

CITY OF WOODLAND  
WOODLAND, MINNESOTA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED  
DECEMBER 31, 2013

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ANNUAL FINANCIAL REPORT  
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**INTRODUCTORY SECTION**

CITY OF WOODLAND  
WOODLAND, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2013

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CITY OF WOODLAND, MINNESOTA  
ELECTED AND APPOINTED OFFICIALS  
FOR THE YEAR ENDED DECEMBER 31, 2013

**ELECTED**

<u>Name</u>	<u>Title</u>	<u>Term Expires December 31,</u>
James Doak	Mayor	2016
Sliv Carlson	Council Member	2016
Tom Newberry	Council Member	2016
Chris Rich	Council Member	2014
John Massie	Council Member	2014

**APPOINTED**

Shelley Souers	City Clerk- Resigned December 2013
Kathy McCullum	City Clerk

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**FINANCIAL SECTION**  
**CITY OF WOODLAND**  
**WOODLAND, MINNESOTA**

**FOR THE YEAR ENDED**  
**DECEMBER 31, 2013**

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## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council  
City of Woodland, Minnesota

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

We have audited the accompanying financial statements of each major fund of the governmental and proprietary funds and the aggregate remaining fund information of the City of Woodland, Minnesota (the City), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's 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 the financial reporting provisions of the Minnesota Office of the State auditor. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. The prior year comparative information has been derived from the City's 2013 financial statements and, in our report dated February 20, 2013, we expressed unmodified opinions on the respective proprietary fund financial statements. 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 from material misstatement.

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

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

### **Basis of Adverse Opinion on U.S. Generally Accepted Accounting Principles**

As described in Note 1B, the financial statements are prepared by the City on the basis of the financial reporting provisions of the Minnesota Office of the State Auditor, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of the Minnesota Office of the State Auditor. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1B and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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## **Adverse Opinion on U.S. Generally Accepted Accounting Principles**

In our opinion, because of the significance of the matter discussed in the “Basis of Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the City, as of December 31, 2013, the changes in financial position, or, where applicable, its cash flows for the year then ended.

## **Opinion on Regulatory Basis of Accounting**

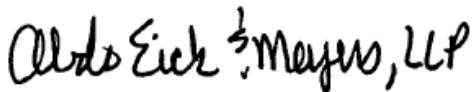
In our opinion, the financial statements of the governmental funds referred to in the first paragraph present fairly, in all material respects, the cash and unencumbered cash balances of each fund of the City, as of December 31, 2013, and their respective cash receipts and disbursements, for the year then ended, on the basis of the financial reporting provisions the Minnesota Office of the State Auditor as described in Note 1B. Also, in our opinion, the financial statements of the proprietary funds referred to in the first paragraph present fairly, in all material respects, the respective financial position of each fund of the City, as of December 31, 2013, and their respective changes in financial position and cash flows, for the year then ended, on the basis of the financial reporting provisions the Minnesota Office of the State Auditor as described in Note 1B.

## **Other Information**

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

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

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



ABDO, EICK & MEYERS, LLP  
Minneapolis, Minnesota  
February 13, 2014

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**BASIC FINANCIAL STATEMENTS - REGULATORY BASIS**

CITY OF WOODLAND  
WOODLAND, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2013

CITY OF WOODLAND, MINNESOTA  
STATEMENT OF BALANCES ARISING FROM CASH TRANSACTIONS  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2013

	<u>General</u>	<u>Street Improvement</u>	<u>Total</u>
ASSETS			
Cash and temporary investments	<u>\$ 266,983</u>	<u>\$ 47,146</u>	<u>\$ 314,129</u>
CASH FUND BALANCES			
Assigned for street improvement	\$ -	\$ 47,146	\$ 47,146
Unassigned, reported in General fund	<u>266,983</u>	<u>-</u>	<u>266,983</u>
TOTAL CASH FUND BALANCES	<u>\$ 266,983</u>	<u>\$ 47,146</u>	<u>\$ 314,129</u>

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



CITY OF WOODLAND, MINNESOTA  
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND  
CHANGES IN CASH FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2013

	General	Street Improvement	Governmental Funds
RECEIPTS			
Taxes	\$ 322,759	\$ -	\$ 322,759
Licenses and permits	25,227	-	25,227
Intergovernmental	1,579	-	1,579
Charges for services	7,882	-	7,882
Fines and forfeitures	2,441	-	2,441
Interest on investments	244	42	286
Miscellaneous	2,759	-	2,759
	<u>362,891</u>	<u>42</u>	<u>362,933</u>
TOTAL RECEIPTS			
DISBURSEMENTS			
Current			
General government	83,267	-	83,267
Public safety	124,707	-	124,707
Public works	98,651	37,114	135,765
Miscellaneous	10,298	-	10,298
	<u>316,923</u>	<u>37,114</u>	<u>354,037</u>
TOTAL DISBURSEMENTS			
EXCESS (DEFICIENCY) OF RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>45,968</u>	<u>(37,072)</u>	<u>8,896</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	43,000	43,000
Transfers out	(43,000)	-	(43,000)
	<u>(43,000)</u>	<u>43,000</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)			
NET CHANGE IN CASH FUND BALANCES	2,968	5,928	8,896
CASH FUND BALANCES, JANUARY 1	<u>264,015</u>	<u>41,218</u>	<u>305,233</u>
CASH FUND BALANCES, DECEMBER 31	<u><u>\$ 266,983</u></u>	<u><u>\$ 47,146</u></u>	<u><u>\$ 314,129</u></u>

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

CITY OF WOODLAND, MINNESOTA  
STATEMENTS OF NET POSITION  
PROPRIETARY FUNDS  
DECEMBER 31, 2013 AND 2012

	Business-type Activities - Enterprise Funds	
	<b>601</b>	
	Water	
	2013	2012
ASSETS		
CURRENT ASSETS		
Cash and temporary investments	\$ 14,497	\$ (3,870)
Receivables		
Accounts	7,342	6,871
Special assessments		
Delinquent	286	2,634
Current	7,650	9,000
	<u>29,775</u>	<u>14,635</u>
TOTAL CURRENT ASSETS		
	<u>29,775</u>	<u>14,635</u>
NONCURRENT ASSETS		
Special assessments receivable	22,950	40,950
Capital assets		
Infrastructure	194,539	194,539
Less accumulated depreciation	(77,900)	(73,000)
	<u>116,639</u>	<u>121,539</u>
Total capital assets (net of accumulated depreciation)		
	<u>116,639</u>	<u>121,539</u>
TOTAL NONCURRENT ASSETS	<u>139,589</u>	<u>162,489</u>
TOTAL ASSETS	<u>169,364</u>	<u>177,124</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	2,534	2,087
Accrued interest payable	1,465	1,758
Current portion of bonds payable	12,500	12,500
	<u>16,499</u>	<u>16,345</u>
TOTAL CURRENT LIABILITIES	<u>16,499</u>	<u>16,345</u>
LONG-TERM LIABILITIES		
Bonds payable	50,000	62,500
	<u>66,499</u>	<u>78,845</u>
TOTAL LIABILITIES	<u>66,499</u>	<u>78,845</u>
NET POSITION		
Net investment in capital assets	54,139	46,539
Restricted for debt service	43,487	30,798
Unrestricted	5,239	20,942
	<u>102,865</u>	<u>98,279</u>
TOTAL NET POSITION	<u>\$ 102,865</u>	<u>\$ 98,279</u>

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

Business-type Activities -  
Enterprise Funds

<b>602</b>			
Sewer		Totals	
2013	2012	2013	2012
\$ 133,063	\$ 142,384	\$ 147,560	\$ 138,514
8,972	8,302	16,314	15,173
1,025	2,065	1,311	4,699
2,550	3,000	10,200	12,000
145,610	155,751	175,385	170,386
7,650	13,650	30,600	54,600
697,666	697,666	892,205	892,205
(226,300)	(212,300)	(304,200)	(285,300)
471,366	485,366	588,005	606,905
479,016	499,016	618,605	661,505
624,626	654,767	793,990	831,891
3,613	3,212	6,147	5,299
1,670	1,989	3,135	3,747
34,392	33,502	46,892	46,002
39,675	38,703	56,174	55,048
144,996	179,408	194,996	241,908
184,671	218,111	251,170	296,956
291,978	272,456	346,117	318,995
50,823	69,348	94,310	100,146
97,154	94,852	102,393	115,794
<u>\$ 439,955</u>	<u>\$ 436,656</u>	<u>\$ 542,820</u>	<u>\$ 534,935</u>

CITY OF WOODLAND, MINNESOTA  
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

	Business-type Activities - Enterprise Funds	
	<b>601</b>	
	Water	
	2013	2012
OPERATING REVENUES		
Charges for services	\$ 27,615	\$ 23,845
OPERATING EXPENSES		
Professional services	9,955	10,446
Utilities	9,368	9,243
Depreciation	4,900	4,900
TOTAL OPERATING EXPENSES	24,223	24,589
OPERATING INCOME (LOSS)	3,392	(744)
NONOPERATING REVENUES (EXPENSES)		
Special assessments	4,764	3,703
Interest income	4	-
Interest expense	(3,574)	(4,277)
TOTAL NONOPERATING REVENUES (EXPENSES)	1,194	(574)
CHANGE IN NET POSITION	4,586	(1,318)
NET POSITION, JANUARY 1	98,279	99,597
NET POSITION, DECEMBER 31	\$ 102,865	\$ 98,279

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

Business-type Activities -  
Enterprise Funds

<b>602</b>			
Sewer		Totals	
2013	2012	2013	2012
<u>\$ 35,077</u>	<u>\$ 32,467</u>	<u>\$ 62,692</u>	<u>\$ 56,312</u>
112	3,052	10,067	13,498
14,420	13,114	23,788	22,357
<u>14,000</u>	<u>14,000</u>	<u>18,900</u>	<u>18,900</u>
<u>28,532</u>	<u>30,166</u>	<u>52,755</u>	<u>54,755</u>
<u>6,545</u>	<u>2,301</u>	<u>9,937</u>	<u>1,557</u>
1,588	1,235	6,352	4,938
125	131	129	131
<u>(4,959)</u>	<u>(5,842)</u>	<u>(8,533)</u>	<u>(10,119)</u>
<u>(3,246)</u>	<u>(4,476)</u>	<u>(2,052)</u>	<u>(5,050)</u>
3,299	(2,175)	7,885	(3,493)
<u>436,656</u>	<u>438,831</u>	<u>534,935</u>	<u>538,428</u>
<u><u>\$ 439,955</u></u>	<u><u>\$ 436,656</u></u>	<u><u>\$ 542,820</u></u>	<u><u>\$ 534,935</u></u>

CITY OF WOODLAND, MINNESOTA  
STATEMENTS OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

	Business-type Activities Enterprise Funds	
	<b>601</b> Water	
	2013	2012
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers and users		
City of Minnetonka usage charges	\$ 9,263	\$ 9,200
User fee revenue	4,938	3,943
Maintenance fee revenue	14,042	8,080
Delinquent utility revenue	1,249	928
Payments to suppliers		
Remittance to City of Minnetonka	(9,280)	(9,455)
Maintenance and other expenses	(9,596)	(10,798)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>10,616</b>	<b>1,898</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Collection of special assessments	24,114	14,912
Interest paid on bonds	(3,867)	(4,570)
Principal paid on bonds	(12,500)	(12,500)
<b>NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>7,747</b>	<b>(2,158)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received on investments	4	-
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>18,367</b>	<b>(260)</b>
<b>CASH AND CASH EQUIVALENTS, JANUARY 1</b>	<b>(3,870)</b>	<b>(3,610)</b>
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	<b>\$ 14,497</b>	<b>\$ (3,870)</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ 3,392	\$ (744)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities		
Depreciation	4,900	4,900
(Increase) decrease in assets		
Receivables		
Accounts	(471)	(1,332)
Delinquent special assessments	2,348	(362)
Increase (decrease) in liabilities		
Accounts payable	447	(564)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>\$ 10,616</b>	<b>\$ 1,898</b>

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

Business-type Activities -  
Enterprise Funds

<b>602</b>			
Sewer		Totals	
2013	2012	2013	2012
\$ 13,801	\$ 12,524	\$ 23,064	\$ 21,724
12,112	11,042	17,050	14,985
7,823	6,817	21,865	14,897
1,711	1,398	2,960	2,326
(14,030)	(13,174)	(23,310)	(22,629)
(101)	(3,477)	(9,697)	(14,275)
<u>21,316</u>	<u>15,130</u>	<u>31,932</u>	<u>17,028</u>
8,038	4,971	32,152	19,883
(5,278)	(6,146)	(9,145)	(10,716)
(33,522)	(33,404)	(46,022)	(45,904)
<u>(30,762)</u>	<u>(34,579)</u>	<u>(23,015)</u>	<u>(36,737)</u>
<u>125</u>	<u>131</u>	<u>129</u>	<u>131</u>
(9,321)	(19,318)	9,046	(19,578)
<u>142,384</u>	<u>161,702</u>	<u>138,514</u>	<u>158,092</u>
<u>\$ 133,063</u>	<u>\$ 142,384</u>	<u>\$ 147,560</u>	<u>\$ 138,514</u>
\$ 6,545	\$ 2,301	\$ 9,937	\$ 1,557
14,000	14,000	18,900	18,900
(670)	(335)	(1,141)	(1,667)
1,040	(351)	3,388	(713)
<u>401</u>	<u>(485)</u>	<u>848</u>	<u>(1,049)</u>
<u>\$ 21,316</u>	<u>\$ 15,130</u>	<u>\$ 31,932</u>	<u>\$ 17,028</u>

CITY OF WOODLAND, MINNESOTA  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
DECEMBER 31, 2013

	<u>Agency</u>
ASSETS	
Cash and temporary investments	<u>\$      16,500</u>
LIABILITIES	
Deposits payable	<u>\$      16,500</u>

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



CITY OF WOODLAND, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013

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

**A. Reporting entity**

The City of Woodland, Minnesota (the City) operates under “Optional Plan A” form of government as defined in the State of Minnesota statutes. The City is governed by an elected Mayor and four-member City Council. 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. The City has no component units that meet the GASB criteria.

**B. Measurement focus, basis of accounting and basis of presentation**

The accompanying financial statements have been prepared on the regulatory basis of accounting as described in the Minnesota Office of the State Auditor’s Reporting and Publishing Requirements for Cities under 2,500 in population published on December 17, 2004. Under that basis, governmental fund receipts are recognized when received rather than when measurable and available, and disbursements are recognized when paid rather than when the obligation is incurred. That basis differs from generally accepted accounting principles in the United States of America (GAAP) primarily because the City has not provided a management discussion and analysis letter, government-wide statement of net position and government-wide statement of activities and the City does not recognize governmental fund receipts and disbursements in accordance with the modified accrual basis of accounting.

The accounts of the City are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum numbers of funds are maintained consistent with legal and managerial requirements.

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

*Governmental funds* are used to account for the City’s general government activities and are accounted for using the regulatory basis of accounting. Their revenue is recognized when received in cash and expenditures are recognized when paid in cash. The regulatory basis of accounting is a comprehensive basis of accounting other than GAAP. Under GAAP, governmental funds use the modified accrual method of accounting. The difference between the regulatory basis and modified accrual basis of accounting is that under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are “measurable and available”). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period.

*Proprietary funds* are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants, entitlement and donations. On the regulatory basis, receipts from property taxes are recognized in the year the tax is collected. Receipts from grants, entitlements and donations are recognized in the year in which they are collected. For proprietary funds, 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.

CITY OF WOODLAND, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013

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

Preparation of the financial statements 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 the following major governmental funds:

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 *Street Improvement fund* accounts for future street improvement projects.

The City reports the following major proprietary funds:

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

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

Additionally, the City reports the following fund types:

*Fiduciary funds* account for assets held by the government 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 modified accrual basis of accounting. This fund is used to account for construction escrow activity.

*Enterprise funds* are used to account for those operations that are financed and operated in a manner similar to private business or where the City Council has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

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 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. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**C. Assets, liabilities and net position/fund balance**

***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.

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. Investments for the City are reported at fair value.

CITY OF WOODLAND, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013

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

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. Bankers' acceptances of United States banks eligible for purchase by the Federal Reserve System.
6. 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.
7. 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.
8. 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.

***Property taxes***

The City Council annually adopts a tax levy in December and certifies it to the County for collection in 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 Auditor and tax settlements are made to the City during January, July and December each year.

***Account receivable***

Accounts receivable in the enterprise funds include amounts billed for services provided before year end. The City annually certifies delinquent water and sewer accounts to the County for collection. As a result there is no allowance for uncollectible accounts.

***Special assessments***

Special assessments represent the financing for public improvements paid for by benefiting property owners. In the proprietary funds, these assessments are recorded as receivables upon certification to the County. Special assessments are recognized as revenue upon receipt in the governmental funds.

***Capital assets***

Under the regulatory basis, the City does not account for capital assets used in governmental fund types.

Property, plant and equipment in the proprietary funds of the City are recorded at cost. Property, plant and equipment donated to these proprietary fund type operations are recorded at their estimated fair value at the date of donation.

Major outlays for capital assets and improvements are capitalized in proprietary funds as projects are constructed. Interest incurred during the construction phase of proprietary fund fixed assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

CITY OF WOODLAND, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013

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

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized in the proprietary funds.

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

Assets	Useful Lives in Years
Buildings and structures	40
Improvements other than buildings	10 to 50
Furniture and equipment	3 to 10

***Long-term obligations***

In the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable proprietary fund type statement of net position. The recognition of bond premiums and discounts are delayed and amortized over the life of the bonds using the straight-line method. Bond issuance costs are reported as an expense in the period incurred.

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

***Fund balance***

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

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

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

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

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

*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.

CITY OF WOODLAND, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013

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

The City has formally adopted a fund balance policy for the General fund. The City's policy is to maintain a minimum unassigned fund balance of 50 percent of budgeted operating expenditures for cash-flow timing needs.

***Net position***

In the proprietary fund financial statements, net position represents the difference between assets and liabilities. 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- Consist of net position 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 that do not meet the definition of "restricted" or "net investment in capital assets".

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.

***Comparative data/reclassifications***

Comparative total data for the prior year have been presented only for the individual enterprise funds in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year have been reclassified in order to be consistent with the current year's presentation.

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

**A. Budgetary information**

Annual budgets are adopted on the cash basis, which is a comprehensive basis other than GAAP for the General fund. All annual appropriations lapse at fiscal year end. The City does not use encumbrance accounting.

In August of each year, all departments of the City submit requests for appropriations to the City Clerk so that a budget may be prepared. Before September 15, 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 Council. The legal level of budgetary control is the department level. There were no budget amendments in 2013.

**B. Excess of disbursements over appropriations**

For the year ended December 31, 2013, disbursements exceeded appropriations in the General fund by \$24,270. These over-disbursements were funded by receipts in excess of expectations.

CITY OF WOODLAND, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013

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

**A. Deposits and investments**

***Deposits***

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

Minnesota statutes require that all City deposits be protected by insurance, surety bond or collateral. The market value of collateral pledged must equal 110 percent of the deposits not covered by insurance or bonds.

Authorized collateral in lieu of a corporate surety bond includes:

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

Minnesota statutes require that all collateral shall be placed in safekeeping in a restricted account at a Federal Reserve Bank, or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral. The selection should be approved by the City.

At year end, the City's carrying amount of deposits was \$7,833 and the bank balance was \$10,000. The bank balance was covered by federal depository insurance.

***Investments***

At December 31, 2013, the City's investment balances were as follows:

Types of Investments	Credit Quality/ Ratings (1)	Segmented Time Distribution (2)	Fair Value and Carrying Amount
Government Securities			
Repurchase Investment Sweep	N/A	< 6 months	\$ 470,306

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

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

N/A Indicates not applicable or available.

CITY OF WOODLAND, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013

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

A reconciliation of cash and temporary investments as shown on the statements for the City follows:

Carrying amount of deposits	\$ 7,833
Petty cash	50
Investments	<u>470,306</u>
 Total cash and temporary investments	 <u><u>\$ 478,189</u></u>
 Governmental funds	 \$ 314,129
Proprietary funds	147,560
Fiduciary funds	<u>16,500</u>
 Total cash and temporary investments	 <u><u>\$ 478,189</u></u>

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

- *Credit Risk.* Credit risk for investments 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 limit the City's investments to the list on page 27 of the notes.
- *Custodial Credit Risk.* The custodial credit risk for investments 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.
- *Concentration of Credit Risk.* The concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. In accordance with the City's investment policy, the City will attempt to diversify its investments according to type and maturity. The portfolio, as much as possible, will contain both short-term and long-term investments. The City will attempt to match its investments with anticipated cash flow requirements.
- *Interest Rate Risk.* The interest rate risk for investments is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with the City's investment policy, extended maturities may be utilized to take advantage of higher yields; however, no more than 30 percent of the total investments should extend beyond five years and in no circumstance should any extend beyond twenty years.

**B. Capital assets**

Capital asset activity for the year ended December 31, 2013 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Business-type activities</b>				
Capital assets being depreciated				
Infrastructure	\$ 892,205	\$ -	\$ -	\$ 892,205
 Less accumulated depreciation for				
Infrastructure	<u>(285,300)</u>	<u>(18,900)</u>	<u>-</u>	<u>(304,200)</u>
 Business-type activities				
capital assets, net	<u><u>\$ 606,905</u></u>	<u><u>\$ (18,900)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 588,005</u></u>

CITY OF WOODLAND, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013

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

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

**Business-type activities**

Water	\$ 4,900
Sewer	<u>14,000</u>
Total depreciation expense - business-type activities	<u><u>\$ 18,900</u></u>

**C. Interfund transfers**

The General fund transferred \$43,000 to the Street Improvement fund for future street repair projects.

**D. Long-term debt**

General obligation (G.O.) bonds

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

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

General obligation revenue bonds

The following bonds were issued to finance capital improvements in the enterprise funds. They will be repaid from future revenues pledged from the Water and Sewer funds and are backed by the taxing power of the City. Annual principal and interest payments on the bonds are expected to require over 59 and 111 percent of revenues from the Water and Sewer funds, respectively. For 2013, principal and interest paid and total customer revenues for the Water fund were \$16,367 and \$27,615, respectively. For 2013, principal and interest paid and total customer revenues for the Sewer fund were \$38,800 and \$35,077, respectively.

Description	Authorized and Issued	Interest Rate	Issue Date	Maturity Date	Balance at Year End
General Obligation Improvement Bonds, Series 1997B	\$ 250,000	5.625 %	08/01/97	02/01/18	\$ 62,500
General Obligation Revenue Bonds, Series 1997A	698,775	2.580	04/15/97	08/20/18	<u>179,388</u>
Total G.O. Revenue Bonds					<u><u>\$ 241,888</u></u>



CITY OF WOODLAND, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013

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

The annual requirement to amortize all bonds outstanding as of December 31, 2013 through maturity follows:

Year Ending December 31,	Business-type Activities		
	Principal	Interest	Total
2014	\$ 46,892	\$ 7,572	\$ 54,464
2015	47,785	5,976	53,761
2016	48,701	4,356	53,057
2017	49,641	2,713	52,354
2018	48,869	1,046	49,915
Total	<u>\$ 241,888</u>	<u>\$ 21,663</u>	<u>\$ 263,551</u>

Changes in long-term liabilities

During the year ended December 31, 2013, the following changes occurred in long-term liabilities.

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
<b>Business-type activities</b>					
General obligation improvement and revenue bonds	<u>\$ 287,910</u>	<u>\$ -</u>	<u>\$ (46,022)</u>	<u>\$ 241,888</u>	<u>\$ 46,892</u>

**Note 4: OTHER INFORMATION**

**A. Legal debt margin**

In accordance with Minnesota statutes, the City may not incur or be subject to net debt in excess of 3 percent of the market value of taxable property within the City. Net debt is payable solely from ad valorem taxes and therefore, excludes debt financed partially or entirely by special assessments, enterprise fund revenues or tax increments. The City has no debt subject to the limit.

**B. Risk management**

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

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

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**COMBINING AND INDIVIDUAL FUND  
FINANCIAL SCHEDULES**

CITY OF WOODLAND  
WOODLAND, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2013

CITY OF WOODLAND, MINNESOTA  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE - REGULATORY BASIS - CONTINUED ON THE FOLLOWING PAGE  
FOR THE YEAR ENDED DECEMBER 31, 2013  
(With comparative actual amounts for the year ended December 31, 2012)

	2013			2012
	Budgeted Amounts		Actual Amounts	Actual Amounts
	Original	Final		
BUDGETARY FUND BALANCES, JANUARY 1	\$ 264,015	\$ 264,015	\$ 264,015	\$ 248,805
RECEIPTS				
Taxes				
Property taxes	320,228	320,228	322,759	311,770
Licenses and permits	9,025	9,025	25,227	5,472
Intergovernmental				
County				
County grants	1,500	1,500	1,579	1,580
Road aid	-	-	-	3,748
Total intergovernmental	1,500	1,500	1,579	5,328
Charges for services				
Zoning and other	1,700	1,700	7,882	3,775
Fines and forfeitures	2,500	2,500	2,441	7,717
Interest on investments	200	200	244	218
Miscellaneous				
Other	500	500	2,759	3,187
TOTAL RECEIPTS	335,653	335,653	362,891	337,467
AMOUNTS AVAILABLE FOR APPROPRIATION	599,668	599,668	626,906	586,272
DISBURSEMENTS				
Current				
General government				
Mayor and Council				
Personal services	260	260	290	258
Other services and charges	300	300	225	249
Total Mayor and Council	560	560	515	507
City Clerk				
Personal services	48,257	48,257	48,257	47,129
Supplies	1,150	1,150	761	1,583
Other services and charges	4,360	4,360	6,787	3,714
Total City Clerk	53,767	53,767	55,805	52,426
Assessor				
Other services and charges	9,019	9,019	9,079	8,904

CITY OF WOODLAND, MINNESOTA  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE - REGULATORY BASIS - CONTINUED  
FOR THE YEAR ENDED DECEMBER 31, 2013  
(With comparative actual amounts for the year ended December 31, 2012)

	2013			2012	
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amounts
	Original	Final			
DISBURSEMENTS - CONTINUED					
Current - continued					
General government - continued					
Legal					
Other services and charges	\$ 8,500	\$ 8,500	\$ 6,868	\$ 1,632	\$ 3,057
Audit and accounting					
Other services and charges	11,000	11,000	11,000	-	10,723
Total general government	82,846	82,846	83,267	(421)	75,617
Public safety					
Police					
Other services and charges	104,278	104,278	104,278	-	102,230
Fire					
Personal services	20,429	20,429	20,429	-	20,389
Total public safety	124,707	124,707	124,707	-	122,619
Public works					
Streets and highways					
Supplies	1,200	1,200	270	930	1,670
Other services and charges	15,700	15,700	31,633	(15,933)	11,782
Total streets and highways	16,900	16,900	31,903	(15,003)	13,452
Snow and ice removal					
Other services and charges	37,000	37,000	41,950	(4,950)	17,007
Sanitation and recycling					
Other services and charges	14,500	14,500	14,682	(182)	14,965
Engineering					
Other services and charges	5,000	5,000	10,116	(5,116)	3,905
Total public works	73,400	73,400	98,651	(25,251)	49,329
Miscellaneous					
Unallocated					
Other services and charges	11,700	11,700	10,298	1,402	10,944
TOTAL DISBURSEMENTS	292,653	292,653	316,923	(24,270)	258,509
OTHER FINANCING USES					
Transfers out	43,000	43,000	43,000	-	63,748
TOTAL DISBURSEMENTS AND OTHER FINANCING USES	335,653	335,653	359,923	(24,270)	322,257
BUDGETARY FUND BALANCES, DECEMBER 31	\$ 264,015	\$ 264,015	\$ 266,983	\$ 2,968	\$ 264,015

CITY OF WOODLAND, MINNESOTA  
 PROPRIETARY FUND  
 COMBINING SCHEDULE OF DEBT SERVICE CASH FLOWS  
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Business-type Activities - Enterprise Funds		
	<b>601</b>		
	Water		
	Prior Years	2013	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
User fees	\$ 54,917	\$ 4,938	\$ 59,855
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES			
Proceeds of bonds issued	250,000	-	250,000
Principal paid on bonds	(175,000)	(12,500)	(187,500)
Interest paid on bonds	(141,797)	(3,867)	(145,664)
Collections of special assessments	200,779	24,114	224,893
Contributed capital from General fund	-	-	-
Purchase of and payment on property and equipment	(187,986)	-	(187,986)
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	(54,004)	7,747	(46,257)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received on investments	29,885	4	29,889
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	30,798	12,689	43,487
CASH AND CASH EQUIVALENTS, JANUARY 1	-	30,798	-
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 30,798	\$ 43,487	\$ 43,487

Business-type Activities - Enterprise Funds

<b>602</b>					
Sewer			Totals		
Prior Years	2013	Total	Prior Years	2013	Total
<u>\$ 155,369</u>	<u>\$ 12,112</u>	<u>\$ 167,481</u>	<u>\$ 210,286</u>	<u>\$ 17,050</u>	<u>\$ 227,336</u>
698,775	-	698,775	948,775	-	948,775
(485,904)	(33,522)	(519,426)	(660,904)	(46,022)	(706,926)
(172,233)	(5,278)	(177,511)	(314,030)	(9,145)	(323,175)
475,379	8,038	483,417	676,158	32,152	708,310
18,000	-	18,000	18,000	-	18,000
<u>(697,666)</u>	<u>-</u>	<u>(697,666)</u>	<u>(885,652)</u>	<u>-</u>	<u>(885,652)</u>
<u>(163,649)</u>	<u>(30,762)</u>	<u>(194,411)</u>	<u>(217,653)</u>	<u>(23,015)</u>	<u>(240,668)</u>
<u>77,628</u>	<u>125</u>	<u>77,753</u>	<u>107,513</u>	<u>129</u>	<u>107,642</u>
69,348	(18,525)	50,823	100,146	(5,836)	94,310
<u>-</u>	<u>69,348</u>	<u>-</u>	<u>-</u>	<u>100,146</u>	<u>-</u>
<u>\$ 69,348</u>	<u>\$ 50,823</u>	<u>\$ 50,823</u>	<u>\$ 100,146</u>	<u>\$ 94,310</u>	<u>\$ 94,310</u>

CITY OF WOODLAND, MINNESOTA  
SUMMARY FINANCIAL REPORT  
RECEIPTS AND DISBURSEMENTS FOR GENERAL OPERATIONS -  
GOVERNMENTAL FUNDS  
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

	Total		Percent Increase (Decrease)
	2013	2012	
RECEIPTS			
Taxes	\$ 322,759	\$ 311,770	3.52 %
Licenses and permits	25,227	5,472	361.02
Intergovernmental	1,579	5,328	(70.36)
Charges for services	7,882	3,775	108.79
Fines and forfeits	2,441	7,717	(68.37)
Investment earnings	286	253	13.04
Miscellaneous	2,759	3,187	(13.43)
TOTAL RECEIPTS	<u>\$ 362,933</u>	<u>\$ 337,502</u>	7.54 %
Per Capita	<u>\$ 823</u>	<u>\$ 772</u>	6.56 %
DISBURSEMENTS			
Current			
General government	\$ 83,267	\$ 75,617	10.12 %
Public safety	124,707	122,619	1.70
Public works	135,765	111,862	21.37
Miscellaneous	10,298	10,944	(5.90)
TOTAL DISBURSEMENTS	<u>\$ 354,037</u>	<u>\$ 321,042</u>	10.28 %
Per Capita	<u>\$ 803</u>	<u>\$ 735</u>	9.28 %
General Fund Balance - December 31	\$ 266,983	\$ 264,015	1.12 %
Per Capita	605	604	0.21

The purpose of this report is to provide a summary of financial information concerning the City of Woodland to interested citizens. The complete financial statements may be examined at City Hall, 20225 Cottagewood Road, Deephaven, MN 55331. Questions about this report should be directed to Kathy McCullum, City Clerk at (952) 474-4755.



**SUPPLEMENTARY INFORMATION - UNAUDITED**

CITY OF WOODLAND  
WOODLAND, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2013

CITY OF WOODLAND, MINNESOTA  
SUPPLEMENTARY INFORMATION - UNAUDITED  
DECEMBER 31, 2013

**SCHEDULE OF ACCOUNTS RECEIVABLE**

<u>FUND</u>	<u>SOURCE OF REVENUE</u>	<u>PURPOSE</u>	<u>AMOUNT</u>
General	City of Deephaven	Building Permit (4th Quarter)	\$ 18,597
General	Hennepin County	Final Tax Settlement Payment	<u>2,962</u>
	TOTAL		<u><u>\$ 21,559</u></u>

**SCHEDULE OF ACCOUNTS PAYABLE AND CONTINGENT LIABILITIES**

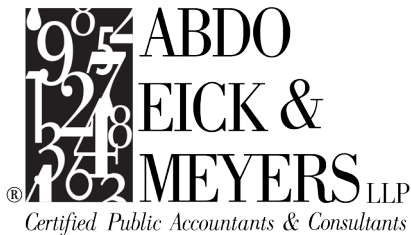
<u>FUND</u>	<u>VENDOR NAME</u>	<u>ITEM AND PURPOSE</u>	<u>AMOUNT</u>
General	Bolton & Menk, Inc	GF SWPPP Report	\$ 726
General	Campbell Knutson	Civil - 3100 Maplewood Rd	159
General	City of Deephaven	Zoning Hours	419
General	City of Deephaven	Postage - Special Mailing	92
General	Earl F. Anderson, INC	Street Signs	166
General	ECM Publishers INC	Publications	364
General	Hennepin County Elections	Elections	550
General	Internal Revenue Service	Council Salaries -Taxes	37
General	Metro West Inspection Services	Inspection	239
General	N.A.R.S	Deer Management	1,078
General	Sylvia Carlson	Mileage	36
General	Tallen & Baertschi	Prosecution Charges	<u>387</u>
	TOTAL		<u><u>\$ 4,253</u></u>

**OTHER REQUIRED REPORT**

CITY OF WOODLAND  
WOODLAND, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2013

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## INDEPENDENT AUDITOR'S REPORT ON MINNESOTA LEGAL COMPLIANCE

Honorable Mayor and City Council  
City of Woodland, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of each major fund of the governmental and proprietary funds and the aggregate remaining fund information of the City of Woodland, Minnesota (the City), as of and for the year ended December 31, 2013, and the related notes to the financial statements on the regulatory basis, and have issued our report thereon dated February 13, 2014..

The *Minnesota Legal Compliance Audit Guide for Political Subdivisions*, 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, except that we did not test for compliance with the provisions for tax increment financing because the City does not have any tax increment financing districts.

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 Political Subdivisions*. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. 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 those charged with governance and management of the City and the State Auditor and is not intended to be and should not be used by anyone other than these specified parties.

ABDO, EICK & MEYERS, LLP  
Minneapolis, Minnesota  
February 13, 2014