

**COMPREHENSIVE ANNUAL FINANCIAL**

**REPORT OF THE**

**CITY OF**

**WILLMAR, MINNESOTA**

**FOR THE**

**YEAR ENDED**

**DECEMBER 31, 2007**

**DIVISION OF FINANCE**

**STEVEN B. OKINS, DIRECTOR OF FINANCE  
MEMBER OF THE GOVERNMENT FINANCE OFFICER'S  
ASSOCIATION OF THE UNITED STATES AND CANADA &  
MINNESOTA FINANCE OFFICERS ASSOCIATION**

**CITY OF WILLMAR, MINNESOTA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2007**

**TABLE OF CONTENTS**

	<u><b>PAGE</b></u>
 <b><u>INTRODUCTORY SECTION</u></b>	
List of Elected and Appointed Officials .....	i
 <b><u>FINANCIAL SECTION-I</u></b>	
Independent Auditor's Report .....	ii
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards .....	iii
Report on Legal Compliance .....	iv
Report on Compliance with Requirements Applicable to each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133 .....	v
Schedule of Expenditures of Federal Awards .....	vi
Notes to the Schedule of Expenditures of Federal Awards .....	vii
Schedule of Findings and Questioned Costs .....	viii
 <b><u>FINANCIAL SECTION-II</u></b>	
Management's Discussion and Analysis .....	1
 <b>Basic Financial Statements:</b>	
Government-Wide Financial Statements:	
Statement of Net Assets .....	9
Statement of Activities .....	11
Fund Financial Statements:	
Balance Sheet – Governmental Funds .....	13
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds .....	15
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	17
Statement of Net Assets – Proprietary Funds .....	18
Statement of Revenues, Expenses, & Changes in Fund Net Assets – Proprietary Funds .....	19
Statement of Cash Flows – Proprietary Funds .....	20
Statement of Fiduciary Net Assets – Fiduciary Funds .....	21
Notes to the Financial Statements .....	22

**CITY OF WILLMAR, MINNESOTA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2007**

**TABLE OF CONTENTS (con't)**

	<u><b>PAGE</b></u>
<b><u>FINANCIAL SECTION-II (con't)</u></b>	
<b>Required Supplementary Information Other Than MD&amp;A:</b>	
Budgetary Comparison Schedules	
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget And Actual – General Fund.....	43
Schedule of Revenue, Expenditures and Changes in Fund Balances – Budget And Actual - Special Assessments Bonds Debt Service Funds .....	49
Schedule of Revenue, Expenditures and Changes in Fund Balances – Budget And Actual - Local Option Sales Tax Special Revenue Fund .....	50
<b>Other Supplementary Information:</b>	
Individual Schedule of Revenue, Expenditures and Changes in Fund Balances – Budget And Actual :	
Street Water/Sewer Projects Capital Project Funds .....	52
Airport Capital Project Fund .....	53
Waste Treatment Plant Capital Project Fund .....	54
Combining Balance Sheet – Nonmajor Governmental Funds .....	55
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds .....	56
Combining Balance Sheet – Nonmajor Special Revenue Funds.....	57
Combining Statement of Revenue, Expenditures and Changes in Fund Balance – Nonmajor Special Revenue Funds.....	59
Individual Schedules of Revenue, Expenditures and Changes in Fund Balances – Budget And Actual – Nonmajor Special Revenue Funds:	
Economic Development Revolving Loan .....	61
Industrial Development .....	62
WRAC-8 .....	63
Convention and Visitors' Bureau .....	64
Community Development .....	65
Community Investment .....	66
Law Enforcement Forfeiture .....	67
Senior Citizens Transit .....	68
Fire Department Radio Grant .....	69
Library Improvement.....	70

**CITY OF WILLMAR, MINNESOTA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2007**

**TABLE OF CONTENTS (con't)**

	<u><b>PAGE</b></u>
 <b><u>FINANCIAL SECTION (con't)</u></b>	
Combining Balance Sheet – Nonmajor Capital Project Funds .....	71
Combining Statement of Revenue, Expenditures and Changes in Fund Balances – Nonmajor Capital Project Funds .....	72
Individual Schedules of Revenue, Expenditures and Changes in Funds Balances – Budget And Actual From Inception – Nonmajor Capital Project Funds:	
Local Option Sales Tax Projects .....	73
Library Project.....	74
Miscellaneous Capital Projects.....	75
Capital Improvements .....	76
Baker Diamond Baseball Stadium.....	77
 Combining Balance Sheet – Nonmajor Debt Service Funds.....	 78
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Debt Service Funds.....	79
Individual Schedules of Revenue, Expenditures and Changes in Fund Balances – Budget And Actual – Non-major Debt Service Funds:	
G.O. Airport Revenue Bonds .....	80
Tax Increment Financing Bonds .....	81
 Combining Statement of Net Assets – Internal Service Funds .....	 82
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets – Internal Service Funds .....	83
Combining Statement of Cash Flows – Internal Service Funds.....	84
 Capital Assets Used in the Operation of Governmental Funds:	
Comparative Schedules By Source .....	85
Schedule By Function and Activity.....	86
Schedule of Changes by Function and Activity .....	87
 <b><u>STATISTICAL SECTION</u></b>	
Government-Wide Information:	
Government-Wide Expenses By Function .....	88
Government-Wide Revenues.....	89
Fund Information:	
General Governmental Expenditures by Function .....	90
General Governmental Revenues by Source .....	91
Property Tax Levies and Collections .....	92
Tax Capacities and Estimated Market Value of Taxable Property .....	93
Tax Capacity Rates – Direct and Overlapping Governments .....	95

**CITY OF WILLMAR, MINNESOTA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2007**

**TABLE OF CONTENTS (con't)**

	<u><b>PAGE</b></u>
<u><b>STATISTICAL SECTION (con't)</b></u>	
Tax Levies – Direct and Overlapping Governments .....	96
Principal Taxpayers .....	97
Special Assessments Billings and Collections .....	98
Computation of Legal Debt Margin .....	99
Miscellaneous Statistics.....	100

# **CITY OF WILLMAR, MINNESOTA**

## **INTRODUCTORY SECTION**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**CITY OF WILLMAR, MINNESOTA**

**2007**

**CITY COUNCIL**

**LESTER HEITKE, MAYOR**

**COUNCIL MEMBERS:**

<b>DENIS ANDERSON</b>	<b>BRUCE DEBLIECK</b>
<b>RON CHRISTIANSON</b>	<b>STEVE GARDNER</b>
<b>CINDY SWENSON</b>	<b>RICK FAGERLIE</b>
<b>JAMES DOKKEN</b>	<b>DOUG REESE</b>

**FINANCE DIRECTOR**

**STEVEN B. OKINS**

**CITY ADMINISTRATOR**

**MICHAEL C. SCHMIT**

# **CITY OF WILLMAR, MINNESOTA**

## **FINANCIAL SECTION - I**



## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Willmar, Minnesota (the City), 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 did not audit the financial statements of Rice Memorial Hospital and Willmar Municipal Utilities, which represent 100 percent, and 100 percent, and 100 percent, respectively, of the assets, net assets, and revenues of Rice Memorial Hospital and Willmar Municipal Utilities. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, in so far as it relates to the amounts included for Rice Memorial Hospital and Willmar Municipal Utilities, is based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *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 and the reports of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and aggregate remaining fund information of the City as of December 31, 2007, and the respective changes in financial position and cash flows, where applicable, thereof 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 August 12, 2008, on our consideration of the City'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 important for assessing the results of our audit.

The management's discussion and analysis and the budgetary comparison schedules are not a required part of the basic financial statements but are supplementary information required by accounting principals generally accepted in the United States of America. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required 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's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the City. The combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections 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.

*Westberg Eischens, PLLP*

WESTBERG EISCHENS, PLLP

October 20, 2008

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING  
STANDARDS**

Mayor and City Council  
City of Willmar, Minnesota

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Willmar, Minnesota, as of and for the year ended December 31, 2007, which collectively comprise the City's basic financial statements and have issued our report thereon dated October 20, 2008. Our report was modified to include a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of Rice Memorial Hospital and Willmar Municipal Utilities, as described in our report on the City of Willmar's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control. We considered the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2007-1 and 2007-2 to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses. However, of the significant deficiencies described above, we believe finding 2007-1 and 2007-2 are material weaknesses.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the use of State Agencies, management and others within the organization and the City Council and is not intended to be and should not be used by anyone other than those specified parties.

*Westberg Eischens, PLLP*

WESTBERG EISCHENS, PLLP

October 20, 2008

## AUDITOR'S REPORT ON LEGAL COMPLIANCE

Mayor and City Council  
City of Willmar, Minnesota

We have audited the basic financial statements of the City of Willmar, Minnesota, as of and for the year ended December 31, 2007, and have issued our report thereon dated August 12, 2008.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the provisions of the Minnesota Legal Compliance Audit Guide for Local Government, promulgated by the Legal Compliance Task Force pursuant to Minnesota Statutes Sec.6.65. Accordingly, the audit included such tests of the accounting records and other auditing procedures, as we considered necessary in the circumstances.

The Minnesota Legal Compliance Audit Guide for Local Government covers seven main categories of compliance to be tested: Contracting and Bidding, Deposits and Investments, Conflicts of Interest, Public Indebtedness, Claims and Disbursements, Miscellaneous Provisions, and Tax Increment Financing. Our study included all of the listed categories.

The results of our tests indicate that for the items tested, the City of Willmar complied with the material terms and conditions of applicable legal provisions.

This report is intended solely for the use of The City of Willmar and the Office of the Minnesota State Auditor and is not intended to be, and should not be, used by anyone other than those specified parties.

*Westberg Eischen, PLLP*

WESTBERG EISCHENS, PLLP

October 20, 2008

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR  
PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH OMB CIRCULAR A-133**

Mayor and City Council  
City of Willmar, Minnesota

Compliance

We have audited the compliance of the City of Willmar, Minnesota, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2007. The City of Willmar, Minnesota's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City of Willmar, Minnesota's management. Our responsibility is to express an opinion on the City of Willmar, Minnesota's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Willmar, Minnesota's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Willmar, Minnesota's compliance with those requirements.

In our opinion, the City of Willmar, Minnesota, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2007.

Internal Control over Compliance

The management of the City of Willmar, Minnesota, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City of Willmar, Minnesota's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Willmar's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that non-compliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material non-compliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information of management, City Council, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

*Westberg Eischens, PLLP*

WESTBERG EISCHENS, PLLP

October 20, 2008

**CITY OF WILLMAR, MINNESOTA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For The Year Ended December 31, 2007**

Federal Grantor Pass-Through Grantor Program Title	Federal CFDA <u>Number</u>	<u>Expenditures</u>
U.S. Department of Transportation		
MN Department of Transportation		
Airport Improvement Program	20.106	\$ 997,158
Department of Housing and Urban Development		
MN DTED		
Community Development Block Grant	14.228	32,120
Homeland Security		
Federal Direct		
Firefighters Grant	97.044	8,176
U.S. Department of Interior		
Federal Direct		
Rural Fire Assistance	15.228	<u>17,871</u>
U.S. Environmental Protection Agency		
Federal Direct		
Waste Treatment Plant Relocation	62.202	<u>477,900</u>
		<u>\$ 1,533,225</u>



**CITY OF WILLMAR**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For The Year Ended December 31, 2007**

**NOTE 1: BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Willmar and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**CITY OF WILLMAR**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For The Year Ended December 31, 2007**

**SECTION I: SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Significant deficiency (ies) identified?   X   yes        no

Significant deficiency (ies) identified that are  
considered to be material weaknesses?   X   yes        none reported

Noncompliance material to financial statement noted?        yes   X   no

**Federal Awards**

Internal control over major programs:

Significant deficiency (ies) identified?        yes   X   no

Significant deficiency (ies) identified that are  
considered to be material weakness (es)?        yes   X   none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be  
reported in accordance with section 510(a) of  
Circular A-133?

       yes   X   no

**Identification of major programs:**

CFDA Number(s)

Name of Federal Program or Cluster

  20.106  

  Airport Improvement Program  

  62.202  

  Congressionally Mandated Projects  

Dollar threshold used to distinguish between type A  
and type B programs:

\$       300,000      

Auditee qualified as low-risk auditee?

  X   yes        no

**CITY OF WILLMAR, MINNESOTA**  
**Schedule of Findings and Questioned Costs**  
**Year Ended December 31, 2007**

**SECTION II FINANCIAL STATEMENT FINDINGS**

**Finding 2007-1**

**Criteria:**

The proper design or operation of an internal control system assists management or employees in the normal course of performing their assigned functions, to prevent or detect misstatements of the financial statements on a timely basis. A control deficiency exists when the design of a control does not allow management or employees in the normal course of performing their assigned functions to prevent or detect misstatements of the financial statements on a timely basis.

**Condition:**

During our audit, we proposed adjustments that resulted in material changes to the City's financial statements.

**Questioned Costs:**

None

**Cause:**

Internal controls and monitoring of internal controls by City personnel were insufficient to detect material misstatements.

**Effect:**

Proposed audit adjustments were reviewed and approved by the appropriate staff and are reflected in the financial statements. By definition, however, independent external auditors cannot be considered part of the government's internal control.

**Recommendation:**

We recommend the City establish internal controls for determining all necessary entries required to present fairly the financial statements in accordance with generally accepted accounting principles.

**CORRECTIVE ACTION PLAN (CAP)**

**Finding 2007-1**

**Explanation of Disagreement with Audit Finding:**

There is no disagreement with the audit finding.

**Actions Planned in Response to Finding:**

The City will continue to review internal controls and work to design modifications that will increase internal control and the ability to detect material misstatements.

**Officer Responsible for Ensuring CAP:**

Clerk/Treasurer

**Planned Completion Date:**

Completed

**Plan to Monitor Completion of CAP:**

City Administrator

**CITY OF WILLMAR, MINNESOTA**  
**Schedule of Findings and Questioned Costs**  
**Year Ended December 31, 2007**

**Finding 2007-2**

**Criteria:**

Generally, a system of internal control includes the ability to understand and prepare the City's financial statements and related disclosures in accordance with accounting principles generally accepted in the United States of America (GAAP).

**Condition:**

The City relied upon the auditor to prepare the financial statements and related disclosures in accordance with GAAP.

**Questioned Costs:**

None

**Cause:**

Limited number of staff in the business office, precluded the City from the completion of GAAP financial statements with required disclosures.

**Effect:**

The City is unable to prepare GAAP basis financial statements.

**Recommendation:**

We recommend that the City work with Auditor for proper financial statement presentation and disclosure.

**CORRECTIVE ACTION PLAN (CAP)**

**Finding 2007-2**

**Explanation of Disagreement with Audit Finding:**

There is no disagreement with the audit finding.

**Actions Planned in Response to Finding:**

The City will continue to review auditor prepared financial statements with the intention of understanding and acceptance of responsibility for reporting under GAAP.

**Officer Responsible for Ensuring CAP:**

Clerk/Treasurer

**Planned Completion Date:**

Continued

**Plan to Monitor Completion of CAP:**

City Administrator

# **CITY OF WILLMAR, MINNESOTA**

## **FINANCIAL SECTION - II**

**CITY OF WILLMAR, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2007**

This section of the basic financial statements of the City of Willmar (the City) presents a discussion and analysis of the City's financial performance during the fiscal year ended December 31, 2007. Please read it in conjunction with the City's basic financial statements following this section.

**Financial Highlights**

- The assets of the City exceeded liabilities by \$133,209,756. Of this amount, \$24,150,177 may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the City's fund designations and fiscal policies.
- The City's total net assets increased by \$6,040,539.
- The City's governmental funds reported combined ending fund balances of \$34,705,969. Of this total amount, approximately 75% is available for spending at the City's discretion.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$15,618,077, or 136% of the total General Fund expenditures of \$11,506,595.

**Using this Annual Report**

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements are presented after the Statement of Activities. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's funds. The notes to the basic financial statements provide information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. This report also contains other supplementary information in addition to the basic financial statements.

**The City as a whole: Statement of Net Assets and Statement of Activities**

Our analysis of the City of Willmar begins with the Statement of Net Assets and the Statement of Activities. One of the most important questions asked about the City's finances is, "Is the City as a whole better off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities both report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. These two statements report the City's net assets and changes in them. You can think of the City's net assets – the difference between assets and liabilities – as one way to measure the City's financial health. Over time, increases and decreases in the City's net assets are one indicator of whether the City's financial health is improving or deteriorating.

You will need to consider other nonfinancial factors, however, to assess the overall health of the City of Willmar.

In the Statement of Net Assets and the Statement of Activities, we divide the City into two kinds of activities:

**CITY OF WILLMAR, MINNESOTA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**December 31, 2007**

*Governmental Activities* - Most of the City's basic services are reported here, including the police, public works, parks departments and general administration. Property taxes, franchise fees, and state and federal grants finance most of these activities.

*Business-Type Activities* - The City charges a fee to customers to help cover all or most of the cost of certain services it provides. The City's waste treatment fund and internal service fund are reported here.

**The City's Most Significant Funds: Fund Financial Statements**

Our analysis of the City of Willmar's major funds begins with the fund financial statements. These statements provided detailed information about the most significant funds - not the City as a whole. Some funds are required to be established by state law and by bond covenants. However, the City Council establishes other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The City of Willmar's two kinds of funds - governmental and proprietary - use different accounting approaches.

*Governmental Funds* - Most of the City of Willmar's basic services are reported in governmental funds. Governmental funds focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps the reader of the statements determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in reconciliation after the fund financial statements.

The governmental fund financial statements can be found on pages 13-16 of this report.

*Proprietary Funds* - When the City of Willmar charges customers for the services it provides - whether to outside customers or to other units of the City - these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the City's enterprise funds are the same as the business-type activities we report in the government-wide statements, but provide more detail and additional information, such as cash flows, for proprietary funds.

The proprietary fund financial statements can be found on pages 18-20 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 22-42 of this report.

**Statement of Net Assets**

The City of Willmar's net assets increased from a year ago. Our analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the City's governmental and business-type activities.

**CITY OF WILLMAR, MINNESOTA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**December 31, 2007**

Table 1  
Condensed Statement of Net Assets

	Governmental Activities	Business-type Activities	Component Unit	Total	2006 Total
Current and other assets	\$ 55,003,384	\$ 7,242,688	\$ 64,082,269	\$ 126,328,341	\$ 117,255,238
Net capital assets	116,620,497	20,487,162	92,350,658	229,458,317	228,461,159
Total Assets	<u>\$ 171,623,881</u>	<u>\$ 27,729,850</u>	<u>\$ 156,432,927</u>	<u>\$ 355,786,658</u>	<u>\$ 345,716,397</u>
Current and other liabilities	\$ 19,821,584	\$ 34,872	\$ 14,104,464	\$ 33,960,920	\$ 90,126,827
Long-term liabilities	18,592,541	11,740,019	56,014,134	86,346,694	86,835,869
Total Liabilities	<u>\$ 38,414,125</u>	<u>\$ 11,774,891</u>	<u>\$ 70,118,598</u>	<u>\$ 120,307,614</u>	<u>\$ 176,962,696</u>
Net Assets					
Invested in capital assets, net of					
Related debt	\$ 116,609,986	\$ 4,105,616	\$ 36,540,302	\$ 157,255,904	\$ 96,754,216
Restricted	8,384,593	11,849,343	16,194,883	36,428,819	36,798,408
Unrestricted	8,215,177	-	33,579,144	41,794,321	35,201,077
Total Net Assets	<u>\$ 133,209,756</u>	<u>\$ 15,954,959</u>	<u>\$ 86,314,329</u>	<u>\$ 235,479,044</u>	<u>\$ 168,753,701</u>

Governmental Activities

Net assets of the City's governmental activities increased by \$6,040,539 for 2007.

Business-Type Activities

Net assets of the City's business-type activities increased by \$513,731. The increase was due to an increase of net assets in waste treatment fund. This positive change is due to revenues for the year surpassing expenses and fund transfers.

Component Units

Net assets of the City's two component units increased by \$4,557,314. The net assets of the Municipal Utilities Commission increase by \$2,080,052 and the net assets of Rice Memorial Hospital increased by \$2,477,262

The following table indicates the changes in net assets for the City's Governmental and business-type activities:



**CITY OF WILLMAR, MINNESOTA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**December 31, 2007**

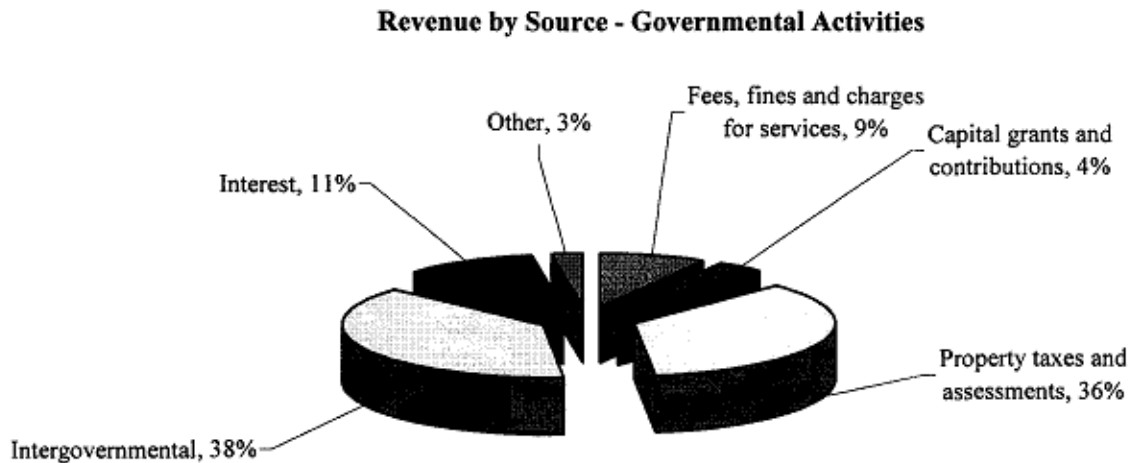
Table 2  
Condensed Statement of Activities

	Governmental Activities	Business-type Activities	Component Unit	Total	2006 Total
<b>Revenues</b>					
Program revenues:					
Fees, fines and charges for services	\$ 894,982	\$ 3,193,640	\$ 112,407,726	\$ 116,496,348	\$ 111,665,249
Operating grants and contributions	736,435	-	-	736,435	8,778,043
General revenues:					
Property taxes and assessments	6,739,620	-	-	6,739,620	5,823,418
Licenses and permits	454,878	-	-	454,878	1,049,922
Fines and forfeits	259,559	-	-	259,559	276,797
Miscellaneous	2,488,541	323,531	3,822,946	6,635,018	4,592,270
Gain (loss) on sale of capital assets	(61,193)	(99,624)	(69,892)	(230,709)	2,168,556
Intergovernmental	7,177,007	-	-	7,177,007	8,496,439
Total Revenues	<u>18,689,829</u>	<u>3,417,547</u>	<u>116,160,780</u>	<u>138,268,156</u>	<u>142,850,694</u>
<b>Expenses</b>					
General Government	2,733,654	-	109,572,679	112,306,333	111,673,268
Public works	3,971,409	-	-	3,971,409	3,890,662
Public safety	2,259,979	-	-	2,259,979	2,865,920
Social services	20,000	-	-	20,000	38,000
Park and recreation	1,803,459	-	-	1,803,459	1,732,007
Economic development	105,198	-	-	105,198	187,511
Capital projects	168,747	-	-	168,747	11,449,701
Debt service	473,564	-	144,387	617,951	2,470,847
Depreciation	3,035,041	-	-	3,035,041	2,756,411
Office services	26,366	-	-	26,366	21,558
Compensated absences	368,803	-	-	368,803	-
Waste treatment	-	2,520,103	-	2,520,103	2,263,868
Total Expenses	<u>14,966,220</u>	<u>2,520,103</u>	<u>109,717,066</u>	<u>127,203,389</u>	<u>139,349,753</u>
<b>Changes in Net Assets</b>					
Before Transfers	3,723,609	897,444	6,443,714	11,064,767	3,500,941
Transfers	<u>2,316,930</u>	<u>(383,713)</u>	<u>(1,886,400)</u>	<u>46,817</u>	<u>(774,980)</u>
Changes in Net Assets	6,040,539	513,731	4,557,314	11,111,584	2,725,961
Net Assets, Beginning of Year	<u>127,169,217</u>	<u>15,441,228</u>	<u>81,757,015</u>	<u>224,367,460</u>	<u>166,027,740</u>
Net Assets, End of Year	<u>\$ 133,209,756</u>	<u>\$ 15,954,959</u>	<u>\$ 86,314,329</u>	<u>\$ 235,479,044</u>	<u>\$ 168,753,701</u>

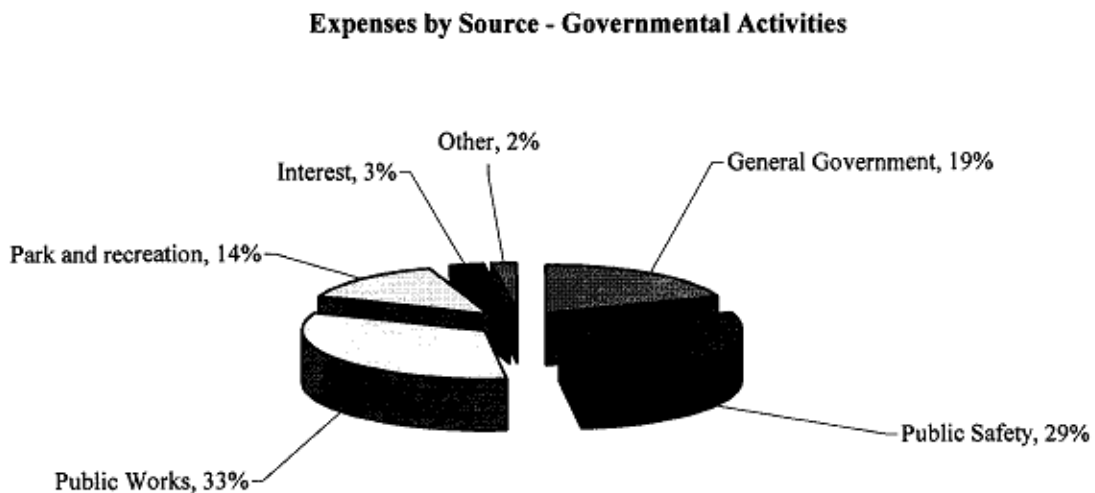
**WILLMAR, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2007**

**Governmental Activities**

Revenues – The following chart visually illustrates the City's revenues by source for its governmental activities:



Expenses – The following chart visually illustrates the City's expenses by source for its governmental activities:



**Financial Analysis of the City's Funds**

General Fund – The City's General Fund balance increased by \$325,542 for 2007. The change is due, in part, to revenues exceeding budget and expenditures being less than budgeted.

**CITY OF WILLMAR, MINNESOTA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**December 31, 2007**

	Year Ended December 31		Increase
	2007	2006	(Decrease)
REVENUES			
General property taxes	\$ 2,804,690	\$ 2,329,488	\$ 475,202
License and permits	452,348	555,632	(103,284)
Intergovernmental	5,411,261	5,097,585	313,676
Service charges	825,015	722,690	102,325
Fines and forfeits	259,559	276,797	(17,238)
Special assessments	1,513	1,655	(142)
Miscellaneous revenue	<u>1,220,383</u>	<u>1,241,889</u>	<u>(21,506)</u>
	<u>\$ 10,974,769</u>	<u>\$ 10,225,736</u>	<u>\$ 749,033</u>
EXPENDITURES			
General government	\$ 2,841,646	\$ 2,638,867	\$ 202,779
Public safety	4,075,315	3,890,662	184,653
Public works	2,858,588	2,865,920	(7,332)
Social services	20,000	38,000	(18,000)
Culture and recreation	<u>1,711,046</u>	<u>1,502,077</u>	<u>208,969</u>
	<u>\$ 11,506,595</u>	<u>\$ 10,935,526</u>	<u>\$ 571,069</u>

**Debt Service Funds –**

Special Assessments Bond Debt Service Fund increased by \$566,052. The increase was attributable to operating transfers-in exceeding operating transfers-out by \$335,933.

**Special Revenue Fund –**

Local Option Sales Tax Fund decreased by \$78,225. The local Option Sales Tax Fund had operating transfers-out of \$1,909,500 to fund projects approved by the state legislature.

**Capital Projects Fund –**

Water/sewer Capital Projects Fund increased by \$3,306,645. The fund increase was due to the bond proceeds not fully expended during the current year.

Airport Capital Project Fund decreased by \$632,372. The fund decrease was due to capital outlay.

Waste Treatment Capital Improvement Fund decreased by \$99,751. The fund decrease was due to capital outlay.

Other Government Funds increased by \$413,615. The non-major Special revenue funds reported an increase of \$975,183 in fund balance which was offset by a \$599,140 decrease in fund balance for non-major capital projects.

**CITY OF WILLMAR, MINNESOTA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**December 31, 2007**

Capital Assets

At the end of 2007, the City of Willmar had over \$189,000,000 invested in a broad range of capital assets. Refer to Note 3 of the Notes to the Financial Statements for a schedule showing the City's capital asset activity.

Table 4  
Capital Assets

	<u>Government Activities</u>		<u>Enterprise Activities</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Land and improvements	\$ 3,687,421	\$ 3,683,558	\$ 321,370	\$ 321,370
Buildings	7,123,183	7,074,646	20,173,013	20,169,156
Furniture and equipment	3,126,734	2,961,607	984,512	949,109
Machinery and auto	6,656,693	6,274,816	654,967	724,714
Other improvements	72,644,373	72,633,359	2,932,202	2,932,202
Construction in progress	64,020,717	55,657,133	6,850,000	6,850,000
Less: Depreciation	<u>(40,638,623)</u>	<u>(37,957,981)</u>	<u>(11,428,902)</u>	<u>(10,911,339)</u>
	<u>\$ 116,620,498</u>	<u>\$ 110,327,138</u>	<u>\$ 20,487,162</u>	<u>\$ 21,035,212</u>

Long-Term Debt

At year-end, the City of Willmar had \$27,675,019 in bonds outstanding. Refer to Note 3 of the Notes to the Financial Statements for a schedule showing the City's long-term debt activity.

Table 5

	<u>2007</u>	<u>2006</u>	<u>Change</u>
Government Activities			
G.O. Special assessment bonds	\$ 14,055,000	\$ 10,290,000	\$ 3,765,000
G.O. Revenue bonds	1,880,000	1,995,000	(115,000)
Compensated absences	<u>2,275,940</u>	<u>1,907,137</u>	<u>368,803</u>
	<u>\$ 18,210,940</u>	<u>\$ 14,192,137</u>	<u>\$ 4,018,803</u>
Business-Type activities			
G.O. Revenue bonds	<u>\$ 11,740,019</u>	<u>\$ 12,748,386</u>	<u>\$ (1,008,367)</u>

**CITY OF WILLMAR, MINNESOTA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2007**

Economic Factors and Next Year's Budget

When the elected officials of the City of Willmar considered the 2008 budget, their concern was for the residents of Willmar and an increase in the cost of services provided by the City. Some of the increases were due to the cost of heating and electric expense for occupancy in all city buildings. In spite of the increases in these areas, spending as a whole only increased slightly.

Contacting the City's Financial Management

This financial report is designated to provide our residents, customers, and creditors with a general overview of the City of Willmar's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional information, contact the City of Willmar, 123 Fourth Street, PO Box 59, Willmar, MN 56209, 320-974-8760.

**CITY OF WILLMAR, MINNESOTA**  
**STATEMENT OF NET ASSETS**  
**December 31, 2007**

	Primary Government			Component Units		Total
	Governmental Activities	Business-Type Activities	Total	Municipal Utilities Commission	Rice Memorial Hospital	
<b>Assets</b>						
Cash and Cash Equivalents	\$ (443,040)	\$ 11,580	\$ (431,460)	\$ 248,156	\$ 4,326,434	\$ 4,143,130
Investments	31,482,192	7,350,000	38,832,192	8,608,142	7,691,514	55,131,848
Investments with Trustee	-	-	-	-	5,863,664	5,863,664
Receivables (Net of Allow for Uncollect)						
Taxes Receivable	5,962,044	-	5,962,044	-	-	5,962,044
Special Assessments	8,180,120	-	8,180,120	-	-	8,180,120
Accounts Receivable	207,443	8,031	215,474	2,401,241	14,983,926	17,600,641
Notes Receivable	329,111	-	329,111	-	-	329,111
Related-Party Investments	-	-	-	-	1,857,523	1,857,523
N.S.F. Receivable	286	-	286	-	-	286
Accrued Interest Receivable	239,695	59,317	299,012	-	-	299,012
Intergovernmental Receivable	2,008,118	-	2,008,118	-	-	2,008,118
Due from Component Unit	-	-	-	-	-	-
Internal Balances	208,714	(208,714)	-	-	-	-
Inventories	79,127	3,846	82,973	786,400	2,163,229	3,032,602
Prepaid Items	1,276,245	18,628	1,294,873	715,145	1,002,379	3,012,397
Deferred Charges						
Bond Discount Unamortized	21,840	-	21,840	49,394	617,928	689,162
Bond Refunding Escrow account	-	-	-	-	-	-
Restricted Assets:						
Temporarily Restricted:						
Cash and Cash Equivalents	-	-	-	-	161,467	161,467
Cash With Fiscal Agent	-	-	-	-	-	-
Investments	5,432,000	-	5,432,000	9,691,662	50,062	15,173,724
Capital Expenditure Account	-	-	-	-	-	-
Permanently Restricted:						
Investments	30,000	-	30,000	-	2,560,782	2,590,782
Capital Assets (net of accumulated depreciation)						
Land	3,687,421	321,370	4,008,791	823,139	2,603,378	7,435,308
Buildings and Structures	4,923,378	10,644,020	15,567,398	902,497	55,747,000	72,216,895
Systems	-	-	-	17,824,287	-	17,824,287
Other Improvements	39,036,352	2,002,913	41,039,265	93,662	679,000	41,811,927
Office Equipment	1,409,675	379,241	1,788,916	117,606	-	1,906,522
Machinery and Equipment	3,532,443	289,618	3,822,061	1,213,355	11,461,000	16,496,416
Construction in Progress	64,020,717	6,850,000	70,870,717	495,734	390,000	71,756,451
Other Assets	-	-	-	257,185	46,036	303,221
Total Assets	\$ 171,623,881	\$ 27,729,850	\$ 199,353,731	\$ 44,227,605	\$ 112,205,322	\$ 355,786,658

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

**CITY OF WILLMAR, MINNESOTA**  
**STATEMENT OF NET ASSETS**  
**December 31, 2007**

	Primary Government			Component Units		
	Governmental Activities	Business-Type Activities	Total	Municipal Utilities Commission	Rice Memorial Hospital	Total
<b>Liabilities</b>						
Accounts Payable and Other Current Liabilities	\$ 3,171,804	\$ 34,872	\$ 3,206,676	\$ 1,806,624	\$ 10,945,879	\$ 15,959,179
Matured Bonds and Interest Payable	-	-	-	-	-	-
Accrued Interest Payable	614,265	-	614,265	50,358	1,038,081	1,702,704
Due to Component Units	77,930	-	77,930	-	-	77,930
Due to Primary Government	-	-	-	263,522	-	263,522
Intergovernmental Payable	182,958	-	182,958	-	-	182,958
Deferred/Unrealized Revenue	15,774,627	-	15,774,627	-	-	15,774,627
Compensated Absences	2,275,940	-	2,275,940	1,305,671	-	3,581,611
Bonds/Notes Payable:						
Due within one year	1,445,042	1,174,940	2,619,982	450,000	1,191,151	4,261,133
Due in more than one year	14,871,559	10,565,079	25,436,638	2,170,000	50,897,312	78,503,950
Total Liabilities	38,414,125	11,774,891	50,189,016	6,046,175	64,072,423	120,307,614
<b>Net Assets</b>						
Invested in Capital Assets, Net of Related Debt	100,674,986	8,747,143	109,422,129	18,850,280	17,690,022	145,962,431
Restricted For:						
Capital Improvements	-	1,698,770	1,698,770	-	-	1,698,770
Debt Service	8,354,593	-	8,354,593	2,620,000	3,730,910	14,705,503
Working Capital	-	-	-	-	-	-
Nonexpendable Perm. Endowment	30,000	-	30,000	-	2,560,782	2,590,782
Other Purposes	-	-	-	7,071,662	211,529	7,283,191
Unrestricted	24,150,177	5,509,046	29,659,223	9,639,488	23,939,656	63,238,367
Total Net Assets	\$ 133,209,756	\$ 15,954,959	\$ 149,164,715	\$ 38,181,430	\$ 48,132,899	\$ 235,479,044

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

**City of Willmar**  
**Statement of Activities**  
**For the Year Ended December 31, 2007**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>	
		<u>Charges for Services</u>	<u>Capital Grants and Contributions</u>
<b>Primary Government:</b>			
Governmental Activities:			
General Government	\$ 2,831,557	\$ 15,846	\$ -
Public Safety	4,190,829	196,468	736,435
Public Works	4,767,531	144,201	-
Social Services	20,000	-	-
Culture and Recreation	2,003,234	468,500	-
Economic Development	115,589	-	-
Capital Projects	168,747	39,226	-
Debt Service - interest	473,564	-	-
Total Governmental Activities	<u>14,571,051</u>	<u>864,241</u>	<u>736,435</u>
Business-Type Activities:			
Waste Treatment	2,520,103	3,193,640	-
Office Services	26,366	30,741	-
Total Business-Type Activities	<u>2,546,469</u>	<u>3,224,381</u>	<u>-</u>
Total Primary Government	<u>\$ 17,117,520</u>	<u>\$ 4,088,622</u>	<u>\$ 736,435</u>
<b>Component Units:</b>			
Municipal Utilities	\$ 20,333,969	\$ 23,088,191	\$ -
Rice Memorial Hospital	89,238,710	89,319,535	-
Total Component Units	<u>\$ 109,572,679</u>	<u>\$ 112,407,726</u>	<u>\$ -</u>

General Revenues(Expenses):

- Property Taxes
- Licenses and Permits
- Fines and Forfeits
- Special Assessments
- Miscellaneous
- Gain (Loss) on sale of Capital Assets
- Interest Expense
- Intergovernmental
- Compensated Absences
- Transfers
- Total General Revenues /Transfers
- Change in Net Assets
- Net Assets - Beginning
- Net Assets - Ending

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



**Net (Expense) Revenue and Changes in Net Assets**

Primary Government			Component Units	
Governmental Activities	Business-Type Activities	Total	Municipal Utilities Commission	Rice Memorial Hospital
\$ (2,815,711)	\$ -	\$ (2,815,711)	\$ -	\$ -
(3,257,926)	-	(3,257,926)	-	-
(4,623,330)	-	(4,623,330)	-	-
(20,000)	-	(20,000)	-	-
(1,534,734)	-	(1,534,734)	-	-
(115,589)	-	(115,589)	-	-
(129,521)	-	(129,521)	-	-
(473,564)	-	(473,564)	-	-
(12,970,375)	-	(12,970,375)	-	-
-	673,537	673,537	-	-
4,375	-	4,375	-	-
4,375	673,537	677,912	-	-
\$ (12,966,000)	\$ 673,537	\$ (12,292,463)	\$ -	\$ -
-	-	-	2,754,222	-
-	-	-	-	80,825
-	-	-	2,754,222	80,825
4,781,966	-	4,781,966	-	-
454,878	-	454,878	-	-
259,559	-	259,559	-	-
1,957,654	-	1,957,654	-	-
2,488,541	323,531	2,812,072	1,150,748	2,672,198
(61,193)	(99,624)	(160,817)	5,869	(75,761)
-	-	-	(144,387)	-
7,177,007	-	7,177,007	-	-
(368,803)	-	(368,803)	-	-
2,316,930	(383,713)	1,933,217	(1,686,400)	(200,000)
19,006,539	(159,806)	18,846,733	(674,170)	2,396,437
6,040,539	513,731	6,554,270	2,080,052	2,477,262
127,169,217	15,441,228	142,610,445	36,101,378	45,655,637
\$ 133,209,756	\$ 15,954,959	\$ 149,164,715	\$ 38,181,430	\$ 48,132,899

**CITY OF WILLMAR, MINNESOTA**  
**BALANCE SHEETS**  
**GOVERNMENTAL FUNDS**  
**December 31, 2007**

	General	Special Assessments Bonds Debt Service	Local Option Sales Tax Special Revenue Fund
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 332,711	\$ 70,304	\$ 196
Investments	15,390,242	2,810,000	2,166,000
Receivables (Net of Allowance for Uncollect)			
Taxes Receivable	66,336	3,558,328	332,108
Assessments	1,592	7,282,915	-
Accounts Receivable	104,758	-	56
Intergovernmental Receivable	4,730	1,446	-
N.S.F. Receivable	286	-	-
Accrued Interest Receivable	123,834	22,719	17,479
Notes Receivable	718	-	-
Due From Other Funds	471,778	358,189	-
Inventories	74,410	-	-
Prepaid Items	182,098	934,072	-
Restricted Assets:			
Cash and Cash Equivalents	-	-	-
Investments	-	-	-
Unamortized Discounts On Bonds	-	-	-
<b>Total Assets</b>	<b>\$ 16,753,493</b>	<b>\$ 15,037,973</b>	<b>\$ 2,515,839</b>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities			
Accounts Payable	\$ 216,019	\$ -	\$ -
Contracts Payable	16,000	-	-
Due to Component Units	77,930	-	-
Due to Other Funds	427,117	370,054	1,909,500
Deferred Revenue	1,500	10,629,849	9,667
Notes Payable	-	-	-
Deposits	4,013	-	-
Intergovernmental Payable	65,996	-	-
Unrealized Revenue - Taxes	66,336	-	-
Unrealized Revenue - Sp. Assmts	1,592	-	-
Sales Tax Payable	105	-	-
<b>Total Liabilities</b>	<b>876,608</b>	<b>10,999,903</b>	<b>1,919,167</b>
Fund Balances			
Reserved for:			
Petty Cash	2,300	-	-
Prepaid Items	182,098	-	-
Inventory	74,410	-	-
Working Capital	-	-	-
Debt Service	-	4,038,070	-
Perpetual Care Fund	-	-	-
Unreserved, reported in:			
General Fund	15,618,077	-	-
Special Revenue Fund	-	-	596,672
Capital Projects Funds	-	-	-
<b>Total Fund Balances</b>	<b>15,876,885</b>	<b>4,038,070</b>	<b>596,672</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 16,753,493</b>	<b>\$ 15,037,973</b>	<b>\$ 2,515,839</b>

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

**CITY OF WILLMAR, MINNESOTA**  
**BALANCE SHEETS**  
**GOVERNMENTAL FUNDS**  
**December 31, 2007**

Street Water/Sewer Capital Projects	Airport Capital Project	Waste Treatment Improvement Capital Project	Other Governmental Funds	Total Governmental Funds
\$ (337,309)	\$ (286,755)	\$ -	\$ (125,288)	\$ (346,141)
-	-	-	10,402,950	30,769,192
-	-	-	2,005,272	5,962,044
-	-	-	895,613	8,180,120
-	-	-	46,691	151,505
442,515	1,346,579	-	186,966	1,982,236
-	-	-	-	286
11,839	-	22,959	91,043	289,873
-	-	-	328,393	329,111
2,701,536	11,768	-	2,709,671	6,252,942
-	-	-	-	74,410
-	-	-	160,075	1,276,245
-	-	1,154	-	1,154
1,471,000	-	2,844,000	1,147,000	5,462,000
-	-	-	21,840	21,840
<u>\$ 4,289,581</u>	<u>\$ 1,071,592</u>	<u>\$ 2,868,113</u>	<u>\$ 17,870,226</u>	<u>\$ 60,406,817</u>
\$ -	\$ -	\$ 21,460	\$ 94,091	\$ 331,570
979,834	353,106	1,460,055	26,585	2,835,580
-	-	-	-	77,930
902,081	480,187	-	2,400,084	6,489,023
113,646	2,679,241	-	2,282,463	15,716,366
-	-	-	5,042	5,042
-	-	-	-	4,013
-	-	-	107,295	173,291
-	-	-	-	66,336
-	-	-	-	1,592
-	-	-	-	105
<u>1,995,561</u>	<u>3,512,534</u>	<u>1,481,515</u>	<u>4,915,560</u>	<u>25,700,848</u>
-	-	-	50	2,350
-	-	-	7,119	189,217
-	-	-	-	74,410
-	-	-	70,895	70,895
-	-	-	4,316,523	8,354,593
-	-	-	39,007	39,007
-	-	-	-	15,618,077
-	-	-	7,267,890	7,864,562
<u>2,294,020</u>	<u>(2,440,942)</u>	<u>1,386,598</u>	<u>1,253,182</u>	<u>2,492,858</u>
<u>2,294,020</u>	<u>(2,440,942)</u>	<u>1,386,598</u>	<u>12,954,666</u>	<u>34,705,969</u>
<u>\$ 4,289,581</u>	<u>\$ 1,071,592</u>	<u>\$ 2,868,113</u>	<u>\$ 17,870,226</u>	

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

Capital Assets used in governmental activities are not financial resources so they are not reported in the funds	116,609,986
Internal service funds are used to charge the applicable costs to individual funds. The assets and liabilities of the internal services funds are included in governmental activities in the statement of net assets.	1,095,565
Compensated absences is considered long term so not reported in the funds	(2,275,940)
Accrued interest on bonds payable considered long term so not reported in the funds	(614,265)
Bonds/Notes Payable considered long term so not reported in the funds	(16,311,559)
Net assets of governmental activities	<u>\$ 133,209,756</u>

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

**CITY OF WILLMAR, MINNESOTA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2007**

	<b>General</b>	<b>Special Assessments Bonds Debt Service</b>	<b>Local Option Sales Tax Special Revenue Fund</b>	<b>Street Water/Sewer Capital Projects</b>
<b>REVENUES</b>				
General Property Taxes	\$ 2,804,690	\$ -	\$ 1,802,392	\$ -
Licenses and Permits	452,348	-	-	-
Intergovernmental	5,411,261	-	-	1,034,145
Service Charges	825,015	-	-	39,226
Fines and Forfeits	259,559	-	-	-
Special Assessments	1,513	1,664,311	-	100,387
Miscellaneous Revenue	1,220,383	127,882	72,354	142,504
Total Revenues	<u>10,974,769</u>	<u>1,792,193</u>	<u>1,874,746</u>	<u>1,316,262</u>
<b>EXPENDITURES</b>				
Current:				
General Government	2,841,646	-	-	-
Public Safety	4,075,315	-	-	-
Public Works	2,858,588	-	-	-
Social Services	20,000	-	-	-
Culture & Recreation	1,711,046	-	-	-
Economic Development	-	-	43,471	-
Debt Service:				
Principal	-	1,245,000	-	-
Other Charges and Services	-	348,341	-	-
Capital Outlay:				
Capital Projects Funds	-	-	-	4,978,648
Total Expenditures	<u>11,506,595</u>	<u>1,593,341</u>	<u>43,471</u>	<u>4,978,648</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(531,826)</u>	<u>198,852</u>	<u>1,831,275</u>	<u>(3,662,386)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfers In	2,278,687	402,637	-	2,100,072
Operating Transfers Out	(1,421,319)	(66,704)	(1,909,500)	(111,476)
Bond Proceeds	-	31,267	-	4,980,435
Total Other Financing Sources (Uses)	<u>857,368</u>	<u>367,200</u>	<u>(1,909,500)</u>	<u>6,969,031</u>
Net Change in Fund Balances	<u>325,542</u>	<u>566,052</u>	<u>(78,225)</u>	<u>3,306,645</u>
Fund Balances - Beginning	<u>15,551,343</u>	<u>3,472,018</u>	<u>674,897</u>	<u>(1,012,625)</u>
Fund Balances - Ending	<u>\$ 15,876,885</u>	<u>\$ 4,038,070</u>	<u>\$ 596,672</u>	<u>\$ 2,294,020</u>

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

**CITY OF WILLMAR, MINNESOTA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2007**

<b>Airport Capital Project</b>	<b>Waste Treatment Improvement Capital Project</b>	<b>Other Government Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ -	\$ 174,884	\$ 4,781,966
-	-	2,530	454,878
194,288	477,900	795,848	7,913,442
-	-	-	864,241
-	-	-	259,559
-	-	191,443	1,957,654
261	191,547	757,339	2,512,270
<u>194,549</u>	<u>669,447</u>	<u>1,922,044</u>	<u>18,744,010</u>
-	-	-	2,841,646
-	-	37,011	4,112,326
-	-	-	2,858,588
-	-	-	20,000
-	-	263,603	1,974,649
-	-	68,913	112,384
-	-	115,000	1,360,000
-	-	99,447	447,788
<u>826,921</u>	<u>769,198</u>	<u>1,957,564</u>	<u>8,532,331</u>
<u>826,921</u>	<u>769,198</u>	<u>2,541,538</u>	<u>22,259,712</u>
<u>(632,372)</u>	<u>(99,751)</u>	<u>(619,494)</u>	<u>(3,515,702)</u>
-	-	3,413,982	8,195,378
-	-	(2,380,873)	(5,889,872)
-	-	-	5,011,702
-	-	1,033,109	7,317,208
<u>(632,372)</u>	<u>(99,751)</u>	<u>413,615</u>	<u>3,801,506</u>
<u>(1,808,570)</u>	<u>1,486,349</u>	<u>12,541,051</u>	<u>30,904,463</u>
<u>\$ (2,440,942)</u>	<u>\$ 1,386,598</u>	<u>\$ 12,954,666</u>	<u>\$ 34,705,969</u>

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

**City of Willmar, 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	\$ 3,801,506
Internal service funds are used by management to charge the costs of office supplies to individual funds	\$ 2,505
2007 Depreciation Expense	\$ (3,035,041)
Loss on Disposal of Assets	\$ (61,193)
Difference between 12/31/06 and 12/31/07 Balance of Bonds/Notes Payable	\$ (3,471,004)
Difference between 12/31/06 and 12/31/07 Balance of Interest Payable	\$ (206,474)
2007 Compensated Absences Expense	\$ (368,803)
Increase in Fixed Assets during 2007	\$ 1,020,435
Increase in Construction in Progress during 2007	\$ 8,358,608
Change in Net Assets of Governmental Activities	<u>\$ 6,040,539</u>

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

**City of Willmar, Minnesota**  
**Statement of Net Assets**  
**Proprietary Funds**  
**December 31, 2007**

	Business-Type Activities <u>Enterprise Funds/ Waste Treatment</u>	Governmental Activities <u>Internal Service Funds</u>
<b>ASSETS</b>		
Current Assets		
Cash and Cash Equivalents	\$ 11,580	\$ (98,053)
Investments	7,350,000	713,000
Accounts Receivable	8,031	-
Interest Receivable	59,317	5,760
Intergovernmental Receivable	-	25,882
Due From Other Funds	-	480,187
Inventories - Merchandise for Resale	3,846	4,717
Prepaid Items	18,628	-
Total Current Assets	<u>7,451,402</u>	<u>1,131,493</u>
Noncurrent Assets		
Capital Assets:		
Land	321,370	-
Buildings and Structures	20,173,013	-
Other Improvements	2,932,202	-
Office Equipment	984,512	11,680
Machinery and Equipment	654,967	-
Less Accumulated Depreciation	<u>(11,428,902)</u>	<u>(10,512)</u>
Total Capital Assets (net of accumulated depreciation)	13,637,162	1,168
Construction in Progress	<u>6,850,000</u>	<u>-</u>
Total Noncurrent Assets	<u>20,487,162</u>	<u>1,168</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 27,938,564</u></u>	<u><u>\$ 1,132,661</u></u>
<b>LIABILITIES</b>		
Current Liabilities		
Accounts Payable	\$ 34,872	\$ 536
Due To Other Funds	<u>208,714</u>	<u>35,392</u>
Total Current Liabilities	<u>243,586</u>	<u>35,928</u>
Noncurrent Liabilities:		
General Obligation Bonds Payable (net of unamortized discounts)	9,260,000	-
Notes Payable	<u>2,480,019</u>	<u>-</u>
Total Noncurrent Liabilities	<u>11,740,019</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u><u>11,983,605</u></u>	<u><u>35,928</u></u>
<b>NET ASSETS</b>		
Invested in Capital Assets, net of related debt	8,747,143	1,168
Restricted:		
Designated Plant Improvements	1,698,770	-
Unrestricted	<u>5,509,046</u>	<u>1,095,565</u>
<b>TOTAL NET ASSETS</b>	<u><u>\$ 15,954,959</u></u>	<u><u>\$ 1,096,733</u></u>

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

**City of Willmar, Minnesota**  
**Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Proprietary Funds**  
**For the Year Ended December 31, 2007**

	Business-Type Activities Enterprise Funds/ Waste Treatment	Governmental Activities Internal Service Funds
<b>Operating Revenues</b>		
Charges For Sales and Services:		
Kandiyohi County	\$ 80	\$ -
General City Customers	2,648,505	-
Eagle Lake Sewer District	112,485	-
Administration & Billing Charges	148,278	-
Sewer Line Replacement Charges	271,247	-
Other Services and Charges	13,045	30,741
Total Operating Revenues	<u>3,193,640</u>	<u>30,741</u>
<b>Operating Expenses</b>		
Personal Services	820,045	-
Supplies	155,354	16,519
Other Services and Charges	903,713	9,847
Depreciation	640,991	-
Total Operating Expenses	<u>2,520,103</u>	<u>26,366</u>
Operating Income (Loss)	<u>673,537</u>	<u>4,375</u>
<b>Nonoperating Revenues (Expenses)</b>		
Investment Earnings	323,531	33,522
Gain/(Loss) on Sale of Fixed Assets	(99,624)	-
Other Revenue (Expense)	-	-
Total Nonoperating Revenues (Expenses)	<u>223,907</u>	<u>33,522</u>
Income (Loss) Before Contributions and Transfers	897,444	37,897
Bond Proceeds	-	-
Capital Contributions - Tapping Fees	-	-
Transfers Out	<u>(383,713)</u>	<u>(35,392)</u>
Change in Net Assets	513,731	2,505
Total Net Assets - Beginning	<u>15,441,228</u>	<u>1,094,228</u>
Total Net Assets - Ending	<u>\$ 15,954,959</u>	<u>\$ 1,096,733</u>

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



**City of Willmar, Minnesota**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the fiscal year ended December 31, 2007**

	Business-Type Activities Enterprise Funds/ Waste Treatment	Governmental Activities Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from Customers and Users	\$ 3,199,734	\$ 30,741
Payments to Suppliers	(1,059,450)	(16,335)
Payments to Employees	(835,486)	(9,073)
Net Cash Provided by Operating Activities	<u>1,304,798</u>	<u>5,333</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Transfer from Other Funds	-	40,682
Transfer to Other Funds	(476,000)	(186,492)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(476,000)</u>	<u>(145,810)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Purchases of Capital Assets	(209,271)	-
Principal Paid on Capital Debt	(1,008,367)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(1,217,638)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from Sales and Maturities of Investments	1,600,000	126,000
Purchase of Investments	(1,550,000)	(120,000)
Interest Received	342,914	35,423
Net Cash Provided/(Used) by Investing Activities	<u>392,914</u>	<u>41,423</u>
Net Increase (Decrease) in Cash and Cash Equivalents	4,074	(99,054)
Cash and Cash Equivalents - Beginning	7,506	1,001
Cash and Cash Equivalents - Ending	<u>\$ 11,580</u>	<u>\$ (98,053)</u>
<b>Reconciliation of Operating Income to Net Cash Provided (Used)</b>		
<b>by Operating Activities:</b>		
Operating Income	\$ 796,964	\$ 4,375
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) By		
Operating Activities:		
Depreciation	517,564	-
Change in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	6,615	-
(Increase) Decrease in Inventories	-	458
(Increase) Decrease in Prepaid Items	(14,699)	558
Increase (Decrease) in Accounts Payable	2,596	(58)
Increase (Decrease) in Contracts Payable	(4,242)	-
Increase (Decrease) in Due To Other Funds	-	-
Total Adjustments	<u>507,834</u>	<u>958</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,304,798</u>	<u>\$ 5,333</u>

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

City of Willmar, Minnesota  
Statement of Fiduciary Net Assets  
Fiduciary Funds  
December 31, 2007

	Rice Memorial Hospital Fund	Economic Development Commission	Totals
<b>ASSETS</b>			
Cash And Cash Equivalents	\$ -	\$ 146,084	\$ 146,084
Investments	-	-	-
Intergovernmental Receivable	<u>500,000</u>	<u>-</u>	<u>500,000</u>
Total Assets	<u>\$ 500,000</u>	<u>\$ 146,084</u>	<u>\$ 646,084</u>
<b>LIABILITIES</b>			
Accounts Payable	\$ -	\$ -	\$ -
Intergovernmental Payable	<u>500,000</u>	<u>146,084</u>	<u>646,084</u>
Total Liabilities	<u>\$ 500,000</u>	<u>\$ 146,084</u>	<u>\$ 646,084</u>

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

**CITY OF WILLMAR, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2007**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Willmar's financial statements are prepared in accordance with generally accepted accounting principles (GAAP) as of and for the year ended December 31, 2007. 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 the 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 issued 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 are discussed below.

**A. Financial Reporting Entity**

The City of Willmar was established in 1901 pursuant to applicable Minnesota laws and statutes. The governing body consists of an eight member council, and mayor elected by eligible voters of the City. Four members are elected every two years for a four year term. The Mayor's office is for four years. The accompanying financial statements present the City's primary government and component units over which the City exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationships with the City (as distinct from legal relationships).

**1. Component Unit**

**a. Discretely presented component units**

The component unit columns in the government-wide financial statements includes the financial data of the City's other component units. The units are reported in separate columns to emphasize that they are legally separate from the City but are included because the primary government is financially accountable and is able to impose its will on the organizations.

**Rice Memorial Hospital**

The hospital provides inpatient and outpatient health care services to the City of Willmar and surrounding area. The governing board of Rice Memorial Hospital is appointed by the City Council. The City may change the manner, mode and type of operations of the hospital to permit participation of other agencies. The City also has the power to overrule any decision, motion, resolution, rule, regulation, or order of the board and the legal liability for the general obligation portion of any debt remains with the City. Complete financial statements for Rice Memorial Hospital may be obtained at 301 Becker Avenue SW, Willmar, MN 56201.

**Willmar Municipal Utilities**

The Willmar Municipal Utilities (WMU) is responsible for the operation and management of the electric, water and district heating systems of the City of Willmar. WMU is governed by the Municipal Utilities Commission which is appointed by the Willmar City Council. The City also has the power to overrule any decision, motion, resolution, rule, regulation, or order of the board and the legal liability for the general obligation portion of any debt remains with the City. The rates for user charges and bond issuance authorizations are approved by the City Council. Complete financial statements for Willmar Municipal Utilities may be obtained at 700 Litchfield Avenue SW, Willmar, MN 56201.

**CITY OF WILLMAR, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2007**

**b. Excluded: Firefighters Association**

This association is organized as a non-profit organization by its members to provide pension and other benefits to such members in accordance with Minnesota Statutes. Their board of directors is appointed by the membership of the organization. All funding is conducted in accordance with Minnesota Statutes whereby State Aids flow to the association, tax levies are determined by the association and are only reviewed by the City, and the association pays benefits directly to its members.

**B. Basic Financial Statements**

**1. Government-Wide Statements**

The government-wide financial statements (the statement of net assets and the statement of activities) display information about the primary government and its component units. These statements include the financial activities of the overall City government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. 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 to external parties for support.

In the government-wide statement of net assets, both the governmental and business-type activities columns:

(a) are presented on a consolidated basis by column; and (b) are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net assets are reported in three parts: (1) invested in capital assets, net of related debt; (2) restricted net assets; and (3) unrestricted net assets. The City first utilizes restricted resources to finance qualifying activities.

The statement of activities demonstrates the degree to which the direct expenses of each function of the City's governmental activities and its business-type activities are offset by program revenues. Direct expenses are those clearly identifiable with a specific function or activity. Program revenues include: (1) fees, fines, and charges paid by the recipients of goods, services, or privileges provided by a given function or activity; and (2) grants and contributions restricted to meeting the operational or capital requirements of a particular function or activity. Revenues not classified as program revenues, including all taxes, are presented as general revenues.

**2. Fund Financial Statements**

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

The fund financial statements provide information about the City's funds. Separate statements for each fund category-governmental, proprietary and fiduciary-are presented. The emphasis of governmental and proprietary fund financial statements is on major individual governmental and enterprise funds, with each displayed in a separate column in the fund financial statements. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

**CITY OF WILLMAR, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2007**

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or incidental activities.

**a. Governmental Funds**

The City reports the following major governmental funds:

**General Fund**

The General Fund is the primary operating fund of the City and always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

**Debt Service Fund - Special Assessments Bond**

This fund accounts for the accumulation of financial resources for the payment of principal and interest on the City's general obligation special assessment bonds.

**Capital Project Fund - Street, Water and Sewer**

This fund is used to account for capital acquisition, construction and improvement projects related to streets, water and sewer.

**Capital Project Fund - Airport**

This fund is used to account for capital acquisition, construction and improvement projects related to the airport.

**Capital Project Fund - Waste Treatment Improvement**

This fund is used to account for capital acquisition, construction and improvement projects related to the waste treatment system.

**Special Revenue Fund - Local Option Sales Tax**

This fund is used to account for the local sales tax revenue. The resources are restricted for specific projects: connecting the Willmar Civic Center and Blue Line Center, the City walking and bike path system and the development of the land acquired through the relocation of the Willmar Airport.

**b. Enterprise Funds**

The City reports the following major enterprise fund:

**Waste Treatment Fund**

This fund is used to account for activities related to providing sewer services to the public.

**CITY OF WILLMAR, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2007**

**c. Internal Service Fund**

This fund is used to account for operations that provide services to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis.

**d. Agency Funds**

Financial statements of agency funds, which are used to account for assets held by the City as an agent for individuals, private organizations, other governments, and/or other funds, are reported using the economic resources measurement focus and the accrual basis of accounting. Agency funds assets, liabilities, and net assets are included in the fiduciary statement of net assets.

**C. Measurement Focus and Basis of Accounting**

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting. 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. Shared revenues are generally recognized in the period the appropriation goes into effect. 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. City considers all revenues as available if collected within 60 days after the end of the current period, except for reimbursement (expenditure driven) grants for which the period is 90 days. Property and other taxes, shared revenues, licenses, special assessments and interest are all considered susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, compensated absences, and claims and judgments, which are recognized as expenditures to the extent that they have matured. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Proprietary funds are accounted for using the accrual basis of accounting. Revenues are recognized when they are earned. Unbilled utility service receivables are recorded at year-end. Expenses are recognized when they are incurred. Compensated absences are considered expenses when they are incurred.

All proprietary funds are accounted for on an economic resources management focus. This means that all assets and all liabilities (whether current or non-current) associated with their activity are included on the balance sheets. Their reported net assets are categorized as invested in capital assets net of related debt, restricted, and unrestricted. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Depreciation of all exhaustible capital assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets.

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project against interest earned on invested proceeds over the same period.

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 business operations. The principal operating revenues of the City's enterprise and internal service funds are charges to customers for sales and services. *Operating* expenses for the City's enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**CITY OF WILLMAR, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2007**

**D. Assets, Liabilities, and Net Assets or Equity**

**1. Cash and Cash Equivalents**

The City has defined cash and cash equivalents to include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Additionally, each fund's equity in the City's investment pool is treated as a cash equivalent because the City can deposit or effectively withdraw cash at any time without prior notice or penalty.

**2. Deposits and Investments**

The cash balances of substantially all funds are pooled and invested by the City in certificates of deposit. Earnings on cash accounts are allocated to individual funds based upon an average of month-end balances.

**3. Receivables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All receivables are shown net of an allowance for uncollectibles.

Property taxes are levied by the City Council in December of each year and are certified to Kandiyohi County for collection in the following year. The property taxes attach an enforceable lien on taxable property within the City on January 1 and are payable by the property owners in two installments in May and October. The County collects the taxes and periodically remits them to the City. The majority of these remittances are made in June and November.

Taxes that remain unpaid are classified as delinquent taxes receivable. Revenue from delinquent property taxes not collected within 60 days of year-end is deferred in the fund financial statements because they are not known to be available to finance the operations of the City in the current year.

Assessments are levied at various times upon City Council resolution for property owner improvements made by the City. Generally, assessment collections are deferred over periods ranging from one to fifteen years. Revenue from these assessments is recognized when assessed in the government-wide financial statements and as the annual installments become collectible in the governmental funds of the fund financial statements. Annual installments not collected as of each December 31 are classified as delinquent assessments receivable. Delinquent assessments receivable are deferred revenue in the governmental funds of the fund financial statements because they are not known to be available to finance current expenditures.

**4. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are reported as prepaid items in both government-wide and fund financial statements.

**CITY OF WILLMAR, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2007**

**5. Capital Assets**

Capital assets include property, plant, equipment, and infrastructure assets (such as roads, bridges, sidewalks, and similar items), and are reported in the applicable governmental or business-type activities column in the government-wide financial statements and in the proprietary funds. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair 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. During the current period, the City did not have any capitalized interest.

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

<u>Assets</u>	<u>Years</u>
Buildings	25 - 50
Building improvements	25 - 50
Infrastructure	10 - 20
Furniture, equipment, and vehicles	3 - 20

**7. Compensated Absences**

It is the City's policy to permit employees to accumulate earned vacation and sick pay benefits. The liability for compensated absences is accrued in the year earned. The City typically liquidates the liability for compensated absences to the fund where employees' salaries were originally charged.

**8. Deferred Revenue**

All City funds and the government-wide financial statements defer revenue for resources that have been received, but not yet earned. Governmental funds also report deferred revenue in connection with receivables for revenues not considered to be available to liquidate liabilities of the current period.

**9. Long-Term Obligations**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net 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 as deferred charges and amortized over the term of the related debt.



**CITY OF WILLMAR, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2007**

**9. Long-Term Obligations (continued)**

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 the 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.

**10. Net Assets/Fund Balances**

The government-wide and business-type activities fund financial statements use a net asset presentation. Net assets are categorized as invested in capital assets (net of related debt), restricted and unrestricted.

**a. Invested in capital assets, net of related debt**

This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

**b. Restricted net assets**

This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

**c. Unrestricted net assets**

This category represents net assets of the City, not restricted for any project or other purpose.

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

**11. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgets**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds and special revenue funds except some capital projects funds, which adopt project-length budgets. All annual appropriations except those for capital outlay lapse at fiscal year end.

On or before the first Tuesday in August of each year, all agencies of the government submit request for appropriations to the Mayor so that a budget may be prepared. In September, the proposed budget is presented to the City's council for review. The council holds public hearings and a final budget must be prepared and adopted no later than December 31.

**CITY OF WILLMAR, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2007**

**A. Budgets (continued)**

The appropriated budget is prepared by fund, function and department. The government's City Administrator may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the governing council. The legal level of budgetary control is the department level. All supplemental budgetary appropriations in all funds were approved by the City Council.

**B. Deficit Fund Balances**

The following fund had a deficit fund balance as of December 31, 2007:

Capital Project Fund	
Airport	<u>\$ (2,440,942)</u>

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. Assets**

**1. Deposits and Investments**

Cash and cash equivalents	\$ 4,450,681
Investments	<u>78,760,018</u>
	<u>\$ 83,210,699</u>
Primary Government	
Cash and cash equivalents	\$ (431,460)
Investments	38,832,192
Temporarily restricted investments	5,432,000
Permanently restricted investments	30,000
Cash and cash equivalents - Agency funds	<u>146,084</u>
Total Primary Government	<u>44,008,816</u>
Discretely Presented Component Units	
Willmar Municipal Utilities:	
Cash and cash equivalents	248,156
Investments	8,608,142
Temporarily restricted investments	<u>9,691,662</u>
Total Willmar Municipal Utilities	<u>18,547,960</u>
Rice Memorial Hospital	
Cash and cash equivalents	4,326,434
Investments	7,691,514
Investments with trustee	5,863,664
Temporarily restricted cash	161,467
Temporarily restricted investments	50,062
Permanently restricted investments	<u>2,560,782</u>
Total Rice Memorial Hospital	<u>20,653,923</u>
Total	<u>\$ 83,210,699</u>

**CITY OF WILLMAR, MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2007**

**a. Deposits**

Minn. Stat. §§ 118A.02 and 118A.04 authorize the City to designate a depository for public funds and to invest in certificates of deposit. Minn. Stat. § 118A.03 requires that all City deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged shall be at least ten percent more than the amount on deposit plus accrued interest at the close of the financial institution's banking day, not covered by insurance or bonds.

Authorized collateral includes treasury bills, notes, and bonds; issues of U.S. government agencies; general obligations rated "A" or better, and revenue obligations rated "AA" or better; irrevocable standby letters of credit issued by the Federal Home Loan Bank; and certificates of deposit. Minnesota statutes require that securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral.

**Custodial Credit Risk**

Custodial credit risk is the risk that in the event of a financial institution failure, the City's deposits may not be returned to it. It is the City's policy that collateral or bonds will be required for all uninsured amounts on deposit and the additional insurance will be documented to show compliance with state law and a perfected security interest under federal law. As of December 31, 2007, the City was not exposed to custodial credit risk.

**b. Investments**

Minn. Stat. §§ 118A.04 and 118A.05 generally authorize the following types of investments as available to the City:

- (1) securities which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress, except mortgage-backed securities defined as "high risk" by Minn. Stat. § 118A.04, subd. 6;
- (2) mutual funds through shares of registered investment companies provided the mutual fund receives certain ratings depending on its investments;
- (3) general obligations of the State of Minnesota and its municipalities, and in certain state agency and local obligations of Minnesota and other states provided such obligations have certain specified bond ratings by a national bond rating service;
- (4) bankers' acceptances of United States banks;
- (5) commercial paper issued by United States corporations or their Canadian subsidiaries that is rated in the highest quality category by two nationally recognized rating agencies and matures in 270 days or less; and
- (6) with certain restrictions, in repurchase agreements, securities lending agreements, joint powers investment trusts, and guaranteed investment contracts.

**CITY OF WILLMAR, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2007**

**Interest Rate Risk**

Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. It is the City's policy to minimize its exposure to interest rate risk by investing in both shorter and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time, taking into account the City's investment risk constraints, cash flow characteristics of the portfolio, and prudent investment principles.

**Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. It is the City's policy to invest only in securities that meet the ratings requirements set by state statute. The City's investments are rated as follows:

	<u>Rating</u>
Commerical Paper	A1/P1 and A1+/P1
US Government Securities	AAA
Mutual/Bond Funds	Not Rated

**Custodial Credit Risk**

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities in the possession of an outside party. The City's policy is that brokers may hold City investments only to the extent that there is SIPC and excess SIPC coverage available. The City also has a policy that limits the amount invested in a single financial institution or broker to no more than 40% of the total investment portfolio.

The issuers and amounts that exceed five percent of the City's investments are as follows:

<u>Issuer</u>	<u>Amount</u>	<u>Percent</u>
Smith Barney Citigroup	\$17,973,270	36%
Wachovia Securities	\$15,073,742	30%
Wells Fargo	\$15,030,449	30%

**Concentration of Credit Risk**

The concentration of credit risk is the risk of loss that may be caused by the City's investment in a single issuer. The City's investment policy dictates that it will diversify its investments by security type and by institution. No more than 40% of the City's total investment portfolio will be invested in a single security type.

The security types and amounts that exceed five percent of the City's total investments are as follows:

Commercial paper	\$ 10,965,819	22 %
Federal Home Loan Mortgage Corporation	16,002,918	32
Federal Home Loan Bank	10,056,850	20
Federal National Mortgage Association	7,013,434	14
Federal Farm Credit Bank	4,038,440	8
Mutual Funds	2,392,364	5
	<u>\$ 50,469,825</u>	<u>100 %</u>

**CITY OF WILLMAR, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2007**

**2. Receivables**

Receivables, net of uncollectible amounts, as of December 31, 2007, for the City's governmental activities are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Enterprise</u>	<u>Internal Service</u>	<u>Total</u>
Receivables-							
Taxes Rec. Cur	\$ -	\$ 341,751	\$ -	\$ -	\$ -	\$ -	\$ 341,751
Taxes Rec. Del	60,336	-	-	-	-	-	60,336
Taxes Rec. Def	-	132,095	5,421,862	-	-	-	5,553,957
Special Assmts.	1,592	895,613	7,282,915	-	-	-	8,180,120
Accounts Rec.	104,758	46,519	-	228	8,031	-	159,536
Notes Rec.	718	328,393	-	-	-	-	329,111
N.S.F. Rec.	286	-	-	-	-	-	286
Accr. Int. Rec.	<u>131,514</u>	<u>91,842</u>	<u>22,719</u>	<u>43,798</u>	<u>59,317</u>	<u>5,760</u>	<u>354,950</u>
Net Total Rec.	<u>\$ 299,204</u>	<u>\$ 1,836,213</u>	<u>\$ 12,727,496</u>	<u>\$ 44,026</u>	<u>\$ 67,348</u>	<u>\$ 5,760</u>	<u>\$ 14,980,047</u>

**3. Capital Assets**

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

**Governmental Activities**

	<u>Balance January 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2007</u>
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 3,683,558	\$ 5,574	\$ 1,711	\$ 3,687,421
Construction in progress	<u>55,657,133</u>	<u>8,363,584</u>	<u>-</u>	<u>64,020,717</u>
Total	<u>59,340,691</u>	<u>8,369,158</u>	<u>1,711</u>	<u>67,708,138</u>
Capital assets being depreciated				
Buildings and structures	7,074,646	54,887	6,350	7,123,183
Furniture and equipment	2,961,607	345,516	180,389	3,126,734
Machinery and auto	6,274,816	609,018	227,141	6,656,693
Other improvements	<u>72,633,359</u>	<u>11,014</u>	<u>-</u>	<u>72,644,373</u>
Total	<u>88,944,428</u>	<u>1,020,435</u>	<u>413,880</u>	<u>89,550,983</u>
Less accumulated depreciation for:				
Buildings	2,062,894	140,757	3,848	2,199,803
Improvements	1,658,097	204,524	156,071	1,706,550
Machinery and equipment	2,895,938	422,790	194,479	3,124,249
Infrastructure	<u>31,341,052</u>	<u>2,266,970</u>	<u>-</u>	<u>33,608,022</u>
	<u>37,957,981</u>	<u>3,035,041</u>	<u>354,398</u>	<u>40,638,624</u>
Net property and equipment	<u>\$ 110,327,138</u>	<u>\$ 6,354,552</u>	<u>\$ 61,193</u>	<u>\$ 116,620,497</u>

**CITY OF WILLMAR, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2007**

**Business-Type Activities**

	Balance January 1, 2007	Additions	Deletions	Balance December 31, 2007
<b>Business-Type Activities</b>				
Capital assets not being depreciated				
Land	\$ 321,370	\$ -	\$ -	\$ 321,370
Construction in progress	6,850,000	-	-	6,850,000
Total	<u>7,171,370</u>	<u>-</u>	<u>-</u>	<u>7,171,370</u>
Capital assets being depreciated				
Buildings and structures	20,169,156	858	-	20,170,014
Furniture and equipment	949,109	93,905	58,502	984,512
Machinery and auto	724,714	140,068	209,815	654,967
Other improvements	2,932,202	-	-	2,932,202
Total	<u>24,775,181</u>	<u>234,831</u>	<u>268,317</u>	<u>24,741,695</u>
Less accumulated depreciation for:				
Buildings	9,023,520	505,473	-	9,528,993
Improvements	603,563	44,699	42,990	605,272
Machinery and equipment	385,623	60,162	80,437	365,348
Infrastructure	898,632	30,657	-	929,289
	<u>10,911,338</u>	<u>640,991</u>	<u>123,427</u>	<u>11,428,902</u>
Net property and equipment	<u>\$ 21,035,213</u>	<u>\$ (406,160)</u>	<u>\$ 144,890</u>	<u>\$ 20,484,163</u>

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

<b>Governmental Activities</b>	
General government	\$ 97,903
Public safety	219,420
Public works	2,507,552
Culture and recreation	199,775
Economic development	10,391
Total Depreciation Expense - Governmental Activities	<u>\$ 3,035,041</u>
<b>Business-Type Activities</b>	
Waste treatment	<u>\$ 640,991</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 640,991</u>

**CITY OF WILLMAR, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2007**

**B. Interfund Receivables, Payables and Transfers**

**1. Due from/Due to**

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General Fund	Industrial Development	\$ 22,500
General Fund	T.I. Brinton	1,761
General Fund	T.I. Lakewood B.K.	695
General Fund	C.P. 2006	350,000
General Fund	C.P. Local Option Sales Tax	390
General Fund	Capital Improvement	5,101
General Fund	Public Improvement Revolving	35,392
General Fund	Trust & Agency	1,125
General Fund	Library Improvement Reserve	54,814
Community Investment	D.S. 1996 Bond	66,704
Community Investment	D.S. 1997 Bond	301,229
Community Investment	D.S. 1998 Bond	2,121
D.S. 2000 Bond	Community Investment	115,215
D.S. 2004 Bond	Community Investment	71,016
D.S. 2006 Bond	Community Investment	112,617
D.S. 2004C Airport Bond	General Fund	185,000
D.S. 1997 Bond	Community Investment	58,540
D.S. 1998 Bond	Community Investment	154
D.S. 1999 Bond	Community Investment	647
* C.P. 2003	Waste Treatment Plant	208,714
C.P. 2004	Community Investment	70,602
C.P. 2006	C.P. 2007A	515,551
C.P. Local Option Sales Tax	Spec.Rev. Local Option Sales Tax	1,909,500
C.P. 2007B	C.P. 2007A	36,527
C.P. 2007B	C.P. Local Option Sales Tax	1,870,139
C.P. Airport Development	C.P. Local Option Sales Tax	11,768
C.P. Miscellaneous Projects	General Fund	202,500
Capital Improvement	General Fund	14,582
Capital Improvement	C.V.B.	3,000
C.P. 1999	C.P. 2007A	4
Public Improvement Revolving	C.P. Airport Development	480,187
Trust & Agency	General Fund	35
F-14 Tomcat Fund	General Fund	25,000

\*On the Government-Wide Financial Statements Statement of Net Assets, Internal Balances are listed in the amount of \$208,714. This amount reflects the net transfer due from the Waste Treatment Plant Fund, which is a Business-Type Activity, to the 2003 Capital Project Fund for \$208,714 which is a Governmental Activity.

The City expects the above interfund receivables and payables to be settled during 2008 except as noted below.

The City of Willmar has been in the process of constructing a new municipal airport utilizing various federal and state grant funds. The public improvement revolving loan fund transferred a net amount of \$480,187 to the airport capital project fund to cover construction expenditures for the new airport until such time the applicable grant funds are received.

**CITY OF WILLMAR, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2007**

**2. Transfers**

Transfers are indicative of funding for capital projects, lease payments or debt service, subsidies of various City operations and re-allocations of special revenues. The following schedule briefly summarizes the City's transfer activity:

<u>Funds transferred to</u>		<u>Funds transferred from</u>	
General Fund	2,278,687	Willmar Municipal Utilities	1,686,400
		Rice Memorial Hospital	200,000
		Waste Treatment	175,000
		Non-major Debt Service	2,456
		Non-major Special Revenue	113,706
		Non-major Capital Projects	100,000
		Permanent Fund	1,125
			<u>2,278,687</u>
Special Assessments Bonds	402,637	Non-major Special Revenue	391,162
		Non-major Capital Projects	11,475
			<u>402,637</u>
Capital Project - Street, Water, Sewer	2,100,072	Non-major Capital Projects	1,817,000
		Waste Treatment	208,713
		Non-major Special Revenue	70,602
		General Fund	3,757
			<u>2,100,072</u>
Nonmajor Capital Projects	3,136,156	General Fund	1,206,441
		Nonmajor Special Revenue	20,215
		Local Option Sales Tax Special Rev.	1,909,500
			<u>3,136,156</u>
Nonmajor Special Revenue	91,704	Special Assessments Bonds	66,704
		General Fund	25,000
			<u>91,704</u>
Nonmajor Debt Service	185,000	General Fund	185,000
Permanent Fund	1,122	General Fund	1,122



**CITY OF WILLMAR, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2007**

**C. Liabilities**

**1. Deferred Revenue**

Deferred revenue consists of taxes and special assessments receivable that are not collected soon enough after year-end to pay liabilities of the current period and prepayments that have been received by not earned.

**2. Long-Term Debt**

The long-term debt obligations outstanding at year end are summarized as follows:

	<u>Interest Rates</u>	<u>Date Issued</u>	<u>Date Matures</u>	<u>Original Issue</u>	<u>Outstanding at 12/31/2007</u>
<b>Primary Government</b>					
<b>Governmental Activities</b>					
<u>G.O. Special Assessments</u>					
1997 Improvement Bond	4.10 - 4.90	1997	2008	1,265,000	125,000
2000 Improvement Bond	4.75 - 5.25	2000	2011	665,000	280,000
2001 Improvement Bond	3.00 - 4.25	2001	2012	1,400,000	700,000
2002 Improvement Bond	2.00 - 3.75	2002	2013	1,125,000	635,000
2003 Improvement Bond	2.00 - 4.10	2003	2014	600,000	400,000
2004 Improvement Bond	2.10 - 4.00	2004	2015	2,125,000	1,665,000
2005 Improvement Bond	3.25 - 3.65	2005	2016	3,675,000	3,290,000
2006 Improvement Bond	3.60 - 3.85	2006	2017	1,950,000	1,950,000
2007A Improvement Bond	3.75 - 4.00	2007	2018	3,285,000	3,285,000
2007B Improvement Bond	4.00	2007	2018	1,725,000	1,725,000
Total Special Assessment Bonds				<u>17,815,000</u>	<u>14,055,000</u>
<u>G.O. Revenue Bonds</u>					
2004 Airport Bond	2.00 - 4.05	2004	2020	<u>2,100,000</u>	<u>1,880,000</u>
Total G.O. Revenue Bonds				<u>2,100,000</u>	<u>1,880,000</u>
<b>Total Governmental Activities</b>				<u>19,915,000</u>	<u>15,935,000</u>
<b>Business-Type Activities</b>					
<u>G.O. Revenue Bonds</u>					
1997 Waste Treatment Note	3.13	1997	2017	4,300,000	2,480,019
2001 Waste Treatment Bond	4.00 - 4.25	2001	2009	2,160,000	910,000
2003 Waste Treatment Bond	1.15 - 2.75	2003	2008	1,555,000	325,000
2004 Waste Treatment Bond	1.45 - 4.15	2004	2019	1,410,000	1,175,000
2006 Waste Treatment Bond	3.70	2006	2009	<u>6,850,000</u>	<u>6,850,000</u>
Total G.O. Revenue Bonds				<u>16,275,000</u>	<u>11,740,019</u>
<b>Total Business-Type Activities</b>				<u>16,275,000</u>	<u>11,740,019</u>
<b>Total Primary Government</b>				<u>36,190,000</u>	<u>27,675,019</u>

**CITY OF WILLMAR, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2007**

<b>Component Units</b>	<b><u>Interest Rates</u></b>	<b><u>Date Issued</u></b>	<b><u>Date Matures</u></b>	<b><u>Original Issue</u></b>	<b><u>Outstanding at 12/31/2007</u></b>
<b>Municipal Utilities</b>					
<u>Revenue Bonds</u>					
1999 Bond	4.20 - 5.00	1999	2011	\$ 1,760,000	\$ 880,000
2001 Bond	3.50 - 4.50	2001	2011	<u>1,240,000</u>	<u>560,000</u>
Total Revenue Bonds				3,000,000	1,440,000
<u>G.O. Revenue Bonds</u>					
2005 Bond	3.00 - 3.75	2005	2016	<u>1,290,000</u>	<u>1,180,000</u>
Total G.O. Revenue Bonds				1,290,000	1,180,000
<b>Total Municipal Utilities</b>				<u>\$ 4,290,000</u>	<u>\$ 2,620,000</u>
<b>Rice Memorial Hospital</b>					
<u>Revenue Bonds</u>					
1994 Bond	6.20 - 6.70	1994	2015	\$ 1,865,000	\$ 1,040,000
2000 Bond	2.93	2000	2010	<u>1,600,000</u>	<u>472,608</u>
Total Revenue Bonds				3,465,000	1,512,608
<u>G.O. Revenue Bonds</u>					
2002 Bond	3.00 - 5.00	2002	2032	<u>51,200,000</u>	<u>48,265,000</u>
Total G.O. Revenue Bonds				51,200,000	48,265,000
<b>Total Rice Memorial Hospital</b>				<u>\$ 54,665,000</u>	<u>\$ 49,777,608</u>

**CITY OF WILLMAR, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2007**

**3. Long-Term Debt Maturities**

Long-Term Debt maturities are as follows:

<u>Primary Government</u>	<u>G.O. Special Assessments Bonds</u>		<u>G.O. Revenue Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
<b><u>Governmental Activities:</u></b>				
2008	\$ 1,320,000	\$ 549,853	\$ 120,000	\$ 64,412
2009	1,650,000	448,810	120,000	61,262
2010	1,670,000	387,434	125,000	57,738
2011	1,645,000	325,150	130,000	53,750
2012	1,560,000	264,798	130,000	49,428
2013 – 2017	5,700,000	578,181	735,000	172,958
2018 – 2022	<u>510,000</u>	<u>10,200</u>	<u>520,000</u>	<u>31,901</u>
<b>Total Governmental Activity</b>	<b>\$ 14,055,000</b>	<b>\$ 2,564,426</b>	<b>\$ 1,880,000</b>	<b>\$ 491,449</b>
<b><u>Business-Type Activities:</u></b>				
2008	\$ 0	\$ 0	\$ 1,174,940	\$ 401,325
2009	0	0	7,511,720	368,673
2010	0	0	313,714	98,284
2011	0	0	325,929	88,332
2012	0	0	333,371	77,874
2013 – 2017	0	0	1,845,345	215,930
2018 – 2022	<u>0</u>	<u>0</u>	<u>235,000</u>	<u>9,799</u>
<b>Total Business-Type Activity</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$11,740,019</b>	<b>\$ 1,260,217</b>
<b>Total Primary Government</b>	<b>\$ 14,055,000</b>	<b>\$ 2,564,426</b>	<b>\$13,620,019</b>	<b>\$ 1,751,666</b>

<u>Component Units</u>	<u>G.O. Revenue Bonds</u>		<u>Revenue Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2008	\$ 910,000	\$ 2,405,225	\$ 624,822	\$ 137,188
2009	930,000	2,373,600	650,427	108,892
2010	965,000	2,338,763	582,359	79,467
2011	1,150,000	2,292,256	510,000	52,632
2012	1,270,000	2,233,825	135,000	34,673
2013 – 2017	7,375,000	10,153,642	450,000	46,565
2018 – 2022	9,430,000	8,078,500	0	0
2023 – 2027	12,050,000	5,406,250	0	0
2028 – 2032	<u>15,365,000</u>	<u>1,995,625</u>	<u>0</u>	<u>0</u>
<b>Total Component Units</b>	<b>\$ 49,445,000</b>	<b>\$ 37,277,686</b>	<b>\$ 2,952,608</b>	<b>\$ 459,417</b>

**CITY OF WILLMAR, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2007**

**4. Changes in Long-Term Liabilities**

Changes in Long-Term Debt during 2007 are summarized as follows:

	<u>Balance</u> <u>01/01/2007</u>	<u>Issued</u>	<u>Retired/ Defeased</u>	<u>Balance</u> <u>12/31/2007</u>
<b>Primary Government</b>				
<b>Governmental Activities</b>				
G.O. Special Assessment Bonds	\$ 10,290,000	\$ 5,010,000	\$ 1,245,000	\$ 14,055,000
G.O. Revenue Bonds	1,995,000	0	115,000	1,880,000
Compensated Absences	<u>1,907,137</u>	<u>368,803</u>	<u>0</u>	<u>2,275,940</u>
<b>Total Governmental Activities</b>	\$ 12,285,000	\$ 5,010,000	\$ 1,360,000	15,935,000
<b>Business-Type Activities</b>				
G.O. Revenue Bonds	\$ 12,748,386	\$ 0	\$ 1,008,367	\$ 11,740,019
<b>Total Business-Type Activities</b>	\$ 12,748,386	\$ 0	\$ 1,008,367	\$ 11,740,019
<b>Total Primary Government</b>	<u>\$ 25,033,386</u>	<u>\$ 5,010,000</u>	<u>\$ 2,368,367</u>	<u>\$ 27,675,019</u>
<b>Component Units</b>				
<b>Municipal Utilities</b>				
Revenue Bonds	\$ 2,300,000	\$ 0	\$ 860,000	\$ 1,440,000
G.O. Revenue Bonds	<u>1,290,000</u>	<u>0</u>	<u>110,000</u>	<u>1,180,000</u>
<b>Total Municipal Utilities</b>	\$ 3,590,000	\$ 0	\$ 970,000	\$ 2,620,000
<b>Rice Memorial Hospital</b>				
Revenue Bonds	\$ 1,787,064	\$ 0	\$ 274,456	\$ 1,512,608
G.O. Revenue Bonds	<u>49,035,000</u>	<u>0</u>	<u>770,000</u>	<u>48,265,000</u>
<b>Total Rice Memorial Hospital</b>	\$ 50,822,064	\$ 0	\$ 1,044,456	\$ 49,777,608
<b>Total Component Units</b>	<u>\$ 54,412,064</u>	<u>\$ 0</u>	<u>\$ 2,014,456</u>	<u>\$ 52,397,608</u>

**D. Designated Fund Balance**

At December 31, 2007, the following balances were designated:

GENERAL FUND

Designated for:

2008 Emergency Budget	\$ 1,300,000
Advance to Tax Inc.	650,000
Public Works Blacktop	200,000
F-14 Tomcat Fund	25,000
Deferred Compensation	2,275,940
Self-Insurance	1,000,000
Working Capital	3,000,000
Capital Improvements	2,379,429
Expired Capital Improvements	<u>404,777</u>
	<u>\$11,235,146</u>

**CITY OF WILLMAR, MINNESOTA  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2007**

**NOTE 4 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS**

**A. Plan Description**

All full-time and certain part-time employees of the City are covered by defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). The PERA administers the Public Employees Retirement Fund and the Public Employees Police and Fire Fund, which are cost sharing, multiple-employer retirement plans. These plans are established and administered in accordance with Minn. Stat. chs.353 and 356.

Public Employees Retirement Fund 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. All police officers, firefighters, and peace officers who qualify for membership by statute are covered by the Public Employees Police and Fire Fund.

The 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 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 Coordinated and Basic Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2 percent of average salary for each of the first ten years of service and 2.7 percent for each year thereafter. For a Coordinated Plan member, the annuity accrual rate is 1.2 percent of average salary for each of the first ten years and 1.7 percent for each successive 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 Public Employees Police and Fire Fund members, the annuity accrual rate is 3.0 percent of average salary for each year of service.

For all Public Employees Retirement Fund members whose annuity is calculated using Method 1, and for all Public Employees Police and Fire Fund members, a full annuity is available when age plus years of service equal 90. A reduced retirement annuity is also available to eligible members seeking early retirement.

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 yet receiving them are bound by the provisions in effect at the time they last terminated public service.

PERA issues a publicly available financial report that includes financial statements and required supplementary information for the Public Employees Retirement Fund and the Public Employees Police and Fire Fund. That report may be obtained on the internet at [www.mnpera.org](http://www.mnpera.org); by writing to PERA at 60 Empire Drive, Suite 200, Saint Paul, Minnesota 55103-2088; or by calling 651-296-7460 or 1-800-652-9026.

**CITY OF WILLMAR, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2007**

**B. Funding Policy**

Pension benefits are funded from member and employer contributions and income from the investment of fund assets. Minn. Stat. ch. 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. Public Employees Retirement Fund Basic Plan members and Coordinated Plan members are required to contribute 9.10 and 5.75 percent, respectively, of their annual covered salary in 2007. Public Employees Police and Fire Fund members were required to contribute 7.80 percent of their annual covered salary in 2007. Contribution rates will increase in 2008 to 6.0% and 8.6% for Coordinated Plan members and Public Employees Police and Fire Fund members, respectively.

The City is required to contribute the following percentages of annual covered payroll in 2007 and 2008:

	<u>2007</u>	<u>2008</u>
Public Employee Retirement Fund		
Basic Plan Members	11.78 %	11.78 %
Coordinated Plan Members	6.25 %	6.50 %
Public Employees Police and Fire Fund	11.70 %	12.90 %

The City's contributions for the years ending December 31, 2007, 2006, and 2005, for the Public Employees Retirement Fund and the Public Employees Police and Fire Fund were:

	<u>Employees Retirement Fund</u>	<u>Employees Police and Fire Fund</u>
2007	\$235,299	\$ 232,873
2006	\$213,228	\$ 197,356
2005	\$188,053	\$ 164,808

These contribution amounts are equal to the contractually required contributions for each year as set by state statute.

**NOTE 5 RISK MANAGEMENT**

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

The workers' compensation policy is a retrospectively rated policy with premiums that accrue based on the ultimate cost of the experience to date. There is no way to estimate what the change in premium may be. Generally, it has been minimal.

**CITY OF WILLMAR, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2007**

**NOTE 6 CONTINGENCIES**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

**NOTE 7 PRIOR PERIOD ADJUSTMENTS**

Certain adjustments have been made to the January 1, 2007 fund balances, they are as follows:

**General Fund**

1/1/2007 Fund balance	15,633,336
Accounts receivable	(385)
County adjustment to property taxes	(6,682)
Accounts payable	<u>(74,926)</u>
1/1/2007 Adjusted fund balance	<u>15,551,343</u>

**Special Revenue - WRAC - 8**

1/1/2007 Fund balance	280,023
Accounts payable	<u>1,122</u>
1/1/2007 Adjusted fund balance	<u>281,145</u>

**Special Revenue - Community Investment Fund**

1/1/2007 Fund balance	9,632,875
Interest adjustment	(40,296)
Reallocation to debt service	<u>(357,388)</u>
1/1/2007 Adjusted fund balance	<u>9,235,191</u>

**Debt Service - Special Assessments**

1/1/2007 Fund balance	3,454,938
Interest adjustment	<u>17,080</u>
1/1/2007 Adjusted fund balance	<u>3,472,018</u>

**Capital Projects - Airport**

1/1/2007 Fund balance	(1,808,314)
Accounts receivable	<u>(256)</u>
1/1/2007 Adjusted fund balance	<u>(1,808,570)</u>

**Enterprise Fund**

1/1/2007 Fund balance	15,442,080
Accounts payable	<u>(852)</u>
1/1/2007 Adjusted fund balance	<u>15,441,228</u>

**CITY OF WILLMAR, MINNESOTA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2007**

**NOTE 7 PRIOR PERIOD ADJUSTMENTS (continued)**

The January 1, 2007 net assets balance for governmental activities was adjusted as follows:

1/1/2007 Net assets	\$ 71,554,606
Authorized construction	
reclassified to Investment in Capital Assets	55,657,133
Reclassification of trusts	
to governmental funds	419,209
Prior period adjustments	<u>(461,731)</u>
1/1/2007 Adjusted net assets	<u>\$ 127,169,217</u>



City of Willmar, Minnesota  
General Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the fiscal year ended December 31, 2007

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
GENERAL PROPERTY TAXES				
Current Ad Valorem	\$ 2,806,995	\$ 2,806,995	\$ 2,755,829	\$ (51,166)
Delinquent Ad Valorem	50,000	50,000	48,861	(1,139)
Franchise Fee	250,000	250,000	-	(250,000)
TOTAL TAXES	<u>3,106,995</u>	<u>3,106,995</u>	<u>2,804,690</u>	<u>(302,305)</u>
LICENSES/PERMITS				
Business License/Permit	41,825	41,825	46,008	4,183
Non-Business License/Permit	324,375	324,375	406,340	81,965
TOTAL LICENSES & PERMITS	<u>366,200</u>	<u>366,200</u>	<u>452,348</u>	<u>86,148</u>
INTERGOVERNMENTAL				
FEDERAL GOVERNMENT				
Rent	500	500	500	-
Federal Grant	150,000	150,000	-	(150,000)
STATE GRANTS				
Local Government Aid	4,614,068	4,614,068	4,614,068	-
Police Department Aid	150,000	150,000	189,056	39,056
State Grant	6,720	6,720	11,189	4,469
P.E.R.A. Aid	172,146	172,146	172,146	-
Airport Aid	43,362	43,362	43,362	-
MFG Home HACA	-	-	263	263
Fire Department Aid	94,250	94,250	85,076	(9,174)
Shared Highway User Tax	163,000	163,000	165,206	2,206
COUNTY GRANTS				
Kandiyohi County Highways	3,795	3,795	3,795	-
SCHOOL DISTRICT #347				
School Liaison Officer	66,600	66,600	126,600	60,000
TOTAL INTERGOVERNMENTAL	<u>5,464,441</u>	<u>5,464,441</u>	<u>5,411,261</u>	<u>(53,180)</u>
SERVICE CHARGES				
General Government	16,000	16,000	15,846	(154)
Public Safety	149,550	149,550	196,468	46,918
Buildings & Grounds	10,600	10,600	12,283	1,683
Civic Center	262,700	262,700	278,436	15,736
Leisure Services	173,100	173,100	181,486	8,386
Highways & Streets	14,100	14,100	15,637	1,537
Senior Citizens	14,000	14,000	8,578	(5,422)
Transportation (Airport)	65,000	65,000	116,281	51,281
TOTAL SERVICE CHARGES	<u>705,050</u>	<u>705,050</u>	<u>825,015</u>	<u>119,965</u>
FINES AND FORFEITS				
Court Fines	120,000	120,000	146,654	26,654
Impounding Fees	54,000	54,000	70,626	16,626
Parking Violations	24,000	24,000	24,719	719
Other Fines and Forfeits	40,000	40,000	17,560	(22,440)
TOTAL FINES & FORFEITS	<u>238,000</u>	<u>238,000</u>	<u>259,559</u>	<u>21,559</u>
SPECIAL ASSESSMENTS				
Special Assessments	-	-	1,513	1,513
TOTAL SPECIAL ASSESSMENTS	<u>-</u>	<u>-</u>	<u>1,513</u>	<u>1,513</u>

City of Willmar, Minnesota  
General Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the fiscal year ended December 31, 2007

	Budgeted Amounts			Variance With
	Original	Final	Actual Amounts	Final Budget Positive (Negative)
<b>REVENUES (Con't)</b>				
<b>MISCELLANEOUS REVENUE</b>				
Miscellaneous	20,500	20,500	105,121	84,621
Interest Earnings	450,000	450,000	646,748	196,748
Sale of Fixed Assets	20,000	20,000	8,764	(11,236)
Sale of Materials	40,000	40,640	61,462	20,822
Contributions/Donations	2,000	2,000	400	(1,600)
City Auditorium	2,000	2,000	3,044	1,044
Capital Gains	-	-	5,938	5,938
Market Value Increase (Decrease)	-	-	45,276	45,276
Insurance Reimbursements	100,000	100,000	114,160	14,160
Insurance Pass Through	180,000	180,000	229,470	49,470
TOTAL MISCELLANEOUS	814,500	815,140	1,220,383	405,243
 TOTAL REVENUE	 10,695,186	 10,695,826	 10,974,769	 278,943
<b>EXPENDITURES</b>				
<b>GENERAL GOVERNMENT</b>				
City Administrator				
Personal Services	189,995	202,659	202,194	465
Supplies	1,250	1,250	1,177	73
Other Services & Charges	3,650	3,650	3,164	486
Total	194,895	207,559	206,535	1,024
 Mayor and Council				
Personal Services	82,100	82,100	79,480	2,620
Supplies	12,700	12,700	12,395	305
Other Services & Charges	93,500	93,500	92,583	917
Total	188,300	188,300	184,458	3,842
 Planning & Development				
Personal Services	362,571	374,736	369,103	5,633
Supplies	9,700	9,700	10,858	(1,158)
Other Services & Charges	38,650	38,650	19,024	19,626
Total	410,921	423,086	398,985	24,101
 City Clerk/Treasurer				
Personal Services	161,927	169,798	169,640	158
Supplies	6,700	6,700	7,917	(1,217)
Other Services & Charges	6,735	6,735	4,771	1,964
Total	175,362	183,233	182,328	905
 Assessing				
Personal Services	251,191	260,230	228,066	32,164
Supplies	3,200	3,200	4,018	(818)
Other Services & Charges	7,670	7,670	6,259	1,411
Total	262,061	271,100	238,343	32,757
 Accounting				
Personal Services	288,181	300,598	299,618	980
Supplies	6,300	6,300	3,234	3,066
Other Services & Charges	27,500	27,500	22,193	5,307
Total	321,981	334,398	325,045	9,353

City of Willmar, Minnesota  
General Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the fiscal year ended December 31, 2007

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES (Con't)</b>				
GENERAL GOVERNMENT (Con't)				
Legal				
Personal Services	134,047	141,896	141,934	(38)
Supplies	5,240	5,240	5,092	148
Other Services & Charges	22,350	22,350	21,718	632
Total	161,637	169,486	168,744	742
City Hall				
Personal Services	39,244	40,270	39,970	300
Supplies	13,350	13,350	19,694	(6,344)
Other Services & Charges	41,425	41,425	43,639	(2,214)
Total	94,019	95,045	103,303	(8,258)
Data Processing Center				
Personal Services	109,330	112,244	96,425	15,819
Supplies	10,600	11,403	6,788	4,615
Other Services & Charges	61,510	61,510	75,625	(14,115)
Total	181,440	185,157	178,838	6,319
Cultural Diversity				
Other Services & Charges	62,400	62,400	62,400	-
Total	62,400	62,400	62,400	-
Elections & Voters Registration				
Personal Services	19,214	19,745	19,778	(33)
Supplies	1,300	1,300	7	1,293
Other Services & Charges	2,050	20,050	4,033	16,017
Total	22,564	41,095	23,818	17,277
Non-Departmental Expenses				
Personal Services	29,000	29,000	1,405	27,595
Insurances	-	-	3,517	(3,517)
Other Charges/Services	90,000	90,000	118,823	(28,823)
Labor Negotiator	10,000	10,000	2,945	7,055
Deferred Compensation	294,532	70,287	-	70,287
Re-Employment Insurance	1,000	1,000	70	930
Retired Employees Insurance	113,000	113,000	86,754	26,246
Workers Comp. Self Insurance	-	-	4,861	(4,861)
Insurance Deductible	100,000	100,000	69,756	30,244
Downtown Items	50,000	50,000	57,602	(7,602)
Internship Program	5,000	5,000	-	5,000
Miscellaneous	160,000	160,000	195,055	(35,055)
Insurance Pass Through	175,000	175,000	208,061	(33,061)
Southwest Initiative	10,000	10,000	20,000	(10,000)
Total	1,037,532	813,287	768,849	44,438
TOTAL GENERAL GOVERNMENT	3,113,112	2,974,146	2,841,646	132,500
PUBLIC SAFETY				
Police Department				
Personal Services	2,815,102	2,909,573	2,886,990	22,583
Supplies	191,900	193,100	158,292	34,808
Other Services & Charges	174,750	174,750	168,065	6,685
Debt Redemption	175,000	175,000	175,000	-
Total	3,356,752	3,452,423	3,388,347	64,076

City of Willmar, Minnesota  
General Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the fiscal year ended December 31, 2007

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES (Con't)</b>				
<b>PUBLIC SAFETY (Con't)</b>				
Fire Department				
Personal Services	533,462	544,673	523,772	20,901
Supplies	84,356	83,235	62,593	20,642
Other Services & Charges	98,135	98,135	91,735	6,400
Total	715,953	726,043	678,100	47,943
Non-Department Expenses				
Civil Defense Sirens	-	-	2,483	(2,483)
Safety Program	10,000	10,000	6,385	3,615
Total	10,000	10,000	8,868	1,132
<b>TOTAL PUBLIC SAFETY</b>	<b>4,082,705</b>	<b>4,188,466</b>	<b>4,075,315</b>	<b>113,151</b>
<b>PUBLIC WORKS</b>				
Engineering				
Personal Services	424,955	431,307	395,409	35,898
Supplies	10,050	10,050	11,912	(1,862)
Other Services & Charges	26,650	20,771	42,455	(21,684)
Capital Outlay	6,878	5,403	-	5,403
Total	468,533	467,531	449,776	17,755
Public Works				
Personal Services	1,435,620	1,471,754	1,488,298	(16,544)
Supplies	353,450	353,450	423,477	(70,027)
Other Services & Charges	258,750	258,750	276,287	(17,537)
Debt Redemption	-	-	60,000	(60,000)
Total	2,047,820	2,083,954	2,248,062	(164,108)
Airport				
Personal Services	47,089	48,371	49,489	(1,118)
Supplies	8,700	8,700	20,777	(12,077)
Other Services & Charges	115,550	115,550	80,784	34,766
Total	171,339	172,621	151,050	21,571
Transit				
Other Services & Charges	9,000	9,000	9,000	-
Total	9,000	9,000	9,000	-
Non-Departmental Expenses				
State Mandates/Drug Testing	3,000	3,000	700	2,300
Total	3,000	3,000	700	2,300
<b>TOTAL PUBLIC WORKS</b>	<b>2,699,692</b>	<b>2,736,106</b>	<b>2,858,588</b>	<b>(122,482)</b>
<b>NON-DEPARTMENTAL EXPENSES</b>				
Social Services				
Meals on Wheels	20,000	20,000	20,000	-
<b>TOTAL NON-DEPARTMENTAL EXPENSE</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>-</b>
<b>CULTURE &amp; RECREATION</b>				
Auditorium				
Personal Services	55,830	57,178	58,004	(826)
Supplies	13,750	13,750	16,465	(2,715)
Other Services & Charges	40,375	40,375	33,160	7,215
Total	109,955	111,303	107,629	3,674

City of Willmar, Minnesota  
General Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the fiscal year ended December 31, 2007

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES (Con't)</b>				
<b>CULTURE &amp; RECREATION (Con't)</b>				
Non-Department Expenses				
Library	378,091	422,498	422,498	-
Baseball Stadium	-	-	30,000	(30,000)
Civic Promotion	66,000	66,000	60,313	5,687
Total	444,091	488,498	512,811	(24,313)
Leisure Services				
Personal Services	220,176	223,226	230,080	(6,854)
Supplies	20,450	20,450	33,442	(12,992)
Other Services & Charges	141,550	141,550	122,179	19,371
Total	382,176	385,226	385,701	(475)
Park Development				
Supplies	-	-	3,177	(3,177)
Total	-	-	3,177	(3,177)
Civic Center - Ice Arena				
Personal Services	263,043	267,660	263,466	4,194
Supplies	61,750	61,750	88,969	(27,219)
Other Services & Charges	142,750	142,750	140,802	1,948
Miscellaneous	-	-	1,564	(1,564)
Total	467,543	472,160	494,801	(22,641)
Senior Citizens Center				
Personal Services	10,900	10,900	12,050	(1,150)
Supplies	7,630	7,630	8,796	(1,166)
Other Services & Charges	33,100	33,100	24,347	8,753
Total	51,630	51,630	45,193	6,437
Aquatics Center				
Personal Services	98,932	99,553	93,232	6,321
Supplies	18,600	18,600	41,073	(22,473)
Other Services & Charges	19,075	19,075	27,429	(8,354)
Total	136,607	137,228	161,734	(24,506)
<b>TOTAL CULTURE &amp; RECREATION</b>	<b>1,592,002</b>	<b>1,646,045</b>	<b>1,711,046</b>	<b>(65,001)</b>
<b>TOTAL EXPENDITURES</b>	<b>11,507,511</b>	<b>11,564,763</b>	<b>11,506,595</b>	<b>58,168</b>
Excess of Revenues Over Expenditures	(812,325)	(868,937)	(531,826)	337,111
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In				
MUC	1,686,363	1,686,363	1,686,400	37
Rice Hospital	200,000	200,000	200,000	-
Waste Treatment	175,000	175,000	175,000	-
CVB	6,500	6,500	6,500	-
T.I. Brinton	-	-	1,761	1,761
T.I. Miscellaneous Projects	2,324	2,324	-	(2,324)
T.I. Lakewood	-	-	695	695
C.P. 2006	100,000	100,000	100,000	-
Public Improvement Revolving Fund	50,000	50,000	35,392	(14,608)
Trust & Agency Fund	1,500	1,500	1,125	(375)
Library Reserve Fund	-	44,407	71,814	27,407
Total Transfers In	2,221,687	2,266,094	2,278,687	12,593

City of Willmar, Minnesota  
General Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the fiscal year ended December 31, 2007

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>OTHER FINANCING SOURCES (USES) (Con't)</b>				
Transfers Out				
C.P. Miscellaneous Projects	202,500	202,500	202,500	-
Capital Improvements	992,659	997,735	1,003,941	(6,206)
C.P. Baseball Stadium	30,000	30,000	-	30,000
D.S. 2007A	-	-	3,757	(3,757)
D.S. Airport	185,000	185,000	185,000	-
Trust & Agency	-	1,121	1,121	-
F-14 Tomcat	-	-	25,000	(25,000)
Total Transfers Out	<u>1,410,159</u>	<u>1,416,356</u>	<u>1,421,319</u>	<u>(4,963)</u>
Total Other Financing Sources (Uses)	<u>811,528</u>	<u>849,738</u>	<u>857,368</u>	<u>7,630</u>
Net Change in Fund Balances	(797)	(19,199)	325,542	344,741
Fund Balances - Beginning	<u>15,551,343</u>	<u>15,551,343</u>	<u>15,551,343</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 15,550,546</u>	<u>\$ 15,532,144</u>	<u>\$ 15,876,885</u>	<u>\$ 344,741</u>

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

**City of Willmar, Minnesota**  
**Debt Service Funds/Special Assessments Bonds**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2007**

	<b>Budget Amounts</b>			<b>Over (Under)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Final Budget</b>
<b>REVENUES</b>				
General Taxes				
Delinquent Ad Valorem	\$ -	\$ -	\$ -	\$ -
Special Assessments				
Special Assessments	1,183,464	1,183,464	1,664,311	480,847
Intergovernmental				
MSA Funds	-	-	-	-
Miscellaneous Revenue				
Miscellaneous	-	-	4,796	4,796
Interest Earnings	40,000	40,000	123,086	83,086
Total Revenues	<u>1,223,464</u>	<u>1,223,464</u>	<u>1,792,193</u>	<u>568,729</u>
<b>EXPENDITURES</b>				
Bond Principal Payments	1,245,000	1,245,000	1,245,000	-
Interest Payments	-	-	-	-
Other Charges	397,836	397,836	348,341	(49,495)
Total Expenditures	<u>1,642,836</u>	<u>1,642,836</u>	<u>1,593,341</u>	<u>(49,495)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(419,372)</u>	<u>(419,372)</u>	<u>198,852</u>	<u>618,224</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	390,361	390,361	402,637	12,276
Transfers Out	-	-	(66,704)	(66,704)
Bond Proceeds	-	-	31,267	31,267
Total Other Financing Sources (Uses)	<u>390,361</u>	<u>390,361</u>	<u>367,200</u>	<u>(23,161)</u>
Net Change in Fund Balances	(29,011)	(29,011)	566,052	595,063
Fund Balances - Beginning	3,472,018	3,472,018	3,472,018	-
Fund Balances - Ending	<u>\$ 3,443,007</u>	<u>\$ 3,443,007</u>	<u>\$ 4,038,070</u>	<u>\$ 595,063</u>

**City of Willmar, Minnesota**  
**Local Option Sales Tax Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2007**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance With Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
General Taxes				
Sales/Use Tax	\$ 1,500,000	\$ 1,500,000	\$ 1,739,146	\$ 239,146
Excise Tax	-	-	63,246	63,246
Total General Taxes	1,500,000	1,500,000	1,802,392	302,392
Miscellaneous Revenue				
Miscellaneous	-	-	56	56
Interest Earnings	-	-	72,298	72,298
Total Miscellaneous Revenue	-	-	72,354	72,354
Total Revenue	1,500,000	1,500,000	1,874,746	374,746
<b>EXPENDITURES</b>				
Other Services and Charges	-	-	43,471	(43,471)
Total Expenditures	-	-	43,471	(43,471)
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,500,000	1,500,000	1,831,275	331,275
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out - CP Local Opt Sales Tax	(1,500,000)	(2,811,500)	(1,909,500)	(902,000)
Transfers Out - CP Airport	-	(124,750)	-	(124,750)
Total Other Financing Sources (Uses)	(1,500,000)	(2,936,250)	(1,909,500)	(1,026,750)
Net Change in Fund Balances	-	(1,436,250)	(78,225)	(695,475)
Fund Balance - Beginning	674,897	674,897	674,897	-
Fund Balance - Ending	\$ 674,897	\$ (761,353)	\$ 596,672	\$ (695,475)



**CITY OF WILLMAR, MINNESOTA**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**December 31, 2007**

**NOTE 1    BUDGETS**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

**City of Willmar, Minnesota**  
**Street - Water & Sewer Capital Project Funds**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Year Ended December 31, 2007**

	<b>Prior Years</b>	<b>2007 Current</b>	<b>Total To Date</b>	<b>Project Authorization</b>
<b>REVENUES</b>				
Developers' Fees	\$ 1,443,429	\$ 39,226	\$ 1,482,655	\$ 312,356
Intergovernmental	26,322,480	1,034,145	27,356,625	19,512,379
Service Charges	421,821	-	421,821	-
Special Assessments	743,025	100,387	843,412	1,472,664
Miscellaneous	1,176,201	142,504	1,318,705	56,004
Total Revenues	<u>30,106,956</u>	<u>1,316,262</u>	<u>31,423,218</u>	<u>21,353,403</u>
<b>EXPENDITURES</b>				
Construction Projects	<u>54,432,355</u>	<u>4,978,648</u>	<u>59,411,003</u>	<u>38,863,964</u>
Total Expenditures	<u>54,432,355</u>	<u>4,978,648</u>	<u>59,411,003</u>	<u>38,863,964</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(24,325,399)</u>	<u>(3,662,386)</u>	<u>(27,987,785)</u>	<u>(17,510,561)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfers In	1,929,282	2,100,072	4,029,354	1,942,615
Operating Transfers Out	(4,430,879)	(111,476)	(4,542,355)	(200,000)
Bond Proceeds	<u>27,037,302</u>	<u>4,980,435</u>	<u>32,017,737</u>	<u>14,967,046</u>
Total Other Financing Sources (Uses)	<u>24,535,705</u>	<u>6,969,031</u>	<u>31,504,736</u>	<u>16,709,661</u>
Net Change in Fund Balances	<u>\$ 210,306</u>	<u>3,306,645</u>	<u>\$ 3,516,951</u>	<u>\$ (800,900)</u>
Fund Balance - Beginning		<u>(1,012,625)</u>		
Fund Balance - Ending		<u>\$ 2,294,020</u>		

**City of Willmar, Minnesota**  
**Airport Capital Project Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Year Ended December 31, 2007**

	<b>Prior Years</b>	<b>2007 Current</b>	<b>Total To Date</b>	<b>Project Authorization</b>
<b>REVENUES</b>				
Intergovernmental	\$ 11,378,724	\$ 194,288	\$ 11,573,012	\$ 3,248,627
Service Charges	1,905	-	1,905	170,000
Interest On Investments	49,414	-	49,414	-
Miscellaneous	50,556	261	50,817	-
Total Revenues	<u>11,480,599</u>	<u>194,549</u>	<u>11,675,148</u>	<u>3,418,627</u>
<b>EXPENDITURES</b>				
Construction Projects	<u>20,623,599</u>	<u>826,921</u>	<u>21,450,520</u>	<u>5,184,259</u>
Total Expenditures	<u>20,623,599</u>	<u>826,921</u>	<u>21,450,520</u>	<u>5,184,259</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(9,143,000)</u>	<u>(632,372)</u>	<u>(9,775,372)</u>	<u>(1,765,632)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfers In	2,483,086		2,483,086	1,340,632
Operating Transfers Out	(7,077)	-	(7,077)	-
Bond Proceeds	<u>2,072,700</u>	<u>-</u>	<u>2,072,700</u>	<u>425,000</u>
Total Other Financing Sources (Uses)	<u>4,548,709</u>	<u>-</u>	<u>4,548,709</u>	<u>1,765,632</u>
Net Change in Fund Balances	<u>\$ (4,594,291)</u>	<u>(632,372)</u>	<u>\$ (5,226,663)</u>	<u>\$ -</u>
Fund Balance - Beginning		<u>(1,808,570)</u>		
Fund Balance - Ending		<u>\$ (2,440,942)</u>		

**City of Willmar, Minnesota**  
**Waste Treatment Plant Capital Project Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Year Ended December 31, 2007**

	<u>Prior Years</u>	<u>2007 Current</u>	<u>Total To Date</u>	<u>Project Authorization</u>
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 477,900	\$ 477,900	\$ -
Service Charges	916	-	916	-
Miscellaneous	7,409	-	7,409	321,849
Interest	53,165	191,547	244,712	-
Total Revenues	<u>61,490</u>	<u>669,447</u>	<u>730,937</u>	<u>321,849</u>
<b>EXPENDITURES</b>				
Construction Projects	<u>13,900,398</u>	<u>769,198</u>	<u>14,669,596</u>	<u>16,916,343</u>
Total Expenditures	<u>13,900,398</u>	<u>769,198</u>	<u>14,669,596</u>	<u>16,916,343</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(13,838,908)</u>	<u>(99,751)</u>	<u>(13,938,659)</u>	<u>(16,594,494)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	666,000	-	666,000	770,000
Transfers Out	(3,900)	-	(3,900)	-
Bond Proceeds	<u>14,663,157</u>	<u>-</u>	<u>14,663,157</u>	<u>15,824,494</u>
Total Other Financing Sources (Uses)	<u>15,325,257</u>	<u>-</u>	<u>15,325,257</u>	<u>16,594,494</u>
Net Change in Fund Balances	<u>\$ 1,486,349</u>	<u>(99,751)</u>	<u>\$ 1,386,598</u>	<u>\$ -</u>
Fund Balance - Beginning		<u>1,486,349</u>		
Fund Balance - Ending		<u>\$ 1,386,598</u>		

City of Willmar, Minnesota  
Combining Balance Sheet  
NonMajor Governmental Funds  
December 31, 2007

	Total Special Revenue Funds	Total Capital Projects Funds	Total Debt Service Funds	Perpetual Care Fund	Total Nonmajor Governmental Funds
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 65,268	\$ (51,301)	\$ (140,031)	\$ 776	\$ (125,288)
Investments	10,393,950	-	-	9,000	10,402,950
Receivables					
Taxes Receivable - Current	9,643	-	-	-	9,643
Taxes Receivable - Delinquent	-	-	-	-	-
Taxes Receivable - Deferred	132,095	-	1,863,534	-	1,995,629
Assessments Receivable - Delinquent	6,697	-	-	-	6,697
Assessments Receivable - Non Current	178,217	-	-	-	178,217
Assessments Receivable - Suspense	436,452	-	-	-	436,452
Assessments Receivable - Future	225,604	-	-	-	225,604
Assessments Receivable - Deferred	44,456	-	-	-	44,456
Assessments Receivable - Utilities	4,187	-	-	-	4,187
Accounts Receivable	46,463	228	-	-	46,691
Notes Receivable	328,393	-	-	-	328,393
Interest Receivable	81,723	9,000	-	320	91,043
Intergovernmental Receivable	88,234	96,224	2,508	-	186,966
Due From Other Funds	395,054	2,129,582	185,000	35	2,709,671
Prepaid Items	7,119	-	152,956	-	160,075
Restricted Assets:					
Cash	-	-	-	-	-
Investments	-	1,117,000	-	30,000	1,147,000
Unamortized Discounts On Bonds	-	-	21,840	-	21,840
<b>Total Assets</b>	<b>\$ 12,443,555</b>	<b>\$ 3,300,733</b>	<b>\$ 2,085,807</b>	<b>\$ 40,131</b>	<b>\$ 17,870,226</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ 15,883	\$ 37,344	\$ 40,864	\$ -	\$ 94,091
Contracts Payable	-	26,585	-	-	26,585
Due To Other Funds	509,106	1,887,398	2,456	1,124	2,400,084
Intergovernmental Payable	107,295	-	-	-	107,295
Deferred Revenue	322,705	96,224	1,863,534	-	2,282,463
Notes Payable	-	-	5,042	-	5,042
<b>Total Liabilities</b>	<b>954,989</b>	<b>2,047,551</b>	<b>1,911,896</b>	<b>1,124</b>	<b>4,915,560</b>
<b>FUND BALANCES</b>					
Reserved - Debt Service	4,142,612	-	173,911	-	4,316,523
Reserved - Prepaid Items	7,119	-	-	-	7,119
Reserved - Petty Cash	50	-	-	-	50
Reserved - Working Capital	70,895	-	-	-	70,895
Unreserved - Designated Future Exp.	7,267,890	1,253,182	-	39,007	8,560,079
<b>Total Fund Balances</b>	<b>11,488,566</b>	<b>1,253,182</b>	<b>173,911</b>	<b>39,007</b>	<b>12,954,666</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 12,443,555</b>	<b>\$ 3,300,733</b>	<b>\$ 2,085,807</b>	<b>\$ 40,131</b>	<b>\$ 17,870,226</b>

**City of Willmar, Minnesota**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**NonMajor Governmental Funds**  
**For the Year Ended December 31, 2007**

	<b>Total Special Revenue Funds</b>	<b>Total Capital Projects Funds</b>	<b>Total Debt Service Funds</b>	<b>Perpetual Care Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>REVENUES</b>					
General Taxes	\$ 143,549	\$ -	\$ 31,335	\$ -	\$ 174,884
Licenses & Permits	2,530	-	-	-	2,530
Intergovernmental	759,801	10,000	-	26,047	795,848
Special Assessments	191,443	-	-	-	191,443
Developer's Fees	-	-	-	-	-
Miscellaneous Revenue	686,434	69,268	-	1,637	757,339
Total Revenues	<u>1,783,757</u>	<u>79,268</u>	<u>31,335</u>	<u>27,684</u>	<u>1,922,044</u>
<b>EXPENDITURES</b>					
Public Safety	7,470	-	-	29,541	37,011
Culture and Recreation	263,603	-	-	-	263,603
Economic Development	68,913	-	-	-	68,913
Debt Service	-	-	214,447	-	214,447
Capital Projects	-	1,957,564	-	-	1,957,564
Total Expenditures	<u>339,986</u>	<u>1,957,564</u>	<u>214,447</u>	<u>29,541</u>	<u>2,541,538</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,443,771</u>	<u>(1,878,296)</u>	<u>(183,112)</u>	<u>(1,857)</u>	<u>(619,494)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating Transfers In	91,704	3,136,156	185,000	1,122	3,413,982
Operating Transfers Out	(560,292)	(1,817,000)	(2,456)	(1,125)	(2,380,873)
Bond Proceeds	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>(468,588)</u>	<u>1,319,156</u>	<u>182,544</u>	<u>(3)</u>	<u>1,033,109</u>
Net Change in Fund Balances	975,183	(559,140)	(568)	(1,860)	413,615
Fund Balances - Beginning	10,513,383	1,812,322	174,479	40,867	12,541,051
Fund Balances - Ending	<u>\$ 11,488,566</u>	<u>\$ 1,253,182</u>	<u>\$ 173,911</u>	<u>\$ 39,007</u>	<u>\$ 12,954,666</u>

City of Willmar, Minnesota  
Combining Balance Sheet  
NonMajor Governmental Funds/Special Revenue  
December 31, 2007

	Economic Development Revolving Loan	Industrial Development	W.R.A.C. - 8	Convention and Visitors Bureau	Community Investment
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 915	\$ 738	\$ 108	\$ 118	\$ 779
Investments	98,000	28,000	277,000	250,000	8,827,950
Receivables					
Taxes Receivable - Current	-	-	-	9,643	-
Taxes Receivable - Delinquent	-	-	-	-	-
Taxes Receivable - Deferred	-	-	-	-	132,095
Assessments Receivable - Delinquent	-	-	-	-	6,697
Assessments Receivable - Non Current	-	-	-	-	178,217
Assessments Receivable - Suspense	-	-	-	-	436,452
Assessments Receivable - Future	-	-	-	-	225,604
Assessments Receivable - Deferred	-	-	-	-	44,456
Assessments Receivable - Utilities	-	-	-	-	4,187
Accounts Receivable	-	-	46,075	388	-
Notes Receivable	328,393	-	-	-	-
Interest Receivable	800	240	2,240	2,000	69,083
Intergovernmental Receivable	-	-	-	-	17,195
Due From Other Funds	-	-	-	-	370,054
Prepaid Items	-	-	3,446	3,673	-
<b>Total Assets</b>	<b>\$ 428,108</b>	<b>\$ 28,978</b>	<b>\$ 328,869</b>	<b>\$ 265,822</b>	<b>\$ 10,312,769</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ -	\$ -	\$ 772	\$ 15,111	\$ -
Contracts Payable	-	-	-	-	-
Due To Other Funds	-	22,500	-	3,000	428,792
Intergovernmental Payable	-	-	-	-	107,295
Deferred Revenue	-	-	-	-	322,705
Authorized Construction	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>22,500</b>	<b>772</b>	<b>18,111</b>	<b>858,792</b>
<b>FUND BALANCES</b>					
Reserved - Debt Service	-	-	-	-	4,142,612
Reserved - Prepaid Items	-	-	3,446	3,673	-
Reserved - Petty Cash	-	-	-	50	-
Reserved - Working Capital	-	-	39,701	31,194	-
Unreserved - Designated Future Exp.	428,108	6,478	284,950	212,794	5,311,365
<b>Total Fund Balances</b>	<b>428,108</b>	<b>6,478</b>	<b>328,097</b>	<b>247,711</b>	<b>9,453,977</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 428,108</b>	<b>\$ 28,978</b>	<b>\$ 328,869</b>	<b>\$ 265,822</b>	<b>\$ 10,312,769</b>

City of Willmar, Minnesota  
Combining Balance Sheet  
NonMajor Governmental Funds/Special Revenue  
December 31, 2007

Law Enforcement Forfeiture Fund	Senior Citizens Transit Fund	F-14 Tomcat Fund	Fire Dept Radio Grant Fund	Library Improvement Reserve Fund	Total Special Revenue Funds
\$ 54,074	\$ 1,099	\$ (2,043)	\$ 9,476	\$ 4	\$ 65,268
-	-	-	630,000	283,000	10,393,950
-	-	-	-	-	9,643
-	-	-	-	-	-
-	-	-	-	-	132,095
-	-	-	-	-	6,697
-	-	-	-	-	178,217
-	-	-	-	-	436,452
-	-	-	-	-	225,604
-	-	-	-	-	44,456
-	-	-	-	-	4,187
-	-	-	-	-	46,463
-	-	-	-	-	328,393
-	-	-	5,080	2,280	81,723
-	-	-	71,039	-	88,234
-	-	25,000	-	-	395,054
-	-	-	-	-	7,119
<u>\$ 54,074</u>	<u>\$ 1,099</u>	<u>\$ 22,957</u>	<u>\$ 715,595</u>	<u>\$ 285,284</u>	<u>\$ 12,443,555</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,883
-	-	-	-	-	-
-	-	-	-	54,814	509,106
-	-	-	-	-	107,295
-	-	-	-	-	322,705
-	-	-	-	-	-
-	-	-	-	54,814	954,989
-	-	-	-	-	4,142,612
-	-	-	-	-	7,119
-	-	-	-	-	50
-	-	-	-	-	70,895
54,074	1,099	22,957	715,595	230,470	7,267,890
54,074	1,099	22,957	715,595	230,470	11,488,566
<u>\$ 54,074</u>	<u>\$ 1,099</u>	<u>\$ 22,957</u>	<u>\$ 715,595</u>	<u>\$ 285,284</u>	<u>\$ 12,443,555</u>



**City of Willmar, Minnesota**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**NonMajor Governmental Funds/Special Revenue**  
**For the Year Ended December 31, 2007**

	<b>Economic Development Revolving Loan</b>	<b>Industrial Development</b>	<b>W.R.A.C. - 8</b>	<b>Convention and Visitors Bureau</b>	<b>Community Development</b>
<b>REVENUES</b>					
General Taxes	\$ -	\$ -	\$ -	\$ 143,537	\$ -
Licenses & Permits	-	2,530	-	-	-
Intergovernmental	-	-	-	17,293	32,120
Service Charges	-	-	-	-	-
Special Assessments	-	-	-	-	-
Miscellaneous Revenue	16,020	240	195,621	14,902	-
<b>Total Revenues</b>	<b>16,020</b>	<b>2,770</b>	<b>195,621</b>	<b>175,732</b>	<b>32,120</b>
<b>EXPENDITURES</b>					
Public Safety	-	-	-	-	-
Culture and Recreation	-	-	131,454	131,436	-
Economic Development	-	544	-	-	32,120
<b>Total Expenditures</b>	<b>-</b>	<b>544</b>	<b>131,454</b>	<b>131,436</b>	<b>32,120</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>16,020</b>	<b>2,226</b>	<b>64,167</b>	<b>44,296</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	-	-	(17,215)	(9,500)	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>(17,215)</b>	<b>(9,500)</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>16,020</b>	<b>2,226</b>	<b>46,952</b>	<b>34,796</b>	<b>-</b>
<b>Fund Balances - Beginning</b>	<b>412,088</b>	<b>4,252</b>	<b>281,145</b>	<b>212,915</b>	<b>-</b>
<b>Fund Balances - Ending</b>	<b>\$ 428,108</b>	<b>\$ 6,478</b>	<b>\$ 328,097</b>	<b>\$ 247,711</b>	<b>\$ -</b>

City of Willmar, Minnesota  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
NonMajor Governmental Funds/Special Revenue  
For the Year Ended December 31, 2007

Community Investment	Law Enforcement Forfeiture Fund	Senior Citizens Transit Fund	F-14 Tomcat Fund	Fire Dept Radio Grant Fund	Library Improvement Reserve Fund	Total Special Revenue Funds
\$ 12	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 143,549
-	-	-	-	-	-	2,530
-	-	-	-	710,388	-	759,801
-	-	-	-	-	-	-
191,443	-	-	-	-	-	191,443
423,582	14,665	1,812	1,000	5,207	13,385	686,434
615,037	14,665	1,812	1,000	715,595	13,385	1,783,757
-	7,470	-	-	-	-	7,470
-	-	713	-	-	-	263,603
1,191	-	-	35,058	-	-	68,913
1,191	7,470	713	35,058	-	-	339,986
613,846	7,195	1,099	(34,058)	715,595	13,385	1,443,771
66,704	-	-	25,000	-	-	91,704
(461,764)	-	-	-	-	(71,813)	(560,292)
(395,060)	-	-	25,000	-	(71,813)	(468,588)
218,786	7,195	1,099	(9,058)	715,595	(58,428)	975,183
9,235,191	46,879	-	32,015	-	288,898	10,513,383
\$ 9,453,977	\$ 54,074	\$ 1,099	\$ 22,957	\$ 715,595	\$ 230,470	\$ 11,488,566

**City of Willmar, Minnesota**  
**Economic Development Revolving Loan Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2007**

	<b>Budget Amounts</b>			<b>Variance With Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>REVENUES</b>				
Miscellaneous Revenue				-
Interest Earnings	13,450	13,450	16,020	2,570
Total Revenues	13,450	13,450	16,020	2,570
<b>EXPENDITURES</b>				
Other Services/Charges	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	13,450	13,450	16,020	2,570
Net Change in Fund Balances	13,450	13,450	16,020	2,570
Fund Balance - Beginning	412,088	412,088	412,088	-
Fund Balance - Ending	\$ 425,538	\$ 425,538	\$ 428,108	\$ 2,570

**City of Willmar, Minnesota**  
**Industrial Development Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2007**

	<b>Budget Amounts</b>			<b>Variance With Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>REVENUES</b>				
Licenses & Permits				
Pond Fees	\$ -	\$ -	\$ 2,530	\$ 2,530
Miscellaneous Revenue				
Interest	-	-	240	240
Total Revenues	-	-	2,770	2,770
<b>EXPENDITURES</b>				
Other Services/Charges	-	-	544	(544)
Total Expenditures	-	-	544	(544)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	2,226	2,226
Net Change in Fund Balances	-	-	2,226	2,226
Fund Balance - Beginning	4,252	4,252	4,252	-
Fund Balance - Ending	\$ 4,252	\$ 4,252	\$ 6,478	\$ 2,226

**City of Willmar, Minnesota**  
**WRAC - 8 Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2007**

	<b>Budget Amounts</b>			<b>Variance With Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>REVENUES</b>				
Miscellaneous Revenue				
Interest Earnings	\$ 7,000	\$ 7,000	\$ 12,348	\$ 5,348
Sale of Materials	200	200	164	(36)
Contributions/Donations	170,000	170,000	182,985	12,985
Miscellaneous	-	-	124	124
Total Miscellaneous Revenue	177,200	177,200	195,621	18,421
Total Revenues	177,200	177,200	195,621	18,421
<b>EXPENDITURES</b>				
Personal Services	115,719	108,481	109,446	(965)
Supplies	8,425	15,663	6,270	9,393
Other Services/Charges	17,875	17,875	15,738	2,137
Total Expenditures	142,019	142,019	131,454	10,565
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	35,181	35,181	64,167	7,856
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer Out - Capital Improvement	(17,215)	(17,215)	(17,215)	-
Total Other Financing Sources (Uses)	(17,215)	(17,215)	(17,215)	-
Net Change in Fund Balances	17,966	17,966	46,952	7,856
Fund Balances - Beginning	281,145	281,145	281,145	-
Fund Balances - Ending	\$ 299,111	\$ 299,111	\$ 328,097	\$ 7,856

**City of Willmar, Minnesota**  
**Convention & Visitors' Bureau Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2007**

	<b>Budget Amounts</b>			<b>Variance With Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>REVENUES</b>				
General Taxes				
Hotel-Motel Tax	\$ 135,000	\$ 135,000	\$ 143,537	\$ 8,537
Intergovernmental				
State Tourism Grant	3,400	3,400	3,513	113
Kandiyohi County Camping Fees	13,000	13,000	13,780	780
Total Intergovernmental	16,400	16,400	17,293	893
Miscellaneous Revenue				
Miscellaneous	3,000	3,000	4,425	1,425
Interest Earnings	-	-	10,477	10,477
Total Miscellaneous Revenue	3,000	3,000	14,902	11,902
Total Revenue	154,400	154,400	175,732	21,332
<b>EXPENDITURES</b>				
Personal Services	68,250	68,250	64,698	3,552
Supplies	9,490	9,490	5,650	3,840
Other Services and Charges	25,250	25,250	17,549	7,701
Ad Development	1,000	1,000	52	948
Conference & Convention	17,000	17,000	10,721	6,279
Group Tour Promotions	8,650	8,650	4,252	4,398
Leisure Travel	23,750	23,750	15,920	7,830
Special Projects	7,500	7,500	7,000	500
Strategic Marketing	30,000	30,000	5,594	24,406
Total Expenditures	190,890	190,890	131,436	59,454
Excess (Deficiency) of Revenues Over (Under) Expenditures	(36,490)	(36,490)	44,296	80,786
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out - General	(6,500)	(6,500)	(6,500)	-
Transfers Out - Capital Improv.	(3,000)	(3,000)	(3,000)	-
Total Other Financing Sources (Uses)	(9,500)	(9,500)	(9,500)	-
Net Change in Fund Balances	(45,990)	(45,990)	34,796	80,786
Fund Balance - Beginning	212,915	212,915	212,915	-
Fund Balance - Ending	\$ 166,925	\$ 166,925	\$ 247,711	\$ 80,786

**City of Willmar, Minnesota**  
**Community Development Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2007**

	<b>Budget Amounts</b>			<b>Variance With Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>REVENUES</b>				
Intergovernmental				
State Grants - Comm Devlp. Block Gran	-	-	32,120	32,120
Total Revenues	-	-	32,120	32,120
<b>EXPENDITURES</b>				
Other Services & Charges	-	-	32,120	(32,120)
Total Expenditures	-	-	32,120	(32,120)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
Net Change in Fund Balances	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	\$ -	\$ -	\$ -	\$ -

**City of Willmar, Minnesota**  
**Community Investment Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2007**

	Budget Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
General Taxes				
Delinquent Ad Valorem	\$ -	\$ -	\$ 12	\$ 12
Special Assessments				
Special Assessments	114,824	114,824	191,443	76,619
Miscellaneous Revenue				
Miscellaneous	-	-	3,069	3,069
Interest Earnings	320,000	320,000	414,563	94,563
Market Value Increase	-	-	5,950	5,950
Total Revenues	434,824	434,824	615,037	180,213
<b>EXPENDITURES</b>				
Other Disbursements	-	-	1,191	(1,191)
Total Expenditures	-	-	1,191	(1,191)
Excess (Deficiency) of Revenues Over (Under) Expenditures	434,824	434,824	613,846	179,022
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In				
D.S. 1996 Bond	-	-	66,704	66,704
Total Transfers In	-	-	66,704	66,704
Transfers Out				
D.S. 2000 Bond	(31,759)	(31,759)	(31,759)	-
D.S. 2001 Bond	(48,132)	(48,132)	(48,132)	-
D.S. 2002 Bond	(26,287)	(26,287)	(26,287)	-
D.S. 2004 Bond	(7,317)	(7,317)	(77,919)	(70,602)
D.S. 2005 Bond	(33,487)	(33,487)	(33,487)	-
D.S. 1996 Bond	(214,579)	(214,579)	(214,579)	-
D.S. 1997 Bond	(28,800)	(28,800)	(28,800)	-
D.S. 1998 Bond	-	-	(154)	(154)
D.S. 1999 Bond	-	-	(647)	(647)
Total Transfers Out	(390,361)	(390,361)	(461,764)	(71,403)
Total Other Financing Sources (Uses)	(390,361)	(390,361)	(395,060)	(4,699)
Net Change in Fund Balances	44,463	44,463	218,786	174,323
Fund Balance - Beginning	9,235,191	9,235,191	9,235,191	-
Fund Balance - Ending	\$ 9,279,654	\$ 9,279,654	\$ 9,453,977	\$ 174,323



**City of Willmar, Minnesota**  
**Law Enforcement Forfeiture Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2007**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance With Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
General Taxes				
Delinquent Ad Valorem	\$ -	\$ -	\$ -	\$ -
Special Assessments				
Special Assessments	-	-	-	-
Miscellaneous Revenue				
Miscellaneous	-	-	14,423	14,423
Interest Earnings	-	-	242	242
Market Value Increase	-	-	-	-
Total Revenues	-	-	14,665	14,665
<b>EXPENDITURES</b>				
Drug Enforcement	-	-	7,470	(7,470)
Total Expenditures	-	-	7,470	(7,470)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	7,195	7,195
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	-	-	7,195	7,195
Fund Balance - Beginning	46,879	46,879	46,879	-
Fund Balance - Ending	\$ 46,879	\$ 46,879	\$ 54,074	\$ 7,195

City of Willmar, Minnesota  
**Senior Citizens Transit Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2007**

	Budget Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
General Taxes				
Delinquent Ad Valorem	\$ -	\$ -	\$ -	\$ -
Special Assessments				
Special Assessments	-	-	-	-
Miscellaneous Revenue				
Miscellaneous	-	-	1,812	1,812
Interest Earnings	-	-	-	-
Market Value Increase	-	-	-	-
Total Revenues	-	-	1,812	1,812
<b>EXPENDITURES</b>				
Senior Citizens	-	-	713	(713)
Total Expenditures	-	-	713	(713)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	1,099	1,099
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	-	-	1,099	1,099
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	\$ -	\$ -	\$ 1,099	\$ 1,099

**City of Willmar, Minnesota**  
**Fire Department Radio Grant Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2007**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance With Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
General Taxes				
Delinquent Ad Valorem	\$ -	\$ -	\$ -	\$ -
Intergovernmental				
Federal	-	-	639,349	639,349
State	-	-	71,039	71,039
Special Assessments				
Special Assessments	-	-	-	-
Miscellaneous Revenue				
Miscellaneous	-	-	-	-
Interest Earnings	-	-	5,207	5,207
Market Value Increase	-	-	-	-
Total Revenues	-	-	715,595	715,595
<b>EXPENDITURES</b>				
Fire Protection	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	715,595	715,595
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	-	-	715,595	715,595
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	\$ -	\$ -	\$ 715,595	\$ 715,595

**City of Willmar, Minnesota**  
**Library Improvement Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2007**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance With Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
General Taxes				
Delinquent Ad Valorem	\$ -	\$ -	\$ -	\$ -
Special Assessments				
Special Assessments	-	-	-	-
Miscellaneous Revenue				
Miscellaneous	-	-	-	-
Interest Earnings	-	-	13,385	13,385
Market Value Increase	-	-	-	-
Total Revenues	-	-	13,385	13,385
<b>EXPENDITURES</b>				
Culture and recreation	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	13,385	13,385
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	(71,813)	(71,813)
	-	-	-	-
Total Other Financing Sources (Uses)	-	-	(71,813)	(71,813)
Net Change in Fund Balances	-	-	(58,428)	(58,428)
Fund Balance - Beginning	288,898	288,898	288,898	-
Fund Balance - Ending	\$ 288,898	\$ 288,898	\$ 230,470	\$ (58,428)

**City of Willmar, Minnesota**  
**Combining Balance Sheet**  
**NonMajor Governmental Funds/Capital Projects**  
**December 31, 2007**

	<u>Local Option Sales Tax</u>	<u>Miscellaneous Projects</u>	<u>Capital Improvement</u>	<u>Baker Diamond Stadium</u>	<u>Total Capital Projects Funds</u>
<b>ASSETS</b>					
Receivables					
Accts Receivable	\$ -	\$ -	\$ -	\$ 228	\$ 228
Interest Receivable		-	9,000	-	9,000
Intergov't Rcvble	96,224	-	-	-	96,224
Due From Other Funds	1,909,500	202,500	17,582	-	2,129,582
Restricted Assets					
Cash	(51,209)	-	136	(228)	(51,301)
Investments		-	1,117,000	-	1,117,000
Unamort Discounts/Bond	-	-	-	-	-
Total Assets	<u>\$ 1,954,515</u>	<u>\$ 202,500</u>	<u>\$ 1,143,718</u>	<u>\$ -</u>	<u>\$ 3,300,733</u>
<b>LIABILITIES</b>					
Accounts Payable	\$ 2,736	\$ 4,998	\$ 29,610		\$ 37,344
Contracts Payable	26,585	-	-		26,585
Due To Other Funds	1,882,297	-	5,101	-	1,887,398
Intergov't Payable	-	-	-	-	-
Deferred Revenue	96,224	-	-	-	96,224
Total Liabilities	<u>2,007,842</u>	<u>4,998</u>	<u>34,711</u>	<u>-</u>	<u>2,047,551</u>
<b>FUND BALANCES</b>					
Unreserved-Designated	<u>(53,327)</u>	<u>197,502</u>	<u>1,109,007</u>	<u>-</u>	<u>1,253,182</u>
Total Fund Balance	<u>(53,327)</u>	<u>197,502</u>	<u>1,109,007</u>	<u>-</u>	<u>1,253,182</u>
Total Liabilities/Fund Bal.	<u>\$ 1,954,515</u>	<u>\$ 202,500</u>	<u>\$ 1,143,718</u>	<u>\$ -</u>	<u>\$ 3,300,733</u>

**City of Willmar, Minnesota**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**NonMajor Governmental Funds/Capital Projects**  
**For the Year Ended December 31, 2007**

	<b>Local Option Sales Tax</b>	<b>Miscellaneous Projects</b>	<b>Capital Improvement</b>	<b>Baker Diamond Stadium</b>	<b>Total Capital Project Funds</b>
<b>REVENUES</b>					
Developers' Fees	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	10,000	-	10,000
Service Charges	-	-	-	-	-
Special Assessments	-	-	-	-	-
Miscellaneous	17,443	-	44,091	7,734	69,268
Total Revenues	17,443	-	54,091	7,734	79,268
<b>EXPENDITURES</b>					
Capital/Construction Projects	1,095,074	4,998	857,325	167	1,957,564
Total Expenditures	1,095,074	4,998	857,325	167	1,957,564
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,077,631)	(4,998)	(803,234)	7,567	(1,878,296)
<b>OTH FINANC SOURCES (USES)</b>					
Operating Transfers In	1,909,500	202,500	1,024,156	-	3,136,156
Operating Transfers Out	(1,817,000)	-	-	-	(1,817,000)
Bond Proceeds	-	-	-	-	-
Total Oth Financing Sources (Uses)	92,500	202,500	1,024,156	-	1,319,156
Net Change in Fund Balances	(985,131)	197,502	220,922	7,567	(559,140)
Fund Balance - Beginning	931,804	-	888,085	(7,567)	1,812,322
Fund Balance- Ending	\$ (53,327)	\$ 197,502	\$ 1,109,007	\$ -	\$ 1,253,182

**City of Willmar, Minnesota**  
**Local Option Sales Tax Capital Project Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Year Ended December 31, 2007**

	<u>Prior Years</u>	<u>2007 Current</u>	<u>Total To Date</u>	<u>Project Authorization</u>
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ 65,000
Service Charges	-	-	-	-
Interest On Investments	9,959	-	9,959	-
Miscellaneous	-	17,443	17,443	-
Total Revenues	<u>9,959</u>	<u>17,443</u>	<u>27,402</u>	<u>65,000</u>
<b>EXPENDITURES</b>				
Construction Projects	<u>66,905</u>	<u>1,095,074</u>	<u>1,161,979</u>	<u>1,300,000</u>
Total Expenditures	<u>66,905</u>	<u>1,095,074</u>	<u>1,161,979</u>	<u>1,300,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(56,946)</u>	<u>(1,077,631)</u>	<u>(1,134,577)</u>	<u>(1,235,000)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfers In	988,750	1,909,500	2,898,250	2,811,500
Operating Transfers Out	-	(1,817,000)	(1,817,000)	(240,060)
Bond Proceeds	-	-	-	-
Total Other Financing Sources (Uses)	<u>988,750</u>	<u>92,500</u>	<u>1,081,250</u>	<u>2,571,440</u>
Net Change in Fund Balances	<u>\$ 931,804</u>	<u>(985,131)</u>	<u>\$ (53,327)</u>	<u>\$ 1,336,440</u>
Fund Balance - Beginning		<u>931,804</u>		
Fund Balance - Ending		<u>\$ (53,327)</u>		

City of Willmar, Minnesota  
Library Capital Project Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
From Inception and for the Year Ended December 31, 2007

	Prior Years	2007 Current	Total To Date	Project Authorization
<b>REVENUES</b>				
Intergovernmental	\$ 195,191	\$ -	\$ 195,191	\$ -
Miscellaneous	240,012	-	240,012	-
Total Revenues	435,203	-	435,203	-
<b>EXPENDITURES</b>				
Construction Projects	4,207,926	-	4,207,926	4,300,000
Total Expenditures	4,207,926	-	4,207,926	4,300,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,772,723)	-	(3,772,723)	(4,300,000)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(527,277)	-	(527,277)	-
Bond Proceeds	4,300,000	-	4,300,000	4,300,000
Total Other Financing Sources (Uses)	3,772,723	-	3,772,723	4,300,000
Net Change in Fund Balances	\$ -	-	\$ -	\$ -
Fund Balance - Beginning		-		
Fund Balance - Ending		\$ -		



City of Willmar, Minnesota  
Miscellaneous Capital Projects Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
From Inception and for the Year Ended December 31, 2007

	<u>Prior Years</u>	<u>2007 Current</u>	<u>Total To Date</u>	<u>Project Authorization</u>
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-
Total Revenues	-	-	-	-
<b>EXPENDITURES</b>				
Construction Projects	-	4,998	4,998	-
Total Expenditures	-	4,998	4,998	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(4,998)	(4,998)	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	202,500	202,500	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	202,500	202,500	-
Net Change in Fund Balances	\$ -	197,502	\$ 197,502	\$ -
Fund Balance - Beginning		-		
Fund Balance - Ending		\$ 197,502		

**City of Willmar, Minnesota**  
**Capital Improvement Capital Project Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Year Ended December 31, 2007**

	<b>Prior Years</b>	<b>2007 Current</b>	<b>Total To Date</b>	<b>Project Authorization</b>
<b>REVENUES</b>				
Intergovernmental	\$ 46,829	\$ 10,000	\$ 56,829	\$ 16,480
Miscellaneous	864	1,500	2,364	-
Interest Income	54,727	42,591	97,318	290,000
Total Revenues	102,420	54,091	156,511	306,480
<b>EXPENDITURES</b>				
Construction Projects	4,643,798	857,325	5,501,123	1,639,781
Total Expenditures	4,643,798	857,325	5,501,123	1,639,781
Excess (Deficiency) Of Revenues Over (Under) Expenditures	(4,541,378)	(803,234)	(5,344,612)	(1,333,301)
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfers In	5,166,152	1,024,156	6,190,308	1,326,708
Operating Transfers Out	(492,112)	-	(492,112)	(58,690)
Total Other Financing Sources (Uses)	4,674,040	1,024,156	5,698,196	1,268,018
Net Change in Fund Balances	\$ 132,662	220,922	\$ 353,584	\$ (65,283)
Fund Balance - Beginning		888,085		
Fund Balance - Ending		<u>\$ 1,109,007</u>		

**City of Willmar, Minnesota**  
**Baker Diamond Baseball Stadium Capital Project Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Year Ended December 31, 2007**

	<u>Prior Years</u>	<u>2007 Current</u>	<u>Total To Date</u>	<u>Project Authorization</u>
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Service Charges	789	-	789	-
Miscellaneous	489,969	7,734	497,703	571,547
Total Revenues	<u>490,758</u>	<u>7,734</u>	<u>498,492</u>	<u>571,547</u>
<b>EXPENDITURES</b>				
Construction Projects	<u>618,325</u>	<u>167</u>	<u>618,492</u>	<u>751,547</u>
Total Expenditures	<u>618,325</u>	<u>167</u>	<u>618,492</u>	<u>751,547</u>
Excess (Deficiency) Of Revenues Over (Under) Expenditures	<u>(127,567)</u>	<u>7,567</u>	<u>(120,000)</u>	<u>(180,000)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfers In	<u>120,000</u>		<u>120,000</u>	<u>180,000</u>
Total Other Financing Sources (Uses)	<u>120,000</u>	<u>-</u>	<u>120,000</u>	<u>180,000</u>
Net Change in Fund Balances	<u>\$ (7,567)</u>	<u>7,567</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance - Beginning		<u>(7,567)</u>		
Fund Balance - Ending		<u><u>\$ -</u></u>		

**City of Willmar, Minnesota**  
**Non-Major Debt Service Funds**  
**Combining Balance Sheets**  
**December 31, 2007**

	<b>Airport G.O. Revenue Bond</b>	<b>Tax Increment Bonds</b>	<b>Total Debt Service Funds</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ (185,885)	\$ 45,854	(\$140,031)
Investments		-	-
Receivables:			
Taxes Receivable - Deferred	1,863,534	-	1,863,534
Assessments Receivable - Delinquent	-	-	-
Assessments Receivable - Non-Current	-	-	-
Assessments Receivable - Suspense	-	-	-
Assessments Receivable - Future/Deferred	-	-	-
Interest Receivable	-	-	-
Intergovernmental Receivable	-	2,508	2,508
Due From Other Funds	185,000	-	185,000
Prepaid Expenses	152,956	-	152,956
Unamort Discount On Bonds Sold	21,840	-	21,840
<b>Total Assets</b>	<b>\$ 2,037,445</b>	<b>\$ 48,362</b>	<b>\$ 2,085,807</b>
<b>LIABILITIES</b>			
Accounts Payable	\$ -	\$ 40,864	\$ 40,864
Due To Other Funds	-	2,456	2,456
Intergovernmental Payable	-	-	-
Deferred Revenue	1,863,534	-	1,863,534
Notes Payable	-	5,042	5,042
<b>Total Liabilities</b>	<b>1,863,534</b>	<b>48,362</b>	<b>1,911,896</b>
<b>FUND BALANCES</b>			
Reserved For Debt Service	173,911	-	173,911
<b>Total Fund Balances</b>	<b>173,911</b>	<b>-</b>	<b>173,911</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,037,445</b>	<b>\$ 48,362</b>	<b>\$ 2,085,807</b>

**City of Willmar, Minnesota**  
**Non-Major Debt Service Funds**  
**Combined Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Year Ended December 31, 2007**

	<b>Airport G.O. Revenue Bond</b>	<b>Tax Increment Bonds</b>	<b>Total Debt Service Funds</b>
<b>REVENUES</b>			
General Taxes			
Current Ad Valorem	\$ -	\$ 3,689	\$ 3,689
Delinquent Ad Valorem	-	-	-
Tax Increment	-	27,646	27,646
<b>TOTAL TAXES</b>	<b>-</b>	<b>31,335</b>	<b>31,335</b>
Special Assessments	-	-	-
Intergovernmental			
MSA Funds	-	-	-
Miscellaneous			
Miscellaneous	-	-	-
Interest Earnings	-	-	-
<b>Total Revenues</b>	<b>-</b>	<b>31,335</b>	<b>31,335</b>
<b>EXPENDITURES</b>			
Bond Principal Payments	115,000	-	115,000
Interest Payments	-	4,000	4,000
Other Charges	70,568	6,778	77,346
Contracts	-	18,101	18,101
<b>Total Expenditures</b>	<b>185,568</b>	<b>28,879</b>	<b>214,447</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(185,568)</b>	<b>2,456</b>	<b>(183,112)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	185,000	-	185,000
Transfers Out	-	(2,456)	(2,456)
Bond Proceeds	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>185,000</b>	<b>(2,456)</b>	<b>182,544</b>
<b>Net Change in Fund Balances</b>	<b>(568)</b>	<b>-</b>	<b>(568)</b>
<b>Fund Balances - Beginning</b>	<b>174,479</b>	<b>-</b>	<b>174,479</b>
<b>Fund Balances - Ending</b>	<b>\$ 173,911</b>	<b>\$ -</b>	<b>\$ 173,911</b>

**City of Willmar, Minnesota**  
**Debt Service Funds/ Airport G.O. Revenue Bonds**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2007**

	<b>Budget Amounts</b>			<b>Over (Under)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Final Budget</b>
<b>REVENUES</b>				
Interest Earnings	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
<b>EXPENDITURES</b>				
Bond Principal Payments	115,000	115,000	115,000	-
Interest Payments				-
Other Charges	70,000	70,000	70,568	568
Professional Services	-	-	-	-
Total Expenditures	185,000	185,000	185,568	568
Excess (Deficiency) of Revenues Over (Under) Expenditures	(185,000)	(185,000)	(185,568)	(568)
<b>OTHER FINANCING SOURCES(USES)</b>				
Transfers In	185,000	185,000	185,000	-
Bond Proceeds	-	-	-	-
Total Other Financing Sources (Uses)	185,000	185,000	185,000	-
Net Change in Fund Balances	-	-	(568)	(568)
Fund Balances - Beginning	174,479	174,479	174,479	-
Fund Balances - Ending	\$ 174,479	\$ 174,479	\$ 173,911	\$ (568)

**City of Willmar, Minnesota**  
**Debt Service Funds/Tax Increment Bonds**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2007**

	<b>Budget Amounts</b>			<b>Over (Under)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Final Budget</b>
<b>REVENUES</b>				
General Taxes				
Current Ad Valorem	\$ -	\$ -	\$ 3,689	\$ 3,689
Tax Increment	25,813	25,813	27,646	1,833
Total Taxes	25,813	25,813	31,335	5,522
Miscellaneous	-	-	-	-
Total Revenues	25,813	25,813	31,335	5,522
<b>EXPENDITURES</b>				
Interest Payments		-	4,000	4,000
Other Charges	6,113	6,113	6,778	665
Contracts	17,369	17,369	18,101	732
Total Expenditures	23,482	23,482	28,879	5,397
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,331	2,331	2,456	125
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	-	-	(2,456)	(2,456)
Total Other Financing Sources (Uses)	-	-	(2,456)	(2,456)
Net Change in Fund Balances	2,331	2,331	-	(2,331)
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	\$ 2,331	\$ 2,331	\$ -	\$ (2,331)

**City of Willmar, Minnesota**  
**Internal Service Funds**  
**Combining Statement of Net Assets**  
**December 31, 2007**

	<b>Office Services</b>	<b>Public Improve. Revolving</b>	<b>Total</b>
<b>ASSETS</b>			
Current Assets:			
Cash And Cash Equivalents	\$ 664	\$ (98,717)	\$ (98,053)
Investments	90,000	623,000	713,000
Interest Receivable	720	5,040	5,760
Intergovernmental Receivable	-	25,882	25,882
Due From Other Funds	-	480,187	480,187
Inventories - Merchandise For Resale	4,717	-	4,717
Prepaid Items	-	-	-
Total Current Assets	<u>96,101</u>	<u>1,035,392</u>	<u>1,131,493</u>
Restricted Assets:			
Temporarily Restricted Assets:			
Cash and Cash Equivalents	-	-	-
Total Restricted Assets	<u>-</u>	<u>-</u>	<u>-</u>
Noncurrent Assets:			
Capital Assets:			
Office Equipment	11,680	-	11,680
Less Accumulated Depreciation	<u>(10,512)</u>	<u>-</u>	<u>(10,512)</u>
Total Capital Assets (net of accumulated depreciation)	<u>1,168</u>	<u>-</u>	<u>1,168</u>
Total Assets	<u>97,269</u>	<u>1,035,392</u>	<u>1,132,661</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	536	-	536
Due To Other Funds	-	35,392	35,392
Total Current Liabilities	<u>536</u>	<u>35,392</u>	<u>35,928</u>
<b>NET ASSETS</b>			
Invested In Capital Assets	1,168	-	1,168
Unrestricted	<u>95,565</u>	<u>1,000,000</u>	<u>1,095,565</u>
Total Net Assets	<u>\$ 96,733</u>	<u>\$ 1,000,000</u>	<u>\$ 1,096,733</u>



**City of Willmar, Minnesota**  
**Internal Service Funds**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**For the Year Ended December 31, 2007**

	<b>Office Services</b>	<b>Public Improve. Revolving</b>	<b>Total</b>
Operating Revenues:			
Charges For Services	\$ 30,741	\$ -	\$ 30,741
Total Operating Revenues	<u>30,741</u>	<u>-</u>	<u>30,741</u>
Operating Expenses:			
Cost of Materials Used:			
Inventory, January 1	5,176	-	5,176
Purchases	16,060	-	16,060
Total Available	<u>21,236</u>	<u>-</u>	<u>21,236</u>
Inventory, December 31	(4,717)	-	(4,717)
Total Cost of Materials Used	<u>16,519</u>	<u>-</u>	<u>16,519</u>
Other Services And Charges	<u>9,847</u>	<u>-</u>	<u>9,847</u>
Total Operating Expenses	<u>26,366</u>	<u>-</u>	<u>26,366</u>
Operating Income (Loss)	<u>4,375</u>	<u>-</u>	<u>4,375</u>
Nonoperating Revenues (Expenses):			
Interest On Investments	<u>3,952</u>	<u>29,570</u>	<u>33,522</u>
Income (Loss) Before Contributions and Transfers	<u>8,327</u>	<u>29,570</u>	<u>37,897</u>
Operating Transfers Out	<u>-</u>	<u>(35,392)</u>	<u>(35,392)</u>
Change in Net Assets	<u>8,327</u>	<u>(5,822)</u>	<u>2,505</u>
Total Net Assets - Beginning	<u>88,406</u>	<u>1,005,822</u>	<u>1,094,228</u>
Total Net Assets - Ending	<u>\$ 96,733</u>	<u>\$ 1,000,000</u>	<u>\$ 1,096,733</u>

**City of Willmar, Minnesota**  
**Internal Service Funds**  
**Combining Statement of Cash Flows**  
**For the Year Ended December 31, 2007**

	Office Services	Public Improvement Revolving	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from Charges For Services	\$ 30,741	\$ -	\$ 30,741
Payments For Purchases	(16,335)	-	(16,335)
Payments For Other Services and Charges	(9,073)	-	(9,073)
Liquidation of Liabilities	-	-	-
Net Cash Provided (Used) by Operating Activities	5,333	-	5,333
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Transfer from Other Funds	-	40,682	40,682
Transfer to Other Funds	-	(186,492)	(186,492)
Net Cash Provided (Used) by Noncapital and Related Financing Activities	-	(145,810)	(145,810)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Principal Payments on Long-Term Debt	-	-	-
Net Cash Used in Capital and Related Financing Activities	-	-	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Proceeds from Sales and Maturities of Investments	1,000	125,000	126,000
Purchase of Investments	(10,000)	(110,000)	(120,000)
Interest and Dividends Received	4,100	31,323	35,423
Net Cash Provided (Used) from Investing Activities	(4,900)	46,323	41,423
Net Increase (Decrease) in Cash and Cash Equivalents	433	(99,487)	(99,054)
Cash and Cash Equivalents - Beginning	231	770	1,001
Cash and Cash Equivalents - Ending	\$ 664	\$ (98,717)	\$ (98,053)
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>			
Operating Income (Loss)	\$ 4,375	\$ -	\$ 4,375
Adjustments to Reconcile Operating Income from to Net Cash Provided (Used) by Operating Activities:			
Depreciation	-	-	-
Change in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	-	-	-
(Increase) Decrease in Intergovernmental Receivable	-	-	-
(Increase) Decrease in Due From Other Funds	-	-	-
(Increase) Decrease in Inventories	458	-	458
(Increase) Decrease in Prepaid Items	558	-	558
Increase (Decrease) in Accounts Payable	(58)	-	(58)
Increase (Decrease) in Due to Other Funds	-	-	-
Total Adjustments	958	-	958
Net Cash Provided (Used) by Operating Activities	\$ 5,333	\$ -	\$ 5,333
<b>Noncash Investing, Capital, and Financing Activities:</b>			
Contributions of Capital Assets from Government	\$ -		
Capital Asset Trade-Ins	\$ -		

**City of Willmar, Minnesota**

**Capital Assets Used in the Operation of Governmental Funds**

**Comparative Schedules By Source\***

**December 31, 2007 and 2006**

	<u>2007</u>	<u>2006</u>
Governmental Funds Capital Assets:		
Land	\$ 3,687,421	\$ 3,683,559
Buildings and Structures	7,123,183	7,074,646
Furniture and Equipment	3,115,054	2,949,927
Machinery and Auto Equipment	6,656,693	6,274,816
Other Improvements	<u>72,644,373</u>	<u>72,633,358</u>
Total Governmental Funds Capital Assets	<u>\$ 93,226,724</u>	<u>\$ 92,616,306</u>
Investments in Governmental Funds Capital Assets By Source:		
General Fund	\$ 92,571,750	\$ 91,966,536
Special Revenue Fund	654,974	649,770
Capital Projects Funds	<u>-</u>	<u>-</u>
Total Governmental Funds Capital Assets	<u>\$ 93,226,724</u>	<u>\$ 92,616,306</u>

\*This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

**City of Willmar, Minnesota**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule By Function and Activity\***  
**December 31, 2007**

**FIXED ASSETS-2007**

	<u>Total</u>	<u>Land</u>	<u>Buildings/ Structures</u>	<u>Furniture/ Equipment</u>	<u>Machinery/ Auto</u>	<u>Other Improvements</u>
<b><u>GENERAL GOVERNMENT</u></b>						
Mayor & Council	\$ 23,512	\$ -	\$ -	\$ 23,512	\$ -	\$ -
City Development	45,926	9,060	-	-	35,561	1,305
City Clerk-Treas.	2,696	-	-	2,696	-	-
Assessing	7,242	-	-	1,917	-	5,325
Accounting	1,268	-	-	1,268	-	-
City Hall	818,824	40,000	676,232	25,109	53,535	23,948
Data Processing	453,088	-	-	388,773	-	64,315
Elections	86,970	-	-	86,970	-	-
Non-Departmental	149,181	-	-	149,181	-	-
Indust. Dev.	277,901	277,901	-	-	-	-
W.R.A.C. - 8	358,507	-	95,461	263,046	-	-
Total	2,225,115	326,961	771,693	942,472	89,096	94,893
<b><u>PUBLIC SAFETY</u></b>						
Police Dept.	651,534	-	3,146	230,557	417,831	-
Trust & Agency K-9	5,000	-	-	5,000	-	-
Fire Dept.	3,325,468	166,936	589,328	455,157	2,062,228	51,819
Insp. Services	-	-	-	-	-	-
Fire Inspection	-	-	-	-	-	-
Public Parking	631,870	631,870	-	-	-	-
Total	4,613,872	798,806	592,474	690,714	2,480,059	51,819
<b><u>HIGHWAYS</u></b>						
Engineering	318,063	-	-	80,604	79,084	158,375
Public Works	76,196,433	1,972,622	633,222	603,848	3,672,056	69,314,685
Street Mtce.	-	-	-	-	-	-
Snow & Ice	-	-	-	-	-	-
Signs & Signals	-	-	-	-	-	-
Tree Mtce.	-	-	-	-	-	-
Waterlines	-	-	-	-	-	-
Total	76,514,496	1,972,622	633,222	684,452	3,751,140	69,473,060
<b><u>SANITATION/WASTE</u></b>						
Storm Sewer	-	-	-	-	-	-
<b><u>PARK/RECREATION</u></b>						
Auditorium	495,594	3,000	455,557	25,037	-	12,000
Buildings & Grounds	1,048,015	112,405	21,177	193,788	6,950	713,695
Leisure Services	104,175	-	-	56,481	19,294	28,400
Civic Center	3,393,765	23,572	2,507,225	161,459	239,407	462,102
Sr. Citizens Cntr.	485,081	87,635	340,055	12,377	5,321	39,693
Aquatic Center	1,994,615	75,200	1,482,411	269,962	-	167,042
Total	7,521,245	301,812	4,806,425	719,104	270,972	1,422,932
<b><u>OTHER SERVICES</u></b>						
Airport	2,222,873	286,220	209,813	59,745	65,427	1,601,668
C.V.B	18,566	-	-	18,566	-	-
Transit	1,000	1,000	-	-	-	-
Library	109,557	-	109,557	-	-	-
Total	2,351,996	287,220	319,370	78,311	65,427	1,601,668
Grand Total	\$ 93,226,724	\$ 3,687,421	\$ 7,123,184	\$ 3,115,053	\$ 6,656,694	\$ 72,644,372

\*This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

City of Willmar, Minnesota  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule of Changes By Function and Activity\***  
**For the Fiscal Year Ended December 31, 2007**

FIXED ASSETS-2007	Governmental Funds Capital Assets			Governmental Funds Capital Assets
	01/01/2007	Additions	Deductions	12/31/2007
<b><u>GENERAL GOVERNMENT</u></b>				
Mayor & Council	\$ 23,512	\$ -	\$ -	\$ 23,512
City Development	45,926	-	-	45,926
City Clerk-Treas.	2,696	-	-	2,696
Assessing	5,325	1,917	-	7,242
Accounting	1,268	-	-	1,268
City Hall	800,472	24,702	6,350	818,824
Data Processing	414,411	76,319	37,642	453,088
Elections	86,970	-	-	86,970
Non-Departmental	149,181	-	-	149,181
Indust. Dev.	277,901	-	-	277,901
W.R.A.C.-8	353,453	5,054	-	358,507
Total	2,161,115	107,992	43,992	2,225,115
<b><u>PUBLIC SAFETY</u></b>				
Police Dept.	712,565	90,700	151,731	651,534
Trust & Agency K-9	5,000	-	-	5,000
Fire Dept.	3,284,358	50,217	9,107	3,325,468
Insp. Services	-	-	-	-
Fire Inspection	-	-	-	-
Public Parking	631,870	-	-	631,870
Total	4,633,793	140,917	160,838	4,613,872
<b><u>HIGHWAYS</u></b>				
Engineering	285,167	32,896	-	318,063
Public Works	75,838,035	565,713	207,315	76,196,433
Street Mtce.	-	-	-	-
Snow & Ice	-	-	-	-
Signs & Signals	-	-	-	-
Tree Mtce.	-	-	-	-
Waterlines	-	-	-	-
Total	76,123,202	598,609	207,315	76,514,496
<b><u>SANITATION/WASTE</u></b>				
Storm Sewer	-	-	-	-
<b><u>PARK/RECREATION</u></b>				
Auditorium	495,699	1,515	1,620	495,594
Buildings & Grounds	1,013,627	34,388	-	1,048,015
Leisure Services	100,341	3,834	-	104,175
Civic Center	3,262,312	131,453	-	3,393,765
Sr. Citizens Cntr.	485,081	-	-	485,081
Aquatic Center	1,994,615	-	-	1,994,615
Total	7,351,675	171,190	1,620	7,521,245
<b><u>OTHER SERVICES</u></b>				
Airport	2,218,549	6,036	1,712	2,222,873
C.V.B.	18,416	150	-	18,566
Transit	-	1,000	-	1,000
Library	109,557	-	-	109,557
Total	2,346,522	7,186	1,712	2,351,996
Grand Total	\$ 92,616,307	\$ 1,025,894	\$ 415,477	\$ 93,226,724

\*This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

**CITY OF WILLMAR, MINNESOTA**

**STATISTICAL SECTION**

## CITY OF WILLMAR, MINNESOTA

## GOVERNMENT-WIDE EXPENSES BY FUNCTION

Years 1998 Through 2007

<u>Fiscal Year</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Public Works</u>	<u>Miscellaneous</u>	<u>Culture &amp; Recreation</u>	<u>Debt Service</u>	<u>Waste Treatment</u>	<u>Office Services</u>	<u>Public Improvement Revolvy Loans</u>	<u>Total</u>
1998	\$ 1,861,531	\$ 3,312,901	\$ 2,230,364	\$ 8,138,744	\$ 1,356,215	\$ 2,087,885	\$ 2,047,903	\$ 24,000	\$ -	\$ 21,059,543
1999	\$ 2,017,062	\$ 2,859,971	\$ 2,303,419	\$ 3,177,207	\$ 1,306,779	\$ 2,311,975	\$ 2,112,338	\$ 20,381	\$ -	\$ 16,109,132
2000	\$ 2,145,631	\$ 2,992,703	\$ 2,406,268	\$ 2,303,681	\$ 1,263,707	\$ 2,734,904	\$ 2,044,265	\$ 27,276	\$ 234,799	\$ 16,153,234
2001	\$ 1,987,113	\$ 3,177,527	\$ 2,360,295	\$ 5,926,553	\$ 1,309,758	\$ 2,875,947	\$ 2,551,062	\$ 31,857	\$ 50,000	\$ 20,270,112
2002	\$ 2,107,030	\$ 3,334,687	\$ 2,239,998	\$ 5,647,526	\$ 1,359,845	\$ 2,583,665	\$ 2,449,676	\$ 23,377	\$ 35,000	\$ 19,780,804
2003	\$ 2,100,653	\$ 3,362,219	\$ 2,352,839	\$ 16,506,760	\$ 1,321,291	\$ 1,326,327	\$ 2,090,791	\$ 20,926	\$ -	\$ 29,081,806
2004	\$ 2,276,924	\$ 3,596,160	\$ 2,529,753	\$ 12,647,931	\$ 1,472,386	\$ 4,837,110	\$ 2,202,238	\$ 23,642	\$ -	\$ 29,586,144
2005	\$ 2,483,779	\$ 3,658,760	\$ 2,675,202	\$ 13,244,275	\$ 1,744,408	\$ 4,107,819	\$ 2,885,754	\$ 23,528	\$ -	\$ 30,823,525
2006	\$ 2,638,867	\$ 3,890,662	\$ 2,865,920	\$ 14,431,623	\$ 1,732,007	\$ 2,317,583	\$ 2,263,868	\$ 21,558	\$ -	\$ 30,162,088
2007	\$ 2,841,646	\$ 4,075,315	\$ 2,858,588	\$ 11,310,300	\$ 1,973,936	\$ 5,485,266	\$ 2,396,676	\$ 26,366	\$ -	\$ 30,968,093

CITY OF WILLMAR, MINNESOTA

GOVERNMENT-WIDE REVENUES

Years 1998 Through 2007

Fiscal Year	Program Revenues	General Revenues		
	Charges For Services	Taxes	Miscellaneous Revenue	Total
1998	\$ 582,045	\$ 3,792,538	\$ 10,419,905	\$ 14,794,488
1999	\$ 565,650	\$ 4,114,563	\$ 8,958,740	\$ 13,638,953
2000	\$ 533,112	\$ 4,006,137	\$ 8,593,857	\$ 13,133,106
2001	\$ 630,335	\$ 4,523,868	\$ 9,453,991	\$ 14,608,194
2002	\$ 590,349	\$ 2,135,115	\$ 10,370,923	\$ 13,096,387
2003	\$ 3,390,786	\$ 2,162,007	\$ 15,636,825	\$ 21,189,618
2004	\$ 3,363,740	\$ 2,315,035	\$ 15,486,160	\$ 21,164,935
2005	\$ 3,603,967	\$ 2,435,037	\$ 15,697,584	\$ 21,736,588
2006	\$ 3,722,861	\$ 4,215,909	\$ 16,049,775	\$ 23,988,545
2007	\$ 4,088,622	\$ 4,781,966	\$ 13,291,133	\$ 22,161,721



CITY OF WILLMAR, MINNESOTA

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION

Years 1998 Through 2007

<u>Fiscal Year</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Public Works</u>	<u>Miscellaneous</u>	<u>Culture &amp; Recreation</u>	<u>Debt Service</u>	<u>Total</u>
1998	\$1,861,531	\$3,312,901	\$2,230,364	\$ 8,138,744	\$1,356,215	\$2,087,885	\$ 18,987,640
1999	\$2,017,062	\$2,859,971	\$2,303,419	\$ 3,177,207	\$1,306,779	\$2,311,975	\$ 13,976,413
2000	\$2,145,631	\$2,992,703	\$2,406,268	\$ 2,303,681	\$1,263,707	\$2,734,904	\$ 13,846,894
2001	\$1,987,113	\$3,177,527	\$2,360,295	\$ 5,926,553	\$1,309,758	\$2,875,947	\$ 17,637,193
2002	\$2,107,030	\$3,334,687	\$2,239,998	\$ 5,647,526	\$1,359,845	\$2,583,665	\$ 17,272,751
2003	\$2,100,653	\$3,362,219	\$2,352,839	\$13,264,700	\$1,321,291	\$4,404,017	\$ 26,805,719
2004	\$2,276,924	\$3,596,160	\$2,529,753	\$ 9,582,886	\$1,472,386	\$ -	\$ 19,458,109
2005	\$2,483,779	\$3,658,760	\$2,675,202	\$10,651,251	\$1,744,408	\$ -	\$ 21,213,400
2006	\$2,638,867	\$3,890,662	\$2,865,920	\$11,675,212	\$1,732,007	\$ -	\$ 22,802,668
2007	\$2,841,646	\$4,075,315	\$2,858,588	\$ 8,629,657	\$1,973,936	\$ -	\$ 20,379,142

CITY OF WILLMAR, MINNESOTA

GENERAL GOVERNMENTAL REVENUES BY SOURCE

Years 1998 Through 2007

<u>Fiscal Year</u>	<u>Taxes</u>	<u>Licenses and Permits</u>	<u>Intergovernmental Revenues</u>	<u>Charges for Services</u>	<u>Fines and Forfeitures</u>	<u>Miscellaneous Revenue</u>	<u>Total</u>
1998	\$ 3,792,538	\$ 264,172	\$ 6,645,101	\$ 582,045	\$ 171,759	\$ 3,338,873	\$14,794,488
1999	\$ 4,114,563	\$ 253,227	\$ 5,031,749	\$ 565,650	\$ 184,519	\$ 3,489,245	\$13,638,953
2000	\$ 4,006,137	\$ 201,571	\$ 4,462,173	\$ 533,112	\$ 193,123	\$ 3,736,990	\$13,133,106
2001	\$ 4,523,868	\$ 443,817	\$ 5,325,273	\$ 630,335	\$ 192,660	\$ 3,492,241	\$14,608,194
2002	\$ 2,135,115	\$ 519,351	\$ 6,675,900	\$ 590,349	\$ 194,698	\$ 2,980,974	\$13,096,387
2003	\$ 2,162,007	\$ 800,093	\$ 9,058,086	\$ 948,305	\$ 203,121	\$ 4,405,980	\$17,577,592
2004	\$ 2,315,035	\$ 769,293	\$ 9,989,732	\$ 686,158	\$ 238,512	\$ 9,005,981	\$23,004,711
2005	\$ 2,435,037	\$ 707,981	\$ 6,047,404	\$ 739,782	\$ 230,762	\$ 7,779,869	\$17,940,835
2006	\$ 4,215,909	\$1,049,922	\$ 8,496,439	\$ 724,172	\$ 276,797	\$12,494,942	\$27,258,181
2007	\$ 4,781,966	\$ 454,878	\$ 7,177,007	\$ 864,241	\$ 259,559	\$ 9,443,920	\$22,981,571

CITY OF WILLMAR, MINNESOTA

PROPERTY TAX LEVIES AND COLLECTIONS

Years 1998 Through 2007

<u>Fiscal Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Per Cent Of Levy Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Collections As Per Cent of Current Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Delinquent Taxes as Per Cent of Current Levy</u>
1998	2,053,655	2,012,158	97.98	44,940	2,057,098	100.17	68,999	3.36
1999	2,246,964	2,211,594	98.43	53,040	2,264,634	100.79	51,640	2.30
2000	2,375,593	2,274,251	95.73	50,288	2,324,539	97.85	116,765	4.91
2001	2,544,350	2,484,499	97.65	101,998	2,586,497	101.66	77,537	3.05
2002	1,917,749	1,866,708	97.34	57,195	1,923,903	100.32	71,459	3.73
2003	1,835,251	1,793,370	97.72	54,995	1,848,385	100.72	52,666	2.87
2004	2,069,429	2,024,475	97.83	42,263	2,066,738	99.87	57,332	2.77
2005	2,255,677	2,216,210	98.25%	47,857	2,264,067	100.37%	49,160	2.18%
2006	2,335,677	2,294,467	98.24%	35,021	2,329,488	99.74%	60,889	2.61%
2007	2,806,995	2,755,905	98.18%	49,481	2,805,386	99.94%	66,336	2.36%

CITY OF WILLMAR, MINNESOTA

TAX CAPACITIES AND ESTIMATED MARKET VALUE OF TAXABLE PROPERTY

YEARS 1998 THROUGH 2007

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Population (*Census)	18,889	18,903	18,903	18,903
<b>REAL PROPERTY</b>				
Tax Capacity	9,420,703	9,199,605	9,410,190	9,748,599
Less: Tax Increment Districts -				
Highland #91	0	0	0	0
Center City #92	17,236	21,277	27,177	31,826
Theatre & Hotel #93	0	0	0	0
Shared Health #94	80,644	70,634	75,153	75,153
Phoenix #95	10,342	10,830	10,949	11,056
Somody #96	67,186	0	0	0
Accrupress #97	11,506	0	0	0
Brinton #98	4,950	4,965	0	0
Jennie-O #99	143,528	126,312	0	0
Holiday Inn #01	30,148	30,997	0	0
Bethesda #02	69,226	68,402	65,667	65,667
West Central Steel #03	17,070	17,260	22,852	22,876
Coborns #04	34,006	30,142	29,332	29,332
Relco #05	0	0	0	42,831
Lakewood #06	0	0	0	0
JOBZ	0	0	0	0
Net Tax Capacity	8,934,861	8,818,786	9,180,136	9,493,108
Estimated Market Value	507,984,100	540,156,800	561,261,400	582,092,700
<b>PERSONAL PROPERTY</b>				
Tax Capacity	124,868	110,645	116,966	94,689
Estimated Market Value	3,306,400	3,318,400	3,607,900	3,033,800
<b>TOTAL REAL AND PERSONAL PROPERTY</b>				
Tax Capacity	8,934,861	8,826,374	9,180,136	9,493,108
Estimated Market Value	511,290,500	543,475,200	564,869,300	585,126,500
<b>PERCENT OF TAX CAPACITY TO ESTIMATED MARKET VALUE</b>	0.017475	0.016241	0.016252	0.016224
<b>PER CAPITA VALUATION</b>				
Tax Capacity	473	467	485	502
Estimated Market Value	27,068	28,751	29,692	30,954
<b>NET BONDED DEBT</b>				
Net Bonded Debt per Capita	N/A	N/A	N/A	N/A
Net Bonded Debt per Tax Capacity	N/A	N/A	N/A	N/A

<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
18,903	18,903	18,903	18,903	18,757	18,757
7,427,267	7,634,661	8,062,719	9,023,499	9,754,375	11,051,846
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
13,206	13,206	12,538	12,538	12,538	13,697
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
55,024	55,024	49,722	49,722	0	0
13,783	13,783	20,357	20,357	0	0
17,477	17,477	0	0	0	0
12,340	12,340	12,642	12,642	15,016	15,874
4,456	4,456	4,822	4,822	5,414	6,262
0	0	0	0	30,260	61,393
7,310,981	7,518,375	7,945,057	8,923,418	9,691,147	10,954,620
595,989,800	620,455,700	658,842,700	737,628,700	806,284,500	904,555,700
57,193	56,201	60,962	67,230	90,344	104,040
3,008,600	2,961,900	3,215,100	3,527,500	4,696,500	5,396,500
7,370,074	7,578,460	8,001,757	8,956,269	9,664,031	11,058,660
598,998,400	623,417,600	662,057,800	741,156,200	810,981,000	909,952,200
0.012267	0.012156	0.012062	0.01210	0.01192	0.01215
387	401	420	472	515	590
31,529	32,980	34,854	39,022	43,236	48,513
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A

# CITY OF WILLMAR, MINNESOTA

## TAX CAPACITY RATES

### ALL OVERLAPPING GOVERNMENTS

Years 1998 Through 2007

### A 10-YEAR COMPARISON OF TAX CAPACITY RATES

<u>Year Tax Due</u>	<u>City</u>	<u>School</u>	*** <u>County</u>	<u>H.R.A.</u>	<u>Rural Dev. Fin. Auth.</u>	<u>Total</u>
1998	23.11	63.24	45.67	0.65	0.76	133.43
1999	25.64	62.68	49.43	0.71	0.79	139.25
2000	26.09	56.42	54.15	0.71	0.78	138.14
2001	26.99	53.88	61.06	0.80	0.76	143.49
2002	26.36	24.49	77.89	1.17	0.91	130.82
2003	24.58	24.99	79.59	1.19	0.85	131.20
2004	26.20	25.71	78.25	1.19	1.32	132.67
2005	25.27	23.69	69.78	1.18	1.38	121.30
2006	24.10	23.31	64.22	1.19	1.64	114.46
2007	25.62	22.66	60.41	1.18	1.46	111.33

\*\*\* Includes Mid Minnesota Development Commission.

# CITY OF WILLMAR, MINNESOTA

## TAX LEVIES

### ALL OVERLAPPING GOVERNMENTS

Years 1998 Through 2007

### A 10-YEAR COMPARISON OF TAX CAPACITY LEVIES

<u>Year Tax Due</u>	<u>*City</u>	<u>School</u>	<u>Market Value Ref.</u>	<u>**County</u>	<u>H.R.A.</u>	<u>EDC/ Rural Dev. Fin. Auth.</u>	<u>Total</u>
1998	2,064,399	5,650,674	311,427	4,128,620	58,433	67,815	12,281,368
1999	2,262,729	5,532,283	334,133	4,362,435	62,844	69,375	12,623,799
2000	2,395,465	5,179,249	356,847	4,970,493	65,363	71,789	13,039,206
2001	2,562,285	5,115,076	374,426	5,796,871	75,660	72,432	13,996,750
2002	1,926,809	1,790,679	938,273	5,694,377	85,831	66,530	10,502,499
2003	1,848,317	1,878,692	967,051	5,983,799	89,393	64,207	10,831,459
2004	2,082,088	2,043,222	756,285	6,219,638	94,742	105,155	11,301,130
2005	2,254,502	2,114,047	760,160	6,226,940	105,564	126,357	11,587,570
2006	2,335,761	2,258,522	1,067,332	6,223,946	115,519	133,835	12,134,915
2007	2,806,902	2,483,193	1,183,484	6,617,795	129,265	133,865	13,354,504

\* This Levy does not take into consideration the small reduction that results from agricultural property.

\*\* Includes Mid Minnesota Development Commission.

# CITY OF WILLMAR, MINNESOTA

## PRINCIPAL TAXPAYERS

December 31, 2007

Taxpayer	Type of Business	Market Valuation Payable 2008	Total Tax
Kandi Land 1999, LLC	Kandi Mall	\$ 9,564,100	\$ 304,640
Pioneer Health Systems, Inc.	Medical Center	9,332,800	297,244
Menard Inc.	Building Materials	8,978,400	285,913
Mills Properties, Inc.	Auto Dealership	6,580,100	203,826
Jennie-O Turkey Store, Inc.	Food Processing	5,736,700	181,048
Home Depot U.S.A., Inc.	Building Materials	4,261,200	135,091
Torgerson Properties	Hotel	3,949,200	123,963
Dayton Hudson Corp.	Target Stores	3,583,700	113,429
Hennen Holdings, LLC	Furniture	3,493,400	110,543
Willmar Ten Investors	Investment Company	3,637,000	110,524



# CITY OF WILLMAR, MINNESOTA

## SPECIAL ASSESSMENT COLLECTIONS

Year 1998 Through 2007

<u>Fiscal Year</u>	<u>Current Assessments Due</u>	<u>Current Assessments Collected</u>	<u>Percent of Collections To Amount Due</u>	<u>Total Outstanding Current and Delinquent Assessments</u>
1998	573,333	468,966	81.80	497,389
1999	667,124	635,086	95.20	66,649
2000	627,008	580,864	92.64	79,493
2001	540,155	490,620	90.83	88,907
2002	571,873	521,802	91.24	93,661
2003	566,469	503,488	88.88	120,056
2004	608,519	563,291	92.57	84,346
2005	657,968	615,429	93.53	80,524
2006	1,087,759	1,048,115	96.36	50,385
2007	1,024,590	984,177	96.06	45,782

NOTE: Special Assessments are certified to the County Auditor of Kandiyohi County for collection. Special Assessment Bonds are general obligation pursuant to M.S.A. Section 430.12

CITY OF WILLMAR, MINNESOTA

COMPUTATION OF LEGAL DEBT MARGIN

December 31, 2007

**Legal Debt Limit and Margin**

Legal Debt Limit (2% of Estimated Market Value \$909,952,200)	\$ 18,199,044
Less: Outstanding Debt Subject to Limit	\$ -
Legal Debt Margin as of December 31, 2007	<u>\$ 18,199,044</u>

**General Obligation Debt Supported Solely by Taxes\***

\* Nothing subject to legal debt limit

# CITY OF WILLMAR, MINNESOTA

## MISCELLANEOUS STATISTICAL FACTS

Date of Incorporation	November 19, 1901
Date of Adoption of City Charter	November 5, 1968
Form of Government	Administrator
Fiscal Year Begins	January 1
Area - Acres (Land)	7,398
- Acres (Water)	1,229
Miles of Streets and Alleys:	
Streets -	
Paved	121.86
Sidewalks	65.00
Bike Paths	17.70
Building Permits	
Number of Permits Issued	
Year 2007	651
Year 2006	693
Year 2005	728
Year 2004	752
Year 2003	760
Year 2002	669
Year 2001	565
Year 2000	577
Year 1999	599
Year 1998	323
Year 1997	327
Estimated Construction Costs	
Year 2007	\$ 33,722,627
Year 2006	42,379,065
Year 2005	48,732,487
Year 2004	34,723,015
Year 2003	53,373,765
Year 2002	62,334,342
Year 2001	29,203,778
Year 2000	15,474,996
Year 1999	34,132,229
Year 1998	27,298,164
Year 1997	28,318,103

\*Information obtained from various Departmental Reports