

# Annual Financial Report

City of Wyoming  
Wyoming, Minnesota

For the Year Ended  
December 31, 2016

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CITY OF WYOMING  
WYOMING, MINNESOTA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED  
DECEMBER 31, 2016

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 ANNUAL FINANCIAL REPORT  
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**INTRODUCTORY SECTION**

CITY OF WYOMING  
WYOMING, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2016

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CITY OF WYOMING, MINNESOTA  
ELECTED AND APPOINTED OFFICIALS  
FOR THE YEAR ENDED DECEMBER 31, 2016

**ELECTED**

<u>Name</u>	<u>Title</u>	<u>Term Ends</u>
Eric Peterson	Mayor	12/31/2016
Joe Zerwas	Council Member	12/31/2016
Linda Nanko Yeager	Council Member	12/31/2016
Claire Lugar	Council Member	12/31/2018
Lisa Iverson	Council Member	12/31/2018

**APPOINTED**

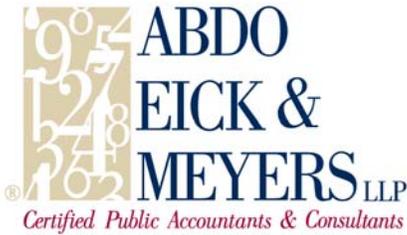
Robb Linwood	Administrator
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**FINANCIAL SECTION**  
**CITY OF WYOMING**  
**WYOMING, MINNESOTA**

**FOR THE YEAR ENDED**  
**DECEMBER 31, 2016**

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## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council  
City of Wyoming, 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 Wyoming, Minnesota (the City), as of and for the year ended December 31, 2016, and the related notes to the 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 misstatement, 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 above 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 as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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## Other Matters

### *Change in Accounting Standards*

As described in Note 7 to the financial statements, the City adopted the provisions of Governmental Accounting Standard Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68*, for the year ended December 31, 2016. Adoption of the provisions of these statements results in significant change to the classifications of the components of the financial statements.

### *Required Supplementary Information*

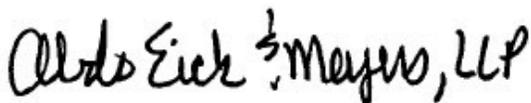
Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis starting on page 15 and the Schedules of Employer's Share of the Net Pension Liability, the Schedules of Employer's Contributions and the Schedule of Changes in the Fire Relief Association's Net Pension Liability (Asset) and Related Ratios starting on page 78 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board 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 and combining and individual fund financial statements and schedules 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section has 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 it.



ABDO, EICK & MEYERS, LLP  
Minneapolis, Minnesota  
June 20, 2017

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## **Management's Discussion and Analysis**

As management of the City of Wyoming, Minnesota, (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2016.

### **Financial Highlights**

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$35,520,691. Of this amount, \$9,472,099 may be used to meet the City's ongoing obligations to citizens and creditors and is identified as unrestricted.
- The City's total net position increased by \$863,700.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$8,463,319, an increase of \$1,492,795 in comparison with the prior year.
- At the end of the current fiscal year, unassigned and assigned fund balance for the General fund were \$3,267,303 and \$403,965, or 81.2 percent and 10.0 percent, respectively.

## Overview of the Financial Statements

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

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of combining and individual fund financial statements and schedules that further explains and supports the information in the financial statements. Figure 1 shows how the required parts of this annual report are arranged and relate to one another. In addition to these required elements, we have included a section with combining and individual fund financial statements and schedules that provide details about nonmajor governmental funds, which are added together and presented in single columns in the basic financial statements.

**Figure 1**  
**Required Components of the**  
**City's Annual Financial Report**

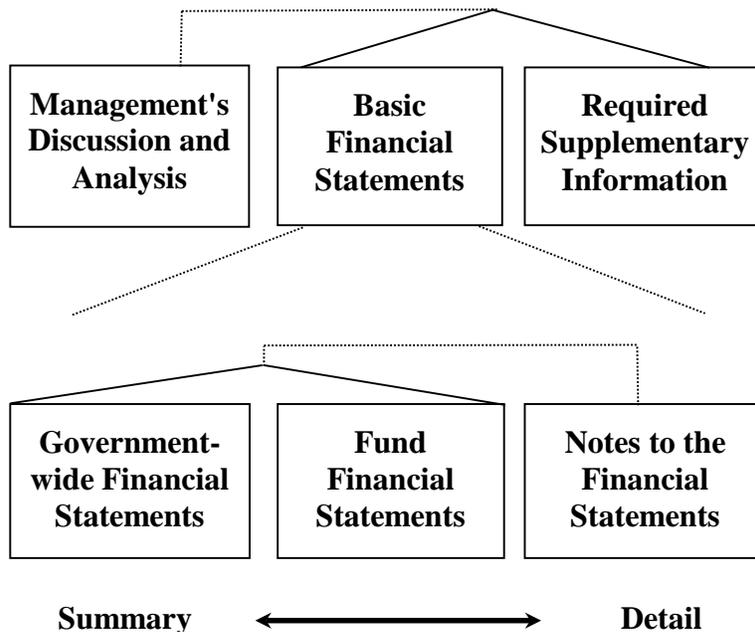


Figure 2 summarizes the major features of the City’s financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis explains the structure and contents of each of the statements.

**Figure 2**  
**Major features of the Government-wide and Fund Financial Statements**

	Fund Financial Statements		
	Government-wide Statements	Governmental Funds	Proprietary Funds
Scope	Entire City government (except fiduciary funds) and the City’s component units	The activities of the City that are not proprietary or fiduciary, such as police, fire and parks	Activities the City operates similar to private businesses, such as the water and sewer system
Required financial statements	<ul style="list-style-type: none"> <li>• Statement of Net Position</li> <li>• Statement of Activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of Revenues, Expenditures, and Changes in Fund Balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of Net Position</li> <li>• Statement of Revenues, Expenses and Changes in Fund Net Position</li> <li>• Statement of Cash Flows</li> </ul>
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of deferred outflows/inflows of resources information	All deferred outflows/inflows of resources, regardless of when cash is received or paid	Only deferred outflows of resources expected to be used up and deferred inflows of resources that come due during the year or soon thereafter; no capital assets included	All deferred outflows/inflows of resources, regardless of when cash is received or paid.
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid

**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 and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is 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 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 and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenue (*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 and recreation, economic development and interest on long-term debt. The business-type activities of the City include water, sewer and surface water utilities.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also a legally separate Economic Development Authority (EDA) for which the City is financially accountable. The EDA, although legally separate, functions for all practical purposes as a department of the City, and therefore has been included as an integral part of the primary government.

The government-wide financial statements start on page 29 of this report.

**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. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and the fiduciary 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 financing 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 by the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances (deficits) provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains 26 individual governmental funds, 8 of which are Debt Service 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 General fund, Debt Service fund, and the Street Replacement fund, all of which are considered to be major funds. Data from the other 16 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 report.

The City adopts an annual appropriated budget for its General fund. A budgetary comparison statement has been provided for the General fund to demonstrate compliance with this budget.

The basic governmental fund financial statements start on page 34 of this report.

**Proprietary funds.** The City maintains one type of proprietary funds. *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, Sewer and Surface Water operations.

The Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary funds financial statements provide separate information for each of the enterprise funds which are considered to be major funds of the City.

The basic proprietary funds financial statements start on page 40 of this report.

**Fiduciary funds.** The Fiduciary funds are used to account for resources held for the benefit of parties outside the City. The Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of this fund are not available to support the City's own programs. The accounting used for the fiduciary funds are much like that used for the proprietary funds.

The basic fiduciary funds financial statements can be found on page 46 of this report.

**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 start on page 47 of this report.

**Other information.** The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented following the notes to the financial statements. Combining and individual fund statements and schedules start on page 84 of this report.

## 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 exceeded liabilities and deferred inflows by \$35,520,691 at the close of the most recent fiscal year.

By far, the largest portion of the City's net position, \$22,795,188, reflects its investment in capital assets (e.g., land, buildings, machinery and equipment); less any related debt used to acquire those assets that are 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 Wyoming's Summary of Net Position

	Governmental Activities			Business-type Activities		
	2016	2015	Increase (Decrease)	2016	2015	Increase (Decrease)
<b>Assets</b>						
Current and other assets	\$ 11,092,376	\$ 9,950,781	\$ 1,141,595	\$ 5,741,816	\$ 6,667,859	\$ (926,043)
Capital assets	16,048,708	15,417,145	631,563	17,580,408	16,649,541	930,867
<b>Total assets</b>	<b>27,141,084</b>	<b>25,367,926</b>	<b>1,773,158</b>	<b>23,322,224</b>	<b>23,317,400</b>	<b>4,824</b>
<b>Deferred outflows of resources</b>						
Deferred pension resources	2,465,425	312,337	2,153,088	84,695	29,621	55,074
<b>Liabilities</b>						
Noncurrent liabilities						
outstanding	11,764,469	8,651,422	3,113,047	4,556,541	4,560,667	(4,126)
Other liabilities	388,924	722,373	(333,449)	245,553	163,887	81,666
<b>Total liabilities</b>	<b>12,153,393</b>	<b>9,373,795</b>	<b>2,779,598</b>	<b>4,802,094</b>	<b>4,724,554</b>	<b>77,540</b>
<b>Deferred inflows of resources</b>						
Deferred pension resources	498,380	376,292	122,088	38,870	31,480	7,390
<b>Net position</b>						
Net investment in capital assets	8,664,516	8,540,471	124,045	14,130,672	14,402,928	(272,256)
Restricted for						
Debt service	2,688,172	2,454,571	233,601	-	-	-
Tax increment financing	352,396	340,431	11,965	-	-	-
Public safety expenses	21,935	14,717	7,218	-	-	-
Revolving loans	21,345	77,201	(55,856)	-	-	-
State aid streets	98,756	-	98,756	-	-	-
Park projects	70,800	-	70,800	-	-	-
Unrestricted	5,036,816	4,502,785	534,031	4,435,283	4,188,059	247,224
<b>Total net position</b>	<b>\$ 16,954,736</b>	<b>\$ 15,930,176</b>	<b>\$ 1,024,560</b>	<b>\$ 18,565,955</b>	<b>\$ 18,590,987</b>	<b>\$ (25,032)</b>

A portion of the City's net position (\$3,083,848) represents resources that are subject to external restrictions on how they may be used.

**Governmental activities.** Governmental activities increased the City's net position by \$888,732 and business-type activities decreased the City's net position by \$25,032. Key elements of the overall increase are as follows:

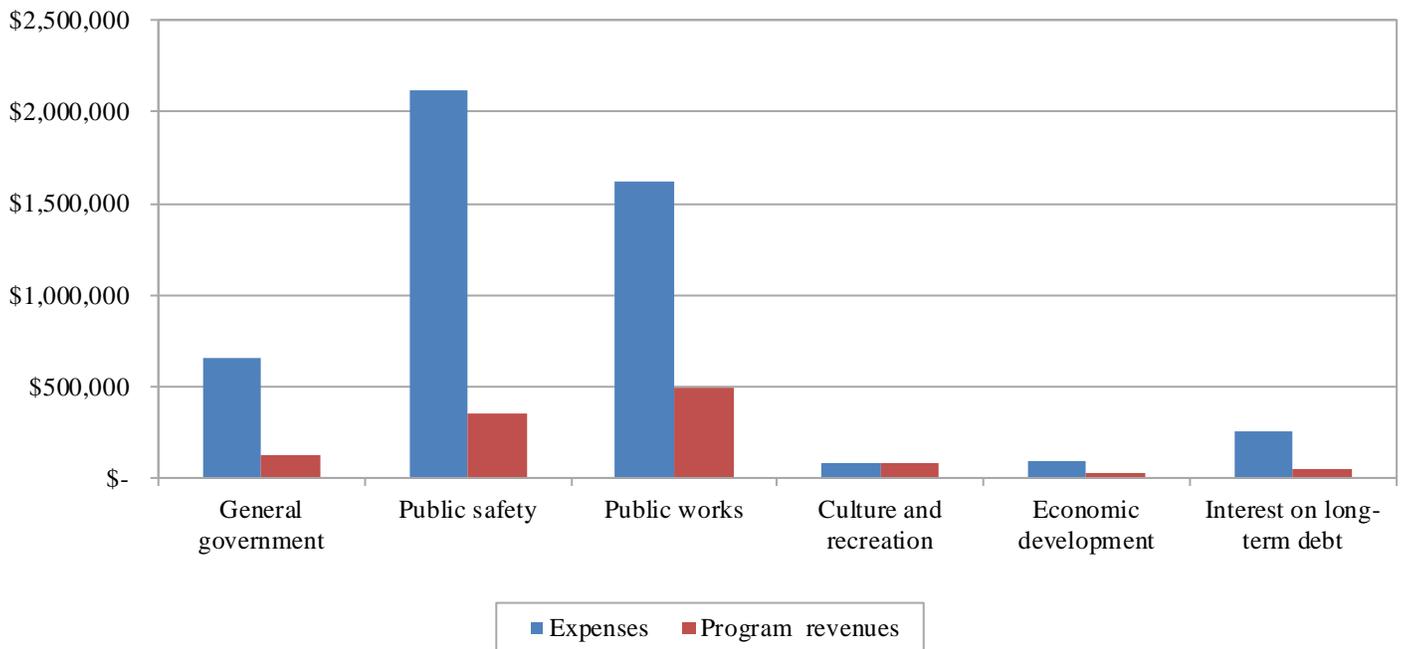
### City of Wyoming's Changes in Net Position

	Governmental Activities			Business-type Activities		
	2016	2015	Increase (Decrease)	2016	2015	Increase (Decrease)
Revenues						
Program revenues						
Charges for services	\$ 270,244	\$ 355,678	\$ (85,434)	\$ 1,532,095	\$ 1,437,568	\$ 94,527
Operating grants and contributions	303,644	261,377	42,267	915	-	915
Capital grants and contributions	567,620	865,025	(297,405)	40,700	185,173	(144,473)
General revenues						
Property taxes/tax increments	4,162,894	3,975,570	187,324	-	-	-
Other taxes	60,872	47,814	13,058	-	-	-
Grants and contributions not restricted to specific programs	208,823	202,469	6,354	-	-	-
Unrestricted investment earnings	93,214	77,046	16,168	72,315	45,971	26,344
Gain on sale of capital assets	48,920	7,021	41,899	-	-	-
<b>Total revenues</b>	<b>5,716,231</b>	<b>5,792,000</b>	<b>(75,769)</b>	<b>1,646,025</b>	<b>1,668,712</b>	<b>(22,687)</b>
Expenses						
General government	661,263	638,259	23,004	-	-	-
Public safety	2,114,779	1,655,427	459,352	-	-	-
Public works	1,615,631	1,211,579	404,052	-	-	-
Culture and recreation	83,983	77,440	6,543	-	-	-
Economic development	95,772	48,747	47,025	-	-	-
Interest on long-term debt	256,071	318,126	(62,055)	-	-	-
Water	-	-	-	473,451	523,331	(49,880)
Sewer	-	-	-	1,142,569	1,217,860	(75,291)
Surface water	-	-	-	55,037	71,342	(16,305)
<b>Total expenses</b>	<b>4,827,499</b>	<b>3,949,578</b>	<b>877,921</b>	<b>1,671,057</b>	<b>1,812,533</b>	<b>(141,476)</b>
Change in net position before transfers	888,732	1,842,422	(953,690)	(25,032)	(143,821)	118,789
Transfers - capital assets	-	-	-	-	-	-
Transfers - internal activities	-	72,033	(72,033)	-	(72,033)	72,033
<b>Change in net position</b>	<b>888,732</b>	<b>1,914,455</b>	<b>(1,025,723)</b>	<b>(25,032)</b>	<b>(215,854)</b>	<b>190,822</b>
Net position, January 1*	16,066,004	14,015,721	2,050,283	18,590,987	18,806,841	(215,854)
<b>Net position, December 31</b>	<b>\$ 16,954,736</b>	<b>\$ 15,930,176</b>	<b>\$ 1,024,560</b>	<b>\$ 18,565,955</b>	<b>\$ 18,590,987</b>	<b>\$ (25,032)</b>

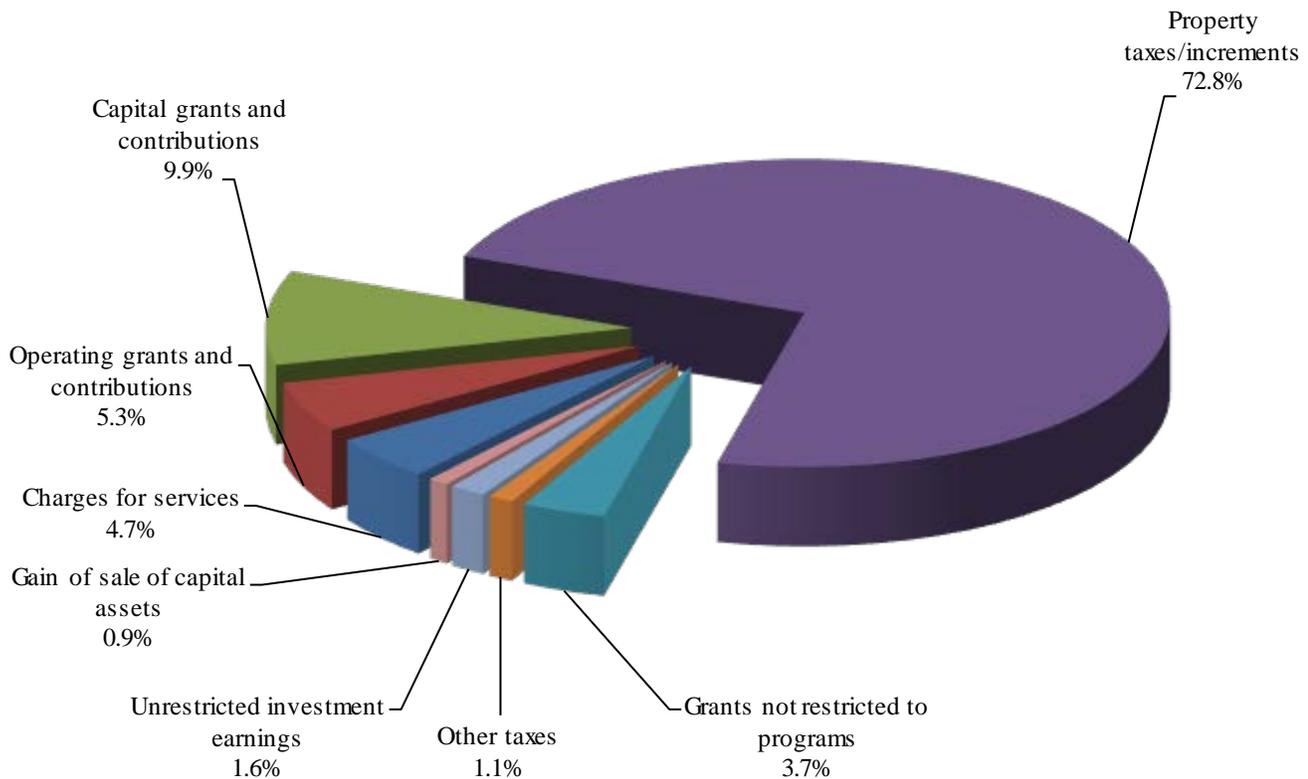
\* GASB Statement No. 68 was implemented for the City's Fire Relief Association for the year ended December 31, 2016 and required a \$135,828 restatement of beginning net position. Prior year amounts were not restated causing a variance in ending net position at December 31, 2015 and beginning net position on January 1, 2016. See financial statement Note 7.

The following graph depicts various governmental activities and shows the revenue and expenses directly related to those activities.

### Expenses and Program Revenues - Governmental Activities

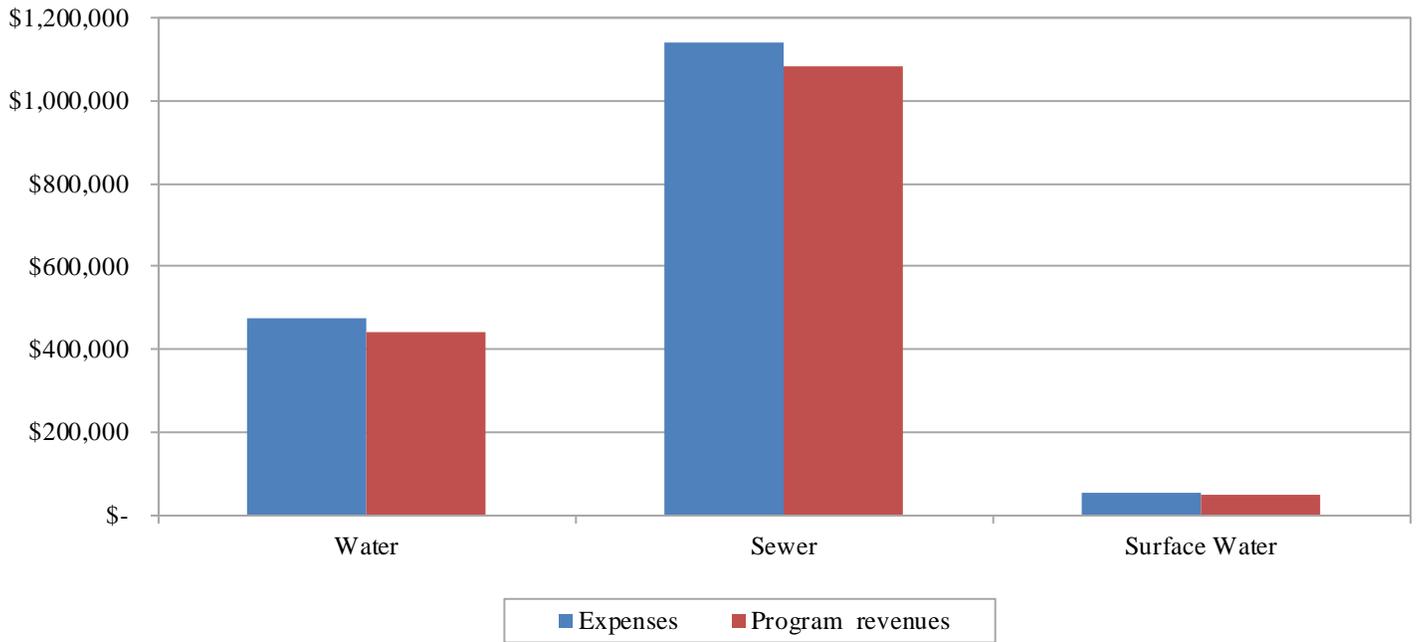


### Revenues by Source - Governmental Activities

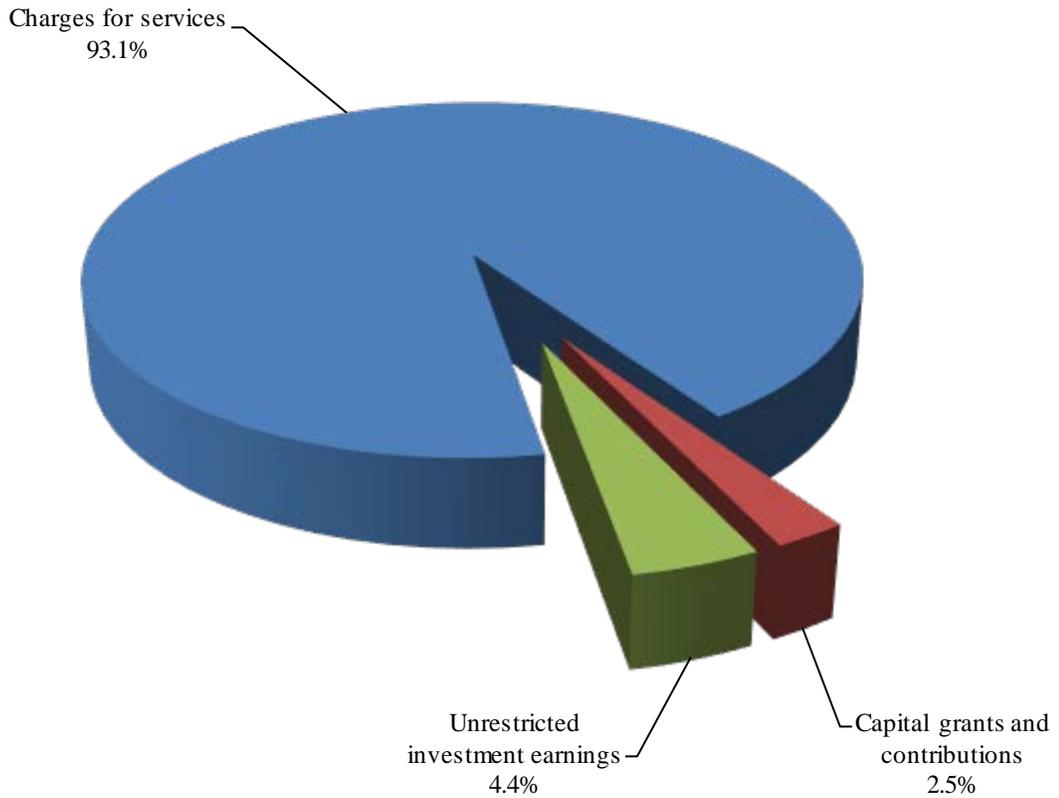


**Business-type activities.** Business-type activities decreased the City's net position by \$25,032. Key Elements of this decrease are as follows:

### Expenses and Program Revenues Business-type Activities



### Revenues by Source - Business-type Activities



## Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**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 a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$8,463,319, an increase of \$1,492,795 in comparison with the prior year. Of this total amount, \$3,267,303, constitutes *unassigned fund balance*, which is available for spending at the City's discretion. The remainder of fund balance of \$5,196,016 is not available for new spending because it is either 1) nonspendable, \$352,030 2) restricted, \$1,628,741, 3) committed, \$152,621, or 4) assigned, \$3,062,624.

The General fund is the chief operating fund of the City. At the end of the current year, the fund balance of the General fund was \$4,023,298, of which \$352,030 is nonspendable for advances to other funds, \$403,965 is assigned, and \$3,267,303 is unassigned. As a measure of the General fund's liquidity, it may be useful to compare the total fund balance to total budgeted expenditures. Total fund balance represents 102.1 percent of 2016 budgeted expenditures.

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

Unrestricted net position of the enterprise funds at year end amounted to \$4,435,283. The total decrease in net position for the funds was \$25,032.

### General Fund Budgetary Highlights

The City's revenue was \$200,771 over budget. The variance is mostly due to taxes being over budget by \$87,636.

The City was under budget in expenditures by \$311,575. All departments, except for debt service, were under budget for 2016. The largest positive variance was \$225,009 in general government.

## Capital Asset and Debt Administration

**Capital assets.** The City's investment in capital assets includes land, structures, improvements, machinery and equipment, park facilities, roads, highways and bridges.

### City of Wyoming's Capital Assets (net of depreciation)

	Governmental Activities			Business-type Activities		
	2016	2015	Increase (Decrease)	2016	2015	Increase (Decrease)
Land	\$ 869,787	\$ 869,787	\$ -	\$ 6,284	\$ 6,284	\$ -
Buildings and structures	253,412	194,332	59,080	279,529	294,879	(15,350)
Machinery and equipment	1,357,379	1,226,961	130,418	56,045	65,755	(9,710)
Infrastructure	12,540,812	9,877,665	2,663,147	15,157,062	14,020,391	1,136,671
Construction in progress	1,027,318	3,248,400	(2,221,082)	2,081,488	2,262,232	(180,744)
<b>Total</b>	<b>\$ 16,048,708</b>	<b>\$ 15,417,145</b>	<b>\$ 631,563</b>	<b>\$ 17,580,408</b>	<b>\$ 16,649,541</b>	<b>\$ 930,867</b>

Additional information on the City's capital assets can be found in Note 3B starting on page 58 of this report.

**Long-term debt.** At the end of the current fiscal year, the City had total bonded, notes and capital lease debt outstanding of \$11,907,175. While all of the City's bonds have revenue streams, they are all backed by the full faith and credit of the City.

### City of Wyoming's Outstanding Debt

	Governmental Activities			Business-type Activities		
	2016	2015	Increase (Decrease)	2016	2015	Increase
General obligation improvement bonds	\$ 7,132,000	\$ 6,304,000	\$ 828,000	\$ -	\$ -	\$ -
G.O. revenue bonds	-	-	-	4,195,000	4,195,000	-
Unamortized premium on bonds	157,216	175,497	(18,281)	86,594	95,902	(9,308)
Notes payable	308,001	341,263	(33,262)	-	-	-
Capital leases payable	28,364	55,914	(27,550)	-	-	-
Compensated absences	316,034	332,686	(16,652)	40,500	44,002	(3,502)
Pension liability	3,822,854	1,442,062	2,380,792	234,447	225,763	8,684
<b>Total</b>	<b>\$ 11,764,469</b>	<b>\$ 8,651,422</b>	<b>\$ 3,113,047</b>	<b>\$ 4,556,541</b>	<b>\$ 4,560,667</b>	<b>\$ (4,126)</b>

The City's total long-term debt increased \$3,108,921 (9 percent) during the current fiscal year. This increase is due to the issuance of the 2016A GO Improvement Bond and an increase in the pension liability.

Minnesota statutes limit the amount of net general obligation debt a City may issue to 3 percent of the market value of taxable property within the City. Net debt is debt payable solely from ad valorem taxes. The current debt limitation for the City is \$18,682,632. The City has \$28,364 of debt outstanding against this limit.

Additional information on the City's long-term debt can be found in Note 3D starting on page 61 of this report.

## **Economic Factors and Next Year's Budgets and Rates**

- We anticipate receiving around 236,000 in LGA in 2018 and keeping the levy flat by council direction.
- We will maintain the same level of funding in our street fund for street repair, \$600,000, and may introduce Franchise Fees for more revenue for street repair.
- Our Capital expenditures are expected to remain about the same as the 2016.
- We will be determining ways to pay for a \$400,000 to \$450,000 rehab of a water tower in 2020 and will be reviewing utility rates.
- We anticipate conducting a water/sewer rate study in 2018
- We have both bargaining units, 49ers and LELS contracts ending in 2017. We will be bargaining on new contracts this year.

All of these factors were considered in preparing the City's budget for the 2017 fiscal year.

## **Requests for Information**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Administrator, PO Box 188, 26885 Forest Blvd., Wyoming, Minnesota 55092.

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**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

CITY OF WYOMING  
WYOMING, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2016

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CITY OF WYOMING, MINNESOTA  
STATEMENT OF NET POSITION  
DECEMBER 31, 2016

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and temporary investments	\$ 8,941,222	\$ 4,906,303	\$ 13,847,525
Receivables			
Interest	4,856	-	4,856
Taxes	192,796	-	192,796
Accounts	36,071	488,449	524,520
Special assessments	2,054,470	71,164	2,125,634
Internal balances	(275,900)	275,900	-
Due from other governments	1,497	-	1,497
Pension asset	137,364	-	137,364
Land and construction in progress	1,897,105	2,087,772	3,984,877
Depreciable infrastructure, buildings, property and equipment, net	<u>14,151,603</u>	<u>15,492,636</u>	<u>29,644,239</u>
<b>TOTAL ASSETS</b>	<u>27,141,084</u>	<u>23,322,224</u>	<u>50,463,308</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred pension resources	<u>2,465,425</u>	<u>84,695</u>	<u>2,550,120</u>
<b>LIABILITIES</b>			
Accounts payable	164,985	167,008	331,993
Due to other governments	82,785	47,420	130,205
Accrued interest payable	105,575	25,065	130,640
Accrued salaries payable	35,579	6,060	41,639
Noncurrent liabilities			
Due within one year	728,940	242,150	971,090
Due in more than one year	<u>11,035,529</u>	<u>4,314,391</u>	<u>15,349,920</u>
<b>TOTAL LIABILITIES</b>	<u>12,153,393</u>	<u>4,802,094</u>	<u>16,955,487</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred pension resources	<u>498,380</u>	<u>38,870</u>	<u>537,250</u>
<b>NET POSITION</b>			
Net investment in capital assets	8,664,516	14,130,672	22,795,188
Restricted for			
Debt service	2,688,172	-	2,688,172
Tax increment financing	352,396	-	352,396
Public safety expenses	21,935	-	21,935
Revolving loans	21,345	-	21,345
State aid streets	98,756	-	98,756
Park projects	70,800	-	70,800
Unrestricted	<u>5,036,816</u>	<u>4,435,283</u>	<u>9,472,099</u>
<b>TOTAL NET POSITION</b>	<u>\$ 16,954,736</u>	<u>\$ 18,565,955</u>	<u>\$ 35,520,691</u>

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

CITY OF WYOMING, MINNESOTA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2016

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental activities</b>				
General government	\$ 661,263	\$ 75,326	\$ 50,978	\$ -
Public safety	2,114,779	194,918	160,367	-
Public works	1,615,631	-	-	496,820
Culture and recreation	83,983	-	13,730	70,800
Economic development	95,772	-	32,000	-
Interest on long-term debt	256,071	-	46,569	-
Total governmental activities	<u>4,827,499</u>	<u>270,244</u>	<u>303,644</u>	<u>567,620</u>
<b>Business-type activities</b>				
Water	473,451	420,077	453	18,950
Sewer	1,142,569	1,062,557	450	21,750
Surface water	55,037	49,461	12	-
Total business-type activities	<u>1,671,057</u>	<u>1,532,095</u>	<u>915</u>	<u>40,700</u>
Total	<u>\$ 6,498,556</u>	<u>\$ 1,802,339</u>	<u>\$ 304,559</u>	<u>\$ 608,320</u>

General revenues

Taxes

Property taxes, levied for general purposes

Property taxes, levied for capital improvements

Property taxes, levied for debt service

Tax increments

Franchise taxes

Grants and contributions not restricted to specific programs

Unrestricted investment earnings

Gain on sale of capital assets

Total general revenues and transfers

Change in net position

Net position, January 1 as restated (Note 7)

Net position - December 31

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

Net (Expense) Revenue and  
Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (534,959)	\$ -	\$ (534,959)
(1,759,494)	-	(1,759,494)
(1,118,811)	-	(1,118,811)
547	-	547
(63,772)	-	(63,772)
(209,502)	-	(209,502)
<u>(3,685,991)</u>	<u>-</u>	<u>(3,685,991)</u>
-	(33,971)	(33,971)
-	(57,812)	(57,812)
-	(5,564)	(5,564)
<u>-</u>	<u>(97,347)</u>	<u>(97,347)</u>
<u>(3,685,991)</u>	<u>(97,347)</u>	<u>(3,783,338)</u>
3,189,911	-	3,189,911
271,751	-	271,751
656,480	-	656,480
44,752	-	44,752
60,872	-	60,872
208,823	-	208,823
93,214	72,315	165,529
48,920	-	48,920
<u>4,574,723</u>	<u>72,315</u>	<u>4,647,038</u>
888,732	(25,032)	863,700
<u>16,066,004</u>	<u>18,590,987</u>	<u>34,656,991</u>
<u>\$ 16,954,736</u>	<u>\$ 18,565,955</u>	<u>\$ 35,520,691</u>

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

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**FUND FINANCIAL STATEMENTS**

CITY OF WYOMING  
WYOMING, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2016

CITY OF WYOMING, MINNESOTA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2016

	General	Debt Service	Street Replacement	Other Governmental Funds	Total
<b>ASSETS</b>					
Cash and temporary investments	\$ 4,079,869	\$ 1,184,405	\$ 2,615,998	\$ 1,060,950	\$ 8,941,222
Receivables					
Interest	4,856	-	-	-	4,856
Taxes	175,479	-	-	17,317	192,796
Accounts	32,911	-	-	3,160	36,071
Special assessments	26,508	1,971,146	56,816	-	2,054,470
Loans	-	-	-	-	-
Due from other governments	1,497	-	-	-	1,497
Advance to other funds	352,030	-	-	-	352,030
<b>TOTAL ASSETS</b>	<b><u>\$ 4,673,150</u></b>	<b><u>\$ 3,155,551</u></b>	<b><u>\$ 2,672,814</u></b>	<b><u>\$ 1,081,427</u></b>	<b><u>\$ 11,582,942</u></b>
<b>LIABILITIES</b>					
Accounts payable	\$ 122,744	\$ 9,774	\$ 14,482	\$ 17,985	\$ 164,985
Due to other governments	50,785	-	-	32,000	82,785
Advance from other funds	275,900	352,030	-	-	627,930
Accrued salaries payable	35,579	-	-	-	35,579
<b>TOTAL LIABILITIES</b>	<b><u>485,008</u></b>	<b><u>361,804</u></b>	<b><u>14,482</u></b>	<b><u>49,985</u></b>	<b><u>911,279</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - taxes	138,334	-	-	16,809	155,143
Unavailable revenue - special assessments	26,510	1,969,875	56,816	-	2,053,201
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b><u>164,844</u></b>	<b><u>1,969,875</u></b>	<b><u>56,816</u></b>	<b><u>16,809</u></b>	<b><u>2,208,344</u></b>
<b>FUND BALANCES</b>					
Nonspendable	352,030	-	-	-	352,030
Restricted	-	823,872	241,389	563,480	1,628,741
Committed	-	-	-	152,621	152,621
Assigned	403,965	-	2,360,127	298,532	3,062,624
Unassigned	3,267,303	-	-	-	3,267,303
<b>TOTAL FUND BALANCES</b>	<b><u>4,023,298</u></b>	<b><u>823,872</u></b>	<b><u>2,601,516</u></b>	<b><u>1,014,633</u></b>	<b><u>8,463,319</u></b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b><u>\$ 4,673,150</u></b>	<b><u>\$ 3,155,551</u></b>	<b><u>\$ 2,672,814</u></b>	<b><u>\$ 1,081,427</u></b>	<b><u>\$ 11,582,942</u></b>

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

CITY OF WYOMING, MINNESOTA  
RECONCILIATION OF THE BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2016

Amounts reported for the governmental activities in the statement of net position are different because

Total fund balances - governmental	\$ 8,463,319
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	
Cost of capital assets	26,563,139
Less accumulated depreciation	(10,514,431)
Long-term assets from pensions reported in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.	
	137,364
Noncurrent liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	
Noncurrent liabilities at year-end consist of	
Compensated absences payable	(316,034)
Pension liability	(3,822,854)
Capital lease payable	(28,364)
Bond premium	(157,216)
Bonds payable	(7,440,001)
Some receivables are not available soon enough to pay for the current period's expenditures, and therefore are shown as unavailable revenue in the funds.	
Taxes receivable	155,143
Special assessments receivable	2,053,201
Governmental funds do not report long-term amounts related to pensions.	
Deferred outflows of pension resources	2,465,425
Deferred inflows of pension resources	(498,380)
Governmental funds do not report a liability for accrued interest until due and payable.	
	<u>(105,575)</u>
Total net position - governmental activities	<u><u>\$ 16,954,736</u></u>

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

CITY OF WYOMING, MINNESOTA  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2016

	General	Debt Service	Street Replacement	Other Governmental Funds	Total
<b>REVENUES</b>					
Taxes	\$ 3,666,006	\$ 529,310	\$ -	\$ 50,429	\$ 4,245,745
Licenses and permits	172,000	-	-	-	172,000
Intergovernmental	339,551	46,569	-	287,351	673,471
Charges for services	10,074	-	-	14,283	24,357
Fines and forfeitures	27,984	-	-	17,700	45,684
Special assessments	-	312,473	9,819	-	322,292
Interest on investments	49,673	7,520	25,489	10,532	93,214
Miscellaneous	89,554	-	-	163,175	252,729
<b>TOTAL REVENUES</b>	<b>4,354,842</b>	<b>895,872</b>	<b>35,308</b>	<b>543,470</b>	<b>5,829,492</b>
<b>EXPENDITURES</b>					
Current					
General government	643,506	-	-	-	643,506
Public safety	1,677,383	-	-	21,041	1,698,424
Public works	799,734	-	31,538	-	831,272
Culture and recreation	35,903	-	-	-	35,903
Economic development	-	8,448	-	87,324	95,772
Capital outlay	358,962	-	1,050,257	147,368	1,556,587
Debt service					
Principal	27,550	297,000	-	33,262	357,812
Interest and other	17,318	246,414	5,362	16,144	285,238
<b>TOTAL EXPENDITURES</b>	<b>3,560,356</b>	<b>551,862</b>	<b>1,087,157</b>	<b>305,139</b>	<b>5,504,514</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>					
	794,486	344,010	(1,051,849)	238,331	324,978
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	16,156	30,033	298,001	121,985	466,175
Bonds issued	-	-	1,125,000	-	1,125,000
Sale of capital assets	42,817	-	-	-	42,817
Transfers out	(323,557)	(7,036)	(1,600)	(133,982)	(466,175)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(264,584)</b>	<b>22,997</b>	<b>1,421,401</b>	<b>(11,997)</b>	<b>1,167,817</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>529,902</b>	<b>367,007</b>	<b>369,552</b>	<b>226,334</b>	<b>1,492,795</b>
<b>FUND BALANCES, JANUARY 1</b>	<b>3,493,396</b>	<b>456,865</b>	<b>2,231,964</b>	<b>788,299</b>	<b>6,970,524</b>
<b>FUND BALANCES, DECEMBER 31</b>	<b>\$ 4,023,298</b>	<b>\$ 823,872</b>	<b>\$ 2,601,516</b>	<b>\$ 1,014,633</b>	<b>\$ 8,463,319</b>

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

CITY OF WYOMING, MINNESOTA  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
TO THE STATEMENT OF ACTIVITIES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2016

Amounts reported for governmental activities in the statement of activities are different because

Net change in fund balances - governmental funds	\$ 1,492,795
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.</p>	
Capital outlays	1,406,374
Depreciation expense	(758,991)
Book value on sale of capital asset	(15,819)
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal on long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are delayed and amortized in the statement of activities.</p>	
Principal repayments	357,812
Amortization of bond premium	18,281
Debt issued or incurred	(1,125,000)
<p>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.</p>	
	10,886
<p>Long-term pension activity is not reported in governmental funds.</p>	
Pension expense	(358,180)
Direct aid contributions	9,924
<p>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.</p>	
Property taxes	(21,979)
Special assessments	(144,023)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>	
Compensated absences	16,652
Change in net position - governmental activities	\$ 888,732

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

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CITY OF WYOMING, MINNESOTA  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 3,578,370	\$ 3,578,370	\$ 3,666,006	\$ 87,636
Licenses and permits	159,000	159,000	172,000	13,000
Intergovernmental	310,911	310,911	339,551	28,640
Charges for services	13,800	13,800	10,074	(3,726)
Fines and forfeitures	21,000	21,000	27,984	6,984
Interest on investments	29,990	29,990	49,673	19,683
Miscellaneous	41,000	41,000	89,554	48,554
<b>TOTAL REVENUES</b>	<b>4,154,071</b>	<b>4,154,071</b>	<b>4,354,842</b>	<b>200,771</b>
<b>EXPENDITURES</b>				
Current				
General government	868,514	868,514	643,506	225,008
Public safety	1,731,610	1,731,610	1,677,383	54,227
Public works	820,888	820,888	799,734	21,154
Culture and recreation	48,850	48,850	35,903	12,947
Capital outlay	385,724	385,724	358,962	26,762
Debt service	16,345	16,345	44,868	(28,523)
<b>TOTAL EXPENDITURES</b>	<b>3,871,931</b>	<b>3,871,931</b>	<b>3,560,356</b>	<b>311,575</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>282,140</b>	<b>282,140</b>	<b>794,486</b>	<b>512,346</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	5,000	5,000	16,156	11,156
Sale of capital assets	-	-	42,817	42,817
Transfers out	(287,140)	(287,140)	(323,557)	(36,417)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(282,140)</b>	<b>(282,140)</b>	<b>(264,584)</b>	<b>17,556</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>-</b>	<b>-</b>	<b>529,902</b>	<b>529,902</b>
<b>FUND BALANCES, JANUARY 1</b>	<b>3,493,396</b>	<b>3,493,396</b>	<b>3,493,396</b>	<b>-</b>
<b>FUND BALANCES, DECEMBER 31</b>	<b>\$ 3,493,396</b>	<b>\$ 3,493,396</b>	<b>\$ 4,023,298</b>	<b>\$ 529,902</b>

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

CITY OF WYOMING, MINNESOTA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
DECEMBER 31, 2016

	Business-type Activities - Enterprise Funds			Totals
	601 Water	602 Sewer	651 Surface Water	
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and temporary investments	\$ 1,727,346	\$ 3,067,978	\$ 110,979	\$ 4,906,303
Receivables				
Accounts	134,653	326,071	27,725	488,449
Special assessments	22,892	8,885	-	31,777
Advance to other funds - current	38,856	38,856	-	77,712
<b>TOTAL CURRENT ASSETS</b>	<b>1,923,747</b>	<b>3,441,790</b>	<b>138,704</b>	<b>5,504,241</b>
<b>NONCURRENT ASSETS</b>				
Special assessments - noncurrent	-	39,387	-	39,387
Advance to other funds - noncurrent	99,094	99,094	-	198,188
Capital assets				
Land	6,284	-	-	6,284
Buildings	845,950	-	-	845,950
Machinery and equipment	50,055	150,981	-	201,036
Infrastructure	7,367,330	14,973,472	1,184,078	23,524,880
Construction work in process	2,081,488	-	-	2,081,488
<b>Total capital assets</b>	<b>10,351,107</b>	<b>15,124,453</b>	<b>1,184,078</b>	<b>26,659,638</b>
Less accumulated depreciation	(3,710,678)	(5,197,750)	(170,802)	(9,079,230)
<b>Net capital assets</b>	<b>6,640,429</b>	<b>9,926,703</b>	<b>1,013,276</b>	<b>17,580,408</b>
<b>TOTAL NONCURRENT ASSETS</b>	<b>6,739,523</b>	<b>10,065,184</b>	<b>1,013,276</b>	<b>17,817,983</b>
<b>TOTAL ASSETS</b>	<b>8,663,270</b>	<b>13,506,974</b>	<b>1,151,980</b>	<b>23,322,224</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred pension resources	41,925	41,688	1,082	84,695
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable	160,687	6,321	-	167,008
Accrued interest payable	10,960	14,105	-	25,065
Due to other governments	-	47,420	-	47,420
Accrued salaries payable	3,030	3,030	-	6,060
Current portion of compensated absences payable	6,075	6,075	-	12,150
Current portion of bonds payable	136,478	93,522	-	230,000
<b>TOTAL CURRENT LIABILITIES</b>	<b>317,230</b>	<b>170,473</b>	<b>-</b>	<b>487,703</b>

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

CITY OF WYOMING, MINNESOTA  
STATEMENT OF NET POSITION - CONTINUED  
PROPRIETARY FUNDS  
DECEMBER 31, 2016

	Business-type Activities - Enterprise Funds			Totals
	601 Water	602 Sewer	651 Surface Water	
<b>NONCURRENT LIABILITIES</b>				
Compensated absences payable, less current portion above	\$ 14,175	\$ 14,175	\$ -	\$ 28,350
Pension liability	116,056	115,395	2,996	234,447
Unamortized premium on bonds	33,222	53,372	-	86,594
Bonds payable, less current portion above	2,961,430	1,003,570	-	3,965,000
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>3,124,883</b>	<b>1,186,512</b>	<b>2,996</b>	<b>4,314,391</b>
<b>TOTAL LIABILITIES</b>	<b>3,442,113</b>	<b>1,356,985</b>	<b>2,996</b>	<b>4,802,094</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred pension resources	19,241	19,132	497	38,870
<b>NET POSITION</b>				
Net investment in capital assets	4,167,872	8,949,524	1,013,276	14,130,672
Unrestricted	1,075,969	3,223,021	136,293	4,435,283
<b>TOTAL NET POSITION</b>	<b>\$ 5,243,841</b>	<b>\$ 12,172,545</b>	<b>\$ 1,149,569</b>	<b>\$ 18,565,955</b>

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

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CITY OF WYOMING, MINNESOTA  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2016

	Business-type Activities - Enterprise Funds			Totals
	601 Water	602 Sewer	651 Surface Water	
OPERATING REVENUES				
Charges for services	\$ 420,077	\$ 1,062,557	\$ 49,461	\$ 1,532,095
OPERATING EXPENSES				
Personal services	125,329	96,536	5,784	227,649
Supplies	28,424	6,433	-	34,857
Repairs and maintenance	7,779	18,122	-	25,901
Other services and charges	54,766	394,252	19,526	468,544
Utilities	30,733	298,784	-	329,517
Depreciation	174,219	300,680	29,727	504,626
TOTAL OPERATING EXPENSES	421,250	1,114,807	55,037	1,591,094
OPERATING INCOME (LOSS)	(1,173)	(52,250)	(5,576)	(58,999)
NONOPERATING REVENUES (EXPENSES)				
Interest income	37,852	31,899	2,564	72,315
Miscellaneous income	453	450	12	915
Amortization of bond premium	3,102	6,206	-	9,308
Interest expense and other	(55,303)	(33,968)	-	(89,271)
TOTAL NONOPERATING REVENUES (EXPENSES)	(13,896)	4,587	2,576	(6,733)
LOSS BEFORE CONTRIBUTIONS AND TRANSFERS	(15,069)	(47,663)	(3,000)	(65,732)
CAPITAL CONTRIBUTIONS	18,950	21,750	-	40,700
TRANSFERS IN	-	-	7,502	7,502
TRANSFERS OUT	(2,101)	(5,401)	-	(7,502)
CHANGE IN NET POSITION	1,780	(31,314)	4,502	(25,032)
NET POSITION, JANUARY 1	5,242,061	12,203,859	1,145,067	18,590,987
NET POSITION, DECEMBER 31	<u>\$ 5,243,841</u>	<u>\$ 12,172,545</u>	<u>\$ 1,149,569</u>	<u>\$ 18,565,955</u>

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

CITY OF WYOMING, MINNESOTA  
STATEMENT OF CASH FLOW  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2016

	Business-type Activities - Enterprise Funds			Totals
	601 Water	602 Sewer	651 Surface Water	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 397,177	\$ 1,051,363	\$ 36,315	\$ 1,484,855
Payments to suppliers	(92,782)	(714,985)	(35,966)	(843,733)
Payments to employees	(138,493)	(123,811)	(3,373)	(265,677)
<b>NET CASH PROVIDED BY (USED) OPERATING ACTIVITIES</b>	<u>165,902</u>	<u>212,567</u>	<u>(3,024)</u>	<u>375,445</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Receipt on advance to other funds	<u>37,185</u>	<u>37,185</u>	<u>-</u>	<u>74,370</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Connection charges	18,950	21,750	-	40,700
Acquisition and construction of capital assets	(1,346,724)	(17,652)	(5,650)	(1,370,026)
Allocation of bond proceeds	81,945	210,715	(292,660)	-
Interest paid on long-term debt	(58,646)	(36,397)	-	(95,043)
<b>NET CASH PROVIDED BY (USED) CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>(1,304,475)</u>	<u>178,416</u>	<u>(298,310)</u>	<u>(1,424,369)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received on investments	<u>37,852</u>	<u>31,899</u>	<u>2,564</u>	<u>72,315</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(1,063,536)	460,067	(298,770)	(902,239)
<b>CASH AND CASH EQUIVALENTS, JANUARY 1</b>	<u>2,790,882</u>	<u>2,607,911</u>	<u>409,749</u>	<u>5,808,542</u>
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	<u><u>\$ 1,727,346</u></u>	<u><u>\$ 3,067,978</u></u>	<u><u>\$ 110,979</u></u>	<u><u>\$ 4,906,303</u></u>

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

CITY OF WYOMING, MINNESOTA  
STATEMENT OF CASH FLOWS - CONTINUED  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2016

	Business-type Activities - Enterprise Funds			
	601 Water	602 Sewer	651 Surface Water	Totals
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED)				
OPERATING ACTIVITIES				
Operating income (loss)	\$ (1,173)	\$ (52,250)	\$ (5,576)	\$ (58,999)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Other income related to operations	453	450	12	915
Depreciation	174,219	300,680	29,727	504,626
(Increase) decrease in assets/deferred outflows				
Accounts receivable	(25,331)	(16,759)	(15,793)	(57,883)
Special assessments receivable	1,978	5,115	224	7,317
Deferred pension resources	(27,998)	(25,994)	(1,082)	(55,074)
Increase (decrease) in liabilities/deferred inflows				
Accounts payable	28,920	604	(14,029)	15,495
Due to other governments	-	2,002	-	2,002
Accrued salaries and compensated absences payable	486	486	-	972
Pension liability	9,908	(4,220)	2,996	8,684
Deferred pension resources	4,440	2,453	497	7,390
<b>NET CASH PROVIDED BY (USED)</b>				
OPERATING ACTIVITIES	<u>\$ 165,902</u>	<u>\$ 212,567</u>	<u>\$ (3,024)</u>	<u>\$ 375,445</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Amortization of bond premium	<u>\$ 3,102</u>	<u>\$ 6,206</u>	<u>\$ -</u>	<u>\$ 9,308</u>
Capital assets purchased on account	<u>\$ 65,467</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 65,467</u>

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

CITY OF WYOMING, MINNESOTA  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUND  
DECEMBER 31, 2016

	<u>Escrow Agency</u>
ASSETS	
Cash and temporary investments	\$ 1,008,342
Accounts receivable	<u>128,232</u>
 TOTAL ASSETS	 <u><u>\$ 1,136,574</u></u>
LIABILITIES	
Accounts payable	<u><u>\$ 1,136,574</u></u>

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

CITY OF WYOMING, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting entity**

The City of Wyoming, Minnesota (the City) operates under the “Optional Plan A” form of government as defined by Minnesota statutes. Under this plan, the government of the City is directed by a City Council composed of an elected Mayor and four elected City Council members. 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 City has considered all potential units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City’s financial statements to be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization’s governing body, and (1) the ability of the primary government to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the primary government. Blended component units, although legally separate entities are, in substance, part of the City’s operations and so data from these units are combined with data of the primary government. The City has the following component unit.

**Blended Component Unit.** The Economic Development Authority (EDA) was created pursuant to Minnesota statutes 469.090 through 469.108 to carry out economic and industrial development and redevelopment within the City in accordance with policies established by the City Council. The seven member board of commissioners consists of two City Council members and five members appointed by City Council. The EDA may not exercise any of the powers enumerated by the authorizing Minnesota statutes without prior approval of the City Council. The operations of the EDA are blended and reported in a separate special revenue fund.

**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 of the nonfiduciary activities of the City. *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 is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Amounts reported as *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 segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

CITY OF WYOMING, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**C. Measurement focus, basis of accounting and basis of 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 statements. The agency fund has no measurement focus but utilizes the *accrual basis of accounting* for reporting its assets and liabilities. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes 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 period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, other postemployment benefits, and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period 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.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants, entitlement and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the tax is levied. Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Unavailable revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met are also recorded as unavailable revenue. On the modified accrual basis, receivables that will not be collected within the available period have also been reported as unavailable revenue in the fund financial statements.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

The City reports major governmental funds that are calculated based on these criteria:

- 1) Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total (that is, total governmental or total enterprise funds),

and

- 2) Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures/expenses of that individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

CITY OF WYOMING, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

The following major governmental funds meet the criteria described above:

The *General fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Debt Service fund* accounts for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessment bond principal and interest from special assessment levies when the City is obligated in some manner for the payment.

The *Street Replacement fund* accounts for the accumulation of resources to fund municipal street projects.

The City reports the following major proprietary funds:

The *Water fund* accounts for costs associated with the City's water distribution system and ensure user charges are sufficient to pay for those costs.

The *Sewer fund* accounts for costs associated with the City's sewer collection system and ensure that user charges are sufficient to pay for those costs.

The *Surface Water fund* accounts for the costs associated with the City's surface water system, which are financed by the surface water surcharge and ensure that user charges are sufficient to pay for those costs.

Additionally, the City reports the following fund types:

The *Fiduciary fund* accounts for assets held by the City in a trustee capacity or as an agent on behalf of others.

The *agency fund* is custodial in nature and does not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. This fund is used to account for assets that the City holds for others in an agency capacity.

As a general rule the effect of interfund activity has been eliminated from government-wide financial statements. Exceptions to this general rule are various charges between the City's water and sewer function and various other functions of the City. 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 *nonoperating* 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 City's enterprise funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

CITY OF WYOMING, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**D. Assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position/fund balances**

*Deposits and investments*

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. The proprietary funds' portion in the government-wide cash and temporary investments pool is considered to be cash and cash equivalents for purposes of the statement of cash flows.

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.

The City may also invest idle funds as authorized by Minnesota statutes, as follows:

1. Direct obligations or obligations guaranteed by the United States or its agencies.
2. Shares of investment companies registered under the Federal Investment Company Act of 1940 and received the highest credit rating, rated in one of the two highest rating categories by a statistical rating agency, and have a final maturity of thirteen months or less.
3. General obligations of a State or local government with taxing powers rated "A" or better; revenue obligations rated "AA" or better.
4. General obligations of the Minnesota Housing Finance Agency rated "A" or better.
5. Obligation of a school district with an original maturity not exceeding 13 months and (i) rated in the highest category by a national bond rating service or (ii) enrolled in the credit enhancement program pursuant to statute section 126C.55.
6. Bankers' acceptances of United States banks eligible for purchase by the Federal Reserve System.
7. Commercial paper issued by United States banks corporations or their Canadian subsidiaries, of highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less.
8. Repurchase or reverse repurchase agreements and securities lending agreements with financial institutions qualified as a "depository" by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.
9. Guaranteed Investment Contracts (GIC's) issued or guaranteed by a United States commercial bank, a domestic branch of a foreign bank, a United States insurance company, or its Canadian subsidiary, whose similar debt obligations were rated in one of the top two rating categories by a nationally recognized rating agency.

CITY OF WYOMING, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

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; Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of December 31, 2016:

- US Government Agency Securities of \$1,872 are valued using quoted market prices (Level 1 inputs)
- Mortgage backed securities and broker certificates of deposit of \$2,454,526 are valued using a matrix pricing model (Level 2 inputs)

***Property taxes***

The City Council annually adopts a tax levy and certifies it to the County in December for collection the following year. The County is responsible for collecting all property taxes for the City. These taxes attach an enforceable lien on taxable property within the City on January 1 and are payable by the property owners in two installments. The taxes are collected by the County Treasurer and tax settlements are made to the City during January, June and November each year.

Delinquent taxes receivable include the past six years' uncollected taxes. Governmental delinquent taxes have been offset by a deferred inflow of resources for delinquent taxes not received within 60 days after year end in the fund financial statements.

***Accounts receivable***

Accounts receivable include amounts billed for services provided before year end. Unbilled utility enterprise fund receivables are also included for services provided in 2016. There has been no allowance for doubtful accounts established.

***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 are recognized as revenue when they are annually certified to the County or received in cash or within 60 days after year end. All governmental special assessments receivable are offset by a deferred inflow of resources in the fund financial statements.

***Interfund receivables and payables***

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due 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."

Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

CITY OF WYOMING, MINNESOTA  
 NOTES TO THE FINANCIAL STATEMENTS  
 DECEMBER 31, 2016

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

*Capital assets*

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. 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.

The City reports infrastructure assets on a network and subsystem basis. Accordingly, the amounts spent for the construction or acquisition of infrastructure assets are capitalized and reported in the government-wide financial statements.

In the case of initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the City chose to include items dating back to June 30, 1980. The City was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the City constructs or acquires capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations the City values these capital assets at the estimated acquisition of the item at the date of its donation.

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.

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.

Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

Assets	Useful Lives Years
Buildings and structures	10 to 50
Infrastructure	20 to 50
Machinery and equipment	3 to 20
Other assets	3 to 15

*Deferred outflows of resources*

In addition to assets, the statement of net 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 has only one item that qualifies for reporting in this category. Accordingly, the item, deferred pension resources, is reported only in the statements of net position. This item results from actuarial calculations and current year pension contributions made subsequent to the measurement date.

CITY OF WYOMING, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

***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. The recognition of bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as an expense in the period incurred.

In the fund financial statements, governmental fund types recognized bond premiums and discounts during the current period.

***Compensated absences***

It is the City's policy to permit employees to accumulate a limited amount earned but unused vacation and sick leave which is paid to the employee upon separation. A limited amount of earned but unused vacation and sick pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. In the governmental funds, compensated absences are generally liquidated by the General fund.

***Pensions***

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/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.

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the defined benefit plan administered by Wyoming's Fire Relief Association and additions to and deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. Investments are reported at fair value.

***Deferred inflows of resources***

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies as needing to be reported in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

The City has an additional item which qualifies for reporting in this category. The item, deferred pension resources, is reported only in the statements of net position and results from actuarial calculations.

CITY OF WYOMING, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

***Fund balance***

In the fund financial statements, fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of resources reported in the governmental funds. These classifications are defined as follows:

*Nonspendable* - Amounts that cannot be spent because they are not in spendable form, such as prepaid items.

*Restricted* - Amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by State statutory provisions.

*Committed* - Amounts constrained for specific purposes that are internally imposed by formal action (resolution) of the City Council, which is the City's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the City Council modifies or rescinds the commitment by resolution.

*Assigned* - Amounts constrained for specific purposes that are internally imposed. In governmental funds other than the General fund, assigned fund balance represents all remaining amounts that are not classified as nonspendable and are neither restricted nor committed. In the General fund, assigned amounts represent intended uses established by the City Council itself or by an official to which the governing body delegates the authority. The City Council has adopted a fund balance policy which delegates the authority to assign amounts for specific purposes to the City Administrator.

*Unassigned* - The residual classification for the General fund and also negative residual amounts in other funds.

The City considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

***Net position***

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net position is displayed in three components:

- a. Net investment in capital assets - Consists of capital assets, net of accumulated depreciation reduced by any outstanding debt attributable to acquire capital assets.
- b. Restricted net position - Consists of net position balances restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws or regulations of other governments.
- c. Unrestricted net position - All other net position balances that do not meet the definition of "restricted" or "net investment in capital assets".

CITY OF WYOMING, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016

**Note 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgetary information**

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General fund. All annual appropriations lapse at year end. The City does not use encumbrance accounting.

In August of each year, all departments of the City submit requests for appropriations to the City Administrator so that a budget may be prepared. Before September 30, the proposed budget is presented to the City Council for review. The City Council holds public hearings and a final budget is prepared and adopted in early December.

The appropriated budget is prepared by fund, function and department. The City's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the City Administrator. The legal level of budgetary control is the department level. Budgeted amounts are as originally adopted.

**Note 3: DETAILED NOTES ON ALL FUNDS**

**A. Deposits and investments**

Custodial credit risk for deposits and investments is the risk that in the event of a bank failure, the City's deposits and investments may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. In accordance with Minnesota statutes and as authorized by the City Council, the City maintains deposits at those depository banks, all of which are members of the Federal Reserve System.

Minnesota statutes require that all City deposits be protected by insurance, surety bond or collateral. The market value of collateral pledged must equal 110 percent of the deposits not covered by insurance, bonds, or irrevocable standby letters of credit from Federal Home Loan Banks.

Authorized collateral in lieu of a corporate surety bond includes:

- United States government Treasury bills, Treasury notes, Treasury bonds;
- Issues of United States government agencies and instrumentalities as quoted by a recognized industry quotation service available to the government entity;
- General obligation securities of any State or local government with taxing powers which is rated "A" or better by a national bond rating service, or revenue obligation securities of any State or local government with taxing powers which is rated "AA" or better by a national bond rating service;
- General obligation securities of a local government with taxing powers may be pledged as collateral against funds deposited by that same local government entity;
- Irrevocable standby letters of credit issued by Federal Home Loan Banks to a municipality accompanied by written evidence that the bank's public debt is rated "AA" or better by Moody's Investors Service, Inc., or Standard & Poor's Corporation; and
- Time deposits that are fully insured by any Federal agency.

Minnesota statutes require that all collateral shall be placed in safekeeping in a restricted account at a 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. The selection should be approved by the government entity.

At year end, the City's carrying amount of deposits was \$11,327,331 and the bank balance was \$11,597,630. Of the bank balance, \$500,000 was covered by federal depository insurance. The remaining balance was covered by collateral pledged in the City's name. As stated above, Minnesota State statute requires 110 percent of deposits not covered by insurance, bonds, or irrevocable standby letters of credit from Federal Home Loan banks to be covered by collateral.

CITY OF WYOMING, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016

**Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED**

***Investments***

At year end, the City's investment balances were as follows:

Investment Type	Credit Quality/ Rating (1)	Segmented Time Distribution (2)	Amount	Fair Value Measurement Using		
				Level 1	Level 2	Level 3
Pooled investments at amortized costs						
Broker Money Market	N/A	< 6 months	\$ 121,689			
4M Fund	N/A	< 6 months	950,449			
Non pooled investments at fair value						
Government agencies	N/A	> 3 years	1,872	\$ 1,872	\$ -	\$ -
Mortgage backed securities	AA+	1-3 years	157	-	157	-
Mortgage backed securities	AA+	> 3 years	39,451	-	39,451	-
Mortgage backed securities	BBB+	> 3 years	48,636	-	48,636	-
Mortgage backed securities	CCC	> 3 years	16,828	-	16,828	-
Mortgage backed securities	CCC-	> 3 years	32,997	-	32,997	-
Mortgage backed securities	CC	> 3 years	21,044	-	21,044	-
Mortgage backed securities	D	> 3 years	71,295	-	71,295	-
Broker certificates of deposits	N/A	1 - 3 years	615,089	-	615,089	-
Broker certificates of deposits	N/A	> 3 years	1,609,029	-	1,609,029	-
Total pooled investments			<u>\$ 3,528,536</u>	<u>\$ 1,872</u>	<u>\$ 2,454,526</u>	<u>\$ -</u>

(1) Ratings are provided by various credit agencies where applicable to indicate associated credit risk.

Used Standard & Poor's (S&P) rating if provided and Moody's if no rating provided by S&P.

(2) Interest Rate risk is disclosed using the segmented time distribution method.

N/A Indicates not applicable or available

CITY OF WYOMING, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016

**Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED**

The investments of the City are subject to the following risks:

- *Credit Risk.* This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Ratings are provided by various credit rating agencies and where applicable, indicate associated credit risk. Minnesota statutes and the City’s investment policy limit the City’s investments to the list on page 50 of the notes.
- *Custodial Credit Risk.* This is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The City’s investment policy does not address custodial credit risk but typically limits its exposure by purchasing insured or registered investments.
- *Interest Rate Risk.* This is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the City manages its exposure to declines in fair values by disallowing purchases of investments that, at the time of investment, cannot be held to maturity. The City will also not invest in securities, other than money-market funds, without a fixed maturity date and fixed interest or discount rate. The City’s investment policy does not allow for investment in securities maturing more than five years from the date of purchase. No more than 50 percent of the dollar value of the City’s investments will mature more than two years from the date of purchase.
- *Concentration of Credit Risk.* This is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. The City’s investment policy does not address concentration of credit risk, placing no limit on the amount that may be invested in any one issuer. The City has invested more than 5 percent of investments in HSBC Bank USA (10.29%), JP Morgan Chase (10.23%), BMO Harris Bank (8.16%), Wells Fargo (8.16%), Amex Centurion (8.15%), Federal Home Loan Bank (7.96%) and Goldman Sachs Bank - New York (6.29%). The City’s remaining investments are exempt from consideration of concentration of credit risk.

A reconciliation of cash and temporary investments as shown on the statement of net position and the statement of fiduciary net position for the City follows:

Carrying amount of deposits	\$ 11,327,331
Investments	<u>3,528,536</u>
Total	<u><u>\$ 14,855,867</u></u>
Cash and temporary investments	
Government-wide	
Cash and temporary investments	\$ 13,847,525
Agency funds	<u>1,008,342</u>
Total	<u><u>\$ 14,855,867</u></u>

The Minnesota Municipal Money Market Fund is regulated by Minnesota statutes and the Board of Directors of the League of Minnesota Cities and is an external investment pool not registered with the Securities Exchange Commission (SEC) that follows the regulatory rules of the SEC. The City’s investment in this trust is measured at the net asset value per share provided by the pool, which is based on an amortized cost method that approximates fair value. Financial statements of the 4M Fund can be obtained by contracting RBC Global Management at 100 South Fifth Street, Suite 2300, Minneapolis, MN 55402-1240.

CITY OF WYOMING, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016

**Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED**

**B. Capital assets**

Capital asset activity for the year ended December 31, 2016 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities</b>				
Capital assets not being depreciated				
Land	\$ 869,787	\$ -	\$ -	\$ 869,787
Construction in progress	3,248,400	1,185,757	(3,406,839)	1,027,318
Total capital assets not being depreciated	4,118,187	1,185,757	(3,406,839)	1,897,105
Capital assets being depreciated				
Buildings and structures	595,197	77,957	-	673,154
Machinery and equipment	4,049,167	358,478	(123,731)	4,283,914
Infrastructure	16,517,945	3,191,021	-	19,708,966
Total capital assets being depreciated	21,162,309	3,627,456	(123,731)	24,666,034
Less accumulated depreciation for				
Buildings and structures	(400,865)	(18,876)	-	(419,742)
Machinery and equipment	(2,822,206)	(212,241)	107,912	(2,926,535)
Infrastructure	(6,640,280)	(527,874)	-	(7,168,154)
Total accumulated depreciation	(9,863,351)	(758,991)	107,912	(10,514,431)
Total capital assets being depreciated, net	11,298,958	2,868,465	(15,819)	14,151,603
Governmental activities capital assets, net	\$ 15,417,145	\$ 4,054,222	\$ (3,422,658)	\$ 16,048,708

CITY OF WYOMING, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016

**Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type activities</b>				
Capital assets not being depreciated				
Land	\$ 6,284	\$ -	\$ -	\$ 6,284
Construction in progress	2,262,232	1,388,939	(1,569,683)	2,081,488
 Total capital assets not being depreciated	 2,268,516	 1,388,939	 (1,569,683)	 2,087,772
Capital assets being depreciated				
Buildings and structures	845,950	-	-	845,950
Machinery and equipment	201,036	-	-	201,036
Infrastructure	21,908,643	1,616,237	-	23,524,880
 Total capital assets being depreciated	 22,955,629	 1,616,237	 -	 24,571,866
Less accumulated depreciation for				
Buildings and structures	(551,071)	(15,350)	-	(566,421)
Machinery and equipment	(135,281)	(9,710)	-	(144,991)
Infrastructure	(7,888,252)	(479,566)	-	(8,367,818)
 Total accumulated depreciation	 (8,574,604)	 (504,626)	 -	 (9,079,230)
 Total capital assets being depreciated, net	 14,381,025	 1,111,611	 -	 15,492,636
 Business-type activities capital assets, net	 \$ 16,649,541	 \$ 2,500,550	 \$ (1,569,683)	 \$ 17,580,408

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

<b>Governmental activities</b>	
General government	\$ 18,332
Public safety	138,625
Public works	568,718
Culture and recreation	33,316
 Total depreciation expense - governmental activities	 \$ 758,991
 <b>Business-type activities</b>	
Water	\$ 174,219
Sewer	300,680
Surface Water	29,727
 Total depreciation expense - business-type activities	 \$ 504,626

CITY OF WYOMING, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016

**Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED**

***Construction commitments***

The City has two active construction projects as of December 31, 2016. At year end, the City's commitments with the contractors are as follows:

<u>Project</u>	<u>Spent to date</u>	<u>Remaining Commitment</u>
2016 Street Improvements	\$ 800,233	\$ 106,241
2015 Water Tower Project	1,877,675	387,247
 Total	 <u>\$ 2,677,908</u>	 <u>\$ 493,488</u>

**C. Interfund receivables, payables and transfers**

The City approved an advance to the Debt Service fund from the General fund to provide funding for the tax increment financing bond payments due to the district not generating enough tax increment revenue to meet debt obligations. The advance will be paid back with future tax increments. The outstanding balance on the advance at year end was \$373,539. The Water and Sewer funds have an outstanding advance to the City's General fund for internal financing of equipment purchases. The advance has been split 50 percent Water and 50 percent Sewer and totals \$350,270.

The composition of interfund transfers as of December 31, 2016, is as follows:

	<u>Transfers in</u>					<u>Total</u>
	<u>General fund</u>	<u>Debt Service</u>	<u>Street Replacement</u>	<u>Surface Water</u>	<u>Nonmajor Governmental funds</u>	
Transfers out						
General fund	\$ -	\$ 30,033	\$ 287,140	\$ -	\$ 6,384	\$ 323,557
Debt Service	7,036	-	-	-	-	7,036
Street Replacement	-	-	-	-	1,600	1,600
Water	-	-	-	2,101	-	2,101
Sewer	-	-	-	5,401	-	5,401
Nonmajor Governmental	9,120	-	10,861	-	114,001	133,982
 Total	 <u>\$ 16,156</u>	 <u>\$ 30,033</u>	 <u>\$ 298,001</u>	 <u>\$ 7,502</u>	 <u>\$ 121,985</u>	 <u>\$ 473,677</u>

CITY OF WYOMING, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016

**Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED**

The City annually budgets transfers for specific purposes and includes transfers to cover funds annual operations, transfers for administrative fees and transfers made to the street replacement fund. The City made the following one-time non-budgeted transfers for the year ended December 31, 2016:

- The General fund transferred \$6,384 to the Nonmajor Governmental funds to reimburse prior year costs and close various funds, respectively.
- The General fund transferred \$30,033 to the Debt Service fund to close the 1999C G.O. Bond fund.
- The Debt Service fund transferred \$7,036 to the General fund to close the 2004 G.O. Improvement Bond fund.
- The Street Replacement fund and Nonmajor Governmental funds transferred \$1,600 and \$114,001 to Nonmajor Governmental funds to close various funds.
- The Nonmajor Government funds transferred \$10,861 to the Street Replacement fund to close various funds.
- The Water and Sewer funds transferred \$2,101 and \$5,401 to the Surface Water funds to reimburse prior year costs.

**D. Long-term debt**

General obligation (G.O.) bonds

The City issues G.O. bonds to provide funds for the acquisition and construction of major capital facilities. G.O. bonds have been issued for both general government and proprietary activities. These bonds are reported in the proprietary funds if they are expected to be repaid from proprietary fund revenues. In addition, bonds have been issued to refund general obligation bonds.

General obligation bonds are direct obligations and pledge the full faith and credit of the City.

G.O improvement bonds

The following bonds were issued to finance various improvements and will be repaid from special assessments levied on the properties benefiting from the improvements and ad valorem tax levies. All special assessment debt is backed by the full faith and credit of the City. Each year the combined assessment and tax levy equals 105 percent of the amount required for debt service. The excess of 5 percent is to cover any delinquencies in tax or assessment payments.

General obligation improvement bonds currently outstanding are as follows:

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
G.O. Improvement Bonds, Series 2006A	\$ 200,000	3.70 - 4.05 %	11/13/06	02/01/17	\$ 25,000
G.O. Improvement Bonds, Series 2007A	246,000	3.95	10/22/07	02/01/18	57,000
G.O. Improvement Bonds, Series 2009A	3,955,000	2.00 - 5.50	09/15/09	02/01/25	2,690,000
G.O. Improvement Bonds, Series 2015A	3,955,000	2.00 - 5.50	09/15/09	02/01/26	3,235,000
G.O. Improvement Bonds, Series 2016A	1,125,000	.85 - 1.75	10/20/16	02/01/27	<u>1,125,000</u>
Total G.O. Improvement Bonds					<u>\$ 7,132,000</u>

CITY OF WYOMING, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016

**Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED**

Requirement to maturity for general obligation improvement bonds follows:

Year Ending December 31,	General Obligation Improvement Bonds Governmental Activities			
	Principal	Interest	Subsidy	Total
2017	\$ 588,000	\$ 238,395	\$ (46,136)	\$ 780,259
2018	684,000	219,094	(41,967)	861,127
2019	675,000	195,958	(37,487)	833,471
2020	710,000	171,888	(32,631)	849,257
2021	730,000	146,383	(27,415)	848,968
2022 - 2026	3,625,000	313,310	(51,180)	3,887,130
2027	120,000	1,048	-	121,048
Total	<u>\$ 7,132,000</u>	<u>\$ 1,286,076</u>	<u>\$ (236,816)</u>	<u>\$ 8,181,260</u>

Capital leases

The following capital lease was issued to finance the purchase of a Caterpillar 924 skid steer and will be repaid from ad valorem tax levies.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
Caterpillar	\$ 106,135	2.95 %	04/03/13	04/11/17	<u>\$ 28,364</u>

Requirements to maturity for general obligation capital notes follows:

Year Ending December 31,	Capital Lease Governmental Activities		
	Principal	Interest	Total
2017	<u>\$ 28,364</u>	<u>\$ 160</u>	<u>\$ 28,524</u>

The book value of the asset related to the capital lease is as follows:

	Governmental Activities
Asset	
Machinery and equipment	\$ 150,065
Less Accumulated depreciation	<u>(22,510)</u>
Total	<u>\$ 127,555</u>

CITY OF WYOMING, MINNESOTA  
 NOTES TO THE FINANCIAL STATEMENTS  
 DECEMBER 31, 2016

**Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED**

Notes payable

The following note was issued by the EDA issued to finance the purchase of land:

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
EDA Land Purchase	\$ 440,000	6.50 %	05/01/02	11/01/31	<u>\$ 308,001</u>

Requirement to maturity for notes payable follows:

Year Ending December 31,	Notes Payable Governmental Activities		
	Principal	Interest	Total
2017	\$ 17,767	\$ 13,662	\$ 31,429
2018	18,575	12,854	31,429
2019	19,420	12,009	31,429
2020	20,304	11,125	31,429
2021	21,228	10,201	31,429
2022 - 2026	121,540	35,605	157,145
2027 - 2031	89,167	7,319	96,486
Total	<u>\$ 308,001</u>	<u>\$ 102,775</u>	<u>\$ 410,776</u>

G.O. revenue bonds

The following bonds were issued to finance capital improvement in the enterprise funds. They will be retired from net revenue of the enterprise funds.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
G.O. Utility Revenue Bonds, Series 2015A	\$ 1,525,000	3.00 %	06/30/15	02/01/26	\$ 1,525,000
G.O. Utility Revenue Bonds, Series 2015B	2,670,000	0.75 - 3.10	11/12/15	02/01/36	<u>2,670,000</u>
Total G.O. Revenue Bonds					<u>\$ 4,195,000</u>

CITY OF WYOMING, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016

**Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED**

The annual debt service requirement to maturity for general obligation revenue bonds are as follows:

Year Ending December 31,	General Obligation Revenue Bonds Business-type activities		
	Principal	Interest	Total
2016	\$ 230,000	\$ 105,283	\$ 335,283
2017	250,000	100,501	350,501
2018	255,000	95,140	350,140
2019	260,000	89,255	349,255
2021	265,000	83,105	348,105
2022 - 2026	1,445,000	310,708	1,755,708
2027 - 2031	690,000	171,038	861,038
2032 -2036	800,000	62,841	862,841
Total	<u>\$ 4,195,000</u>	<u>\$ 1,017,871</u>	<u>\$ 5,212,871</u>

Changes in general long-term liabilities

During the year ended December 31, 2016, the following changes occurred in long-term liabilities:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
<b>Governmental activities</b>					
Bonds payable					
G.O. improvement bonds	\$ 6,304,000	\$ 1,125,000	\$ (297,000)	\$ 7,132,000	\$ 588,000
Unamortized premium on bonds	175,497	-	(18,281)	157,216	-
Total bonds payable	6,479,497	1,125,000	(315,281)	7,289,216	588,000
Notes payable	341,263	-	(33,262)	308,001	17,766
Capital leases payable	55,914	-	(27,550)	28,364	28,364
Compensated absences payable	332,686	174,854	(191,506)	316,034	94,810
Pension liability					
GERF	567,162	855,969	(610,158)	812,973	-
PEPFF	874,900	3,133,680	(998,699)	3,009,881	-
Governmental activity long-term liabilities	<u>\$ 8,651,422</u>	<u>\$ 5,289,503</u>	<u>\$ (2,176,456)</u>	<u>\$ 11,764,469</u>	<u>\$ 728,940</u>
<b>Business-type activities</b>					
G.O. revenue bonds	\$ 4,195,000	\$ -	\$ -	\$ 4,195,000	\$ 230,000
Unamortized premium on bonds	95,902	-	(9,308)	86,594	-
Compensated absences payable	44,002	15,758	(19,260)	40,500	12,150
Pension liability					
GERF	225,763	251,559	(242,875)	234,447	-
Business-type activity long-term liabilities	<u>\$ 4,560,667</u>	<u>\$ 267,317</u>	<u>\$ (271,443)</u>	<u>\$ 4,556,541</u>	<u>\$ 242,150</u>

CITY OF WYOMING, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016

**Note 3: DETAILED NOTES ON ALL FUNDS - CONTINUED**

**E. Tax increment districts**

The City's tax increment districts are subject to review by the State of Minnesota Office of the State Auditor (OSA). Any disallowed claims or misuse of tax increments could become a liability of the applicable fund. Management has indicated that they are not aware of any instances of noncompliance, which would have a material effect on the financial statements.

**F. Fund balance components**

At December 31, 2016, portions of the City's fund balance are not available for appropriation due to not being in spendable form (Nonspendable), legal restrictions (Restricted), City Council action (Committed), policy and/or intent (Assigned). The following is a summary of the components of fund balance:

	General	Debt Service	Street Replacement	Other Governmental Funds	Total Governmental Funds
Nonspendable					
Advances to other funds	\$ 352,030	\$ -	\$ -	\$ -	\$ 352,030
Restricted for					
Debt service	\$ -	\$ 823,872	\$ -	\$ -	\$ 823,872
Public safety expenses	-	-	-	21,935	21,935
Revolving loan	-	-	-	21,345	21,345
Tax increment financing	-	-	-	350,644	350,644
Park dedication	-	-	-	70,800	70,800
Capital projects	-	-	241,389	-	241,389
State aid streets	-	-	-	98,756	98,756
Total restricted	\$ -	\$ 823,872	\$ 241,389	\$ 563,480	\$ 1,628,741
Committed for					
Public safety expenditures	\$ -	\$ -	\$ -	\$ 4,278	\$ 4,278
Economic development	-	-	-	112,778	112,778
Park/trail/open space development	-	-	-	35,565	35,565
Total committed	\$ -	\$ -	\$ -	\$ 152,621	\$ 152,621
Assigned for					
General fund, capital improvements	\$ 403,965	\$ -	\$ -	\$ -	\$ 403,965
Police impound	-	-	-	11,211	11,211
Police donations	-	-	-	63	63
Special projects	-	-	-	187,722	187,722
Park acquisition	-	-	-	99,536	99,536
Street replacement	-	-	2,360,127	-	2,360,127
Total assigned	\$ 403,965	\$ -	\$ 2,360,127	\$ 298,532	\$ 3,062,624

CITY OF WYOMING, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016

**Note 4: DEFINED BENEFIT PENSION PLANS - STATEWIDE**

**A. Plan description**

The City participates in the following cost-sharing multiple-employer defined benefit pension plans 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 Fund (GERF)

All full-time and certain part-time employees of the City are covered by the General Employees Retirement Fund (GERF). GERF members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. The Basic Plan was closed to new members in 1967. All new members must participate in the Coordinated Plan.

Public Employees Police and Fire Fund (PEPFF)

The PEPFF, originally established for police officers and firefighters not covered by a local relief association, now covers all police officers and firefighters hired since 1980. Effective July 1, 1999, the PEPFF also covers police officers and firefighters belonging to a local relief association that elected to merge with and transfer assets and administration to PERA.

**B. Benefits provided**

PERA provides retirement, disability and death benefits. Benefit provisions are established by Minnesota statute and can only be modified by the state legislature.

Benefit increases are provided to benefit recipients each January. Increases are related to the funding ratio of the plan. Members in plans that are at least 90 percent funded for two consecutive years are given 2.5 percent increases. Members in plans that have not exceeded 90 percent funded, or have fallen below 80 percent, are given 1 percent increases.

The benefit provisions stated in the following paragraphs of this section are current provisions and apply to active plan participants. 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.

GERF 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 of service. Two methods are used to compute benefits for PERA's Coordinated and Basic Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2 percent of average salary for each of the first ten years of service and 2.7 percent for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2 percent of average salary for each of the first ten years and 1.7 percent for each remaining year. Under Method 2, the annuity accrual rate is 2.7 percent of average salary for Basic Plan members and 1.7 percent for Coordinated Plan members for each year 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.

CITY OF WYOMING, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016

**Note 4: DEFINED BENEFIT PENSION PLANS - STATEWIDE - CONTINUED**

PEPFF benefits

Benefits for the PEPFF members first hired after June 30, 2010, but before July 1, 2014, vest on a prorated basis from 50 percent after five years up to 100 percent after ten years of credited service. Benefits for PEPFF members first hired after June 30, 2014 vest on a prorated basis from 50 percent after ten years up to 100 percent after twenty years of credited service. The annuity accrual rate is 3 percent of average salary for each year of service.

For PEPFF members who were first hired prior to July 1, 1989, a full annuity is available when age plus years of service equal at least 90.

**C. Contributions**

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

GERF contributions

Basic Plan members and Coordinated Plan members were required to contribute 9.10 percent and 6.50 percent, respectively, of their annual covered salary in calendar year 2016. The City was required to contribute 11.78 percent of pay for Basic Plan members and 7.50 percent for Coordinated Plan members in calendar year 2016. The City's contributions to the GERF for the years ending December 31, 2016, 2015 and 2014 were \$61,537, \$63,293, and \$61,736, respectively. The City's contributions were equal to the contractually required contributions for each year as set by Minnesota statute.

PEPFF contributions

Plan members were required to contribute 10.8 percent of their annual covered salary in calendar year 2016. The City was required to contribute 16.20 percent of pay for PEPFF members in calendar year 2016. The City's contributions to the PEPFF for the years ending December 31, 2016, 2015 and 2014 were \$125,767, \$113,792, and \$105,204, respectively. The City's contributions were equal to the contractually required contributions for each year as set by Minnesota statute.

**D. Pension costs**

GERF pension costs

At December 31, 2016, the City reported a liability of \$1,047,420 for its proportionate share of the GERF's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$6 million to the fund in 2016. 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 \$13,713. The net pension liability was measured as of June 30, 2016, 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 proportion 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, 2015 through June 30, 2016 relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2016, the City's proportionate share was 0.0129 percent which was an decrease of 0.0024 percent from its proportion measured as of June 30, 2015.

For the year ended December 31, 2016, the City recognized pension expense of \$105,451 for its proportionate share of GERF's pension expense. In addition, the City recognized an additional \$4,089 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$6 million to the GERF.

CITY OF WYOMING, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016

**Note 4: DEFINED BENEFIT PENSION PLANS - STATEWIDE - CONTINUED**

At December 31, 2016, the City reported its proportionate share of GERF's deferred outflows of resources and deferred inflows of resources, and its contributions subsequent to the measurement date, from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 2,811	\$ 74,036
Changes in actuarial assumptions	224,706	-
Net difference between projected and actual earnings on plan investments	106,407	-
Changes in proportion	10,820	99,619
Contributions to GERF subsequent to the measurement date	<u>33,645</u>	<u>-</u>
Total	<u>\$ 378,389</u>	<u>\$ 173,655</u>

Deferred outflows of resources totaling \$33,645 related to pensions resulting from the City's contributions to GERF subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2017. Other amounts reported as deferred outflows and inflows of resources related to GERF pensions will be recognized in pension expense as follows:

2017	\$ 46,063
2018	17,695
2019	69,509
2020	37,822

PEPFF pension costs

At December 31, 2016, the City reported a liability of \$3,009,881 for its proportionate share of the PEPFF's net pension liability. The net pension liability was measured as of June 30, 2016, 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 proportion 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, 2015 through June 30, 2016 relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2016, the City's proportionate share was 0.075 percent which was an decrease of 0.002 percent from its proportion measured as of June 30, 2015.

For the year ended December 31, 2016, the City recognized pension expense of \$459,909 for its proportionate share of PEPFF's pension expense. The City also recognized \$6,750 for the year ended December 31, 2016 as pension expense for its proportionate share of the State of Minnesota's on-behalf contributions to the PEPFF. Legislation passed in 2013 required the State of Minnesota to begin contributing \$9 million to the PEPFF each year, starting in fiscal year 2014.

CITY OF WYOMING, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016

**Note 4: DEFINED BENEFIT PENSION PLANS - STATEWIDE - CONTINUED**

At December 31, 2016, the City reported its proportionate share of PEPFF's deferred outflows of resources and deferred inflows of resources, and its contributions subsequent to the measurement date, from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 669	\$ 341,843
Changes in actuarial assumptions	1,777,742	-
Net difference between projected and actual earnings on plan investments	256,917	-
Changes in proportion	8,942	21,752
Contributions to PEPFF subsequent to the measurement date	67,627	-
Total	\$ 2,111,897	\$ 363,595

Deferred outflows of resources totaling \$67,627 related to pensions resulting from the City's contributions to PEPFF subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2017. Other amounts reported as deferred outflows and inflows of resources related to GERF pensions will be recognized in pension expense as follows:

2017	\$ 318,837
2018	318,837
2019	421,426
2020	341,580
2021	279,995
Thereafter	-

**E. Actuarial assumptions**

The total pension liability in the June 30, 2016 actuarial valuation was determined using 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 disabled members were based on RP-2014 tables for the GERF and RP-2000 tables for the PEPFF for males or females, as appropriate, with slight adjustments. Cost of living benefit increases for retirees are assumed to be: 1 percent per year for all future years for the GERF and PEPFF.

Actuarial assumptions used in the June 30, 2016 valuation were based on the results of actuarial experience studies. The most recent four-year experience study in the GERF was completed in 2015. The experience study for PEPFF was for the period July 1, 2004 through June 30, 2009.

CITY OF WYOMING, MINNESOTA  
 NOTES TO THE FINANCIAL STATEMENTS  
 DECEMBER 31, 2016

**Note 4: DEFINED BENEFIT PENSION PLANS - STATEWIDE - CONTINUED**

The following changes in actuarial assumptions occurred in 2016:

GERF

- The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2035 and 2.5 percent per year thereafter to 1.0 percent per year for all future years.
- The assumed investment return was changed from 7.9 percent to 7.5 percent. The single discount rate was changed from 7.9 percent to 7.5 percent.
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

PEPFF

- The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2037 and 2.5 percent per year thereafter to 1.0 percent per year for all future years.
- The assumed investment return was changed from 7.9 percent to 7.5 percent. The single discount rate was changed from 7.9 percent to 5.6 percent.
- The assumed future salary increases, payroll growth and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

The long-term expected rate of return on pension plan investments is 7.9 percent. The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return 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 stocks	45.00 %	5.50 %
International stocks	15.00	6.00
Bonds	18.00	1.45
Alternative assets	20.00	6.40
Cash	<u>2.00</u>	0.50
Total	<u><u>100.00 %</u></u>	

CITY OF WYOMING, MINNESOTA  
 NOTES TO THE FINANCIAL STATEMENTS  
 DECEMBER 31, 2016

**Note 4: DEFINED BENEFIT PENSION PLANS - STATEWIDE - CONTINUED**

**F. Discount rate**

The discount rate used to measure the total pension liability was 7.50 percent, a reduction from the 7.90 percent used in 2015. 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 position of the GERP 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.

In the PEPFF, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members through June 30, 2056. Beginning in fiscal year ended June 30, 2057 for the PEPFF, when projected benefit payments exceed the funds' projected fiduciary net position, benefit payments were discounted at the municipal bond rate of 2.85 percent based on an index of 20-year general obligation bonds with an average AA credit rating at the measurement date. An equivalent single discount rate of 5.60 percent for the PEPFF was determined that produced approximately the same present value of projected benefits when applied to all years of projected benefits as the present value of projected benefits using 7.50 percent applied to all years of projected benefits through the point of asset depletion and 2.85 percent after.

**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 discount rate:

	City Proportionate Share of NPL		
	1 Percent Decrease (6.50%)	Current (7.50%)	1 Percent Increase (8.50%)
GERF	\$ 1,487,641	\$ 1,047,420	\$ 684,790
	1 Percent Decrease (4.60%)	Current (5.60%)	1 Percent Increase (6.60%)
PEPFF	\$ 4,213,433	\$ 3,009,881	\$ 2,026,487

**H. Pension plan fiduciary net position**

Detailed information about each defined benefit 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 on the Internet at [www.mnpera.org](http://www.mnpera.org).

CITY OF WYOMING, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016

**Note 5: DEFINED BENEFIT PENSION PLANS - FIRE RELIEF ASSOCIATION**

**A. Plan description**

All members of the Wyoming Fire Department (the Department) are covered by a defined benefit plan administered by the Wyoming Fire Department Relief Association (the Association). As of December 31, 2015, the plan covered 29 active firefighters and 5 vested terminated fire fighters whose pension benefits are deferred. The plan is a single employer retirement plan and is established and administered in accordance with Minnesota statute, chapter 69.

The Association maintains a separate Special fund to accumulate assets to fund the retirement benefits earned by the Department's membership. Funding for the Association is derived from an insurance premium tax in accordance with the Volunteer Firefighter's Relief Association Financing Guidelines Act of 1971 (chapter 261 as amended by chapter 509 of Minnesota statutes 1980). Funds are also derived from investment income.

**B. Benefits provided**

A firefighter who completes at least 20 years as an active member of the Department is entitled, after age 50, to a full service pension upon retirement.

The bylaws of the Association also provide for an early vested service pension for a retiring member who has completed fewer than 20 years of service. The reduced pension, available to members with 10 years of service, the lump sum pension will be reduced by 4% for each year of service less than 20 years. This percentage increases 4 percent per year so that at 20 years of service, the full amount prescribed is paid. Members who retire with less than 20 years of service and have reached the age of 50 years and have completed at least 10 years of active membership are entitled to a reduced service pension not to exceed the amount calculated by multiplying the member's service pension for the completed years of service times the applicable non-forfeitable percentage of pension.

**C. Contributions**

Minnesota statutes, chapters 424 and 424A authorize pension benefits for volunteer fire relief associations. The plan is funded by fire state aid, investment earnings and, if necessary, employer contributions as specified in Minnesota statutes and voluntary City contributions (if applicable). The State of Minnesota contributed \$43,147 in fire state aid to the plan on behalf of the City Fire Department for the year ended December 31, 2015, which was recorded as a revenue. Required employer contributions are calculated annually based on statutory provisions. The City made no voluntary contributions to the plan. The firefighter has no obligation to contribute to the plan.

**D. Pension costs**

At December 31, 2016, the City reported a net pension liability (asset) of (\$137,364) for the plan. The net pension liability (asset) was measured as of December 31, 2015. The total pension liability used to calculate the net pension liability (asset) in accordance with GASB 68 was determined by Van Iwaarden. applying an actuarial formula to specific census data certified by the Department as of December 31, 2015.

For the year ended December 31, 2016, the City recognized pension expense of \$41,398.

CITY OF WYOMING, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016

**Note 5: DEFINED BENEFIT PENSION PLANS - FIRE RELIEF ASSOCIATION**

At December 31, 2016, the City reported its deferred outflows of resources and deferred inflows of resources, and its contributions subsequent to the measurement date, to the plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual earnings on plan investments	\$ 16,458	\$ -
Contributions to plan subsequent to the measurement date	<u>43,376</u>	<u>-</u>
Total	<u>\$ 59,834</u>	<u>\$ -</u>

Deferred outflows of resources totaling \$43,376 related to pensions resulting from the City's contributions to the plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2017. Other amounts reported as deferred outflows of resources related to the plan will be recognized in pension expense as follows:

2017	\$ 4,114
2018	4,114
2019	4,114
2020	4,116
Thereafter	-

**E. Actuarial assumptions**

The total pension liability at December 31, 2015 was determined using the entry age normal actuarial cost method and the following actuarial assumptions:

Retirement eligibility at 50 percent of age 50, 20 percent at ages 51-54 and 100 percent at age 55	
Salary increases	2.50% per year
Cost of living increases	4.00% per year
Investment rate of return	6.00%
20 year municipal bond yield	3.50%

There were no changes in actuarial assumptions in 2015.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimates for expected future real rates of return (expected returns, net of inflation) were developed for each asset class using the plan's target investment allocation along with long-term return expectations by asset class. Inflation expectations were applied to derive the nominal rate of return for the portfolio.

CITY OF WYOMING, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016

**Note 5: DEFINED BENEFIT PENSION PLANS - FIRE RELIEF ASSOCIATION**

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>
Equities	32.65 %	8.33 %
International equity	-	8.46
Fixed income	45.15	5.02
Real estate	-	7.19
Cash	<u>22.20</u>	3.59
Total	<u>100.00 %</u>	

**F. Discount rate**

The discount rate used to measure the total pension liability was 6.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions to the plan will be made as specified in statute. Based on that assumption and considering the funding ratio of the plan, the fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive 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 net pension liability (asset) for the plan, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate 1 percent lower or 1 percent higher than the current discount rate:

	<u>1 Percent Decrease (5.00%)</u>	<u>Current (6.00%)</u>	<u>1 Percent Increase (7.00%)</u>
Defined benefit plan	\$ (121,177)	\$ (137,364)	\$ (152,452)

**H. Pension plan fiduciary net position**

The Association issues a publicly available financial report. The report may be obtained by writing to the Wyoming Fire Department Relief Association, 26885 Forest Blvd, Wyoming, MN 55092.

**Note 6: OTHER INFORMATION**

**A. Legal debt margin**

In accordance with Minnesota statutes, the City may not incur or be subject to net debt in excess of 3 percent of the market value of taxable property within the City. Net debt is payable solely from ad valorem taxes and therefore, excludes debt financed partially or entirely by special assessments, enterprise fund revenues or tax increments. The taxable market value of property within the City is \$622,754,400 for a margin of \$18,682,632. The City has \$28,364 of debt outstanding against this limit.

CITY OF WYOMING, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016

**Note 6: OTHER INFORMATION - CONTINUED**

**B. 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; injuries to employees; and natural disasters for which the City carries insurance. The City obtains insurance through participation in the League of Minnesota Cities Insurance Trust (LMCIT), which is a risk sharing pool with approximately 800 other governmental units. The City pays an annual premium to LMCIT for its workers compensation and property and casualty insurance. The LMCIT is self-sustaining through member premiums and will reinsure for claims above a prescribed dollar amount for each insurance event. Settled claims have not exceeded the City's coverage in any of the past three fiscal years.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities, if any, include an amount for claims that have been incurred but not reported (IBNRs). The City's management is not aware of any incurred but not reported claims.

**C. Joint venture**

The City is member of the Chisago Lakes Joint Sewage Treatment Commission (CLJSTC) along with five other communities. The purpose of the CLJSTC is to provide administration and operation of the disposal system serving all six communities. Each community owns a percentage of the assets of the Commission and is responsible for a proportionate share of expenses and debt. The City costs are reflected in the Sewer enterprise fund and totaled \$287,882 and \$275,808 for the years ended 2016 and 2015, respectively. Totals from the most recently issued condensed combined financial statements of the CLJSTC are as follows:

Statement of Net Position  
December 31, 2016

Assets		
Current and other assets		\$ 3,816,562
Capital assets		<u>13,728,495</u>
Total assets		<u>17,545,057</u>
Deferred outflows of resources		
Deferred pension resources		<u>142,434</u>
Liabilities		
Long-term liabilities outstanding		7,750,969
Other liabilities		<u>1,002,920</u>
Total liabilities		<u>8,753,889</u>
Deferred outflows of resources		
Deferred pension resources		<u>64,048</u>
Net position		
Net investment in capital assets		5,510,216
Restricted		3,147,336
Unrestricted		<u>212,002</u>
Total net position		<u>\$ 8,869,554</u>

CITY OF WYOMING, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016

**Note 6: OTHER INFORMATION - CONTINUED**

Statement of Activities  
For the Year Ended December 31, 2016

Revenues		
Operating		\$ 2,046,918
Nonoperating		<u>35,145</u>
Total revenues		<u>2,082,063</u>
 Expenses		
Operating		\$ 1,888,510
Nonoperating		<u>173,917</u>
Total expenses		<u>2,062,427</u>
 Change in net position		19,636
 Net position, January 1		<u>8,849,918</u>
 Net position, December 31		<u><u>\$ 8,869,554</u></u>

**Note 7: CHANGE IN ACCOUNTING STANDARDS**

During 2016, the City implemented new accounting pronouncements issued by the Governmental Accounting Standards Board (GASB), including Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68*, for the year ended December 31, 2016 related to the fire relief pension. These standards required a retroactive implementation which resulted in the restatement of beginning balances in the December 31, 2016 financial statements. Changes related to these standards are reflected in the financial statements and schedules and related disclosures are included in Note 5. As a result of the restatement of beginning balances, the City's governmental activities net position increased \$135,828.

**REQUIRED SUPPLEMENTARY INFORMATION**

CITY OF WYOMING  
WYOMING, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2016

CITY OF WYOMING, MINNESOTA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 FOR THE YEAR ENDED DECEMBER 31, 2016

**Schedule of employer's share of PERA net pension liability - General Employees Retirement Fund**

Required Supplementary Information							
Fiscal Year Ending	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the City (b)	Total (a+b)	City's Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll ((a+b)/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/16	0.0129 %	\$ 1,047,420	\$ 13,713	\$ 1,061,133	\$ 796,189	133.3 %	68.9 %
06/30/15	0.0153	792,925	-	792,925	899,558	88.1	78.2

*Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.*

**Schedule of employer's PERA contributions - General Employees Retirement Fund**

Required Supplementary Information					
Year Ending	Statutorily Required Contribution (a)	Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	City's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
12/31/16	\$ 61,537	\$ 61,537	\$ -	\$ 820,495	7.5 %
12/31/15	63,293	63,293	-	843,907	7.5

*Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.*

CITY OF WYOMING, MINNESOTA  
 REQUIRED SUPPLEMENTARY INFORMATION - CONTINUED  
 FOR THE YEAR ENDED DECEMBER 31, 2016

**Schedule of employer's share of PERA net pension liability - Public Employees Police and Fire Fund**

Required Supplementary Information							
Fiscal Year Ending	City's Proportion of the Net Pension Liability	City's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the City (b)	Total (a+b)	City's Covered Payroll (c)	City's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll ((a+b)/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/16	0.0750 %	\$ 3,009,881	\$ -	\$ 3,009,881	\$ 726,311	414.4 %	63.9 %
06/30/15	0.0770	874,900	-	874,900	710,967	123.1	86.6

*Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.*

**Schedule of employer's PERA contributions - Public Employees Police and Fire Fund**

Required Supplementary Information					
Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	City's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
12/31/16	\$ 125,767	\$ 125,767	\$ -	\$ 776,340	16.2 %
12/31/15	113,792	113,792	-	702,420	16.2

*Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.*

CITY OF WYOMING, MINNESOTA  
 REQUIRED SUPPLEMENTARY INFORMATION - CONTINUED  
 FOR THE YEAR ENDED DECEMBER 31, 2016

**Schedule of changes in the Fire Relief Association's net pension liability (asset) and related ratios**

	2016 (Fire Relief Report Date 2015)
<b>Total pension liability</b>	
Service cost	\$ 23,360
Interest	15,876
Benefit payments, including refunds of employee contributions	<u>(8,033)</u>
<b>Net change in total pension liability</b>	31,203
<b>Total pension liability - January 1</b>	<u>245,265</u>
<b>Total pension liability - December 31</b>	<u><u>\$ 276,468</u></u>
<b>Plan fiduciary net position</b>	
Contributions - state	\$ 43,147
Net investment income	2,273
Benefit payments, including refunds of employee contributions	(8,033)
Administrative expense	<u>(4,648)</u>
<b>Net change in plan fiduciary net position</b>	32,739
<b>Plan fiduciary net position - January 1</b>	381,093
<b>Plan fiduciary net position - December 31</b>	<u>413,832</u>
<b>Fire Relief's net pension liability (asset) - December 31</b>	<u><u>\$ (137,364)</u></u>
<b>Plan fiduciary net position as a percentage of the total pension liability (b/a)</b>	149.69%
<b>Covered-employee payroll</b>	N/A
<b>Fire Relief's net pension liability (asset) as a percentage of covered-employee payroll</b>	N/A

**Notes to Schedule:**

*Benefit changes.* In 2015, the benefit terms were modified to base public safety employee pensions on a final three-year average salary instead of a final five-year average salary.

*Changes of assumptions.* In 2015, amounts reported as changes of assumptions resulted primarily from adjustments to expected retirement ages of general employees. In 2015, amounts reported as changes of assumptions resulted primarily from adjustments to expected retirement ages of public safety employees. In 2015, amounts reported as changes of assumptions resulted primarily from adjustments to assumed life expectancies as a result of adopting the RP-2000 Healthy Annuitant Mortality Table for purposes of developing mortality rates.

*Note:* Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

CITY OF WYOMING, MINNESOTA  
 REQUIRED SUPPLEMENTARY INFORMATION - CONTINUED  
 FOR THE YEAR ENDED DECEMBER 31, 2016

**Schedule of employer's Fire Relief Association contributions**

Year Ending	Required Supplementary Information		
	Actuarial Determined Contribution	Actual Contributions Paid	Contribution Deficiency (Excess)
	(a)	(b)	(a-b)
12/31/16	\$ 43,376	\$ 43,376	\$ -
12/31/15	43,147	43,147	-

*Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.*

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**COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS AND SCHEDULES**

CITY OF WYOMING  
WYOMING, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2016

CITY OF WYOMING, MINNESOTA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2016

	Special Revenue	Capital Projects	Total
<b>ASSETS</b>			
Cash and temporary investments	\$ 206,315	\$ 854,635	\$ 1,060,950
Receivables			
Taxes	15,472	1,845	17,317
Accounts	2,409	751	3,160
 TOTAL ASSETS	 \$ 224,196	 \$ 857,231	 \$ 1,081,427
 <b>LIABILITIES</b>			
Accounts payable	\$ 5,529	\$ 12,456	\$ 17,985
Due to other governments	32,000	-	32,000
 TOTAL LIABILITIES	 37,529	 12,456	 49,985
 <b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - taxes	15,057	1,752	16,809
 <b>FUND BALANCES</b>			
Restricted	43,280	520,200	563,480
Committed	117,056	35,565	152,621
Assigned	11,274	287,258	298,532
 TOTAL FUND BALANCES	 171,610	 843,023	 1,014,633
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	 \$ 224,196	 \$ 857,231	 \$ 1,081,427

CITY OF WYOMING, MINNESOTA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2016

	Special Revenue	Capital Projects	Total
REVENUES			
Taxes			
General property	\$ 42,127	\$ -	\$ 42,127
Tax increments	-	8,302	8,302
Intergovernmental	-	287,351	287,351
Charges for services	14,283	-	14,283
Fines and forfeitures	17,700	-	17,700
Interest on investments	2,115	8,417	10,532
Miscellaneous	47,445	115,730	163,175
	<u>123,670</u>	<u>419,800</u>	<u>543,470</u>
TOTAL REVENUES			
EXPENDITURES			
Current			
Public safety	21,041	-	21,041
Economic development	87,324	-	87,324
Capital outlay			
Public safety	35,297	-	35,297
Public works	-	97,307	97,307
Culture and recreation	-	14,764	14,764
Debt service			
Principal	33,262	-	33,262
Interest	16,144	-	16,144
	<u>193,068</u>	<u>112,071</u>	<u>305,139</u>
TOTAL EXPENDITURES			
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(69,398)</u>	<u>307,729</u>	<u>238,331</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	4,552	117,433	121,985
Transfers out	(68,905)	(65,077)	(133,982)
	<u>(64,353)</u>	<u>52,356</u>	<u>(11,997)</u>
TOTAL OTHER FINANCING SOURCES (USES)			
NET CHANGE IN FUND BALANCES	(133,751)	360,085	226,334
FUND BALANCES, JANUARY 1	<u>305,361</u>	<u>482,938</u>	<u>788,299</u>
FUND BALANCES, DECEMBER 31	<u>\$ 171,610</u>	<u>\$ 843,023</u>	<u>\$ 1,014,633</u>

CITY OF WYOMING, MINNESOTA  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2016

	<b>201</b>	<b>202</b>	<b>205</b>
	<u>Police Forfeiture</u>	<u>Police Impound</u>	<u>Police Department Donations</u>
<b>ASSETS</b>			
Cash and temporary investments	\$ 19,976	\$ 12,090	\$ 3,944
Receivables			
Taxes	-	-	-
Accounts	2,049	-	-
	<u>22,025</u>	<u>12,090</u>	<u>3,944</u>
TOTAL ASSETS	<u>\$ 22,025</u>	<u>\$ 12,090</u>	<u>\$ 3,944</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 90	\$ 879	\$ -
Due to other governments	-	-	-
	<u>90</u>	<u>879</u>	<u>-</u>
TOTAL LIABILITIES	<u>90</u>	<u>879</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - taxes	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>			
Restricted	21,935	-	-
Committed	-	-	3,881
Assigned	-	11,211	63
	<u>21,935</u>	<u>11,211</u>	<u>3,944</u>
TOTAL FUND BALANCES	<u>21,935</u>	<u>11,211</u>	<u>3,944</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 22,025</u>	<u>\$ 12,090</u>	<u>\$ 3,944</u>

<b>206</b> Public Safety Donations	<b>280</b> Economic Development Authority	<b>285 &amp; 700</b> Revolving Loan	<b>490</b> Charitable Gambling	Total
\$ 4,597	\$ 144,363	\$ 21,345	\$ -	\$ 206,315
-	15,472	-	-	15,472
360	-	-	-	2,409
<u>\$ 4,957</u>	<u>\$ 159,835</u>	<u>\$ 21,345</u>	<u>\$ -</u>	<u>\$ 224,196</u>
\$ 4,560	\$ -	\$ -	\$ -	\$ 5,529
-	32,000	-	-	32,000
4,560	32,000	-	-	37,529
-	15,057	-	-	15,057
-	-	21,345	-	43,280
397	112,778	-	-	117,056
-	-	-	-	11,274
397	112,778	21,345	-	171,610
<u>\$ 4,957</u>	<u>\$ 159,835</u>	<u>\$ 21,345</u>	<u>\$ -</u>	<u>\$ 224,196</u>

CITY OF WYOMING, MINNESOTA  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2016

	201	202	205
	Police Forfeiture	Police Impound	Police Department Donations
REVENUES			
Taxes			
General property	\$ -	\$ -	\$ -
Charges for services	-	14,283	-
Fines and forfeitures	11,597	6,103	-
Interest on investments	168	385	-
Miscellaneous			
Contributions and donations	-	-	898
Other	687	-	-
	<u>12,452</u>	<u>20,771</u>	<u>898</u>
TOTAL REVENUES			
EXPENDITURES			
Current			
Public safety	5,234	11,163	84
Economic development	-	-	-
Capital outlay			
Public safety	-	35,277	20
Debt service			
Principal	-	-	-
Interest and other	-	-	-
	<u>5,234</u>	<u>46,440</u>	<u>104</u>
TOTAL EXPENDITURES			
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>7,218</u>	<u>(25,669)</u>	<u>794</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)			
NET CHANGE IN FUND BALANCES	7,218	(25,669)	794
FUND BALANCES, JANUARY 1	<u>14,717</u>	<u>36,880</u>	<u>3,150</u>
FUND BALANCES, DECEMBER 31	<u>\$ 21,935</u>	<u>\$ 11,211</u>	<u>\$ 3,944</u>

<b>206</b> Public Safety Donations	<b>280</b> Economic Development Authority	<b>285 &amp; 700</b> Revolving Loan	<b>490</b> Charitable Gambling	Total
\$ -	\$ 42,127	\$ -	\$ -	\$ 42,127
-	-	-	-	14,283
-	-	-	-	17,700
-	1,183	379	-	2,115
13,860	-	-	-	14,758
-	32,000	-	-	32,687
<u>13,860</u>	<u>75,310</u>	<u>379</u>	<u>-</u>	<u>123,670</u>
4,560	-	-	-	21,041
-	32,250	55,074	-	87,324
-	-	-	-	35,297
-	33,262	-	-	33,262
-	16,144	-	-	16,144
<u>4,560</u>	<u>81,656</u>	<u>55,074</u>	<u>-</u>	<u>193,068</u>
<u>9,300</u>	<u>(6,346)</u>	<u>(54,695)</u>	<u>-</u>	<u>(69,398)</u>
-	4,552	-	-	4,552
(9,120)	-	(1,161)	(58,624)	(68,905)
<u>(9,120)</u>	<u>4,552</u>	<u>(1,161)</u>	<u>(58,624)</u>	<u>(64,353)</u>
180	(1,794)	(55,856)	(58,624)	(133,751)
<u>217</u>	<u>114,572</u>	<u>77,201</u>	<u>58,624</u>	<u>305,361</u>
<u>\$ 397</u>	<u>\$ 112,778</u>	<u>\$ 21,345</u>	<u>\$ -</u>	<u>\$ 171,610</u>

CITY OF WYOMING, MINNESOTA  
NONMAJOR CAPITAL PROJECTS FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2016

	<b>385</b>	<b>401</b>	<b>402</b>	<b>403</b>
	<u>TIF 3-3</u>	<u>Special Projects</u>	<u>Building</u>	<u>Equipment</u>
<b>ASSETS</b>				
Cash and temporary investments	\$ 350,551	\$ 187,722	\$ -	\$ -
Receivables				
Taxes	1,845	-	-	-
Accounts	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL ASSETS</b>	<u><u>\$ 352,396</u></u>	<u><u>\$ 187,722</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
<b>LIABILITIES</b>				
Accounts payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - taxes	<u>1,752</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Restricted	350,644	-	-	-
Committed	-	-	-	-
Assigned	-	187,722	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL FUND BALANCES</b>	<u><u>350,644</u></u>	<u><u>187,722</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
	<u><u>\$ 352,396</u></u>	<u><u>\$ 187,722</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

<b>404</b>	<b>405</b>	<b>407</b>	<b>420</b>	<b>437</b>	
Park Acquisition	Park Trail	MSA	Fallbrook Avenue Construction	2009 Improvement Project	Total
\$ 205,281	\$ -	\$ 111,081	\$ -	\$ -	\$ 854,635
-	-	-	-	-	1,845
751	-	-	-	-	751
<u>\$ 206,032</u>	<u>\$ -</u>	<u>\$ 111,081</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 857,231</u>
<u>\$ 131</u>	<u>\$ -</u>	<u>\$ 12,325</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,456</u>
-	-	-	-	-	1,752
70,800	-	98,756	-	-	520,200
35,565	-	-	-	-	35,565
99,536	-	-	-	-	287,258
<u>205,901</u>	<u>-</u>	<u>98,756</u>	<u>-</u>	<u>-</u>	<u>843,023</u>
<u>\$ 206,032</u>	<u>\$ -</u>	<u>\$ 111,081</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 857,231</u>

CITY OF WYOMING, MINNESOTA  
NONMAJOR CAPITAL PROJECTS FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2016

	385	401	402	403
	TIF 3-3	Special Projects	Building	Equipment
<b>REVENUES</b>				
Taxes				
Tax increments	\$ 8,302	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Interest on investments	3,700	1,927	-	-
Miscellaneous				
Contributions and donations	-	31,200	-	-
Other	-	-	-	-
<b>TOTAL REVENUES</b>	<u>12,002</u>	<u>33,127</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>				
Capital outlay				
Public works	-	-	-	-
Culture and recreation	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>12,002</u>	<u>33,127</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	(1,107)	(534)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>(1,107)</u>	<u>(534)</u>
<b>NET CHANGE IN FUND BALANCES</b>	12,002	33,127	(1,107)	(534)
<b>FUND BALANCES, JANUARY 1</b>	<u>338,642</u>	<u>154,595</u>	<u>1,107</u>	<u>534</u>
<b>FUND BALANCES, DECEMBER 31</b>	<u>\$ 350,644</u>	<u>\$ 187,722</u>	<u>\$ -</u>	<u>\$ -</u>

<b>404</b>	<b>405</b>	<b>407</b>	<b>420</b>	<b>437</b>	
Park Acquisition	Park Trail	MSA	Fallbrook Avenue Construction	2009 Improvement Project	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,302
-	-	287,351	-	-	287,351
1,978	-	812	-	-	8,417
72,521	-	-	-	-	103,721
12,009	-	-	-	-	12,009
<u>86,508</u>	<u>-</u>	<u>288,163</u>	<u>-</u>	<u>-</u>	<u>419,800</u>
-	-	97,307	-	-	97,307
14,764	-	-	-	-	14,764
<u>14,764</u>	<u>-</u>	<u>97,307</u>	<u>-</u>	<u>-</u>	<u>112,071</u>
71,744	-	190,856	-	-	307,729
115,833	-	-	-	1,600	117,433
-	(54,216)	-	(9,220)	-	(65,077)
<u>115,833</u>	<u>(54,216)</u>	<u>-</u>	<u>(9,220)</u>	<u>1,600</u>	<u>52,356</u>
187,577	(54,216)	190,856	(9,220)	1,600	360,085
18,324	54,216	(92,100)	9,220	(1,600)	482,938
<u>\$ 205,901</u>	<u>\$ -</u>	<u>\$ 98,756</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 843,023</u>

CITY OF WYOMING, MINNESOTA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - CONTINUED ON THE FOLLOWING PAGES  
FOR THE YEAR ENDED DECEMBER 31, 2016  
(With comparative actual amounts for the year ended December 31, 2015)

	2016			Variance with Final Budget	2015
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
<b>REVENUES</b>					
Taxes					
General property taxes	\$ 3,538,370	\$ 3,538,370	\$ 3,605,134	\$ 66,764	\$ 3,739,174
Cable franchise fee	40,000	40,000	60,872	20,872	47,814
Total	<u>3,578,370</u>	<u>3,578,370</u>	<u>3,666,006</u>	<u>87,636</u>	<u>3,786,988</u>
Licenses and permits					
Business	9,000	9,000	12,780	3,780	15,290
Nonbusiness	150,000	150,000	159,220	9,220	230,448
Total	<u>159,000</u>	<u>159,000</u>	<u>172,000</u>	<u>13,000</u>	<u>245,738</u>
Intergovernmental					
Federal	3,800	3,800	6,003	2,203	4,439
State					
Local government aid	202,042	202,042	202,042	-	195,902
Property tax credits	2,500	2,500	4,212	1,712	3,998
Fire aid	35,000	35,000	44,106	9,106	42,417
Police aid	60,000	60,000	74,419	14,419	71,780
Other state aid	7,569	7,569	8,769	1,200	2,569
Total	<u>310,911</u>	<u>310,911</u>	<u>339,551</u>	<u>28,640</u>	<u>321,105</u>
Charges for services					
General government	3,250	3,250	2,854	(396)	4,267
Public safety	10,550	10,550	7,220	(3,330)	9,697
Total	<u>13,800</u>	<u>13,800</u>	<u>10,074</u>	<u>(3,726)</u>	<u>13,964</u>
Fines and forfeitures	<u>21,000</u>	<u>21,000</u>	<u>27,984</u>	<u>6,984</u>	<u>23,423</u>
Interest on investments	<u>29,990</u>	<u>29,990</u>	<u>49,673</u>	<u>19,683</u>	<u>34,790</u>
Miscellaneous					
Antenna rental	36,000	36,000	38,576	2,576	43,286
Refunds and reimbursements	5,000	5,000	47,840	42,840	23,555
Other revenues	-	-	3,138	3,138	203
Total	<u>41,000</u>	<u>41,000</u>	<u>89,554</u>	<u>48,554</u>	<u>67,044</u>
<b>TOTAL REVENUES</b>	<u>4,154,071</u>	<u>4,154,071</u>	<u>4,354,842</u>	<u>200,771</u>	<u>4,493,052</u>

CITY OF WYOMING, MINNESOTA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - CONTINUED  
FOR THE YEAR ENDED DECEMBER 31, 2016  
(With comparative actual amounts for the year ended December 31, 2015)

	2016				2015
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
EXPENDITURES					
Current					
General government					
Mayor and Council					
Personal services	\$ 22,807	\$ 22,807	\$ 23,257	\$ (450)	\$ 23,472
Supplies	250	250	-	250	117
Other services and charges	1,530	1,530	30	1,500	882
Total	24,587	24,587	23,287	1,300	24,471
Boards and commissions					
Personal services	13,261	13,261	4,933	8,328	7,198
Supplies	250	250	30	220	70
Other services and charges					
Total	13,511	13,511	4,963	8,548	7,268
City administration					
Personal services	313,514	313,514	303,473	10,041	337,241
Supplies	51,870	51,870	53,163	(1,293)	-
Other services and charges	422,732	422,732	191,772	230,960	-
Total	788,116	788,116	548,408	239,708	337,241
Auditing and accounting					
Other services and charges	33,000	33,000	60,483	(27,483)	33,330
City attorney					
Other services and charges	-	-	-	-	19,399
General					
Supplies	-	-	-	-	38,283
Other services and charges	-	-	-	-	246,016
Total	-	-	-	-	284,299
Elections					
Personal services	7,500	7,500	4,368	3,132	1,100
Supplies	1,600	1,600	1,793	(193)	(672)
Other services and charges	200	200	204	(4)	-
Total	9,300	9,300	6,365	2,935	428
Municipal building					
Supplies	-	-	-	-	122
Other services and charges	-	-	-	-	22,088
Total	-	-	-	-	22,210
Total general government	868,514	868,514	643,506	225,008	728,646

CITY OF WYOMING, MINNESOTA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - CONTINUED  
FOR THE YEAR ENDED DECEMBER 31, 2016  
(With comparative actual amounts for the year ended December 31, 2015)

	2016			Variance with Final Budget	2015
	Budgeted Amounts		Actual Amounts		Actual Amounts
	Original	Final			
<b>EXPENDITURES - CONTINUED</b>					
Current - continued					
Public safety					
Police and Fire					
Personal services	\$ 1,339,590	\$ 1,339,590	\$ 1,346,498	\$ (6,908)	\$ 1,251,807
Supplies	134,913	134,913	103,376	31,537	100,027
Other services and charges	131,438	131,438	131,935	(497)	127,949
<b>Total</b>	<b>1,605,941</b>	<b>1,605,941</b>	<b>1,581,809</b>	<b>24,132</b>	<b>1,479,783</b>
Building inspection					
Personal services	108,889	108,889	89,717	19,172	88,300
Supplies	4,800	4,800	1,708	3,092	1,779
Other services and charges	11,980	11,980	4,149	7,831	8,521
<b>Total</b>	<b>125,669</b>	<b>125,669</b>	<b>95,574</b>	<b>30,095</b>	<b>98,600</b>
<b>Total public safety</b>	<b>1,731,610</b>	<b>1,731,610</b>	<b>1,677,383</b>	<b>54,227</b>	<b>1,578,383</b>
Public works					
Streets					
Personal services	454,644	454,644	450,411	4,233	390,009
Supplies	58,124	58,124	37,726	20,398	67,643
Other services and charges	221,270	221,270	193,401	27,869	153,216
<b>Total</b>	<b>734,038</b>	<b>734,038</b>	<b>681,538</b>	<b>52,500</b>	<b>610,868</b>
Street lighting					
Other services and charges	70,000	70,000	72,894	(2,894)	72,774
Engineering					
Personal services	-	-	36,177	(36,177)	-
Other services and charges	16,850	16,850	9,125	7,725	-
<b>Total</b>	<b>16,850</b>	<b>16,850</b>	<b>45,302</b>	<b>(28,452)</b>	<b>-</b>
<b>Total public works</b>	<b>820,888</b>	<b>820,888</b>	<b>799,734</b>	<b>21,154</b>	<b>683,642</b>
Culture and recreation					
Library					
Other services and charges	48,850	48,850	35,903	12,947	38,950
<b>Total current expenditures</b>	<b>3,469,862</b>	<b>3,469,862</b>	<b>3,156,526</b>	<b>313,336</b>	<b>3,029,621</b>

CITY OF WYOMING, MINNESOTA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - CONTINUED  
FOR THE YEAR ENDED DECEMBER 31, 2016  
(With comparative actual amounts for the year ended December 31, 2015)

	2016				2015
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
EXPENDITURES - CONTINUED					
Capital outlay					
General government	\$ -	\$ -	\$ -	\$ -	\$ 16,031
Public safety	231,700	231,700	86,239	145,461	82,856
Public works	154,024	154,024	272,723	(118,699)	134,201
Total capital outlay	<u>385,724</u>	<u>385,724</u>	<u>358,962</u>	<u>26,762</u>	<u>233,088</u>
Debt service					
Principal	-	-	27,550	(27,550)	63,829
Interest and other	16,345	16,345	17,318	(973)	23,965
Total debt service	<u>16,345</u>	<u>16,345</u>	<u>44,868</u>	<u>(28,523)</u>	<u>87,794</u>
TOTAL EXPENDITURES	<u>3,871,931</u>	<u>3,871,931</u>	<u>3,560,356</u>	<u>311,575</u>	<u>3,350,503</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>282,140</u>	<u>282,140</u>	<u>794,486</u>	<u>512,346</u>	<u>1,142,549</u>
OTHER FINANCING SOURCES (USES)					
Transfer in	5,000	5,000	16,156	11,156	13,960
Sale of capital assets	-	-	42,817	42,817	5,025
Transfer out	(287,140)	(287,140)	(323,557)	(36,417)	(605,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(282,140)</u>	<u>(282,140)</u>	<u>(264,584)</u>	<u>17,556</u>	<u>(586,015)</u>
NET CHANGE IN FUND BALANCES	-	-	529,902	529,902	556,534
FUND BALANCES, JANUARY 1	<u>3,493,396</u>	<u>3,493,396</u>	<u>3,493,396</u>	<u>-</u>	<u>2,936,862</u>
FUND BALANCES, DECEMBER 31	<u>\$ 3,493,396</u>	<u>\$ 3,493,396</u>	<u>\$ 4,023,298</u>	<u>\$ 529,902</u>	<u>\$ 3,493,396</u>

CITY OF WYOMING, MINNESOTA  
DEBT SERVICE FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 2016

	<b>331</b> 2007 G.O. Improvement Bonds	<b>333</b> 2006 G.O. Improvement Bonds	<b>336</b> 2004 G.O. Improvement Bonds
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>			
Cash and temporary investments	\$ 33,480	\$ 18,509	\$ -
Special assessments receivable	17,899	662	-
	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL ASSETS</b>	<u><u>\$ 51,379</u></u>	<u><u>\$ 19,171</u></u>	<u><u>\$ -</u></u>
<b>LIABILITIES</b>			
Accounts payable	\$ 1,126	\$ -	\$ -
Advance from other funds	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL LIABILITIES</b>	1,126	-	-
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - special assessments	17,899	476	-
<b>FUND BALANCES</b>			
Restricted for debt service	<u>32,354</u>	<u>18,695</u>	<u>-</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS     OF RESOURCES AND FUND BALANCES</b>	<u><u>\$ 51,379</u></u>	<u><u>\$ 19,171</u></u>	<u><u>\$ -</u></u>

<b>337</b> 2009 G.O. Improvement Bonds	<b>338</b> 2015A G.O. Improvement Bonds	<b>339</b> 2016A G.O. Improvement Bonds
\$ 543,996	\$ 589,019	\$ (800)
<u>1,393,686</u>	<u>558,899</u>	<u>-</u>
<u>\$ 1,937,682</u>	<u>\$ 1,147,918</u>	<u>\$ (800)</u>
\$ 200	\$ -	\$ -
<u>-</u>	<u>-</u>	<u>-</u>
200	-	-
1,393,686	557,814	-
<u>543,796</u>	<u>590,104</u>	<u>(800)</u>
<u>\$ 1,937,682</u>	<u>\$ 1,147,918</u>	<u>\$ (800)</u>

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CITY OF WYOMING, MINNESOTA  
DEBT SERVICE FUNDS  
COMBINING BALANCE SHEET - CONTINUED  
DECEMBER 31, 2016

	<b>370</b>	<b>390</b>	
	1999C & D G.O.	1999C G.O.	
	Tax Increment	Bonds	Total
	<u>Bonds (TIF 3-1)</u>	<u>Bonds</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and temporary investments	\$ 201	\$ -	\$ 1,184,405
Special assessments receivable	<u>-</u>	<u>-</u>	<u>1,971,146</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 201</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,155,551</u></u>
<b>LIABILITIES</b>			
Accounts payable	\$ 8,448	\$ -	\$ 9,774
Advance from other funds	<u>352,030</u>	<u>-</u>	<u>352,030</u>
<b>TOTAL LIABILITIES</b>	360,478	-	361,804
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - special assessments	-	-	1,969,875
<b>FUND BALANCES</b>			
Restricted for debt service	<u>(360,277)</u>	<u>-</u>	<u>823,872</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u><u>\$ 201</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,155,551</u></u>

CITY OF WYOMING, MINNESOTA  
DEBT SERVICE FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2016

	<b>331</b> 2007 G.O. Improvement Bonds	<b>333</b> 2006 G.O. Improvement Bonds	<b>336</b> 2004 G.O. Improvement Bonds
	<u>          </u>	<u>          </u>	<u>          </u>
REVENUES			
Taxes			
General property	\$ -	\$ -	\$ -
Tax increments	-	-	-
Intergovernmental	-	-	-
Special assessments	25,444	12,263	-
Interest on investments	197	116	-
	<u>          </u>	<u>          </u>	<u>          </u>
TOTAL REVENUES	25,641	12,379	-
	<u>          </u>	<u>          </u>	<u>          </u>
EXPENDITURES			
Current			
Economic development	-	-	-
Debt service			
Principal	27,000	25,000	-
Interest and other	2,785	1,513	-
	<u>          </u>	<u>          </u>	<u>          </u>
TOTAL EXPENDITURES	29,785	26,513	-
	<u>          </u>	<u>          </u>	<u>          </u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(4,144)	(14,134)	-
	<u>          </u>	<u>          </u>	<u>          </u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	(7,036)
	<u>          </u>	<u>          </u>	<u>          </u>
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(7,036)
	<u>          </u>	<u>          </u>	<u>          </u>
NET CHANGE IN FUND BALANCES	(4,144)	(14,134)	(7,036)
FUND BALANCES, JANUARY 1	36,498	32,829	7,036
	<u>          </u>	<u>          </u>	<u>          </u>
FUND BALANCES, DECEMBER 31	<u>\$ 32,354</u>	<u>\$ 18,695</u>	<u>\$ -</u>

<b>337</b> 2009 G.O. Improvement Bonds	<b>338</b> 2015A G.O. Improvement Bonds	<b>339</b> 2016A G.O. Improvement Bonds
\$ 180,000	\$ 312,860	\$ -
-	-	-
46,569	-	-
110,670	164,096	-
3,965	3,040	-
<u>341,204</u>	<u>479,996</u>	<u>-</u>
-	-	-
245,000	-	-
120,517	105,857	800
<u>365,517</u>	<u>105,857</u>	<u>800</u>
<u>(24,313)</u>	<u>374,139</u>	<u>(800)</u>
-	-	-
<u>-</u>	<u>-</u>	<u>-</u>
-	-	-
<u>(24,313)</u>	<u>374,139</u>	<u>(800)</u>
568,109	215,965	-
<u>\$ 543,796</u>	<u>\$ 590,104</u>	<u>\$ (800)</u>

CITY OF WYOMING, MINNESOTA  
DEBT SERVICE FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - CONTINUED  
FOR THE YEAR ENDED DECEMBER 31, 2016

	<b>370</b>	<b>390</b>	
	1999C & D G.O.	1999C G.O.	
	Tax Increment	Bonds	Total
	<u>Bonds (TIF 3-1)</u>	<u>Bonds</u>	<u>Total</u>
REVENUES			
Taxes			
General property	\$ -	\$ -	\$ 492,860
Tax increments	36,450	-	36,450
Intergovernmental	-	-	46,569
Special assessments	-	-	312,473
Interest on investments	202	-	7,520
	<u>36,652</u>	<u>-</u>	<u>895,872</u>
TOTAL REVENUES			
EXPENDITURES			
Current			
Economic development	8,448	-	8,448
Debt service			
Principal	-	-	297,000
Interest	14,942	-	246,414
	<u>23,390</u>	<u>-</u>	<u>551,862</u>
TOTAL EXPENDITURES			
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>13,262</u>	<u>-</u>	<u>344,010</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	30,033	30,033
Transfers out	-	-	(7,036)
	<u>-</u>	<u>-</u>	<u>(7,036)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>30,033</u>	<u>22,997</u>
NET CHANGE IN FUND BALANCES	13,262	30,033	367,007
FUND BALANCES, JANUARY 1	<u>(373,539)</u>	<u>(30,033)</u>	<u>456,865</u>
FUND BALANCES, DECEMBER 31	<u>\$ (360,277)</u>	<u>\$ -</u>	<u>\$ 823,872</u>

CITY OF WYOMING, MINNESOTA  
 AGENCY FUNDS  
 COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES  
 FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Balance January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31</u>
<b>ASSETS</b>				
Cash and temporary investments	\$ 78,874	\$ 1,004,298	\$ 74,830	\$ 1,008,342
Accounts receivable	<u>123,668</u>	<u>17,710</u>	<u>13,146</u>	<u>128,232</u>
TOTAL ASSETS	<u>\$ 202,542</u>	<u>\$ 1,022,008</u>	<u>\$ 87,976</u>	<u>\$ 1,136,574</u>
<b>LIABILITIES</b>				
Accounts payable	<u>\$ 202,542</u>	<u>\$ 992,152</u>	<u>\$ 58,120</u>	<u>\$ 1,136,574</u>

CITY OF WYOMING, MINNESOTA  
SUMMARY FINANCIAL REPORT  
REVENUES AND EXPENDITURES FOR GENERAL OPERATIONS  
GOVERNMENTAL FUNDS  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	Total		Percent Increase (Decrease)
	2016	2015	
<b>REVENUES</b>			
Taxes	\$ 4,245,745	\$ 4,057,427	4.64 %
Special assessments	322,292	608,557	(47.04)
Licenses and permits	172,000	245,738	(30.01)
Intergovernmental	673,471	678,320	(0.71)
Charges for services	24,357	31,963	(23.80)
Fines and forfeitures	45,684	32,538	40.40
Investment earnings	93,214	77,046	20.98
Miscellaneous	252,729	133,758	88.94
<b>TOTAL REVENUES</b>	<b>\$ 5,829,492</b>	<b>\$ 5,865,347</b>	<b>(0.61) %</b>
Per Capita	\$ 740	\$ 747	(0.90) %
<b>EXPENDITURES</b>			
Current			
General government	\$ 643,506	\$ 728,646	(11.68) %
Public safety	1,698,424	1,602,773	5.97
Public works	831,272	686,127	21.15
Culture and recreation	35,903	38,950	(7.82)
Economic development	95,772	48,747	96.47
Capital outlay			
General government	-	22,948	(100.00)
Public safety	121,536	83,018	46.40
Public works	1,420,287	3,576,861	(60.29)
Culture and recreation	14,764	3,600	310.11
Debt service			
Principal	357,812	575,452	(37.82)
Interest and other charges	285,238	298,579	(4.47)
<b>TOTAL EXPENDITURES</b>	<b>\$ 5,504,514</b>	<b>\$ 7,665,701</b>	<b>(28.19) %</b>
Per Capita	\$ 699	\$ 976	(28.40) %
Total Long-term Indebtedness	\$ 7,468,365	\$ 6,876,674	8.60 %
Per Capita	948	876	8.29
General Fund Balance - December 31	\$ 4,023,298	\$ 3,493,396	15.17 %
Per Capita	511	445	14.83

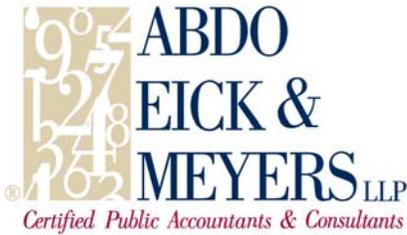
The purpose of this report is to provide a summary of financial information concerning the City of Wyoming to interested citizens. The complete financial statements may be examined at City Hall, PO Box 188, 26885 Forest Blvd., Wyoming, MN 55092. Questions about this report should be directed to Robb Linwood, City Administrator at (651) 462-0575.

**OTHER REQUIRED REPORT**

CITY OF WYOMING  
WYOMING, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2016

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INDEPENDENT AUDITOR'S REPORT  
ON MINNESOTA LEGAL COMPLIANCE

Honorable Mayor and City Council  
City of Wyoming, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Wyoming, Minnesota (the City), as of and for the year ended December 31, 2016 and the related notes to the financial statements, and have issued our report thereon dated June 20, 2017.

The *Minnesota Legal Compliance Audit Guide for Cities*, promulgated by the State Auditor pursuant to Minnesota Statute §6.65, contains seven categories of compliance to be tested: contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and tax increment financing. Our audit considered all of the listed categories.

In connection with our audit, nothing came to our attention that caused us to believe that the City failed to comply with the provisions of the *Minnesota Legal Compliance Audit Guide for Cities*. However, our audit was not directed primarily toward procedures, other matters may have come to our attention regarding the City's noncompliance with the above referenced provisions. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City's noncompliance with the above referenced provisions.

This report is intended solely for the information and use of those charged with governance and management of the City and the State Auditor and is not intended to be and should not be used by anyone other than these specified parties.

ABDO, EICK & MEYERS, LLP  
Minneapolis, Minnesota  
June 20, 2017