CITY OF WANAMINGO, MINNESOTA

FINANCIAL STATEMENTS

DECEMBER 31, 2007

CITY OF WANAMINGO, MINNESOTA

INTRODUCTORY SECTION

DECEMBER 31, 2007

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CITY OF WANAMINGO, MINNESOTA

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CITY OF WANAMINGO, MINNESOTA

CITY OFFICIALS
DECEMBER 31, 2007

John Simonson	Mayor
Daniel Benson	Council Member
Ryan Holmes	Council Member
Larry Van De Walker	Council Member
Ron Berg	Council Member
Elmer Brocker	City Administrator

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CITY OF WANAMINGO, MINNESOTA

FINANCIAL SECTION

DECEMBER 31, 2007

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the City Council
City of Wanamingo, Minnesota

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wanamingo, Minnesota as of and for the year ended December 31, 2007, which collectively comprise the City's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wanamingo, Minnesota as of December 31, 2007, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2008 on our consideration of the City of Wanamingo, Minnesota's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis on pages 3 through 13, is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, consisting principally of inquires of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Wanamingo, Minnesota's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and supplementary information listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken 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 express no opinion on them.

Smith, Schafer and Associates, Ltd.

Rochester, Minnesota
March 21, 2008

CITY OF WANAMINGO, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Wanamingo, Minnesota, we offer readers of the City of Wanamingo's financial statements this narrative overview and analysis of the financial activities of the City of Wanamingo for the fiscal year ended December 31, 2007.

FINANCIAL HIGHLIGHTS

- The assets of the City of Wanamingo exceeded its liabilities at the close of the most recent fiscal year by $2,276,640 (*net assets).* Of this amount, $354,068 (unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors in accordance with the City's fund designations and fiscal policies.

- The City's total net assets decreased by $148,785.

- As of the close of the current fiscal year, the City of Wanamingo's governmental funds reported combined ending fund balances of $1,823,479. Approximately 28 percent of this total amount or $495,394 is available for use within the City's designations and policies.

- At the end of the current fiscal year, unreserved fund balance for the general fund was $319,428 or 51 percent of total general fund expenditures.

- The City of Wanamingo decreased total outstanding debt obligations by $294,520 during the current fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Wanamingo's basic financial statements. The City of Wanamingo's basic financial statements comprise three components:

1. Government-wide financial statements, providing information for the City as a whole.
2. Fund financial statements, providing detailed information for the City's significant funds.
3. Notes to the financial statements, providing additional information that is essential to understanding the government-wide and fund statements.

This report also contains other supplementary information in addition to the basic financial statements themselves. Additional explanation of these sections of the financial statements follows.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Wanamingo's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the City of Wanamingo's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Wanamingo is improving or deteriorating.

The *statement of activities* presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of the related cash flows.* Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned, but not used, compensated absences).

Both of the government-wide financial statements distinguish functions of the City of Wanamingo that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Wanamingo include general government, public safety, public works, culture and recreation, and economic development. The business-type activities of the City of Wanamingo include the water, waste water, sanitation, medical center, and senior housing funds. The government-wide financial statements can be found on pages 14-16 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Wanamingo, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Wanamingo can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities.*

The City of Wanamingo maintains thirty individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, 1998 G.O. Tax Increment, 2000 G.O. Improvement, 2005 Improvement, and 2007 Refunding funds, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City of Wanamingo adopts an annual appropriated budget for its general fund. Budgetary comparison statements have been provided for the general fund (pages 23-28) to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 17-22 of this report.

Proprietary funds. The City of Wanamingo maintains one type of proprietary funds – enterprise funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Wanamingo uses enterprise funds to account for its

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, waste water, sanitation, medical center, and senior housing funds, all of which are considered to be major funds of the City of Wanamingo.

The basic proprietary fund financial statements can be found on pages 29-32 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 33-55 of this report.

Other information. The combining statements referred to earlier in connection with nonmajor governmental funds can be found on pages 56-63 of this report.

IMPORTANT REMINDERS:

Infrastructure Assets. When the City of Wanamingo implemented GASB Statement No. 34 for its fiscal year ended December 31, 2004, the City elected not to record retroactive infrastructure for general government activities as allowed by Statement No. 34. Historically, governmental fixed assets, particularly infrastructure assets, have only been accounted for using the current financial resources (budgeted resources) method, and have not been expensed annually through depreciation or accounted for otherwise. Additionally, significant infrastructure assets have been constructed by developers and contributed to the City over the years but have never been recorded. Nonetheless, the City of Wanamingo has reserves in the general and capital projects funds and an ongoing program for repairs, reconditioning, and replacement of these assets with annual funding sources continually earmarked for these specific purposes. All 2004 and future acquisitions of infrastructure assets have and will be recorded under the new reporting model.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Wanamingo, assets exceeded liabilities by $2,276,640 at the close of the most recent fiscal year.

City of Wanamingo's Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
Current and other assets	$ 3,302,811	$ 3,311,886	$ (55,838)	$ 294,674	$ 3,246,973	$ 3,606,560
Capital assets	3,928,235	3,765,026	5,786,094	5,978,925	9,714,329	9,743,951
Total assets	7,231,046	7,076,912	5,730,256	6,273,599	12,961,302	13,350,511
Long-term liabilities outstanding	6,349,667	6,114,622	3,910,643	4,394,973	10,260,310	10,509,595
Other liabilities	153,428	109,961	270,924	305,530	424,352	415,491
Total liabilities	6,503,095	6,224,583	4,181,567	4,700,503	10,684,662	10,925,086
Net assets:						
Invested in capital assets, net of related debt	(2,415,272)	(2,349,596)	1,683,451	1,362,852	(731,821)	(986,744)
Restricted	2,654,393	2,847,724			2,654,393	2,847,724
Unrestricted	488,830	354,201	(134,762)	210,244	354,068	564,445
Total net assets	$ 727,951	$ 852,329	$ 1,548,689	$ 1,573,096	$ 2,276,640	$ 2,425,425

A portion of the City of Wanamingo's net assets represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* of $354,068 may be used to meet the government's ongoing obligations to citizens and creditors.

The city reports a negative net asset balance for the category of *invested in capital assets, net of related debt* for its governmental activities. This is the result of having debt used to finance prior year's infrastructure improvements that are not included in capital assets as described on the previous page.

Governmental activities. Governmental activities decreased the City of Wanamingo's net assets by $124,378.

Business-type activities. Business-type activities decreased the City of Wanamingo's net assets by $20,861. This decrease is the result of losses incurred primarily in the Senior Housing enterprise fund. The net loss also resulted in the Senior Housing fund was due to vacancies at the complex.

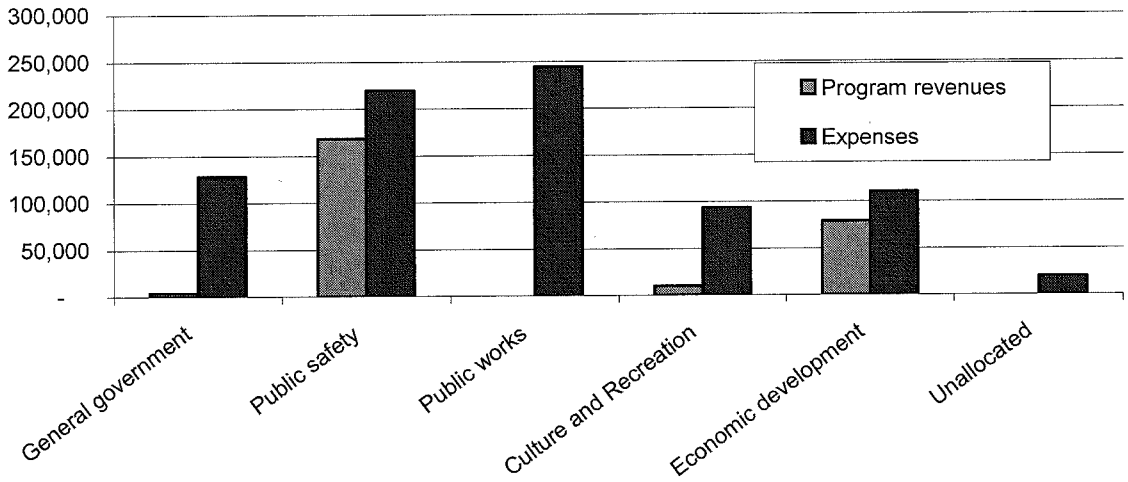
A condensed version of the Statement of Activities follows:

City of Wanamingo's Change in Net Assets

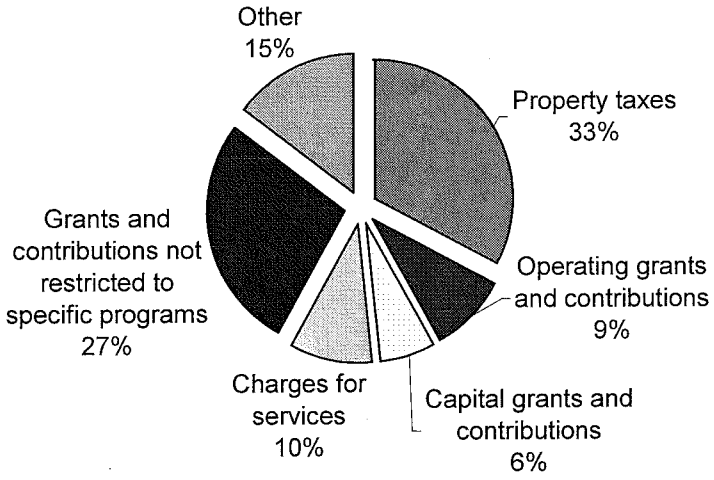
	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
Revenue:						
Program revenues:						
Charges for services	$ 99,459	$ 104,033	$ 658,332	$ 612,211	$ 757,791	$ 716,244
Operating grants and contributions	95,995	151,519			95,995	151,519
Capital grants and contributions	65,491	123,087			65,491	123,087
General revenues:						
Property taxes	336,690	269,675			336,690	269,675
Tax increments	39,076	38,310			39,076	38,310
Grants and contributions not restricted to specific programs	278,627	267,334			278,627	267,334
Other	112,890	114,887	24,326	39,215	137,216	154,102
Total revenues	1,028,228	1,068,845	682,658	651,426	1,710,886	1,720,271
Expenses:						
General government	128,348	152,734			128,348	152,734
Public safety and transportation	219,300	195,117			219,300	195,117
Public works	244,360	239,865			244,360	239,865
Culture and recreation	93,445	77,650			93,445	77,650
Economic development	110,241	156,852			110,241	156,852
Interest on long-term debt	337,463	247,155			337,463	247,155
Unallocated	19,449	20,333			19,449	20,333
Water			237,754	266,413	237,754	266,413
Waste water			223,735	256,703	223,735	256,703
Sanitation			44,788	41,403	44,788	41,403
Medical Center			58,454	63,156	58,454	63,156
Senior housing			142,334	140,990	142,334	140,990
Total expenses	1,152,606	1,089,706	707,065	768,665	1,859,671	1,858,371
Decrease in net assets	(124,378)	(20,861)	(24,407)	(117,239)	(148,785)	(138,100)
Net assets, beginning of year	852,329	873,190	1,573,096	1,690,335	2,425,425	2,563,525
Net assets, end of year	$ 727,951	$ 852,329	$ 1,548,689	$ 1,573,096	$ 2,276,640	$ 2,425,425

Below are specific graphs that provide comparisons of the governmental activities direct program revenues with their expenditures. Any shortfalls in direct revenues are primarily supported by property tax levy or general state aid.

Expenses and Program Revenues - Governmental Activities

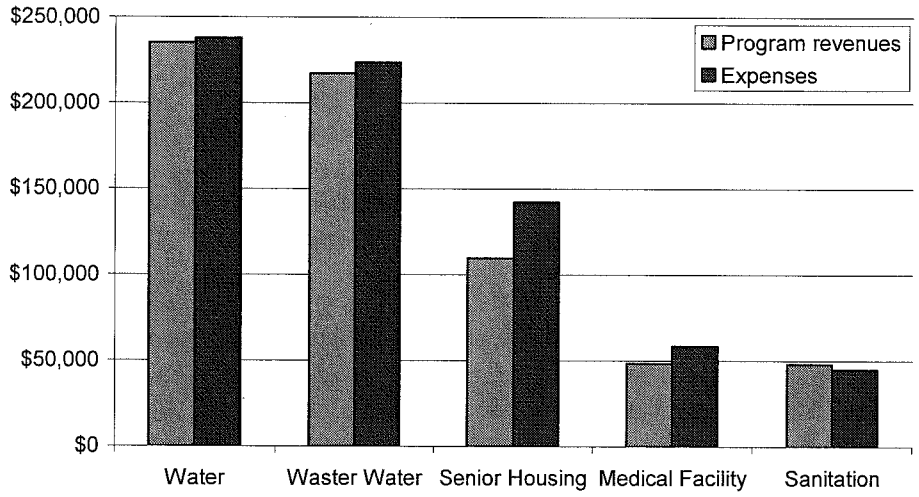


Revenues by Source - Governmental Activities

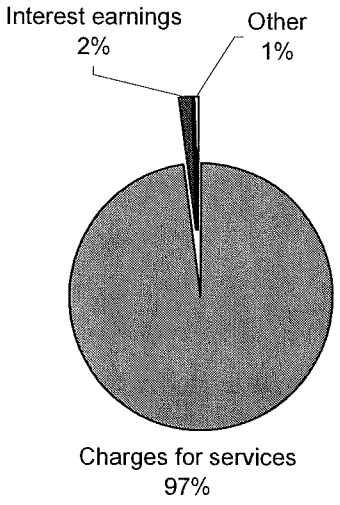


The following graphs relate the various business-type activities' program revenues with their expenditures. Since all five of these activities require significant physical assets to operate, any excess revenues are held for planned capital expenditures to keep pace with growing demand for services.

Expenses and Program Revenues - Business-Type Activities



Revenues by Source - Business-Type Activities



Financial Analysis of the Government's Funds

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

Governmental funds. The focus of the City of Wanamingo's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City of Wanamingo's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Wanamingo's governmental funds reported combined ending fund balances of $1,823,479, an increase of $25,926. Approximately 28 percent of this total amount or $495,394 constitutes *unreserved fund balance,* which is available for spending at the government's discretion. The remainder of this fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed to repay interfund advances or other debt.

The general fund is the chief operating fund of the City of Wanamingo. At the end of the current fiscal year, unreserved fund balance of the general fund was $318,042. As a measure of the general fund's liquidity, it may be useful to compare unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 51 percent of total general fund expenditures.

The general fund's total fund balance decreased by $22,562 during the current fiscal year as a result of a decrease in the number on non-business licenses and permits (specifically building permits) and a decrease in Fire Department contributions (specifically through a decrease in charitable gambling proceeds).

The 1998 G.O. Tax Increment Fund decreased its fund balance by $3,499 for the year as current year income was not sufficient to cover debt service requirements as tax increments were below budget.

The 2000 G.O. Improvement Fund increased its fund balance by $2,486 due to more special assessments being collected than was expected.

The 2005 Improvement Fund decreased its fund balance by $39,396 as it utilized fund reserves to service the current year debt requirements.

The 2007 Refinancing Fund increased its fund balance by $263,152 as the result of transfers of reserves from the refunded bonds debt service accounts.

Proprietary funds. The City of Wanamingo's proprietary funds statements found on pages 29-32 provide the same type of information found in the government-wide financial statements, but in more detail.

The unrestricted net assets in the respective proprietary funds are Water - $(54,909), Waste water - $(30,077), Sanitation - $14,330, Medical center - $11,240, and Senior housing - $(75,346). All but the Sanitation and Water funds had decreases in total net assets for the year.

The water utility fund's increase of $8,957 was due to an increase in water rates and debt service charge.

The wastewater utility fund improved operations from 2006 to 2007 but still has a decrease in net assets of $2,953.

The senior housing fund's decrease of $32,605 was primarily due to a revenue shortfall as a result of vacancies at the complex.

The water and wastewater utility's rates were both increased in 2007 to address the fund operating shortfalls.

General Fund Budgetary Highlights

The City approved the 2007 general fund budget anticipating no increase or decrease in general fund reserves. The City did not amend its budget during the year.

At the close of the year, general fund total expenditures were $147,059 above final budget while actual revenues were over final budget by $50,922. The fund showed a decrease in net assets totaling $23,948 for the year ending December 31, 2007.

General fund revenues were over budget by $50,922 primarily due to $64,000 worth of Fire Department grants that were not budgeted.

General fund expenditures were over budget by $147,059 primarily due to the following reasons:

- The fire department was over budget by approximately $86,727 due to $64,000 of capital outlay for Fire Department equipment.
- Police protection was over budget by $14,397 primarily due to legal services previously allocated to general government (fees are assigned for prosecution services).
- Culture and Recreation was over budget by $10,202 due to remodeling of the community room.
- Unallocated expenses were over budget by $10,449 due to the cost of recruiting for a new City Administrator.

Capital Asset and Debt Administration

Capital assets. The City of Wanamingo's investment in capital assets for its governmental and business-type activities as of December 31, 2007, amounts to $9,714,329 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities, roads and highways. The total decrease in the City of Wanamingo's reported investment in capital assets for the current fiscal year was $29,622, or 1 percent.

City of Wanamingo's Capital Assets

(net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
Land	$ 114,068	$ 114,068	$ 85,977	$ 85,977	$ 200,045	$ 200,045
Buildings and improvements	1,108,260	1,123,290	5,600,542	5,794,768	6,708,802	6,918,058
Improvements other than buildings	2,238,440	2,296,725			2,238,440	2,296,725
Machinery and equipment	467,467	230,943	99,575	98,180	567,042	329,123
Total	$3,928,235	$3,765,026	$5,786,094	$5,978,925	$9,714,329	$9,743,951

Additional information on the City of Wanamingo's capital assets can be found in Note 4 on pages 43-44 of this report.

Long-term debt. At the end of the current fiscal year, the City of Wanamingo had $10,512,080 in bonds and notes outstanding. Of this amount, $9,581,600 comprises debt backed by the full faith and credit of the government and $730,000 represents bonds or notes secured solely by specified revenue sources.

City of Wanamingo's Outstanding Debt

	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
General obligation bonds	$ 4,317,000	$ 4,348,000	$ 2,896,000	$ 3,339,000	$ 7,213,000	$ 7,687,000
General obligation TIF bonds	775,000	800,000			775,000	800,000
Revenue bonds	730,000	790,000			730,000	790,000
General obligation equipment certificates	205,500	205,500			205,500	205,500
Capital lease obligation	200,480				200,480	
General obligation notes			1,246,100	1,324,100	1,246,100	1,324,100
Total	$ 6,227,980	$ 6,143,500	$ 4,142,100	$ 4,663,100	$ 10,370,080	$ 10,806,600

Long-term debt (continued). The City of Wanamingo's total bonds and notes payable decreased by $294,520 during the current fiscal year. New debt included a $1,810,000 refunding bond, a $200,480 capital lease and an equipment certificate totaling $142,000. A total of $2,447,000 in bonds and notes payable were retired during 2007. A more detailed breakdown of these obligations can be found in Note 5, beginning on page 45.

Economic Factors and Next Year's Budgets and Rates

- The City anticipates little growth in the residential housing market.
- Water and sewer rates were increased 10% for 2008.
- The City is reviewing staffing needs in an effort to reduce costs.
- The City is considering selling non-productive properties to relieve a portion of the City's debt.

All of these factors were considered in preparing the City of Wanamingo's budget for the 2008 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the City of Wanamingo's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City Administrator, City Hall, Wanamingo, MN 55983.

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CITY OF WANAMINGO, MINNESOTA

BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2007

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FORM A-1

CITY OF WANAMINGO, MINNESOTA
STATEMENT OF NET ASSETS
December 31, 2007
With Comparative Totals for December 31, 2006

	Governmental Activities	Business-Type Activities	Totals 2007	Totals 2006
ASSETS				
Cash and investments	$ 969,821	$ 20,755	$ 990,576	$ 1,250,962
Investment with fiscal agent	620,947		620,947	613,536
Receivables	1,457,837	151,776	1,609,613	1,659,769
Due from other governmental units	21,532	4,305	25,837	82,293
Internal balances	232,674	(232,674)		
Capital assets:				
Nondepreciable	114,068	85,977	200,045	200,045
Depreciable, net	3,814,167	5,700,117	9,514,284	9,543,906
Total Assets	7,231,046	5,730,256	12,961,302	13,350,511
LIABILITIES				
Accounts payable	19,879	7,427	27,306	31,025
Accrued liabilities	2,384	3,847	6,231	9,934
Accrued interest payable	131,165	61,460	192,625	146,557
Customer deposits		6,190	6,190	6,875
Noncurrent liabilities				
Due within one year	260,761	192,000	452,761	802,100
Due in more than one year	6,088,906	3,910,643	9,999,549	9,928,595
Total Liabilities	6,503,095	4,181,567	10,684,662	10,925,086
NET ASSETS				
Invested in capital assets, net of related debt	(2,415,272)	1,683,451	(731,821)	(986,744)
Restricted for:				
Debt service	2,654,393		2,654,393	2,847,724
Unrestricted	488,830	(134,762)	354,068	564,445
Total Net Assets	$ 727,951	$ 1,548,689	$ 2,276,640	$ 2,425,425

See Notes to Financial Statements

CITY OF WANAMINGO, MINNESOTA
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2007
With Comparative Totals for the Year Ended December 31, 2006

		Program Revenues		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	$ 128,348	$ 3,824	$	$
Public safety	219,300	84,399	18,500	65,491
Public works	244,360			
Culture and recreation	93,445	10,024		
Economic development	110,241	1,212	77,495	
Unallocated	19,449			
Interest on long-term debt	337,463			
Total governmental activities	1,152,606	99,459	95,995	65,491
Business-Type activities:				
Water	237,754	235,207		
Waste water	223,735	217,173		
Sanitation	44,788	47,917		
Medical center	58,454	48,462		
Senior housing	142,334	109,573		
Total business-type activities	707,065	658,332		
Total	$ 1,859,671	$ 757,791	$ 95,995	$ 65,491

General revenues:
General property taxes
Tax increments
Grants and contributions not restricted to specific programs
Interest earnings
Miscellaneous
Total general revenues

Change in net assets

Net assets - beginning

Net assets - ending

See Notes to Financial Statements

Net (Expense) Revenue and Changes in Net Assets			
Governmental Activities	Business-Type Activities	Totals 2007	2006
$ (124,524)		$ (124,524)	$ (28,431)
(50,910)		(50,910)	(89,673)
(244,360)		(244,360)	(239,865)
(83,421)		(83,421)	(66,485)
(31,534)		(31,534)	(19,125)
(19,449)		(19,449)	(20,333)
(337,463)		(337,463)	(247,155)
(891,661)		(891,661)	(711,067)
	(2,547)	(2,547)	(80,962)
	(6,562)	(6,562)	(37,952)
	3,129	3,129	6,242
	(9,992)	(9,992)	(16,006)
	(32,761)	(32,761)	(27,776)
	(48,733)	(48,733)	(156,454)
(891,661)	(48,733)	(940,394)	(867,521)
336,690		336,690	269,675
39,076	8,721	47,797	47,559
278,627		278,627	267,334
69,545	11,518	81,063	101,373
43,345	4,087	47,432	43,480
767,283	24,326	791,609	729,421
(124,378)	(24,407)	(148,785)	(138,100)
852,329	1,573,096	2,425,425	2,563,525
$ 727,951	$ 1,548,689	$ 2,276,640	$ 2,425,425

CITY OF WANAMINGO, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2007
With comparative Totals for December 31, 2006

	101 General	306 1998 G.O. Tax Increment	308 2000 G.O. Improvement
ASSETS			
Cash and investments	$ 19,658	$ 1,945	$ 88,600
Investment with fiscal agent			620,947
Accounts receivable	194		
Taxes receivable delinquent	20,425	1,386	
Special assessments receivable:			
Delinquent			229
Deferred	4,383	561,610	144,625
Loan receivable			
Advance to other funds			
Due from other funds	314,779		
Due from other governmental units	6,695	3,741	4,071
TOTAL ASSETS	$ 366,134	$ 568,682	$ 858,472
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts payable	$ 19,879	$	$
Accrued expenses	2,020		
Deferred revenue	24,807	562,996	144,855
Advance from other funds			
Due to other funds		129,959	
Total Liabilities	46,706	692,955	144,855
Fund Balance:			
Reserved for:			
Interfund advances			
Debt service		(124,273)	713,617
Unreserved, undesignated, reported in:			
General fund	319,428		
Special revenue fund			
Capital projects fund			
Total Fund Balance	319,428	(124,273)	713,617
TOTAL LIABILITIES AND FUND BALANCE	$ 366,134	$ 568,682	$ 858,472

See Notes to Financial Statements

323 2005 Improvement	328 2007 Refunding	Other Governmental Funds	Total Governmental Funds 2007	Total Governmental Funds 2006
$ 281,930	$ 187,201	$ 390,487	$ 969,821	$ 978,229
			620,947	613,536
		9,208	9,402	12,949
		17	21,828	12,241
797	31,727	720	33,473	6,457
136,543	370,571	139,632	1,357,364	1,423,489
		35,770	35,770	38,838
		31,056	31,056	90,087
	75,952	54,798	445,529	481,363
3,864		3,161	21,532	72,853
$ 423,134	$ 665,451	$ 664,849	$ 3,546,722	$ 3,730,042
$	$	$	$ 19,879	$ 21,847
		364	2,384	2,827
137,340	402,299	184,772	1,457,069	1,489,659
		31,056	31,056	90,087
		82,896	212,855	328,069
137,340	402,299	299,088	1,723,243	1,932,489
		31,056	31,056	90,087
285,794	263,152	158,739	1,297,029	1,418,803
			319,428	341,990
		18,412	18,412	11,834
		157,554	157,554	(65,161)
285,794	263,152	365,761	1,823,479	1,797,553
$ 423,134	$ 665,451	$ 664,849	$ 3,546,722	$ 3,730,042

See Notes to Financial Statements

CITY OF WANAMINGO, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2007
With Comparative Totals for the Year Ended December 31, 2006

	101 General	306 1998 G.O. Tax Increment	308 2000 G.O. Improvement
REVENUES			
General property taxes	$ 202,086	$ 28,806	$ 30,054
Tax increment		19,599	
Special assessments			13,898
Licenses and permits	15,870		
Intergovernmental revenues	347,104	3,183	3,537
Charges for services	62,695		
Fines and forfeits	2,196		
Investment income	1,694		32,449
Miscellaneous revenues	40,711		168
Total Revenues	672,356	51,588	80,106
EXPENDITURES			
General government	114,453		
Public safety	246,627		
Public works	155,891		
Culture and recreation	91,037		
Economic development			
Unallocated	19,449		
Debt service		63,602	77,620
Capital outlay			
Total Expenditures	627,457	63,602	77,620
Excess (deficiency) of revenues over (under) expenditures	44,899	(12,014)	2,486
OTHER FINANCING SOURCES (USES)			
Bond proceeds			
Transfers in	1,386	8,515	
Transfers out	(68,847)		
Total other financing sources (uses)	(67,461)	8,515	
Net change in fund balances	(22,562)	(3,499)	2,486
Fund Balance - beginning	341,990	(120,774)	711,131
Fund Balance - ending	$ 319,428	$ (124,273)	$ 713,617

See Notes to Financial Statements

323 2005 Improvement	328 2007 Refunding	Other Governmental Funds	Total Governmental Funds 2007	Total Governmental Funds 2006
$	$	$ 66,157	$ 327,103	$ 270,077
		19,477	39,076	38,310
8,879	3,462	8,084	34,323	113,482
			15,870	20,947
		85,275	439,099	426,282
			62,695	60,270
			2,196	1,794
11,025	17,674	6,703	69,545	86,561
	3,737	26,295	70,911	75,746
19,904	24,873	211,991	1,060,818	1,093,469
			114,453	119,273
			246,627	170,245
			155,891	174,429
			91,037	79,468
		97,759	97,759	156,852
			19,449	20,333
59,300	1,819,617	195,041	2,215,180	408,802
		46,496	46,496	581,809
59,300	1,819,617	339,296	2,986,892	1,711,211
(39,396)	(1,794,744)	(127,305)	(1,926,074)	(617,742)
	1,754,964	197,036	1,952,000	387,750
	302,932	177,521	490,354	486,501
		(421,507)	(490,354)	(486,501)
	2,057,896	(46,950)	1,952,000	387,750
(39,396)	263,152	(174,255)	25,926	(229,992)
325,190		540,016	1,797,553	2,027,545
$ 285,794	$ 263,152	$ 365,761	$ 1,823,479	$ 1,797,553

See Notes to Financial Statements

FORM B-3

CITY OF WANAMINGO, MINNESOTA
RECONCILIATION OF NET ASSETS IN THE GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND BALANCES IN THE FUND BASIS FINANCIAL STATEMENTS
December 31, 2007

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

Total governmental fund balances (page 18)		$ 1,823,479
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental funds - capital assets	$ 5,365,018	
Less: Accumulated depreciation	(1,436,783)	
		3,928,235
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		
Delinquent property taxes and special assessments	$ 55,301	
Deferred special assessments	1,357,364	
Leases and notes receivable	44,404	
		1,457,069
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Bonds and notes payable	$ (6,349,667)	
Accrued interest	(131,165)	
		(6,480,832)
Net assets of governmental activities (page 14)		$ 727,951

See Notes to Financial Statements

CITY OF WANAMINGO, MINNESOTA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2007

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

Net change in fund balances - total governmental funds (page 20)		$ 25,926
Governmental funds reported capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay-capital project funds	$ 46,496	
Capital outlay-other governmental funds	91,785	
Depreciation expense	(153,794)	
		(15,513)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.		(21,758)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Deferred revenue, December 31, 2007	$ 1,457,069	
Deferred revenue, December 31, 2006	(1,489,659)	
		(32,590)
Some expenses reported in the statement of activities do not require the use of current financial resources and , therefore, are not reported as expenditrues in governmental funds.		
Compensated absences		(6,160)
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
Proceeds from bond issuance	$ (1,952,000)	
Change in accrued interest	(45,878)	
Principal retirement on long-term debt	1,923,595	
		(74,283)
Change in net assets of governmental activities (pages 15 and 16)		$ (124,378)

See Notes to Financial Statements

FORM B-5

CITY OF WANAMINGO, MINNESOTA
GENERAL FUND
STATEMENTS OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2007
With Comparative Totals for the Year Ended December 31, 2006

	Budgeted Amounts		2007 Actual Amounts	Variance with Final Budget - Positive (Negative)	2006 Actual Amounts
	Original	Final			
REVENUES					
Property Taxes	$ 205,633	$ 205,633	$ 202,086	$ (3,547)	$ 226,335
Licenses and Permits					
Business	3,100	3,100	4,248	1,148	2,962
Nonbusiness	20,250	20,250	11,622	(8,628)	17,985
Total Licenses and Permits	23,350	23,350	15,870	(7,480)	20,947
Intergovernmental Revenues					
Local government aid	239,607	239,607	239,607		225,506
Market value credit	20,867	20,867	20,867		35,294
Other state aid	2,658	2,658	3,653	995	2,938
Fire aid	19,025	19,025	17,486	(1,539)	19,814
Federal grant			65,491	65,491	
Total Intergovernmental Revenues	282,157	282,157	347,104	64,947	283,552
Charges For Services					
Township fire contributions	47,889	47,889	48,847	958	47,889
Swimming pool fees	9,150	9,150	10,024	874	11,165
Other	1,700	1,700	3,824	2,124	1,216
Total Charges For Services	58,739	58,739	62,695	3,956	60,270
Fines and Forfeits					
Court fines	1,000	1,000	2,196	1,196	1,794
Investment Income	2,500	2,500	1,694	(806)	2,512
Miscellaneous Revenues					
Fire department contribution	35,000	35,000	18,500	(16,500)	15,000
Other contributions	6,000	6,000	6,000		6,000
Other refunds and reimbursements			9,921	9,921	5,405
Other	7,055	7,055	6,290	(765)	12,982
Total Miscellaneous Revenues	48,055	48,055	40,711	(7,344)	39,387
TOTAL REVENUES	$ 621,434	$ 621,434	$ 672,356	$ 50,922	$ 634,797

See Notes to Financial Statements

FORM B-5

CITY OF WANAMINGO, MINNESOTA
GENERAL FUND
STATEMENTS OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2007
With Comparative Totals for the Year Ended December 31, 2006

	Budgeted Amounts		2007 Actual Amounts	Variance with Final Budget - Positive (Negative)	2006 Actual Amounts
	Original	Final			
EXPENDITURES					
General Government					
Mayor and Council					
Employee services	$ 10,875	$ 10,875	$ 11,795	$ (920)	$ 6,338
Insurance	484	484	875	(391)	1,146
Total Mayor and Council	11,359	11,359	12,670	(1,311)	7,484
Election and Voter Registration	2,441	2,441	696	1,745	1,405
City Administration					
Employee services	28,585	28,585	28,871	(286)	28,091
Employee benefits and retirement	4,590	4,590	4,626	(36)	4,437
Materials and supplies	5,700	5,700	5,971	(271)	7,544
Telephone	800	800	3,144	(2,344)	4,226
Printing and publishing	5,000	5,000	4,118	882	6,932
Rent					1,940
Contracted services			1,391	(1,391)	3,732
Insurance	10,336	10,336	10,995	(659)	11,332
Other charges	10,070	10,070	10,216	(146)	9,539
Capital outlay	3,500	3,500	5,560	(2,060)	2,483
Total City Administration	68,581	68,581	74,892	(6,311)	80,256
Professional Services					
Legal	6,000	6,000	7,825	(1,825)	12,443
Accounting and audit	16,000	16,000	18,370	(2,370)	17,685
Total Professional Services	22,000	22,000	26,195	(4,195)	30,128
Total General Government	$ 104,381	$ 104,381	$ 114,453	$ (10,072)	$ 119,273

See Notes to Financial Statements

FORM B-5

CITY OF WANAMINGO, MINNESOTA
GENERAL FUND
STATEMENTS OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2007
With Comparative Totals for the Year Ended December 31, 2006

	Budgeted Amounts		2007 Actual Amounts	Variance with Final Budget - Positive (Negative)	2006 Actual Amounts
	Original	Final			
EXPENDITURES					
Public Safety					
Police Protection					
Contractual services	$ 88,294	$ 88,294	$ 88,294	$	$ 86,351
Legal services			13,038	(13,038)	10,134
Telephone			1,359	(1,359)	1,073
Total Police Protection	88,294	88,294	102,691	(14,397)	97,558
Ambulance					
Contractual services	4,028	4,028	4,028		4,028
Fire Protection					
State fire aid	19,000	19,000	17,461	1,539	19,789
Materials and supplies	3,900	3,900	9,314	(5,414)	5,054
Utilities	5,600	5,600	7,671	(2,071)	6,689
Repairs and maintenance	4,000	4,000	12,355	(8,355)	6,747
Insurance	6,840	6,840	8,769	(1,929)	6,624
Other charges	1,000	1,000	7,329	(6,329)	4,578
Capital outlay	3,000	3,000	67,168	(64,168)	3,047
Total Fire Protection	43,340	43,340	130,067	(86,727)	52,528
Building Inspection					
Contractual services	16,000	16,000	9,841	6,159	16,131
Total Public Safety	$ 151,662	$ 151,662	$ 246,627	$ (94,965)	$ 170,245

See Notes to Financial Statements

FORM B-5

CITY OF WANAMINGO, MINNESOTA
GENERAL FUND
STATEMENTS OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2007
With Comparative Totals for the Year Ended December 31, 2006

	Budgeted Amounts		2007 Actual Amounts	Variance with Final Budget - Positive (Negative)	2006 Actual Amounts
	Original	Final			
EXPENDITURES					
Public Works					
Highways, Streets and Alleys					
Employee services	$ 55,500	$ 55,500	$ 52,280	$ 3,220	$ 49,100
Employee benefits and retirement	16,650	16,650	14,888	1,762	13,238
Materials and supplies	5,000	5,000	6,987	(1,987)	6,565
Repairs and maintenance	12,000	12,000	14,652	(2,652)	41,048
Utilities	4,000	4,000	6,785	(2,785)	5,498
Telephone	900	900	1,218	(318)	1,536
Insurance	4,270	4,270	8,996	(4,726)	4,150
Other charges	2,700	2,700	4,860	(2,160)	4,545
Capital outlay	1,000	1,000	2,221	(1,221)	16,342
Total Highways, Streets and Alleys	102,020	102,020	112,887	(10,867)	142,022
Snow Removal	10,000	10,000	18,066	(8,066)	9,163
Street Lights	22,500	22,500	24,938	(2,438)	23,244
Total Public Works	$ 134,520	$ 134,520	$ 155,891	$ (21,371)	$ 174,429

See Notes to Financial Statements

FORM B-5

CITY OF WANAMINGO, MINNESOTA
GENERAL FUND
STATEMENTS OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2007
With Comparative Totals for the Year Ended December 31, 2006

	Budgeted Amounts		2007 Actual Amounts	Variance with Final Budget - Positive (Negative)	2006 Actual Amounts
	Original	Final			
EXPENDITURES					
Culture and Recreation					
Community center					
Material and supplies	$ 1,100	$ 1,100	$ 1,022	$ 78	$ 1,048
Utilities	2,000	2,000	2,136	(136)	1,257
Capital outlay			15,503	(15,503)	
Other charges	2,065	2,065	3,957	(1,892)	2,386
Total Community center	5,165	5,165	22,618	(17,453)	4,691
Parks					
Employee services	9,900	9,900	5,787	4,113	8,028
Employee benefits and retirement	1,380	1,380	792	588	1,094
Materials and supplies	1,400	1,400	369	1,031	1,542
Repairs and maintenance	1,800	1,800	2,428	(628)	1,562
Utilities	900	900	771	129	760
Insurance	1,960	1,960	2,379	(419)	1,511
Other charges			340	(340)	85
Capital outlay	500	500	1,333	(833)	1,330
Total Parks	17,840	17,840	14,199	3,641	15,912
Swimming Pool					
Employee services	28,650	28,650	25,056	3,594	23,749
Employee benefits and retirement	2,990	2,990	2,425	565	2,298
Materials and supplies	5,450	5,450	5,826	(376)	4,376
Repairs and maintenance	6,000	6,000	4,243	1,757	13,876
Utilities	6,500	6,500	6,738	(238)	7,121
Insurance	1,540	1,540	2,329	(789)	1,532
Other charges	700	700	5,026	(4,326)	1,003
Capital outlay	6,000	6,000	2,577	3,423	4,910
	57,830	57,830	54,220	3,610	58,865
Total Culture and Recreation	$ 80,835	$ 80,835	$ 91,037	$ (10,202)	$ 79,468

See Notes to Financial Statements

FORM B-5

CITY OF WANAMINGO, MINNESOTA
GENERAL FUND
STATEMENTS OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2007
With Comparative Totals for the Year Ended December 31, 2006

	Budgeted Amounts		2007 Actual Amounts	Variance with Final Budget - Positive (Negative)	2006 Actual Amounts
	Original	Final			
EXPENDITURES					
Unallocated Expense					
Professional Services	$ 1,000	$ 1,000	$ 12,086	$ (11,086)	$ 7,507
Miscellaneous	8,000	8,000	7,363	637	12,826
Total Unallocated	9,000	9,000	19,449	(10,449)	20,333
TOTAL EXPENDITURES	480,398	480,398	627,457	(147,059)	563,748
Excess (deficiency of revenues over (under) expenditures	141,036	141,036	44,899	197,981	71,049
Other Financing Sources (Uses)					
Transfers in			1,386	(1,386)	34,500
Transfers out	(141,036)	(141,036)	(68,847)	(72,189)	(82,995)
Total other financing sources (uses)	(141,036)	(141,036)	(67,461)	(73,575)	(48,495)
Net change in fund balances			(22,562)	(22,562)	22,554
FUND BALANCE - beginning	341,990	341,990	341,990		319,436
FUND BALANCE - ending	$ 341,990	$ 341,990	$ 319,428	$ (22,562)	$ 341,990

See Notes to Financial Statements

FORM C-1

CITY OF WANAMINGO, MINNESOTA
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
For the Year Ended December 31, 2007
With Comparative Totals for the Year Ended December 31, 2006

	Business - Type Activities - Enterprise Funds						
						Totals	
	Water	Waste Water	Sanitation	Medical Center	Senior Housing	2007	2006
ASSETS							
Current Assets							
Cash and investments	$	$	$ 9,687	$ 11,068	$	$ 20,755	$ 272,733
Accounts receivable	24,443	16,625	4,643	547		46,258	48,741
Special assessments receivable current	9,295					9,295	9,295
Special assessments receivable delinquent	936					936	715
Due from other governmental units	2,573	1,732				4,305	9,440
Total Current Assets	37,247	18,357	14,330	11,615		81,549	340,924
Noncurrent Assets							
Capital assets							
Nondepreciable		10,000			75,977	85,977	85,977
Depreciable	3,652,467	2,737,511		619,586	1,129,973	8,139,537	8,119,847
Less: Accumulated depreciation	960,296	1,069,488		81,321	328,315	2,439,420	2,226,899
Total Capital Assets	2,692,171	1,678,023		538,265	877,635	5,786,094	5,978,925
Other Assets							
Special assessments receivable long-term	95,287					95,287	107,044
Total Noncurrent Assets	2,787,458	1,678,023		538,265	877,635	5,881,381	6,085,969
TOTAL ASSETS	$ 2,824,705	$ 1,696,380	$ 14,330	$ 549,880	$ 877,635	$ 5,962,930	$ 6,426,893
LIABILITIES							
Current Liabilities							
Accounts payable	$ 1,520	$ 2,944	$	$ 375	$ 2,588	$ 7,427	$ 9,178
Accrued expenses	26,410	13,987			24,910	65,307	64,405
Customer deposits					6,190	6,190	6,875
Due to other funds	159,513	31,503			41,658	232,674	153,294
Current maturities of bonds payable	24,000	25,000		14,000	50,000	113,000	143,000
Current maturities of note payable	79,000					79,000	78,100
Total Current Liabilities	290,443	73,434		14,375	125,346	503,598	454,852
Noncurrent Liabilities							
Bonds payable, net of current maturities discount, and issuance costs	501,023	568,391		604,000	1,065,640	2,739,054	3,148,973
Note payable, net of current maturities	1,167,100					1,167,100	1,246,000
Compensated absences payable	1,970	2,343			176	4,489	3,972
Total Noncurrent Liabilities	1,670,093	570,734		604,000	1,065,816	3,910,643	4,398,945
TOTAL LIABILITIES	1,960,536	644,168		618,375	1,191,162	4,414,241	4,853,797
NET ASSETS							
Invested in capital assets, net of related debt	919,078	1,082,289		(79,735)	(238,181)	1,683,451	1,362,852
Unrestricted	(54,909)	(30,077)	14,330	11,240	(75,346)	(134,762)	210,244
TOTAL NET ASSETS	$ 864,169	$ 1,052,212	$ 14,330	$ (68,495)	$ (313,527)	$ 1,548,689	$ 1,573,096

See Notes to Financial Statements

FORM C-2

CITY OF WANAMINGO, MINNESOTA
PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
For the Year Ended December 31, 2007
With Comparative Totals for the Year Ended December 31, 2006

	Business - Type Activities - Enterprise Funds						
	Water	Waste Water	Sanitation	Medical Center	Senior Housing	Total 2007	Total 2006
Operating Revenues							
Sales	$ 234,707	$ 217,173	$ 47,917	$ 48,462	$ 109,573	$ 657,832	$ 609,561
Operating Expenses							
Employee services	38,692	66,473			12,604	117,769	120,255
Employee benefits and retirements	6,577	13,416			1,790	21,783	21,772
Materials and supplies	4,344	256			110	4,710	6,701
Repairs and maintenance	7,716	5,898		1,494	3,156	18,264	20,848
Utilities	8,634	20,415		3,561	21,057	53,667	49,881
Depreciation	104,010	63,254		15,490	29,767	212,521	212,907
Contracted services	372	372	43,838			44,582	47,612
Other charges	10,834	22,784	950	10,385	11,425	56,378	111,507
Total Operating Expenses	181,179	192,868	44,788	30,930	79,909	529,674	591,483
Operating Income	53,528	24,305	3,129	17,532	29,664	128,158	18,078
Nonoperating Revenues (Expenses)							
Interest income	7,417	3,609	53	283	156	11,518	14,812
Tax increment				8,721		8,721	9,249
Miscellaneous income	4,087					4,087	15,154
Water meter fee	500					500	2,650
Interest expense	(56,575)	(30,867)		(27,524)	(62,425)	(177,391)	(177,182)
Total Nonoperating Revenues (Expenses)	(44,571)	(27,258)	53	(18,520)	(62,269)	(152,565)	(135,317)
Net Increase (Decrease) in Net Assets	8,957	(2,953)	3,182	(988)	(32,605)	(24,407)	(117,239)
TOTAL NET ASSETS - Beginning of Year	855,212	1,055,165	11,148	(67,507)	(280,922)	1,573,096	1,690,335
TOTAL NET ASSETS - End of Year	$ 864,169	$ 1,052,212	$ 14,330	$ (68,495)	$ (313,527)	$ 1,548,689	$ 1,573,096

See Notes to the Financial Statements

CITY OF WANAMINGO, MINNESOTA
PROPRIETARY FUND
STATEMENT OF CASH FLOW
For the Year Ended December 31, 2007
With Comparative Totals for the Year Ended December 31, 2006

	Business - Type Activities - Enterprise Funds						
		Waste		Medical	Senior	Total	
	Water	Water	Sanitation	Center	Housing	2007	2006
Cash Flows From Operating Activities							
Cash received from customers	$ 235,415	$ 224,520	$ 47,963	$ 48,053	$ 108,888	$ 664,839	$ 607,612
Cash received from other sources	4,087					4,087	3,795
Cash paid to suppliers	(30,578)	(51,447)	(44,788)	(15,389)	(37,446)	(179,648)	(233,832)
Cash paid to employees	(45,269)	(80,126)			(12,604)	(137,999)	(137,987)
Net Cash Provided By Operating Activities	163,655	92,947	3,175	32,664	58,838	351,279	239,588
Cash Flows From Noncapital Financing Activities							
Increase (decrease) in due to other funds	63,250	(25,528)			41,658	79,380	25,061
Cash Flows From Capital and Related Financing Activities							
Special assessment collections	11,462					11,462	19,383
Tax increment collections				8,721		8,721	14,394
Water meter fee collections	500					500	2,650
Principal paid on long-term debt	(432,000)	(25,000)		(14,000)	(50,000)	(521,000)	(214,500)
Interest and fiscal agent fees	(55,568)	(30,084)		(27,524)	(60,972)	(174,148)	(175,481)
Proceeds from issuance of debt							320,174
Acquisition and construction of capital assets	(3,746)	(15,944)				(19,690)	(5,797)
Net Cash Used In Capital and Related Financing Activities	(479,352)	(71,028)		(32,803)	(110,972)	(694,155)	(39,177)
Cash Flows From Investing Activities							
Investment income	7,417	3,609	53	283	156	11,518	16,018
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(245,030)		3,228	144	(10,320)	(251,978)	241,490
CASH AND CASH EQUIVALENTS - Beginning of Year	245,030		6,459	10,924	10,320	272,733	31,243
CASH AND CASH EQUIVALENTS - End of Year	$	$	$ 9,687	$ 11,068	$	$ 20,755	$ 272,733

See Notes to the Financial Statements

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES

	Business - Type Activities - Enterprise Funds						
	Water	Waste Water	Sanitation	Medical Center	Senior Housing	Total 2007	Total 2006
Operating Income	$ 53,528	$ 24,305	$ 3,129	$ 17,532	$ 29,664	$ 128,158	$ 18,078
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:							
Depreciation	104,010	63,254		15,490	29,767	212,521	212,907
Other Income	4,087					4,087	3,795
(Increase) Decrease In:							
Accounts receivable	708	7,347	46	(409)		7,692	(827)
Increase (Decrease) In:							
Accounts payable	(62)	(1,722)		51	92	(1,641)	1,593
Customer deposits					(685)	(685)	(1,122)
Accrued expenses	1,384	(237)				1,147	5,164
Net Cash Provided By Operating Activities	$ 163,655	$ 92,947	$ 3,175	$ 32,664	$ 58,838	$ 351,279	$ 239,588

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CITY OF WANAMINGO, MINNESOTA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2007

1. Summary of Significant Accounting Policies

The City of Wanamingo's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the City has the option to apply FASB pronouncements issues after that date to its business-type activities and enterprise funds, the City has chosen not to do so. The more significant accounting policies established in GAAP and used by the City is discussed below.

Reporting Entity

In accordance with GASB Statement No. 14 the City's financial statements include the primary government and the component units of the City of Wanamingo, defined as follows:

Primary Government - Includes all funds, account groups, organizations, institutions, agencies, departments, or offices which are not legally separate from the City of Wanamingo.

Component Units - Component units are legally separate organizations for which the elected officials of the City of Wanamingo are financially accountable or for which the nature or significance of their relationship with the City of Wanamingo would, if excluded, cause the financial statements to be misleading or incomplete.

The Economic Development Authority of the City was created pursuant to Minnesota Statutes 469.090 through 469.108 to carry out economic and industrial development and redevelopment consistent with policies established by the City Council. The EDA activities are blended and reported in a separate Special Revenue Fund. Separate financial statements are not issued for this component unit.

1. Summary of Significant Accounting Policies (Continued)

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues.*

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

1. Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

Property taxes, licenses and permits, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

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

The *1998 G.O. Tax Increment fund* accounts for the financial resources to be used for repayment of bonds with interest.

The *2000 G.O. Improvement fund* accounts for the financial resources to be used for repayment of bonds with interest.

The *2005 G.O. Improvement fund* accounts for the financial resources to be used for repayment of bonds with interest.

The *2007 Refinancing fund* accounts for the financial resources to be used for repayment of bonds with interest.

1. Summary of Significant Accounting Policies (Continued)

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

The City reports the following major proprietary funds:

The *Water fund* accounts for the operation of the City owned water utility system.
The *Waste water fund* accounts for the operation of the City owned sewer utility system.
The *Sanitation fund* accounts for the operation of the City sanitary enterprise.
The *Medical center fund* accounts for the operation of the Wanamingo medical facility.
The *Senior housing fund* accounts for the operation of a Senior Housing facility.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's enterprise funds and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

1. Summary of Significant Accounting Policies (Continued)

Assets, Liabilities, and Net Assets or Equity

Budgets and Budgetary Accounting

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Formal budgetary accounting is employed as a management control for funds of the City. Annual operating budgets are adopted each fiscal year through passage of an annual budget ordinance and may be amended by formal council action. All budget appropriations lapse at the end of the budget year.

Cash and Investments

Except where otherwise required, the City maintains all deposits in bank accounts in the name of the City. These deposits are invested on a short-term basis with interest income allocated to each fund based upon their relative account balance. The balances shown in each fund represents an equity interest in the commingled pool of cash and temporary cash investments which is under the management of the City. Temporary cash investments are stated at cost, which approximates market.

The City has designated cash and cash equivalents as demand deposits and all investments with an original maturity of three months or less.

Property Taxes

Property tax levies are set by the City Council each year and are certified to the County for collection in the following year. In Minnesota, counties act as collection agents for all property taxes. The County spreads all levies over taxable property. Such taxes become a lien on January 1, following, and are recorded as receivables by the City at that date. Revenues from property taxes are accrued and recognized in the year collectible, net of delinquencies.

Real property taxes may be paid by taxpayers in two equal installments on May 15 and October 15. Personal property taxes may be paid on February 28 and June 30. The County provides tax settlements to cities and other taxing districts normally during the months of January, April, June and November.

Taxes which remain unpaid at December 31 are classified as delinquent taxes receivable. The amount of delinquent taxes receivable are fully offset by deferred revenue in the governmental fund types because they are not known to be available to finance current expenditures.

1. Summary of Significant Accounting Policies (Continued)

Assets, Liabilities, and Net Assets or Equity (Continued)

Special Assessments

Assessments are levied at various times by City resolution for property owner improvements made by the City. Generally, assessment collections are deferred over periods ranging from one to twenty five years with interest charges of 6.0% to 8.0%. Revenue from these assessments is recognized as the annual installments become collectible. Annual installments not collected as of each December 31 are classified as delinquent assessments receivable. The amount of delinquent assessments receivable are fully offset by deferred revenue in the governmental fund types because they are not known to be available to finance current expenditures.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $1,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed, net of interest earned on the invested debt proceeds over the same period.

Property, plant and equipment are capitalized when acquired, and depreciation is provided using the straight-line method applied over the following estimated useful lives of the assets.

	Useful Life in Years
Buildings	20 - 40
Improvements other than buildings	20 - 40
Furniture and fixtures	5 - 10
Machinery and Equipment	5 - 10

1. Summary of Significant Accounting Policies (Continued)

Assets, Liabilities, and Net Assets or Equity (Continued)

Capital Assets (Continued)

GASB Statement No. 34 requires the City to report and depreciate new infrastructure assets effective as of January 1, 2004. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. These financial statements do not include the historical cost of related depreciation of infrastructure constructed prior to 2004.

Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as expenditure and a fund liability of the governmental fund of the fund financial statements that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as an expense and liability in the government wide financial statements. Vested or accumulated vacation leave of enterprise funds is recorded as an expense and liability of those funds as the benefits accrue to employees.

Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statements of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported separately and amortized over the term of the related debt.

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 expenditures.

1. Summary of Significant Accounting Policies (Continued)

Assets, Liabilities, and Net Assets or Equity (Continued)

Fund Equity

In the fund financial statements, governmental fund types report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures or expenses initially made from it that are properly applicable to another fund, are recorded as expenditures or expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

Concentration of Credit Risk

Financial instruments which expose the City to a concentration of credit risk consist primarily of cash investments and accounts receivable. Credit risk associated with cash and investments are discussed in Note 2.

The City's accounts receivable are concentrated geographically, as for the most part, amounts are due from individuals residing in and businesses located in the City of Wanamingo.

2. Cash and Investments

Summary of Cash and Investments

As of December 31, 2007, the City's cash and investments consisted of the following items, all of which are held in an internal cash and investment pool:

Cash and Investments	Maturities	Ratings	Fair Value
Cash	None	Unrated	$ 693,182
Money Market Mutual Fund	None	Unrated	117,215
Negotiable CD's	May 2005 - November 2010	Unrated	180,179
			$ 990,576

Investments Authorized by Minnesota Statues

The City is authorized by Minnesota Statutes to invest idle funds as follows:

(a) Direct obligations or obligations guaranteed by the United States or its agencies.
(b) Shares of investment companies registered under the Federal Investment Company Act of 1940 and whose only investments are in securities described in (a) above.
(c) General obligations of the State of Minnesota or its municipalities.
(d) Bankers acceptances of United States banks eligible for purchase by the Federal Reserve System.
(e) Commercial paper issued by United States corporations or their Canadian subsidiaries, of the highest quality, and maturing in 270 days or less.
(f) Repurchase agreements with banks that are members of the Federal Reserve System with capitalization exceeding $10,000,000, a reporting dealer to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.
(g) Money market funds with institutions that have portfolios consisting exclusively of United States Treasury obligations and Federal Agency issues.

Collateralization of Cash Deposits

The City's deposits are entirely covered by federal depository insurance or by collateral held by the City's custodial banks in the City's name

Minnesota Statues require that all City deposits be insured, secured by surety bonds or be collateralized. Except for notes secured by first mortgages of future maturity, the market value of collateral pledged by the custodial bank must equal 110% of the deposits not covered by insurance or surety bonds.

2. Cash and Investments (Continued)

Collateralization of Cash Deposits (Continued)

Authorized collateral includes certain state of local government obligations and legal investments. Minnesota Statues also require that securities pledged as collateral be held in safekeeping by the Treasurer, or in a financial institution other than the institution furnishing the collateral.

Interest Rate Risk

The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

The City has no investment policy that would limit its investment choices. The city's investment ratings are from Standard & Poor Investors Service.

Concentration of Credit Risk

The city places no limit on the amount the city may invest in any one issuer. Investments that are more then 5 percent of the City's total investments are as follows:

Investment	Ratings	Percent of Total
Certificate of Deposit	Unrated	52%
Certificate of Deposit	Unrated	48%

3. Due From Other Governmental Units

Amounts due from other governmental units as of December 31, 2007 are as follows:

Fund	Goodhue County
General	$ 6,695
Debt Service	14,837
Totals	$ 21,532

4. Capital Assets

Capital asset activity for the year ended December 31, 2007 was as follows:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 114,068	$	$	$ 114,068
Total capital assets, not being depreciated	114,068			114,068
Capital assets, being depreciated:				
Buildings	1,619,138	17,512		1,636,650
Improvements other than buildings	2,418,794	2,217		2,421,011
Machinery and equipment	938,815	297,274	42,800	1,193,289
Total capital assets, being depreciated	4,976,747	317,003	42,800	5,250,950
Less accumulated depreciation for:				
Buildings	495,848	32,542		528,390
Improvements other than buildings	122,069	60,502		182,571
Machinery and equipment	707,872	60,750	42,800	725,822
Total accumulated depreciation	1,325,789	153,794	42,800	1,436,783
Total capital assets, being depreciated, net	3,650,958	163,209		3,814,167
Governmental activities capital assets, net	$3,765,026	$ 163,209	$	$3,928,235

Business-Type Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 85,977	$	$	$ 85,977
Total capital assets, not being depreciated	85,977			85,977
Capital assets, being depreciated:				
Buildings and improvements	7,858,375			7,858,375
Machinery and equipment	261,472	19,690		281,162
Total capital assets, being depreciated	8,119,847	19,690		8,139,537
Less accumulated depreciation for:				
Buildings and improvements	2,063,607	194,226		2,257,833
Machinery and equipment	163,292	18,295		181,587
Total accumulated depreciation	2,226,899	212,521		2,439,420
Total capital assets, being depreciated, net	5,892,948	(192,831)		5,700,117
Business-type activities capital assets, net	$5,978,925	$(192,831)	$	$5,786,094

4. Capital Assets (Continued)

Governmental Activities:	
General government	$ 16,267
Public safety	44,457
Public works	90,662
Culture and recreation	2,408
Total depreciation expense - governmental activities	$ 153,794
Business-Type Activities:	
Water	$ 104,010
Sewer	63,254
Senior Housing	29,767
Medical Facility	15,490
Total depreciation expense - business-type activities	$ 212,521

5. Long-Term Debt

The long-term debt obligations outstanding and related maturities and interest rates are summarized in the schedule of bonds payable and compensated absences.

General Obligation Improvement Bonds:
The bonds are payable primarily from special assessments levied on the properties benefiting from the improvements and/or ad valorem tax levies. They are backed by the full faith and credit of the City.

General Obligation Tax Increment Bonds:
General Obligation Tax Increment Bonds provide funds for the acquisition and construction of major capital improvements. These bonds are payable primarily from tax increments, and are backed by the full faith and credit of the City.

Revenue Bonds:
The 2004 Refunding Bonds were issued by the Economic Development Authority (a blended component unit) to refund bonds issued in 2000 to construct a fire facility. The 2006B bond was issued to acquire a new city shop. These bonds are payable solely from revenues generated from a long-term lease agreement between the blended component unit and the primary government. The 2007B public project lease revenue bond is payable primarily from ad valorem tax levies and are backed by the full faith and credit of the city.

5. Long-Term Debt (Continued)

General Obligation Equipment Certificates:

During 2006, the City issued two general obligation equipment certificates. These notes are payable primarily from ad valorem tax levies and are backed by the full faith and credit of the City.

General Obligation Revenue Bonds:

The Water Refunding Bonds are payable primarily from the revenues generated through charges to customers for water service. They are recorded as liabilities in the Water Enterprise Fund and are backed by the full faith and credit of the City.

The Housing Development Revenue Bonds were issued for the construction of a senior housing facility. The bonds are payable primarily from the revenues generated through rental charges to tenants. They are recorded as liabilities in the Senior Housing Enterprise Fund.

The Medical Facility bonds were issued by the Economic Development Authority (a blended component unit) to provide funds for construction of a medical facility. These bonds are payable primarily from building lease revenues.

General Obligation Revenue Notes:

During 2001, the City issued a $1,660,000 Public Facilities Authority Drinking Water Revolving Loan note for certain drinking water improvements within the City. The note is payable primarily from the revenues generated through charges to customers for water service. The note is recorded as a liability in the Water Enterprise Fund and is backed by the full faith and credit of the City.

Capital Lease Obligation:

During 2007, the City entered into a capital lease for the acquisition of equipment. This agreement is payable primarily from ad valorem tax levies and are backed by the full faith and credit of the City.

5. Long-Term Debt (Continued)

A summary of interest rates, maturities and December 31, 2007 balances are as follows:

	Range of Interest Rates	Final Maturity	Balance December 31, 2007
General Obligation Improvement Bonds:			
Series 1994A	5.6%-6.0%	10/1/2009	$ 45,000
Series 1999 Refunding	4.0%-5.0%	5/1/2014	190,000
Series 2000	5.0%-6.0%	2/1/2023	640,000
Series 2002	3.15%-5.25%	2/1/2023	1,205,000
Series 2005A Refunding	4.2%-4.6%	2/1/2023	335,000
Series 2005B	3.1%-4.75%	2/1/2026	905,000
Series 2007A Refunding	4.0%-4.85%	2/1/2037	1,810,000
General Obligation Tax Increment Bonds:			
Series 1998	4.0%-5.0%	5/1/2025	775,000
Revenue Bonds:			
Series 2004 Refunding	1.75%-4.5%	3/1/2015	540,000
Series 2006B	4.5%-4.75%	2/1/2017	190,000
Series 2007B	4.70%	2/1/2018	142,000
General Obligation Equipment Certificates:			
Series 2006A	4.10%	2/1/2011	105,500
Series 2006D	4.50%	2/1/2016	100,000
Capital Lease Obligation:			
Series 2007	4.75%	8/1/2017	200,480
General Obligation Revenue Bonds:			
1999 Housing Development Refunding	4.2%-5.15%	8/1/2023	1,135,000
Medical Facility Bonds, series 2003	4.25%	1/1/2033	618,000
2006C Water Refunding	3.85%-4.2%	2/1/2020	330,000
General Obligation Revenue Notes:			
2001 Public Facilities Authority Water	1.81%	8/20/2021	1,246,100
Compensated Absences			10,649
Total			10,522,729
Less: Unamortized Discount and Issue Costs			(70,419)
Total Long Term Debt			$ 10,452,310

5. Long-Term Debt (Continued)

A summary of the changes in long-term debt for the year ended December 31, 2007 are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
GOVERNMENTAL ACTIVITIES					
General Obligation Improvement Bonds:					
Series 1994A	$ 65,000	$	$ 20,000	$ 45,000	$ 20,000
Series 1999 Refunding	210,000		20,000	190,000	25,000
Series 2000 Refunding	665,000		25,000	640,000	25,000
Series 2002	408,000		16,000	392,000	16,000
Series 2004A	395,000		395,000		
Series 2004B	1,345,000		1,345,000		
Series 2005A Refunding	335,000			335,000	
Series 2005B	925,000		20,000	905,000	35,000
Series 2007A Refunding		1,810,000		1,810,000	
Revenue Bonds:					
Series 2004 Refunding	600,000		60,000	540,000	60,000
Series 2006B	190,000			190,000	15,500
Series 2007B		142,000		142,000	
General Obligation Tax Increment Bonds:					
Series 1998	800,000		25,000	775,000	30,000
General Obligation Equipment Certificates:					
Series 2006A	105,500			105,500	24,500
Series 2006D	100,000			100,000	
Capital Lease Obligation:					
Series 2007		200,480		200,480	9,761
Unamortized Discount and Issue Costs	(28,878)		(2,405)	(26,473)	
Compensated Absences		6,160		6,160	
Governmental Activities Long-term Liabilities	6,114,622	2,158,640	1,923,595	6,349,667	260,761
BUSINESS-TYPE ACTIVITIES					
General Obligation Improvement Bonds:					
Series 2002	847,000		34,000	813,000	34,000
General Obligation Revenue Bonds:					
1998A Water Refunding	345,000		345,000		
1999 Housing Development Refunding	1,185,000		50,000	1,135,000	50,000
Medical Facility Bonds, series 2003	632,000		14,000	618,000	14,000
2006C Water Refunding	330,000			330,000	15,000
General Obligation Revenue Notes:					
2001 Public Facilities Authority Water	1,324,100		78,000	1,246,100	79,000
Unamortized Discount and Issue Costs	(47,027)		(3,081)	(43,946)	
Compensated Absences		4,489		4,489	
Business-type Activities Long-term Liabilities	4,616,073	4,489	517,919	4,102,643	192,000
Total	$ 10,730,695	$2,163,129	$ 2,441,514	$ 10,452,310	$ 452,761

5. Long-Term Debt (Continued)

The annual requirements to amortize all long-term debt outstanding as of December 31, 2007 are summarized below:

	General Obligation Improvement Bonds		General Obligation Tax Increment Bonds		General Obligation Revenue Bonds / Notes		Other	
Years	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
Governmental Activities								
2008	$ 121,000	$ 222,085	$ 30,000	$ 37,565	$ 24,500	$ 8,825	$ 85,261	$ 52,899
2009	176,000	194,509	30,000	36,260	36,500	7,349	104,332	42,580
2010	157,600	186,468	30,000	34,940	38,000	5,787	111,940	38,496
2011	164,200	179,521	30,000	33,590	39,500	4,163	114,590	33,962
2012	174,200	171,961	35,000	32,180	12,000	2,475	121,535	29,158
2013-2017	888,600	734,653	195,000	135,340	55,000	3,825	517,822	63,591
2018-2022	1,045,400	506,111	245,000	82,932			17,000	400
2023-2027	690,000	278,565	180,000	18,500				
2028-2032	400,000	169,085						
2033-2037	500,000	62,809						
Totals	$ 4,317,000	$ 2,705,767	$ 775,000	$ 411,307	$ 205,500	$ 32,424	$ 1,072,480	$ 261,084
Business-Type Activities								
2008	$ 34,000	$ 39,594			$ 158,000	$ 118,568		
2009	34,000	38,202			165,000	114,563		
2010	37,400	36,961			167,000	108,557		
2011	40,800	34,459			179,000	103,271		
2012	40,800	33,352			182,000	97,543		
2013-2017	241,400	133,553			1,014,000	392,283		
2018-2022	319,600	61,957			1,039,100	203,741		
2023-2027	65,000	1,874			246,000	62,213		
2028-2032					179,000	23,460		
Totals	$ 813,000	$ 379,952			$ 3,329,100	$ 1,224,199		

6. Segment Information for Enterprise Funds

The City maintains five enterprise funds including water, waste water, sanitation, medical center, and senior housing funds. Segment information for the year ended December 31, 2007 is as follows:

	Water Fund	Waste Water Fund	Sanitation Fund	Medical Center Fund	Senior Housing Fund
Operating Revenues	$ 234,707	$ 217,173	$ 47,917	$ 48,462	$ 109,573
Operating Expenses:					
Depreciation	104,010	63,254		15,490	29,767
Other	77,169	129,614	44,788	15,440	50,142
Operating Income (loss)	53,528	24,305	3,129	17,532	29,664
Net Income (Loss)	8,957	(2,953)	3,182	(988)	(32,605)
Property and Equipment Additions	3,746	15,944			
Net Working Capital	(253,196)	(55,077)	14,330	(2,760)	(125,346)
Total Assets	2,824,705	1,696,380	14,330	549,880	877,635
Bonds and Notes Payable	1,771,123	593,391		618,000	1,115,640
Total Equity	864,169	1,052,212	14,330	(68,495)	(313,527)

7. Individual Fund Disclosures

As of December 31, 2007, the following funds had deficit fund balances:

Debt Service Funds:	
1998 G.O. Tax Increment	124,273
2002 G.O. Improvement	14,029
Capital Projects Funds	
Tax Increment District #1-1 Masters	66
Tax Increment District #4-2 Fulton	89,321
Tax Increment District #4-3 Masters	9,428

During 2007, the General Fund had excess expenditures over appropriations of $146,634.

7. Individual Fund Disclosures (Continued)

Transfers during the year ended December 31, 2007 were as follows:

	Transfers In	Transfers Out
General Fund	$ 1,386	$ 68,847
Special Revenue:		
Economic Development	20,000	
Debt Service:		
2000 Public Project Revenue	48,847	
1998 G.O. Tax Increment	8,515	
2007 G.O. Refinancing	302,932	
2004 G.O. Improvement		291,879
2004 Street Improvement		11,053
City Hall Lease Purchase	8,714	
Capital Project:		
City Hall / Shop Construction		8,714
TIF District #2-2 Benson		8,304
TIF District #2-4 Doffing		211
TIF District #2-6 Vertical Limit		1,386
Fire Captial	99,960	
Capital Improvement Fund		99,960
Totals	$ 490,354	$ 490,354

7. Individual Fund Disclosures (Continued)

The amounts due to and due from other funds as of December 31, 2007 follow below:

	Due From Other Funds	Due To Other Funds
General Fund	$ 314,779	$
Debt Service Funds:		
2007 G.O Refinancing	75,952	
1998 G.O. Tax Increment		129,959
2002 G.O. Improvement		15,137
Capital Project Funds:		
Capital Improvement	3,378	
Eastside Construction	51,420	
Tax Increment District #4-2 Fulton		58,331
Tax Increment District #4-3 Masters		9,428
Enterprise Funds:		
Water fund		159,513
Wastewater fund		31,503
Senior housing fund		41,658
	$ 445,529	$ 445,529

The amounts advanced to and advanced from other funds as of December 31, 2007 follow below:

	Advances From Other Funds	Advances To Other Funds
Special Revenue Funds		
Economic Development	$	$ 66
Capital Project Funds		
Tax Increment District #1-1 Masters	66	
Capital Improvement		30,990
Tax Increment District #4-2 Fulton	30,990	
	$ 31,056	$ 31,056

8. Fund Equity

The City has reserved portions of the fund equity in certain funds. The reserved fund equity represents the portion not available for expenditures or legally segregated for specific future use. A summary of reserved fund equity at December 31, 2007 is as follows:

Reserved for Debt Service	
Debt Service Funds	
1998 G.O. Tax Increment	(124,273)
2000 Public Project Revenue	102,530
2000 G.O. Improvement	713,617
2004 G.O. Improvement	285,794
1994 G.O. Improvement	1,980
1999 G.O. Refunding Improvement	23,837
2002 G.O. Improvement	(14,029)
2005 Improvement	11,530
City Hall Lease Purchase	3,724
2007 G.O. Refunding Improvement	263,152
2006A Equipment Certificate	27,249
2006D Equipment Certificate	1,918
Reserved for Interfund Advances	
Special Revenue Fund	
Economic Development Fund	66
Capital Projects Fund	
Fire Equipment Fund	30,990

9. Defined Benefit Pension Plans - Statewide

Plan Description

All full-time and certain part-time employees of the City of Wanamingo are covered by defined benefit plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the Public Employees Retirement Fund (PERF), which is a cost-sharing, multiple-employer retirement plan. This plan is established and administered in accordance with *Minnesota Statutes,* Chapters 353 and 356.

9. Defined Benefit Pension Plans - Statewide (continued)

PERF members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. All new members must participate in the Coordinated Plan. PERA provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by state statute, and vest after three years of credited service. The defined retirement benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service.

Two methods are used to compute benefits for PERF's Coordinated and Basic Plan members. The retiring member receives the higher of step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2 percent of average salary for each of the first 10 years of service and 2.7 percent for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2% of average salary for each of the first 10 years and 1.7 percent for each remaining year. Under Method 2, the annuity accrual rate is 2.7 percent of average salary for Basic Plan members and 1.7 percent for Coordinated Plan members for each year of service. For PERF members hired prior to July 1, 1989 whose annuity is calculated using Method 1, a full annuity is available when age plus years of service equal 90. Normal retirement age is 65 for Basic and coordinated members hired prior to July 1, 1989. Normal retirement age is the age for unreduced Social Security benefits capped at 66 for coordinated members hired on or after July 1, 1989. A reduced retirement annuity is also available to eligible members seeking early retirement.

There are different types of annuities available to members upon retirement. A single-life annuity is a lifetime annuity that ceases upon death of the retiree--no survivor annuity is payable. There are also various types of joint and survivor annuity options available which will be payable over joint lives. Members may also leave their contributions in the fund upon termination of public service, in order to qualify for a deferred annuity at retirement age. Refunds of contributions are available at any time to members who leave public service, but before retirement benefits begin.

The benefit provisions stated in the previous paragraphs of this section are current provisions and apply to active plan participants. Vested, terminated employees who are entitled to benefits but are not receiving them yet, are bound by the provisions in effect at the time they last terminated their public service.

PERA issues a publicly available financial report that includes financial statements and required supplementary information for PERF. That report may be obtained on the web at www.mnpera.com, by writing to PERA, 60 Empire Drive #200, St. Paul, Minnesota, 55103-2088 or by calling (651) 296-7460 or 1-800-652-9026.

9. Defined Benefit Pension Plans - Statewide (Continued)

Funding Policy

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. These statutes are established and amended by the state legislature. The City makes annual contributions to the pension plans equal to the amount required by state statutes. PERF Basic plan members and Coordinated Plan members are required to contribute 9.10% and 5.75%, respectively, of their annual covered salary in 2007. Contribution rates in the Coordinated Plan will increase in 2008 to 6.0%. PEPFF members were required to contribute 7.8% of their annual covered salary in 2007. That rate will increase to 8.6% in 2008. The City of Wanamingo is required to contribute the following percentages of annual covered payroll: 11.78% for Basic Plan PERF members and 6.25% for Coordinated PERF Plan Members, 11.7% for PEPFF members. Employer contribution rates for the Coordinated Plan and PEPFF will increase to 6.5% and 12.9% respectively, effective January 1, 2008. The City's contributions to Public Employees Retirement Fund for the years ending December 31, 2007, 2006, and 2005 were $10,936, $9,990, and $10,062 respectively. The City's contributions were equal to the contractually required contributions for each year as set by state statute.

10. Defined Benefit Pension Plan - Volunteer Fire Relief Association

Plan Description

The Wanamingo Fireman's Relief Association is the administrator of a single employer Public Employee Retirement System (PERS) established to provide benefits to members of the Wanamingo Volunteer Fire Department.

The Fireman's Relief Association maintains a separate Special Fund to accumulate assets to fund the retirement benefits earned by the Fire Department's membership. Funding for the Relief Association is derived primarily from an insurance premium tax in accordance with the Volunteer Firefighter's Relief Associations Financial Guidelines Act of 1971 (Chapter 261 as amended by Chapter 509 of Minnesota Statutes 1980).

The financial requirements of the Special Fund are determined in accordance with Section 69.772 of the Minnesota Statutes, which requires the payment of pension benefits in a lump sum or optionally in annual installments. The benefits are payable after age 50, 20 years of service and 10 years of Association membership or upon death.

Insurance premium taxes received and interest earned on the Special Fund assets are allocated equally among the members of the Association each year. Therefore, the assets of the Association are equal to the liability of the Association.

11. 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. The City carries insurance for liability, property, and automotive insurance through the League of Minnesota Cities Insurance Trust (LMCIT). The City provides employee health insurance through a private insurance carrier. Settled claims resulting from these risks have not exceeded the insurance coverage in any of the past three years. There were no reductions in insurance coverage in 2007.

The City participates in a group workers' compensation plan of the LMCIT, which is a public entity risk pool currently operating as a common risk management and insurance program for member Minnesota Cities. All cities participating in the plan are jointly and severally liable for all claims and expenses of the plan. The LMCIT workers' compensation plan is self-sustaining based on the premiums charged, so that total contributions plus compounded earnings on those contributions will be sufficient to satisfy claims, liabilities and other expenses of the plan. The LMCIT plan participates in the Workers' Compensation Reinsurance Association with coverage of $1,000,000 per claim for plan year 2007. The amount of any liability in excess of plan assets may be assessed to participating Cities in a method and amount determined by the LMCIT.

CITY OF WANAMINGO, MINNESOTA

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

DECEMBER 31, 2007

CITY OF WANAMINGO, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2007
With Comparative Totals for December 31, 2006

	Special Revenue		Debt Service			
	251 Economic Development	210 Revolving Loan	304 1994 G.O. Improvement	305 1999 G.O. Refunding Improvement	316 2002 G.O. Improvement	307 2000 Public Project Revenue
ASSETS						
Cash and investments	$ 4,924	$ 13,852	$ 1,441	$ 23,682	$	$ 102,530
Accounts receivable						
Taxes receivable delinquent			14	3		
Special basements receivable:						
Delinquent					720	
Deferred			29,588		110,044	
Loan receivable		35,770				
Advance to other funds	66					
Due from other funds						
Due from other governmental units			539	155	1,108	
TOTAL ASSETS	$ 4,990	$ 49,622	$ 31,582	$ 23,840	$ 111,872	$ 102,530
LIABILITIES AND FUND BALANCE						
Liabilities:						
Accounts payable	$	$	$	$	$	$
Accrued expenses	364					
Due to other funds					15,137	
Advance from other funds						
Deferred revenue		35,770	29,602	3	110,764	
Total Liabilities	364	35,770	29,602	3	125,901	
Fund Balance:						
Reserved for interfund advances	66					
Reserved for debt service			1,980	23,837	(14,029)	102,530
Unreserved	4,560	13,852				
Total Fund Balance (Deficit)	4,626	13,852	1,980	23,837	(14,029)	102,530
TOTAL LIABILITIES AND FUND BALANCE	$ 4,990	$ 49,622	$ 31,582	$ 23,840	$ 111,872	$ 102,530

						Capital Projects	
317 2004 G.O. Improvement	322 Cenex #3 Debt Service	326 City Shop Lease Purchase	329 City Hall Lease Purchase	324 2006A Equipment Certificate	325 2006D Equipment Certificate	401 Capital Improvement Fund	220 Fire Capital
$	$	$ 10,908	$ 3,724	$ 26,512	$ 1,918	$ 109,916	$ 76,867
						30,990	
						3,378	
		622		737			
$	$	$ 11,530	$ 3,724	$ 27,249	$ 1,918	$ 144,284	$ 76,867
$	$	$	$	$	$	$	$
						30,990	
		11,530	3,724	27,249	1,918		
						113,294	76,867
		11,530	3,724	27,249	1,918	144,284	76,867
$	$	$ 11,530	$ 3,724	$ 27,249	$ 1,918	$ 144,284	$ 76,867

CITY OF WANAMINGO, MINNESOTA
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2007
With Comparative Totals for December 31, 2006

	Capital Projects					
	422 Cenex #3 Construction	448 Storm Sewer	449 WAC / SAC	428 2005 DEED Project	429 City Hall/ Shop Construction	470 Tax Increment District #1-1 Masters
ASSETS						
Cash and investments	$	$ 10,503	$ 3,710	$	$	$
Accounts receivable		575				
Taxes receivable delinquent						
Special basements receivable:						
Delinquent						
Deferred						
Loan receivable						
Advance to other funds						
Due from other funds			51,420			
Due from other governmental units						
TOTAL ASSETS	$	$ 11,078	$ 55,130	$	$	$
LIABILITIES AND FUND BALANCE						
Liabilities:						
Accounts payable	$	$	$	$	$	$
Accrued expenses						
Due to other funds						
Advance from other funds						66
Deferred revenue						
Total Liabilities						66
Fund Balance:						
Reserved for interfund advances						
Reserved for debt service						
Unreserved		11,078	55,130			(66)
Total Fund Balance (Deficit)		11,078	55,130			(66)
TOTAL LIABILITIES AND FUND BALANCE	$	$ 11,078	$ 55,130	$	$	$

475 Tax Increment District #2-2 Benson	473 Tax Increment District #4-2 Fulton	474 Tax Increment District #4-3 Masters	477 Tax Increment District #2-4 Doffing	479 Tax Increment District #2-6 Vertical Limit	Total Nonmajor Governmental Funds 2007	Total Nonmajor Governmental Funds 2006
$	$	$	$	$	$ 390,487	$ 457,917
		8,633			9,208	12,268
					17	88
					720	5,094
					139,632	532,396
					35,770	38,838
					31,056	90,087
					54,798	263,076
					3,161	18,043
$	$	$ 8,633	$	$	$ 664,849	$ 1,417,807
$	$	$	$	$	$	$
					364	296
	58,331	9,428			82,896	200,698
	30,990				31,056	90,087
		8,633			184,772	585,049
	89,321	18,061			299,088	876,130
					31,056	90,087
					158,739	503,256
	(89,321)	(9,428)			175,966	(51,666)
	(89,321)	(9,428)			365,761	541,677
$	$	$ 8,633	$	$	$ 664,849	$ 1,417,807

CITY OF WANAMINGO, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2007
With Comparative Totals for December 31, 2006

	Special Revenue		Debt Service			
	251 Economic Development	210 Revolving Loan	304 1994 G.O. Improvement	305 1999 G.O. Refunding Improvement	316 2002 G.O. Improvement	307 2000 Public Project Revenue
REVENUES						
Tax increments	$	$	$	$	$	$
Property taxes			15,464	4,691		
Special assessments			210	56	7,818	
Intergovernmental revenue			1,768	707		
Investment income	45	2,134	189	275	2,245	1,044
Miscellaneous revenues	1,212	3,068	166	89	55	1,833
Total Revenues	1,257	5,202	17,797	5,818	10,118	2,877
EXPENDITURES						
Economic development	20,264					
Debt service			24,400	29,425	35,546	82,092
Capital outlay						
Total Expenditures	20,264		24,400	29,425	35,546	82,092
Excess (deficiency) of revenues over (under) expenditures	(19,007)	5,202	(6,603)	(23,607)	(25,428)	(79,215)
OTHER FINANCING SOURCES (USES)						
Bond proceeds						
Transfers in	20,000					48,847
Transfers out						
Total other financing sources (uses)	20,000					48,847
Net change in fund balances	993	5,202	(6,603)	(23,607)	(25,428)	(30,368)
Fund Balance - beginning	3,633	8,650	8,583	47,444	11,399	132,898
Fund Balance - ending	$ 4,626	$ 13,852	$ 1,980	$ 23,837	$ (14,029)	$ 102,530

317 2004 G.O. Improvement	322 Cenex #3 Debt Service	326 City Shop Lease Purchase	329 City Hall Lease Purchase	324 2006A Equipment Certificate	325 2006D Equipment Certificate	Capital Projects 401 Capital Improvement Fund	Capital Projects 220 Fire Capital
$	$	$	$	$	$	$	$
		21,020		24,982			
		2,476		2,829			
			10	49	24	497	107
						263	1,800
		23,496	10	27,860	24	760	1,907
		10,305	5,000	5,411	2,862		
						3,041	25,000
		10,305	5,000	5,411	2,862	3,041	25,000
		13,191	(4,990)	22,449	(2,838)	(2,281)	(23,093)
			8,714				99,960
(291,879)	(11,053)					(99,960)	
(291,879)	(11,053)		8,714			(99,960)	99,960
(291,879)	(11,053)	13,191	3,724	22,449	(2,838)	(102,241)	76,867
291,879	11,053	(1,661)		4,800	4,756	246,525	
$	$	$ 11,530	$ 3,724	$ 27,249	$ 1,918	$ 144,284	$ 76,867

CITY OF WANAMINGO, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2007
With Comparative Totals for December 31, 2006

	Capital Projects					
	422 Cenex #3 Construction	448 Storm Sewer	449 WAC / SAC	428 2005 DEED Project	429 City Hall/ Shop Construction	470 Tax Increment District #1-1 Masters
REVENUES						
Tax increments	$	$	$	$	$	$ 2,328
Property taxes						
Special assessments						
Intergovernmental revenue				77,495		
Investment income		61	10			
Miscellaneous revenues		6,609	3,700			
Total Revenues		6,670	3,710	77,495		2,328
EXPENDITURES						
Economic development				77,495		
Debt service						
Capital outlay		1,973			4,000	1,945
Total Expenditures		1,973		77,495	4,000	1,945
Excess (deficiency) of revenues over (under) expenditures		4,697	3,710		(4,000)	383
OTHER FINANCING SOURCES (USES)						
Bond proceeds	55,036				142,000	
Transfers in						
Transfers out					(8,714)	
Total other financing sources (uses)	55,036				133,286	
Net change in fund balances	55,036	4,697	3,710		129,286	383
Fund Balance - beginning	(55,036)	6,381	51,420		(129,286)	(449)
Fund Balance - ending	$	$ 11,078	$ 55,130	$	$	$ (66)

475 Tax Increment District #2-2 Benson	473 Tax Increment District #4-2 Fulton	474 Tax Increment District #4-3 Masters	477 Tax Increment District #2-4 Doffing	479 Tax Increment District #2-6 Vertical Limit	Total Nonmajor Governmental Funds 2007	Total Nonmajor Governmental Funds 2006
$ 9,227	$ 4,007	$ 3,680	$ 235	$	$ 19,477	$ 19,867
					66,157	20,928
					8,084	40,695
					85,275	139,134
	4	1		8	6,703	43,626
				7,500	26,295	36,155
9,227	4,011	3,681	235	7,508	211,991	300,405
					97,759	156,852
					195,041	221,795
923	400	3,068	24	6,122	46,496	515,565
923	400	3,068	24	6,122	339,296	894,212
8,304	3,611	613	211	1,386	(127,305)	(593,807)
					197,036	387,750
					177,521	181,575
(8,304)			(211)	(1,386)	(421,507)	(142,058)
(8,304)			(211)	(1,386)	(46,950)	427,267
	3,611	613			(174,255)	(166,540)
	(92,932)	(10,041)			540,016	706,556
$	$ (89,321)	$ (9,428)	$	$	$ 365,761	$ 540,016

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CITY OF WANAMINGO, MINNESOTA

SUPPLEMENTAL INFORMATION

DECEMBER 31, 2007

Form D-1

CITY OF WANAMINGO, MINNESOTA
WATER FUND
Balance Sheet
December 31, 2007 and 2006

	2007	2006
ASSETS		
Current Assets		
Cash and investments	$	$ 245,030
Accounts receivable	24,443	25,151
Special assessments receivable current	9,295	9,295
Special assessments receivable delinquent	936	715
Due from other governmental units	2,573	2,499
Total Current Assets	37,247	282,690
Noncurrent Assets		
Capital assets		
Depreciable	3,652,467	3,648,721
Less: Accumulated depreciation	960,296	856,286
Total Capital Assets	2,692,171	2,792,435
Other Assets		
Special assessments receivable long-term	95,287	107,044
Total Noncurrent Assets	2,787,458	2,899,479
TOTAL ASSETS	$ 2,824,705	$ 3,182,169
LIABILITIES		
Current Liabilities		
Accounts payable	$ 1,520	$ 1,582
Accrued expenses	26,410	25,384
Due to other funds	159,513	96,263
Current maturities of bonds payable	24,000	54,000
Current maturities of note payable	79,000	78,100
Total Current Liabilities	290,443	255,329
Noncurrent Liabilities		
Bonds payable, net of current maturities, discount, and issuance costs	501,023	824,016
Compensated absences payable	1,970	1,612
Note payable, net of current maturities	1,167,100	1,246,000
Total Noncurrent Liabilities	1,670,093	2,071,628
Total Liabilities	1,960,536	2,326,957
Net Assets		
Invested in capital assets, net of related debt	921,048	590,319
Unrestricted	(56,879)	264,893
Total Net Assets	$ 864,169	$ 855,212

Form D-2

CITY OF WANAMINGO, MINNESOTA
WATER FUND
Statement of Revenues, Expenses
and Changes in Net Assets
For the Years Ended December 31, 2007 and 2006

	2007	2006
Operating Revenue		
User fees	$ 104,763	$ 82,798
Debt service charge	129,944	100,003
Total	234,707	182,801
Operating Expenses		
Employee services	38,692	38,803
Employee benefits and retirements	6,577	6,571
Materials and supplies	4,344	4,919
Repairs and maintenance	7,716	4,886
Depreciation	104,010	104,394
Contracted services	372	3,741
Utilities	8,634	8,705
Other charges	10,834	38,001
Total	181,179	210,020
Operating Income (Loss)	53,528	(27,219)
Nonoperating Revenues (Expenses)		
Interest income	7,417	12,430
Miscellaneous income	4,087	13,948
Water meter fee	500	2,650
Interest expense	(56,575)	(56,393)
Total Nonoperating Revenues (Expenses)	(44,571)	(27,365)
Net Income (Loss)	8,957	(54,584)
TOTAL NET ASSETS - Beginning of Year	855,212	909,796
TOTAL NET ASSETS - End of Year	$ 864,169	$ 855,212

Form D-3

CITY OF WANAMINGO, MINNESOTA
WASTEWATER FUND
Balance Sheet
December 31, 2007 and 2006

	2007	2006
ASSETS		
Current Assets		
Accounts receivable	$ 16,625	$ 18,763
Due from other governmental units	1,732	6,941
Total Current Assets	18,357	25,704
Noncurrent Assets		
Capital assets		
Nondepreciable	10,000	10,000
Depreciable	2,737,511	2,721,567
Less: Accumulated depreciation	1,069,488	1,006,234
Total Capital Assets	1,678,023	1,725,333
TOTAL ASSETS	$ 1,696,380	$ 1,751,037
LIABILITIES		
Current Liabilities		
Accounts payable	$ 2,944	$ 4,666
Accrued expenses	13,987	14,273
Due to other funds	31,503	57,031
Current maturities of bonds payable	25,000	25,000
Total Current Liabilities	73,434	100,970
Noncurrent Liabilities		
Bonds payable, net of discount and issuance costs	568,391	592,608
Compensated absences payable	2,343	2,294
Total Liabilities	644,168	695,872
Net Assets		
Invested in capital assets, net of related debt	1,084,632	1,107,725
Unrestricted	(32,420)	(52,560)
Total Net Assets	$ 1,052,212	$ 1,055,165

Form D-4

CITY OF WANAMINGO, MINNESOTA
WASTEWATER FUND
Statement of Revenues, Expenses
and Changes in Net Assets
For the Years Ended December 31, 2007 and 2006

	2007	2006
Operating Revenue		
Sales	$ 111,356	$ 113,930
Debt service charge	105,817	104,821
Total	217,173	218,751
Operating Expenses		
Employee services	66,473	68,554
Employee benefits and retirements	13,416	13,447
Materials and supplies	256	309
Repairs and maintenance	5,898	13,085
Depreciation	63,254	63,397
Contracted services	372	2,560
Utilities	20,415	20,214
Other charges	22,784	43,254
Total	192,868	224,820
Operating Income (Loss)	24,305	(6,069)
Nonoperating Revenues (Expenses)		
Interest income	3,609	873
Interest expense	(30,867)	(31,883)
Miscellaneous income		1,206
Total Nonoperating Revenues (Expenses)	(27,258)	(29,804)
Net Loss	(2,953)	(35,873)
TOTAL NET ASSETS - Beginning of Year	1,055,165	1,091,038
TOTAL NET ASSETS - End of Year	$ 1,052,212	$ 1,055,165

Form D-5

CITY OF WANAMINGO, MINNESOTA
SANITATION FUND
Balance Sheet
December 31, 2007 and 2006

	2007	2006
ASSETS		
Current Assets		
Cash and investments	$ 9,687	$ 6,459
Accounts receivable	4,643	4,689
TOTAL ASSETS	$ 14,330	$ 11,148
Net Assets		
Unrestricted	$ 14,330	$ 11,148

Form D-6

CITY OF WANAMINGO, MINNESOTA
SANITATION FUND
Statement of Revenues, Expenses and Changes in Net Assets
For the Years Ended December 31, 2007 and 2006

	2007	2006
Operating Revenues		
Sales	$ 47,917	$ 47,645
Operating Expenses		
Contracted services	43,838	41,311
Other charges	950	92
Total	44,788	41,403
Operating Income	3,129	6,242
Nonoperating Revenues		
Interest income	53	40
Net Income	3,182	6,282
TOTAL NET ASSETS - Beginning of Year	11,148	4,866
TOTAL NET ASSETS - End of Year	$ 14,330	$ 11,148

Form D-7

CITY OF WANAMINGO, MINNESOTA
MEDICAL CENTER
Balance Sheet
December 31, 2007 and 2006

	2007	2006
ASSETS		
Current Assets		
Cash and investments	$ 11,068	$ 10,924
Accounts receivable	547	138
Total Current Assets	11,615	11,062
Noncurrent Assets		
Capital assets		
Depreciable	619,586	619,586
Less: Accumulated depreciation	81,321	65,831
Total Capital Assets	538,265	553,755
TOTAL ASSETS	$ 549,880	$ 564,817
LIABILITIES		
Current Liabilities		
Accounts payable	$ 375	$ 324
Current maturities of bonds payable	14,000	14,000
Total Current Liabilities	14,375	14,324
Noncurrent Liabilities		
Bonds payable, net of current maturities	604,000	618,000
Total Liabilities	618,375	632,324
Net Assets		
Invested in capital assets, net of related debt	(79,735)	(78,245)
Unrestricted	11,240	10,738
Total Net Assets	$ (68,495)	$ (67,507)

Form D-8

CITY OF WANAMINGO, MINNESOTA
MEDICAL CENTER
Statement of Revenues, Expenses
and Changes in Net Assets
For the Years Ended December 31, 2007 and 2006

	2007	2006
Operating Revenues		
Facility rent	$ 48,462	$ 47,150
Operating Expenses		
Repairs and maintenance	1,494	616
Utilities	3,561	1,703
Depreciation	15,490	15,490
Other charges	10,385	17,035
Total Operating Expenses	30,930	34,844
Operating Income	17,532	12,306
Other Revenues (Expenses)		
Tax increment	8,721	9,249
Interest income	283	499
Interest expense	(27,524)	(28,312)
Total Other Revenues (Expenses)	(18,520)	(18,564)
Net Loss	(988)	(6,258)
TOTAL NET ASSETS - Beginning of Year	(67,507)	(61,249)
TOTAL NET ASSETS - End of Year	$ (68,495)	$ (67,507)

Form D-9

CITY OF WANAMINGO, MINNESOTA
SENIOR HOUSING FUND
Balance Sheet
December 31, 2007 and 2006

	2007	2006
ASSETS		
Current Assets		
Cash and investments	$	$ 10,320
Noncurrent Assets		
Capital assets		
Nondepreciable	75,977	75,977
Depreciable	1,129,973	1,129,973
Less: Accumulated depreciation	328,315	298,548
Net Capital Assets	877,635	907,402
TOTAL ASSETS	$ 877,635	$ 917,722
LIABILITIES		
Current Liabilities		
Accounts payable	$ 2,588	$ 2,606
Accrued expenses	24,910	24,748
Customer deposits	6,190	6,875
Due to other funds	41,658	
Current maturities of bonds payable	50,000	50,000
Total Current Liabilities	125,346	84,229
Noncurrent Liabilities		
Bonds payable, net of current maturities discount, and issuance costs	1,065,640	1,114,349
Compensated absences payable	176	66
Total Liabilities	1,191,162	1,198,644
Net Assets		
Unrestricted	$ (313,527)	$ (280,922)

Form D-10

CITY OF WANAMINGO, MINNESOTA
SENIOR HOUSING FUND
Statement of Revenues, Expenses
and Changes in Net Assets
For the Years Ended December 31, 2007 and 2006

	2007	2006
Operating Revenue		
Rental income	$ 109,573	$ 113,214
Operating Expenses		
Employee services	12,604	12,898
Employee benefits and retirements	1,790	1,754
Materials and supplies	110	1,473
Repairs and maintenance	3,156	2,261
Utilities	21,057	19,259
Depreciation	29,767	29,626
Other charges	11,425	13,125
Total	79,909	80,396
Operating Income	29,664	32,818
Nonoperating Revenues (Expenses)		
Interest income	156	970
Interest expense	(62,425)	(60,594)
Total Nonoperating Revenues (Expenses)	(62,269)	(59,624)
Net Loss	(32,605)	(26,806)
TOTAL NET ASSETS - Beginning of Year	(280,922)	(254,116)
TOTAL NET ASSETS - End of Year	$ (313,527)	$ (280,922)