

	Business-type Activities				
	Enterprise Funds				
	Major Funds		Nonmajor Fund	Total Enterprise Funds	
Water Utility	Sewage Disposal	Street Lighting	2008	2007	
<b>Cash Flows from Operating Activities</b>					
Receipts from Users	\$ 823,516	\$ 642,638	\$ 91,070	\$ 1,557,224	\$ 1,566,372
Payments to Employees	(199,090)	(162,839)		(361,929)	(339,264)
Payments to Suppliers	(711,229)	(480,284)	(33,716)	(1,225,229)	(1,172,439)
Interfund Receipts/Payments	50,000	83,763		133,763	(621,930)
Net Cash Used in Operating Activities	<u>(36,803)</u>	<u>83,278</u>	<u>57,354</u>	<u>103,829</u>	<u>(567,261)</u>
<b>Cash Flows From Noncapital Financing Activities</b>					
Cash Received From Hookups and Miscellaneous Income	96,722	119,463		216,185	184,541
Transfers Out	(7,790)	(32,249)	(2,500)	(42,539)	(37,300)
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>88,932</u>	<u>87,214</u>	<u>(2,500)</u>	<u>173,646</u>	<u>147,241</u>
<b>Cash Flows From Capital and Related Financing Activities</b>					
Acquisition and Construction of Capital Assets	(25,661)	(35,102)		(60,763)	(62,427)
Cash Received on Contracts	(665)	6,609		5,944	17,831
Net Cash Used in Capital and Related Financing Activities	<u>(26,326)</u>	<u>(28,493)</u>		<u>(54,819)</u>	<u>(44,596)</u>
<b>Cash Flows From Investing Activities</b>					
Investment Income	80,356	24,580	931	105,867	164,976
Purchase of Investments	(987,584)	(388,032)	(81,959)	(1,457,575)	(1,070,864)
Sale of Investments	988,038	299,300		1,287,338	1,301,778
Net Cash Provided By (Used in) Investing Activities	<u>80,810</u>	<u>(64,152)</u>	<u>(81,028)</u>	<u>(64,370)</u>	<u>395,890</u>
<b>Net Increase (Decrease) in Cash</b>	106,613	77,847	(26,174)	158,286	(68,726)
<b>Cash and Temporary Cash Investments, Beginning of Year</b>	<u>44,500</u>	<u>25,474</u>	<u>114,550</u>	<u>184,524</u>	<u>253,250</u>
<b>Cash and Temporary Cash Investments, End of Year</b>	<u>\$ 151,113</u>	<u>\$ 103,321</u>	<u>\$ 88,376</u>	<u>\$ 342,810</u>	<u>184,524</u>

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