

STATE OF MINNESOTA

Office of the State Auditor



Rebecca Otto
State Auditor

Reporting and Publishing Requirements

City Audited Financial Statements

For Cities Under 2,500 in Population
Reporting on the Cash or Regulatory Basis of Accounting

Description of the Office of the State Auditor

The mission of the Office of the State Auditor is to oversee local government finances for Minnesota taxpayers by helping to ensure financial integrity and accountability in local governmental financial activities.

Through financial, compliance, and special audits, the State Auditor oversees and ensures that local government funds are used for the purposes intended by law and that local governments hold themselves to the highest standards of financial accountability.

The State Auditor performs approximately 150 financial and compliance audits per year and has oversight responsibilities for over 3,300 local units of government throughout the state. The office currently maintains five divisions:

Audit Practice - conducts financial and legal compliance audits of local governments;

Government Information - collects and analyzes financial information for cities, towns, counties, and special districts;

Legal/Special Investigations - provides legal analysis and counsel to the Office and responds to outside inquiries about Minnesota local government law; as well as investigates allegations of misfeasance, malfeasance, and nonfeasance in local government;

Pension - monitors investment, financial, and actuarial reporting for approximately 700 public pension funds; and

Tax Increment Financing - promotes compliance and accountability in local governments' use of tax increment financing through financial and compliance audits.

The State Auditor serves on the State Executive Council, State Board of Investment, Land Exchange Board, Public Employees Retirement Association Board, Minnesota Housing Finance Agency, and the Rural Finance Authority Board.

Office of the State Auditor
525 Park Street, Suite 500
Saint Paul, Minnesota 55103
(651) 296-2551
state.auditor@osa.state.mn.us
www.auditor.state.mn.us

This document can be made available in alternative formats upon request. Call 651-296-2551 [voice] or 1-800-627-3529 [relay service] for assistance; or visit the Office of the State Auditor's web site: www.auditor.state.mn.us.

Reporting and Publishing Requirements

City Audited Financial Statements

For Cities Under 2,500 in Population Reporting on the Cash or Regulatory Basis of Accounting



February 2016

Government Information Division Office of the State Auditor State of Minnesota

525 Park Street, Suite 500
St. Paul, MN 55103
state.auditor@osa.state.mn.us
www.auditor.state.mn.us
(651) 296-2551

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Reporting and Publishing Requirements - Audits on the Cash Basis of Accounting

Introduction

Reporting Requirements for Cities Under 2,500 in Population

The Legislature adopted Minn. Stat. § 471.698 to improve the financial reporting of cities with populations under 2,500. The law is applicable to both statutory and home rule charter cities, and assigns the responsibility for preparing and publishing annual financial reports to city clerks or finance officers.

In addition, Governmental Accounting Standards Board (GASB) Statement No. 34 - *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as amended by GASB Statement No. 63 - *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and other GASB pronouncements, establishes the financial reporting model for state and local governments throughout the United States. The cash and regulatory basis reporting requirements prescribed in this publication generally reflect the financial presentation formats defined by GASB Statement 34, as amended.

The city clerk or finance officer must prepare a detailed statement of the city's operations in a format prescribed by the State Auditor. The format is presented in this manual on pages 9 - 31. The city clerk or finance officer must file the financial statement in their office for public inspection within 45 days after the close of the calendar year.

The statement or a summary of the statement (see pages 33 - 37) must be published within 90 days after the close of the calendar year in a qualified newspaper of general circulation in the city. If there is no such newspaper, the statement shall be posted in three of the most public places in the city as directed by the city council. In addition, a copy of the audited financial statements and the Local Government Financial Reporting Form must be submitted to the Office of the State Auditor within 90 days after the close of the calendar year.

A city with a population of less than 2,500 may, at its option, comply with the reporting requirements for larger cities. If a city chooses to do so, the city clerk or finance officer must prepare a financial report in accordance with generally accepted accounting principles (GAAP). The GAAP reporting requirements can be found in the publication entitled "[City Audited Financial Statements For Cities Reporting in Accordance with Generally Accepted Accounting Principles](#)" which can be found on the Office of the State Auditor's (OSA) website in the Accounting & Auditing Documents section under the Auditing tab.

If this option is selected, the city should notify the Office of the State Auditor of the change in reporting status within 90 days after the close of the calendar year.

Reporting and Publishing Requirements - Audits on the Cash Basis of Accounting

Auditing Requirements for Cities Under 2,500 in Population

The audit requirements for cities under 2,500 in population will depend on how the city is organized and the combined annual revenues for all governmental and enterprise funds.

Minn. Stat. §§ 412.02 and 412.591 require that:

- Cities that have combined the offices of clerk and treasurer must have an annual audit if annual revenue for all governmental and enterprise funds combined exceed the [annual audit threshold](#). The annual threshold is adjusted for inflation using the annual implicit price deflator for state and local expenditures as published by the United States Department of Commerce. The annual threshold is available on the OSA website in the Frequently Asked Questions section under the For Local Officials Tab.

The financial statements presented on pages 9 - 31 of this publication is the format that should be used for an audit of cash basis statements.

- Cities that have combined the offices of clerk and treasurer and the city's annual revenue for all governmental and enterprise funds combined is equal to or less than the annual audit threshold must have an audit once every five years in accordance with minimum audit procedures prescribed by the State Auditor. The Office of the State Auditor has developed procedures for an [Agreed-Upon Procedures](#) engagement that meets the minimum audit procedures. These procedures can be found on the OSA website in the Accounting & Auditing Documents section under the Auditing tab.
- Cities under 2,500 in population, where there are separate offices of clerk and treasurer, are not generally required by Minnesota law to have an audit.

The reporting and publishing requirements for cities that are not required to have an annual financial audit should refer to the publication entitled "[City Financial Statements For Cities Under 2,500 in Population Reporting on the Cash Basis of Accounting](#)" for guidance. The publication can be found on the OSA website in the Accounting & Auditing Documents section under the Auditing tab.

Reporting and Auditing Requirements for Municipal Liquor Stores

Minn. Stat. § 471.6985, subd. 1, requires any city operating a municipal liquor store to publish a balance sheet and a statement of operations in conformance with generally accepted accounting principles and that the form and style shall be prescribed by the State Auditor and published within 90 days after the close of the fiscal year. The format prescribed on pages 34 - 37 meets the reporting requirements of Minn. Stat. § 471.6985, subd. 1.

Pursuant to Minn. Stat. § 471.6985, subd. 2, cities that operate a municipal liquor store with total annual sales in excess of \$350,000 are required to submit audited financial statements to the state auditor within 180 days after the close of the fiscal year. The Office of the State Auditor encourages cities to prepare the financial statements on an accrual basis in accordance with generally accepted accounting principles. The format of the financial statements is presented on pages 25 - 28.

Enforcement Provisions

Cities are statutorily required to submit a copy of the financial statement and the Local Government Financial Reporting Form to the Office of the State Auditor in order to receive local government aid. If a city fails to comply with the applicable requirements, Minnesota Statutes authorizes the State Auditor to:

- A. Notify the Minnesota Department of Revenue (DOR) that the city did not comply with the reporting requirements. Local government aid to the city will be withheld until the Office of the State Auditor notifies DOR that the city has complied with the reporting requirements. Minn. Stat. § 477A.017. If the city fails to comply by September 30 of the reporting year, aids may be permanently forfeited for that reporting year.
- B. Send staff auditors to the city or to contract with independent auditors in order to complete the appropriate reports. The costs related to completing and filing the financial statement or report will be charged to the city. If any city fails to pay such cost within 30 days of billing, the amount shall be deducted from any state-shared taxes or aids due the city. Minn. Stat. § 471.699.

Reporting and Publishing Requirements - Audits on the Cash Basis of Accounting

Form and Style of Financial Statements

Pursuant to Minnesota Statute § 471.698

The State Auditor is authorized by Minn. Stat. § 471.698 to prescribe the form of the financial statements to be prepared by cities under 2,500 in population. Such reports must contain financial statements, classified by source of receipts and function of disbursements, and disclosures which present the results of city operations in detailed statements.

A copy of the audited financial statement must be submitted to the State Auditor within 90 days of the close of the calendar year. In addition, the financial statement or a summary of the statement in a form prescribed by the State Auditor must be published or posted, as described in the statute, within 90 days of the close of the calendar year.

The Governmental Accounting Standards Board Statement 34 established financial reporting standards for state and local governments. The sample financial statement contained in this report is designed to meet those requirements. In addition, the detail shown in the sample financial statement is the required minimum level of detail.

The sample audited financial statement, beginning on page 9, meets the reporting requirements of Minn. Stat. § 471.698. In addition, the sample summary financial report and statements, beginning on page 34, meets the publication requirements of Minn. Stat. § 471.698. The reporting and publication formats shown in these statements, including the level of detail, are the minimum requirements as prescribed by the State Auditor.

Generally, cash basis accounting is adequate for smaller cities. However, the Office of the State Auditor encourages cities under 2,500 in population to report in accordance with generally accepted accounting principles (GAAP). The GAAP reporting requirements can be found in the publication entitled "[City Audited Financial Statements For Cities Reporting in Accordance with Generally Accepted Accounting Principles](#)," which can be found on the Office of the State Auditor's website in the Accounting & Auditing Documents section under the Auditing tab.

Cities under 2,500 in population planning to report in accordance with GAAP should contact the Office of the State Auditor for information on the prescribed reporting standards.

Reporting and Publishing Requirements - Audits on the Cash Basis of Accounting

Description of City Audited Financial Statement

The prescribed city audited financial statement, on the cash basis of accounting, is defined below. An example of the financial statement begins on page 9. This manual is designed for the auditor to provide an opinion on the modified cash basis. The cash basis has been modified to include long-term investments. However, the auditor may decide to use the regulatory basis. If the regulatory basis were used, then the Statement of Net Cash Position and the Statement of Activities would not be required. These options should be discussed with the auditor to decide which opinion best meets the needs of the city.

Independent Auditor's Report (Opinion)

Statement of Net Cash Position

This statement is in the format defined by GASB Statement 34. The statement is on a government-wide basis and includes columns for the governmental activities, business activities (enterprise funds), and a total column for the primary government. An additional column is shown for any discretely presented component units.

Statement of Activities Arising From Cash Transactions

This statement is in the format defined by GASB Statement 34. The statement should present financial information for governmental activities at the level of detail presented in the fund financial statements. In general, that means at the functional category level. Functional categories are General Government, Public Safety, Public Works, Engineering, Health and Sanitation, Cemetery, Culture and Recreation, Community Development, Interest, and similar activities of government.

For business-type activities, the statement should present at least the level of detail for information on different identifiable activities.

Statement of Balances Arising From Cash Transactions - Governmental Funds

This statement is in the format of a cash balance sheet. Each major governmental fund is shown in a separate column. All nonmajor governmental funds are combined and shown in a single column. The last column is a total for all governmental funds. GASB Statement 34 defines the criteria used to determine which funds are major funds. The General Fund is always a major fund.

Reporting and Publishing Requirements - Audits on the Cash Basis of Accounting

Statement of Cash Receipts, Disbursements, and Changes in Cash Fund Balances - Governmental Funds

The format of this statement is receipts, disbursements, other financing sources and uses, special items, and the change in cash fund balance. Receipts are classified by source and disbursements are classified by function. Each major governmental fund is shown in a separate column. All nonmajor governmental funds are combined and shown in a single column. The last column is a total for all governmental funds.

Statement of Balances Arising From Cash Transactions - Proprietary Funds

This statement is in a classified balance sheet format. Each major enterprise fund is shown in a separate column. All other enterprise funds are combined and shown in a single column. The total for all enterprise funds is the next column. If the city has an internal service fund, it is presented to the right of the "Total Enterprise Funds" column. GASB Statement 34 defines the criteria used to determine which funds are major funds.

Statement of Receipts, Disbursements, and Changes in Net Cash Position - Proprietary Funds

This statement is in an operating statement format. Each major enterprise fund is shown in a separate column. All other enterprise funds are combined and shown in a single column. The total for all enterprise funds is the next column. If the city has an internal service fund, it is presented to the right of the "Total Enterprise Funds" column. For each nonmajor enterprise fund, an individual statement is required.

Statement of Cash Flows - Cash Basis - Proprietary Funds

This statement is based on the provisions of GASB Statement 9. Each major enterprise fund is shown in a separate column. All other enterprise funds are combined and shown in a single column. The total for all enterprise funds is the next column. If the city has an internal service fund, it is presented to the right of the "Total Enterprise Funds" column. For each nonmajor enterprise fund, an individual statement is required.

Notes to the Financial Statements

The notes to the financial statements should communicate information essential for the fair presentation of the financial statements.

Reporting and Publishing Requirements - Audits on the Cash Basis of Accounting

Supplementary Statements and Schedules

Management's Discussion and Analysis

The Management's Discussion and Analysis provides an objective and easily readable analysis of the government's financial activities based on currently known facts, decisions, or conditions. The use of graphs, charts, and tables are encouraged to assist the reader in understanding the information.

Budgetary Comparison Schedule - Cash Basis - General Fund

The Budgetary Comparison Schedule presents the General Fund's beginning and ending cash fund balance; receipts, classified by source; disbursements, classified by function; and other financing sources and uses. The statement includes the original and final budget, actual amounts, and budget variance.

Combining Fund Statement - Nonmajor Governmental Funds

A combining fund statement presents a detailed statement of receipts, classified by source; disbursements, classified by function; transfers; and cash fund balances. The statement should include nonmajor special revenue funds, debt service funds, capital projects funds, and permanent funds.

Combining Fund Statements - Enterprise Funds

Combining fund statements present a balance sheet, a detailed operating statement, and a statement of cash flows. An operating statement and a statement of cash flows for each enterprise fund is required. A balance sheet is recommended for all enterprise funds, but required for city liquor store enterprise funds. The accrual basis of accounting is recommended for all enterprise fund statements in this section.

Individual Statements - Component Units

Individual statements present a detailed statement of receipts, classified by source; disbursements, classified by function; transfers; and cash fund balances. A detail statement for each Component Unit is required.

Schedule of Indebtedness, Other Long-Term Liabilities, and Contingent Liabilities

The Schedule of Indebtedness is a statement of indebtedness by type. Each bond issue should be listed separately. The principal balance at the beginning of the year should agree with the ending principal balance of the preceding year. A note should be included explaining any changes to the beginning balances. This statement may be included in the notes to the financial statements.

Reporting and Publishing Requirements - Audits on the Cash Basis of Accounting

The other long-term liabilities include net pension liability and OPEB obligations liabilities. Contingent liabilities are items that may become liabilities because of conditions undetermined at the time the financial statements are prepared. If the contingent liabilities are reported in the notes to the financial statements, they are not required in this statement.

Schedule of Accounts Receivable and Payable

These schedules should list the accounts receivables and accounts payables as of December 31 that will not be collected or paid until the following year.

Sample Financial Statement
Cities Under 2,500 in Population
Audited on a Cash Basis

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Reporting and Publishing Requirements - Audits on the Cash Basis of Accounting

CITY OF STOLEN BASE

STATEMENT OF NET CASH POSITION DECEMBER 31, 20XX

	Primary Government			Component Unit - EDA
	Governmental	Business-Type	Total	
Assets				
Cash and Cash Equivalents	\$ 440,936	\$ 69,107	\$ 510,043	\$ 872
Investments	167,988	170,927	338,915	50,957
Total Assets	\$ 608,924	\$ 240,034	\$ 848,958	\$ 51,829
Liabilities				
Deposits	\$ 2,500	\$ 1,000	\$ 3,500	\$ -
Net Cash Position				
Restricted for				
Capital Projects	\$ 351,326	\$ -	\$ 351,326	\$ -
Debt Service	43,236	65,979	109,215	-
Perpetual Care	50,375	-	50,375	-
Community Development	-	-	-	51,829
Other Purposes	44,559	-	44,559	-
Unrestricted (deficit)	116,928	173,055	289,983	-
Total Net Cash Position	\$ 606,424	\$ 239,034	\$ 845,458	\$ 51,829

Reporting and Publishing Requirements - Audits on the Cash Basis of Accounting

CITY OF STOLEN BASE

STATEMENT OF ACTIVITIES ARISING FROM CASH TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 20XX

Functions/Programs	Disbursements	Program Receipts and Sources			Net Cash Sources (Uses) and Changes in Net Cash Position			Component Units
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
Primary Government								
Governmental Activities								
General Government	\$ 32,157	\$ 6,520	\$ -	\$ -	\$ (25,637)		\$ (25,637)	
Public Safety	325,742	9,250	10,661	109,377	(196,454)		(196,454)	
Streets and Highways	491,816	-	-	824,456	332,640		332,640	
Sanitation	17,700	1,292	-	-	(16,408)		(16,408)	
Cemetery	4,411	723	-	20,000	16,312		16,312	
Culture and Recreation	48,886	3,922	7,662	-	(37,302)		(37,302)	
Airport	5,560	-	4,336	-	(1,224)		(1,224)	
Principal Payment on Debt	20,000	-	-	8,342	(11,658)		(11,658)	
Interest on Long-Term Debt	24,779	-	-	-	(24,779)		(24,779)	
Total Governmental Activities	\$ 971,051	\$ 21,707	\$ 22,659	\$ 962,175	\$ 35,490		\$ 35,490	
Business-Type Activities								
Water	\$ 100,068	\$ 75,036	\$ 8,543	\$ -	\$ -	\$ (16,489)	\$ (16,489)	
Sewer	36,057	31,348	-	-	-	(4,709)	(4,709)	
Liquor Store	134,607	141,095	-	-	-	6,488	6,488	
Total Business-Type Activities	\$ 270,732	\$ 247,479	\$ 8,543	\$ -	\$ -	\$ (14,710)	\$ (14,710)	
Total Primary Government	\$ 1,241,783	\$ 269,186	\$ 31,202	\$ 962,175	\$ 35,490	\$ (14,710)	\$ 20,780	

Reporting and Publishing Requirements - Audits on the Cash Basis of Accounting

CITY OF STOLEN BASE

STATEMENT OF ACTIVITIES ARISING FROM CASH TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 20XX

Functions/Programs	Disbursements	Program Receipts and Sources			Net Cash Sources (Uses) and Changes in Net Cash Position			Component Units
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
Component Unit								
Economic Development Authority	\$ 88,045	\$ 17,385	\$ -	\$ -				\$ (70,660)
General Receipts								
Taxes								
Property Taxes, Levied for General Purposes					\$ 68,364	\$ -	\$ 68,364	\$ -
Property Taxes, Levied for Debt Service					17,286	-	17,286	-
Property Taxes, Levied for Water Service					-	2,677	2,677	-
Grants and Contributions not Restricted to Specific Programs					108,412	657	109,069	-
Investment Earnings					18,755	21,833	40,588	2,350
Miscellaneous					3,063	1,895	4,958	3,753
<i>Special item --Proceeds from Sale of City Lot</i>					4,659	-	4,659	-
Transfers					3,800	(3,800)	-	-
Total General Receipts, Special Items, and Transfers					\$ 224,339	\$ 23,262	\$ 247,601	\$ 6,103
Change in Cash Net Position					\$ 259,829	\$ 8,552	\$ 268,381	\$ (64,557)
Net Cash Position - Beginning					346,595	230,482	577,077	116,386
Net Cash Position - Ending					\$ 606,424	\$ 239,034	\$ 845,458	\$ 51,829

Reporting and Publishing Requirements - Audits on the Cash Basis of Accounting

CITY OF STOLEN BASE

STATEMENT OF BALANCES ARISING FROM CASH TRANSACTIONS GOVERNMENTAL FUNDS DECEMBER 31, 20XX

	General Fund	Fire Hall	Street Improvement	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and Cash Equivalents	\$ 38,661	\$ 287,434	\$ 38,892	\$ 75,949	\$ 440,936
Investments	80,767	-	25,000	62,221	167,988
Total Assets	<u>\$ 119,428</u>	<u>\$ 287,434</u>	<u>\$ 63,892</u>	<u>\$ 138,170</u>	<u>\$ 608,924</u>
Liabilities					
Driveway Deposits	<u>\$ 2,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,500</u>
Cash Fund Balance					
Restricted for					
Debt Service	\$ -	\$ -	\$ -	\$ 43,236	\$ 43,236
Perpetual Care	-	-	-	50,375	50,375
Committed for Capital Projects	-	287,434	63,892	19,938	371,264
Assigned	-	-	-	24,621	24,621
Unassigned	116,928	-	-	-	116,928
Total Cash Fund Balances	<u>\$ 116,928</u>	<u>\$ 287,434</u>	<u>\$ 63,892</u>	<u>\$ 138,170</u>	<u>\$ 606,424</u>
Total Liabilities and Cash Fund Balances	<u>\$ 119,428</u>	<u>\$ 287,434</u>	<u>\$ 63,892</u>	<u>\$ 138,170</u>	<u>\$ 608,924</u>

Reporting and Publishing Requirements - Audits on the Cash Basis of Accounting**CITY OF STOLEN BASE****STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 20XX**

	General Fund	Fire Hall	Street Improvement	Other Governmental Funds	Total Governmental Funds
Receipts					
Property Taxes	\$ 68,364	\$ -	\$ -	\$ 17,286	\$ 85,650
Special Assessments	-	-	123,359	8,342	131,701
Licenses and Permits	2,300	-	-	-	2,300
Intergovernmental	109,742	-	351,097	21,329	482,168
Charges for Services	9,018	-	-	4,698	13,716
Fines and Forfeits	4,128	-	-	-	4,128
Investment Earnings	5,591	3,026	-	10,138	18,755
Contributions and Donations	-	105,192	-	24,185	129,377
Miscellaneous	2,369	-	-	2,257	4,626
Total Receipts	\$ 201,512	\$ 108,218	\$ 474,456	\$ 88,235	\$ 872,421
Disbursements					
Current					
General Government	\$ 30,317	\$ -	\$ -	\$ -	\$ 30,317
Public Safety	46,169	-	-	4,977	51,146
Streets and Highways	31,256	-	-	-	31,256
Sanitation	10,700	-	-	-	10,700
Cemetery	659	-	-	3,752	4,411
Culture and Recreation	13,619	-	-	1,540	15,159
Airport	2,560	-	-	-	2,560
Debt Service					
Principal	-	-	-	20,000	20,000
Interest and Other Charges	-	-	-	24,779	24,779
Capital Outlay	44,824	271,279	435,564	29,056	780,723
Total Disbursements	\$ 180,104	\$ 271,279	\$ 435,564	\$ 84,104	\$ 971,051
Receipts Over (Under) Disbursements	\$ 21,408	\$ (163,061)	\$ 38,892	\$ 4,131	\$ (98,630)
Other Financing Sources (Uses)					
Capital-Related Debt Issued	\$ -	\$ 350,000	\$ -	\$ -	\$ 350,000
Transfers In	10,000	-	-	-	10,000
Transfers Out	(6,200)	-	-	-	(6,200)
Total Other Financing Sources (Uses)	\$ 3,800	\$ 350,000	\$ -	\$ -	\$ 353,800
Special Item					
Proceeds from Sale of City Lot	\$ 4,659	\$ -	\$ -	\$ -	\$ 4,659
Total Other Financing Sources (Uses) and Special Items	\$ 8,459	\$ 350,000	\$ -	\$ -	\$ 358,459
Net Change in Cash Fund Balances	\$ 29,867	\$ 186,939	\$ 38,892	\$ 4,131	\$ 259,829
Cash Fund Balances - Beginning	87,061	100,495	25,000	134,039	346,595
Cash Fund Balances - Ending	\$ 116,928	\$ 287,434	\$ 63,892	\$ 138,170	\$ 606,424

Reporting and Publishing Requirements - Audits on the Cash Basis of Accounting

CITY OF STOLEN BASE

STATEMENT OF BALANCES ARISING FROM CASH TRANSACTIONS PROPRIETARY FUNDS DECEMBER 31, 20XX

	Enterprise Funds			Total
	Water	Sewer	Liquor	
Assets				
Current assets				
Cash and cash equivalents	\$ 29,447	\$ 11,210	\$ 9,546	\$ 50,203
Investments	-	108,852	15,000	123,852
Total current assets	\$ 29,447	\$ 120,062	\$ 24,546	\$ 174,055
Noncurrent assets				
Restricted cash and cash equivalents				
Cash and cash equivalents	\$ 15,315	\$ -	\$ 3,589	\$ 18,904
Investments	47,075	-	-	47,075
Total noncurrent assets	\$ 62,390	\$ -	\$ 3,589	\$ 65,979
Total Assets	\$ 91,837	\$ 120,062	\$ 28,135	\$ 240,034
Liabilities				
Current liabilities				
Connection deposits	\$ -	\$ 1,000	\$ -	\$ 1,000
Net Cash Position				
Restricted for debt service	\$ 62,390	\$ -	\$ 3,589	\$ 65,979
Unrestricted	29,447	119,062	24,546	173,055
Total Net Cash Position	\$ 91,837	\$ 119,062	\$ 28,135	\$ 239,034

Reporting and Publishing Requirements - Audits on the Cash Basis of Accounting**CITY OF STOLEN BASE****STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN NET CASH POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 20XX**

	Enterprise Funds			
	Water	Sewer	Liquor	Total
Operating Receipts				
Charges for Services	\$ 72,316	\$ 31,198	\$ 139,291	\$ 242,805
Less: Cost of Sales	-	-	(81,057)	(81,057)
Connection Fees	2,720	-	-	2,720
Miscellaneous	-	150	1,804	1,954
Total Operating Receipts	\$ 75,036	\$ 31,348	\$ 60,038	\$ 166,422
Operating Disbursements				
Personal Services	\$ 13,677	\$ 12,428	\$ 28,991	\$ 55,096
Health and Life Insurance Contributions	1,688	951	3,381	6,020
Pension Contributions	-	-	2,271	2,271
Utilities	7,401	9,560	1,771	18,732
Repairs and Maintenance	13,909	7,438	1,228	22,575
Supplies	5,774	768	3,100	9,642
Insurance Claims and Expenses	5,188	1,140	5,826	12,154
Testing	-	840	-	840
Other Expenses	1,660	691	105	2,456
Total Operating Disbursements	\$ 49,297	\$ 33,816	\$ 46,673	\$ 129,786
Operating Cash Income (Loss)	\$ 25,739	\$ (2,468)	\$ 13,365	\$ 36,636
Nonoperating Receipts (Disbursements)				
Interest and Investment Receipts	\$ 9,108	\$ 11,347	\$ 1,378	\$ 21,833
Property Taxes	2,677	-	-	2,677
Special Assessments	8,543	-	-	8,543
Federal Grants	-	-	-	-
Market Value Credits	657	-	-	657
Other State Grants	-	-	-	-
County and Local Unit Grants	-	-	-	-
Miscellaneous Revenue	-	-	1,895	1,895
Interest Disbursements	(25,500)	-	(1,100)	(26,600)
Miscellaneous Disbursements	(210)	-	(52)	(262)
Total Nonoperating Receipts (Disbursements)	\$ (4,725)	\$ 11,347	\$ 2,121	\$ 8,743
Net Cash Income (Loss) Before Contributions and Transfers	\$ 21,014	\$ 8,879	\$ 15,486	\$ 45,379
Capital Contributions	-	-	-	-
Capital Outlay	(5,061)	(2,241)	(725)	(8,027)
Debt Principal	(20,000)	-	(5,000)	(25,000)
Transfers In	6,200	-	-	6,200
Transfers Out	-	-	(10,000)	(10,000)
Change in Net Cash Position	\$ 2,153	\$ 6,638	\$ (239)	\$ 8,552
Total Net Cash Position - Beginning	89,684	112,424	28,374	230,482
Total Net Cash Position - Ending	\$ 91,837	\$ 119,062	\$ 28,135	\$ 239,034

Reporting and Publishing Requirements - Audits on the Cash Basis of Accounting

CITY OF STOLEN BASE

STATEMENT OF CASH FLOWS - CASH BASIS PROPRIETARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 20XX

	Enterprise Funds			
	Water	Sewer	Liquor	Totals
Cash Flows From Operating Activities				
Receipts From Customers	\$ 75,036	\$ 31,348	\$ 141,095	\$ 247,479
Payments to Suppliers	(35,620)	(21,388)	(98,739)	(155,747)
Payments to Employees	(13,677)	(12,428)	(28,991)	(55,096)
Internal Activity - Payments to Other Funds	-	-	-	-
Other Receipts (Payments)	11,877	-	1,895	13,772
Net Cash Provided by (Used in) Operating Activities	\$ 37,616	\$ (2,468)	\$ 15,260	\$ 50,408
Cash Flows From Noncapital Financing Activities				
Transfers From (To) Other Funds	\$ 6,200	\$ -	\$ (10,000)	\$ (3,800)
Cash Flows From Capital and Related Financing Activities				
Proceeds From Capital Debt	\$ -	\$ -	\$ -	\$ -
Capital Contributions	-	-	-	-
Purchases of Capital Assets	(5,061)	(2,241)	(725)	(8,027)
Principal Paid on Capital Debt	(20,000)	-	(5,000)	(25,000)
Interest Paid on Capital Debt	(25,710)	-	(1,152)	(26,862)
Other Receipts (Payments)	-	-	-	-
Net Cash Provided by (Used in) Capital and Related Financing Activities	\$ (50,771)	\$ (2,241)	\$ (6,877)	\$ (59,889)
Cash Flows From Investing Activities				
Proceeds From Sales and Maturities of Investments	\$ -	\$ -	\$ -	\$ -
Purchase of Investments	-	(11,000)	(10,000)	(21,000)
Interest and Dividends	9,108	11,347	1,378	21,833
Net Cash Provided by (Used in) Investing Activities	\$ 9,108	\$ 347	\$ (8,622)	\$ 833
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 2,153	\$ (4,362)	\$ (10,239)	\$ (12,448)
Cash and Cash Equivalents - Beginning of the Year	42,609	15,572	23,374	81,555
Cash and Cash Equivalents - End of the Year	\$ 44,762	\$ 11,210	\$ 13,135	\$ 69,107
Cash and Cash Equivalents				
Current Assets	\$ 29,447	\$ 11,210	\$ 9,546	\$ 50,203
Restricted Assets	15,315	-	3,589	18,904
Total Cash and Cash Equivalents - End of Year	\$ 44,762	\$ 11,210	\$ 13,135	\$ 69,107

Notes to the Financial Statements

The notes to the financial statements should communicate information essential for the fair presentation of the financial statements. Listed below are some of the elements that may need to be included in the notes to the financial statements.

1. Summary of Significant Accounting Policies
 - a. Financial Reporting Entity
 - b. Basis of Presentation
 - c. Measurement Focus and Basis of Accounting
 - d. Assets, Liabilities and Net Position
 - e. Receipts and Disbursements
 - f. Internal and Interfund Activities
2. Stewardship, Compliance, and Accountability
 - a. Uninsured and Uncollateralized Deposits
 - b. Budgetary Noncompliance
3. Detail Notes - Transaction Classes/Accounts
 - a. Cash and Investments
 - b. Restricted Cash
 - c. Interfund Transfers and Balances
4. Other Notes
 - a. Pension Plans
 1. Plan Description
 2. Benefits Provided
 3. Contributions
 - b. Other Benefit Plans
 - c. Risk Management
 - d. Commitments and Contingencies

Management's Discussion and Analysis

The Management's Discussion and Analysis provides an objective and easily readable analysis of the government's financial activities based on currently known facts, decisions, or conditions. The use of graphs, charts, and tables are encouraged to assist the reader in understanding the information.

Elements to be included:

- A. Discussion of basic financial statements.
- B. Condensed comparative financial information.
- C. Analysis of government's overall financial cash position and results of cash activities.
- D. Analysis of balances and transactions of individual major funds.
- E. Analysis of significant general fund budgetary variations.
- F. Discussion of currently known facts, decisions, or conditions.

Reporting and Publishing Requirements - Audits on the Cash Basis of Accounting

CITY OF STOLEN BASE

**BUDGETARY COMPARISON SCHEDULE - CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 20XX**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Cash Fund Balance - January 1	\$ 87,061	\$ 87,061	\$ 87,061	\$ -
Receipts				
Taxes				
General Property Tax				
Current, Delinquent, Penalties, and Interest	\$ 71,000	\$ 71,000	\$ 68,364	\$ (2,636)
Licenses and Permits				
Business (Liquor, Cigarette, etc.)	\$ 2,300	\$ 2,300	\$ 2,195	\$ (105)
Non-business (Building Permits, etc.)	200	200	105	(95)
Total Licenses and Permits	\$ 2,500	\$ 2,500	\$ 2,300	\$ (200)
Intergovernmental				
State Grants				
Local Government Aid	\$ 65,000	\$ 70,000	\$ 74,195	\$ 4,195
Market Value Credit	28,000	28,000	28,550	550
Fire Relief Aid	2,600	2,600	2,661	61
Other (Airport)	4,400	4,400	4,336	(64)
Total Intergovernmental	\$ 100,000	\$ 105,000	\$ 109,742	\$ 4,742
Charges for Services				
General Government	\$ -	\$ 200	\$ 92	\$ (108)
Public Safety (Police Protection)	3,500	3,800	3,712	(88)
Parks and Recreation	3,000	4,500	3,922	(578)
Other (S.A.C.)	1,000	1,500	1,292	(208)
Total Charges for Services	\$ 7,500	\$ 10,000	\$ 9,018	\$ (982)
Fines and Forfeits				
County Court	\$ 3,500	\$ 3,500	\$ 4,128	\$ 628
Miscellaneous				
Investment Earnings	\$ 5,000	\$ 5,000	\$ 5,591	\$ 591
Donations	-	-	1,652	1,652
Refunds Received	2,000	2,000	717	(1,283)
Total Miscellaneous	\$ 7,000	\$ 7,000	\$ 7,960	\$ 960
Total Receipts	\$ 191,500	\$ 199,000	\$ 201,512	\$ 2,512

Reporting and Publishing Requirements - Audits on the Cash Basis of Accounting

CITY OF STOLEN BASE

**BUDGETARY COMPARISON SCHEDULE - CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 20XX**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Other Financing Sources				
Proceeds from Sale of City Lot	\$ -	\$ -	\$ 4,659	\$ 4,659
Transfers From Liquor Fund	10,000	10,000	10,000	-
Total Other Financing Sources	\$ 10,000	\$ 10,000	\$ 14,659	\$ 4,659
Total Receipts and Other Financing Sources	\$ 201,500	\$ 209,000	\$ 216,171	\$ 7,171
Amounts Available for Appropriation	\$ 288,561	\$ 296,061	\$ 303,232	\$ 7,171
Disbursements				
General Government				
Mayor and Council				
Current	\$ 2,000	\$ 2,000	\$ 1,720	\$ 280
Finance-Municipal Clerk/Treasurer				
Current	11,000	11,000	11,864	(864)
Capital Outlay	2,000	2,000	1,840	160
Elections and Voters Registration				
Current	1,000	1,000	760	240
Assessor				
Current	2,750	2,750	2,790	(40)
Independent Accounting and Auditing				
Current	4,000	4,000	4,000	-
Legal				
Current	1,000	1,000	925	75
City Hall, General Government Buildings				
Current	8,000	8,000	8,258	258
Total General Government	\$ 31,750	\$ 31,750	\$ 32,157	\$ (407)
Public Safety				
Police Protection				
Current	\$ 38,000	\$ 38,000	\$ 35,999	\$ 2,001
Capital Outlay	500	500	621	(121)
Fire Protection				
Current	10,000	10,000	9,015	985
Capital Outlay	500	500	412	88
Building Inspection				
Current	450	450	368	82
Civil Defense				
Current	500	500	334	166
Animal Control (Dog Catcher)				
Current	500	500	453	47
Total Public Safety	\$ 50,450	\$ 50,450	\$ 47,202	\$ 3,248

Reporting and Publishing Requirements - Audits on the Cash Basis of Accounting

CITY OF STOLEN BASE

**BUDGETARY COMPARISON SCHEDULE - CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 20XX**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Disbursements (Continued)				
Streets and Highways (Includes Street Cleaning)				
Streets Maintenance and Storm Sewers				
Current	\$ 16,000	\$ 16,000	\$ 17,271	\$ 1,271
Capital Outlay - Construction	25,000	25,000	23,456	(1,544)
Capital Outlay - Equipment, Buildings, Etc.	1,500	1,500	1,540	40
Snow and Ice Removal				
Current	4,000	4,000	3,430	(570)
Street Lighting				
Current	10,000	10,000	10,555	555
Total Streets and Highways	\$ 56,500	\$ 56,500	\$ 56,252	\$ 248
Sanitation				
Recycling				
Current	\$ 6,000	\$ 5,000	\$ 5,600	\$ 600
Capital Outlay	4,000	5,000	4,200	(800)
Weed Eradication				
Current	5,000	5,000	5,100	100
Capital Outlay	3,000	3,000	2,800	(200)
Total Sanitation	\$ 18,000	\$ 18,000	\$ 17,700	\$ (300)
Culture and Recreation				
Library				
Current	\$ 4,800	\$ 4,800	\$ 4,875	\$ (75)
Capital Outlay	2,200	2,200	1,474	726
Recreational Activities, Facilities, Community Buildings				
Current	4,000	4,000	3,495	505
Capital Outlay	3,000	3,000	2,229	771
Parks and Boulevards				
Current	5,500	5,500	5,249	251
Capital Outlay	3,500	3,500	3,252	248
Total Culture and Recreation	\$ 23,000	\$ 23,000	\$ 20,574	\$ 2,426
Miscellaneous				
Airport				
Current	\$ 500	\$ 2,000	\$ 2,560	\$ (560)
Capital Outlay	-	3,500	3,000	500
Other (Cemetery)				
Current	750	750	659	91
Total Miscellaneous	\$ 1,250	\$ 6,250	\$ 6,219	\$ 31
Total Disbursements	\$ 180,950	\$ 185,950	\$ 180,104	\$ 5,846

Reporting and Publishing Requirements - Audits on the Cash Basis of Accounting
CITY OF STOLEN BASE

BUDGETARY COMPARISON SCHEDULE - CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 20XX

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Other Financing Uses				
Transfers To				
Water Fund	\$ 6,200	\$ 6,200	\$ 6,200	\$ -
Total Other Financing Uses	\$ 6,200	\$ 6,200	\$ 6,200	\$ -
Total Disbursements and Other Financing Uses (Charges to Appropriations)	\$ 187,150	\$ 192,150	\$ 186,304	\$ 5,846
Cash Fund Balance - December 31	\$ 101,411	\$ 103,911	\$ 116,928	\$ 13,017

Note: Insurance, benefits, workers' compensation, etc. should be allocated to the proper functional category to which it applies.

Reporting and Publishing Requirements - Audits on the Cash Basis of Accounting

CITY OF STOLEN BASE

**COMBINING STATEMENT OF CASH RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 20XX**

	Special	Debt Service Funds		Capital	Permanent	Total
	Revenue	City	Street	Projects	Fund	
	Fund	Hall	Improvement	Park	Cemetery	
	Ambulance			Improvement	Care	
Receipts						
Property Taxes	\$ -	\$ 17,286	\$ -	\$ -	\$ -	\$ 17,286
Special Assessments	-	-	8,342	-	-	8,342
Licenses and Permits	-	-	-	-	-	-
Intergovernmental						
State Grants						
Local Government Aid	-	-	-	-	-	-
Market Value Credit	-	5,667	-	-	-	5,667
Park Grant	-	-	-	7,662	-	7,662
Economic Development Grant	-	-	-	-	-	-
County Grants	7,000	-	-	-	-	7,000
Local Grants	1,000	-	-	-	-	1,000
Fines and Forfeits	-	-	-	-	-	-
Charges for Services	4,698	-	-	-	-	4,698
Investment Earnings	-	4,386	3,074	376	2,302	10,138
Contributions and Donations	4,185	-	-	-	20,000	24,185
Miscellaneous	1,534	-	-	-	723	2,257
Total Receipts	\$ 18,417	\$ 27,339	\$ 11,416	\$ 8,038	\$ 23,025	\$ 88,235
Disbursements						
Public Safety						
Ambulance						
Current	\$ 4,977	\$ -	\$ -	\$ -	\$ -	\$ 4,977
Capital Outlay	2,284	-	-	-	-	2,284
Cemetery						
Current	-	-	-	-	3,752	3,752
Capital Outlay	-	-	-	-	-	-
Culture and Recreation						
Parks						
Current	-	-	-	1,540	-	1,540
Capital Outlay	-	-	-	26,772	-	26,772
Debt Service						
Principal	-	15,000	5,000	-	-	20,000
Interest and Other Charges	-	17,834	6,945	-	-	24,779
Total Disbursements	\$ 7,261	\$ 32,834	\$ 11,945	\$ 28,312	\$ 3,752	\$ 84,104
Receipts Over (Under)						
Disbursements	\$ 11,156	\$ (5,495)	\$ (529)	\$ (20,274)	\$ 19,273	\$ 4,131

Reporting and Publishing Requirements - Audits on the Cash Basis of Accounting

CITY OF STOLEN BASE

**COMBINING STATEMENT OF CASH RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 20XX**

	Special	Debt Service Funds		Capital	Permanent	Total
	Revenue	City	Street	Projects	Fund	
	Fund	Hall	Improvement	Park	Cemetery	
	Ambulance			Improvement	Care	
Other Financing Sources and (Uses)						
Capital-Related Debt Issued	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources and (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Change in Cash Fund Balances	\$ 11,156	\$ (5,495)	\$ (529)	\$ (20,274)	\$ 19,273	\$ 4,131
Cash Fund Balances - Beginning	13,465	5,607	43,653	40,212	31,102	134,039
Cash Fund Balances - Ending	\$ 24,621	\$ 112	\$ 43,124	\$ 19,938	\$ 50,375	\$ 138,170

Reporting and Publishing Requirements - Audits on the Cash Basis of Accounting

CITY OF STOLEN BASE

STATEMENT OF NET POSITION PROPRIETARY FUNDS DECEMBER 31, 20XX

	Enterprise Funds			Totals
	Water	Sewer	Liquor	
Assets				
Current Assets				
Cash and Cash Equivalents	\$ 29,447	\$ 11,210	\$ 9,546	\$ 50,203
Investments	-	108,852	15,000	123,852
Accounts Receivables, Net	1,250	6,378	-	7,628
Accrued Interest Receivable	791	2,091	-	2,882
Due from Other Governments	-	5,000	-	5,000
Inventories	4,200	-	18,043	22,243
Prepaid Expenses	7,312	406	1,934	9,652
Total Current Assets	\$ 43,000	\$ 133,937	\$ 44,523	\$ 221,460
Noncurrent Assets				
Restricted Cash and Cash Equivalents				
Cash and Cash Equivalents	\$ 15,315	\$ -	\$ 3,589	\$ 18,904
Investments	\$ 47,075	\$ -	\$ -	\$ 47,075
Capital Assets				
Land	\$ 32,163	\$ 36,215	\$ 26,395	\$ 94,773
Buildings	85,977	98,524	75,000	259,501
Machinery and Equipment	1,985,464	542,632	15,800	2,543,896
Less: Accumulated Depreciation	(1,023,663)	(181,782)	(54,749)	(1,260,194)
Capital Assets, Net	\$ 1,079,941	\$ 495,589	\$ 62,446	\$ 1,637,976
Total Noncurrent Assets	\$ 1,142,331	\$ 495,589	\$ 66,035	\$ 1,703,955
Total Assets	\$ 1,185,331	\$ 629,526	\$ 110,558	\$ 1,925,415
Liabilities				
Current Liabilities				
Accounts Payable	\$ 2,538	\$ 2,734	\$ 2,564	\$ 7,836
Sales Tax Payable	1,127	-	-	1,127
Accrued Salaries Payable	1,589	2,555	1,858	6,002
Accrued Payroll Liabilities	361	782	524	1,667
Due to Other Funds	-	-	282	282
Compensated Absences	525	297	420	1,242
Bonds, Notes, and Loans Payable	20,000	-	5,000	25,000
Total Current Liabilities	\$ 26,140	\$ 6,368	\$ 10,648	\$ 43,156

Reporting and Publishing Requirements - Audits on the Cash Basis of Accounting

CITY OF STOLEN BASE

**STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 DECEMBER 31, 20XX**

	Enterprise Funds			Totals
	Water	Sewer	Liquor	
Liabilities (Continued)				
Current Liabilities Payable from Restricted Assets				
Accrued Bond Interest Payable	\$ 4,564	\$ -	\$ 69	\$ 4,633
Noncurrent Liabilities				
Compensated Absences	\$ 3,250	\$ 895	\$ 1,536	\$ 5,681
lake	470,000	-	10,000	480,000
Total Noncurrent Liabilities	\$ 473,250	\$ 895	\$ 11,536	\$ 485,681
Total Liabilities	\$ 503,954	\$ 7,263	\$ 22,253	\$ 533,470
Net Position				
Net investment in Capital Assets	\$ 589,941	\$ 495,589	\$ 47,446	\$ 1,132,976
Restricted for Debt Service	57,826	-	3,520	61,346
Unrestricted	33,610	126,674	37,339	197,623
Total Net Position	\$ 681,377	\$ 622,263	\$ 88,305	\$ 1,391,945

Reporting and Publishing Requirements - Audits on the Cash Basis of Accounting

CITY OF STOLEN BASE

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 20XX**

	Enterprise Funds			
	Water	Sewer	Liquor	Total
Operating Revenues				
Charges for Services	\$ 73,926	\$ 32,485	\$ 139,291	\$ 245,702
Less: Cost of Sales	-	-	(81,057)	(81,057)
Connection Fees	2,720	-	-	2,720
Miscellaneous	-	150	1,804	1,954
Total Operating Revenues	\$ 76,646	\$ 32,635	\$ 60,038	\$ 169,319
Operating Expenses				
Personal Services	\$ 14,024	\$ 13,286	\$ 30,154	\$ 57,464
Health and Life Insurance Contributions	1,705	996	3,784	6,485
Pension Contributions	65	56	2,305	2,426
Utilities	7,452	9,586	1,792	18,830
Repairs and Maintenance	13,909	7,438	1,228	22,575
Supplies	5,774	768	3,100	9,642
Insurance Claims and Expenses	5,188	1,140	5,826	12,154
Testing	-	840	-	840
Other Expenses	1,660	691	105	2,456
Depreciation	23,857	11,654	2,894	38,405
Total Operating Expenses	\$ 73,634	\$ 46,455	\$ 51,188	\$ 171,277
Operating Income (Loss)	\$ 3,012	\$ (13,820)	\$ 8,850	\$ (1,958)
Nonoperating Revenues (Expenses)				
Interest and Investment Revenue	\$ 9,108	\$ 11,347	\$ 1,378	\$ 21,833
Property Taxes	2,677	-	-	2,677
Special Assessments	8,543	-	-	8,543
Federal Grants	-	-	-	-
Market Value Credits	657	-	-	657
Other State Grants	-	-	-	-
County and Local Unit Grants	-	-	-	-
Miscellaneous Revenue	-	-	1,895	1,895
Interest Expense	(25,500)	-	(1,100)	(26,600)
Miscellaneous Expense	(210)	-	(52)	(262)
Total Nonoperating Revenue (Expenses)	\$ (4,725)	\$ 11,347	\$ 2,121	\$ 8,743
Net Income (Loss) Before Contributions and Transfers	\$ (1,713)	\$ (2,473)	\$ 10,971	\$ 6,785
Capital Contributions	-	-	-	-
Transfers In	6,200	-	-	6,200
Transfers Out	-	-	(10,000)	(10,000)
Change in Net Position	\$ 4,487	\$ (2,473)	\$ 971	\$ 2,985
Total Net Position - Beginning	676,890	624,736	87,334	1,388,960
Total Net Position - Ending	\$ 681,377	\$ 622,263	\$ 88,305	\$ 1,391,945

Reporting and Publishing Requirements - Audits on the Cash Basis of Accounting

CITY OF STOLEN BASE

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 20XX

	Enterprise Funds			Totals
	Water	Sewer	Liquor	
Cash Flows From Operating Activities				
Receipts From Customers	\$ 75,036	\$ 31,348	\$ 141,095	\$ 247,479
Payments to Suppliers	(35,620)	(21,388)	(98,739)	(155,747)
Payments to Employees	(13,677)	(12,428)	(28,991)	(55,096)
Internal Activity - Payments to Other Funds	-	-	-	-
Other Receipts (Payments)	11,877	-	1,895	13,772
Net Cash Provided by (Used in) Operating Activities	\$ 37,616	\$ (2,468)	\$ 15,260	\$ 50,408
Cash Flows From Noncapital Financing Activities				
Transfers From (To) Other Funds	\$ 6,200	\$ -	\$ (10,000)	\$ (3,800)
Cash Flows From Capital and Related Financing Activities				
Proceeds From Capital Debt	\$ -	\$ -	\$ -	\$ -
Capital Contributions	-	-	-	-
Purchases of Capital Assets	(5,061)	(2,241)	(725)	(8,027)
Principal Paid on Capital Debt	(20,000)	-	(5,000)	(25,000)
Interest Paid on Capital Debt	(25,710)	-	(1,152)	(26,862)
Other Receipts (Payments)	-	-	-	-
Net Cash Provided by (Used in) Capital and Related Financing Activities	\$ (50,771)	\$ (2,241)	\$ (6,877)	\$ (59,889)
Cash Flows From Investing Activities				
Proceeds From Sales and Maturities of Investments	\$ -	\$ -	\$ -	\$ -
Purchase of Investments	-	(11,000)	(10,000)	(21,000)
Interest and Dividends	9,108	11,347	1,378	21,833
Net Cash Provided by (Used in) Investing Activities	\$ 9,108	\$ 347	\$ (8,622)	\$ 833
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 2,153	\$ (4,362)	\$ (10,239)	\$ (12,448)
Cash and Cash Equivalents - Beginning of the Year	42,609	15,572	23,374	81,555
Cash and Cash Equivalents - End of the Year	\$ 44,762	\$ 11,210	\$ 13,135	\$ 69,107
Cash and Cash Equivalents				
Current Assets	\$ 29,447	\$ 11,210	\$ 9,546	\$ 50,203
Restricted Assets	15,315	-	3,589	18,904
Total Cash and Cash Equivalents - End of Year	\$ 44,762	\$ 11,210	\$ 13,135	\$ 69,107

Reporting and Publishing Requirements - Audits on the Cash Basis of Accounting

CITY OF STOLEN BASE

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH FUND BALANCES ECONOMIC DEVELOPMENT AUTHORITY COMPONENT UNIT FOR THE YEAR ENDED DECEMBER 31, 20XX

	<u>Economic Development Authority</u>
Receipts	
Property Taxes	\$ -
Charges for Services	17,385
Investment Earnings	2,350
Contributions and Donations	-
Miscellaneous	<u>3,753</u>
Total Receipts	<u>\$ 23,488</u>
Disbursements	
General Government	\$ -
Economic Development	
Current	67,158
Capital Outlay	<u>20,887</u>
Total Disbursements	<u>\$ 88,045</u>
Receipts Over (Under) Disbursements	<u>\$ (64,557)</u>
Other Financing Sources (Uses)	
Transfers In	\$ -
Transfers Out	<u>-</u>
Total Other Financing Sources and Uses	<u>\$ -</u>
Net Change in Cash Fund Balances	<u>\$ (64,557)</u>
Cash Fund Balances - Beginning	<u>116,386</u>
Cash Fund Balances - Ending	<u><u>\$ 51,829</u></u>

Reporting and Publishing Requirements - Audits on the Cash Basis of Accounting

CITY OF STOLEN BASE

**SCHEDULE OF INDEBTEDNESS, OTHER LONG-TERM LIABILITIES, AND CONTINGENT LIABILITIES
FOR THE YEAR ENDED DECEMBER 31, 20XX**

	<u>Interest Rate (%)</u>	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Outstanding January 1, 20XX</u>	<u>Issued in 20XX</u>	<u>Paid in 20XX</u>	<u>Outstanding December 31, 20XX</u>
Bonded Indebtedness							
General Obligation							
City Hall	5.00 - 5.40	03/01/19XX	03/01/20XX	\$ 335,000	\$ -	\$ 15,000	\$ 320,000
Fire Hall	8.00 - 8.67	05/08/20XX	05/08/20XX	-	350,000	-	350,000
Total General Obligation				\$ 335,000	\$ 350,000	\$ 15,000	\$ 670,000
Tax Increment							
Development District	---	---	---	\$ -	\$ -	\$ -	\$ -
Special Assessment							
Elm Street Improvement	5.25 - 5.80	07/20/19XX	07/20/20XX	\$ 50,000	\$ -	\$ 5,000	\$ 45,000
Birch Street Improvement	8.15 - 9.20	03/13/20XX	03/13/20XX	500,000	-	-	500,000
Total Special Assessment				\$ 550,000	\$ -	\$ 5,000	\$ 545,000
General Obligation Revenue							
Water Utility	5.00	10/24/20XX	10/24/20XX	\$ 510,000	\$ -	\$ 20,000	\$ 490,000
Revenue Bonds							
Liquor Store	---	---	---	\$ -	\$ -	\$ -	\$ -
Total Bonded Indebtedness				\$ 1,395,000	\$ 350,000	\$ 40,000	\$ 1,705,000
Other Long-Term Indebtedness							
Installment Purchase Contract	10.00	04/23/20XX	04/23/20XX	\$ 41,956	\$ -	\$ 2,596	\$ 39,360
Short-Term Indebtedness							
Tax Anticipation Certificates	---	---	---	\$ -	\$ -	\$ -	\$ -
Total Indebtedness				\$ 1,436,956	\$ 350,000	\$ 42,596	\$ 1,744,360
Other Long-Term Liabilities							
Net Pension Liability							
PERA							\$ 50,000
Fire Relief Association							15,000
Net OPEB Obligations							5,000
Contingent Liabilities (Not required on this schedule if they are included in the notes to the financial statements)							
(Provide detailed explanation of Contingent Liabilities)							
							\$ 25,000

Reporting and Publishing Requirements - Audits on the Cash Basis of Accounting

CITY OF STOLEN BASE

SCHEDULE OF ACCOUNTS RECEIVABLE FOR THE YEAR ENDED DECEMBER 31, 20XX

Fund	Source of Revenue and Purpose	Amount
General	Recreation Fees	\$ 230
Ambulance	User Fees	250
Water	Customer User Charges	1,250
Sewer	Customer User Charges	6,378
	Total Accounts Receivable	\$ 8,108

SCHEDULE OF ACCOUNTS PAYABLE FOR THE YEAR ENDED DECEMBER 31, 20XX

Fund	Vendor Name	Item and Purpose	Claim Number	Amount
General	Carlson Electric	Repair Wiring	4096	\$ 106
General	Decker Supply Co.	Office Supplies	4112	75
General	Northern States Power	December Electricity	4115	496
General	Northwestern Bell	December Telephone	4116	122
General	General Oil Company	December Fuel	4118	257
Water	Great Plains Supply	Water Meters	4125	1,442
Water	Kern's Machinery	Pump Repairs	4126	1,096
Sewer	LeBlanc Construction	Sewer Main Repair	4127	2,734
Liquor	Peterson Distributing	Liquor	4121	1,127
Liquor	Van Dyke Distributing	Liquor	4123	1,437
	Total Accounts Payable			\$ 8,892

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Publication Requirements
Cities Under 2,500 in Population
Audited on a Cash Basis

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Description of City Summary Financial Report and Statements for Publication

The prescribed publishing requirements for a city reporting on the cash basis of accounting consist of a summary financial report and three statements as described below. Examples of the summary financial report and statements begin on page 33.

Summary Financial Report

The summary financial report provides information on the receipts, disbursements, and long-term indebtedness for all governmental funds of the city. This report should include the cash fund balance of the General Fund. A comparison to the prior year with a percent change should also be included on the summary statement.

Statement of Net Position - Proprietary Funds

This statement is in a balance sheet format. Each enterprise fund is shown in a separate column. The total for all enterprise funds is the next column. If the city has an internal service fund, it is shown as the last column. This statement is recommended for all enterprise funds, but required for city liquor store enterprise funds.

Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds

This statement is in an operating statement format. Each enterprise fund is shown in a separate column. The total for all enterprise funds is the next column. If the city has an internal service fund, it is shown as the last column.

Statement of Cash Flows - Proprietary Funds

This statement is based on the provisions of GASB Statement 9. Each enterprise fund is shown in a separate column. The total for all enterprise funds is the next column. If the city has an internal service fund, it is shown as the last column.

The water, sewer, refuse disposal, electric, gas, and heat utilities, along with municipal hospitals, nursing homes, and liquor stores are required to be reported as enterprise funds.

NOTE: The transactions associated with the implementation of GASB Statement No. 68 - *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, are not included in the Summary Financial Statements. If pension costs are allocated to individual proprietary funds, these transactions should be included in the Summary Financial Statements.

Reporting and Publishing Requirements - Audits on the Cash Basis of Accounting

CITY OF STOLEN BASE

SUMMARY FINANCIAL REPORT

The purpose of this report is to provide a summary of financial information concerning the City of Stolen Base to interested citizens. The complete financial statements may be examined at the City Hall, 51 Elm Street. Questions about this report should be directed to Ms. Wendy Thompson, Clerk at (651) 555-1234.

RECEIPTS AND DISBURSEMENTS FOR GENERAL OPERATIONS (GOVERNMENTAL FUNDS)

	<u>Total 20X2</u>	<u>Total 20X1</u>	<u>Percent Increase (Decrease)</u>
Receipts			
Property Taxes	\$ 85,650	\$ 83,945	2.03%
Special Assessments	131,701	121,587	8.32%
Licenses and Permits	2,300	1,900	21.05%
Intergovernmental	482,168	137,649	250.29%
Charges for Services	13,716	11,586	18.38%
Fines and Forfeits	4,128	3,268	26.32%
Investment Earnings	18,755	13,958	34.37%
Miscellaneous	134,003	75,985	76.35%
Total Receipts	\$ 872,421	\$ 449,878	93.92%
Per Capita	\$ 581.23	\$ 302.13	92.37%
Disbursements			
Current			
General Government	\$ 30,317	\$ 29,985	1.11%
Public Safety	51,146	48,526	5.40%
Streets and Highways	31,256	27,483	13.73%
Sanitation	10,700	10,500	1.90%
Cemetery	4,411	4,325	1.99%
Culture and Recreation	15,159	14,582	3.96%
Airport	2,560	2,689	-4.80%
Debt Service			
Principal	20,000	20,000	0.00%
Interest and Other Charges	24,779	25,248	-1.86%
Capital Outlay	780,723	126,895	515.25%
Total Disbursements	\$ 971,051	\$ 310,233	213.01%
Per Capita	\$ 646.94	\$ 208.35	210.50%
Total Long-term Indebtedness	\$ 1,789,360	\$ 1,436,956	24.52%
Per Capita	\$ 1,192.11	\$ 965.05	23.53%
General Fund Cash Fund Balance - December 31*	\$ 116,928	\$ 87,061	34.31%
Per Capita	\$ 77.90	\$ 58.47	33.23%

*Includes General Fund Investments

Reporting and Publishing Requirements - Audits on the Cash Basis of Accounting

CITY OF STOLEN BASE

STATEMENT OF NET POSITION PROPRIETARY FUNDS DECEMBER 31, 20XX

	Enterprise Funds			Totals
	Water	Sewer	Liquor	
Assets				
Current Assets				
Cash and Cash Equivalents	\$ 29,447	\$ 11,210	\$ 9,546	\$ 50,203
Investments	-	108,852	15,000	123,852
Accounts Receivables, Net	1,250	6,378	-	7,628
Accrued Interest Receivable	791	2,091	-	2,882
Due from Other Governments	-	5,000	-	5,000
Inventories	4,200	-	18,043	22,243
Prepaid Expenses	7,312	406	1,934	9,652
Total Current Assets	\$ 43,000	\$ 133,937	\$ 44,523	\$ 221,460
Noncurrent Assets				
Restricted Cash and Cash Equivalents				
Cash and Cash Equivalents	\$ 15,315	\$ -	\$ 3,589	\$ 18,904
Investments	\$ 47,075	\$ -	\$ -	\$ 47,075
Capital Assets				
Land	\$ 32,163	\$ 36,215	\$ 26,395	\$ 94,773
Buildings	85,977	98,524	75,000	259,501
Machinery and Equipment	1,985,464	542,632	15,800	2,543,896
Less: Accumulated Depreciation	(1,023,663)	(181,782)	(54,749)	(1,260,194)
Capital Assets, Net	\$ 1,079,941	\$ 495,589	\$ 62,446	\$ 1,637,976
Total Noncurrent Assets	\$ 1,142,331	\$ 495,589	\$ 66,035	\$ 1,703,955
Total Assets	\$ 1,185,331	\$ 629,526	\$ 110,558	\$ 1,925,415
Liabilities				
Current Liabilities				
Accounts Payable	\$ 2,538	\$ 2,734	\$ 2,564	\$ 7,836
Sales Tax Payable	1,127	-	-	1,127
Accrued Salaries Payable	1,589	2,555	1,858	6,002
Accrued Payroll Liabilities	361	782	524	1,667
Due to Other Funds	-	-	282	282
Compensated Absences	525	297	420	1,242
Bonds, Notes, and Loans Payable	20,000	-	5,000	25,000
Total Current Liabilities	\$ 26,140	\$ 6,368	\$ 10,648	\$ 43,156

Reporting and Publishing Requirements - Audits on the Cash Basis of Accounting

CITY OF STOLEN BASE

**STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 DECEMBER 31, 20XX**

	Enterprise Funds			Totals
	Water	Sewer	Liquor	
Liabilities (Continued)				
Current Liabilities Payable from Restricted Assets				
Accrued Bond Interest Payable	\$ 4,564	\$ -	\$ 69	\$ 4,633
Noncurrent Liabilities				
Compensated Absences	\$ 3,250	\$ 895	\$ 1,536	\$ 5,681
Bonds, Notes, and Loans Payable	470,000	-	10,000	480,000
Total Noncurrent Liabilities	\$ 473,250	\$ 895	\$ 11,536	\$ 485,681
Total Liabilities	\$ 503,954	\$ 7,263	\$ 22,253	\$ 533,470
Net Position				
Net investment in Capital Assets	\$ 589,941	\$ 495,589	\$ 47,446	\$ 1,132,976
Restricted for Debt Service	57,826	-	3,520	61,346
Unrestricted	33,610	126,674	37,339	197,623
Total Net Position	\$ 681,377	\$ 622,263	\$ 88,305	\$ 1,391,945

Reporting and Publishing Requirements - Audits on the Cash Basis of Accounting**CITY OF STOLEN BASE****STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 20XX**

	Enterprise Funds			
	Water	Sewer	Liquor	Total
Operating Revenues				
Charges for Services	\$ 73,926	\$ 32,485	\$ 139,291	\$ 245,702
Less: Cost of Sales	-	-	(81,057)	(81,057)
Connection Fees	2,720	-	-	2,720
Miscellaneous	-	150	1,804	1,954
Total Operating Revenues	\$ 76,646	\$ 32,635	\$ 60,038	\$ 169,319
Operating Expenses				
Personal Services	\$ 14,024	\$ 13,286	\$ 30,154	\$ 57,464
Health and Life Insurance Contributions	1,705	996	3,784	6,485
Pension Contributions	65	56	2,305	2,426
Utilities	7,452	9,586	1,792	18,830
Repairs and Maintenance	13,909	7,438	1,228	22,575
Supplies	5,774	768	3,100	9,642
Insurance Claims and Expenses	5,188	1,140	5,826	12,154
Testing	-	840	-	840
Other Expenses	1,660	691	105	2,456
Depreciation	23,857	11,654	2,894	38,405
Total Operating Expenses	\$ 73,634	\$ 46,455	\$ 51,188	\$ 171,277
Operating Income (Loss)	\$ 3,012	\$ (13,820)	\$ 8,850	\$ (1,958)
Nonoperating Revenues (Expenses)				
Interest and Investment Revenue	\$ 9,108	\$ 11,347	\$ 1,378	\$ 21,833
Property Taxes	2,677	-	-	2,677
Special Assessments	8,543	-	-	8,543
Federal Grants	-	-	-	-
Market Value Credits	657	-	-	657
Other State Grants	-	-	-	-
County and Local Unit Grants	-	-	-	-
Miscellaneous Revenue	-	-	1,895	1,895
Interest Expense	(25,500)	-	(1,100)	(26,600)
Miscellaneous Expense	(210)	-	(52)	(262)
Total Nonoperating Revenue (Expenses)	\$ (4,725)	\$ 11,347	\$ 2,121	\$ 8,743
Net Income (Loss) Before Contributions and Transfers	\$ (1,713)	\$ (2,473)	\$ 10,971	\$ 6,785
Capital Contributions	-	-	-	-
Transfers In	6,200	-	-	6,200
Transfers Out	-	-	(10,000)	(10,000)
Change in Net Position	\$ 4,487	\$ (2,473)	\$ 971	\$ 2,985
Total Net Position - Beginning	676,890	624,736	87,334	1,388,960
Total Net Position - Ending	\$ 681,377	\$ 622,263	\$ 88,305	\$ 1,391,945

Reporting and Publishing Requirements - Audits on the Cash Basis of Accounting

CITY OF STOLEN BASE

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 20XX

	Enterprise Funds			
	Water	Sewer	Liquor	Totals
Cash Flows from Operating Activities				
Receipts from Customers	\$ 75,036	\$ 31,348	\$ 141,095	\$ 247,479
Payments to Suppliers	(35,620)	(21,388)	(98,739)	(155,747)
Payments to Employees	(13,677)	(12,428)	(28,991)	(55,096)
Internal Activity - Payments to Other Funds	-	-	-	-
Other Receipts (Payments)	11,877	-	1,895	13,772
Net Cash Provided by Operating Activities	\$ 37,616	\$ (2,468)	\$ 15,260	\$ 50,408
Cash Flows from Noncapital Financing				
Transfers From (To) Other Funds	\$ 6,200	\$ -	\$ (10,000)	\$ (3,800)
Cash Flows from Capital and Related Financing Activities				
Proceeds from Capital Debt	\$ -	\$ -	\$ -	\$ -
Capital Contributions	-	-	-	-
Purchases of Capital Assets	(5,061)	(2,241)	(725)	(8,027)
Principal Paid on Capital Debt	(20,000)	-	(5,000)	(25,000)
Interest Paid on Capital Debt	(25,710)	-	(1,152)	(26,862)
Other Receipts (Payments)	-	-	-	-
Net Cash Provided by (Used in) Capital and Related Financing Activities	\$ (50,771)	\$ (2,241)	\$ (6,877)	\$ (59,889)
Cash Flows from Investing Activities				
Proceeds from Sales and Maturities of Investments	\$ -	\$ -	\$ -	\$ -
Purchase of Investments	-	(11,000)	(10,000)	(21,000)
Interest and Dividends	9,108	11,347	1,378	21,833
Net Cash Provided by Investing Activities	\$ 9,108	\$ 347	\$ (8,622)	\$ 833
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 2,153	\$ (4,362)	\$ (10,239)	\$ (12,448)
Cash and Cash Equivalents - Beginning of the Year	42,609	15,572	23,374	81,555
Cash and Cash Equivalents - End of the Year	\$ 44,762	\$ 11,210	\$ 13,135	\$ 69,107
Cash and Cash Equivalents				
Current Assets	\$ 29,447	\$ 11,210	\$ 9,546	\$ 50,203
Restricted Assets	15,315	-	3,589	18,904
Total Cash and Cash Equivalents - End of Year	\$ 44,762	\$ 11,210	\$ 13,135	\$ 69,107

Appendix

Applicable Minnesota Statutes

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Reporting and Publishing Requirements - Audits on the Cash Basis of Accounting

MINNESOTA STATUTES § 471.697 - FINANCIAL REPORTS; FILING; CITIES, TOWNS OF 2,500.

Subdivision 1. All operations except some hospitals, nursing homes.

In any city with a population of more than 2,500 according to the latest federal census, or town with a population of more than 2,500 according to the latest federal census with an annual revenue of (1) \$670,500 or more in 2004, or (2) \$670,500 adjusted for inflation using the annual implicit price deflator for state and local expenditures as published by the United States Department of Commerce in 2005 and after, the city clerk, chief financial officer, town clerk, or town clerk-treasurer shall:

(a) Prepare a financial report covering the city's or town's operations including operations of municipal hospitals and nursing homes, liquor stores, and public utility commissions during the preceding fiscal year after the close of the fiscal year. Cities shall publish the report or a summary of the report, in a form as prescribed by the state auditor, in a qualified newspaper of general circulation in the city or, if there is none, post copies in three of the most public places in the city, no later than 30 days after the report is due in the office of the state auditor. The report shall contain financial statements and disclosures which present the city's or town's financial position and the results of city or town operations in conformity with generally accepted accounting principles. The report shall include such information and be in such form as may be prescribed by the state auditor;

(b) File the financial report in the clerk's or financial officer's office for public inspection and present it to the city council or town board after the close of the fiscal year. One copy of the financial report shall be furnished to the state auditor after the close of the fiscal year; and

(c) Submit to the state auditor audited financial statements which have been attested to by a certified public accountant, public accountant, or the state auditor within 180 days after the close of the fiscal year, except that the state auditor may upon request of a city or town and a showing of inability to conform, extend the deadline. The state auditor may accept this report in lieu of the report required in clause (b). A copy of the audited financial statement along with any management letter or other written findings or comments by the auditor must be provided to each city council member and the mayor, or to each town board member, no later than 30 days after the report is required to be submitted to the state auditor and presented at a scheduled meeting of the city council or town board prior to October 31 of the year in which the report is submitted to the state auditor.

A municipal hospital or nursing home established before June 6, 1979, whose fiscal year is not a calendar year on August 1, 1980, is not subject to this subdivision but shall submit to the state auditor a detailed statement of its financial affairs audited by a certified public accountant, a public accountant or the state auditor no later than 120 days after the close of its fiscal year. It may also submit a summary financial report for the calendar year.

Reporting and Publishing Requirements - Audits on the Cash Basis of Accounting

MINNESOTA STATUTES § 471.698 - FINANCE REPORT, FILE, PUBLISH OR POST; CITIES UNDER 2,500.

Subdivision 1. All operations except some hospitals, nursing homes.

In any city with a population of less than 2,500 according to the latest federal census, the city clerk or chief financial officer shall:

(a) prepare a detailed statement of the financial affairs of the city including operations of municipal hospitals and nursing homes, liquor stores, and public utility commissions in the style and form prescribed by the state auditor, for the preceding fiscal year showing all money received, with the sources, and respective amounts thereof; all disbursements for which orders have been drawn upon the treasurer; the amount of outstanding and unpaid orders; all accounts payable; all indebtedness; contingent liabilities; all accounts receivable; the amount of money remaining in the treasury; and all items necessary to show accurately the revenues and expenditures and financial position of the city;

(b) file the statement in the clerk's or financial officer's office for the public inspection and present it to the city council within 45 days after the close of the fiscal year;

(c)(1) publish the statement, or a summary of the statement in a form as prescribed by the state auditor, within 90 days after the close of the fiscal year in a qualified newspaper of general circulation in the city; or

(2) if there is no qualified newspaper of general circulation in the city, the clerk shall, at the direction of the city council, post copies in three of the most public places in the city. It is not necessary to publish individual disbursements of less than \$300, if disbursements aggregating \$1,000 or more to any person, firm, or other entity are set forth in a schedule of major disbursements showing amounts paid out, to whom, and for what purpose, and are made a part of and published with the financial statement; and

(d) submit within 90 days after the close of the fiscal year a copy of the statement to the state auditor in such summary form as the state auditor may prescribe.

A municipal hospital or nursing home established before June 6, 1979, whose fiscal year is not a calendar year on August 1, 1980, is not subject to this subdivision but shall submit to the state auditor a detailed statement of its financial affairs audited by a certified public accountant, a public accountant or the state auditor no later than 120 days after the close of its fiscal year. It may also submit a summary financial report for the calendar year.

Subd. 2. May comply with section [471.697](#).

Any city described in subdivision 1 may comply with the provisions of section [471.697](#), in which case the provisions of subdivision 1 shall not apply to the city.

Reporting and Publishing Requirements - Audits on the Cash Basis of Accounting

MINNESOTA STATUTES § 412.02 - CITY ELECTIONS; OFFICERS, TERMS, VACANCIES, CITY EMPLOYEES.

Subd. 3. Clerk, treasurer combined; audit standards.

(a) In cities operating under the standard plan of government the council may by ordinance adopted at least 60 days before the next regular city election combine the offices of clerk and treasurer in the office of clerk-treasurer, but such an ordinance shall not be effective until the expiration of the term of the incumbent treasurer or when an earlier vacancy occurs. After the effective date of the ordinance, the duties of the treasurer and deputy treasurer as prescribed by this chapter shall be performed by the clerk-treasurer or a duly appointed deputy. The offices of clerk and treasurer may be reestablished by ordinance.

(b) If the offices of clerk and treasurer are combined as provided by this section and the city's annual revenue for all governmental and enterprise funds combined is more than the amount in paragraph (c), the council shall provide for an annual audit of the city's financial affairs by the state auditor or a public accountant in accordance with minimum auditing procedures prescribed by the state auditor. If the offices of clerk and treasurer are combined and the city's annual revenue for all governmental and enterprise funds combined is the amount in paragraph (c), or less, the council shall provide for an audit of the city's financial affairs by the state auditor or a public accountant in accordance with minimum audit procedures prescribed by the state auditor at least once every five years, which audit shall be for a one-year period to be determined at random by the person conducting the audit.

(c) For the purposes of paragraph (b), the amount in 2004 is \$150,000, and in 2005 and after, \$150,000 adjusted for inflation using the annual implicit price deflator for state and local expenditures as published by the United States Department of Commerce.

Reporting and Publishing Requirements - Audits on the Cash Basis of Accounting

MINNESOTA STATUTES § 412.591 - DUTIES OF CLERK AND TREASURER; MAY BE COMBINED.

Subdivision 1. Clerk not on council; transition.

The clerk shall perform all the duties imposed on the clerk in cities generally but shall not be a member of the council, except that when Optional Plan A is first adopted in any city, the incumbent clerk shall continue to be a member of the council until the expiration of the term.

Subd. 1a. If treasurer, duties unchanged.

The duties of the treasurer if that office exists shall not be affected by adoption of Optional Plan A.

Subd. 2. Combining, uncombining clerk-treasurer.

Cities operating under Optional Plan A may, by an ordinance effective after the expiration of the term of the incumbent treasurer at the date of adoption of Optional Plan A, combine the offices of clerk and treasurer in the office of clerk-treasurer and thereafter the duties of the treasurer as prescribed by this chapter shall be performed by the clerk-treasurer. The offices of clerk and treasurer may be reestablished by ordinance.

Subd. 3. Audit standards if combined.

(a) If the offices of clerk and treasurer are combined as provided by this section, and the city's annual revenue for all governmental and enterprise funds combined is more than the amount in paragraph (b), the council shall provide for an annual audit of the city's financial affairs by the state auditor or a certified public accountant in accordance with minimum procedures prescribed by the state auditor. If the offices of clerk and treasurer are combined and the city's annual revenue for all governmental and enterprise funds combined is the amount in paragraph (b), or less, the council shall provide for an audit of the city's financial affairs by the state auditor or a certified public accountant in accordance with minimum audit procedures prescribed by the state auditor at least once every five years, which audit shall be for a one-year period to be determined at random by the person conducting the audit.

(b) For the purposes of paragraph (a), the amount in 2004 is \$150,000, and in 2005 and after, \$150,000 adjusted for inflation using the annual implicit price deflator for state and local expenditures as published by the United States Department of Commerce.

Reporting and Publishing Requirements - Audits on the Cash Basis of Accounting

MINNESOTA STATUTES § 471.6985 - MUNICIPAL LIQUOR STORE.

Subdivision 1. Publish balance sheet, operations.

Any city operating a municipal liquor store shall publish a balance sheet using generally accepted accounting procedures and a statement of operations of the liquor store within 90 days after the close of the fiscal year in the official newspaper of the city. The statement shall be headlined, in a type size no smaller than 18-point: "Analysis of(city)..... municipal liquor store operations for(year)...." and shall be written in clear and easily understandable language. It shall contain the following information: total sales, cost of sales, gross profit, profit as percent of sales, operating expenses, operating income, contributions to and from other funds, capital outlay, interest paid and debt retired. The form and style of the statement shall be prescribed by the state auditor. Nonoperating expenses may not be extracted on the reporting form prior to determination of net profits for reporting purposes only. Administrative expenses charged to the liquor store by the city must be actual operating expenses and not used for any other public purpose prior to the determination of net profits. The publication requirements of this section shall be in addition to any publication or posting requirements for financial reports contained in sections [471.697](#) and [471.698](#). The statement may at the option of the city council be incorporated into the reports published pursuant to sections [471.697](#) and [471.698](#), in accordance with a form and style prescribed by the state auditor.

Subd. 2. If \$350,000 sales, audited statement.

Any city operating a municipal liquor store with total annual sales in excess of \$350,000 shall submit to the state auditor audited financial statements for the liquor store that have been attested to by a certified public accountant or the state auditor within 180 days after the close of the fiscal year, except that the state auditor may extend the deadline upon request of a city and a showing of inability to conform. The state auditor may accept this report in lieu of the report required by subdivision 1.