

**CITY OF WYOMING
WYOMING, MINNESOTA**

ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2017

**CITY OF WYOMING, MINNESOTA
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YEAR ENDED DECEMBER 31, 2017**

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INTRODUCTORY SECTION

**CITY OF WYOMING, MINNESOTA
ELECTED AND APPOINTED OFFICIALS
YEAR ENDED DECEMBER 31, 2017**

ELECTED

<u>Name</u>	<u>Title</u>	<u>Term Ends</u>
Lisa Iverson	Mayor	12/31/2018
Joe Zerwas	Council Member	12/31/2020
Linda Nanko Yeager	Council Member	12/31/2020
Claire Lugar	Council Member	12/31/2018
Don Waller	Council Member	12/31/2018

APPOINTED

Robb Linwood	Administrator
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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and City Council
City of Wyoming
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, 2017, 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.

Auditors' 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.

Opinion

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, 2017, 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, 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, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the 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.

Honorable Mayor and City Council
City of Wyoming

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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Minneapolis, Minnesota
June 26, 2018

**CITY OF WYOMING, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017**

As management of the City of Wyoming, Minnesota (the City), we have provided readers of the City's financial statements with this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2017. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

FINANCIAL HIGHLIGHTS

- The City's net position of its governmental activities increased by \$1,630,935 during the year to \$18,585,671 at year-end.
- The net position of the City's business-type activities decreased by \$18,878 during the year to \$18,547,077.
- The fund balance of the General Fund increased by \$797,676 (or 19.8%) during the year to \$4,820,974 at year-end.
- At the end of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$8,040,687.
- The Water, Sewer, and Surface Water funds reported a combined operating loss of (\$222,907).

OVERVIEW OF THE FINANCIAL STATEMENTS

The Management's Discussion and Analysis is intended to serve as an introduction to the City's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other information in addition to the basic financial statements themselves.

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

The statement of net position presents information on all the City's assets, deferred outflows, liabilities, and deferred inflows, with the difference between the total assets and deferred outflows and liabilities and deferred inflows reported as net position. Over time, increases 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 to 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., delinquent taxes and special assessments).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by property taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities include general government, public safety, public works, culture and recreation, and economic development. The business-type activities of the City include enterprises for water operating, sewer operating, and surface water operating.

**CITY OF WYOMING, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017**

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

Governmental Funds – Governmental funds are used to account for essentially the same functions 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 the 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 of the government's near-term, financing decisions. Both the governmental funds balance sheet and the statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The fund financial statements present information for each major governmental fund in separate columns. Data from the nonmajor 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 elsewhere in this report. The City adopts an annual appropriated budget for all of its governmental funds. Budget-to-actual comparisons for the General Fund and all special revenue funds are provided in this financial report for these funds.

Proprietary Funds – The City maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer, and surface water.

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

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

Notes to Basic Financial Statements – The notes to basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information – Combining statements and schedules for nonmajor funds are presented immediately following the notes to basic financial statements.

**CITY OF WYOMING, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017**

As noted earlier, net position may serve over time as a useful indicator of a government's financial portion. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$37,132,748, at the close of the most recent fiscal year.

By far the largest of the City's net position, \$24,261,821, 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		Total	
	2017	2016	2017	2016	2017	2016
Current and Other Assets	\$ 12,062,615	\$ 11,092,376	\$ 5,456,070	\$ 5,741,816	\$ 17,518,685	\$ 16,834,192
Capital Assets	17,625,975	16,048,708	17,651,302	17,580,408	35,277,277	33,629,116
Total Assets	<u>29,688,590</u>	<u>27,141,084</u>	<u>23,107,372</u>	<u>23,322,224</u>	<u>52,795,962</u>	<u>50,463,308</u>
Deferred Outflows of Resources	1,779,960	2,465,425	62,083	84,695	1,842,043	2,550,120
Current and Other Liabilities	472,101	11,764,469	228,506	4,556,541	700,607	16,321,010
Other Liabilities	9,012,297	388,924	4,326,023	245,553	13,338,320	634,477
Total Liabilities	<u>9,484,398</u>	<u>12,153,393</u>	<u>4,554,529</u>	<u>4,802,094</u>	<u>14,038,927</u>	<u>16,955,487</u>
Deferred Inflows of Resources	3,398,481	498,380	67,849	38,870	3,466,330	537,250
Net Position:						
Net Investment in Capital Assets	10,652,805	8,664,516	13,609,016	14,130,672	24,261,821	22,795,188
Restricted	3,909,501	3,253,404	-	-	3,909,501	3,253,404
Unrestricted	4,023,365	5,036,816	4,938,061	4,435,283	8,961,426	9,472,099
Total Net Position	<u>\$ 18,585,671</u>	<u>\$ 16,954,736</u>	<u>\$ 18,547,077</u>	<u>\$ 18,565,955</u>	<u>\$ 37,132,748</u>	<u>\$ 35,520,691</u>

A portion of the City's net position (\$3,909,501) represents resources that are subject to external restrictions on how they may be used.

**CITY OF WYOMING, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017**

Governmental activities increased the City's net position by \$1,630,935 and business-type activities decreased the City's net position by \$18,878. Key elements of the overall increase are as follows:

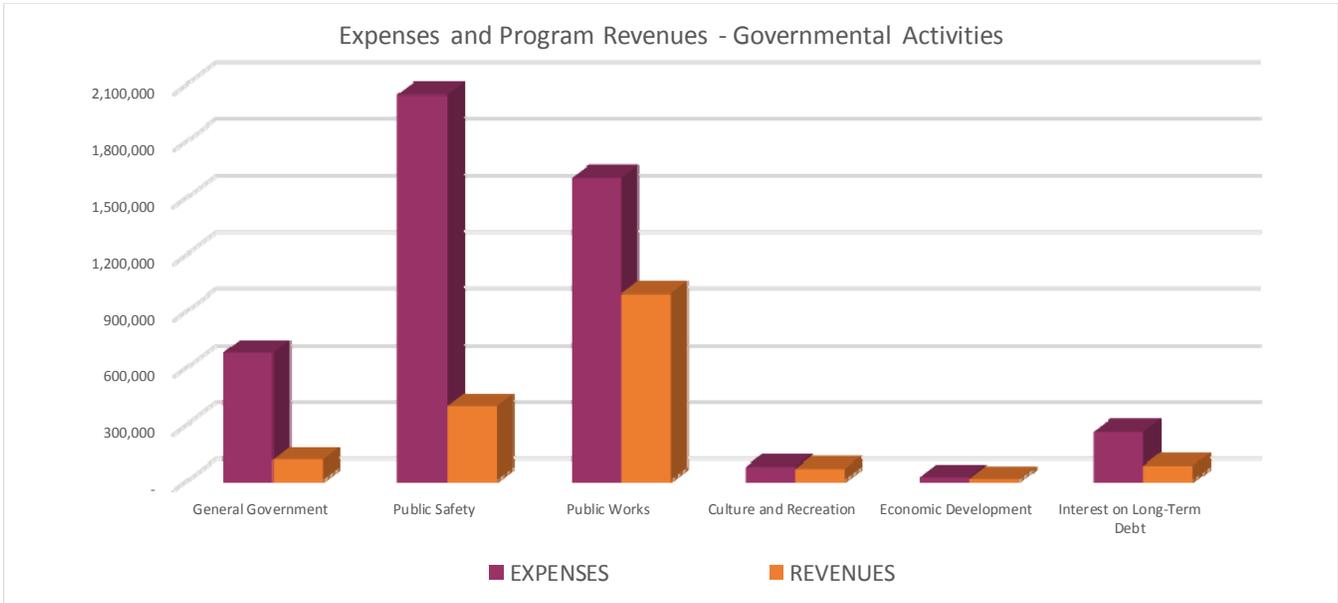
	Governmental Activities			Business-Type Activities		
	2017	2016	Increase (Decrease)	2017	2016	Increase (Decrease)
REVENUES						
Program Revenues:						
Charges for Services	\$ 334,761	\$ 270,244	\$ 64,517	\$ 1,601,533	\$ 1,532,095	\$ 69,438
Operating Grants and Contributions	309,755	303,644	6,111	-	915	(915)
Capital Grants and Contributions	986,761	567,620	419,141	290,355	40,700	249,655
General Revenues:						
Property Taxes/Tax Increments	4,313,879	4,162,894	150,985	-	-	-
Other Taxes	57,864	60,872	(3,008)	-	-	-
Grants and Contributions Not Restricted to Specific Programs	214,109	208,823	5,286	-	-	-
Investment Earnings	81,262	93,214	(11,952)	27,449	72,315	(44,866)
Gain on Sale of Capital Assets	-	48,920	(48,920)	-	-	-
Total Revenues	6,298,391	5,716,231	582,160	1,919,337	1,646,025	273,312
EXPENSES						
General Government	677,057	661,263	15,794	-	-	-
Public Safety	2,043,342	2,114,779	(71,437)	-	-	-
Public Works	1,600,914	1,615,631	(14,717)	-	-	-
Culture and Recreation	72,315	83,983	(11,668)	-	-	-
Economic Development	16,014	95,772	(79,758)	-	-	-
Interest on Long-Term Debt	257,814	256,071	1,743	-	-	-
Water	-	-	-	653,874	473,451	180,423
Sewer	-	-	-	1,216,306	1,142,569	73,737
Surface Water	-	-	-	68,035	55,037	12,998
Total Expenses	4,667,456	4,827,499	(160,043)	1,938,215	1,671,057	267,158
CHANGE IN NET POSITION	1,630,935	888,732	742,203	(18,878)	(25,032)	6,154
Net Position - Beginning of Year	16,954,736	16,066,004	888,732	18,565,955	18,590,987	(25,032)
NET POSITION - END OF YEAR	\$ 18,585,671	\$ 16,954,736	\$ 1,630,935	\$ 18,547,077	\$ 18,565,955	\$ (18,878)

**CITY OF WYOMING, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017**

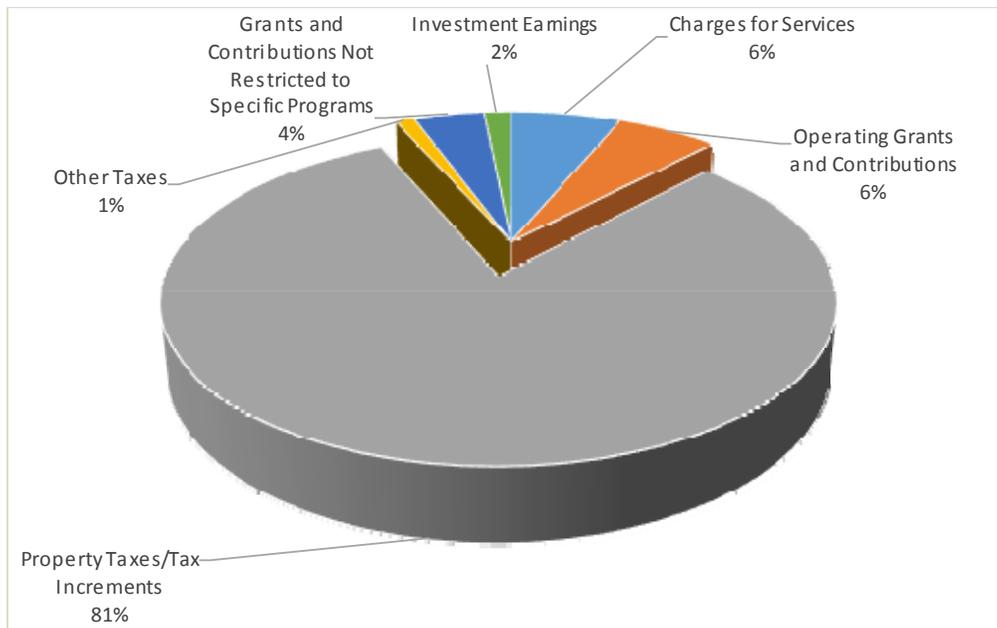
Governmental Activities

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

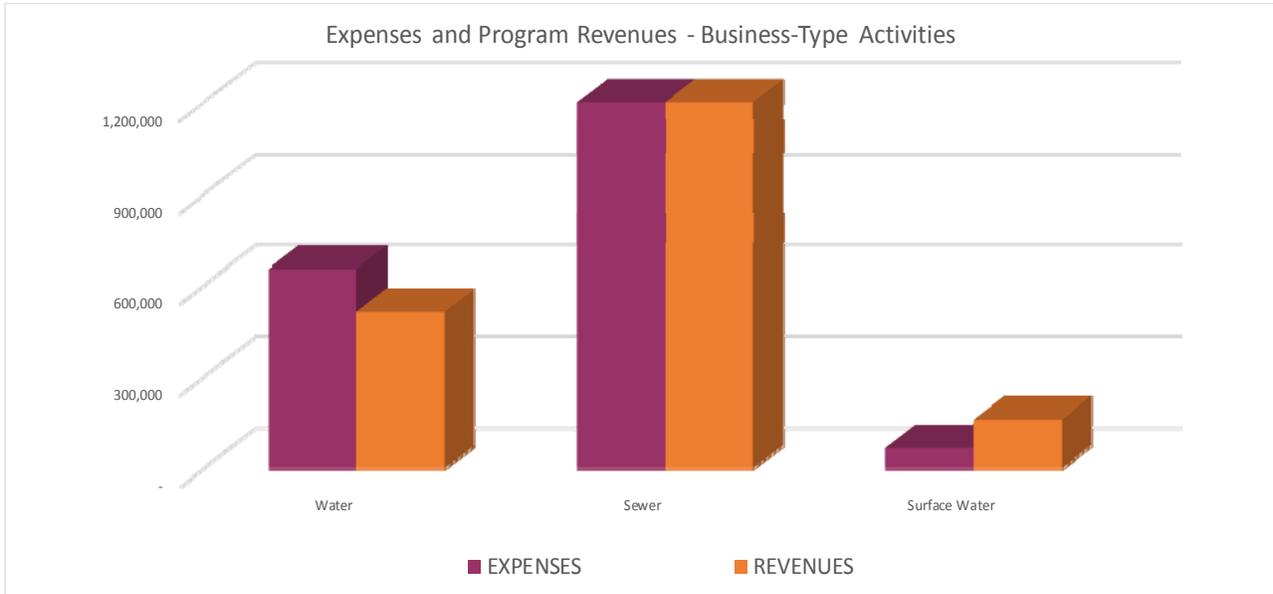


**CITY OF WYOMING, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017**

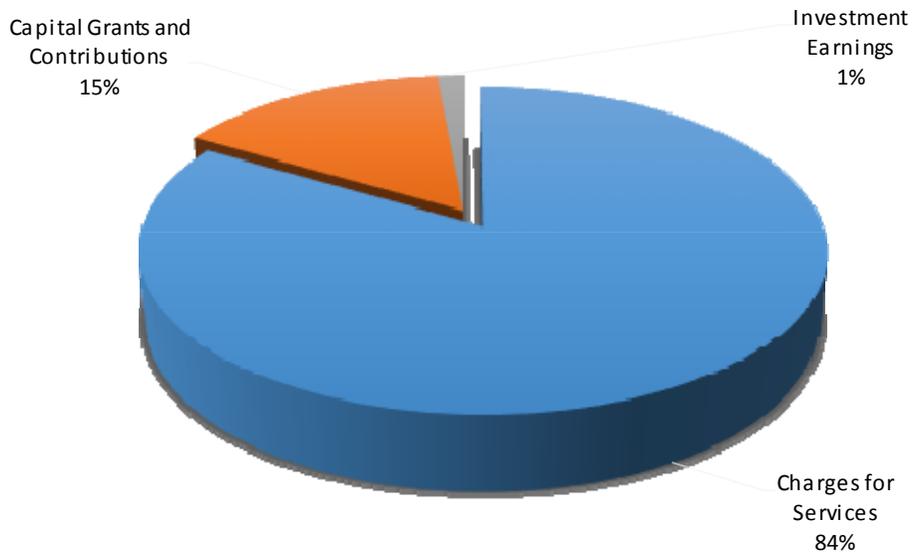
Business-Type Activities

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

Expenses and Program Revenues – Business-Type Activities



Revenues by Source – Business-Type Activities



**CITY OF WYOMING, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017**

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 \$8,040,687, a decrease of \$422,632 in comparison with the prior year. Of this total amount, \$3,946,146, constitutes *unassigned fund balance*, which is available for spending at the City's discretion. The remainder of the fund balance of \$4,094,541 is not available for new spending because it is either 1) nonspendable, \$387,069 2) restricted, \$1,971,233, 3) committed, \$151,472, or 4) assigned, \$1,584,767.

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 \$4,820,974, of which \$387,069 is nonspendable for advances to other funds and prepaids, \$481,411 is assigned, and \$3,952,494 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 unassigned fund balance represents 110.4 percent of 2018 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 \$4,938,061. The total decrease in net position for the funds was \$18,878.

General Fund Budgetary Highlights

The City's general fund revenue was \$187,221 under budget. The variance is mostly due to miscellaneous revenue being under budget by \$327,576. The City was under budget in expenditures by \$323,207. All departments, except for debt service, were under budget for 2017. The largest positive variance was \$177,237 in general government.

**CITY OF WYOMING, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017**

Capital Assets

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

	Governmental Activities			Business-Type Activities		
	2017	2016	Increase (Decrease)	2017	2016	Increase (Decrease)
Land	\$ 869,787	\$ 869,787	\$ -	\$ 6,284	\$ 6,284	\$ -
Buildings and Structures	257,675	253,412	4,263	264,179	279,529	(15,350)
Machinery and Equipment	1,306,714	1,357,379	(50,665)	52,634	56,045	(3,411)
Infrastructure	15,191,799	12,540,812	2,650,987	17,328,205	15,157,062	2,171,143
Construction in Progress	-	1,027,318	(1,027,318)	-	2,081,488	(2,081,488)
Total	<u>\$ 17,625,975</u>	<u>\$ 16,048,708</u>	<u>\$ 1,577,267</u>	<u>\$ 17,651,302</u>	<u>\$ 17,580,408</u>	<u>\$ 70,894</u>

Additional information on the City's capital assets can be found in Note 4 of this report.

Long-Term Debt

At the end of the fiscal year, the City had total bonded, notes, and capital lease debt outstanding of \$11,436,164. While all of the City's bonds have revenue streams, they are all backed by the full faith and credit of the City.

	Governmental Activities			Business-Type Activities		
	2017	2016	Increase (Decrease)	2017	2016	Increase (Decrease)
G.O. Improvement Bonds	\$ 6,544,000	\$ 7,132,000	\$ (588,000)	\$ -	\$ -	\$ -
G.O. Revenue Bonds	-	-	-	3,965,000	4,195,000	(230,000)
Unamortized Bond Premiums	138,935	157,216	(18,281)	77,286	86,594	(9,308)
Notes Payable	290,235	308,001	(17,766)	-	-	-
Capital Leases Payable	-	28,364	(28,364)	-	-	-
Compensated Absences	374,162	316,034	58,128	46,546	40,500	6,046
Total	<u>\$ 7,347,332</u>	<u>\$ 7,941,615</u>	<u>\$ (594,283)</u>	<u>\$ 4,088,832</u>	<u>\$ 4,322,094</u>	<u>\$ (233,262)</u>

The City's total long-term debt decreased \$827,545 (6.7 percent) during the current fiscal year. This decrease is due to scheduled debt payments combined with no new debt issuances.

Additional information on the City's long-term debt can be found in Note 6 of this report.

**CITY OF WYOMING, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017**

Economic Factors and Next Year's Budgets and Rates

- The Local Government Aid appropriation is set to increase for 2018. The annual LGA appropriation was increased by \$15 million (from \$519.4 million to \$534.4 million). This is effective for aids payable in 2018 and thereafter. Under this new law, the City of Wyoming is scheduled to receive \$236,943 in LGA for 2018 compared to \$204,738 in 2017. The 2018 LGA will be used to fund Capital Expenditures.
- The City's general and debt tax levy decreased \$494,390, or 10.35%, to \$3,776,276 in 2018.
- The City will be determining ways to pay for a water tower rehabilitation project in 2020.
- The City anticipates conducting a water and sewer utility rate study in 2018.
- Both of the City's bargaining units, 49ers and LELS, contracts end in 2017. Bargaining on the new contracts will begin in 2018.

All of these factors were considered in preparing the City's budget for the 2018 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.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**CITY OF WYOMING, MINNESOTA
STATEMENT OF NET POSITION
DECEMBER 31, 2017**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Temporary Investments	\$ 9,626,009	\$ 4,660,239	\$ 14,286,248
Receivables:			
Interest	6,658	-	6,658
Taxes	209,916	-	209,916
Accounts	115,917	504,781	620,698
Special Assessments	2,063,630	82,118	2,145,748
Internal Balances	(198,188)	198,188	-
Due from Other Governments	22,392	-	22,392
Prepaid Items	48,961	10,744	59,705
Pension Asset	167,320	-	167,320
Land and Construction in Progress	869,787	6,284	876,071
Depreciable Infrastructure, Buildings, Property, and Equipment, Net	16,756,188	17,645,018	34,401,206
Total Assets	29,688,590	23,107,372	52,795,962
 DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Resources	1,779,960	62,083	1,842,043
 LIABILITIES			
Accounts Payable	336,564	137,405	473,969
Due to Other Governments	1,043	45,904	46,947
Accrued Interest Payable	98,276	42,899	141,175
Accrued Salaries Payable	36,218	2,298	38,516
Noncurrent Liabilities:			
Net Pension Liability	1,664,965	237,191	1,902,156
Due Within One Year	814,823	263,964	1,078,787
Due in More than One Year	6,532,509	3,824,868	10,357,377
Total Liabilities	9,484,398	4,554,529	14,038,927
 DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Resources	2,058,547	67,849	2,126,396
Deferred State Aid Revenue	1,339,934	-	1,339,934
Total Deferred Inflows of Resources	3,398,481	67,849	3,466,330
 NET POSITION			
Net Investment in Capital Assets	10,652,805	13,609,016	24,261,821
Restricted for:			
Fire Relief Pension Assets	185,538	-	185,538
Debt Service	2,964,008	-	2,964,008
Tax Increment Financing	368,060	-	368,060
Public Safety Expenses	30,905	-	30,905
Revolving Loans	21,389	-	21,389
State Aid Streets	103,025	-	103,025
Park Projects	236,576	-	236,576
Unrestricted	4,023,365	4,938,061	8,961,426
Total Net Position	\$ 18,585,671	\$ 18,547,077	\$ 37,132,748

See accompanying Notes to Financial Statements.

**CITY OF WYOMING, MINNESOTA
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2017**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES							
General Government	\$ 677,057	\$ 93,866	\$ 14,765	\$ -	\$ (568,426)	\$ -	\$ (568,426)
Public Safety	2,043,342	240,895	150,726	-	(1,651,721)	-	(1,651,721)
Public Works	1,600,914	-	-	986,761	(614,153)	-	(614,153)
Culture and Recreation	72,315	-	60,571	-	(11,744)	-	(11,744)
Economic Development	16,014	-	6,750	-	(9,264)	-	(9,264)
Interest on Long-Term Debt	257,814	-	76,943	-	(180,871)	-	(180,871)
Total Governmental Activities	4,667,456	334,761	309,755	986,761	(3,036,179)	-	(3,036,179)
BUSINESS-TYPE ACTIVITIES							
Water	653,874	419,363	-	93,728	-	(140,783)	(140,783)
Sewer	1,216,306	1,133,480	-	84,058	-	1,232	1,232
Surface Water	68,035	48,690	-	112,569	-	93,224	93,224
Total Business-Type Activities	1,938,215	1,601,533	-	290,355	-	(46,327)	(46,327)
Total	\$ 6,605,671	\$ 1,936,294	\$ 309,755	\$ 1,277,116	(3,036,179)	(46,327)	(3,082,506)
GENERAL REVENUES							
Taxes:							
Property Taxes, Levied for General Purposes					3,440,622	-	3,440,622
Property Taxes, Levied for Capital Improvements					252,024	-	252,024
Property Taxes, Levied for Debt Service					569,260	-	569,260
Tax Increments					51,973	-	51,973
Franchise Taxes					57,864	-	57,864
Grants and Contributions Not Restricted to Specific Programs					214,109	-	214,109
Unrestricted Investment Earnings					81,262	27,449	108,711
Total General Revenues and Transfers					4,667,114	27,449	4,694,563
CHANGE IN NET POSITION					1,630,935	(18,878)	1,612,057
Net Position – Beginning of Year					16,954,736	18,565,955	35,520,691
NET POSITION – END OF YEAR					\$ 18,585,671	\$ 18,547,077	\$ 37,132,748

See accompanying Notes to Financial Statements.

FUND FINANCIAL STATEMENTS

**CITY OF WYOMING, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2017**

ASSETS	General	Debt Service	Street Replacement	Other Governmental Funds	Total
Cash and Temporary Investments	\$ 4,625,382	\$ 1,199,699	2,662,946	\$ 1,137,982	\$ 9,626,009
Receivables:					
Interest	6,658	-	-	-	6,658
Taxes	192,302	-	-	17,614	209,916
Accounts	47,004	63,040	-	5,873	115,917
Special Assessments	5,289	1,796,622	261,719	-	2,063,630
Prepaid Items	48,961	-	-	-	48,961
Due from Other Governments	1,850	20,542	-	-	22,392
Advance to Other Funds	338,108	-	-	-	338,108
Total Assets	<u>\$ 5,265,554</u>	<u>\$ 3,079,903</u>	<u>\$ 2,924,665</u>	<u>\$ 1,161,469</u>	<u>\$ 12,431,591</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 88,612	\$ 17,619	\$ 183,868	\$ 46,465	\$ 336,564
Due to Other Governments	945	-	-	98	1,043
Advance from Other Funds	198,188	338,108	-	-	536,296
Accrued Salaries Payable	36,218	-	-	-	36,218
Total Liabilities	<u>323,963</u>	<u>355,727</u>	<u>183,868</u>	<u>46,563</u>	<u>910,121</u>
 DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue – Taxes	115,328	-	-	16,904	132,232
Unavailable Revenue – Special Assessments	5,289	1,747,736	255,592	-	2,008,617
Deferred State Aid Revenue	-	-	1,339,934	-	1,339,934
Total Deferred Inflows of Resources	<u>120,617</u>	<u>1,747,736</u>	<u>1,595,526</u>	<u>16,904</u>	<u>3,480,783</u>
 FUND BALANCES					
Nonspendable	387,069	-	-	-	387,069
Restricted	-	1,328,637	230,119	758,326	2,317,082
Committed	-	-	-	151,472	151,472
Assigned	481,411	-	915,152	188,204	1,584,767
Unassigned	3,952,494	(352,197)	-	-	3,600,297
Total Fund Balances	<u>4,820,974</u>	<u>976,440</u>	<u>1,145,271</u>	<u>1,098,002</u>	<u>8,040,687</u>
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 5,265,554</u>	<u>\$ 3,079,903</u>	<u>\$ 2,924,665</u>	<u>\$ 1,161,469</u>	<u>\$ 12,431,591</u>

See accompanying Notes to Financial Statements.

**CITY OF WYOMING, MINNESOTA
RECONCILIATION OF THE BALANCE SHEET TO THE
STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
DECEMBER 31, 2017**

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

Total Fund Balances – Governmental	\$ 8,040,687
<p>Capital assets used in governmental activities are not financial resources, and therefore, are not reported as assets in governmental funds.</p>	
Cost of Capital Assets	28,910,453
Less: Accumulated Depreciation	(11,284,478)
<p>Long-term assets from pensions reported in governmental activities are not financial resources, and therefore, are not reported as assets in the governmental funds.</p>	
	167,320
<p>Noncurrent liabilities, including bonds payable, are not due and payable in the current period, and therefore, are not reported as liabilities in the funds.</p>	
<p>Noncurrent liabilities at year-end consist of:</p>	
Compensated Absences Payable	(374,162)
Pension Liability	(1,664,965)
Bond Premium	(138,935)
Bonds Payable	(6,834,235)
<p>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.</p>	
Taxes Receivable	132,232
Special Assessments Receivable	2,008,617
<p>Governmental funds do not report long-term amounts related to pensions.</p>	
Deferred Outflows of Pension Resources	1,779,960
Deferred Inflows of Pension Resources	(2,058,547)
<p>Governmental funds do not report a liability for accrued interest until due and payable.</p>	
	<u>(98,276)</u>
Total Net Position – Governmental Activities	<u>\$ 18,585,671</u>

See accompanying Notes to Financial Statements.

CITY OF WYOMING, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2017

	General	Debt Service	Street Replacement	Other Governmental Funds	Total
REVENUES					
Taxes	\$ 3,681,230	\$ 636,671	\$ -	\$ 76,753	\$ 4,394,654
Licenses and Permits	205,221	-	-	-	205,221
Intergovernmental	358,131	42,953	727,654	23,550	1,152,288
Charges for Services	1,131	-	-	30,099	31,230
Fines and Forfeitures	30,180	-	-	24,785	54,965
Special Assessments	-	218,716	61,425	-	280,141
Interest on Investments	71,495	1,049	6,226	2,492	81,262
Miscellaneous	59,873	-	33,990	72,262	166,125
Total Revenues	<u>4,407,261</u>	<u>899,389</u>	<u>829,295</u>	<u>229,941</u>	<u>6,365,886</u>
EXPENDITURES					
Current:					
General Government	578,862	-	-	-	578,862
Public Safety	1,735,994	-	-	26,270	1,762,264
Public Works	781,743	-	-	-	781,743
Culture and Recreation	32,489	-	-	-	32,489
Economic Development	-	8,598	-	7,416	16,014
Capital Outlay	262,132	-	2,361,712	75,778	2,699,622
Debt Service:					
Principal	28,364	588,000	-	17,766	634,130
Interest and Other	15,628	254,104	-	13,662	283,394
Total Expenditures	<u>3,435,212</u>	<u>850,702</u>	<u>2,361,712</u>	<u>140,892</u>	<u>6,788,518</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	972,049	48,687	(1,532,417)	89,049	(422,632)
OTHER FINANCING SOURCES (USES)					
Transfers In	5,680	103,881	180,053	-	289,614
Transfers Out	(180,053)	-	(103,881)	(5,680)	(289,614)
Total Other Financing Sources (Uses)	<u>(174,373)</u>	<u>103,881</u>	<u>76,172</u>	<u>(5,680)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	797,676	152,568	(1,456,245)	83,369	(422,632)
Fund Balances – Beginning of Year	<u>4,023,298</u>	<u>823,872</u>	<u>2,601,516</u>	<u>1,014,633</u>	<u>8,463,319</u>
FUND BALANCES – END OF YEAR	<u>\$ 4,820,974</u>	<u>\$ 976,440</u>	<u>\$ 1,145,271</u>	<u>\$ 1,098,002</u>	<u>\$ 8,040,687</u>

See accompanying Notes to Financial Statements.

**CITY OF WYOMING, MINNESOTA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2017**

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

Net Change in Fund Balances – Governmental Funds \$ (422,632)

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.

Capital Outlays	2,347,314
Depreciation Expense	(770,047)

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 premiums, discounts, and similar items when debt is first issued, whereas these amounts are delayed and amortized in the statement of activities .

Principal Repayments	634,130
Amortization of Bond Premium	18,281

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.

7,299

Long-term pension activity is not reported in governmental funds.

Pension Expense	(57,787)
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Certain revenues are recognized as soon as they are earned. Under the modified accrual basis of accounting, certain revenues cannot be recognized until they are available to liquidate liabilities of the current period.

Property Taxes	(22,911)
Special Assessments	(44,584)

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.

Compensated Absences	(58,128)
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Change in Net Position – Governmental Activities	\$ 1,630,935
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CITY OF WYOMING, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED DECEMBER 31, 2017

	Budgeted Amount		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 3,668,542	\$ 3,668,542	\$ 3,681,230	\$ 12,688
Licenses and Permits	195,300	195,300	205,221	9,921
Intergovernmental	299,691	299,691	358,131	58,440
Charges for Services	8,500	8,500	1,131	(7,369)
Fines and forfeitures	20,000	20,000	30,180	10,180
Interest on Investments	15,000	15,000	71,495	56,495
Miscellaneous	387,449	387,449	59,873	(327,576)
Total Revenues	<u>4,594,482</u>	<u>4,594,482</u>	<u>4,407,261</u>	<u>(187,221)</u>
EXPENDITURES				
Current:				
General Government	756,099	756,099	578,862	(177,237)
Public Safety	1,744,903	1,744,903	1,735,994	(8,909)
Public Works	871,541	871,541	781,743	(89,798)
Culture and Recreation	48,850	48,850	32,489	(16,361)
Capital Outlay	296,400	296,400	262,132	(34,268)
Debt Service	42,143	42,143	43,992	1,849
Total Expenditures	<u>3,759,936</u>	<u>3,759,936</u>	<u>3,435,212</u>	<u>(324,724)</u>
EXCESS OF REVENUES OVER EXPENDITURES	834,546	834,546	972,049	137,503
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	5,680	5,680
Transfers Out	(180,053)	(180,053)	(180,053)	-
Total Other Financing Sources (Uses)	<u>(180,053)</u>	<u>(180,053)</u>	<u>(174,373)</u>	<u>5,680</u>
NET CHANGE IN FUND BALANCES	654,493	654,493	797,676	143,183
Fund Balances – Beginning of Year	<u>4,023,298</u>	<u>4,023,298</u>	<u>4,023,298</u>	<u>-</u>
FUND BALANCES – END OF YEAR	<u>\$ 4,677,791</u>	<u>\$ 4,677,791</u>	<u>\$ 4,820,974</u>	<u>\$ 143,183</u>

See accompanying Notes to Financial Statements.

**CITY OF WYOMING, MINNESOTA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2017**

	Business-Type Activities – Enterprise Funds			
	601 Water	602 Sewer	651 Surface Water	Totals
ASSETS				
CURRENT ASSETS				
Cash and Temporary Investments	\$ 1,232,462	\$ 3,330,418	\$ 97,359	\$ 4,660,239
Receivables:				
Accounts	141,659	335,230	27,892	504,781
Special Assessments	24,665	54,732	2,721	82,118
Prepaid Items	6,481	4,263	-	10,744
Total Current Assets	<u>1,405,267</u>	<u>3,724,643</u>	<u>127,972</u>	<u>5,257,882</u>
NONCURRENT ASSETS				
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	157,359	-	207,414
Infrastructure	9,893,003	14,987,131	1,330,639	26,210,773
Total Capital Assets	<u>10,795,292</u>	<u>15,144,490</u>	<u>1,330,639</u>	<u>27,270,421</u>
Less: Accumulated Depreciation	<u>(3,894,516)</u>	<u>(5,515,761)</u>	<u>(208,842)</u>	<u>(9,619,119)</u>
Net Capital Assets	<u>6,900,776</u>	<u>9,628,729</u>	<u>1,121,797</u>	<u>17,651,302</u>
Total Noncurrent Assets	<u>6,999,870</u>	<u>9,727,823</u>	<u>1,121,797</u>	<u>17,849,490</u>
Total Assets	8,405,137	13,452,466	1,249,769	23,107,372
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Pension Resources	32,400	28,576	1,107	62,083
LIABILITIES				
CURRENT LIABILITIES				
Accounts Payable	116,958	17,985	2,462	137,405
Accrued Interest Payable	30,354	12,545	-	42,899
Due to Other Governments	-	45,904	-	45,904
Accrued Salaries Payable	1,080	1,218	-	2,298
Current Portion of Compensated Absences	6,982	6,982	-	13,964
Current Portion of Bonds Payable	152,880	97,120	-	250,000
Total Current Liabilities	<u>308,254</u>	<u>181,754</u>	<u>2,462</u>	<u>492,470</u>
NONCURRENT LIABILITIES				
Noncurrent Portion of Compensated Absences	16,291	16,291	-	32,582
Net Pension Liability	123,786	109,177	4,228	237,191
Unamortized Premium on Bonds	30,120	47,166	-	77,286
Bonds Payable, Less Current Portion Above	2,808,550	906,450	-	3,715,000
Total Noncurrent Liabilities	<u>2,978,747</u>	<u>1,079,084</u>	<u>4,228</u>	<u>4,062,059</u>
Total Liabilities	3,287,001	1,260,838	6,690	4,554,529
DEFERRED INFLOWS OF RESOURCE				
Deferred Pension Resources	35,409	31,230	1,210	67,849
NET POSITION				
Net Investment in Capital Assets	3,909,226	8,577,993	1,121,797	13,609,016
Unrestricted	1,205,901	3,610,981	121,179	4,938,061
Total Net Position	<u>\$ 5,115,127</u>	<u>\$ 12,188,974</u>	<u>\$ 1,242,976</u>	<u>\$ 18,547,077</u>

See accompanying Notes to Financial Statements.

CITY OF WYOMING, MINNESOTA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2017

	Business-Type Activities – Enterprise Funds			
	601 Water	602 Sewer	651 Surface Water	Totals
OPERATING REVENUES				
Charges for Services	\$ 419,255	\$ 1,133,365	\$ 48,690	\$ 1,601,310
OPERATING EXPENSES				
Personal Services	182,854	150,893	5,821	339,568
Supplies	44,386	12,474	308	57,168
Repairs and Maintenance	61,027	20,775	1,465	83,267
Other Services and Charges	58,582	678,033	22,401	759,016
Utilities	33,083	12,226	-	45,309
Depreciation	183,837	318,012	38,040	539,889
Total Operating Expenses	<u>563,769</u>	<u>1,192,413</u>	<u>68,035</u>	<u>1,824,217</u>
OPERATING INCOME (LOSS)	(144,514)	(59,048)	(19,345)	(222,907)
NONOPERATING REVENUES (EXPENSES)				
Interest Income	12,069	15,197	183	27,449
Miscellaneous Income	108	115	-	223
Interest Expense and Other	(90,105)	(23,893)	-	(113,998)
Total Nonoperating Revenues (Expenses)	<u>(77,928)</u>	<u>(8,581)</u>	<u>183</u>	<u>(86,326)</u>
LOSS BEFORE CONTRIBUTIONS AND TRANSFERS	(222,442)	(67,629)	(19,162)	(309,233)
CAPITAL CONTRIBUTIONS	<u>93,728</u>	<u>84,058</u>	<u>112,569</u>	<u>290,355</u>
CHANGE IN NET POSITION	(128,714)	16,429	93,407	(18,878)
Net Position – Beginning of Year	<u>5,243,841</u>	<u>12,172,545</u>	<u>1,149,569</u>	<u>18,565,955</u>
NET POSITION – END OF YEAR	<u>\$ 5,115,127</u>	<u>\$ 12,188,974</u>	<u>\$ 1,242,976</u>	<u>\$ 18,547,077</u>

See accompanying Notes to Financial Statements.

**CITY OF WYOMING, MINNESOTA
STATEMENT OF CASH FLOW
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2017**

	Business-Type Activities – Enterprise Funds			
	601 Water	602 Sewer	651 Surface Water	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers	\$ 410,584	\$ 1,117,861	\$ 45,802	\$ 1,574,247
Payments to Suppliers	(247,288)	(716,107)	(21,712)	(985,107)
Payments to Employees	(148,358)	(130,690)	(3,901)	(282,949)
Net Cash Provided by Operating Activities	14,938	271,064	20,189	306,191
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Receipt on Advance to Other Funds	38,856	38,856	-	77,712
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Connection Charges	61,540	70,399	-	131,939
Acquisition and Construction of Capital Assets	(411,996)	(7,895)	(33,992)	(453,883)
Capital Contributions	-	-	-	-
Principal Paid on Bonds	(136,478)	(93,522)	-	(230,000)
Interest Paid on Bonds	(73,813)	(31,659)	-	(105,472)
Net Cash Used by Capital and Related Financing Activities	(560,747)	(62,677)	(33,992)	(657,416)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received on Investments	12,069	15,197	183	27,449
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
	(494,884)	262,440	(13,620)	(246,064)
Cash and Cash Equivalents – Beginning of Year	1,727,346	3,067,978	110,979	4,906,303
CASH AND CASH EQUIVALENTS – END OF YEAR				
	<u>\$ 1,232,462</u>	<u>\$ 3,330,418</u>	<u>\$ 97,359</u>	<u>\$ 4,660,239</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Loss	\$ (144,514)	\$ (59,048)	\$ (19,345)	\$ (222,907)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Other Income Related to Operations	108	115	-	223
Depreciation	183,837	318,012	38,040	539,889
(Increase) Decrease in Assets/Deferred Outflows:				
Accounts Receivable	(7,006)	(9,159)	(167)	(16,332)
Special Assessments Receivable	(1,773)	(6,460)	(2,721)	(10,954)
Prepaid Items	(6,481)	(4,263)	-	(10,744)
Deferred Pension Resources	9,525	13,112	(25)	22,612
Increase (Decrease) in Liabilities/Deferred Inflows:				
Accounts Payable	(43,729)	11,664	2,462	(29,603)
Accrued Salaries and Compensated Absences Payable	1,073	1,211	-	2,284
Pension Liability	7,730	(6,218)	1,232	2,744
Deferred Pension Resources	16,168	12,098	713	28,979
Net Cash Provided by Operating Activities	<u>\$ 14,938</u>	<u>\$ 271,064</u>	<u>\$ 20,189</u>	<u>\$ 306,191</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 Contributions	<u>\$ 32,188</u>	<u>\$ 12,143</u>	<u>\$ 112,569</u>	<u>\$ 156,900</u>

See accompanying Notes to Financial Statements.

**CITY OF WYOMING, MINNESOTA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
DECEMBER 31, 2017**

	<u>Escrow Agency</u>
ASSETS	
Cash and Temporary Investments	\$ 167,830
Accounts Receivable	<u>206,503</u>
Total Assets	<u><u>\$ 374,333</u></u>
 LIABILITIES	
Accounts Payable	<u><u>\$ 374,333</u></u>

See accompanying Notes to Financial Statements.

**CITY OF WYOMING, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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 non-fiduciary 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*.

**CITY OF WYOMING, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

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.

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.

**CITY OF WYOMING, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

Nonexchange 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 nonexchange 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% 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% of the corresponding total for all governmental and enterprise funds combined.

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.

**CITY OF WYOMING, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

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 FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**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.

**CITY OF WYOMING, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balances (Continued)

Deposits and Investments (Continued)

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.

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.

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 2017. 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.

**CITY OF WYOMING, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balances (Continued)

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 noncurrent 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.

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.

**CITY OF WYOMING, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balances (Continued)

Capital Assets (Continued)

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:

Buildings and Structures	10 – 50 Years
Infrastructure	20 – 50 Years
Machinery and Equipment	3 – 20 Years
Other Assets	3 – 15 Years

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.

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.

**CITY OF WYOMING, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balances (Continued)

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, which 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.

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.

**CITY OF WYOMING, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balances (Continued)

Fund Balance (Continued)

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”.

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.

**CITY OF WYOMING, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

Budgetary Information (Continued)

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 DEPOSITS AND INVESTMENTS

A. Components of Cash and Investments

Cash and investments at year-end consisted of the following:

Deposits	\$ 11,728,897
Investments	2,725,181
Total	<u>\$ 14,454,078</u>

Cash and investments are presented in the financial statements as follows:

Cash and Temporary Investments	
Statement of Net Position:	
Cash and Investments	\$ 14,286,248
Agency Fund Statement of Net Position:	
Cash and Investments	167,830
Total	<u>\$ 14,454,078</u>

B. Deposits

In accordance with applicable Minnesota Statutes, the City maintains deposits at depository banks authorized by the City Council, including checking accounts and certificates of deposit. The following is considered the most significant risk associated with deposits:

Custodial Credit Risk – In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned or the City will not be able to recover collateral securities in the possession of an outside party.

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

**CITY OF WYOMING, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Deposits (Continued)

Minnesota Statutes require that all deposits be protected by federal deposit insurance, corporate surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by federal deposit insurance or corporate surety bonds. Authorized collateral includes treasury bills, notes, and bonds; issues of U.S. government agencies; general obligations rated "A" or better; revenue obligations rated "AA" or better; irrevocable standard letters of credit issued by the Federal Home Loan Bank; and certificates of deposit. Minnesota Statutes require that securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral.

At year-end, the City's carrying amount of deposits was \$11,728,897 and the bank balance was \$11,871,657. 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% of deposits not covered by insurance, bonds, or irrevocable standby letters of credit from Federal Home Loan banks to be covered by collateral.

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 Investment at Amortized Costs:						
Broker Money Market	N/A	< 6 Months	\$ 139,649			
4M Fund	N/A	< 6 Months	120,267			
Nonpooled Investments at Fair Value:						
Municipal Securities	BBB+	10-20 Years	71,289	\$ -	\$ 71,289	\$ -
Municipal Securities	AA+	15-10 Years	196,426	196,426	-	-
Broker Certificates of Deposits	N/A	> 1 Year	202,916	-	202,916	-
Broker Certificates of Deposits	N/A	1-2 Years	200,291	-	200,291	-
Broker Certificates of Deposits	N/A	2-5 Years	1,191,928	-	1,191,928	-
Broker Certificates of Deposits	N/A	5-10 Years	402,301	-	402,301	-
Broker Certificates of Deposits	N/A	10-20 Years	200,114	-	200,114	-
Total Pooled Investments			<u>\$ 2,725,181</u>	<u>\$ 196,426</u>	<u>\$ 2,268,839</u>	<u>\$ -</u>

- (1) Ratings are provided by various credit agencies where applicable to indicate credit risk. Used Standards & 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.

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 FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Deposits (Continued)

Investments (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 pages 32-33 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% 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% of investments in HSBC Bank USA (7.81%), JP Morgan Chase (7.83%), BMO Harris Bank (6.26%), Commenity Bank (6.26%), Wells Fargo (6.26%), Amex Centurion (7.66%), Federal Home Loan Bank (6.15%), Sallie Mae Bank (7.64%), SunTrust Bank – Atlanta (7.75%) and Goldman Sachs Bank – New York (7.92%). The City's remaining investments are exempt from consideration of concentration of credit risk.

**CITY OF WYOMING, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 4 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2017 was as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Governmental Activities				
Capital Assets not Being Depreciated:				
Land	\$ 869,787	\$ -	\$ -	\$ 869,787
Construction in Progress	1,027,318	2,200,650	(3,227,968)	-
Total Capital Assets not Being Depreciated	1,897,105	2,200,650	(3,227,968)	869,787
Capital Assets Being Depreciated:				
Buildings and Structures	673,154	23,477	-	696,631
Machinery and Equipment	4,283,914	157,177	-	4,441,091
Infrastructure	19,708,966	3,193,978	-	22,902,944
Total Capital Assets Being Depreciated	24,666,034	3,374,632	-	28,040,666
Less: Accumulated Depreciation for:				
Buildings and Structures	(419,742)	(19,214)	-	(438,956)
Machinery and Equipment	(2,926,535)	(207,842)	-	(3,134,377)
Infrastructure	(7,168,154)	(542,991)	-	(7,711,145)
Total Accumulated Depreciation	(10,514,431)	(770,047)	-	(11,284,478)
Total Capital Assets Being Depreciated, Net	14,151,603	2,604,585	-	16,756,188
Governmental Activities Capital Assets, Net	<u>\$ 16,048,708</u>	<u>\$ 4,805,235</u>	<u>\$ (3,227,968)</u>	<u>\$ 17,625,975</u>
Business-Type Activities				
Capital Assets not Being Depreciated:				
Land	\$ 6,284	\$ -	\$ -	\$ 6,284
Construction in Progress	2,081,488	411,998	(2,493,486)	-
Total Capital Assets not Being Depreciated	2,087,772	411,998	(2,493,486)	6,284
Capital Assets Being Depreciated:				
Buildings and Structures	845,950	-	-	845,950
Machinery and Equipment	201,036	6,378	-	207,414
Infrastructure	23,524,880	2,685,893	-	26,210,773
Total Capital Assets Being Depreciated	24,571,866	2,692,271	-	27,264,137
Less: Accumulated Depreciation for:				
Buildings and Structures	(566,421)	(15,350)	-	(581,771)
Machinery and Equipment	(144,991)	(9,789)	-	(154,780)
Infrastructure	(8,367,818)	(514,750)	-	(8,882,568)
Total Accumulated Depreciation	(9,079,230)	(539,889)	-	(9,619,119)
Total Capital Assets Being Depreciated, Net	15,492,636	2,152,382	-	17,645,018
Business-Type Activities Capital Assets, Net	<u>\$ 17,580,408</u>	<u>\$ 2,564,380</u>	<u>\$ (2,493,486)</u>	<u>\$ 17,651,302</u>

**CITY OF WYOMING, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 4 CAPITAL ASSETS (CONTINUED)

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

Governmental Activities:	
General Government	\$ 18,020
Public Safety	134,247
Public Works	585,642
Culture and Depreciation	32,138
Total Depreciation Expense – Governmental Activities	<u>\$ 770,047</u>
Business-Type Activities:	
Water	\$ 183,837
Sewer	318,012
Surface Water	38,040
Total Depreciation Expense – Business-Type Activities	<u>\$ 539,889</u>

NOTE 5 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 \$338,108. 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% Water and 50% Sewer and totals \$198,188.

The composition of interfund transfers as of December 31, 2017 is as follows:

	Transfers In			Total
	General Fund	Debt Service	Street Replacement	
Transfers Out:				
General Fund	\$ -	\$ -	\$ 180,053	\$ 180,053
Street Replacement	-	103,881	-	103,881
Nonmajor Governmental	5,680	-	-	5,680
Total	<u>\$ 5,680</u>	<u>\$ 103,881</u>	<u>\$ 180,053</u>	<u>\$ 289,614</u>

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. In addition, the City made a non-budgeted transfers from the Street Replacement fund to the Debt Service fund to assist in required debt service expenditures.

**CITY OF WYOMING, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 6 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% of the amount required for debt service. The excess of 5% 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 2007A	\$ 246,000	0.0395	10/22/07	02/01/18	\$ 29,000
G.O. Improvement Bonds, Series 2009A	3,955,000	2.00 – 5.50%	09/15/09	02/01/25	2,435,000
G.O. Improvement Bonds, Series 2015A	3,955,000	2.00 – 5.50%	09/15/09	02/01/26	2,955,000
G.O. Improvement Bonds, Series 2016A	1,125,000	.85 – 1.75%	10/20/16	02/01/27	1,125,000
Total G.O. Improvement Bonds					<u>\$ 6,544,000</u>

Requirement to maturity for general obligation improvement bonds follows:

Year Ending December 31,	General Obligation Improvement Bonds Governmental Activities			
	Principal	Interest	Subsidy	Total
2018	\$ 684,000	\$ 219,094	\$ (39,071)	\$ 864,023
2019	675,000	195,957	(34,900)	836,057
2020	710,000	171,888	(30,379)	851,509
2021	730,000	146,382	(25,524)	850,858
2022	750,000	119,575	(20,362)	849,213
2023 – 2027	2,995,000	194,785	(27,287)	3,162,498
Total	<u>\$ 6,544,000</u>	<u>\$ 1,047,681</u>	<u>\$ (177,523)</u>	<u>\$ 7,414,158</u>

**CITY OF WYOMING, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 6 LONG-TERM DEBT (CONTINUED)

Notes Payable

The following note was issued by the EDA 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	\$ 290,235

Requirement to maturity for notes payable follows:

Year Ending December 31,	Notes Payable Governmental Activities		
	Principal	Interest	Total
2018	\$ 18,575	\$ 12,854	\$ 31,429
2019	19,420	12,009	31,429
2020	20,304	11,125	31,429
2021	21,228	10,200	31,428
2022	22,194	9,235	31,429
2023 – 2027	127,070	30,074	157,144
2028 – 2032	61,444	3,614	65,058
Total	<u>\$ 290,235</u>	<u>\$ 89,111</u>	<u>\$ 379,346</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	\$ 1,395,000
G.O. Utility Revenue Bonds, Series 2015B	2,670,000	0.75 – 3.10%	11/12/15	02/01/36	2,570,000
Total G.O. Revenue Bonds					<u>\$ 3,965,000</u>

The annual debt service requirements to maturities for general obligation revenue bonds are as follows:

Year Ending December 31,	General Obligation Revenue Bonds Business-Type Activities		
	Principal	Interest	Total
2018	\$ 250,000	\$ 100,501	\$ 350,501
2019	255,000	95,140	350,140
2020	260,000	89,255	349,255
2021	265,000	83,105	348,105
2022	275,000	76,650	351,650
2023 – 2027	1,300,000	275,443	1,575,443
2028 – 2032	710,000	151,738	861,738
2033 – 2037	650,000	40,757	690,757
Total	<u>\$ 3,965,000</u>	<u>\$ 912,589</u>	<u>\$ 4,877,589</u>

**CITY OF WYOMING, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 6 LONG-TERM DEBT (CONTINUED)

During the year ended December 31, 2017, the following changes occurred in long-term liabilities:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities					
Bonds Payable:					
G.O. Improvement Bonds	\$ 7,132,000	\$ -	\$ (588,000)	\$ 6,544,000	\$ 684,000
Unamortized Premium on Bonds	157,216	-	(18,281)	138,935	-
Total Bonds Payable	<u>7,289,216</u>	<u>-</u>	<u>(606,281)</u>	<u>6,682,935</u>	<u>684,000</u>
Notes Payable	308,001	-	(17,766)	290,235	18,575
Capital Leases Payable	28,364	-	(28,364)	-	-
Compensated Absences Payable	316,034	230,747	(172,619)	374,162	112,248
Governmental Activity Long-Term Liabilities	<u>\$ 7,941,615</u>	<u>\$ 230,747</u>	<u>\$ (825,030)</u>	<u>\$ 7,347,332</u>	<u>\$ 814,823</u>
Business-Type Activities					
G.O. Revenue Bonds	\$ 4,195,000	\$ -	\$ (230,000)	\$ 3,965,000	\$ 250,000
Unamortized Premium on Bonds	86,594	-	(9,308)	77,286	-
Compensated Absences Payable	40,500	32,488	(26,442)	46,546	13,964
Business-Type Activity Long-Term Liabilities	<u>\$ 4,322,094</u>	<u>\$ 32,488</u>	<u>\$ (265,750)</u>	<u>\$ 4,088,832</u>	<u>\$ 263,964</u>

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.

**CITY OF WYOMING, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 7 FUND BALANCES

At December 31, 2017, 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:					
Prepays	\$ 48,961	\$ -	\$ -	\$ -	\$ 48,961
Advances to Other Funds	338,108	-	-	-	338,108
Total Nonspendable	<u>\$ 387,069</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 387,069</u>
Restricted for:					
Debt Service	\$ -	\$ 1,328,637	\$ -	\$ -	\$ 1,328,637
Public Safety Expenses	-	-	-	30,905	30,905
Revolving Loan	-	-	-	21,399	21,399
Tax Increment Financing	-	-	-	366,421	366,421
Park Dedication	-	-	-	236,576	236,576
Capital Projects	-	-	230,119	-	230,119
State Aid Streets	-	-	-	103,025	103,025
Total Restricted	<u>\$ -</u>	<u>\$ 1,328,637</u>	<u>\$ 230,119</u>	<u>\$ 758,326</u>	<u>\$ 2,317,082</u>
Committed for:					
Public Safety Expenditures	\$ -	\$ -	\$ -	\$ 28,593	\$ 28,593
Economic Development	-	-	-	122,879	122,879
Total Committed	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 151,472</u>	<u>\$ 151,472</u>
Assigned for:					
General Fund, Capital Improvements	\$ 481,411	\$ -	\$ -	\$ -	\$ 481,411
Special Projects	-	-	-	188,204	188,204
Street Replacement	-	-	915,152	-	915,152
Total Assigned	<u>\$ 481,411</u>	<u>\$ -</u>	<u>\$ 915,152</u>	<u>\$ 188,204</u>	<u>\$ 1,584,767</u>

NOTE 8 DEFINED BENEFIT PENSION PLANS – STATEWIDE

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.

A. Plan Description

The City of Minnetrista 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' defined-benefit pension plans are tax-qualified plans under Section 401 (a) of the Internal Revenue Code.

**CITY OF WYOMING, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 8 DEFINED BENEFIT PENSION PLANS – STATEWIDE (CONTINUED)

A. Plan Description (Continued)

1. 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.

2. 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 state 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% increases. Members in plans that have not exceeded 90% funded, or have fallen below 80%, are given 1% 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.

1. 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% of average salary for each of the first ten years of service and 2.7% for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2% of average salary for each of the first ten years and 1.7% for each remaining year. Under Method 2, the annuity accrual rate is 2.7% of average salary for Basic Plan members and 1.7% 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 FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 8 DEFINED BENEFIT PENSION PLANS – STATEWIDE (CONTINUED)

B. Benefits Provided (Continued)

2. 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% after five years up to 100% after 10 years of credited service. Benefits for PEPFF members first hired after June 30, 2014, vest on a prorated basis from 50% after 10 years up to 100% after 20 years of credited service. The annuity accrual rate is 3% of average salary for each year of service. For PEPFF 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.

1. GERF Contributions

Basic Plan members and Coordinated Plan members were required to contribute 9.10% and 6.50%, respectively, of their annual covered salary in calendar year 2017. The City was required to contribute 11.78% of pay for Basic Plan members and 7.50% for Coordinated Plan members in calendar year 2017. The City's contributions to the GERF for the year ending December 31, 2017 were \$60,118. The City's contributions were equal to the contractually required contributions for each year as set by Minnesota statute.

2. PEPFF Contributions

Plan members were required to contribute 10.8% of their annual covered salary in calendar year 2017. The City was required to contribute 16.20% of pay for PEPFF members in calendar year 2017. The City's contributions to the PEPFF for the year ending December 31, 2017 were \$126,239. The City's contributions were equal to the contractually required contributions for each year as set by Minnesota statute.

D. Pension Costs

1. GERF Pension Costs

At December 31, 2017, the City reported a liability of \$849,063 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 during PERA's fiscal year ending June 30, 2017. The state of Minnesota's proportionate share of the net pension liability associated with the City totaled \$10,663. The net pension liability was measured as of June 30, 2017, 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, 2016 through June 30, 2017 relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2017, the City's proportionate share was 0.0133%, which was an increase of 0.0004% from its proportion measured as of June 30, 2016.

**CITY OF WYOMING, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 8 DEFINED BENEFIT PENSION PLANS – STATEWIDE (CONTINUED)

D. Pension Costs (Continued)

1. GERF Pension Costs (Continued)

For the year ended December 31, 2017, the City recognized pension expense of \$88,283 for its proportionate share of GERF’s pension expense. In addition, the City recognized an additional \$308 as pension expense (and grant revenue) for its proportionate share of the state of Minnesota’s contribution of \$6 million to the GERF.

At December 31, 2017, 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, the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 27,983	\$ 54,622
Changes in Actuarial Assumptions	140,963	85,119
Net Difference Between Projected and Actual Earnings on Plan Investments	-	36,719
Changes in Proportion	23,703	66,412
Contributions to GERF Subsequent to the Measurement Date	29,584	-
Total	\$ 222,233	\$ 242,872

Deferred outflows of resources totaling \$29,584 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, 2018. Other amounts reported as deferred outflows and inflows of resources related to GERF pensions will be recognized in pension expense as follows:

Year Ending December 31,	Amount
2018	\$ (26,289)
2019	22,087
2020	(9,981)
2021	(36,040)

**CITY OF WYOMING, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 8 DEFINED BENEFIT PENSION PLANS – STATEWIDE (CONTINUED)

D. Pension Costs (Continued)

2. PEPFF Pension Costs

At December 31, 2017, the City reported a liability of \$1,053,093 for its proportionate share of the PEPFF's net pension liability. The net pension liability was measured as of June 30, 2017, 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, 2016 through June 30, 2017 relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2017, the City's proportionate share was 0.078% which was an increase of 0.003% from its proportion measured as of June 30, 2016.

For the year ended December 31, 2017, the City recognized pension expense of \$205,772 for its proportionate share of PEPFF's pension expense. The City also recognized \$7,020 for the year ended December 31, 2017 as revenue and offsetting 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.

At December 31, 2017, 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	\$ 24,711	\$ 281,533
Changes in Actuarial Assumptions	1,462,408	1,495,132
Net Difference Between Projected and Actual		
Earnings on Plan Investments	-	89,458
Changes in Proportion	50,609	17,401
Contributions to PEPFF Subsequent to the Measurement Date	63,864	-
Total	<u>\$ 1,601,592</u>	<u>\$ 1,883,524</u>

**CITY OF WYOMING, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 8 DEFINED BENEFIT PENSION PLANS – STATEWIDE (CONTINUED)

D. Pension Costs (Continued)

2. PEPFF Pension Costs (Continued)

Deferred outflows of resources totaling \$63,864 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, 2018. Other amounts reported as deferred outflows and inflows of resources related to GERF pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2018	\$ (36,573)
2019	67,349
2020	(13,604)
2021	(77,568)
2022	(285,399)

E. Actuarial Assumptions

The total pension liability in the June 30, 2017 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 disabilitants were based on RP-2014 tables for males or females, as appropriate, with slight adjustments to fit PERA's experience. Cost of living benefit increases for retirees are assumed to be one percent per year for GERF through 2044 and PEPFF through 2064 and then 2.5% thereafter for both plans.

Actuarial assumptions used in the June 30, 2017 valuation were based on the results of actuarial experience studies. The most recent four-year experience study in the General Employees Plan was completed in 2016. The most recent five-year experience study for the Police and Fire plan was completed in 2016.

**CITY OF WYOMING, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 8 DEFINED BENEFIT PENSION PLANS – STATEWIDE (CONTINUED)

E. Actuarial Assumptions (Continued)

The following changes in actuarial assumptions occurred in 2017:

GERF

- The Combined Service Annuity (CSA) loads were changed from 0.8% for active members and 60% for vested and nonvested deferred members. The revised CSA loads are now 0.0% for active member liability, 15.0% for vested deferred member liability, and 3.0% for nonvested deferred member liability.
- The assumed postretirement benefit increase rate was changed from 1.0% per year for all years to 1.0% per year through 2044 and 2.5% per year thereafter.

PEPFF

- Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34% lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The Combined Service Annuity (CSA) load was 30% for vested and nonvested deferred members. The CSA has been changed to 33% for vested members and 2% for nonvested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.
- Assumed termination rates were decreased to 3.0% for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- Assumed percentage of married female members was decreased from 65% to 60%.
- Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing Joint and Survivor annuities was increased.
- The assumed postretirement benefit increase rate was changed from 1.00% for all years to 1.00% per year through 2064 and 2.50% thereafter.

**CITY OF WYOMING, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 8 DEFINED BENEFIT PENSION PLANS – STATEWIDE (CONTINUED)

E. Actuarial Assumptions (Continued)

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 Stock	39%	5.10%
International Stock	19	5.30
Bonds	20	0.75
Alternative Assets	20	5.90
Cash	2	-
Total	<u>100%</u>	

F. Discount Rate

The discount rate used to measure the total pension liability in 2017 was 7.50%. 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.

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:

	<u>City Proportionate Share of NPL</u>		
	<u>1% Decrease (6.50%)</u>	<u>Current (7.50%)</u>	<u>1% Increase (8.50%)</u>
GERF	\$ 1,316,960	\$ 849,063	\$ 466,005
PEPFF	\$ 1,983,281	\$ 1,053,093	\$ 285,171

**CITY OF WYOMING, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 8 DEFINED BENEFIT PENSION PLANS – STATEWIDE (CONTINUED)

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; by writing to PERA at 60 Empire Drive #200, St. Paul, Minnesota, 55103-2088; or by calling (651) 296-7460 or 1-800-652-9026.

NOTE 9 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, 2016, 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% 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 nonforfeitable percentage of pension.

**CITY OF WYOMING, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 9 DEFINED BENEFIT PENSION PLANS – FIRE RELIEF ASSOCIATION (CONTINUED)

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 \$44,376 in fire state aid to the plan on behalf of the City Fire Department for the year ended December 31, 2016, 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, 2017, the City reported a net pension liability (asset) of (\$167,320) for the plan. The net pension liability (asset) was measured as of December 31, 2016. 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, 2016.

For the year ended December 31, 2017, the City recognized pension expense of \$11,660.

At December 31, 2017, 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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Earnings on Plan Investments	\$ -	\$ -
Contributions to Plan Subsequent to the Measurement Date	12,618	-
	5,600	-
Total	\$ 18,218	\$ -

Deferred outflows of resources totaling \$5,600 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, 2018. Other amounts reported as deferred outflows of resources related to the plan will be recognized in pension expense as follows:

Year Ending December 31,	Amount
2018	\$ 4,183
2019	4,183
2020	4,183
2021	69
Thereafter	-

**CITY OF WYOMING, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 9 DEFINED BENEFIT PENSION PLANS – FIRE RELIEF ASSOCIATION (CONTINUED)

E. Actuarial Assumptions

The total pension liability at December 31, 2016 was determined using the entry age normal actuarial cost method and the following actuarial assumptions:

Retirement Eligibility at 50% of Age 50, 20% at Ages 51-54, and 100% at Age 55:	
Salary Increases	2.75% Per Year
Cost of Living Increases	2.75% Per Year
Investment Rate of Return	6.00%
20 Year Municipal Bond Yield	3.81%

There were no changes in actuarial assumptions in 2016.

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 pension plan investment expenses and 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.

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	34.59%	5.39%
International Equity	-	5.20
Fixed Income	45.77	1.98
Real Estate	-	4.25
Cash	19.64	0.79
Total	<u>100.00%</u>	

F. Discount Rate

The discount rate used to measure the total pension liability was 6.0%. 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.

**CITY OF WYOMING, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 9 DEFINED BENEFIT PENSION PLANS – FIRE RELIEF ASSOCIATION (CONTINUED)

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% lower or 1% higher than the current discount rate:

	1% Decrease (5.00%)	Current (6.00%)	1% Increase (7.00%)
Defined Benefit Plan	\$ (149,726)	\$ (167,320)	\$ (183,733)

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, Minnesota 55092.

NOTE 10 OTHER INFORMATION

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.

**CITY OF WYOMING, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 10 OTHER INFORMATION (CONTINUED)

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 \$332,025 and \$328,344 for the years ended 2017 and 2016, respectively. Totals from the most recently issued condensed combined financial statements of the CLJSTC are as follows:

Statement of Net Position
December 31, 2017

Assets	
Current and Other Assets	\$ 3,583,140
Capital Assets	13,066,247
Total Assets	16,649,387
Deferred Outflows of Resources	
Deferred Pension Resources	72,687
Liabilities	
Current Liabilities	990,600
Noncurrent Liabilities	6,773,744
Total Liabilities	7,764,344
Deferred Outflows of Resources	
Deferred Pension Resources	85,451
Net Position	
Net Investment in Capital Assets	5,734,968
Restricted	3,146,709
Unrestricted	(9,398)
Total Net Position	\$ 8,872,279

**CITY OF WYOMING, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 10 OTHER INFORMATION (CONTINUED)

Joint Venture (Continued)

Statement of Activities
Year Ended December 31, 2017

Revenues:	
Operating	\$ 2,049,426
Nonoperating	16,352
Total Revenues	<u>2,065,778</u>
Expenses:	
Operating	1,905,365
Nonoperating	157,688
Total Expenses	<u>2,063,053</u>
Change in Net Position	2,725
Net Position – Beginning of Year	<u>8,869,554</u>
Net Position – End of Year	<u><u>\$ 8,872,279</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF WYOMING, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2017**

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
06/30/17	0.0133%	\$ 849,063	\$ 10,663	\$ 859,726	\$ 855,722	100.5%	75.9%
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)	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 Pension Liability
06/30/17	\$ 60,118	\$ 60,118	\$ -	\$ 801,579	7.5%
06/30/16	61,537	61,537	-	820,495	7.5
06/30/15	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, 2017**

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
06/30/17	0.0000%	\$ 1,053,093	\$ -	\$ 1,053,093	\$ 802,482	131.2%	85.4%
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 Pension Liability	
06/30/17	\$ 126,239	\$ 126,239	\$ -	\$ 779,252	16.2%	
06/30/16	125,767	125,767	-	776,340	16.2	
06/30/15	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, 2017**

Schedule of Changes in the Fire Relief Association's Net Pension Liability (Asset) and Related Ratios

	2017 (Fire Relief Report Date 2016)	2016 (Fire Relief Report Date 2015)
	<u>2016</u>	<u>2015</u>
Total Pension Liability:		
Service Cost	\$ 25,442	\$ 23,360
Interest	17,650	15,876
Benefit Payments, Including Refunds of Employee Contributions	<u>(15,490)</u>	<u>(8,033)</u>
Net Change in Total Pension Liability	27,602	31,203
Total Pension Liability – January 1	<u>276,468</u>	<u>245,265</u>
 Total Pension Liability – December 31 (a)	 304,070	 276,468
 Plan Fiduciary Net Position:		
Contributions – State	44,376	43,147
Contributions - City	5,600	-
Net Investment Income	24,572	2,273
Benefit Payments, Including Refunds of Employee Contributions	(15,490)	(8,033)
Administrative Expense	<u>(1,500)</u>	<u>(4,648)</u>
Net Change in Plan Fiduciary Net Position	57,558	32,739
 Plan Fiduciary Net Position – January 1	 <u>413,832</u>	 <u>381,093</u>
 Plan Fiduciary Net Position – December 31 (b)	 <u>471,390</u>	 <u>413,832</u>
 Fire Relief's Net Pension Liability (Asset) – December 31	 <u><u>\$ (167,320)</u></u>	 <u><u>\$ (137,364)</u></u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (b/a)	 155.03%	 149.69%
 Covered Payroll	 N/A	 N/A
 Fire Relief's Net Pension Liability (Asset) as a Percentage of Covered Payroll	 N/A	 N/A

Note: The schedule is intended to show a 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, 2017**

Schedule of Employer's Fire Relief Association Contributions

<u>Year Ending December 31,</u>	<u>Required Supplementary Information</u>		
	Actuarial Determined Contributions	Actual Contributions Paid	Contribution Deficiency (Excess)
	(a)	(b)	(a-b)
2017	\$ 44,376	\$ 44,376	\$ -
2016	43,376	43,376	-
2015	43,147	43,147	-

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

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

**CITY OF WYOMING, MINNESOTA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2017**

	Special Revenue	Capital Projects	Total
ASSETS			
Cash and Temporary Investments	\$ 204,403	\$ 933,579	\$ 1,137,982
Receivables:			
Taxes	15,975	1,639	17,614
Accounts	3,627	2,246	5,873
Total Assets	\$ 224,005	\$ 937,464	\$ 1,161,469
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 4,866	\$ 41,599	\$ 46,465
Due to Other Governments	98	-	98
Total Liabilities	4,964	41,599	46,563
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue – Taxes	15,265	1,639	16,904
FUND BALANCES			
Restricted	52,304	706,022	758,326
Committed	151,472	-	151,472
Assigned	-	188,204	188,204
Total Fund Balances	203,776	894,226	1,098,002
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 224,005	\$ 937,464	\$ 1,161,469

**CITY OF WYOMING, MINNESOTA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2017**

	Special Revenue	Capital Projects	Total
REVENUES			
Taxes:			
General Property	\$ 41,879	\$ -	\$ 41,879
Tax Increments	-	34,874	34,874
Intergovernmental	-	23,550	23,550
Charges for Services	30,099	-	30,099
Fines and Forfeitures	24,785	-	24,785
Interest on Investments	511	1,981	2,492
Miscellaneous	11,691	60,571	72,262
Total Revenues	108,965	120,976	229,941
EXPENDITURES			
Current:			
Public Safety	26,270	-	26,270
Economic Development	7,416	-	7,416
Capital Outlay:			
Public Safety	6,005	-	6,005
Public Works	-	19,287	19,287
Culture and Recreation	-	50,486	50,486
Debt Service:			
Principal	17,766	-	17,766
Interest	13,662	-	13,662
Total Expenditures	71,119	69,773	140,892
EXCESS OF REVENUES OVER OVER EXPENDITURES	37,846	51,203	89,049
OTHER FINANCING SOURCES (USES)			
Transfers Out	(5,680)	-	(5,680)
NET CHANGE IN FUND BALANCE	32,166	51,203	83,369
Fund Balances – Beginning of Year	171,610	843,023	1,014,633
FUND BALANCES – END OF YEAR	\$ 203,776	\$ 894,226	\$ 1,098,002

**CITY OF WYOMING, MINNESOTA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2017**

	201	202	205	206	280	285	Total
	Police Forfeiture	Police Impound	Police Department Donations	Public Safety Donations	Economic Development Authority	Revolving Loan	
ASSETS							
Cash and Temporary Investments	\$ 30,999	\$ 20,737	\$ 5,152	\$ 3,247	\$ 122,869	\$ 21,399	\$ 204,403
Receivables:							
Taxes	-	-	-	-	15,975	-	15,975
Accounts	4	3,623	-	-	-	-	3,627
	<u>4</u>	<u>3,623</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,627</u>
Total Assets	<u>\$ 31,003</u>	<u>\$ 24,360</u>	<u>\$ 5,152</u>	<u>\$ 3,247</u>	<u>\$ 138,844</u>	<u>\$ 21,399</u>	<u>\$ 224,005</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts Payable	\$ -	\$ 1,326	\$ -	\$ 2,840	\$ 700	\$ -	\$ 4,866
Due to Other Governments	98	-	-	-	-	-	98
Total Liabilities	<u>98</u>	<u>1,326</u>	<u>-</u>	<u>2,840</u>	<u>700</u>	<u>-</u>	<u>4,964</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue – Taxes	-	-	-	-	15,265	-	15,265
FUND BALANCES							
Restricted	30,905	-	-	-	-	21,399	52,304
Committed	-	23,034	5,152	407	122,879	-	151,472
Total Fund Balances	<u>30,905</u>	<u>23,034</u>	<u>5,152</u>	<u>407</u>	<u>122,879</u>	<u>21,399</u>	<u>203,776</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 31,003</u>	<u>\$ 24,360</u>	<u>\$ 5,152</u>	<u>\$ 3,247</u>	<u>\$ 138,844</u>	<u>\$ 21,399</u>	<u>\$ 224,005</u>

**CITY OF WYOMING, MINNESOTA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2017**

	201	202	205	206	280	285 & 700	Total
	Police Forfeiture	Police Impound	Police Department Donations	Public Safety Donations	Economic Development Authority	Revolving Loan	Total
REVENUES							
Taxes:							
General Property	\$ -	\$ -	\$ -	\$ -	\$ 41,879	\$ -	\$ 41,879
Charges for Services	-	21,579	-	8,520	-	-	30,099
Fines and Forfeitures	15,935	8,850	-	-	-	-	24,785
Interest on Investments	74	44	13	10	316	54	511
Miscellaneous:							
Contributions and Donations	-	-	4,941	-	-	-	4,941
Other	-	-	-	-	6,750	-	6,750
Total Revenues	<u>16,009</u>	<u>30,473</u>	<u>4,954</u>	<u>8,530</u>	<u>48,945</u>	<u>54</u>	<u>108,965</u>
EXPENDITURES							
Current:							
Public Safety	3,239	18,650	1,541	2,840	-	-	26,270
Economic Development	-	-	-	-	7,416	-	7,416
Capital Outlay:							
Public Safety	3,800	-	2,205	-	-	-	6,005
Debt Service:							
Principal	-	-	-	-	17,766	-	17,766
Interest and Other	-	-	-	-	13,662	-	13,662
Total Expenditures	<u>7,039</u>	<u>18,650</u>	<u>3,746</u>	<u>2,840</u>	<u>38,844</u>	<u>-</u>	<u>71,119</u>
EXCESS OF REVENUES OVER OVER EXPENDITURES	8,970	11,823	1,208	5,690	10,101	54	37,846
OTHER FINANCING SOURCES (USES)							
Transfers Out	-	-	-	(5,680)	-	-	(5,680)
NET CHANGE IN FUND BALANCE	8,970	11,823	1,208	10	10,101	54	32,166
Fund Balances – Beginning of Year	<u>21,935</u>	<u>11,211</u>	<u>3,944</u>	<u>397</u>	<u>112,778</u>	<u>21,345</u>	<u>171,610</u>
FUND BALANCES – END OF YEAR	<u>\$ 30,905</u>	<u>\$ 23,034</u>	<u>\$ 5,152</u>	<u>\$ 407</u>	<u>\$ 122,879</u>	<u>\$ 21,399</u>	<u>\$ 203,776</u>

**CITY OF WYOMING, MINNESOTA
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2017**

	385 TIF 3-3	401 Special Projects	404 Park Acquisition	407 MSA	Total
ASSETS					
Cash and Temporary Investments	\$ 366,421	\$ 188,204	\$ 275,929	\$ 103,025	\$ 933,579
Receivables:					
Taxes	1,639	-	-	-	1,639
Accounts Receivable	-	-	2,246	-	2,246
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 368,060</u>	<u>\$ 188,204</u>	<u>\$ 278,175</u>	<u>\$ 103,025</u>	<u>\$ 937,464</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ 41,599	\$ -	\$ 41,599
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue – Taxes	1,639	-	-	-	1,639
FUND BALANCES					
Restricted	366,421	-	236,576	103,025	706,022
Assigned	-	188,204	-	-	188,204
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>366,421</u>	<u>188,204</u>	<u>236,576</u>	<u>103,025</u>	<u>894,226</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 368,060</u>	<u>\$ 188,204</u>	<u>\$ 278,175</u>	<u>\$ 103,025</u>	<u>\$ 937,464</u>

**CITY OF WYOMING, MINNESOTA
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2017**

	385 <u>TIF 3-3</u>	401 Special Projects	404 Park Acquisition	407 MSA	<u>Total</u>
REVENUES					
Taxes:					
Tax Increments	\$ 14,874	\$ -	\$ 20,000	\$ -	\$ 34,874
Intergovernmental	-	-	-	23,550	23,550
Interest on Investments	903	482	590	6	1,981
Miscellaneous:					
Contributions and Donations	-	-	44,388	-	44,388
Other	-	-	16,183	-	16,183
Total Revenues	<u>15,777</u>	<u>482</u>	<u>81,161</u>	<u>23,556</u>	<u>120,976</u>
EXPENDITURES					
Capital Outlay:					
Public Works	-	-	-	19,287	19,287
Culture and Recreation	-	-	50,486	-	50,486
Total Expenditures	<u>-</u>	<u>-</u>	<u>50,486</u>	<u>19,287</u>	<u>69,773</u>
NET CHANGE IN FUND BALANCE	15,777	482	30,675	4,269	51,203
Fund Balances – Beginning of Year	<u>350,644</u>	<u>187,722</u>	<u>205,901</u>	<u>98,756</u>	<u>843,023</u>
FUND BALANCES – END OF YEAR	<u>\$ 366,421</u>	<u>\$ 188,204</u>	<u>\$ 236,576</u>	<u>\$ 103,025</u>	<u>\$ 894,226</u>

**CITY OF WYOMING, MINNESOTA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2017
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2016)**

	2017				2016
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
REVENUES					
Taxes:					
General Property Taxes	\$ 3,628,542	\$ 3,628,542	\$ 3,623,366	\$ 5,176	\$ 3,605,134
Cable Franchise Fee	40,000	40,000	57,864	(17,864)	60,872
Total	<u>3,668,542</u>	<u>3,668,542</u>	<u>3,681,230</u>	<u>(12,688)</u>	<u>3,666,006</u>
Licenses and Permits:					
Business	11,800	11,800	11,820	(20)	12,780
Nonbusiness	183,500	183,500	193,401	(9,901)	159,220
Total	<u>195,300</u>	<u>195,300</u>	<u>205,221</u>	<u>(9,921)</u>	<u>172,000</u>
Intergovernmental:					
Federal	3,800	3,800	8,253	(4,453)	6,003
State:					
Local Government Aid	209,743	209,743	205,722	4,021	202,042
Property Tax Credits	-	-	4,055	(4,055)	4,212
Fire Aid	28,279	28,279	44,366	(16,087)	44,106
Police Aid	55,300	55,300	87,152	(31,852)	81,639
Other State Aid	2,569	2,569	8,583	(6,014)	8,769
Total	<u>299,691</u>	<u>299,691</u>	<u>358,131</u>	<u>(58,440)</u>	<u>346,771</u>
Charges for Services:					
General Government	3,250	3,250	1,131	2,119	2,854
Public Safety	5,250	5,250	-	5,250	-
Total	<u>8,500</u>	<u>8,500</u>	<u>1,131</u>	<u>7,369</u>	<u>2,854</u>
Fines and Forfeitures	20,000	20,000	30,180	(10,180)	27,984
Interest on Investments	15,000	15,000	71,495	(56,495)	34,731
Miscellaneous:					
Antenna Rental	40,000	40,000	43,345	(3,345)	38,576
Refunds and Reimbursements	-	-	11,604	(11,604)	47,840
Other Revenues	347,449	347,449	4,924	342,525	45,955
Total	<u>387,449</u>	<u>387,449</u>	<u>59,873</u>	<u>327,576</u>	<u>132,371</u>
Total Revenues	<u>4,594,482</u>	<u>4,594,482</u>	<u>4,407,261</u>	<u>187,221</u>	<u>4,382,717</u>

**CITY OF WYOMING, MINNESOTA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2017
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2016)**

	2017				2016
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
EXPENDITURES					
Current:					
General Government:					
Mayor and Council:					
Personal Services	\$ 25,516	\$ 25,516	\$ 21,548	\$ 3,968	\$ 23,257
Supplies	1,500	1,500	1,805	(305)	-
Other Services and Charges	30	30	30	-	30
Total	<u>27,046</u>	<u>27,046</u>	<u>23,383</u>	<u>3,663</u>	<u>23,287</u>
Boards and Commission:					
Personal Services	13,260	13,260	5,698	7,562	4,933
Supplies	250	250	118	132	30
Total	<u>13,510</u>	<u>13,510</u>	<u>5,816</u>	<u>7,694</u>	<u>4,963</u>
City Administration:					
Personal Services	218,233	218,233	180,328	37,905	303,473
Supplies	37,870	37,870	48,372	(10,502)	53,163
Other Services and Charges	372,973	372,973	117,768	255,205	191,773
Total	<u>629,076</u>	<u>629,076</u>	<u>346,468</u>	<u>282,608</u>	<u>548,409</u>
Auditing and Accounting:					
Personal Services	49,967	49,967	10,521	39,446	-
Supplies	-	-	35	(35)	-
Other Services and Charges	33,500	33,500	174,527	(141,027)	60,483
Total	<u>83,467</u>	<u>83,467</u>	<u>185,083</u>	<u>(101,616)</u>	<u>60,483</u>
General:					
Supplies	-	-	15,372	(15,372)	-
Other Services and Charges	-	-	1,638	(1,638)	-
Total	<u>-</u>	<u>-</u>	<u>17,010</u>	<u>(17,010)</u>	<u>-</u>
Elections:					
Personal Services	2,000	2,000	973	1,027	4,368
Supplies	1,000	1,000	129	871	1,793
Other Services and Charges	-	-	-	-	204
Total	<u>3,000</u>	<u>3,000</u>	<u>1,102</u>	<u>1,898</u>	<u>6,365</u>
Total General Government	756,099	756,099	578,862	177,237	643,507

**CITY OF WYOMING, MINNESOTA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2017
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2016)**

	2017				2016
	Budgeted Amounts		Actual	Variance with	Actual
	Original	Final	Amounts	Final Budget	Amounts
EXPENDITURES (CONTINUED)					
Current (Continued):					
Public Safety:					
Police and Fire:					
Personal Services	\$ 1,375,576	\$ 1,375,576	\$ 1,368,316	\$ 7,260	\$ 1,346,498
Supplies	119,945	119,945	102,415	17,530	103,376
Other Services and Charges	129,990	129,990	144,193	(14,203)	131,935
Total	<u>1,625,511</u>	<u>1,625,511</u>	<u>1,614,924</u>	<u>10,587</u>	<u>1,581,809</u>
Building Inspection:					
Personal Services	107,852	107,852	113,034	-	89,717
Supplies	4,800	4,800	2,557	2,243	1,708
Other Services and Charges	6,740	6,740	5,479	1,261	4,149
Total	<u>119,392</u>	<u>119,392</u>	<u>121,070</u>	<u>3,504</u>	<u>95,574</u>
Total Public Safety	1,744,903	1,744,903	1,735,994	14,091	1,677,383
Public Works:					
Street:					
Personal Services	464,126	464,126	473,995	(9,869)	450,411
Supplies	55,200	55,200	24,482	30,718	37,725
Other Services and Charges	227,450	227,450	159,866	67,584	193,401
Total	<u>746,776</u>	<u>746,776</u>	<u>658,343</u>	<u>88,433</u>	<u>681,537</u>
Street Lighting:					
Other Services and Charges	73,000	73,000	66,401	-	72,894
Engineering:					
Personal Services	37,415	37,415	39,015	(1,600)	36,177
Other Services and Charges	14,350	14,350	17,984	(3,634)	9,125
Total	<u>51,765</u>	<u>51,765</u>	<u>56,999</u>	<u>(5,234)</u>	<u>45,302</u>
Total Public Works	871,541	871,541	781,743	83,199	799,733
Culture and Recreation:					
Library:					
Personal Services	-	-	691	(691)	-
Supplies	-	-	53	(53)	-
Other Services and Charges	48,850	48,850	31,745	17,105	35,903
Total Culture and Recreation	<u>48,850</u>	<u>48,850</u>	<u>32,489</u>	<u>16,361</u>	<u>35,903</u>
Total Current Expenditures	3,421,393	3,421,393	3,129,088	290,888	3,156,526

**CITY OF WYOMING, MINNESOTA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2017
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2016)**

	2017				2016
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
EXPENDITURES (CONTINUED)					
Capital Outlay:					
General Government	\$ -	\$ -	\$ 44,767	\$ (44,767)	\$ -
Public Safety	135,400	135,400	62,497	72,903	86,239
Public Works	161,000	161,000	154,868	6,132	272,723
Total Capital Outlay	<u>296,400</u>	<u>296,400</u>	<u>262,132</u>	<u>34,268</u>	<u>358,962</u>
Debt Service:					
Principal	27,667	27,667	28,364	(697)	27,550
Interest and Other	14,476	14,476	15,628	(1,152)	17,318
Total Debt Service	<u>42,143</u>	<u>42,143</u>	<u>43,992</u>	<u>(1,849)</u>	<u>44,868</u>
Total Expenditures	<u>3,759,936</u>	<u>3,759,936</u>	<u>3,435,212</u>	<u>323,307</u>	<u>3,560,356</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	834,546	834,546	972,049	(136,086)	822,361
OTHER FINANCING SOURCES (USES)					
Transfer In	-	-	5,680	(5,680)	16,156
Transfer Out	<u>(180,053)</u>	<u>(180,053)</u>	<u>(180,053)</u>	<u>-</u>	<u>(323,557)</u>
Total Other Financing Sources (Uses)	<u>(180,053)</u>	<u>(180,053)</u>	<u>(174,373)</u>	<u>(5,680)</u>	<u>(307,401)</u>
NET CHANGE IN FUND BALANCES	654,493	654,493	797,676	(141,766)	514,960
Fund Balance – Beginning of Year	<u>4,023,298</u>	<u>4,023,298</u>	<u>4,023,298</u>	<u>-</u>	<u>3,493,396</u>
FUND BALANCES – END OF YEAR	<u>\$ 4,677,791</u>	<u>\$ 4,677,791</u>	<u>\$ 4,820,974</u>	<u>\$ (141,766)</u>	<u>\$ 4,008,356</u>

**CITY OF WYOMING, MINNESOTA
DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2017**

	331 2007 G.O. Improvement Bonds	333 2006 G.O. Improvement Bonds	337 2009 G.O. Improvement Bonds	338 2015A G.O. Improvement Bonds	339 2016A G.O. Improvement Bonds	370 1999C & D G.O. Tax Increment Bonds (TIF 3-1)	Total
ASSETS							
Cash and Temporary Investments	\$ 22,077	\$ (6,348)	\$ 317,611	\$ 632,464	\$ 224,590	\$ 9,305	\$ 1,199,699
Accounts Receivable	-	-	63,040	-	-	-	63,040
Special Assessments Receivable	-	-	1,311,760	484,862	-	-	1,796,622
Due From Other Governments	-	-	20,542	-	-	-	20,542
	<u>22,077</u>	<u>(6,348)</u>	<u>1,712,953</u>	<u>1,117,326</u>	<u>224,590</u>	<u>9,305</u>	<u>3,079,903</u>
Total Assets	<u>\$ 22,077</u>	<u>\$ (6,348)</u>	<u>\$ 1,712,953</u>	<u>\$ 1,117,326</u>	<u>\$ 224,590</u>	<u>\$ 9,305</u>	<u>\$ 3,079,903</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts Payable	\$ 573	\$ -	\$ -	\$ -	\$ -	\$ 17,046	\$ 17,619
Advance from Other Funds	-	-	-	-	-	338,108	338,108
Total Liabilities	<u>573</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>355,154</u>	<u>355,727</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue – Special Assessments	-	-	1,264,432	483,304	-	-	1,747,736
FUND BALANCES							
Restricted for Debt Service	21,504	-	448,521	634,022	224,590	-	1,328,637
Unassigned	-	(6,348)	-	-	-	(345,849)	(352,197)
Total Fund Balance	<u>21,504</u>	<u>(6,348)</u>	<u>448,521</u>	<u>634,022</u>	<u>224,590</u>	<u>(345,849)</u>	<u>976,440</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 22,077</u>	<u>\$ (6,348)</u>	<u>\$ 1,712,953</u>	<u>\$ 1,117,326</u>	<u>\$ 224,590</u>	<u>\$ 9,305</u>	<u>\$ 3,079,903</u>

**CITY OF WYOMING, MINNESOTA
DEBT SERVICE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2017**

	331 2007 G.O. Improvement Bonds	333 2006 G.O. Improvement Bonds	337 2009 G.O. Improvement Bonds	338 2015A G.O. Improvement Bonds	339 2016A G.O. Improvement Bonds	370 1999C & D G.O. Tax Increment Bonds (TIF 3-1)	Total
REVENUES							
Taxes:							
General Property	\$ -	\$ -	\$ 151,101	\$ 314,540	\$ 133,931	\$ 37,099	\$ 636,671
Intergovernmental	-	-	42,953	-	-	-	42,953
Special Assessments	18,875	476	97,573	101,792	-	-	218,716
Interest on Investments	12	(13)	300	742	1	7	1,049
Total Revenues	<u>18,887</u>	<u>463</u>	<u>291,927</u>	<u>417,074</u>	<u>133,932</u>	<u>37,106</u>	<u>899,389</u>
EXPENDITURES							
Current:							
Economic Development	-	-	-	-	-	8,598	8,598
Debt Service:							
Principal	28,000	25,000	255,000	280,000	-	-	588,000
Interest and Other	1,737	506	132,202	93,156	12,423	14,080	254,104
Total Expenditures	<u>29,737</u>	<u>25,506</u>	<u>387,202</u>	<u>373,156</u>	<u>12,423</u>	<u>22,678</u>	<u>850,702</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(10,850)	(25,043)	(95,275)	43,918	121,509	14,428	48,687
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	-	-	103,881	-	103,881
NET CHANGE IN FUND BALANCE	(10,850)	(25,043)	(95,275)	43,918	225,390	14,428	152,568
Fund Balance – Beginning of Year	<u>32,354</u>	<u>18,695</u>	<u>543,796</u>	<u>590,104</u>	<u>(800)</u>	<u>(360,277)</u>	<u>823,872</u>
FUND BALANCE – END OF YEAR	<u>\$ 21,504</u>	<u>\$ (6,348)</u>	<u>\$ 448,521</u>	<u>\$ 634,022</u>	<u>\$ 224,590</u>	<u>\$ (345,849)</u>	<u>\$ 976,440</u>

**CITY OF WYOMING, MINNESOTA
 AGENCY FUNDS
 COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
 YEAR ENDED DECEMBER 31, 2017**

	Balance January 1	Additions	Deductions	Balance December 31
ASSETS				
Cash and Temporary Investments	\$ 1,008,342	\$ 94,147	\$ 934,659	\$ 167,830
Accounts Receivable	128,232	84,271	6,000	206,503
Total Assets	\$ 1,136,574	\$ 178,418	\$ 940,659	\$ 374,333
 LIABILITIES				
Accounts Payable	\$ 1,136,574	\$ 115,802	\$ 878,043	\$ 374,333

**CITY OF WYOMING, MINNESOTA
SUMMARY FINANCIAL REPORT
REVENUES AND EXPENDITURES FOR GENERAL OPERATIONS
GOVERNMENTAL FUND
YEAR ENDED DECEMBER 31, 2017**

	Total		Percent Increase (Decrease)
	2017	2016	
REVENUES			
Taxes	\$ 4,394,654	\$ 4,245,745	3.51%
Licenses and Permits	205,221	172,000	19.31%
Intergovernmental	1,152,288	673,471	71.10%
Charges for Services	31,230	24,357	28.22%
Fines and Forfeitures	54,965	45,684	20.32%
Special Assessments	280,141	322,292	-13.08%
Investment Earnings	81,262	93,214	-12.82%
Miscellaneous	166,125	252,729	-34.27%
Total Revenues	<u>\$ 6,365,886</u>	<u>\$ 5,829,492</u>	9.20%
Per Capita	\$ 808	\$ 740	9.20%
EXPENDITURES			
Current:			
General Government	\$ 578,862	\$ 643,506	-10.05%
Public Safety	1,762,264	1,698,424	3.76%
Public Works	781,743	831,272	-5.96%
Culture and Recreation	32,489	35,903	-9.51%
Economic Development	16,014	95,772	-83.28%
Capital Outlay:	2,699,622	1,556,587	73.43%
Debt Service:			
Principal	634,130	357,812	77.22%
Interest and Other Charges	283,394	285,238	-0.65%
Total Expenditures	<u>\$ 6,788,518</u>	<u>\$ 5,504,514</u>	23.33%
Per Capita	\$ 861.71	\$ 699	23.28%
Total Long-Term Indebtedness	\$ 6,834,235	\$ 7,468,365	-8.49%
Per Capita	868	948	-8.49%
General Fund Balance – December 31	\$ 4,820,974	\$ 4,023,298	19.83%
Per Capita	612	511	19.76%

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, Minnesota, 55092. Questions about this report should be directed to Robb Linwood, City Administrator at (651) 462-0575.

OTHER REQUIRED REPORT



CliftonLarsonAllen

CliftonLarsonAllen LLP
CLAcconnect.com

INDEPENDENT AUDITORS' REPORT ON MINNESOTA LEGAL COMPLIANCE

Honorable Mayor and City Council
City of Wyoming
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, 2017, and the related notes to the financial statements, and have issued our report thereon dated June 26, 2018.

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*, except for the items identified in the Schedule of Findings and Responses as items 2017-001, 2017 002, and 2017-003. 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Minneapolis, Minnesota
June 26, 2018

**CITY OF WYOMING, MINNESOTA
SCHEDULE OF MINNESOTA LEGAL COMPLIANCE FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2017**

MINNESOTA LEGAL COMPLIANCE FINDINGS

Finding: 2017-001

Contracting and Bidding - Section 471.425

Finding: Minnesota Statutes Section 412.201 says that all contracts must be in writing and section 471.425 requires each contract between the government and prime contractors to have language that requires the prime contractor to pay all subcontractors within ten days of receipt of payment from the government entity or pay interest. During our review of the City's bid procedures it was noted that there were two projects that did not have written contracts and were therefore also missing the required language

CORRECTIVE ACTION PLAN (CAP):

Explanation of Disagreement with Audit Findings

There is no disagreement with the audit finding.

Actions Planned in Response to Finding:

The City will ensure that going forward all contracts are in writing and contain the required language.

Official Responsible for Ensuring CAP:

The City Administrator will be responsible for ensuring the CAP.

Planned Completion Date for CAP:

The City will implement the recommended changes by the end of 2018.

Plan to Monitor Completion of CAP:

The City Council will be monitoring this corrective action plan.

**CITY OF WYOMING, MINNESOTA
SCHEDULE OF MINNESOTA LEGAL COMPLIANCE FINDINGS AND RESPONSES (CONTINUED)
YEAR ENDED DECEMBER 31, 2017**

Finding: 2017-002

Miscellaneous Provisions - Section 471.661

Finding: Minnesota Statutes Section 471.661 requires all municipalities to have an out of state travel policy that controls travel outside of the state of Minnesota for the applicable elected officials of the unit of government. The policy must be approved by a recorded vote and contain certain specifications.

CORRECTIVE ACTION PLAN (CAP):

Explanation of Disagreement with Audit Findings

There is no disagreement with the audit finding.

Actions Planned in Response to Finding:

The City will work to implement an out of state travel policy in 2018.

Official Responsible for Ensuring CAP:

The City Administrator will be responsible for ensuring the CAP.

Planned Completion Date for CAP:

The City will implement the recommended changes by the end of 2018.

Plan to Monitor Completion of CAP:

The City Council will be monitoring this corrective action plan.

Finding: 2017-003

Miscellaneous Provisions - Section 471.661

Finding: Minnesota Statutes Section 69.031 requires municipalities to remit state fire aid to the Fire Relief Association within 30 days of receipt. It was noted that there was a \$1,000 supplemental benefit from 2016 that had not yet been remitted as of December 31, 2017.

CORRECTIVE ACTION PLAN (CAP):

Explanation of Disagreement with Audit Findings

There is no disagreement with the audit finding.

Actions Planned in Response to Finding:

The City will work to implement an out of state travel policy in 2018.

Official Responsible for Ensuring CAP:

The City Administrator will be responsible for ensuring the CAP.

Planned Completion Date for CAP:

The City will implement the recommended changes by the end of 2018.

Plan to Monitor Completion of CAP:

The City Council will be monitoring this corrective action plan.