

ANNUAL CITY BUDGET

2017

PREPARED BY:

City Administrator's Office


Administrator
Jim Thoreen

Finance Director
Connie L. Hillman

MEMO



www.ci.brainerd.mn.us

TO: Citizens/Taxpayers of the City of Brainerd
FROM: City Administrator Jim Thoreen 
DATE: December 30, 2016

Following you will find the adopted 2017 Budget for the City of Brainerd. The budget document is the culmination of several months of work by the City Council, Department Heads, as well as the staff in the administrative office. The budget includes various Departments of the City, excluding those managed by the Public Utilities Commission. The City Council approved the budget on December 19, 2016.

The budget document serves as the primary financial planning tool for the City. It is a vehicle through which the Council can obtain estimates of the expected revenues for the upcoming year, and with this information, plan City spending. Once the Council has allocated available money for the various City services, the budget can help control expenditures. Because budget preparation involves necessary decisions about the use of the money, it facilitates and coordinates important decision making. At the conclusion of the budget year, the document can help the City Council evaluate the level and quality of services that the City provided during the year. Also, by measuring the level and quality of service citizens receive for each dollar the City spends, the City Council can measure the efficiency of providing the services. In this way, the budget can provide an overall check on governmental operations.

In the budgeting process, every effort is made to conservatively and realistically estimate both revenues and expenditures expected to occur during the year. This is done by reviewing budget figures over the past two years as well as the current year-to-date financial reports and comparing those figures with the cost of providing an adequate level of service during the upcoming year. The major revenue sources within the budget are from Local Government Aid (LGA) from the State of Minnesota and property taxes. The major expenditure source is for personnel. Simply put, the document attempts to include those programs and services that the City normally provides to its taxpayers, as well as those programs and services that have come up over the past year to be included in the 2017 budget.

I hope that the document is understandable. If not, please feel free to contact me or the Finance Director and either of us would be happy to answer your questions relative to the attached document or the budgeting process.

Table of Contents

2017 LEVY OVERVIEW	1
ESTIMATED MARKET VALUES	1
CITY TAX CAPACITY AND TAX RATE:	2
2017 BUDGET	5
OVERVIEW OF FINANCIAL STRUCTURE	5
GENERAL OPERATING FUNDS	6
CAPITAL EQUIPMENT BUDGET	10
TRANSIT FUND	12
LIBRARY FUND	13
RECYCLING FUND	14
CITY PARKING LOTS FUND	15
PERMANENT IMPROVEMENT FUND	16
MAYOR'S CONTINGENCY FUND	17
HYDRANT RENTAL & ELECTRIC CURRENT FUND	18
ECONOMIC DEVELOPMENT AUTHORITY FUND (EDA)	19
SANITARY SEWER COLLECTION FUND	20
STORM SEWER FUND	21

2017 Levy Overview

2017 Levy:

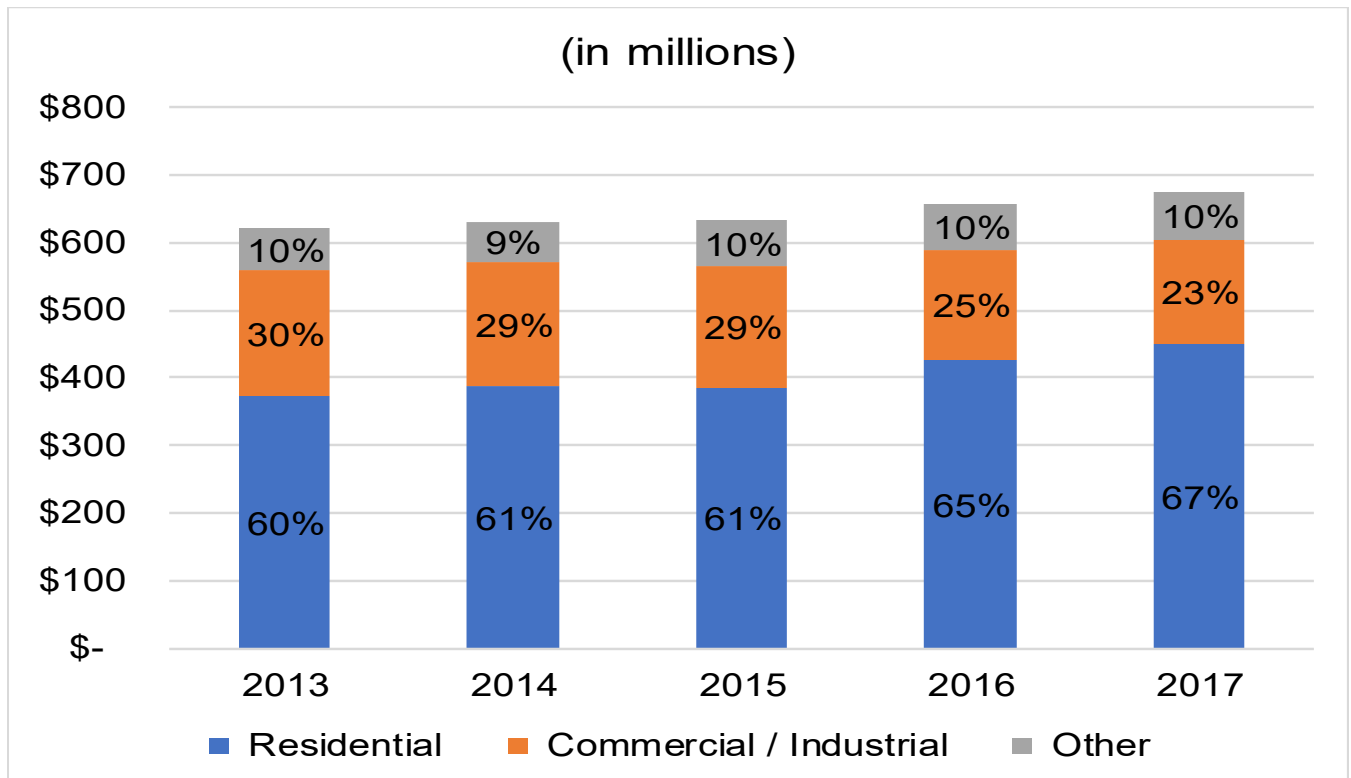
The 2017 Levy was adopted at the December 19, 2016 council meeting in the amount of \$5,373,778. This is a \$156,518 or 3.00% increase over the 2016 levy. The table below summarizes how the levy dollars are allocated.

Fund/Purpose	2016 Budget	2017 Budget	\$ Change
General Operations ***	\$ 2,313,551	\$ 2,106,388	\$ (207,163)
Capital Equipment	87,000	428,919	341,919
Library	141,000	143,820	2,820
Permanent Improvement	323,460	333,170	9,710
Hydrant Rent & E.C.	161,730	166,585	4,855
EDA	114,603	118,980	4,377
Debt	2,075,916	2,075,916	-
Total	\$ 5,217,260	\$ 5,373,778	\$ 156,518

*** Includes the General Fund, Public Safety, Parks, and Street & Sewer Operations

Estimated Market Values

The amount of taxes that a property owner pays is dependent upon the classification and the estimated market value of the property. The bar graph below shows the makeup of the estimated market values of the City of Brainerd by major classifications:



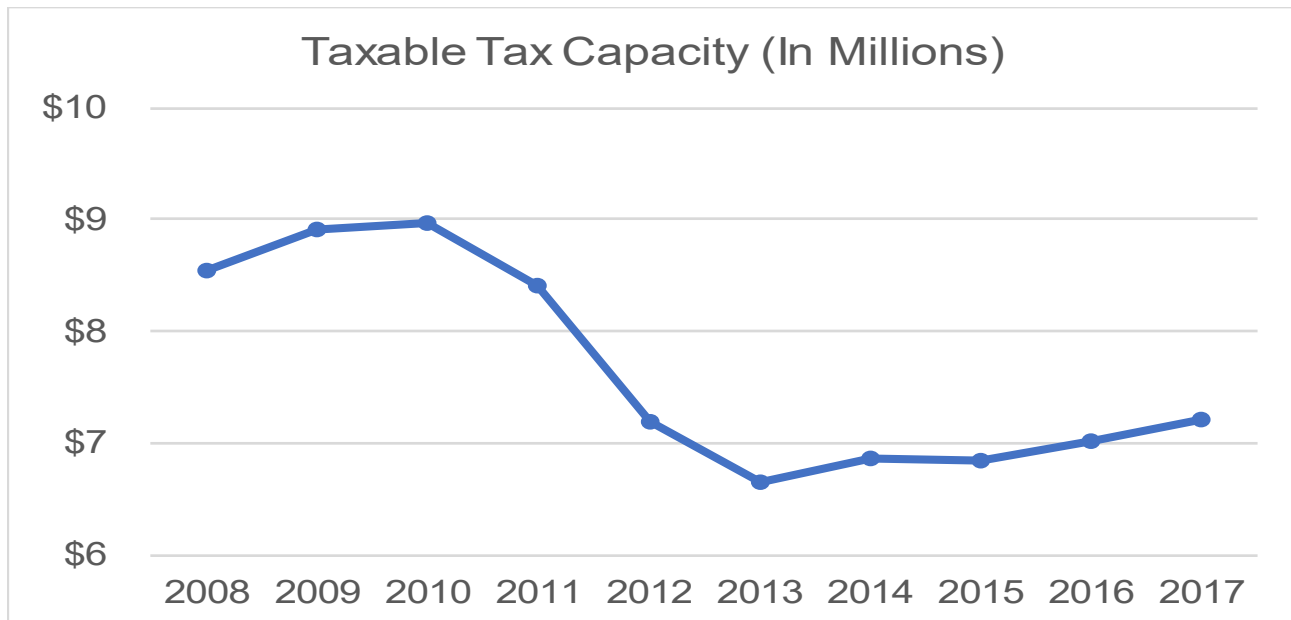
2017 Levy Overview (Continued)

City Tax Capacity and Tax Rate:

The Citywide tax capacity represents the taxable property value within the City. It is determined by applying the State-wide property tax formula to the estimated market value of each parcel, and then adding each parcel's tax capacity. The citywide tax capacity is then applied to the proposed levy to determine the local tax rate.

	Pay Year 2016	Pay Year 2017 ^{*^*}	\$ Change
Initial Tax Capacity	\$ 7,290,502	\$ 7,478,068	\$ 187,566
Less TIF Value	(283,032)	(272,024)	\$ 11,008
Taxable Tax Capacity	\$ 7,007,470	\$ 7,206,044	\$ 198,574

^ The estimated market value for pay year 2017 is based on estimated figures from Crow Wing County as of November 9, 2016. The figures are subject to change until the final figures are certified after year end, including potential legislative impacts.



The City's **estimated tax rate**, with **a levy of \$5,373,778**, and a citywide estimated **Tax Capacity of \$7,206,044**, is **74.974%**. This is an increase of .395% over the 2016 City Tax rate.

2017 Levy Overview (Continued)

City Tax Capacity and Tax Rate (Continued):

The following table summarized the estimated tax impact on a residential homestead property, assuming no increase in property valuation:

Residential Homestead					
Estimated Market Value	Estimated Taxable Tax Capacity	2016 Estimated City Tax	2017 Estimated City Tax	\$ Increase (Decrease)	% Increase (Decrease)
70,000	420	313.23	314.89	1.66	0.53%
85,000	554	413.17	415.36	2.19	0.53%
106,500	788	587.68	590.80	3.11	0.53%
150,000	1,263	941.93	946.92	4.99	0.53%
200,000	1,808	1,348.39	1,355.53	7.14	0.53%

The above shows that the median valued home of \$106,500 would see an estimated increase of \$3 or .53% holding all other factors constant.

The following table below summarized the estimated income of a commercial/Industrial property, assuming no increase in property valuation:

Commercial/Industrial					
Estimated Market Value	Estimated Taxable Tax Capacity	2016 Estimated City Tax	2017 Estimated City Tax	\$ Increase (Decrease)	% Increase (Decrease)
150,000	2,250	1,678.03	1,686.92	8.89	0.53%
200,000	3,250	2,423.82	2,436.66	12.84	0.53%
363,500	6,520	4,862.55	4,888.30	25.75	0.53%
500,000	9,250	6,898.56	6,935.10	36.54	0.53%
750,000	14,250	10,627.51	10,683.80	56.29	0.53%

The above shows that a median valued commercial property of \$363,500 would see an estimated increase of approximately \$26 or .53% in the city tax liability holding all other factors constant.

2017 Levy Overview (Continued)

City Tax Capacity and Tax Rate (Continued):

It is not realistic to assume that the estimated market values of a property will stay constant from year to year. The tables below summarize the impact of the 2017 levy on a median residential homestead and a commercial property with various changes to the estimated market values.

Residential Homestead				
	Estimated Market Value	Tax Capacity	Annual City Tax Liability	Estimated Annual Change
2016	\$ 106,500	788	587.68	-
No Change	106,500	788	590.80	3.11
1% Increase	107,565	800	599.84	12.15
2% Increase	108,630	812	608.54	20.86
3% Increase	109,695	823	617.24	29.56
4% Increase	110,760	835	625.95	38.26
5% Increase	111,825	846	634.65	46.97
6% Increase	112,890	858	643.35	55.67
10% Increase	117,150	905	678.17	90.48
15% Increase	122,475	963	721.68	134.00
20% Increase	127,800	1,021	765.20	177.52

Commercial				
	Estimated Market Value	Tax Capacity	Annual City Tax Liability	Estimated Annual Change
2016	\$ 363,500	6,520	4,862.55	-
No Change	363,500	6,520	4,888.30	25.75
1% Increase	367,135	6,593	4,942.81	80.26
2% Increase	370,770	6,665	4,997.32	134.77
3% Increase	374,405	6,738	5,051.82	189.27
4% Increase	378,040	6,811	5,106.33	243.78
5% Increase	381,675	6,884	5,160.84	298.28
10% Increase	399,850	7,247	5,433.37	570.81
15% Increase	418,025	7,611	5,705.90	843.35
20% Increase	436,200	7,974	5,978.43	1,115.88
5% Decrease	345,325	6,157	4,615.77	(246.78)

2017 Budget

Overview of Financial Structure

Like most governmental units, the City of Brainerd operates under a financial structure that segregates programs and services within funds or functional units. This segregation is made to ensure that legally restricted funds are used in the manner in which they're prescribed, and to account for programs whose financial activities are tracked separately for management purposes.

The table below outlines the financial relationship between the City's primary programs and services in which the City officially adopts a budget.

Program or Service	Type of Fund	Fund Name
City Council	Governmental	General
Administration	Governmental	General
Elections	Governmental	General
Civil Attorney	Governmental	General
Engineering	Governmental	General
IT/GIS	Governmental	General
Planning	Governmental	General
City Hall	Governmental	General
Inspections	Governmental	General
Unallocated	Governmental	General
Police	Governmental	Public Safety
Fire	Governmental	Public Safety
Misdemeanor Prosecutor	Governmental	Public Safety
Animal Control	Governmental	Public Safety
Parks - all programs	Governmental	Parks & Recreation
Street and Sewer	Governmental	Street & Sewer
Traffic Control	Governmental	Street & Sewer
Snow Removal	Governmental	Street & Sewer
Capital Equipment	Governmental	Capital Projects
Transit	Governmental	Transit
Library	Governmental	Library
Recycling	Governmental	Recycling
Parking Lots	Governmental	City Parking Lot Fund
Permanent Improvement	Governmental	Permanent Improvement
Mayor Contingency	Governmental	Mayor Contingency
Hydrant Rent & E.C	Governmental	Hydrant Rent & E.C
EDA	Governmental	EDA
Sanitary Sewer	Proprietary	Sanitary Sewer
Storm Sewer	Proprietary	Storm Sewer

The **Governmental fund types** use a modified accrual basis of accounting for budgeting whereas the **Proprietary fund types** use the accrual bases of accounting.

2017 Budget (Continued)

General Operating Funds

The general operating funds of the City are the General, Public Safety, Parks and Recreation, and Street and Sewer Funds. The City of Brainerd is a Charter City. The City has separate funds for Public Safety, Parks & Recreation and Street & Sewer as established by the Charter. The activities of those funds are primarily supported by Local Government Aid (LGA) and Property Tax Revenues. For budget purposes, to determine the amount of levy for operations, it is best to look at the funds together.

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

Public Safety Fund - The Public Safety Fund, a special revenue fund, accounts for local government aid/property tax levy, fines and forfeitures, and charges for services that are committed for the operation and maintenance of the fire, police, and other public safety functions of the City.

Parks and Recreation Fund - The Parks and Recreation Fund, a special revenue fund, accounts for the local government aid/property tax revenue fines and forfeitures, and charges for services that are committed for the acquisition and maintenance of public parks and public recreation activities.

Street and Sewer Fund – The Street and Sewer Fund, a special revenue fund, accounts for local government aid/property tax levy, and reimbursement for utility expenses that are committed to be used for all expenses of cleaning and repairing of streets, alleys and sewers.

2017 Budget (Continued)

General Operating Funds (Continued)

The table below shows a 3-year comparison of the revenues, expenditures and changes in fund balance for the General Operating Funds of the City which includes the General, Public Safety, Parks and Recreation, and Street and Sewer funds.

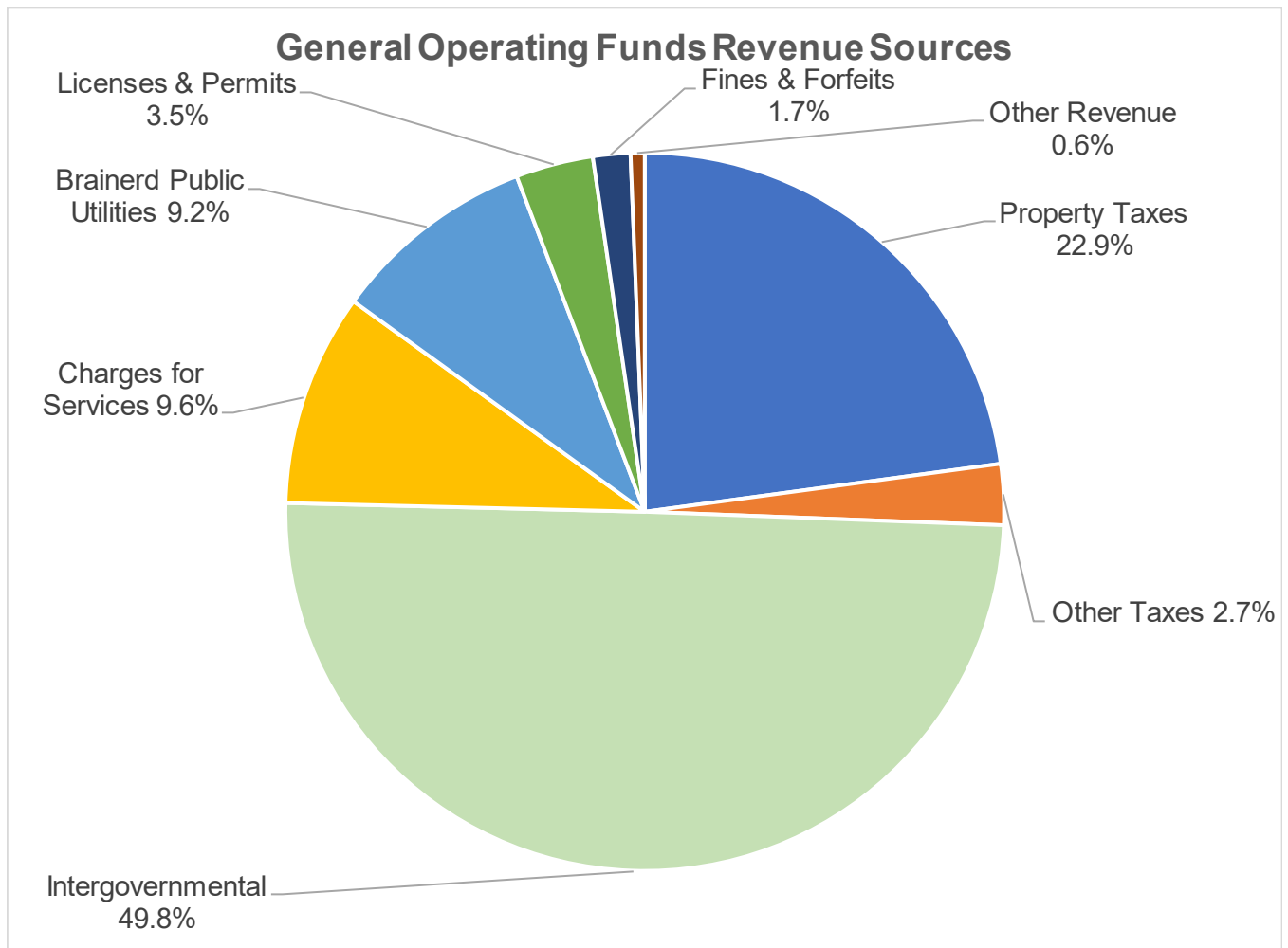
	2015 Actual	2016 Budget	2017 Budget
Revenues			
Property Taxes	2,313,426	2,313,551	2,106,388
Other Taxes	306,900	275,500	252,000
Intergovernmental	4,599,518	4,557,789	4,588,477
Charges for Services	919,366	943,574	881,702
Licenses & Permits	400,253	311,980	320,865
Fines & Forfeits	183,473	155,000	155,000
Special Assessments	37,356	10,800	35,800
Interest	14,165	3,000	6,500
Other Revenue	845,224	846,560	858,245
Total Revenues	9,619,681	9,417,754	9,204,977
Expenditures			
General Government	2,128,364	2,074,759	2,230,934
Police	3,302,162	3,325,614	3,343,351
Fire	1,348,403	1,103,687	1,016,364
Misdemeanor Prosecutor	182,221	185,682	185,682
Animal Control	64,458	69,000	69,000
Parks - all programs	998,275	982,921	995,230
Street & Sewer	850,432	969,514	967,903
Total Expenditures	8,874,315	8,711,177	8,808,464
Other Sources (Uses)			
Transfer In (Out)	(325,781)	(712,577)	(381,513)
Other Sources (Uses)	74,607	6,000	-
Total Other Sources (Uses)	(251,174)	(706,577)	(381,513)
Excess of Revenue Over (under) Expenditures and Other Sources (Uses)	494,192	-	15,000
Fund Balance - Jan 1st	3,031,016	3,525,208	3,525,208
Fund Balance - Dec 31st	3,525,208	3,525,208	3,540,208

2017 Budget (Continued)

General Operating Funds (Continued)

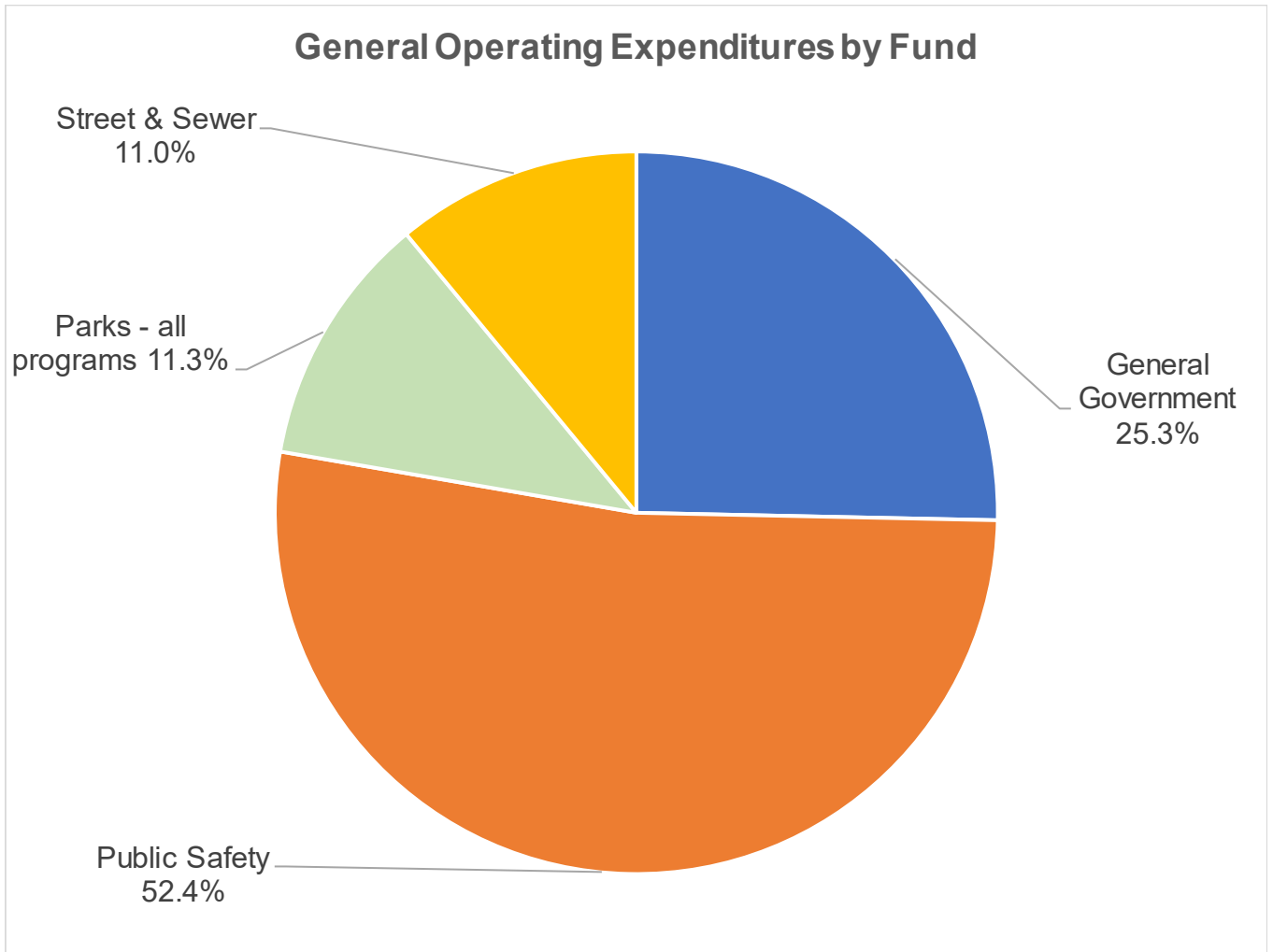
The table below shows the Total Uses by type rather than function.

	2015 Actual	2016 Budget	2017 Budget
Expenditures			
Personnel Services	6,101,008	6,084,042	6,121,240
Supplies	341,047	438,850	427,000
Services	1,742,311	1,729,690	1,816,345
Other	437,200	448,595	443,879
Capital	252,749	10,000	-
Total Expenditures	8,874,315	8,711,177	8,808,464



2017 Budget (Continued)

General Operating Funds (Continued)



2017 Budget (Continued)

Capital Equipment Budget

In 2016, the City started to budget for capital equipment for the General Operating funds in its own fund rather than it being part of the operating budgets. The table below shows a 2-year comparison of the revenues, expenditures and changes in fund balance for the Capital Equipment Fund.

	2016 Budget	2017 Budget
Revenues		
Property Taxes	87,000	428,919
Other Taxes	63,000	-
Other Revenue	-	-
Total Revenues	150,000	428,919
Expenditures		
Capital	920,000	450,100
Total Expenditures	920,000	450,100
Other Sources (Uses)		
Bond Proceeds	670,000	-
Cost of Issuance	-	-
Transfer In (Out)	522,060	-
Other Sources (Uses)	-	10,000
Total Other Sources (Uses)	1,192,060	10,000
Excess of Revenue Over (under) Expenditures and Other Sources (Uses)	422,060	(11,181)
Fund Balance - Jan 1st	174,607	596,667
Fund Balance - Dec 31st	596,667	585,486

2017 Budget (Continued)

Capital Equipment Budget (Continued)

The table below shows the 2017 capital budget by department.

Description	Total	Property Tax Revenue	Bond Proceeds	Other Funds
Engineering				
Total Station	\$ 40,600	\$ 40,600	\$ -	\$ -
Planning				
Comprehensive Plan	15,000	15,000	-	-
IT/GIS				
Server Replacement	14,000	14,000	-	-
ID Card Printer	3,000	3,000	-	-
Laserfiche License Update	5,000	5,000	-	-
Total IT/GIS	22,000	22,000	-	-
Inspections				
Mobile Tablets	1,500	1,500	-	-
Administration				
Office Furniture	5,000	5,000	-	-
City Hall				
HVAC	35,000	13,819	-	21,181
Facility Study	28,000	28,000	-	-
Total City Hall	63,000	41,819	-	21,181
Police				
Leased Squad Build Up	40,000	40,000	-	-
Body Camera or Video Upgrades	40,000	40,000	-	-
Total Police	80,000	80,000	-	-
Fire				
Extrication Equipment	20,000	20,000	-	-
Civil Defense Tower	20,000	20,000	-	-
Total Fire	40,000	40,000	-	-
Parks and Recreation				
Field Groomer	15,000	15,000	-	-
Fountain	55,000	55,000	-	-
Total Parks and Recreation	70,000	70,000	-	-
Street and Sewer				
Broom Tractor	55,000	55,000	-	-
Chipper	58,000	58,000	-	-
Total Street and Sewer	113,000	113,000	-	-
Total Capital Equipment Budget	\$ 450,100	\$ 428,919	\$ -	\$ 21,181

2017 Budget (Continued)

Transit Fund

The Transit Fund accounts for government grant revenues which are restricted for the expenditures of the City's dial-a-ride transportation system operation.

The table below shows a 3-year comparison of the revenues, expenditures and changes in fund balance for the Transit Fund.

	2015 Actual	2016 Budget	2017 Budget
Revenues			
Property Taxes	-	-	-
Grants & Aids	909,383	885,100	960,500
Intergovernmental	37,553	6,200	6,200
Charges for Services	143,005	148,674	152,503
Other Revenue	649	-	-
Total Revenues	1,090,590	1,039,974	1,119,203
Expenditures			
Personnel Services	90,219	91,766	92,947
Supplies	72,417	97,003	85,243
Services	728,742	771,205	798,465
Capital	139,821	80,000	85,000
Total Expenditures	1,031,199	1,039,974	1,061,655
Other Sources (Uses)			
Transfer In (Out)	-	-	-
Other Sources (Uses)	3,600	-	-
Total Other Sources (Uses)	3,600	-	-
Excess of Revenue Over (under) Expenditures and Other Sources (Uses)	62,991	-	57,548
Fund Balance - Jan 1st	221,054	284,045	284,045
Fund Balance - Dec 31st	284,045	284,045	341,593

2017 Budget (Continued)

Library Fund

The Library Fund accounts for the tax levy revenue requested by the Library from the City and to track the City's cost of maintaining the building.

The table below shows a 3-year comparison of the revenues, expenditures and changes in fund balance for the Library Fund.

	2015 Actual	2016 Budget	2017 Budget
Revenues			
Property Taxes	138,152	141,000	143,820
Other Taxes	2,442	3,000	3,000
Interest	363	-	-
Contributions & Donations	50,002	-	-
Other Revenue	4,023	-	-
Total Revenues	194,982	144,000	146,820
Expenditures			
Supplies	5,607	6,600	7,400
Services	157,163	131,400	133,420
Capital	5,015	6,000	6,000
Total Expenditures	167,785	144,000	146,820
Other Sources (Uses)			
Transfer In (Out)	-	-	-
Other Sources (Uses)	-	-	-
Total Other Sources (Uses)	-	-	-
Excess of Revenue Over (under) Expenditures and Other Sources (Uses)	27,197	-	-
Fund Balance - Jan 1st	163,072	190,269	190,269
Fund Balance - Dec 31st	190,269	190,269	190,269

2017 Budget (Continued)

Recycling Fund

The Recycling Fund accounts revenue from Crow Wing County's SCORE funds that are restricted for the City's recycling program.

The table below shows a 3-year comparison of the revenues, expenditures and changes in fund balance for the Recycling Fund.

	2015 Actual	2016 Budget	2017 Budget
Revenues			
Property Taxes	-	-	-
Intergovernmental	60,000	68,000	61,600
Used Oil Revenue	488	600	600
Other Revenue	72	-	-
Total Revenues	60,560	68,600	62,200
Expenditures			
Services	60,000	68,000	61,600
Used Oil Expenditures	897	1,795	2,460
Other	-	-	-
Total Expenditures	60,897	69,795	64,060
Other Sources (Uses)			
Transfer In (Out)	-	-	-
Other Sources (Uses)	-	-	-
Total Other Sources (Uses)	-	-	-
Excess of Revenue Over (under) Expenditures and Other Sources (Uses)	(337)	(1,195)	(1,860)
Fund Balance - Jan 1st	6,619	6,282	5,087
Fund Balance - Dec 31st	6,282	5,087	3,227

2017 Budget (Continued)

City Parking Lots Fund

The City Parking Lots Fund accounts for all charges for services from parking lot rentals which are committed to maintaining the City parking lots.

The table below shows a 3-year comparison of the revenues, expenditures and changes in fund balance for the City Parking Lots Fund.

	2015 Actual	2016 Budget	2017 Budget
Revenues			
Property Taxes	-	-	-
Charges for Services	22,702	22,000	22,500
Other Revenue	33	-	-
Total Revenues	22,735	22,000	22,500
Expenditures			
Personnel Services	-	4,055	4,055
Supplies	-	100	100
Services	13,479	13,999	14,368
Capital	-	-	-
Total Expenditures	13,479	18,154	18,523
Other Sources (Uses)			
Transfer In (Out)	(3,866)	(10,000)	(10,000)
Other Sources (Uses)	-	-	-
Total Other Sources (Uses)	(3,866)	(10,000)	(10,000)
Excess of Revenue Over (under) Expenditures and Other Sources (Uses)	5,390	(6,154)	(6,023)
Fund Balance - Jan 1st	5,224	10,614	4,460
Fund Balance - Dec 31st	10,614	4,460	(1,563)

2017 Budget (Continued)

Permanent Improvement Fund

The Permanent Improvement Fund was established by authority of the City Charter to account for property tax levy which is committed for paying the portion of the cost for improving streets and alleys assessed upon the City.

The table below shows a 3-year comparison of the revenues, expenditures and changes in fund balance for the Permanent Improvement Fund.

	2015 Actual	2016 Budget	2017 Budget
Revenues			
Property Taxes	303,349	323,460	333,170
Other Taxes	5,518	1,000	-
Total Revenues	308,867	324,460	333,170
Expenditures			
Personnel Services	-	-	-
Supplies	-	-	-
Services	-	-	-
Capital	-	-	-
Total Expenditures	-	-	-
Other Sources (Uses)			
Transfer In (Out)	(307,844)	(324,460)	(333,170)
Other Sources (Uses)	-	-	-
Total Other Sources (Uses)	(307,844)	(324,460)	(333,170)
Excess of Revenue Over (under) Expenditures and Other Sources (Uses)	1,023	-	-
Fund Balance - Jan 1st	3,550	4,573	4,573
Fund Balance - Dec 31st	4,573	4,573	4,573

2017 Budget (Continued)

Mayor's Contingency Fund

The Mayor's Contingency Fund was established by authority of the City Charter to account for local government aid which is committed for the use of the Mayor in paying expenditures incurred by the Mayor in promoting the best interest of the City.

The table below shows a 3-year comparison of the revenues, expenditures and changes in fund balance for the Mayor's Contingency Fund.

	2015 Actual	2016 Budget	2017 Budget
Revenues			
Property Taxes	-	-	-
Other Taxes	-	-	-
Total Revenues	-	-	-
Expenditures			
Personnel Services	-	-	-
Supplies	2,500	2,500	2,500
Services	-	-	-
Capital	-	-	-
Total Expenditures	2,500	2,500	2,500
Other Sources (Uses)			
Transfer In (Out)	2,500	2,500	2,500
Other Sources (Uses)	-	-	-
Total Other Sources (Uses)	2,500	2,500	2,500
Excess of Revenue Over (under) Expenditures and Other Sources (Uses)	-	-	-
Fund Balance - Jan 1st	165	165	165
Fund Balance - Dec 31st	165	165	165

2017 Budget (Continued)

Hydrant Rental & Electric Current Fund

The Hydrant Rental and Electric Current Fund was established by authority of the City Charter to account for the property tax levy which is committed to provide payment for rent for water drawn from hydrants for the needs and use of the City and for rates for the lighting of the streets and electric power for City use to Brainerd Public Utilities.

The table below shows a 3-year comparison of the revenues, expenditures and changes in fund balance for the Hydrant Rental & Electric Current Fund.

	2015 Actual	2016 Budget	2017 Budget
Revenues			
Property Taxes	151,671	161,730	166,585
Other Taxes	2,759	2,000	-
Brainerd Public Utilities Sale Allocation	596,543	677,030	684,860
Total Revenues	750,973	840,760	851,445
Expenditures			
Personnel Services	-	-	-
Supplies	-	-	-
Services	-	-	-
Capital	-	-	-
Total Expenditures	-	-	-
Other Sources (Uses)			
Transfer In (Out)	(750,461)	(840,760)	(851,445)
Other Sources (Uses)	-	-	-
Total Other Sources (Uses)	(750,461)	(840,760)	(851,445)
Excess of Revenue Over (under) Expenditures and Other Sources (Uses)	512	-	-
Fund Balance - Jan 1st	1,775	2,287	2,287
Fund Balance - Dec 31st	2,287	2,287	2,287

2017 Budget (Continued)

Economic Development Authority Fund (EDA)

The Economic Development Authority Fund, a special revenue fund, was established by the bylaws of the Economic Development Authority and accounts for property tax levy revenues which are committed for the activities of the Economic Development Authority.

The table below shows a 3-year comparison of the revenues, expenditures and changes in fund balance for the EDA Fund.

	2015 Actual	2016 Budget	2017 Budget
Revenues			
Property Taxes	111,933	114,603	118,980
Other Taxes	2,051	1,000	-
Interest	574	-	250
Other Revenues	-	-	-
Total Revenues	114,558	115,603	119,230
Expenditures			
Personnel Services	33,826	28,610	29,322
Supplies	-	-	-
Services	82,268	84,046	84,195
Total Expenditures	116,094	112,656	113,517
Other Sources (Uses)			
Transfer In (Out)	(56,021)	-	-
Other Sources (Uses)	56,021	-	-
Total Other Sources (Uses)	-	-	-
Excess of Revenue Over (under) Expenditures and Other Sources (Uses)	(1,536)	2,947	5,713
Fund Balance - Jan 1st	18,511	16,975	19,922
Fund Balance - Dec 31st	16,975	19,922	25,635

2017 Budget (Continued)

Sanitary Sewer Collection Fund

The Sanitary Sewer Collection Fund is a proprietary fund. A proprietary fund is a business-like fund of a local government and uses the full accrual method of accounting. The Sanitary Sewer Collection Fund provides for the operation and maintenance of the wastewater collections. The fund charges user fees to those served by the system.

The 2016 budget was not adopted on the accrual basis of accounting. The table below shows a 2-year comparison of the revenues, expenditures and changes in net position for the Sanitary Sewer Collection Fund.

	2015 Actual	2017 Budget
Operating Revenues		
Charges for Services	392,175	453,000
Other Revenue	1,546	-
Total Revenues	393,721	453,000
Operating Expenditures		
Salaries and Benefits	186,311	193,823
Professional Services	7,278	2,700
Repairs and Maintenance	21,134	12,000
Insurance	7,227	7,234
Depreciation	256,705	265,000
Materials and Supplies	27,094	9,500
Miscellaneous	228	1,000
Total Operating Expenses	505,977	491,257
Operating Income (Loss)	(112,256)	(38,257)
Nonoperating Revenues (Expenses)		
Interest Income	436	-
Interest Expense and Fiscal Charges	(17,066)	(143,143)
Total Nonoperating Revenue (Expenses)	(16,630)	(143,143)
Change in Net Position Before Transfers	(128,886)	(181,400)
Transfers In (Out)	-	-
Revenue from Other Governments	-	152,000
Change in Net Position	(128,886)	(29,400)
Net Position- Beginning of Year	6,602,067	6,435,576
Change in Accounting Principle	(37,605)	-
Net Position- Beginning of Year, Restated	6,564,462	6,435,576
Net Position - End of Year	6,435,576	6,406,176

2017 Budget (Continued)

Storm Sewer Fund

The Storm Sewer Fund is a proprietary fund. A proprietary fund is a business-like fund of a local government and uses the full accrual method of accounting. The Storm Sewer Fund provides for the maintenance of the City's storm sewer system. The fund charges user fees to those served by the system.

The 2016 budget was not adopted on the accrual basis of accounting. The table below shows a 2-year comparison of the revenues, expenditures and changes in net position for the Storm Sewer Fund.

	2015 Actual	2017 Budget
Operating Revenues		
Charges for Services	310,030	325,000
Other Revenue	-	-
Total Revenues	310,030	325,000
Operating Expenditures		
Salaries and Benefits	63,548	81,217
Professional Services	13,303	-
Repairs and Maintenance	15,000	2,000
Insurance	3,613	3,618
Depreciation	248,642	249,000
Materials and Supplies	3,322	500
Miscellaneous	1,037	1,000
Total Operating Expenses	348,465	337,335
Operating Income (Loss)	(38,435)	(12,335)
Nonoperating Revenues (Expenses)		
Interest Income	2	-
Interest Expense and Fiscal Charges	(32,804)	(14,275)
Total Nonoperating Revenue (Expenses)	(32,802)	(14,275)
Change in Net Position Before Transfers	(71,237)	(26,610)
Transfers In (Out)	-	-
Revenue from Other Governments	-	-
Change in Net Position	(71,237)	(26,610)
Net Position- Beginning of Year	5,832,704	5,748,195
Change in Accounting Principle	(13,272)	-
Net Position- Beginning of Year, Restated	5,819,432	5,748,195
Net Position - End of Year	5,748,195	5,721,585