

**COMPREHENSIVE ANNUAL FINANCIAL  
REPORT OF THE  
CITY OF  
WILLMAR, MINNESOTA  
  
FOR THE  
YEAR ENDED  
DECEMBER 31, 2005  
  
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, 2005**

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# **CITY OF WILLMAR, MINNESOTA**

## **INTRODUCTORY SECTION**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**CITY OF WILLMAR, MINNESOTA**

**2005**

**CITY COUNCIL**

**LESTER HEITKE, MAYOR**

**COUNCIL MEMBERS:**

**DENNIS ANDERSON      BRUCE DEBLIECK**

**RON CHRISTIANSON      STEVE GARDNER**

**CINDY SWENSON      RICK FAGERLIE**

**JAMES DOKKEN      DOUG REESE**

**FINANCE DIRECTOR**

**STEVEN B. OKINS**

**CITY ADMINISTRATOR**

**MICHAEL C. SCHMIT**

# **CITY OF WILLMAR, MINNESOTA**

## **FINANCIAL SECTION - I**

Scott J. Van Buren, CPA  
Michael A. Gramm, CPA

Paul G. Westberg, CPA  
Thomas M. Eischens, CPA  
Laura J. Buckley, CPA  
Daniel S. Ridler, CPA

**WESTBERG  
EISCHENS &  
VAN BUREN**  
CERTIFIED PUBLIC ACCOUNTANTS

American Institute of  
Certified Public Accountants

Minnesota Society of  
Certified Public Accountants

**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, 2005, 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, insofar 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, 2005, 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.

The management's discussion and analysis on pages 1 through 9 is not a required part of the basic financial statements but is 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 inquires 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 made for the purpose of forming an opinion on the basic financial statements. The accompanying combined, combining, individual fund, and account group statements and schedules are presented for purposes of additional analysis. Also, 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*. Neither is a required part of the financial statements. Such information has been subjected to the auditing procedures applied in our audit of the financial statements, and in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The accompanying financial information listed as Statistical Section in the Table of Contents is presented for purposes of additional analysis and is not a required part of the financial statements of the City of Willmar, Minnesota. The information has not been subjected to the auditing procedures applied in the audit of the financial statements.

*Westberg, Eischens + Van Buren*

WESTBERG, EISCHENS & VAN BUREN

June 28, 2006

Scott J. Van Buren, CPA  
Michael A. Gramm, CPA

Paul G. Westberg, CPA  
Thomas M. Eischens, CPA  
Laura J. Buckley, CPA  
Daniel S. Ridler, CPA

**WESTBERG  
EISCHENS &  
VAN BUREN**  
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**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 basic financial statements of the City of Willmar, Minnesota, as of and for the year ended December 31, 2005, and have issued our report thereon dated June 28, 2006. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. Also, there was no separate management letter issued.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed test 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 & Van Buren*  
WESTBERG, EISCHENS & VAN BUREN

June 28, 2006

Scott J. Van Buren, CPA  
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EISCHENS &  
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**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, 2005, and have issued our report thereon dated June 28, 2006.

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 six main categories of compliance to be tested: Contracting and Bidding, Deposits and Investments, Conflicts of Interest, Public Indebtedness, Claims and Disbursements, and miscellaneous provisions. 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, Eischens & Van Buren*  
WESTBERG, EISCHENS & VAN BUREN

June 28, 2006

Scott J. Van Buren, CPA  
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EISCHENS &  
VAN BUREN**  
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Minnesota Society of  
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**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 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, 2005. The City of Willmar'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's management. Our responsibility is to express an opinion on the City of Willmar'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'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's compliance with those requirements.

In our opinion, the City of Willmar 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, 2005.

Internal Control Over Compliance

The management of the City of Willmar 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'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 and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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 + Van Buren*

WESTBERG, EISCHENS & VAN BUREN

June 28, 2006

**CITY OF WILLMAR**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For The Year Ended December 31, 2005**

Federal Grantor Pass-Through Grantor Program Title	<u>Federal CFDA Number</u>	<u>Expenditures</u>
U.S. Department of Transportation		
MN Department of Transportation		
Airport Improvement Program	20.106	\$ 2,871,758
Department of Housing and Urban Development		
MN DTED		
Community Development Block Grant	14.228	412,548
Federal Emergency Management Agency		
Federal Direct		
Firefighters Grant	83.554	51,439
Bureau of Justice		
Federal Direct		
Bulletproof Vest Partnership	16.607	<u>1,531</u>
		<u>\$ 3,337,276</u>

**CITY OF WILLMAR**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For The Year Ended December 31, 2005**

**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, MINNESOTA**

## **FINANCIAL SECTION - II**

## Management's Discussion and Analysis

As management of the City of Willmar, we offer readers of the City of Willmar's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2005.

### Financial Highlights

The assets of the City of Willmar exceeded its liabilities at the close of the most recent fiscal year by \$82,875,117 (Net Assets). Of this amount, \$5,357,474 (Unrestricted Net Assets) may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the City's fund designations and fiscal policy.

The government's total net assets decreased by \$3,631,233.

As of the close of the current fiscal year, the City of Willmar's governmental funds reported combined ending fund balances of \$25,671,833, a decrease of \$1,279,082 in comparison with the prior year.

	<u>General</u>	<u>Debt Service</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
Reserved	\$ 173,848	\$ 2,958,549	\$ 4,575,055	\$ 0	\$ 7,707,452
Designated	14,780,633	0	5,166,189	( 1,982,441)	17,964,381
Undesignated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$14,954,481</u>	<u>\$ 2,958,549</u>	<u>\$ 9,741,244</u>	<u>\$ ( 1,982,441)</u>	<u>\$ 25,671,833</u>

The City of Willmar's total long-term debt increased by \$1,415,682 during the current fiscal year from \$18,804,195 to \$20,219,877. This increase was due primarily to the issuance of \$3,675,000 for the City's General Obligation Special Assessments Bond.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Governmental Activities:				
Bonds/Notes Payable	\$ 9,114,241	\$ 3,675,000	\$1,246,882	\$ 11,542,359
Compensated Absences	<u>1,907,137</u>	<u>0</u>	<u>0</u>	<u>1,907,137</u>
Total Governmental Activities	11,021,378	3,675,000	1,246,882	13,449,496
Business-Type Activities:				
Bonds Payable	<u>7,782,817</u>	<u>0</u>	<u>1,012,436</u>	<u>6,770,381</u>
Total Business-Type Activities	7,782,817	0	1,012,436	6,770,381
Total City Long-Term Liabilities	<u>\$ 18,804,195</u>	<u>\$ 3,675,000</u>	<u>\$2,259,318</u>	<u>\$ 20,219,877</u>

## Overview of the Financial Statements

The City of Willmar's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

The Statement of Activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Willmar that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Willmar include General Government, Public Safety, Public Works, Social Services, Culture and Recreation, Economic Development, Capital Projects, and Debt Service. The business-type activities of the City of Willmar include the Waste Treatment Plant.

The government-wide financial statements include not only the City of Willmar itself (known as the Primary Government), but also a legally separate hospital and a legally separate Municipal Utility for which the City of Willmar is financially accountable. Financial information for these Component Units is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 10 – 13 of this report.

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

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

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

The City of Willmar maintains four types of governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and the debt service fund, both of which are considered to be major funds. Data from the other two governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City of Willmar adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 14 – 22 of this report.

*Proprietary Funds.* The City of Willmar maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Willmar uses enterprise funds to account for its Waste Treatment Plant. Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the city of Willmar's various functions. The City of Willmar uses internal service funds to account for its office services and for making loans to construction projects until funding can be obtained. Because both of these services predominantly benefit governmental rather than business-type functions, they have been included with Governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Waste Treatment Plant which is considered to be a major fund of the city of Willmar. Conversely, both internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 23 – 25 of this report.

*Fiduciary Funds.* Fiduciary Funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City of Willmar's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 26 – 27 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 28 – 52 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain statistical information which can be found on pages 90 - 103 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal services are presented on pages 58 - 86 of this report.

### **Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Willmar, assets exceeded liabilities by \$82,875,117 at the close of the most recent fiscal year.

The largest portion of the City of Willmar's net assets (\$58,698,946 or 71%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City of Willmar uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Willmar's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

### City of Willmar's Net Assets

	Governmental Activities <u>2005</u>	Business-Type Activities <u>2005</u>	Total <u>2005</u>
Current & Other Assets	\$ 44,914,124	\$ 6,609,201	\$ 51,523,325
Capital Assets	<u>102,335,693</u>	<u>14,766,258</u>	<u>117,101,951</u>
Total Assets	\$ 147,249,817	\$ 21,375,459	\$ 168,640,199
Long-Term Liabilities Outstanding	\$ 13,449,496	\$ 6,770,381	\$ 20,219,877
Other Liabilities	<u>65,508,138</u>	<u>22,144</u>	<u>65,530,282</u>
Total Liabilities	\$ 78,957,634	\$ 6,792,525	\$ 85,750,159
Net Assets:			
Invested in Capital Assets, Net of Related Debt	\$ 55,227,257	\$ 3,471,689	\$ 58,698,946
Restricted	7,707,452	11,111,245	18,818,697
Unrestricted	<u>5,357,474</u>	<u>0</u>	<u>5,357,474</u>
Total Net Assets	<u>\$ 68,292,183</u>	<u>\$ 14,582,934</u>	<u>\$ 82,875,117</u>

A portion of the City of Willmar's net assets represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$5,357,474) may be used to meet the City's ongoing obligations to citizens and creditors.

There was an decrease of \$1,395,396 in restricted net assets reported in connection with the City of Willmar's business type activities.

**Governmental Activities.** Governmental activities decreased the City of Willmar's net assets by \$3,508,852. The following reflects this information:

### City of Willmar's Changes in Net Assets

	Governmental Activities <u>2005</u>	Business-Type Activities <u>2005</u>	Total <u>2005</u>
Revenues:			
Program Revenues:			
Charges For Services	\$ 769,026	\$ 2,834,941	\$ 3,603,967
Capital Grants & Contributions	4,954,931	0	4,954,931
General Revenues:			
Property Taxes	2,435,037	0	2,435,037
Licenses & Permits	707,981	0	707,981
Fines & Forfeits	230,762	0	230,762
Special Assessments	1,170,432	0	1,170,432
Miscellaneous	1,688,641	208,257	1,896,898
Gain (Loss) on Sale of Capital Assets	5,622,932	21,175	5,644,107
Intergovernmental	<u>6,047,404</u>	<u>0</u>	<u>6,047,404</u>
Total Revenues	\$23,627,146	\$ 3,064,373	\$ 26,691,519
Expenses:			
General Government	\$ 2,483,779	\$ 0	\$ 2,483,779
Public Safety	3,658,760	0	3,658,760
Public Works	2,675,202	0	2,675,202
Social Services	16,000	0	16,000
Culture and Recreation	1,744,408	0	1,744,408
Economic Development	453,508	0	453,508
Capital Projects	10,181,743	0	10,181,743
Debt Service	4,107,819	0	4,107,819
Depreciation	2,593,023	0	2,593,023
Waste Treatment	0	2,885,754	2,885,754
Office Services	23,528	0	23,528
Uncompensated Absences	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenses	\$27,937,771	\$ 2,885,754	\$ 30,823,525
Increase (Decrease) In Net Assets Before Transfers	\$( 4,310,625)	\$ 178,619	\$( 4,132,006)
Transfers	<u>801,773</u>	<u>(301,000)</u>	<u>500,773</u>
Increase (Decrease) in Net Assets	( 3,508,852)	(122,381)	( 3,631,233)
Net Assets January 1, 2005	<u>71,801,035</u>	<u>14,705,315</u>	<u>86,506,350</u>
Net Assets December 31, 2005	<u>\$ 68,292,183</u>	<u>\$14,582,934</u>	<u>\$ 82,875,117</u>

**Business-Type Activities.** Business-type activities decreased the City of Willmar's net assets by \$122,381.

### **Financial Analysis of the Government's Funds**

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

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

As of the end of the current fiscal year, the City of Willmar's Governmental Funds reported combined ending fund balances of \$25,671,833 which is a decrease of \$ 1,279,082 from the prior year. Approximately 70% of the ending total (\$17,964,381) constitutes the Unreserved Fund Balance which is available for spending at the government's discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed for 1) Petty Cash (\$2,350), 2) Prepaid Items (\$175,658), 3) Working Capital (\$70,895), and 4) to pay Debt Service (\$7,458,549).

The General Fund is the chief operating fund of the City of Willmar. At the end of the current fiscal year, the Unreserved Fund Balance of the General Fund was \$14,780,633 while the Total Fund Balance was \$14,954,481. As a measure of the General Fund's liquidity, it may be useful to compare both Unreserved Fund Balance and Total Fund Balance to Total Fund Expenditures. Unreserved Fund Balance represents 143% of total General Fund expenditures, while Total Fund Balance represents 145% of that same amount.

The Fund Balance of the City of Willmar, General Fund decreased by \$107,296 during the current fiscal year.

The Debt Service Fund has a total fund balance of \$2,958,549, all of which is reserved for the payment of debt service. The net decrease in fund balance during the current year in the debt service funds was \$155,714.

**Proprietary Funds.** The City of Willmar's Proprietary Funds provide the same type of information found in the government-wide financial statements, but in more detail.

The total decrease in Net Assets for the Waste Treatment Plant was \$122,381.

### **General Fund Budgetary Highlights**

There were no changes to the budgeted revenues during the year.

A decrease occurred between the original budgeted expenditures and the final amended budgeted expenditures of \$47,686. Total General Government decreased \$10,360; Public Safety decreased \$6,507; Public Works decreased \$29,938; and Culture & Recreation decreased \$881.

### Capital Asset and Debt Administration

**Capital Assets.** The City of Willmar's Investment in Capital Assets for its Governmental and Business-Type activities as of December 31, 2005, amounted to \$58,698,946 (net of Accumulated Depreciation and Related Debt). This investment in capital assets includes Land, Buildings and Structures, Systems, Other Improvements, Office Equipment, and Machinery and Equipment. The total increase was \$2,567,365 from the previous fiscal year. Governmental Activities increased \$3,029,909 and Business-Type Activities decreased \$462,544.

#### City of Willmar's Capital Assets (Amounts shown are net of depreciation)

	Governmental Activities <u>2005</u>	Business-Type Activities <u>2005</u>	Total <u>2005</u>
Land	\$ 3,607,998	\$ 321,370	\$ 3,929,368
Buildings & Structures	3,624,587	11,651,519	15,276,106
Other Improvements	43,462,955	2,064,978	45,527,933
Office Equipment	1,015,750	374,518	1,390,268
Machinery & Equipment	<u>3,515,967</u>	<u>353,873</u>	<u>3,869,840</u>
Sub-total	\$ 55,227,257	\$ 14,766,258	\$ 69,993,515
Construction in Progress	<u>47,108,436</u>	<u>0</u>	<u>47,108,436</u>
Total	\$ 102,335,693	\$ 14,766,258	\$117,101,951
Less Related Debt	<u>0</u>	<u>11,294,569</u>	<u>11,294,569</u>
Capital Assets Net of Depreciation and Related Debt	<u>\$ 102,335,693</u>	<u>\$ 3,471,689</u>	<u>\$105,807,382</u>

Additional information on the City of Willmar's Capital Assets can be found in Note 4.C. on pages 40 and 41 of this report.

**Long-Term Debt.** At the end of the current fiscal year, the City of Willmar had total bonded debt outstanding of \$20,219,877. Of this amount \$8,975,000 is special assessments debt for which the government is liable in the event of default by the property owners subject to the assessment, \$8,765,381 comprises General Obligation Revenue Bonds, and \$572,359 is attributable to Notes Payable regarding Tax Increment Financing Projects.

Additional long-term debt in the amount of \$1,907,137 is for compensated absences.

### City of Willmar's Outstanding Debt

	Governmental Activities <u>2005</u>	Business-Type Activities <u>2005</u>	Total <u>2005</u>
General Obligation Bonds/Notes Payable:			
G.O. Special Assessments	\$ 8,975,000	\$ 0	\$ 8,975,000
General Obligation Revenue Bonds	1,995,000	6,770,381	8,765,381
Notes Payable/Tax Increment Financing	<u>572,359</u>	<u>0</u>	<u>572,359</u>
 Total Bonds/Notes Payable	 <u>\$ 11,542,359</u>	 <u>\$ 6,770,381</u>	 <u>\$18,312,740</u>
 Compensated Absences	 <u>1,907,137</u>	 <u>0</u>	 <u>1,907,137</u>
 Total	 <u>\$ 13,449,496</u>	 <u>\$ 6,770,381</u>	 <u>\$20,219,877</u>

The City of Willmar's total debt increased by \$1,415,682 during the current fiscal year. The key factor in the increase was the issuance of the General Obligation Special Assessments Bond of \$3,675,000.

The City of Willmar maintained its current rating from Moody's of an "A1".

State statutes limit the amount of general obligation debt a governmental entity may issue to 2 percent of its total market valuation. The current debt limitation for the City of Willmar is \$14,752,574.

Additional information on the City of Willmar's long-term debt can be found in Note 4.E. on pages 43 - 47 of this report.

**Contact Information.** This financial report is designed to provide a general overview of the City of Willmar's finances for all those with an interest in the City's finances. If you have questions about the report or need additional financial information, please contact the finance department at the City of Willmar, 333 SW 6<sup>th</sup> Street, Willmar, MN 56201 or by phone at (320) 235-4984.

CITY OF WILLMAR, MINNESOTA

STATEMENT OF NET ASSETS  
GOVERNMENTAL FUND TYPES, PROPRIETARY FUND TYPES, ACCOUNT GROUPS & COMPONENT UNITS

December 31, 2005

	Primary Government			Memorandum Only 2004 Total	Component Units	
	Governmental Activities	Business-Type Activities	Total		Municipal Utilities Commission	Rice Memorial Hospital
<b>Assets</b>						
Cash and Cash Equivalents	\$ (3,004,202)	\$ 410,897	\$ (2,593,305)	\$ 186,250	\$ 135,787	\$ 2,380,553
Investments	30,179,346	6,300,000	36,479,346	34,604,716	5,981,097	7,093,191
Receivables (Net of Allow for Uncollect)						
Taxes Receivable	3,494,716	-	3,494,716	3,794,123	-	-
Special Assessments	6,750,692	-	6,750,692	4,192,097	-	-
Accounts Receivable	236,791	8,305	245,096	306,070	1,976,286	13,145,948
Notes Receivable	718	-	718	370	-	-
Related-Party Investments	-	-	-	-	-	5,194,949
N.S.F. Receivable	68	-	68	5	-	-
Accrued Interest Receivable	237,184	48,302	285,486	228,205	-	-
Intergovernmental Receivable	3,429,073	-	3,429,073	5,304,018	-	-
Due from Component Unit	-	-	-	-	-	-
Internal Balances	176,000	(176,000)	-	-	-	-
Inventories	85,955	3,846	89,801	62,572	626,112	1,875,014
Prepaid Items	176,216	13,851	190,067	254,084	181,099	851,519
Deferred Charges						
Bond Discount Unamortized	27,300	-	27,300	27,300	92,168	678,108
Bond Refunding Escrow account	-	-	-	-	-	-
Restricted Assets:						
Temporarily Restricted:						
Cash and Cash Equivalents	2,322,190	-	2,322,190	118,805	-	169,566
Cash With Fiscal Agent	-	-	-	-	-	-
Investments	817,000	-	817,000	1,129,000	11,078,555	9,764,199
Capital Expenditure Account	-	-	-	-	-	-
Permanently Restricted:						
Investments	-	-	-	-	-	-
Capital Assets (net of accumulated depreciation)						
Land	3,607,998	321,370	3,929,368	3,920,669	824,867	2,578,732
Buildings and Structures	3,624,587	11,651,519	15,276,106	15,074,605	1,038,280	50,715,000
Systems	-	-	-	-	17,484,030	-
Other Improvements	43,462,955	2,064,977	45,527,932	43,701,663	171,230	309,000
Office Equipment	1,015,750	374,519	1,390,269	1,348,110	109,115	-
Machinery and Equipment	3,515,967	353,873	3,869,840	3,381,103	1,270,010	15,622,000
Construction in Progress	47,108,436	-	47,108,436	38,753,009	928,093	5,813,000
Amount Available in Debt Service Funds	-	-	-	-	-	-
Amount to be Provided	-	-	-	-	-	-
Other Assets	-	-	-	-	522,253	51,382
Total Assets	<u>\$ 147,264,740</u>	<u>\$ 21,375,459</u>	<u>\$ 168,640,199</u>	<u>\$ 156,386,774</u>	<u>\$ 42,418,982</u>	<u>\$ 116,242,161</u>

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

CITY OF WILLMAR, MINNESOTA

STATEMENT OF NET ASSETS  
GOVERNMENTAL FUND TYPES, PROPRIETARY FUND TYPES, ACCOUNT GROUPS & COMPONENT UNITS

December 31, 2005

	Primary Government			Memorandum Only 2004 Total	Component Units	
	Governmental Activities	Business-Type Activities	Total		Municipal Utilities Commission	Rice Memorial Hospital
<b>Liabilities</b>						
Accounts Payable and Other Current Liabilities	5,636,340	22,144	5,658,484	4,634,318	2,505,578	10,076,849
Matured Bonds and Interest Payable	-	-	-	-	-	-
Accrued Interest Payable	385,976	-	385,976	270,708	85,686	1,051,734
Due to Component Units	155,860	-	155,860	77,930	-	-
Due to Primary Government	-	-	-	-	225,408	-
Deferred/Unrealized Revenue	12,221,526	-	12,221,526	10,740,047	-	-
Uncompensated Absences	1,907,137	-	1,907,137	1,907,137	-	-
Bonds/Notes Payable:						
Due within one year	980,000	871,995	1,851,995	845,000	820,960	1,577,411
Due in more than one year	10,562,359	5,898,386	16,460,745	16,052,058	3,590,960	54,367,836
Authorized Construction	47,108,436	-	47,108,436	37,343,009	-	1,608,210
Total Liabilities	78,957,634	6,792,525	85,750,159	71,870,207	7,228,592	68,682,040
<b>Net Assets</b>						
Invested in Capital Assets, Net of Related Debt	\$ 55,227,257	\$ 3,471,689	58,698,946	55,147,385	\$ 17,413,705	\$ 21,762,966
Restricted For:						
Contributed Capital	-	4,524,188	4,524,188	5,271,118	-	-
Designated Improvements	-	1,698,770	1,698,770	1,698,770	-	-
Debt Service	7,458,549	4,888,287	12,346,836	7,651,942	4,411,920	3,730,910
Working Capital	70,895	-	70,895	70,895	-	-
Other Purposes	178,008	-	178,008	5,773,957	6,666,635	2,471,618
Unrestricted	5,357,474	-	5,357,474	8,902,502	6,640,293	19,594,627
Total Net Assets	\$ 68,292,183	\$ 14,582,934	\$ 82,875,117	\$ 84,516,569	\$ 35,132,553	\$ 47,560,121

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, 2005**

<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	\$ 2,483,779	\$ 15,697	\$ -
Public Safety	3,658,760	172,600	-
Public Works	2,675,202	96,421	-
Social Services	16,000	-	-
Culture and Recreation	1,744,408	455,064	-
Economic Development	453,508	-	-
Capital Projects	10,181,743	-	4,927,631
Debt Service	4,107,819	-	27,300
Depreciation	2,593,024	-	-
Total Governmental Activities	<u>27,914,243</u>	<u>739,782</u>	<u>4,954,931</u>
Business-Type Activities:			
Waste Treatment	2,885,754	2,834,941	-
Office Services	23,528	29,244	-
Public Improve Revolving Loans	-	-	-
Total Business-Type Activities	<u>2,909,282</u>	<u>2,864,185</u>	<u>-</u>
Total Primary Government	<u>\$ 30,823,525</u>	<u>\$ 3,603,967</u>	<u>\$ 4,954,931</u>
<b>Component Units:</b>			
Municipal Utilities	\$ 18,882,824	\$ 21,071,947	\$ -
Rice Memorial Hospital	88,972,613	87,193,853	-
Total Component Units	<u>\$ 107,855,437</u>	<u>\$ 108,265,800</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  
Uncompensated 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			Memorandum Only 2004 Total	Component Units	
Governmental Activities	Business-Type Activities	Total		Municipal Utilities Commission	Rice Memorial Hospital
\$ (2,468,082)	\$ -	\$ (2,468,082)	\$ (2,258,458)	\$ -	\$ -
(3,486,160)	-	(3,486,160)	(3,434,322)	-	-
(2,578,781)	-	(2,578,781)	(2,417,080)	-	-
(16,000)	-	(16,000)	(15,000)	-	-
(1,289,344)	-	(1,289,344)	(1,080,651)	-	-
(453,508)	-	(453,508)	(288,024)	-	-
(5,254,112)	-	(5,254,112)	(3,673,896)	-	-
(4,080,519)	-	(4,080,519)	(4,590,332)	-	-
(2,593,024)	-	(2,593,024)	(2,917,085)	-	-
<u>(22,219,530)</u>	<u>-</u>	<u>(22,219,530)</u>	<u>(20,674,848)</u>	<u>-</u>	<u>-</u>
-	(50,813)	(50,813)	444,913	-	-
5,716	-	5,716	6,789	-	-
-	-	-	-	-	-
<u>5,716</u>	<u>(50,813)</u>	<u>(45,097)</u>	<u>451,702</u>	<u>-</u>	<u>-</u>
<u>\$ (22,213,814)</u>	<u>\$ (50,813)</u>	<u>\$ (22,264,627)</u>	<u>\$ (20,223,146)</u>	<u>\$ -</u>	<u>\$ -</u>
-	-	-	2,149,724	2,189,123	-
-	-	-	371,713	-	(1,778,760)
-	-	-	<u>2,521,437</u>	<u>2,189,123</u>	<u>(1,778,760)</u>
2,435,037	-	2,435,037	2,315,035	-	-
707,981	-	707,981	769,293	-	-
230,762	-	230,762	238,512	-	-
1,170,432	-	1,170,432	1,552,115	-	-
1,688,641	208,257	1,896,898	2,436,693	470,056	1,320,536
5,622,932	21,175	5,644,107	499,815	(6,474)	-
-	-	-	(240,722)	(170,994)	-
6,047,404	-	6,047,404	9,989,732	-	-
-	-	-	(147,960)	-	-
801,773	(301,000)	500,773	1,938,995	(1,612,300)	-
18,704,962	(71,568)	18,633,394	19,351,508	(1,319,712)	1,320,536
(3,508,852)	(122,381)	(3,631,233)	(871,638)	869,411	(458,224)
71,801,035	14,705,315	86,506,350	87,378,168	34,263,142	48,018,345
<u>\$ 68,292,183</u>	<u>\$ 14,582,934</u>	<u>\$ 82,875,117</u>	<u>\$ 86,506,530</u>	<u>\$ 35,132,553</u>	<u>\$ 47,560,121</u>

**CITY OF WILLMAR, MINNESOTA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2005**

	<u>General</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ (3,030,411)	\$ (66,553)	\$ 53,854	\$ (3,043,110)
Investments	17,942,996	2,485,350	8,636,000	29,064,346
Receivables (Net of Allowance for Uncollect)				
Taxes Receivable	49,160	3,011,564	433,992	3,494,716
Assessments	2,499	5,459,697	1,288,496	6,750,692
Accounts Receivable	139,470	-	97,321	236,791
Intergovernmental Receivable	-	34,929	3,349,291	3,384,220
N.S.F. Receivable	68	-	-	68
Accrued Interest Receivable	138,075	19,406	71,165	228,646
Notes Receivable	718	-	-	718
Due From Other Funds	28,701	303,870	502,985	835,556
Inventories	81,512	-	-	81,512
Prepaid Items	171,548	-	4,110	175,658
Restricted Assets:				
Cash and Cash Equivalents	-	-	2,322,190	2,322,190
Investments	-	-	817,000	817,000
Unamortized Discounts On Bonds	-	27,300	-	27,300
Work In Progress	-	-	47,108,436	47,108,436
<b>Total Assets</b>	<u>\$ 15,524,336</u>	<u>\$ 11,275,563</u>	<u>\$ 64,684,840</u>	<u>\$ 91,484,739</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities				
Accounts Payable	\$ 141,148	\$ 21,381	\$ 59,214	\$ 221,743
Contracts Payable	-	-	5,297,497	5,297,497
Due to Other Funds	196,146	310,445	170,110	676,701
Due to Component Units	155,860	-	-	155,860
Deferred Revenue	-	7,985,188	4,184,679	12,169,867
Accrued Wages Payable	-	-	-	-
Deposits	-	-	-	-
Intergovernmental Payable	24,677	-	106,101	130,778
Unrealized Revenue - Taxes	49,160	-	-	49,160
Unrealized Revenue - Sp. Assmts	2,499	-	-	2,499
Sales Tax Payable	365	-	-	365
Authorized Construction	-	-	47,108,436	47,108,436
<b>Total Liabilities</b>	<u>569,855</u>	<u>8,317,014</u>	<u>56,926,037</u>	<u>65,812,906</u>
Fund Balances				
Reserved for:				
Petty Cash	2,300	-	50	2,350
Prepaid Items	171,548	-	4,110	175,658
Working Capital	-	-	70,895	70,895
Debt Service	-	2,958,549	4,500,000	7,458,549
Unreserved, reported in:				
General Fund	14,780,633	-	-	14,780,633
Special Revenue Fund	-	-	5,166,189	5,166,189
Capital Projects Funds	-	-	(1,982,441)	(1,982,441)
<b>Total Fund Balances</b>	<u>14,954,481</u>	<u>2,958,549</u>	<u>7,758,803</u>	<u>25,671,833</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 15,524,336</u>	<u>\$ 11,275,563</u>	<u>\$ 64,684,840</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	55,227,257
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.	1,228,565
Uncompensated Absences is considered long term so not reported in the funds	(1,907,137)
Accrued interest on bonds payable considered long term so not reported in the funds	(385,976)
Bonds/Notes Payable considered long term so not reported in the funds	(11,542,359)
Net assets of governmental activities	<u>\$ 68,292,183</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, 2005**

	<u>General</u>	<u>Debt Service</u>	<u>Other Government Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
General Property Taxes	\$ 2,264,067	\$ 29,119	\$ 141,851	\$ 2,435,037
Licenses and Permits	582,062	-	125,919	707,981
Intergovernmental	4,855,595	38,085	1,153,724	6,047,404
Service Charges	739,782	-	-	739,782
Fines and Forfeits	230,762	-	-	230,762
Special Assessments	810	1,005,678	163,944	1,170,432
Miscellaneous Revenue	1,150,709	75,508	428,289	1,654,506
Total Revenues	<u>9,823,787</u>	<u>1,148,390</u>	<u>2,013,727</u>	<u>12,985,904</u>
<b>EXPENDITURES</b>				
Current:				
General Government	2,483,779	-	-	2,483,779
Public Safety	3,658,760	-	-	3,658,760
Public Works	2,675,202	-	-	2,675,202
Social Services	16,000	-	-	16,000
Culture & Recreation	1,479,487	-	264,921	1,744,408
Economic Development	-	-	453,508	453,508
Debt Service:				
Principal	-	1,180,000	-	1,180,000
Other Charges and Services	-	384,433	-	384,433
Capital Outlay:				
Capital Projects Funds	-	-	10,181,743	10,181,743
Total Expenditures	<u>10,313,228</u>	<u>1,564,433</u>	<u>10,900,172</u>	<u>22,777,833</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(489,441)</u>	<u>(416,043)</u>	<u>(8,886,445)</u>	<u>(9,791,929)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfers In	1,945,581	581,469	2,063,961	4,591,011
Operating Transfers Out	(1,563,436)	(348,440)	(1,862,362)	(3,774,238)
Bond Proceeds	-	27,300	4,927,631	4,954,931
Total Other Financing Sources (Uses)	<u>382,145</u>	<u>260,329</u>	<u>5,129,230</u>	<u>5,771,704</u>
Net Change in Fund Balances	<u>(107,296)</u>	<u>(155,714)</u>	<u>(3,757,215)</u>	<u>(4,020,225)</u>
Fund Balances - Beginning	<u>15,061,777</u>	<u>3,114,263</u>	<u>11,516,018</u>	<u>29,692,058</u>
Fund Balances - Ending	<u>\$ 14,954,481</u>	<u>\$ 2,958,549</u>	<u>\$ 7,758,803</u>	<u>\$ 25,671,833</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, 2005**

Amounts reported for Governmental Activities in the Statement of Activities (pages 12 & 13) are different because:

Net Change in Fund Balances-Total Governmental Funds (page 15)	\$ (4,020,225)
Internal service funds are used by management to charge the costs of office supplies to individual funds	\$ 24,851
2005 Depreciation Expense- Governmental Funds	\$ (2,593,024)
2005 Reduction in Depreciation due to Asset Disposal	\$ -
Difference between 12/31/04 and 12/31/05 Balance of Bonds/Notes Payable-Governmental Funds	\$ (2,428,118)
Difference between 12/31/04 and 12/31/05 Balance of Interest Payable-Governmental Funds	\$ (115,268)
2005 Uncompensated Absences Expense	\$ -
Increase in Fixed Assets during 2005-Governmental Funds	\$ 5,622,932
Change in Net Assets of Governmental Activities (pages 12 & 13)	<u>\$ (3,508,852)</u>

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

City of Willmar, Minnesota  
General Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the fiscal year ended December 31, 2005

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
<b>GENERAL PROPERTY TAXES</b>				
Current Ad Valorem	\$ 2,255,677	\$ 2,255,677	\$ 2,216,210	\$ (39,467)
Delinquent Ad Valorem	50,000	50,000	47,857	(2,143)
<b>TOTAL TAXES</b>	<b>2,305,677</b>	<b>2,305,677</b>	<b>2,264,067</b>	<b>(41,610)</b>
<b>LICENSES/PERMITS</b>				
Business License/Permit	36,000	36,000	42,478	6,478
Non-Business License/Permit	275,800	275,800	539,584	263,784
<b>TOTAL LICENSES &amp; PERMITS</b>	<b>311,800</b>	<b>311,800</b>	<b>582,062</b>	<b>270,262</b>
<b>INTERGOVERNMENTAL</b>				
<b>FEDERAL GOVERNMENT</b>				
Rent	500	500	1,000	500
Federal Grant	-	-	1,531	1,531
<b>STATE GRANTS</b>				
Local Government Aid	4,158,237	4,158,237	4,158,237	-
Police Department Aid	148,000	148,000	156,540	8,540
State Grant	-	-	2,382	2,382
P.E.R.A. Aid	172,146	172,146	172,146	-
Airport Aid	42,000	42,000	43,704	1,704
MFG Home HACA	-	-	551	551
Fire Department Aid	79,500	79,500	92,027	12,527
Shared Highway User Tax	165,000	165,000	163,282	(1,718)
<b>COUNTY GRANTS</b>				
Kandiyohi County Highways	3,795	3,795	3,795	-
<b>SCHOOL DISTRICT #347</b>				
School Liaison Officer	60,375	60,375	60,400	25
<b>TOTAL INTERGOVERNMENTAL</b>	<b>4,829,553</b>	<b>4,829,553</b>	<b>4,855,595</b>	<b>26,042</b>
<b>SERVICE CHARGES</b>				
General Government	16,000	16,000	15,697	(303)
Public Safety	112,350	112,350	172,600	60,250
Buildings & Grounds	12,100	12,100	9,340	(2,760)
Civic Center	255,430	255,430	288,692	33,262
Leisure Services	84,550	84,550	150,489	65,939
Highways & Streets	12,100	12,100	27,140	15,040
Senior Citizens	9,250	9,250	15,883	6,633
Transportation (Airport)	56,000	56,000	59,941	3,941
<b>TOTAL SERVICE CHARGES</b>	<b>557,780</b>	<b>557,780</b>	<b>739,782</b>	<b>182,002</b>
<b>FINES AND FORFEITS</b>				
Court Fines	100,000	100,000	107,985	7,985
Impounding Fees	43,000	43,000	58,595	15,595
Parking Violations	24,000	24,000	22,542	(1,458)
Other Fines and Forfeits	40,000	40,000	41,640	1,640
<b>TOTAL FINES &amp; FORFEITS</b>	<b>207,000</b>	<b>207,000</b>	<b>230,762</b>	<b>23,762</b>

City of Willmar, Minnesota  
 General Fund  
 Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 For the fiscal year ended December 31, 2005

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES (Con't)</b>				
<b>SPECIAL ASSESSMENTS</b>				
Special Assessments	-	-	810	810
<b>TOTAL SPECIAL ASSESSMENTS</b>	<b>-</b>	<b>-</b>	<b>810</b>	<b>810</b>
<b>MISCELLANEOUS REVENUE</b>				
Miscellaneous	20,500	20,500	32,855	12,355
Interest Earnings	240,000	240,000	624,017	384,017
Sale of Fixed Assets	15,000	15,000	30,249	15,249
Sale of Materials	30,000	30,000	95,408	65,408
Contributions/Donations	2,000	2,000	8,703	6,703
City Auditorium	-	-	2,265	2,265
Market Value Increase (Decrease)	-	-	(66,152)	(66,152)
Insurance Reimbursements	100,000	100,000	237,665	137,665
Insurance Pass Through	166,000	166,000	185,699	19,699
<b>TOTAL MISCELLANEOUS</b>	<b>573,500</b>	<b>573,500</b>	<b>1,150,709</b>	<b>577,209</b>
<b>TOTAL REVENUE</b>	<b>8,785,310</b>	<b>8,785,310</b>	<b>9,823,787</b>	<b>1,038,477</b>
<b>EXPENDITURES</b>				
<b>GENERAL GOVERNMENT</b>				
City Administrator				
Personal Services	181,715	181,577	181,185	(392)
Supplies	1,500	1,500	920	(580)
Other Services & Charges	8,480	8,480	7,492	(988)
<b>Total</b>	<b>191,695</b>	<b>191,557</b>	<b>189,597</b>	<b>(1,960)</b>
Mayor and Council				
Personal Services	67,400	67,400	65,441	(1,959)
Supplies	11,450	11,450	16,308	4,858
Other Services & Charges	136,500	136,500	77,477	(59,023)
<b>Total</b>	<b>215,350</b>	<b>215,350</b>	<b>159,226</b>	<b>(56,124)</b>
Planning & Development				
Personal Services	315,489	320,903	322,529	1,626
Supplies	10,250	10,250	9,737	(513)
Other Services & Charges	37,000	37,000	44,842	7,842
Miscellaneous	-	-	-	-
<b>Total</b>	<b>362,739</b>	<b>368,153</b>	<b>377,108</b>	<b>8,955</b>
City Clerk/Treasurer				
Personal Services	142,237	141,911	141,510	(401)
Supplies	5,800	5,800	6,637	837
Other Services & Charges	6,835	6,835	6,508	(327)
<b>Total</b>	<b>154,872</b>	<b>154,546</b>	<b>154,655</b>	<b>109</b>
Assessing				
Personal Services	198,740	198,400	194,972	(3,428)
Supplies	3,100	3,100	3,368	268
Other Services & Charges	6,000	6,000	4,700	(1,300)
<b>Total</b>	<b>207,840</b>	<b>207,500</b>	<b>203,040</b>	<b>(4,460)</b>

City of Willmar, Minnesota  
General Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the fiscal year ended December 31, 2005

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES (Con't)</b>				
GENERAL GOVERNMENT (Con't)				
Accounting				
Personal Services	267,608	266,859	267,501	642
Supplies	8,500	8,500	4,425	(4,075)
Other Services & Charges	26,500	26,500	21,059	(5,441)
Total	<u>302,608</u>	<u>301,859</u>	<u>292,985</u>	<u>(8,874)</u>
Legal				
Personal Services	129,086	129,058	128,911	(147)
Supplies	4,600	4,600	4,981	381
Other Services & Charges	20,900	20,900	21,074	174
Total	<u>154,586</u>	<u>154,558</u>	<u>154,966</u>	<u>408</u>
City Hall				
Personal Services	44,724	44,690	39,025	(5,665)
Supplies	13,275	13,275	25,930	12,655
Other Services & Charges	38,925	38,925	42,660	3,735
Total	<u>96,924</u>	<u>96,890</u>	<u>107,615</u>	<u>10,725</u>
Data Processing Center				
Personal Services	120,358	106,274	93,867	(12,407)
Supplies	10,242	10,242	9,542	(700)
Other Services & Charges	35,700	35,700	33,618	(2,082)
Total	<u>166,300</u>	<u>152,216</u>	<u>137,027</u>	<u>(15,189)</u>
Cultural Diversity				
Supplies	650	650	-	(650)
Other Services & Charges	61,172	61,172	61,822	650
Total	<u>61,822</u>	<u>61,822</u>	<u>61,822</u>	<u>-</u>
Elections & Voters Registration				
Personal Services	18,064	17,989	17,969	(20)
Supplies	2,850	2,850	1,288	(1,562)
Other Services & Charges	1,980	1,980	1,565	(415)
Total	<u>22,894</u>	<u>22,819</u>	<u>20,822</u>	<u>(1,997)</u>
Non-Departmental Expenses				
Personal Services	10,000	10,000	39,408	29,408
Insurances	-	-	2,356	2,356
Other Charges/Services	195,686	195,686	93,987	(101,699)
Labor Negotiator	-	-	268	268
Re-Employment Insurance	1,000	1,000	650	(350)
Retired Employees Insurance	80,000	80,000	77,450	(2,550)
Workers Comp. Self Insurance	-	-	5,299	5,299
Insurance Deductible	100,000	100,000	29,974	(70,026)
Downtown Items	4,000	4,000	21,146	17,146
Internship Program	5,000	5,000	-	(5,000)
Miscellaneous	125,000	125,000	159,272	34,272
Insurance Pass Through	160,000	160,000	185,106	25,106
Southwest Initiative	10,000	10,000	10,000	-
Total	<u>690,686</u>	<u>690,686</u>	<u>624,916</u>	<u>(65,770)</u>
<b>TOTAL GENERAL GOVERNMENT</b>	<u>2,628,316</u>	<u>2,617,956</u>	<u>2,483,779</u>	<u>(134,177)</u>

City of Willmar, Minnesota  
General Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the fiscal year ended December 31, 2005

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES (Con't)</b>				
<b>PUBLIC SAFETY</b>				
Police Department				
Personal Services	2,622,209	2,630,102	2,548,983	(81,119)
Supplies	131,700	131,700	153,354	21,654
Other Services & Charges	173,165	173,165	158,427	(14,738)
Debt Redemption	175,000	175,000	175,000	-
Total	<u>3,102,074</u>	<u>3,109,967</u>	<u>3,035,764</u>	<u>(74,203)</u>
Fire Department				
Personal Services	503,708	489,308	479,986	(9,322)
Supplies	65,757	65,757	48,875	(16,882)
Other Services & Charges	93,951	93,951	78,247	(15,704)
Debt Redemption	1,635	1,635	-	(1,635)
Total	<u>665,051</u>	<u>650,651</u>	<u>607,108</u>	<u>(43,543)</u>
Non-Department Expenses				
Civil Defense Sirens	20,000	20,000	14,428	(5,572)
Safety Program	15,000	15,000	1,460	(13,540)
Total	<u>35,000</u>	<u>35,000</u>	<u>15,888</u>	<u>(19,112)</u>
<b>TOTAL PUBLIC SAFETY</b>	<u>3,802,125</u>	<u>3,795,618</u>	<u>3,658,760</u>	<u>(136,858)</u>
<b>PUBLIC WORKS</b>				
Engineering				
Personal Services	425,267	424,292	402,494	(21,798)
Supplies	11,750	11,750	-	(11,750)
Other Services & Charges	37,060	37,060	8,989	(28,071)
Total	<u>474,077</u>	<u>473,102</u>	<u>423,723</u>	<u>(61,619)</u>
Public Works				
Personal Services	1,434,968	1,396,996	1,369,413	(27,583)
Supplies	310,600	310,600	386,894	76,294
Other Services & Charges	283,250	283,250	254,086	(29,164)
Debt Redemption	-	-	55,000	55,000
Total	<u>2,028,818</u>	<u>1,990,846</u>	<u>2,065,393</u>	<u>74,547</u>
Airport				
Personal Services	64,883	64,892	59,190	(5,702)
Supplies	7,550	7,550	4,191	(3,359)
Other Services & Charges	44,500	44,500	101,418	56,918
Total	<u>116,933</u>	<u>116,942</u>	<u>164,799</u>	<u>47,857</u>
Transit				
Other Services & Charges	-	9,000	9,000	-
Total	<u>-</u>	<u>9,000</u>	<u>9,000</u>	<u>-</u>

City of Willmar, Minnesota  
General Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the fiscal year ended December 31, 2005

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES (Con't)</b>				
<b>PUBLIC WORKS (Con't)</b>				
Non-Departmental Expenses				
Maintenance of Other Improvements	-	-	11,797	11,797
State Mandates/Drug Testing	3,000	3,000	490	(2,510)
Total	3,000	3,000	12,287	9,287
<b>TOTAL PUBLIC WORKS</b>	2,622,828	2,592,890	2,675,202	70,072
<b>NON-DEPARTMENTAL EXPENSES</b>				
Social Services				
Meals on Wheels	16,000	16,000	16,000	-
<b>TOTAL NON-DEPARTMENTAL EXPENSE</b>	16,000	16,000	16,000	-
<b>CULTURE &amp; RECREATION</b>				
Auditorium				
Personal Services	47,821	47,802	47,287	(515)
Supplies	14,400	14,400	13,014	(1,386)
Other Services & Charges	35,010	35,010	34,261	(749)
Debt Redemption	-	-	-	-
Total	97,231	97,212	94,562	(2,650)
Non-Department Expenses				
Arts & Humanities	4,000	4,000	4,000	-
Library	335,628	335,628	317,418	(18,210)
Civic Promotion	95,000	95,000	87,416	(7,584)
Total	434,628	434,628	408,834	(25,794)
Park Development				
Supplies	-	-	10,000	10,000
Total	-	-	10,000	10,000
Leisure Services				
Personal Services	287,253	286,805	251,215	(35,990)
Supplies	17,850	17,850	26,300	8,450
Other Services & Charges	97,750	97,750	86,808	(10,942)
Total	402,853	402,405	364,323	(38,082)
Civic Center - Ice Arena				
Personal Services	201,832	201,518	196,458	(5,060)
Supplies	64,850	64,850	79,998	15,148
Other Services & Charges	148,400	148,400	136,240	(12,160)
Miscellaneous	-	-	2,505	2,505
Total	415,082	414,768	415,201	433
Senior Citizens Center				
Personal Services	3,545	3,445	5,583	2,138
Supplies	8,750	8,750	5,792	(2,958)
Other Services & Charges	31,050	31,050	33,098	2,048
Total	43,345	43,245	44,473	1,228
Aquatics Center				
Personal Services	80,000	80,000	76,509	(3,491)
Supplies	6,100	6,100	32,095	25,995
Other Services & Charges	13,000	13,000	33,490	20,490
Total	99,100	99,100	142,094	42,994
<b>TOTAL CULTURE &amp; RECREATION</b>	1,492,239	1,491,358	1,479,487	(11,871)

City of Willmar, Minnesota  
General Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the fiscal year ended December 31, 2005

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES (Con't)</b>				
TOTAL EXPENDITURES	10,561,508	10,513,822	10,313,228	(212,834)
Excess of Revenues Over Expenditures	(1,776,198)	(1,728,512)	(489,441)	1,251,311
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In				
CVB	6,140	6,140	6,877	737
MUC	1,612,299	1,612,299	1,612,300	1
Rice Hospital	175,000	175,000	175,000	-
Waste Treatment	125,000	125,000	125,000	-
WRAC-8	-	-	-	-
T.I. Homme	-	-	7,980	7,980
T.I. Miscellaneous Projects	1,900	1,900	-	(1,900)
T.I. Relco	1,735	1,735	2,494	759
T.I. Lakewood	638	638	930	292
C.P. Miscellaneous Projects	100,000	100,000	-	(100,000)
Capital Improvements Fund	-	-	-	-
Public Improvement Revolving Fund	15,000	15,000	15,000	-
Total Transfers In	2,037,712	2,037,712	1,945,581	(92,131)
Transfers Out				
Trust & Agency Fund/Fire Dept.	-	-	9,502	9,502
Industrial Development	151,000	151,000	151,000	-
D.S. Airport	-	-	179,000	179,000
Capital Improvements	1,223,934	1,223,934	1,223,934	-
Total Transfers Out	1,374,934	1,374,934	1,563,436	188,502
Total Other Financing Sources (Uses)	662,778	662,778	382,145	(280,633)
Net Change in Fund Balances	(1,113,420)	(1,065,734)	(107,296)	970,678
Fund Balances - Beginning	15,061,777	15,061,777	15,061,777	-
Fund Balances - Ending	<u>\$ 13,948,357</u>	<u>\$ 13,996,043</u>	<u>\$ 14,954,481</u>	<u>\$ 970,678</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, 2005**

	Business-Type Activities	Governmental Activities
	Enterprise Funds/ Waste Treatment	Internal Service Funds
<b>ASSETS</b>		
Current Assets		
Cash and Cash Equivalents	\$ 410,897	\$ 38,908
Investments	6,300,000	1,115,000
Accounts Receivable	8,305	-
Interest Receivable	48,302	8,538
Intergovernmental Receivable	-	44,853
Due From Other Funds	-	17,146
Inventories - Merchandise for Resale	3,846	4,443
Prepaid Items	13,851	558
Total Current Assets	6,785,201	1,229,446
Noncurrent Assets		
Capital Assets:		
Land	321,370	-
Buildings and Structures	20,169,155	-
Other Improvements	2,932,202	-
Office Equipment	949,498	11,680
Machinery and Equipment	702,756	-
Less Accumulated Depreciation	(10,308,723)	(10,512)
Total Capital Assets (net of accumulated depreciation)	14,766,258	1,168
Construction in Progress	-	-
Total Noncurrent Assets	14,766,258	1,168
<b>TOTAL ASSETS</b>	<b>21,551,459</b>	<b>1,230,614</b>
<b>LIABILITIES</b>		
Current Liabilities		
Accounts Payable	17,902	881
Contracts Payable	4,242	-
Due To Other Funds	176,000	-
Total Current Liabilities	198,144	881
Noncurrent Liabilities:		
General Obligation Bonds Payable (net of unamortized discounts)	3,880,000	-
Notes Payable	2,890,381	-
Total Noncurrent Liabilities	6,770,381	-
<b>TOTAL LIABILITIES</b>	<b>6,968,525</b>	<b>881</b>
<b>NET ASSETS</b>		
Invested in Capital Assets, net of related debt	3,471,689	1,168
Restricted:		
Contributed Capital	4,524,188	-
Debt Service	-	-
Designated Plant Improvements	1,698,770	-
Other Purposes	4,888,287	-
Unrestricted	-	1,228,565
<b>TOTAL NET ASSETS</b>	<b>\$ 14,582,934</b>	<b>\$ 1,229,733</b>

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, 2005

	<u>Business-Type Activities Enterprise Funds/ Waste Treatment</u>	<u>Governmental Activities Internal Service Funds</u>
<b>Operating Revenues</b>		
Charges For Sales and Services:		
Kandiyohi County	\$ 727	\$ -
General City Customers	2,391,729	-
Eagle Lake Sewer District	98,640	-
Willmar Regional Treatment Center	-	-
Administration & Billing Charges	128,997	-
Sewer Line Replacement Charges	201,068	-
Other Services and Charges	13,780	29,244
Total Operating Revenues	2,834,941	29,244
<b>Operating Expenses</b>		
Personal Services	756,422	-
Supplies	144,136	15,235
Other Services and Charges	688,061	8,293
Depreciation	1,297,135	-
Total Operating Expenses	2,885,754	23,528
Operating Income (Loss)	(50,813)	5,716
<b>Nonoperating Revenues (Expenses)</b>		
Investment Earnings	208,257	34,135
Gain/(Loss) on Sale of Fixed Assets	-	-
Other Revenue (Expense)	-	-
Total Nonoperating Revenues (Expenses)	208,257	34,135
Income (Loss) Before Contributions and Transfers	157,444	39,851
Bond Proceeds	-	-
Capital Contributions - Tapping Fees	-	-
Transfers Out	(301,000)	(15,000)
Change in Net Assets	(143,556)	24,851
Total Net Assets - Beginning	14,705,315	1,204,882
Total Net Assets - Ending	\$ 14,561,759	\$ 1,229,733
Reconcile To Statement of Net Assets:		
Increase in Capital Assets	\$ 21,175	
	\$ 14,582,934	

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, 2005**

	Business-Type Activities	Governmental Activities
	Enterprise Funds/ Waste Treatment	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from Customers and Users	\$ 2,880,353	\$ 435,226
Payments to Suppliers	(829,365)	(23,892)
Payments to Employees	(756,596)	-
Liquidation of Liabilities	61,000	-
Net Cash Provided by Operating Activities	1,355,392	411,334
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Transfer to Other Funds	(301,000)	(15,000)
Net Cash Provided (Used) by Noncapital Financing Activities	(301,000)	(15,000)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Proceeds from Capital Debt	-	-
Capital Contributions - Tapping Fees	-	-
Project Contribution	-	-
Purchases of Capital Assets	(165,500)	-
Purchases of Improvements	-	-
Principal Paid on Capital Debt	(995,818)	-
Proceeds from Sales of Capital Assets	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,161,318)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from Sales and Maturities of Investments	1,000,000	-
Purchase of Investments	(700,000)	(380,000)
Interest Received	202,481	30,339
Net Cash Provided/(Used) by Investing Activities	502,481	(349,661)
Net Increase (Decrease) in Cash and Cash Equivalents	395,555	46,673
Cash and Cash Equivalents - Beginning	15,342	(7,765)
Cash and Cash Equivalents - Ending	\$ 410,897	\$ 38,908
<b>Reconciliation of Operating Income to Net Cash Provided (Used)</b>		
<b>by Operating Activities:</b>		
Operating Income	\$ (50,813)	\$ 5,436
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) By		
Operating Activities:		
Depreciation	1,297,135	280
Change in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	44,417	-
(Increase) Decrease in Intergovernmental Receivable	-	8,100
(Increase) Decrease in Due From Other Funds	-	397,882
(Increase) Decrease in Inventories	(731)	(110)
(Increase) Decrease in Prepaid Items	21	-
Increase (Decrease) in Accounts Payable	4,363	(254)
Increase/(Decrease) in Contracts Payable	-	-
Increase (Decrease) in Due to Other Funds	61,000	-
Total Adjustments	1,406,205	405,898
Net Cash Provided (Used) by Operating Activities	\$ 1,355,392	\$ 411,334

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, 2005**

	<b>NON- EXPENDABLE TRUST</b>				<b>TOTALS</b>
	<b>PERPETUAL CARE</b>	<b>LAW ENFORCE FORFEITURE FUND</b>	<b>LIBRARY IMPROVEMENT RESERVE FUND</b>	<b>RICE HOSPITAL AGENCY FUND</b>	
<b>ASSETS</b>					
Cash And Cash Equivalents	\$ 4,847	\$ 39,334	\$ 513	\$ -	\$ 44,694
Investments	-	-	285,000	-	285,000
Intergovernmental Receivable	-	-	-	-	-
Accrued Interest Receivable	230	-	2,200	60,114	62,544
Prepaid Expenses	-	-	-	-	-
Restricted Assets:					
Cash	-	-	-	438,938	438,938
Investments	30,000	-	-	4,900,509	4,930,509
Total Assets	<u>\$ 35,077</u>	<u>\$ 39,334</u>	<u>\$ 287,713</u>	<u>\$ 5,399,561</u>	<u>\$ 5,761,685</u>
<b>LIABILITIES</b>					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental Payable	-	-	-	5,399,561	5,399,561
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,399,561</u>	<u>\$ 5,399,561</u>
<b>NET ASSETS</b>					
Held In Trust	<u>\$ 35,077</u>	<u>\$ 39,334</u>	<u>\$ 287,713</u>	<u>\$ -</u>	<u>\$ 362,124</u>

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

**City of Willmar, Minnesota**  
**Statement of Changes in Fiduciary Net Assets**  
**Fiduciary Funds**  
**For the Year Ended December 31, 2005**

	<b>NON-EXPENDABLE TRUST</b>			<b>TOTALS</b>
	<b>PERPETUAL CARE</b>	<b>LAW ENFORCE FORFEITURE FUND</b>	<b>LIBRARY IMPROVEMENT RESERVE FUND</b>	
<b>ADDITIONS</b>				
Investment Earnings	\$ 762	\$ 204	\$ 9,278	\$ 10,244
Contributions/Donations	8,486	8,052	-	16,538
Federal Reimbursement	51,439	-	-	51,439
Transfers In	9,502	-	16,790	26,292
Total Additions	70,189	8,256	26,068	104,513
<b>DEDUCTIONS</b>				
Blandin 2020	-	-	-	-
K-9	373	-	-	373
Fire Protection	53,822	-	-	53,822
Drug Enforcement	-	17,442	-	17,442
Other Services and Charges	-	-	-	-
Total Deductions	54,195	17,442	-	71,637
Change in Net Assets	15,994	(9,186)	26,068	32,876
Net Assets - Beginning	19,083	48,520	261,645	329,248
Net Assets - Ending	\$ 35,077	\$ 39,334	\$ 287,713	\$ 362,124

**CITY OF WILLMAR, MINNESOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The City of Willmar is a municipal corporation governed by an elected mayor and eight-member council. As required by generally accepted accounting principles, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the government. Each discretely presented component unit has a December 31 year-end.

The City of Willmar complies with Generally Accepted Accounting Principles (GAAP). The City's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. Proprietary Funds apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

**Discretely Presented Component Units.** The City of Willmar Rice Memorial Hospital's governing board is appointed by the City Council. The City may change the manner, mode and type of operations of said hospital to permit participation of other agencies. The City 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 City of Willmar Municipal Utilities Commission's governing board is appointed by the City Council. The City has the power to overrule any decision, motion, resolution, rule, regulation, or order of the Commission. The rates for user charges and bond issuance authorizations also are approved by the City Council and the legal liability for the general obligation portion of the Municipal Utilities Commission's debt remains with the City.

Complete financial statements for each of the individual component units may be obtained at the entity's administrative offices.

Rice Memorial Hospital  
301 Becker Avenue SW  
Willmar, MN 56201

Willmar Municipal Utilities Commission  
700 Litchfield Avenue SW  
Willmar, MN 56201

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are

## **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **B. Government-Wide and Fund Financial Statements (Continued)**

reported separately from business type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

### **C. Measurement Focus, Basis of Accounting and Basis of Presentation**

The accounts of the City are organized and operated on the basis of funds and account groups. 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 provision. The minimum number of funds is maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds.

The City has the following fund types and account groups:

**GOVERNMENTAL FUNDS** are used to account for the City's general government activities.

Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Property taxes, franchise taxes, licenses, interest and special assessments are susceptible to accrual. Other receipts and taxes become measurable and available when cash is received by the City and are recognized as

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Governmental funds include the following fund types:

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

The **Special Revenue Funds** account for revenue sources that are legally restricted to expenditure for specific purposes (not including expendable trusts or major capital projects).

The **Debt Service Funds** account for the servicing of general long-term debt not being financed by proprietary or nonexpendable trust funds.

The **Capital Project Funds** account for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary on nonexpendable trust funds.

**PROPRIETARY FUNDS** are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The City applies all applicable FASB pronouncements in accounting and reporting for its proprietary operations. Proprietary funds include the following fund types:

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

**Internal Service Funds** account for operations that provide services to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis.

**FIDUCIARY FUNDS** account for assets held by the City in a trustee capacity or as an agent on behalf of others. Trust funds account for assets held by the City under terms of a formal trust agreement.

The **Expendable Trust Fund** is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable trust funds account for assets where both the principal and interest may be spent.

The **Nonexpendable Trust Fund** and **Pension Trust Fund** are accounted for in essentially the same manner as the proprietary funds, using the same measurement focus and basis of accounting. Nonexpendable trust funds account for assets of which the principal may not be spent.

## **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)**

The **Agency Fund** is custodial in nature and does not present results of operations or has a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. This fund is used to account for assets that the government holds for others in an agency capacity.

**ACCOUNT GROUPS.** The **General Fixed Assets Account Group** is used to account for fixed assets not accounted for in proprietary or trust funds. The **General Long-term Debt Account Group** is used to account for general long-term debt and certain other liabilities that are not specific liabilities of proprietary or trust funds.

### **D. Assets, Liabilities and Equity**

#### **Deposits and Investments**

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Certain restricted assets are included in cash and cash equivalents.

State statutes authorize the City to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements and the State Treasurer's Investment Pool.

#### **Receivables and Payables**

All outstanding balances between funds are reported as "due to/from other funds".

#### **Property Taxes**

The City Council annually adopts a Tax Levy and certifies it to the County in December for collection the following year. The County is responsible for collecting all property taxes for the City. These taxes attach an enforceable lien on taxable property within the City on January 1 and are payable by the property owners in two installments in May and October. The taxes are collected by the County Auditor, and tax settlements are made to the City during January, June and December each year.

Taxes payable on homestead property, as defined by State Statutes, are partially reduced by a homestead and agricultural credit aid. The credit is paid to the City by the State of Minnesota in lieu of taxes levied against homestead property. The State remits this credit in two equal installments in July and December each year.

Delinquent taxes receivable includes the past six years' uncollected taxes. Delinquent taxes have been offset by a deferred revenue liability for delinquent taxes not received within 60 days after year-end.

## **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **D. Assets, Liabilities and Equity (Continued)**

#### **Special Assessments**

Special Assessments represent the financing for public improvements paid for by benefiting property owners. These assessments are recorded as receivables upon certification to the County. Special assessments are recognized as revenue when they are received in cash or within 60 days after year-end. All noncurrent special assessments receivables are offset by a deferred revenue liability.

#### **Inventories and Prepaid Items**

Inventories are stated at the lower of cost or market on the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

#### **Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) 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 market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government, as well as the component units, is depreciated using the straight line method over the following estimated useful lives:

Buildings	20-25 Years
Building Improvements	25-50 Years
Infrastructure Improvements	10-20 Years
Equipment	3-20 Years

## **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **D. Assets, Liabilities and Equity (Continued)**

#### **Compensated Absences**

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. No liability is reported for unpaid accumulated sick leave. Vacation pay is accrued when incurred in proprietary funds and reported as a fund liability. Vacation pay that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund reserve of the governmental fund that will pay it. Amounts not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. No expenditure is reported for these amounts.

#### **Long-term Obligations**

The City reports long-term debt of governmental funds at face value in the general long-term debt account group. Certain other governmental fund obligations not expected to be financed with current available financial resources are also reported in the general long-term debt account group. Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate funds.

For governmental fund types, bond premiums and discounts, as well as issuance costs are recognized during the current period. Bond proceeds are reported as another financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. For proprietary fund types, 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. Issuance costs are reported as deferred charges.

#### **Fund Equity**

Reservations of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. Reservations of retained earnings are limited to outside third-party restrictions. Designations of fund balance represent tentative management plans that are subject to change. The proprietary funds contributed capital represents equity acquired through capital grants and capital contributions from developers, customers or other funds.

#### **Interfund Transactions**

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

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring and nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### D. Assets, Liabilities and Equity (Continued)

#### Comparative Data/Reclassifications

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the City's financial position and operations. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

## NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE & FUND FINANCIAL STATEMENTS

### A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes a reconciliation between Fund Balance-Total Governmental Funds and Net Assets-Governmental Activities as reported in the government-wide statement of net assets. The details of this \$42,620,350 difference are as follows:

Capital Assets used in governmental activities are not financial resources so they are not reported in the funds	\$ 55,227,257
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.	\$ 1,228,565
Uncompensated Absences is considered long term so it is not reported in the funds	\$( 1,907,137)
Accrued Interest On Bonds Payable is considered long term so it is not reported In the funds	\$( 385,976)
Bonds/Notes Payable is considered long term so it is not reported in the funds	<u>\$( 11,542,359)</u>
Net adjustment to increase Fund Balance-Total Governmental Funds to Arrive at Net Assets-Governmental Activities	<u>\$ 42,620,350</u>

### B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between Net Changes in Fund Balances-Total Governmental Funds and Changes in Net Assets of Governmental Activities as reported in the government-wide statement of activities. The details of this \$511,373 difference are as follows:

**NOTE 2. RECONCILIATION OF GOV'T-WIDE & FUND FINANCIAL STATEMENTS (CON'T)**

**B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities (Continued)**

Internal Services Funds are used by management to charge the costs of office supplies to individual funds. The net increase in the balance is included in the Governmental Activities Statement of Activities

	\$ 24,851
2005 Depreciation Expense – Governmental Funds	\$ ( 2,593,024 )
Increase over 2004 in Bonds/Notes Payable – Governmental Funds	\$ ( 2,428,118 )
Increase from 2004 in Interest Payable – Governmental Funds	\$ ( 115,268 )
2005 Uncompensated Absences Expense	\$ 0
Increase over 2004 in Fixed Assets – Governmental Funds	\$ <u>5,622,932</u>
Net Adjustment to increase Net Changes in Fund Balances – Total Governmental Funds to arrive at Changes in Net assets of Governmental Activities	\$ 511,373

**NOTE 3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Deficit Fund Balances**

Five Capital Project funds have a deficit fund balance at the end of the year:

<u>Capital Project Fund</u>	<u>Deficit Fund Balance</u> <u>12/31/2005</u>
Local Option Sales Tax Projects	\$ 4,750
Airport	2,827,938
Waste Water Treatment Improvement	446,591
Aquatic Center	25,677
Baker Diamond Stadium	<u>8,436</u>
Total of Deficit Fund Balances	\$ <u>3,313,392</u>

It is anticipated that the deficit balance in these funds will be non-existent by the end of each individual project.

### **NOTE 3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Con't)**

#### **C. Budgetary Information**

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.

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.

All excess of expenditures over appropriations were funded by excess of actual revenues over budget or by designated Fund Balances.

### **NOTE 4. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS**

#### **A. Deposits and Investments**

##### **Deposits**

In accordance with Minnesota Statutes, the City maintains deposits at those depository banks authorized by the City Council. All such depositories are members of the Federal Reserve System.

Custodial credit risk is the risk that in the event of a bank failure the government's deposits may not be returned to it. As of December 31, 2005, all bank balances were sufficiently covered with insurance and collateral.

Minnesota Statutes require that all City Deposits be protected by insurance, surety bond, or collateral. The market value of collateral must equal 110% of the deposits not covered by insurance or bond (140% in the case of mortgage notes pledged). Authorized collateral includes the legal investments described in Minnesota Statutes including those listed below, as well as certain first mortgage notes, and certain other state or local government obligations. Minnesota Statutes require that securities pledged as collateral be held in safekeeping by the city treasurer or in a financial institution other than that furnishing the collateral.

The City of Willmar's banking arrangement stipulates that funds are automatically transferred between its checking account and its flex gold savings account, both of which are included in the deposit balances, for the purpose of maximizing investment earnings and covering checks as they are presented for payment.

**NOTE 4. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED)**

**A. Deposits and Investments (Continued)**

**Deposits (Continued)**

**Bank Balance As of 12/31/2005**

\$ 1,071,474

**Carrying Amount As of 12/31/2005**

\$ 212,517

**Investments**

Credit Risk. Minnesota Statutes Section 118A.04, Subdivision 1 through 7, lists all permissible investments for municipalities. This list established the maximum investments risk permitted for a Minnesota municipality. The City of Willmar will not authorize its employees to invest in all of these investments, staying consistent with its number one priority of safety of capital. The following are investments the City will be authorized to invest in:

1. Government Securities. Instruments such as bonds, notes, bills, mortgages and other securities which are direct obligations of the federal government or its agencies and instrumentalities, with the principal fully guaranteed by the U.S. Government or its agencies. The City will not invest in any mortgage or mortgage related security unless a return of principal is completely guaranteed by a federal entity.
2. Certificate of Deposit. A negotiable or nonnegotiable instrument issued by commercial banks and insured up to \$100,000 by the Federal Deposit Insurance Corporation. Collateralization will be required where the par value exceeds the FDIC \$100,000 insurance level.
3. Repurchase Agreement. An investment which consists of two simultaneous transactions, where the City purchases securities from a bank or dealer. At the same time, the selling bank or dealer agrees to repurchase the securities at the same price plus interest at some agreed-upon future date. The security purchased is the collateral protecting the investment.
4. Prime Commercial Paper. An investment used by corporations to finance receivables. A short-term (matures in 270 days or less) unsecured promissory note is issued for maturity specified by the purchaser. The City will only invest in commercial paper that has the highest rating of two of the three rating agencies.
5. Any security which is a general obligation of the State of Minnesota or any of its municipalities.
6. Bankers Acceptances of United States banks eligible for purchase by the Federal Reserve System.
7. Investment Pools. Governmental sponsored pools and money market mutual funds are allowable short-term cash management facilities. These pools/funds can provide safety, liquidity and yield in a single investment instrument. However, the City will follow due diligence standard which applies to the use of pools/funds. A thorough investigation of the pool/fund is required prior to investing.

## NOTE 4. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED)

### A. Deposits and Investments (Continued)

#### Investments (Continued)

8. Mutual Funds. Shares of an investment company registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933 whose portfolio consists of direct obligations or are guaranteed issued of the United States its agencies or instrumentalities. Effective January 1, 1997, mutual funds are limited to funds held as of December 31, 1996, or a fund whose portfolio consists of the aforementioned obligations with a maturity of thirteen months or shorter. Reinvestment of dividends paid from a fund holding obligations maturing beyond thirteen months is prohibited.

The City's investments are rated as follows:

- |                               |                  |
|-------------------------------|------------------|
| 1. Commercial Paper           | A1/P1 and A1+/P1 |
| 2. U.S. Government Securities | AAA              |
| 3. Mutual/Bond Funds          | N/A              |

Concentration of Credit Risk. 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 or with a single financial institution or broker/dealer. The security types and amounts that exceed five percent of the City's total investments are as follows:

Commercial Paper	\$ 10,865,714	(22.47 %)
Federal Home Loan Mortgage Corporation	\$ 14,875,625	(30.76 %)
Federal Home Loan Bank	\$ 15,727,188	(32.52 %)
Federal National Mortgage Association	\$ 3,000,000	( 6.20 %)
Mutual Funds	\$ 2,635,800	( 5.45 %)

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

Smith Barney Citigroup	\$ 16,820,592	(34.79 %)
Wachovia Securities	\$ 12,724,063	(26.31 %)
Wells Fargo	\$ 15,923,873	(32.93 %)

The City's investments are categorized to give an indication of the level of risk assumed at year-end. Category 1 includes investments that are insured or registered, of which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent but not in the City's name. Cash and Certificates of Deposit were fully covered by Federal depository insurance or by collateral held in trust in the City of Willmar's name at December 31, 2005.

**NOTE 4. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED)**

**A. Deposits and Investments (Continued)**

**Investments (Continued)**

At year-end, the City’s investment balances were as follows:

	<u>Credit Risk Category</u>			<u>Fair Market Value</u>
	<u>1</u>	<u>2</u>	<u>3</u>	
U.S.Gov’t Securities	\$ 34,852,813	0	0	\$ 34,286,190
Commercial Paper	<u>\$ 10,865,714</u>	<u>0</u>	<u>0</u>	<u>\$ 10,921,996</u>
Total Subject to Cat.	<u>\$ 45,718,527</u>	<u>0</u>	<u>0</u>	<u>\$ 45,208,186</u>
Mutual Funds	<u>\$ 2,635,800</u>			<u>\$ 2,355,648</u>
<b>Total Investments</b>	<b><u>\$ 48,354,327</u></b>			<b><u>\$ 47,563,834</u></b>

**B. Receivables**

Receivables as of year-end, including applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Enterprise</u>	<u>Internal Services</u>	<u>Trust &amp; Agency</u>	<u>Total</u>
Receivables-								
Taxes Rec. Cur	\$ -	\$ 10,785	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,785
Taxes Rec. Del	49,160	13	-	-	-	-	-	49,173
Taxes Rec. Def	-	423,194	3,011,564	-	-	-	-	3,434,758
Special Assmts.	2,499	1,288,496	5,459,697	-	-	-	-	6,750,692
Accounts Rec.	139,470	42,783	-	54,538	8,305	-	-	245,096
Notes Rec.	718	-	-	-	-	-	-	718
N.S.F. Rec.	68	-	-	-	-	-	-	68
Accr. Int. Rec.	<u>138,075</u>	<u>65,222</u>	<u>19,406</u>	<u>5,943</u>	<u>48,302</u>	<u>8,538</u>	<u>62,544</u>	<u>348,030</u>
<b>Net Total Rec.</b>	<b><u>\$ 329,990</u></b>	<b><u>\$ 1,830,493</u></b>	<b><u>\$ 8,490,667</u></b>	<b><u>\$ 60,481</u></b>	<b><u>\$ 56,607</u></b>	<b><u>\$ 8,538</u></b>	<b><u>\$ 62,544</u></b>	<b><u>\$ 10,839,320</u></b>

Accounts Receivable for Rice Memorial Hospital are \$13,145,948 net of allowance for uncollectibles. Accounts Receivables for Willmar Municipal Utilities are \$1,976,286 net of allowance for uncollectibles.

**NOTE 4. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED)**

**C. Capital Assets**

The following is a summary of changes in the capitalized assets during the fiscal year:

	<b><u>Balance</u></b> <b><u>01/01/2005</u></b>	<b><u>Additions</u></b>	<b><u>Disposals</u></b>	<b><u>Balance</u></b> <b><u>12/31/2005</u></b>
Land	\$ 3,599,299	\$ 17,670	\$ 8,971	\$ 3,607,998
Buildings & Structures	4,752,986	854,200	33,366	5,573,820
Furniture & Equipment	2,597,039	211,206	193,491	2,614,755
Machinery & Auto	5,619,225	886,805	335,405	6,170,625
Other Improvements	<u>68,236,177</u>	<u>4,224,283</u>	<u>0</u>	<u>72,460,460</u>
<b>Total</b>	<b><u>\$ 84,804,726</u></b>	<b><u>\$ 6,194,166</u></b>	<b><u>\$ 571,233</u></b>	<b><u>\$ 90,427,658</u></b>
<b>Accum. Depreciation</b>	<b><u>\$ 32,608,546</u></b>	<b><u>\$ 3,068,418</u></b>	<b><u>\$ 475,395</u></b>	<b><u>\$ 35,201,569</u></b>
<b>Net Capital Assets</b>	<b><u>\$ 52,196,180</u></b>	<b><u>\$ 3,125,748</u></b>	<b><u>\$ 95,838</u></b>	<b><u>\$ 55,226,089</u></b>

The following is a summary of Proprietary fund types of property, plant and equipment as of December 31, 2005:

<b><u>Enterprise Fund</u></b>	<b><u>Balance</u></b> <b><u>01/01/2005</u></b>	<b><u>Additions</u></b>	<b><u>Disposals</u></b>	<b><u>Balance</u></b> <b><u>12/31/2005</u></b>
Land & Land Improve.	\$ 321,370	\$ 0	\$ 0	\$ 321,370
Buildings & Structures	20,169,155	0	0	20,169,155
Furniture & Equipment	917,073	44,103	11,678	949,498
Machinery & Auto	642,018	148,470	87,732	702,756
Other Improvements	<u>2,932,202</u>	<u>0</u>	<u>0</u>	<u>2,932,202</u>
<b>Total</b>	<b><u>\$ 24,981,818</u></b>	<b><u>\$ 192,573</u></b>	<b><u>\$ 99,411</u></b>	<b><u>\$ 25,074,981</u></b>
<b>Accum. Depreciation</b>	<b><u>\$ 9,753,016</u></b>	<b><u>\$ 643,722</u></b>	<b><u>\$ 88,016</u></b>	<b><u>\$ 10,308,723</u></b>
<b>Net Capital Assets</b>	<b><u>\$ 15,228,802</u></b>	<b><u>\$ ( 451,149)</u></b>	<b><u>\$ 11,395</u></b>	<b><u>\$ 14,766,258</u></b>

**NOTE 4. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED)**

**C. Capital Assets (Continued)**

<b><u>Internal Services Fund</u></b>	<b><u>Balance 01/01/2005</u></b>	<b><u>Additions</u></b>	<b><u>Disposals</u></b>	<b><u>Balance 12/31/2005</u></b>
Furniture & Equipment	11,680	0	0	11,680
<b>Total</b>	<b>\$ 11,680</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 11,680</b>
<b>Accum. Depreciation</b>	<b>\$ 10,512</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 10,512</b>
<b>Net Capital Assets</b>	<b>\$ 1,168</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 1,168</b>

A summary of the accounts and the related accumulated depreciation for Rice Memorial Hospital as of December 31, 2005 and December 31, 2004 were as follows:

<b>Rice Memorial Hospital:</b>	<b><u>2005 Cost</u></b>	<b><u>2004Cost</u></b>
Land	\$ 2,579,000	\$ 2,390,000
Land Improvements	692,000	684,000
Buildings	66,924,000	61,273,000
Equipment and fixtures	38,463,000	34,848,000
Construction in Progress	<u>5,813,000</u>	<u>5,001,000</u>
Total	\$114,471,000	\$104,195,000
Less: Accumulated Depreciation	<u>( 39,433,000)</u>	<u>(36,909,000)</u>
Net Property, Plant & Equipment	<b><u>\$ 75,038,000</u></b>	<b><u>\$ 67,286,000</u></b>

**NOTE 4. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED)**

**C. Capital Assets (Continued)**

The following is a summary of Proprietary fund type fixed assets for the Willmar Municipal Utilities as of December 31, 2005, and December 31, 2004:

<b>Willmar Municipal Utilities:</b>	<b><u>2005</u></b> <b><u>Cost</u></b>	<b><u>2004</u></b> <b><u>Cost</u></b>
Electric	\$ 38,123,574	\$ 37,352,783
Water	7,414,747	7,313,001
Heating	7,401,453	7,386,476
Construction in Progress	928,093	458,753
Other	<u>3,563,084</u>	<u>3,453,767</u>
Total Utility Plant in Service	\$ 57,430,951	\$ 55,964,780
Less: Accumulated Depreciation	<u>(35,608,326)</u>	<u>(33,791,827)</u>
Net Fixed Assets	<b><u>\$ 21,825,625</u></b>	<b><u>\$ 22,172,953</u></b>

**D. Interfund Receivables and Payables**

<b><u>Receivable fund</u></b>	<b><u>Payable fund</u></b>	<b><u>Amount</u></b>
General	CVB	\$ 6,877
General	T.I. Homme	3,990
General	T.I. Relco	2,494
General	T.I. Lakewood B.K.	611
General	Capital Improvements	14,728
Industrial Development	C.P. Airport	7,077
Community Investment	D.S. 1997	301,229
Community Investment	D.S. 1998	2,121
D.S. 2001	S.A.B.F. 2001	42,490
D.S. 2004 C Airport	General	179,000
D.S. 1996	Community Investment	82,380
C.P. Waste Treatment	Waste Treatment Plant	176,000
Capital Improvement	WRAC-8	16,558
Public Improvement Revolving	General	17,146

**NOTE 4. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED)**

**E. 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 12/31/2005</u>
<b>Primary Government</b>					
<b>Governmental Activities</b>					
<u>G.O. Special Assessments</u>					
1996 Improvement Bond	4.30 - 5.10	1996	2007	1,185,000	230,000
1997 Improvement Bond	4.10 - 4.90	1997	2008	1,265,000	375,000
2000 Improvement Bond	4.75 - 5.25	2000	2011	665,000	420,000
2001 Improvement Bond	3.00 - 4.25	2001	2012	1,400,000	980,000
2002 Improvement Bond	2.00 - 3.75	2002	2013	1,125,000	870,000
2003 Improvement Bond	2.00 - 4.10	2003	2014	600,000	530,000
2004 Improvement Bond	2.10 - 4.00	2004	2015	2,125,000	1,895,000
2005 Improvement Bond	3.25 - 3.65	2005	2016	<u>3,675,000</u>	<u>3,675,000</u>
Total Special Assessment Bonds				12,040,000	8,975,000
<u>G.O. Revenue Bonds</u>					
2004 Airport Bond	2.00 - 4.05	2004	2020	<u>2,100,000</u>	<u>1,995,000</u>
Total G.O. Revenue Bonds				2,100,000	1,995,000
<b>Total Governmental Activities</b>				<b>14,140,000</b>	<b>10,970,000</b>
<b>Business-Type Activities</b>					
<u>G.O. Revenue Bonds</u>					
1997 Waste Treatment Note	3.13	1997	2017	4,300,000	2,890,381
2001 Waste Treatment Bond	4.00 - 4.25	2001	2009	2,160,000	1,580,000
2003 Waste Treatment Bond	1.15 - 2.75	2003	2008	1,555,000	965,000
2004 Waste Treatment Bond	1.45 - 4.15	2004	2019	<u>1,410,000</u>	<u>1,335,000</u>
Total G.O. Revenue Bonds				9,425,000	6,770,381
<b>Total Business-Type Activities</b>				<b>9,425,000</b>	<b>6,770,381</b>
<b>Total Primary Government</b>				<b>23,565,000</b>	<b>17,740,381</b>
<b>Defeased Bonds/Primary Gov't.</b>					
1998 Special Assessment Bond	4.00 - 4.50	1998	2006	2,000,000	820,000
1999 Special Assessment Bond	4.00 - 4.90	1999	2007	<u>970,000</u>	<u>480,000</u>
<b>Total Defeased Bonds/Primary Govt</b>				<b>2,970,000</b>	<b>1,300,000</b>

**NOTE 4. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED)**

**E. Long-Term Debt**

(Summary of long-term debt obligations outstanding at year end continued)

	<b>Interest Rates</b>	<b>Date Issued</b>	<b>Date Matures</b>	<b>Original Issue</b>	<b>Outstanding at 12/31/2005</b>
<b>Component Units</b>					
<b>Municipal Utilities</b>					
<u>Revenue Bonds</u>					
1996 Bond	4.00 - 5.30	1996	2006	1,750,000	215,000
1999 Bond	4.20 - 5.00	1999	2011	1,760,000	1,365,000
2001 Bond	3.50 - 4.50	2001	2011	1,240,000	800,000
2001 Bond	3.50 - 4.00	2001	2007	<u>2,080,000</u>	<u>740,000</u>
Total Revenue Bonds				6,830,000	3,120,000
<u>G.O. Revenue Bonds</u>					
2005 Bond	3.00 - 3.75	2005	2016	<u>1,290,000</u>	<u>1,290,000</u>
Total G.O. Revenue Bonds				1,290,000	1,290,000
<b>Total Municipal Utilities</b>				<b>8,120,000</b>	<b>4,410,000</b>
<b>Rice Memorial Hospital</b>					
<u>Revenue Bonds</u>					
1994 Bond	6.20 - 6.70	1994	2015	1,865,000	1,225,000
2000 Bond	2.93	2000	2010	<u>1,600,000</u>	<u>826,274</u>
Total Revenue Bonds				3,465,000	2,051,274
<u>G.O. Revenue Bonds</u>					
2002 Bond	3.00 - 5.00	2002	2032	<u>51,200,000</u>	<u>49,780,000</u>
Total G.O. Revenue Bonds				51,200,000	49,780,000
<b>Total Rice Memorial Hospital</b>				<b>54,665,000</b>	<b>51,836,387</b>

**NOTE 4. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED)**

**E. Long-Term Debt (Continued)**

Changes in Long-Term Debt during 2005 are summarized as follows:

	<b>Balance 01/01/2005</b>	<b>Issued</b>	<b>Retired/ Defeased</b>	<b>Balance 12/31/2005</b>
<b>Primary Government</b>				
<b>Governmental Activities</b>				
G.O. Special Assessment Bonds	\$ 6,375,000	\$ 3,675,000	\$ 1,075,000	\$ 8,975,000
G.O. Revenue Bonds	2,100,000	0	105,000	1,995,000
<b>Total Governmental Activities</b>	<b>\$ 8,475,000</b>	<b>\$ 3,675,000</b>	<b>\$ 1,180,000</b>	<b>10,970,000</b>
<b>Business-Type Activities</b>				
G.O. Revenue Bonds	\$ 7,782,817	\$ 0	\$ 1,012,436	\$ 6,770,381
<b>Total Business-Type Activities</b>	<b>\$ 7,782,817</b>	<b>\$ 0</b>	<b>\$ 1,012,436</b>	<b>\$ 6,770,381</b>
<b>Total Primary Government</b>	<b>\$ 16,257,817</b>	<b>\$ 3,675,000</b>	<b>\$ 2,192,436</b>	<b>\$ 17,740,381</b>
<b>Component Units</b>				
<b>Municipal Utilities</b>				
Revenue Bonds	\$ 3,905,000	\$ 0	\$ 785,000	\$ 3,120,000
G.O. Revenue Bonds	0	1,290,000	0	1,290,000
<b>Total Municipal Utilities</b>	<b>\$ 3,905,000</b>	<b>\$ 1,290,000</b>	<b>\$ 785,000</b>	<b>\$ 4,410,000</b>
<b>Rice Memorial Hospital</b>				
Revenue Bonds	\$ 2,299,367	\$ 0	\$ 248,093	\$ 2,051,274
G.O. Revenue Bonds	50,500,000	0	720,000	49,780,000
<b>Total Rice Memorial Hospital</b>	<b>\$ 52,799,367</b>	<b>\$ 0</b>	<b>\$ 962,980</b>	<b>\$ 51,836,387</b>
<b>Total Component Units</b>	<b>\$ 56,704,367</b>	<b>\$ 1,290,000</b>	<b>\$ 1,747,980</b>	<b>\$ 56,246,387</b>

**NOTE 4. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED)**

**E. Long-Term Debt (Continued)**

Long-Term Debt maturities are as follows:

<b>Primary Government</b>	<b>G.O. Special Assessments Bonds</b>		<b>G.O. Revenue Bonds</b>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
<b>Governmental Activities:</b>				
2006	\$ 865,000	\$ 317,476	\$ 115,000	\$ 68,500
2007	1,240,000	280,265	120,000	65,912
2008	1,120,000	237,506	120,000	62,912
2009	980,000	199,530	125,000	59,612
2010	965,000	163,670	130,000	55,863
2011 – 2015	3,465,000	343,857	705,000	211,241
2016 – 2020	340,000	6,205	680,000	68,865
<b>Total Governmental Activity</b>	<b>\$ 8,975,000</b>	<b>\$ 1,548,509</b>	<b>\$ 1,995,000</b>	<b>\$ 592,905</b>
<b>Business-Type Activities:</b>				
2006	\$ 0	\$ 0	\$ 871,995	\$ 213,285
2007	0	0	1,008,367	184,584
2008	0	0	1,174,940	147,875
2009	0	0	661,720	115,223
2010	0	0	313,714	98,284
2011 – 2015	0	0	1,731,452	332,351
2016 – 2020	0	0	1,008,193	59,584
<b>Total Business-Type Activity</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 6,770,381</b>	<b>\$ 1,151,186</b>
<b>Total Primary Government</b>	<b>\$ 9,205,000</b>	<b>\$ 1,583,800</b>	<b>\$ 8,870,381</b>	<b>\$ 1,779,391</b>

**NOTE 4. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED)**

**E. Long-Term Debt (Continued)**

Long-Term Debt maturities (continued):

<b>Component Units</b>	<b>G.O. Revenue Bonds</b>		<b>Revenue Bonds</b>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2006	\$ 745,000	\$ 2,462,064	\$ 1,084,210	\$ 240,880
2007	880,000	2,434,062	1,134,456	194,336
2008	910,000	2,405,225	624,822	144,722
2009	930,000	2,373,600	650,426	117,008
2010	965,000	2,338,762	582,359	88,169
2011 – 2015	6,625,000	10,835,693	1,095,000	143,120
2016 – 2020	8,550,000	8,976,031	0	0
2021 – 2025	10,925,000	6,554,375	0	0
2026 – 2030	13,940,000	3,460,000	0	0
2031 – 2035	<u>6,600,000</u>	<u>334,000</u>	<u>0</u>	<u>0</u>
<b>Total Component Units</b>	<b>\$ 51,070,000</b>	<b>\$ 42,173,812</b>	<b>\$ 5,171,273</b>	<b>\$ 928,235</b>

Enterprise Bonds are serviced by the Municipal Utilities, Hospital and Waste Treatment funds and are carried as a debt of those funds. Special Assessment Bonds are backed by the full faith, credit and taxing power of the City, and are carried as a debt of the General Long-Term Debt Group of Accounts, General Obligation Bonds are paid for by ad valorem taxes and the Tax Increment Bonds will be paid for by a special taxing district and may require a tax levy.

**F. Fund Balance/Equity**

The December 31, 2005, Fund Equity of the Governmental and Proprietary fund types classified as reserved, unreserved and contributed is as follows:

<u>Governmental Fund Type</u>	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Fund Balance				
Reserved -				
Future Expenditures	\$ 173,848	\$ 75,055	\$ -	\$ -
Debt Service	-	4,500,000	2,958,549	-
Unreserved -				
Designated:				
Future Expenditures	<u>14,780,633</u>	<u>5,166,189</u>	<u>-</u>	<u>(1,982,441)</u>
<b>Total Fund Balance</b>	<b><u>\$14,954,481</u></b>	<b><u>\$ 9,741,244</u></b>	<b><u>\$2,958,549</u></b>	<b><u>\$(1,982,441)</u></b>

**NOTE 4. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED)**

**F. Fund Balance/Equity (Continued)**

<u>Proprietary Fund Types</u>	<u>Enterprise</u>	<u>Internal Services</u>
Contributed Capital	\$ 4,524,188	\$ -
Retained Earnings		
Reserved – Designated For Future Expenditures	1,698,770	-
Unreserved - Designated For Future Expenditures	4,888,287	1,228,565
Invested in Property, Plant & Equipment	<u>3,471,689</u>	<u>1,168</u>
<b>Total Equity</b>	<b><u>\$ 14,582,934</u></b>	<b><u>\$ 1,229,733</u></b>

**G. Segment Information for Enterprise Funds**

The City maintains operating funds which provide services. Segment information for the year ended December 31, 2005, is as follows:

Operating Revenues	\$ 2,834,941
Depreciation	\$ 1,297,135
Net Income (Loss) Before Transfers	\$ 157,444
Operating Transfers:	
In	\$ -
Out	\$ 301,000
Net Income (Loss)	\$ ( 50,813)
Total Assets	\$ 21,551,459
Liabilities:	
Payable from Operating Revenues	\$ 6,968,525
Total Retained Earnings	\$ 14,582,934

## **NOTE 5. OTHER INFORMATION**

### **A. Contingent Liabilities**

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 which expenditures may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

The government is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City Attorney and Finance Director the resolution of these matters would not have a material adverse effect on the financial condition of the City.

### **B. Defined Benefit Pension Plans - Statewide**

#### **Plan Description**

All full-time and certain part-time employees of the City of Willmar are covered by defined benefit plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the Public Employees Retirement Fund (PERF), the Public Employees Police and Fire Fund (PEPFF), and the Local Government Correctional Service Retirement Fund, called the Public Employees Correctional Fund (PECF), which are cost-sharing multiple-employer retirement plans. These Plans are established and administered in accordance with Minnesota Statutes, Chapters 353 and 356.

PERF members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. All new members must participate in the Coordinated Plan. All police officers, firefighters and peace officers who qualify for membership by statute are covered by the PEPFF. Members who are employed in a county correctional institution as a correctional guard or officer, a joint jailer/dispatcher, or as a supervisor of correctional guards or officers or of joint jailers/dispatchers and are directly responsible for the direct security, custody, and control of the county correctional institution and its inmates are covered by the PECF.

PERA provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by State Statute, and vest after three years of credited service. The defined retirement benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service.

Two methods are used to compute benefits for PERF's Coordinated and Basic Plan members. The retiring member receives the higher of step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, annuity accrual rate for a Basic Plan member is 2.2 percent of average salary for each of the first 10 years of service and 2.7 percent for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2 percent of average salary for

## **NOTE 5. OTHER INFORMATION (CONTINUED)**

### **B. Defined Benefit Pension Plans – Statewide (Continued)**

#### **Plan Description (Continued)**

each of the first 10 years and 1.7 percent for each remaining year. Under Method 2, the annuity accrual rate is 2.7 percent of average salary for Basic Plan members and 1.7 percent for Coordinated Plan members for each year of service. For PEPFF members, the annuity accrual rate is 3.0 percent for each year of service. The annuity accrual rate is 1.9 percent for each year of service for PECF members. For all PEPFF members, PECF members, and PERF members hired prior to July 1, 1989, whose annuity is calculated using Method 1, a full annuity is available when age plus years of service equal 90. Normal retirement age is 55 for PEPFF and PECF members and 65 for Basic and Coordinated members hired prior to July 1, 1989. Normal retirement age is the age for unreduced Social Security benefits capped at 66 for Coordinated members hired on or after July 1, 1989. A reduced retirement annuity is also available to eligible members seeking early retirement.

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

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

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

#### **Funding Policy**

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. These statutes are established and amended by the state legislature. The City makes annual contributions to the pension plans equal to the amount required by state statutes. PERF Basic Plan members and Coordinated Plan members are required to contribute 9.10% and 5.10%, respectively, of their annual covered salary. PEPFF members are required to contribute 6.20% of their annual covered salary. PECF members are required to contribute 5.83% of their annual covered salary. The City of Willmar is required to contribute the following percentages of annual covered payroll: 11.78% for Basic Plan PERF members, 5.53% for Coordinated Plan PERF members, 9.30% for PEPFF members, and 8.75% for PECF members. The City's contributions to the Public Employees Retirement Fund for the years ending December 31, 2005, 2004 and 2003 were \$188,053, \$175,374

## NOTE 5. OTHER INFORMATION (CONTINUED)

### B. Defined Benefit Pension Plans – Statewide (Continued)

#### Plan Description (Continued)

and \$167,046, respectively. The City's contributions to the Public Employees Police and Fire Fund for the years ending December 31, 2005, 2004 and 2003 were \$164,808, \$163,243 and \$153,160, respectively. The City's contributions were equal to the contractually required contributions for each year as set by state statute.

### C. Prior Period Adjustments

Certain adjustments have been made to the January 1, 2005, balances of retained earnings, contributed capital and fund balance, they are as follows:

#### General Fund

A.) Accounts Receivable Adjustment	\$ ( 24 )
B.) Accounts Payable Adjustment	\$ ( 100 )
C.) Taxes Abated By County	\$ ( 23,135 )

#### Special Revenue Funds

##### C.V.B.

A.) Taxes Receivable Adjustment	\$ ( 92 )
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##### Community Investment Fund

A.) Reallocation from D.S. and S.A.B.F.	\$ 26,126
B.) Interest Adjustment	\$ 3,083
C.) Reclassify Future/Suspense Assessments	\$ ( 13,013 )

#### Debt Service Funds

##### Special Assessment Bonds

A.) Reallocation to Community Investment	\$ ( 26,126 )
B.) Interest Adjustment	\$ 15,255
C.) Reclassify Future/Suspense Assessments	\$ 401,374

##### Tax Increment Financing

A.) Reclassify Payments to County/Incrmnts	\$ ( 428,181 )
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#### Capital Projects

##### Airport

A.) Grant Reconciliation to Actual Received	\$ 2,785,977
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## NOTE 5. OTHER INFORMATION (CONTINUED)

### C. Prior Period Adjustments (Continued)

#### Enterprise Funds

##### Waste Treatment

A.) Loan Amortization Schedule Adjustment	\$	16,618
B.) Adjustment to Capital Assets	\$	642,019
C.) Authorized Construction Adjustment	\$ (	1,410,000 )

### D. Reserved and Designated Fund Balances

#### GENERAL FUND

##### Unreserved-Designated for:

2005 Emergency Budget	\$	1,300,000
2004 Emergency Budget	\$	1,300,000
Advance to Tax Inc.	\$	650,000
Civic Center Plant	\$	319,713
Watermains & Hydrants	\$	637,060
Deferred Compensation	\$	1,907,137
Future Budgets	\$	3,076,989
Petty Cash	\$	2,300
Self-Insurance	\$	1,000,000
Working Capital	\$	3,000,000
Capital Improvements	\$	1,422,657
Expired Capital Improvements	\$	404,777

#### W.R.A.C. - 8

##### Unreserved-Designated:

W.R.A.C. - 8 Operations	\$	194,220
Working Capital	\$	39,701
Prepaid Items	\$	1,979

#### C.V.B.

##### Unreserved-Designated:

C.V.B. Operation	\$	116,752
Petty Cash	\$	50
Working Capital	\$	31,194
Prepaid Items	\$	2,131

#### COMMUNITY INVESTMENT

##### Unreserved-Designated:

Future Projects	\$	5,064,467
Debt Service	\$	4,500,000

**City of Willmar, Minnesota**  
**Debt Service Funds**  
**Combining Balance Sheets**  
**December 31, 2005**

	<b>Special Assessments Bonds</b>	<b>Airport G.O. Revenue Bond</b>	<b>Library Sales Tax G.O. Revenue Bond</b>	<b>Tax Increment Bonds</b>	<b>Total Debt Service Funds</b>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ (168,651)	\$ (178,710)	\$ -	\$ 280,808	\$ (66,553)
Investments	2,485,350	-	-	-	2,485,350
Receivables:					
Taxes Receivable - Deferred	837,724	2,173,840	-	-	3,011,564
Assessments Receivable - Delinquent	35,669	-	-	-	35,669
Assessments Receivable - Non-Current	4,903,025	-	-	-	4,903,025
Assessments Receivable - Suspense	210,474	-	-	-	210,474
Assessments Receivable - Future/Deferred	310,529	-	-	-	310,529
Interest Receivable	19,406	-	-	-	19,406
Intergovernmental Receivable	34,929	-	-	-	34,929
Due From Other Funds	124,870	179,000	-	-	303,870
Unamort Discount On Bonds Sold	-	27,300	-	-	27,300
<b>Total Assets</b>	<b>\$ 8,793,325</b>	<b>\$ 2,201,430</b>	<b>\$ -</b>	<b>\$ 280,808</b>	<b>\$ 11,275,563</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ -	\$ -	\$ -	\$ 21,381	\$ 21,381
Due To Other Funds	303,350	-	-	7,095	310,445
Intergovernmental Payable	-	-	-	-	-
Deferred Revenue	5,811,348	2,173,840	-	-	7,985,188
<b>Total Liabilities</b>	<b>6,114,698</b>	<b>2,173,840</b>	<b>-</b>	<b>28,476</b>	<b>8,317,014</b>
<b>FUND BALANCES</b>					
Reserved For Debt Service	2,678,627	27,590	-	252,332	2,958,549
<b>Total Fund Balances</b>	<b>2,678,627</b>	<b>27,590</b>	<b>-</b>	<b>252,332</b>	<b>2,958,549</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 8,793,325</b>	<b>\$ 2,201,430</b>	<b>\$ -</b>	<b>\$ 280,808</b>	<b>\$ 11,275,563</b>

**City of Willmar, Minnesota**  
**Debt Service Funds**  
**Combined Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Year Ended December 31, 2005**

	<b>Special Assessments Bonds</b>	<b>Airport G.O. Revenue Bond</b>	<b>Library Sales Tax G.O. Revenue Bond</b>	<b>Tax Increment Bonds</b>	<b>Total Debt Service Funds</b>
<b>REVENUES</b>					
General Taxes					
Current Ad Valorem	\$ -	\$ -	\$ -	\$ 3,990	\$ 3,990
Delinquent Ad Valorem	-	-	-	-	-
Tax Increment	-	-	-	25,129	25,129
<b>TOTAL TAXES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29,119</b>	<b>29,119</b>
Special Assessments	1,005,678	-	-	-	1,005,678
Intergovernmental					
MSA Funds	38,085	-	-	-	38,085
Miscellaneous					
Miscellaneous	6,565	-	-	-	6,565
Interest Earnings	68,943	-	-	-	68,943
Total Revenues	<u>1,119,271</u>	<u>-</u>	<u>-</u>	<u>29,119</u>	<u>1,148,390</u>
<b>EXPENDITURES</b>					
Bond Principal Payments	1,075,000	105,000	-	-	1,180,000
Interest Payments	258,933	82,367	-	15,002	356,302
Other Charges	4,725	-	-	-	4,725
Contracts	-	-	-	23,406	23,406
Total Expenditures	<u>1,338,658</u>	<u>187,367</u>	<u>-</u>	<u>38,408</u>	<u>1,564,433</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(219,387)</u>	<u>(187,367)</u>	<u>-</u>	<u>(9,289)</u>	<u>(416,043)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	402,469	179,000	-	-	581,469
Transfers Out	(320,246)	-	(16,790)	(11,404)	(348,440)
Bond Proceeds	-	27,300	-	-	27,300
Total Other Financing Sources (Uses)	<u>82,223</u>	<u>206,300</u>	<u>(16,790)</u>	<u>(11,404)</u>	<u>260,329</u>
Net Change in Fund Balances	(137,164)	18,933	(16,790)	(20,693)	(155,714)
Fund Balances - Beginning	2,815,791	8,657	16,790	273,025	3,114,263
Fund Balances - Ending	<u>\$ 2,678,627</u>	<u>\$ 27,590</u>	<u>\$ -</u>	<u>\$ 252,332</u>	<u>\$ 2,958,549</u>

**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, 2005**

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Over (Under)</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
<b>REVENUES</b>				
General Taxes				
Delinquent Ad Valorem	\$ -	\$ -	\$ -	\$ -
Special Assessments				
Special Assessments	714,064	714,064	1,005,678	291,614
Intergovernmental				
MSA Funds	-	-	38,085	38,085
Miscellaneous Revenue				
Miscellaneous	-	-	6,565	6,565
Interest Earnings	18,500	18,500	68,943	50,443
Total Revenues	<u>732,564</u>	<u>732,564</u>	<u>1,119,271</u>	<u>386,707</u>
<b>EXPENDITURES</b>				
Bond Principal Payments	845,000	845,000	1,075,000	230,000
Interest Payments	223,642	223,642	258,933	
Other Charges	4,900	4,900	4,725	(175)
Total Expenditures	<u>1,073,542</u>	<u>1,073,542</u>	<u>1,338,658</u>	<u>229,825</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(340,978)</u>	<u>(340,978)</u>	<u>(219,387)</u>	<u>156,882</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	199,307	199,307	402,469	203,162
Transfers Out	-	-	(320,246)	(320,246)
Total Other Financing Sources (Uses)	<u>199,307</u>	<u>199,307</u>	<u>82,223</u>	<u>(117,084)</u>
Net Change in Fund Balances	(141,671)	(141,671)	(137,164)	39,798
Fund Balances - Beginning	<u>2,815,791</u>	<u>2,815,791</u>	<u>2,815,791</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 2,674,120</u>	<u>\$ 2,674,120</u>	<u>\$ 2,678,627</u>	<u>\$ 39,798</u>

**City of Willmar, Minnesota**  
**Debt Sevice Funds/ Airport G.O. Revenue Bonds**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2005**

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Over (Under) Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Interest Earnings	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
<b>EXPENDITURES</b>				
Bond Principal Payments	-	-	105,000	105,000
Interest Payments	-	-	82,367	82,367
Other Charges	-	-	-	-
Professional Services	-	-	-	-
Total Expenditures	-	-	187,367	187,367
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(187,367)	(187,367)
<b>OTHER FINANCING SOURCES(USES)</b>				
Transfers In	-	-	179,000	179,000
Bond Proceeds	-	-	27,300	27,300
Total Other Financing Sources (Uses)	-	-	206,300	206,300
Net Change in Fund Balances	-	-	18,933	18,933
Fund Balances - Beginning	8,657	8,657	8,657	-
Fund Balances - Ending	\$ 8,657	\$ 8,657	\$ 27,590	\$ 18,933

**City of Willmar, Minnesota**  
**Debt Service Funds/ G.O. Sales Tax Revenue Bonds**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**For the Year Ended December 31, 2005**

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Over (Under) Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Miscellaneous	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>				
Bond Principal Payments	-	-	-	-
Interest Payments	-	-	-	-
Other Charges	-	-	-	-
Professional Services	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES(USES)</b>				
Transfers Out	-	-	(16,790)	(16,790)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(16,790)</u>	<u>(16,790)</u>
Net Change in Fund Balances	-	-	(16,790)	(16,790)
Fund Balances - Beginning	<u>16,790</u>	<u>16,790</u>	<u>16,790</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 16,790</u>	<u>\$ 16,790</u>	<u>\$ -</u>	<u>\$ (16,790)</u>

**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, 2005**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Over (Under) Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
General Taxes				
Current Ad Valorem	\$ -	\$ -	\$ 3,990	\$ 3,990
Tax Increment	57,047	57,047	25,129	(31,918)
Total Taxes	57,047	57,047	29,119	(27,928)
Miscellaneous	-	-	-	-
Total Revenues	57,047	57,047	29,119	(27,928)
<b>EXPENDITURES</b>				
Interest Payments	31,167	31,167	15,002	(16,165)
Other Charges	-	-	-	-
Contracts	21,607	21,607	23,406	1,799
Total Expenditures	52,774	52,774	38,408	(14,366)
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,273	4,273	(9,289)	(13,562)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(4,273)	(4,273)	(11,404)	(7,131)
Total Other Financing Sources (Uses)	(4,273)	(4,273)	(11,404)	(7,131)
Net Change in Fund Balances	-	-	(20,693)	(20,693)
Fund Balance - Beginning	273,025	273,025	273,025	-
Fund Balance - Ending	\$ 273,025	\$ 273,025	\$ 252,332	\$ (20,693)

**City of Willmar, Minnesota**  
**Combining Balance Sheet**  
**NonMajor Governmental Funds**  
**December 31, 2005**

	<b>Total Special Revenue Funds</b>	<b>Total Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 53,854	\$ -	\$ 53,854
Investments	8,636,000	-	8,636,000
Receivables			
Taxes Receivable - Current	10,785	-	10,785
Taxes Receivable - Delinquent	13	-	13
Taxes Receivable - Deferred	423,194	-	423,194
Assessments Receivable - Delinquent	44,855	-	44,855
Assessments Receivable - Non Current	431,261	-	431,261
Assessments Receivable - Suspense	504,222	-	504,222
Assessments Receivable - Future	231,565	-	231,565
Assessments Receivable - Deferred	73,600	-	73,600
Assessments Receivable - Utilities	2,993	-	2,993
Accounts Receivable	42,783	54,538	97,321
Interest Receivable	65,222	5,943	71,165
Intergovernmental Receivable	37,487	3,311,804	3,349,291
Due From Other Funds	310,427	192,558	502,985
Prepaid Items	4,110	-	4,110
Restricted Assets:			
Cash	-	2,322,190	2,322,190
Investments	-	817,000	817,000
Unamortized Discounts On Bonds	-	-	-
Work In Progress	-	47,108,436	47,108,436
<b>Total Assets</b>	<b>\$ 10,872,371</b>	<b>\$ 53,812,469</b>	<b>\$ 64,684,840</b>
<b>LIABILITIES</b>			
Accounts Payable	\$ 9,588	\$ 49,626	\$ 59,214
Contracts Payable	10,300	5,287,197	5,297,497
Due To Other Funds	105,815	64,295	170,110
Intergovernmental Payable	106,101	-	106,101
Deferred Revenue	899,323	3,285,356	4,184,679
Authorized Construction	-	47,108,436	47,108,436
<b>Total Liabilities</b>	<b>1,131,127</b>	<b>55,794,910</b>	<b>56,926,037</b>
<b>FUND BALANCES</b>			
Reserved - Debt Service	4,500,000	-	4,500,000
Reserved - Prepaid Items	4,110	-	4,110
Reserved - Petty Cash	50	-	50
Reserved - Working Capital	70,895	-	70,895
Unreserved - Designated Future Exp.	5,166,189	(1,982,441)	3,183,748
<b>Total Fund Balances</b>	<b>9,741,244</b>	<b>(1,982,441)</b>	<b>7,758,803</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 10,872,371</b>	<b>\$ 53,812,469</b>	<b>\$ 64,684,840</b>

**City of Willmar, Minnesota**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**NonMajor Governmental Funds**  
**For the Year Ended December 31, 2005**

	<b>Total Special Revenue Funds</b>	<b>Total Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>REVENUES</b>			
General Taxes	\$ 141,851	\$ -	\$ 141,851
Intergovernmental	425,610	728,114	1,153,724
Service Charges	-	-	-
Special Assessments	163,944	-	163,944
Developer's Fees	-	125,919	125,919
Miscellaneous Revenue	321,279	107,010	428,289
<b>Total Revenues</b>	<b>1,052,684</b>	<b>961,043</b>	<b>2,013,727</b>
<b>EXPENDITURES</b>			
Culture and Recreation	264,921	-	264,921
Economic Development	453,508	-	453,508
Capital Projects	-	10,181,743	10,181,743
<b>Total Expenditures</b>	<b>718,429</b>	<b>10,181,743</b>	<b>10,900,172</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	334,255	(9,220,700)	(8,886,445)
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating Transfers In	478,323	1,585,638	2,063,961
Operating Transfers Out	(576,904)	(1,285,458)	(1,862,362)
Bond Proceeds	-	4,927,631	4,927,631
<b>Total Other Financing Sources (Uses)</b>	<b>(98,581)</b>	<b>5,227,811</b>	<b>5,129,230</b>
Net Change in Fund Balances	235,674	(3,992,889)	(3,757,215)
Fund Balances - Beginning	9,505,570	2,010,448	11,516,018
Fund Balances - Ending	\$ 9,741,244	\$ (1,982,441)	\$ 7,758,803

**City of Willmar, Minnesota**  
**Combining Balance Sheet**  
**NonMajor Governmental Funds/Special Revenue**  
**December 31, 2005**

	<u>Industrial Development</u>	<u>W.R.A.C. - 8</u>	<u>Convention and Visitors Bureau</u>	<u>Community Development</u>	<u>Community Investment</u>	<u>Total Special Revenue Funds</u>
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ (2,327)	\$ 17,469	\$ 1,511	\$ -	\$ 37,201	\$ 53,854
Investments	-	200,000	150,000	-	8,286,000	8,636,000
Receivables						
Taxes Receivable - Current	-	-	10,785	-	-	10,785
Taxes Receivable - Delinquent	-	-	-	-	13	13
Taxes Receivable - Deferred	-	-	-	-	423,194	423,194
Assessments Receivable - Delinquent	-	-	-	-	44,855	44,855
Assessments Receivable - Non Current	-	-	-	-	431,261	431,261
Assessments Receivable - Suspense	-	-	-	-	504,222	504,222
Assessments Receivable - Future	-	-	-	-	231,565	231,565
Assessments Receivable - Deferred	-	-	-	-	73,600	73,600
Assessments Receivable - Utilities	-	-	-	-	2,993	2,993
Accounts Receivable	-	42,725	58	-	-	42,783
Interest Receivable	-	1,543	1,149	-	62,530	65,222
Intergovernmental Receivable	-	-	-	-	37,487	37,487
Due From Other Funds	7,077	-	-	-	303,350	310,427
Prepaid Items	-	1,979	2,131	-	-	4,110
Work In Progress	-	-	-	-	-	-
Total Assets	<u>\$ 4,750</u>	<u>\$ 263,716</u>	<u>\$ 165,634</u>	<u>\$ -</u>	<u>\$ 10,438,271</u>	<u>\$ 10,872,371</u>
<b>LIABILITIES</b>						
Accounts Payable	\$ -	\$ 958	\$ 8,630	\$ -	\$ -	\$ 9,588
Contracts Payable	-	10,300	-	-	-	10,300
Due To Other Funds	-	16,558	6,877	-	82,380	105,815
Intergovernmental Payable	-	-	-	-	106,101	106,101
Deferred Revenue	-	-	-	-	899,323	899,323
Authorized Construction	-	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>27,816</u>	<u>15,507</u>	<u>-</u>	<u>1,087,804</u>	<u>1,131,127</u>
<b>FUND BALANCES</b>						
Reserved - Debt Service	-	-	-	-	4,500,000	4,500,000
Reserved - Prepaid Items	-	1,979	2,131	-	-	4,110
Reserved - Petty Cash	-	-	50	-	-	50
Reserved - Working Capital	-	39,701	31,194	-	-	70,895
Unreserved - Designated Future Exp.	4,750	194,220	116,752	-	4,850,467	5,166,189
Total Fund Balances	<u>4,750</u>	<u>235,900</u>	<u>150,127</u>	<u>-</u>	<u>9,350,467</u>	<u>9,741,244</u>
Total Liabilities and Fund Balances	<u>\$ 4,750</u>	<u>\$ 263,716</u>	<u>\$ 165,634</u>	<u>\$ -</u>	<u>\$ 10,438,271</u>	<u>\$ 10,872,371</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, 2005**

	<b>Industrial Development</b>	<b>W.R.A.C. - 8</b>	<b>Convention and Visitors Bureau</b>	<b>Community Development</b>	<b>Community Investment</b>	<b>Total Special Revenue Funds</b>
<b>REVENUES</b>						
General Taxes	\$ -	\$ -	\$ 141,851	\$ -	\$ -	\$ 141,851
Intergovernmental	-	-	13,062	412,548	-	425,610
Service Charges	-	-	-	-	-	-
Special Assessments	-	-	-	-	163,944	163,944
Miscellaneous Revenue	38,633	181,668	6,344	-	94,634	321,279
Total Revenues	<u>38,633</u>	<u>181,668</u>	<u>161,257</u>	<u>412,548</u>	<u>258,578</u>	<u>1,052,684</u>
<b>EXPENDITURES</b>						
Culture and Recreation	-	139,895	125,026	-	-	264,921
Economic Development	40,960	-	-	412,548	-	453,508
Total Expenditures	<u>40,960</u>	<u>139,895</u>	<u>125,026</u>	<u>412,548</u>	<u>-</u>	<u>718,429</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,327)</u>	<u>41,773</u>	<u>36,231</u>	<u>-</u>	<u>258,578</u>	<u>334,255</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Operating Transfers In	158,077	-	-	-	320,246	478,323
Operating Transfers Out	<u>(151,000)</u>	<u>(16,558)</u>	<u>(6,877)</u>	<u>-</u>	<u>(402,469)</u>	<u>(576,904)</u>
Total Other Financing Sources (Uses)	<u>7,077</u>	<u>(16,558)</u>	<u>(6,877)</u>	<u>-</u>	<u>(82,223)</u>	<u>(98,581)</u>
Net Change in Fund Balances	4,750	25,215	29,354	-	176,355	235,674
Fund Balances - Beginning	-	210,685	120,773	-	9,174,112	9,505,570
Fund Balances - Ending	<u>\$ 4,750</u>	<u>\$ 235,900</u>	<u>\$ 150,127</u>	<u>\$ -</u>	<u>\$ 9,350,467</u>	<u>\$ 9,741,244</u>

**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, 2005**

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Over (Under) Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Miscellaneous Revenue				
Interest Earnings	\$ 5,000	\$ 5,000	\$ 38,633	\$ 33,633
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>38,633</u>	<u>33,633</u>
<b>EXPENDITURES</b>				
Other Services/Charges	5,000	5,000	40,960	35,960
Capital Outlay	-	-	-	-
Total Expenditures	<u>5,000</u>	<u>5,000</u>	<u>40,960</u>	<u>35,960</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>(2,327)</u>	<u>(2,327)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer In - General	151,000	151,000	158,077	7,077
Transfer Out - C.P. Airport	<u>(151,000)</u>	<u>(151,000)</u>	<u>(151,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>7,077</u>	<u>7,077</u>
Net Change in Fund Balances	-	-	4,750	4,750
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,750</u>	<u>\$ 4,750</u>

**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, 2005**

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Over (Under) Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Miscellaneous Revenue				
Interest Earnings	\$ 7,000	\$ 7,000	\$ 7,576	\$ 576
Sale of Materials	1,000	1,000	130	(870)
Contributions/Donations	167,000	167,000	173,962	6,962
Total Miscellaneous Revenue	<u>175,000</u>	<u>175,000</u>	<u>181,668</u>	<u>6,668</u>
Total Revenues	<u>175,000</u>	<u>175,000</u>	<u>181,668</u>	<u>6,668</u>
<b>EXPENDITURES</b>				
Personal Services	104,463	105,343	103,954	(1,389)
Supplies	8,425	8,425	10,057	1,632
Other Services/Charges	23,675	35,795	25,884	(9,911)
Total Expenditures	<u>136,563</u>	<u>149,563</u>	<u>139,895</u>	<u>(9,668)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	38,437	25,437	41,773	16,336
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer Out - C.P. Misc Projects	(16,558)	(16,558)	(16,558)	-
Total Other Financing Sources (Uses)	<u>(16,558)</u>	<u>(16,558)</u>	<u>(16,558)</u>	<u>-</u>
Net Change in Fund Balances	21,879	8,879	25,215	16,336
Fund Balances - Beginning	210,685	210,685	210,685	-
Fund Balances - Ending	<u>\$ 232,564</u>	<u>\$ 219,564</u>	<u>\$ 235,900</u>	<u>\$ 16,336</u>

**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, 2005**

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Over (Under) Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
General Taxes				
Hotel-Motel Tax	\$ 125,987	\$ 125,987	\$ 141,851	\$ 15,864
Intergovernmental				
Kandiyohi County Camping Fees	14,000	14,000	12,062	(1,938)
Kandiyohi County Grants	1,000	1,000	1,000	-
Total Intergovernmental	<u>15,000</u>	<u>15,000</u>	<u>13,062</u>	<u>(1,938)</u>
Miscellaneous Revenue				
Miscellaneous	2,000	2,000	2,011	11
Interest Earnings	1,500	1,500	4,333	2,833
Total Miscellaneous Revenue	<u>3,500</u>	<u>3,500</u>	<u>6,344</u>	<u>2,844</u>
Total Revenue	<u>144,487</u>	<u>144,487</u>	<u>161,257</u>	<u>16,770</u>
<b>EXPENDITURES</b>				
Personal Services	61,314	61,314	54,257	(7,057)
Supplies	8,500	8,500	5,978	(2,522)
Other Services and Charges	29,600	29,600	26,176	(3,424)
Ad Development	1,000	1,000	433	(567)
Conference & Convention	14,524	14,524	10,225	(4,299)
Group Tour Promotions	700	700	595	(105)
Leisure Travel	14,224	14,224	8,779	(5,445)
Fall/Winter Promotions	2,475	2,475	1,895	(580)
Spring/Summer Promotions	1,200	1,200	1,465	265
Special Projects	15,000	15,000	15,223	223
Total Expenditures	<u>148,537</u>	<u>148,537</u>	<u>125,026</u>	<u>(23,511)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,050)</u>	<u>(4,050)</u>	<u>36,231</u>	<u>40,281</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out - General	(6,140)	(6,140)	(6,877)	(737)
Transfers Out - Capital Improvement	(3,000)	(3,000)	-	3,000
Total Other Financing Sources (Uses)	<u>(9,140)</u>	<u>(9,140)</u>	<u>(6,877)</u>	<u>2,263</u>
Net Change in Fund Balances	(13,190)	(13,190)	29,354	42,544
Fund Balance - Beginning	<u>120,773</u>	<u>120,773</u>	<u>120,773</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 107,583</u>	<u>\$ 107,583</u>	<u>\$ 150,127</u>	<u>\$ 42,544</u>

**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, 2005**

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Over (Under) Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental				
State Grants - Comm Development Block Grant	-	-	412,548	412,548
Total Revenues	-	-	412,548	412,548
<b>EXPENDITURES</b>				
Other Services & Charges	-	-	412,548	412,548
Total Expenditures	-	-	412,548	412,548
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer Out - General	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
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, 2005**

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Over (Under)</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
<b>REVENUES</b>				
Special Assessments				
Special Assessments	\$ 143,338	\$ 143,338	\$ 163,944	\$ 20,606
Miscellaneous Revenue				
Miscellaneous	-	-	(212,363)	(212,363)
Interest Earnings	210,000	210,000	306,997	96,997
Total Revenues	<u>353,338</u>	<u>353,338</u>	<u>258,578</u>	<u>(94,760)</u>
<b>EXPENDITURES</b>				
Other Disbursements	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>353,338</u>	<u>353,338</u>	<u>258,578</u>	<u>(94,760)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In				
D.S. 1990 Bond	-	-	7,452	7,452
D.S. 1993 Bond	-	-	43	43
D.S. 1994 Bond	-	-	1,616	1,616
D.S. 1997 Bond	-	-	301,229	301,229
D.S. 1998 Bond	-	-	6,921	6,921
D.S. 1999 Bond	-	-	2,985	2,985
Total Transfers In	<u>-</u>	<u>-</u>	<u>320,246</u>	<u>320,246</u>
Transfers Out				
D.S. 2000 Bond	(27,075)	(27,075)	(27,075)	-
D.S. 2001 Bond	(50,893)	(50,893)	(50,893)	-
D.S. 2002 Bond	(24,427)	(24,427)	(24,427)	-
D.S. 2003 Bond	(775)	(775)	(775)	-
D.S. 1990 Bond	-	-	(7,452)	(7,452)
D.S. 1994 Bond	(59,000)	(59,000)	(59,000)	-
D.S. 1996 Bond	(9,634)	(9,634)	(195,122)	(185,488)
D.S. 1997 Bond	(27,503)	(27,503)	(27,503)	-
D.S. 1998 Bond	-	-	(6,921)	(6,921)
D.S. 1999 Bond	-	-	(3,301)	(3,301)
Total Transfers Out	<u>(199,307)</u>	<u>(199,307)</u>	<u>(402,469)</u>	<u>(203,162)</u>
Total Other Financing Sources (Uses)	<u>(199,307)</u>	<u>(199,307)</u>	<u>(82,223)</u>	<u>117,084</u>
Net Change in Fund Balances	154,031	154,031	176,355	22,324
Fund Balance - Beginning	9,148,125	9,148,125	9,174,112	25,987
Fund Balance - Ending	<u>\$9,302,156</u>	<u>\$9,302,156</u>	<u>\$ 9,350,467</u>	<u>\$ 48,311</u>

**City of Willmar, Minnesota**  
**Combing Balance Sheet**  
**NonMajor Governmental Funds/Capital Projects**  
**December 31, 2005**

	<u>Surface Water</u>	<u>Street Water-Sewer</u>	<u>Local Option Sales Tax</u>	<u>Airport</u>	<u>Civic Center</u>	<u>Waste Treatment Improvement</u>
<b>ASSETS</b>						
Receivables						
Accts Receivable	\$ -	\$ 14,286	\$ -	\$ -	\$ -	\$ -
Interest Receivable	-	1,182	-	-	-	-
Intergov't Rcvble	-	26,448	-	3,285,356	-	-
Due From Other Funds	-	-	-	-	-	176,000
Restricted Assets						
Cash	-	1,312,292	-	1,062,272	-	(12,627)
Investments	-	197,000	-	-	-	-
Unamort Discounts/Bond	-	-	-	-	-	-
Work In Progress	-	13,119,704	-	18,378,635	-	8,943,626
<b>Total Assets</b>	<u><u>\$ -</u></u>	<u><u>\$ 14,670,912</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 22,726,263</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 9,106,999</u></u>
<b>LIABILITIES</b>						
Accounts Payable	\$ -	\$ -	\$ 4,750	\$ 39,275	\$ -	\$ -
Contracts Payable	-	1,165,563	-	3,481,112	-	609,964
Due To Other Funds	-	42,490	-	7,077	-	-
Intergov't Payable	-	-	-	-	-	-
Deferred Revenue	-	-	-	3,285,356	-	-
Authorized Construct.	-	13,119,704	-	18,378,635	-	8,943,626
<b>Total Liabilities</b>	<u>-</u>	<u>14,327,757</u>	<u>4,750</u>	<u>25,191,455</u>	<u>-</u>	<u>9,553,590</u>
<b>FUND BALANCES</b>						
Unreserved-Designated	<u>-</u>	<u>343,155</u>	<u>(4,750)</u>	<u>(2,465,192)</u>	<u>-</u>	<u>(446,591)</u>
<b>Total Fund Balance</b>	<u>-</u>	<u>343,155</u>	<u>(4,750)</u>	<u>(2,465,192)</u>	<u>-</u>	<u>(446,591)</u>
<b>Total Liabilities/Fund Bal.</b>	<u><u>\$ -</u></u>	<u><u>\$ 14,670,912</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 22,726,263</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 9,106,999</u></u>

<b>Library</b>	<b>Misc. Projects</b>	<b>Capital Improvement</b>	<b>Aquatic Center</b>	<b>Baker Diamond Stadium</b>	<b>WEAC</b>	<b>Total Capital Projects Funds</b>
\$ -	\$ -	\$ -	\$ -	\$ 40,252	\$ -	\$ 54,538
-	-	4,761	-	-	-	5,943
-	-	-	-	-	-	3,311,804
-	-	16,558	-	-	-	192,558
-	-	1,092	(3,555)	(37,284)	-	2,322,190
-	-	620,000	-	-	-	817,000
-	-	-	-	-	-	-
4,217,989	-	-	1,895,538	552,944	-	47,108,436
<u>\$ 4,217,989</u>	<u>\$ -</u>	<u>\$ 642,411</u>	<u>\$ 1,891,983</u>	<u>\$ 555,912</u>	<u>\$ -</u>	<u>\$ 53,812,469</u>
\$ -	\$ -	\$ 2,633	\$ -	\$ 2,968	\$ -	\$ 49,626
-	-	-	22,122	8,436	-	5,287,197
-	-	14,728	-	-	-	64,295
-	-	-	-	-	-	-
-	-	-	-	-	-	3,285,356
4,217,989	-	-	1,895,538	552,944	-	47,108,436
4,217,989	-	17,361	1,917,660	564,348	-	55,794,910
-	-	625,050	(25,677)	(8,436)	-	(1,982,441)
-	-	625,050	(25,677)	(8,436)	-	(1,982,441)
<u>\$ 4,217,989</u>	<u>\$ -</u>	<u>\$ 642,411</u>	<u>\$ 1,891,983</u>	<u>\$ 555,912</u>	<u>\$ -</u>	<u>\$ 53,812,469</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, 2005**

	<u>Surface Water</u>	<u>Street Water-Sewer</u>	<u>Local Option Sales Tax</u>	<u>Airport</u>	<u>Civic Center</u>	<u>Waste Treatment Improvement</u>
<b>REVENUES</b>						
Intergovernmental	\$ -	\$ 728,114	\$ -	\$ -	\$ -	\$ -
Service Charges	-	-	-	-	-	-
Special Assessments	-	-	-	-	-	-
Developers' Fees	-	125,919	-	-	-	-
Miscellaneous	-	1,182	-	-	-	-
Total Revenues	<u>-</u>	<u>855,215</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>						
Capital/Construction Projects	-	3,958,113	4,750	4,010,938	-	1,140,717
Total Expenditures	<u>-</u>	<u>3,958,113</u>	<u>4,750</u>	<u>4,010,938</u>	<u>-</u>	<u>1,140,717</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(3,102,898)</u>	<u>(4,750)</u>	<u>(4,010,938)</u>	<u>-</u>	<u>(1,140,717)</u>
<b>OTH FINANC SOURCES (USES)</b>						
Operating Transfers In	-	-	-	151,000	-	176,000
Operating Transfers Out	-	(1,277,381)	-	(7,077)	-	-
Bond Proceeds	-	4,954,931	-	(27,300)	-	-
Total Oth Financing Sources (Uses)	<u>-</u>	<u>3,677,550</u>	<u>-</u>	<u>116,623</u>	<u>-</u>	<u>176,000</u>
Net Change in Fund Balances	<u>-</u>	<u>574,652</u>	<u>(4,750)</u>	<u>(3,894,315)</u>	<u>-</u>	<u>(964,717)</u>
Fund Balance - Beginning	<u>-</u>	<u>(231,497)</u>	<u>-</u>	<u>1,429,123</u>	<u>-</u>	<u>518,126</u>
Fund Balance- Ending	<u>\$ -</u>	<u>\$ 343,155</u>	<u>\$ (4,750)</u>	<u>\$ (2,465,192)</u>	<u>\$ -</u>	<u>\$ (446,591)</u>

<b>Library</b>	<b>Misc. Projects</b>	<b>Capital Improvement</b>	<b>Aquatic Center</b>	<b>Baker Diamond Stadium</b>	<b>WEAC</b>	<b>Total Capital Project Funds</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 728,114
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	125,919
-	-	6,575	-	99,253	-	107,010
-	-	6,575	-	99,253	-	961,043
-	-	1,013,344	(10,799)	64,680	-	10,181,743
-	-	1,013,344	(10,799)	64,680	-	10,181,743
-	-	(1,006,769)	10,799	34,573	-	(9,220,700)
-	-	1,228,638	-	30,000	-	1,585,638
-	(1,000)	-	-	-	-	(1,285,458)
-	-	-	-	-	-	4,927,631
-	(1,000)	1,228,638	-	30,000	-	5,227,811
-	(1,000)	221,869	10,799	64,573	-	(3,992,889)
-	1,000	403,181	(36,476)	(73,009)	-	2,010,448
\$ -	\$ -	\$ 625,050	\$ (25,677)	\$ (8,436)	\$ -	\$ (1,982,441)

**City of Willmar, Minnesota**  
**Surface Water Capital Project Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Year Ended December 31, 2005**

	<u>Prior Years</u>	<u>2005 Current</u>	<u>Total To Date</u>	<u>Project Authorization</u>
<b>REVENUES</b>				
Miscellaneous	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>				
Construction Projects	74,955	-	74,955	76,500
Total Expenditures	<u>74,955</u>	<u>-</u>	<u>74,955</u>	<u>76,500</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(74,955)</u>	<u>-</u>	<u>(74,955)</u>	<u>(76,500)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfers In	88,500	-	88,500	76,500
Operating Transfers Out	(13,545)	-	(13,545)	-
Bond Proceeds	-	-	-	-
Total Other Financing Sources (Uses)	<u>74,955</u>	<u>-</u>	<u>74,955</u>	<u>76,500</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance - Beginning		<u>0</u>		
Fund Balance - Ending		<u>\$ -</u>		

**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, 2005**

	<u>Prior Years</u>	<u>2005 Current</u>	<u>Total To Date</u>	<u>Project Authorization</u>
<b>REVENUES</b>				
Intergovernmental	\$ 24,877,319	\$ 728,114	\$ 25,605,433	\$ 19,512,379
Service Charges	421,821	-	421,821	-
Special Assessments	736,857	-	736,857	1,472,664
Developers' Fees	823,220	125,919	949,139	312,356
Miscellaneous	1,148,766	1,182	1,149,948	56,004
Total Revenues	<u>28,007,983</u>	<u>855,215</u>	<u>28,863,198</u>	<u>21,353,403</u>
<b>EXPENDITURES</b>				
Construction Projects	46,182,880	3,958,113	50,140,993	38,863,964
Total Expenditures	<u>46,182,880</u>	<u>3,958,113</u>	<u>50,140,993</u>	<u>38,863,964</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(18,174,897)</u>	<u>(3,102,898)</u>	<u>(21,277,795)</u>	<u>(17,510,561)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfers In	1,929,282	-	1,929,282	1,942,615
Operating Transfers Out	(2,903,498)	(1,277,381)	(4,180,879)	(200,000)
Bond Proceeds	20,140,875	4,954,931	25,095,806	14,967,046
Total Other Financing Sources (Uses)	<u>19,166,659</u>	<u>3,677,550</u>	<u>22,844,209</u>	<u>16,709,661</u>
Net Change in Fund Balances	<u>\$ 991,762</u>	<u>574,652</u>	<u>\$ 1,566,414</u>	<u>\$ (800,900)</u>
Fund Balance - Beginning		<u>(231,497)</u>		
Fund Balance - Ending		<u>\$ 343,155</u>		

**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, 2005**

	<u>Prior Years</u>	<u>2005 Current</u>	<u>Total To Date</u>	<u>Project Authorization</u>
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Service Charges	-	-	-	-
Interest On Investments	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>				
Construction Projects	-	4,750	4,750	-
Total Expenditures	<u>-</u>	<u>4,750</u>	<u>4,750</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(4,750)</u>	<u>(4,750)</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfers In	-	-	-	-
Bond Proceeds	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>(4,750)</u>	<u>\$ (4,750)</u>	<u>\$ -</u>
Fund Balance - Beginning		<u>-</u>		
Fund Balance - Ending		<u>\$ (4,750)</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, 2005**

	<u>Prior Years</u>	<u>2005 Current</u>	<u>Total To Date</u>	<u>Project Authorization</u>
<b>REVENUES</b>				
Intergovernmental	\$ 9,238,198	\$ -	\$ 9,238,198	\$ 2,738,687
Service Charges	1,905	-	1,905	-
Interest On Investments	49,414	-	49,414	-
Miscellaneous	652	-	652	-
Total Revenues	<u>9,290,169</u>	<u>-</u>	<u>9,290,169</u>	<u>2,738,687</u>
<b>EXPENDITURES</b>				
Construction Projects	<u>15,063,738</u>	<u>4,010,938</u>	<u>19,074,676</u>	<u>3,543,572</u>
Total Expenditures	<u>15,063,738</u>	<u>4,010,938</u>	<u>19,074,676</u>	<u>3,543,572</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,773,569)</u>	<u>(4,010,938)</u>	<u>(9,784,507)</u>	<u>(804,885)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfers In	2,316,715	151,000	2,467,715	804,885
Operating Transfers Out	-	(7,077)	(7,077)	-
Bond Proceeds	<u>2,100,000</u>	<u>(27,300)</u>	<u>2,072,700</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>4,416,715</u>	<u>116,623</u>	<u>4,533,338</u>	<u>804,885</u>
Net Change in Fund Balances	<u>\$ (1,356,854)</u>	<u>(3,894,315)</u>	<u>\$ (5,251,169)</u>	<u>\$ -</u>
Fund Balance - Beginning		<u>1,429,123</u>		
Fund Balance - Ending		<u>\$ (2,465,192)</u>		

**City of Willmar, Minnesota**  
**Civic Center Capital Fund Project**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Year Ended December 31, 2005**

	<u>Prior Years</u>	<u>2005 Current</u>	<u>Total To Date</u>	<u>Project Authorization</u>
<b>REVENUES</b>				
Intergovernmental	\$ 50,000	\$ -	\$ 50,000	\$ 100,000
Service Charges	1,676	-	1,676	-
Miscellaneous	13,048	-	13,048	1,000
Total Revenues	<u>64,724</u>	<u>-</u>	<u>64,724</u>	<u>101,000</u>
<b>EXPENDITURES</b>				
Construction Projects	1,144,210	-	1,144,210	1,535,410
Total Expenditures	<u>1,144,210</u>	<u>-</u>	<u>1,144,210</u>	<u>1,535,410</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,079,486)</u>	<u>-</u>	<u>(1,079,486)</u>	<u>(1,434,410)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfers In	1,110,465	-	1,110,465	1,350,310
Operating Transfers Out	(30,979)	-	(30,979)	-
Total Other Financing Sources (Uses)	<u>1,079,486</u>	<u>-</u>	<u>1,079,486</u>	<u>1,350,310</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ (84,100)</u>
Fund Balance - Beginning		<u>-</u>		
Fund Balance - Ending		<u>\$ -</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, 2005**

	<u>Prior Years</u>	<u>2005 Current</u>	<u>Total To Date</u>	<u>Project Authorization</u>
<b>REVENUES</b>				
Service Charges	\$ 916	\$ -	\$ 916	\$ -
Miscellaneous	7,409	-	7,409	321,849
Total Revenues	<u>8,325</u>	<u>-</u>	<u>8,325</u>	<u>321,849</u>
<b>EXPENDITURES</b>				
Construction Projects	<u>7,802,909</u>	<u>1,140,717</u>	<u>8,943,626</u>	<u>10,063,343</u>
Total Expenditures	<u>7,802,909</u>	<u>1,140,717</u>	<u>8,943,626</u>	<u>10,063,343</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(7,794,584)</u>	<u>(1,140,717)</u>	<u>(8,935,301)</u>	<u>(9,741,494)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	490,000	176,000	666,000	770,000
Transfers Out	(3,900)	-	(3,900)	-
Bond Proceeds	7,826,610	-	7,826,610	8,971,494
Total Other Financing Sources (Uses)	<u>8,312,710</u>	<u>176,000</u>	<u>8,488,710</u>	<u>9,741,494</u>
Net Change in Fund Balances	<u>\$ 518,126</u>	<u>(964,717)</u>	<u>\$ (446,591)</u>	<u>\$ -</u>
Fund Balance - Beginning		<u>518,126</u>		
Fund Balance - Ending		<u>\$ (446,591)</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, 2005**

	<b>Prior Years</b>	<b>2005 Current</b>	<b>Total To Date</b>	<b>Project Authorization</b>
<b>REVENUES</b>				
Intergovernmental	\$ 195,191	\$ -	\$ 195,191	\$ -
Miscellaneous	240,012	-	240,012	-
Total Revenues	<u>435,203</u>	<u>-</u>	<u>435,203</u>	<u>-</u>
<b>EXPENDITURES</b>				
Construction Projects	4,207,926	-	4,207,926	4,300,000
Total Expenditures	<u>4,207,926</u>	<u>-</u>	<u>4,207,926</u>	<u>4,300,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,772,723)</u>	<u>-</u>	<u>(3,772,723)</u>	<u>(4,300,000)</u>
<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)	<u>3,772,723</u>	<u>-</u>	<u>3,772,723</u>	<u>4,300,000</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance - Beginning		<u>-</u>		
Fund Balance - Ending		<u>\$ -</u>		

**City of Willmar, Minnesota**  
**Miscellaneous Capital Projects Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**From Inception and for the Year Ended December 31, 2005**

	<u>Prior Years</u>	<u>2005 Current</u>	<u>Total To Date</u>	<u>Project Authorization</u>
<b>REVENUES</b>				
Intergovernmental	\$ 164,664	\$ -	\$ 164,664	\$ 158,779
Miscellaneous	45,009	-	45,009	64,000
Total Revenues	<u>209,673</u>	<u>-</u>	<u>209,673</u>	<u>222,779</u>
<b>EXPENDITURES</b>				
Construction Projects	2,138,264	-	2,138,264	2,139,280
Total Expenditures	<u>2,138,264</u>	<u>-</u>	<u>2,138,264</u>	<u>2,139,280</u>
Excess (Deficiency) Of Revenues Over (Under) Expenditures	<u>(1,928,591)</u>	<u>-</u>	<u>(1,928,591)</u>	<u>(1,916,501)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfers In	1,501,436	-	1,501,436	1,164,283
Operating Transfers Out	-	(1,000)	(1,000)	795,000
Bond Proceeds	428,155	-	428,155	795,000
Total Other Financing Sources (Uses)	<u>1,929,591</u>	<u>(1,000)</u>	<u>1,928,591</u>	<u>2,754,283</u>
Net Change in Fund Balances	<u>\$ 1,000</u>	<u>(1,000)</u>	<u>\$ -</u>	<u>\$ 837,782</u>
Fund Balance - Beginning		<u>1,000</u>		
Fund Balance - Ending		<u>\$ -</u>		

**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, 2005**

	<u>Prior Years</u>	<u>2005 Current</u>	<u>Total To Date</u>	<u>Project Authorization</u>
<b>REVENUES</b>				
Intergovernmental	\$ 46,829	\$ -	\$ 46,829	\$ 16,480
Miscellaneous	32,968	6,575	39,543	290,000
Total Revenues	<u>79,797</u>	<u>6,575</u>	<u>86,372</u>	<u>306,480</u>
<b>EXPENDITURES</b>				
Construction Projects	3,093,313	1,013,344	4,106,657	1,639,781
Total Expenditures	<u>3,093,313</u>	<u>1,013,344</u>	<u>4,106,657</u>	<u>1,639,781</u>
Excess (Deficiency) Of Revenues Over (Under) Expenditures	<u>(3,013,516)</u>	<u>(1,006,769)</u>	<u>(4,020,285)</u>	<u>(1,333,301)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfers In	3,877,664	1,228,638	5,106,302	1,316,858
Operating Transfers Out	(460,967)	-	(460,967)	(41,190)
Total Other Financing Sources (Uses)	<u>3,416,697</u>	<u>1,228,638</u>	<u>4,645,335</u>	<u>1,275,668</u>
Net Change in Fund Balances	<u>\$ 403,181</u>	<u>221,869</u>	<u>\$ 625,050</u>	<u>\$ (57,633)</u>
Fund Balance - Beginning		<u>403,181</u>		
Fund Balance - Ending		<u>\$ 625,050</u>		

**City of Willmar, Minnesota**  
**Aquatic Center Capital Project Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Year Ended December 31, 2005**

	<u>Prior Years</u>	<u>2005 Current</u>	<u>Total To Date</u>	<u>Project Authorization</u>
<b>REVENUES</b>				
Contributions/Donations	\$ 1,204,255	\$ -	\$ 1,204,255	\$ 1,200,000
Total Revenues	<u>1,204,255</u>	<u>-</u>	<u>1,204,255</u>	<u>1,200,000</u>
<b>EXPENDITURES</b>				
Construction Projects	1,906,337	(10,799)	1,895,538	1,822,027
Total Expenditures	<u>1,906,337</u>	<u>(10,799)</u>	<u>1,895,538</u>	<u>1,822,027</u>
Excess (Deficiency) Of Revenues Over (Under) Expenditures	<u>(702,082)</u>	<u>10,799</u>	<u>(691,283)</u>	<u>(622,027)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfers In	665,606	-	665,606	622,027
Total Other Financing Sources (Uses)	<u>665,606</u>	<u>-</u>	<u>665,606</u>	<u>622,027</u>
Net Change in Fund Balances	<u>\$ (36,476)</u>	<u>10,799</u>	<u>\$ (25,677)</u>	<u>\$ -</u>
Fund Balance - Beginning		<u>(36,476)</u>		
Fund Balance - Ending		<u>\$ (25,677)</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, 2005**

	<u>Prior Years</u>	<u>2005 Current</u>	<u>Total To Date</u>	<u>Project Authorization</u>
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Service Charges	789	-	789	-
Miscellaneous	354,466	99,253	453,719	571,547
Total Revenues	<u>355,255</u>	<u>99,253</u>	<u>454,508</u>	<u>571,547</u>
<b>EXPENDITURES</b>				
Construction Projects	488,264	64,680	552,944	751,547
Total Expenditures	<u>488,264</u>	<u>64,680</u>	<u>552,944</u>	<u>751,547</u>
Excess (Deficiency) Of Revenues Over (Under) Expenditures	<u>(133,009)</u>	<u>34,573</u>	<u>(98,436)</u>	<u>(180,000)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfers In	60,000	30,000	90,000	180,000
Total Other Financing Sources (Uses)	<u>60,000</u>	<u>30,000</u>	<u>90,000</u>	<u>180,000</u>
Net Change in Fund Balances	<u>\$ (73,009)</u>	<u>64,573</u>	<u>\$ (8,436)</u>	<u>\$ -</u>
Fund Balance - Beginning		<u>(73,009)</u>		
Fund Balance - Ending		<u>\$ (8,436)</u>		

**City of Willmar, Minnesota**  
**WEAC Capital Project Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Year Ended December 31, 2005**

	<u>Prior Years</u>	<u>2005 Current</u>	<u>Total To Date</u>	<u>Project Authorization</u>
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Miscellaneous	5,500	-	5,500	7,500
Total Revenues	<u>5,500</u>	<u>-</u>	<u>5,500</u>	<u>7,500</u>
<b>EXPENDITURES</b>				
Construction Projects	118,301	-	118,301	137,500
Total Expenditures	<u>118,301</u>	<u>-</u>	<u>118,301</u>	<u>137,500</u>
Excess (Deficiency) Of Revenues Over (Under) Expenditures	<u>(112,801)</u>	<u>-</u>	<u>(112,801)</u>	<u>(130,000)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfers In	130,000	-	130,000	130,000
Operating Transfer Out	(17,199)	-	(17,199)	-
Total Other Financing Sources (Uses)	<u>112,801</u>	<u>-</u>	<u>112,801</u>	<u>130,000</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance - Beginning		<u>-</u>		
Fund Balance - Ending		<u>\$ -</u>		

**City of Willmar, Minnesota**  
**Internal Service Funds**  
**Combining Statement of Net Assets**  
**December 31, 2005**

	<u>Office Services</u>	<u>Public Improve. Revolving</u>	<u>Total</u>
<b>ASSETS</b>			
Current Assets:			
Cash And Cash Equivalents	\$ 6,251	\$ 32,657	\$ 38,908
Investments	65,000	1,050,000	1,115,000
Interest Receivable	493	8,045	8,538
Intergovernmental Receivable	-	44,853	44,853
Due From Other Funds	-	17,146	17,146
Inventories - Merchandise For Resale	4,443	-	4,443
Prepaid Items	558	-	558
Total Current Assets	<u>76,745</u>	<u>1,152,701</u>	<u>1,229,446</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>77,913</u>	<u>1,152,701</u>	<u>1,230,614</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	<u>881</u>	<u>-</u>	<u>881</u>
Total Current Liabilities	<u>881</u>	<u>-</u>	<u>881</u>
<b>NET ASSETS</b>			
Invested In Capital Assets	<u>1,168</u>	<u>-</u>	<u>1,168</u>
Unrestricted	<u>75,864</u>	<u>1,152,701</u>	<u>1,228,565</u>
Total Net Assets	<u>\$ 77,032</u>	<u>\$ 1,152,701</u>	<u>\$ 1,229,733</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, 2005**

	<u>Office Services</u>	<u>Public Improve. Revolving</u>	<u>Total</u>
Operating Revenues:			
Charges For Services	\$ 29,244	\$ -	\$ 29,244
Total Operating Revenues	<u>29,244</u>	<u>-</u>	<u>29,244</u>
Operating Expenses:			
Cost of Materials Used:			
Inventory, January 1	4,333	-	4,333
Purchases	15,345	-	15,345
Total Available	<u>19,678</u>	<u>-</u>	<u>19,678</u>
Inventory, December 31	(4,443)	-	(4,443)
Total Cost of Materials Used	<u>15,235</u>	<u>-</u>	<u>15,235</u>
Other Services And Charges	8,293	-	8,293
Total Operating Expenses	<u>23,528</u>	<u>-</u>	<u>23,528</u>
Operating Income (Loss)	<u>5,716</u>	<u>-</u>	<u>5,716</u>
Nonoperating Revenues (Expenses):			
Interest On Investments	2,126	32,009	34,135
Income (Loss) Before Contributions and Transfers	<u>7,842</u>	<u>32,009</u>	<u>39,851</u>
Operating Transfers Out	<u>-</u>	<u>(15,000)</u>	<u>(15,000)</u>
Change in Net Assets	7,842	17,009	24,851
Total Net Assets - Beginning	69,190	1,135,692	1,204,882
Total Net Assets - Ending	<u>\$ 77,032</u>	<u>\$ 1,152,701</u>	<u>\$ 1,229,733</u>

**City of Willmar, Minnesota**  
**Internal Service Funds**  
**Combining Statement of Cash Flows**  
**For the Year Ended December 31, 2005**

	<b>Office Services</b>	<b>Public Improvement Revolving</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from Charges For Services	\$ 29,244	\$ 405,982	\$ 435,226
Payments For Purchases	(15,599)	-	(15,599)
Payments For Other Services and Charges	(8,293)	-	(8,293)
Liquidation of Liabilities	-	-	-
Net Cash Provided (Used) by Operating Activities	5,352	405,982	411,334
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Transfer to Other Funds	-	(15,000)	(15,000)
Net Cash Provided (Used) by Noncapital and Related Financing Activities	-	(15,000)	(15,000)
<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	-	-	-
Purchase of Investments	(5,000)	(375,000)	(380,000)
Interest and Dividends Received	2,028	28,311	30,339
Net Cash Provided (Used) from Investing Activities	(2,972)	(346,689)	(349,661)
Net Increase (Decrease) in Cash and Cash Equivalents	2,380	44,293	46,673
Cash and Cash Equivalents - Beginning	3,871	(11,636)	(7,765)
Cash and Cash Equivalents - Ending	\$ 6,251	\$ 32,657	\$ 38,908
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>			
Operating Income (Loss)	\$ 5,716	\$ -	\$ 5,716
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	-	8,100	8,100
(Increase) Decrease in Due From Other Funds	-	397,882	397,882
(Increase) Decrease in Inventories	(110)	-	(110)
Increase (Decrease) in Accounts Payable	(254)	-	(254)
Increase (Decrease) in Due to Other Funds	-	-	-
Total Adjustments	(364)	405,982	405,618
Net Cash Provided (Used) by Operating Activities	\$ 5,352	\$ 405,982	\$ 411,334
<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, 2005 and 2004**

	<u>2005</u>	<u>2004</u>
Governmental Funds Capital Assets:		
Land	\$ 3,607,998	\$ 3,599,299
Buildings and Structures	5,573,820	4,752,986
Furniture and Equipment	2,614,755	2,597,039
Machinery and Auto Equipment	6,170,625	5,619,225
Other Improvements	<u>72,460,460</u>	<u>68,236,177</u>
Total Governmental Funds Capital Assets	<u>\$ 90,427,658</u>	<u>\$ 84,804,726</u>
Investments in Governmental Funds Capital Assets By Source:		
General Fund	\$ 89,789,153	\$ 84,181,294
Special Revenue Fund	638,505	623,432
Capital Projects Funds	<u>-</u>	<u>-</u>
Total Governmental Funds Capital Assets	<u>\$ 90,427,658</u>	<u>\$ 84,804,726</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, 2005**

<b>FIXED ASSETS-2005</b>	<b>Total</b>	<b>Land</b>	<b>Buildings/ Structures</b>	<b>Furniture/ Equipment</b>	<b>Machinery/ Auto</b>	<b>Other Improvements</b>
<b><u>GENERAL GOVERNMENT</u></b>						
Mayor & Council	\$ 23,512	\$ -	\$ -	\$ 23,512	\$ -	\$ -
City Development	45,566	8,700	-	-	35,561	1,305
City Clerk-Treas.	2,696	-	-	2,696	-	-
Assessing	5,325	-	-	-	-	5,325
Accounting	1,268	-	-	1,268	-	-
City Hall	800,472	40,000	661,767	21,222	53,535	23,948
Data Processing	437,349	-	-	373,034	-	64,315
Elections	86,970	-	-	86,970	-	-
Non-Departmental	147,341	-	-	147,341	-	-
Indust. Dev.	277,901	277,901	-	-	-	-
W.R.A.C. - 8	336,415	-	95,461	240,954	-	-
Total	<u>2,164,815</u>	<u>326,601</u>	<u>757,228</u>	<u>896,997</u>	<u>89,096</u>	<u>94,893</u>
<b><u>PUBLIC SAFETY</u></b>						
Police Dept.	688,320	-	3,146	267,023	418,151	-
Trust & Agency K-9	5,000	-	-	5,000	-	-
Fire Dept.	3,279,061	166,936	586,429	444,100	2,029,777	51,819
Insp. Services	-	-	-	-	-	-
Fire Inspection	-	-	-	-	-	-
Public Parking	631,870	631,870	-	-	-	-
Total	<u>4,604,251</u>	<u>798,806</u>	<u>589,575</u>	<u>716,123</u>	<u>2,447,928</u>	<u>51,819</u>
<b><u>HIGHWAYS</u></b>						
Engineering	295,588	-	-	47,709	89,935	157,944
Public Works	75,710,486	1,968,048	629,662	510,206	3,301,925	69,300,645
Street Mtce.	-	-	-	-	-	-
Snow & Ice	-	-	-	-	-	-
Signs & Signals	-	-	-	-	-	-
Tree Mtce.	-	-	-	-	-	-
Waterlines	-	-	-	-	-	-
Total	<u>76,006,074</u>	<u>1,968,048</u>	<u>629,662</u>	<u>557,915</u>	<u>3,391,860</u>	<u>69,458,589</u>
<b><u>SANITATION/WASTE</u></b>						
Storm Sewer	-	-	-	-	-	-
<b><u>PARK/RECREATION</u></b>						
Auditorium	489,359	3,000	452,940	21,419	-	12,000
Buildings & Grounds	1,013,627	112,405	21,177	159,400	6,950	713,695
Leisure Services	90,897	-	-	43,203	19,294	28,400
Civic Center	3,261,607	23,572	2,479,612	159,926	136,395	462,102
Sr. Citizens Cntr.	450,614	87,635	307,611	10,354	5,321	39,693
Aquatic Center	19,613	-	16,645	2,968	-	-
Total	<u>5,325,717</u>	<u>226,612</u>	<u>3,277,985</u>	<u>397,270</u>	<u>167,960</u>	<u>1,255,890</u>
<b><u>OTHER SERVICES</u></b>						
Airport	2,198,056	287,932	209,813	27,261	73,782	1,599,268
C.V.B	19,189	-	-	19,189	-	-
Library	109,557	-	109,557	-	-	-
Total	<u>2,326,802</u>	<u>287,932</u>	<u>319,370</u>	<u>46,450</u>	<u>73,782</u>	<u>1,599,268</u>
Grand Total	<u>\$ 90,427,659</u>	<u>\$ 3,607,999</u>	<u>\$ 5,573,820</u>	<u>\$ 2,614,755</u>	<u>\$ 6,170,626</u>	<u>\$ 72,460,459</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 of Changes By Function and Activity\***  
**For the Fiscal Year Ended December 31, 2005**

<b>FIXED ASSETS-2005</b>	<b>Governmental Funds Capital Assets <u>01/01/2005</u></b>	<b><u>Additions</u></b>	<b><u>Deductions</u></b>	<b>Governmental Funds Capital Assets <u>12/31/2005</u></b>
<b><u>GENERAL GOVERNMENT</u></b>				
Mayor & Council	\$ 23,512	\$ -	\$ -	\$ 23,512
City Development	36,866	17,671	8,971	45,566
City Clerk-Treas.	2,696	-	-	2,696
Assessing	5,325	-	-	5,325
Accounting	1,268	-	-	1,268
City Hall	754,978	45,494	-	800,472
Data Processing	566,908	76,440	205,999	437,349
Elections	86,970	-	-	86,970
Non-Departmental	134,568	12,773	-	147,341
Indust. Dev.	277,901	-	-	277,901
W.R.A.C.-8	323,570	17,060	4,215	336,415
Total	2,214,562	169,438	219,185	2,164,815
<b><u>PUBLIC SAFETY</u></b>				
Police Dept.	687,882	88,658	88,220	688,320
Trust & Agency K-9	5,000	-	-	5,000
Fire Dept.	2,908,973	375,199	5,111	3,279,061
Insp. Services	-	-	-	-
Fire Inspection	-	-	-	-
Public Parking	631,870	-	-	631,870
Total	4,233,725	463,857	93,331	4,604,251
<b><u>HIGHWAYS</u></b>				
Engineering	288,942	6,646	-	295,588
Public Works	71,699,994	4,269,208	258,716	75,710,486
Street Mtce.	-	-	-	-
Snow & Ice	-	-	-	-
Signs & Signals	-	-	-	-
Tree Mtce.	-	-	-	-
Waterlines	-	-	-	-
Total	71,988,936	4,275,854	258,716	76,006,074
<b><u>SANITATION/WASTE</u></b>				
Storm Sewer	-	-	-	-
<b><u>PARK/RECREATION</u></b>				
Auditorium	486,387	2,972	-	489,359
Buildings & Grounds	999,112	14,514	-	1,013,626
Leisure Services	84,755	6,143	-	90,898
Civic Center	2,083,243	1,178,364	-	3,261,607
Sr. Citizens Cntr.	433,942	16,672	-	450,614
Aquatic Center	-	19,613	-	19,613
Total	4,087,439	1,238,278	-	5,325,717
<b><u>OTHER SERVICES</u></b>				
Airport	2,153,546	44,510	-	2,198,056
C.V.B.	16,961	2,228	-	19,189
Library	109,557	-	-	109,557
Total	2,280,064	46,738	-	2,326,802
Grand Total	\$ 84,804,726	\$ 6,194,165	\$ 571,232	\$ 90,427,659

\*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 1996 Through 2005

<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 Revolv Loans</u>	<u>Total</u>
1996	\$1,466,176	\$2,858,172	\$2,015,626	\$ 7,143,551	\$1,237,980	\$3,257,356	\$1,936,315	\$ 19,757	\$ -	\$ 19,934,933
1997	\$1,511,356	\$2,888,815	\$2,424,198	\$ 2,207,293	\$1,172,122	\$2,444,164	\$1,821,207	\$ 25,952	\$ -	\$ 14,495,107
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	\$13,264,700	\$1,321,291	\$4,404,017	\$2,355,635	\$ 20,926	\$ -	\$ 29,182,280
2004	\$2,276,924	\$3,596,160	\$2,529,753	\$12,499,971	\$1,472,386	\$4,596,388	\$2,202,238	\$ 23,642	\$ -	\$ 29,197,462
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

CITY OF WILLMAR, MINNESOTA

GOVERNMENT-WIDE REVENUES

Years 1996 Through 2005

Fiscal Year	Program Revenues	General Revenues		
	Charges For Services	Taxes	Miscellaneous Revenue	Total
1996	\$ 517,120	\$ 2,464,355	\$ 8,299,107	\$ 11,280,582
1997	\$ 592,115	\$ 2,831,346	\$ 7,576,278	\$ 10,999,739
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	\$ 948,305	\$ 2,162,007	\$ 14,467,280	\$ 17,577,592
2004	\$ 3,363,740	\$ 2,315,035	\$ 23,098,751	\$ 28,777,526
2005	\$ 3,603,967	\$ 2,435,037	\$ 21,153,288	\$ 27,192,292

CITY OF WILLMAR, MINNESOTA

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION

Years 1996 Through 2005

<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>
1995	\$1,376,100	\$2,657,269	\$2,102,069	\$ 2,701,451	\$1,300,114	\$2,165,141	\$ 12,302,144
1996	\$1,466,176	\$2,858,172	\$2,015,626	\$ 7,143,551	\$1,237,980	\$3,257,356	\$ 17,978,861
1997	\$1,511,356	\$2,888,815	\$2,424,198	\$ 2,207,293	\$1,172,122	\$2,444,164	\$ 12,647,948
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	\$12,499,971	\$1,472,386	\$ 4,596,388	\$ 26,971,582
2005	\$ 2,483,779	\$ 3,658,760	\$2,675,202	\$13,244,275	\$1,744,408	\$ 4,107,819	\$ 27,914,243

CITY OF WILLMAR, MINNESOTA

GENERAL GOVERNMENTAL REVENUES BY SOURCE

Years 1996 Through 2005

<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>
1996	\$ 2,464,355	\$ 236,107	\$ 4,777,770	\$517,120	\$ 173,460	\$3,111,770	\$ 11,280,582
1997	\$ 2,831,346	\$ 252,461	\$ 4,002,191	\$592,115	\$ 167,667	\$3,153,959	\$ 10,999,739
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	\$6,083,972	\$ 20,082,702
2005	\$ 2,435,037	\$ 707,981	\$ 6,047,404	\$739,782	\$ 230,762	\$9,283,778	\$ 19,444,744

CITY OF WILLMAR, MINNESOTA

PROPERTY TAX LEVIES AND COLLECTIONS

Years 1996 Through 2005

<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>
1996	2,110,702	2,069,807	98.06	47,804	2,117,611	100.33	65,913	3.12
1997	2,169,164	2,112,928	97.41	52,494	2,165,422	99.83	72,712	3.35
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%

CITY OF WILLMAR, MINNESOTA

TAX CAPACITIES AND ESTIMATED MARKET VALUE OF TAXABLE PROPERTY

YEARS 1996 THROUGH 2005

	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>
Population (*Census)	18,544	18,688	18,889	18,903
<b>REAL PROPERTY</b>				
Tax Capacity	9,286,827	9,820,780	9,420,703	9,199,605
Less: Tax Increment Districts -				
Highland #91	0	0	0	0
Center City #92	80,465	87,494	17,236	21,277
Theatre & Hotel #93	0	0	0	0
Shared Health #94	59,702	93,457	80,644	70,634
Phoenix #95	11,507	11,507	10,342	10,830
Somody #96	77,914	0	67,186	0
Accrupress #97	0	0	11,506	0
Brinton #98	5,865	5,865	4,950	4,965
Jennie-O #99	133,920	140,015	143,528	126,312
Holiday Inn #01	26,869	26,869	30,148	30,997
Bethesda #02	79,816	79,816	69,226	68,402
West Central Steel #03	13,856	13,887	17,070	17,260
Coborns #04	39,584	41,266	34,006	30,142
Relco #05	0	0	0	0
Lakewood #06	0	0	0	0
Net Tax Capacity	8,757,329	9,320,604	8,934,861	8,818,786
Estimated Market Value	449,492,700	472,461,500	507,984,100	540,156,800
<b>PERSONAL PROPERTY</b>				
Tax Capacity	143,552	145,453	124,868	110,645
Estimated Market Value	3,254,000	3,294,700	3,306,400	3,318,400
<b>TOTAL REAL AND PERSONAL PROPERTY</b>				
Tax Capacity	8,757,329	9,320,604	8,934,861	8,826,374
Estimated Market Value	452,746,700	475,756,200	511,290,500	543,475,200
<b>PERCENT OF TAX CAPACITY TO ESTIMATED MARKET VALUE</b>	0.019343	0.019591	0.017475	0.016241
<b>PER CAPITA VALUATION</b>				
Tax Capacity	472	499	473	467
Estimated Market Value	24,415	25,458	27,068	28,751
<b>NET BONDED DEBT</b>				
Net Bonded Debt per Capita	14.09	N/A	N/A	N/A
Net Bonded Debt per Tax Capacity	28.25	N/A	N/A	N/A

<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
18,903	18,903	18,903	18,903	18,903	18,903
9,410,190	9,748,599	7,427,267	7,634,661	8,062,719	9,023,499
0	0	0	0	0	0
27,177	31,826	0	0	0	0
0	0	0	0	0	0
75,153	75,153	0	0	0	0
10,949	11,056	13,206	13,206	12,538	12,538
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
65,667	65,667	55,024	55,024	49,722	49,722
22,852	22,876	13,783	13,783	20,357	20,357
29,332	29,332	17,477	17,477	0	0
0	42,831	12,340	12,340	12,642	12,642
0	0	4,456	4,456	4,822	4,822
9,180,136	9,493,108	7,310,981	7,518,375	7,945,057	8,923,418
561,261,400	582,092,700	595,989,800	620,455,700	658,842,700	737,628,700
116,966	94,689	57,193	56,201	60,962	67,230
3,607,900	3,033,800	3,008,600	2,961,900	3,215,100	3,527,500
9,180,136	9,493,108	7,370,074	7,578,460	8,001,757	8,956,269
564,869,300	585,126,500	598,998,400	623,417,600	662,057,800	741,156,200
0.016252	0.016224	0.012267	0.012156	0.012062	0.01210
485	502	387	401	420	472
29,692	30,954	31,529	32,980	34,854	39,022
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 1996 Through 2005

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>
1996	24.19	64.24	42.18	0.58	0.78	131.97
1997	23.27	63.48	42.35	0.58	0.73	130.41
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

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

CITY OF WILLMAR, MINNESOTA

TAX LEVIES

ALL OVERLAPPING GOVERNMENTS

Years 1996 Through 2005

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>Rural Dev. Fin. Auth.</u>	<u>Total</u>
1996	2,118,135	5,625,270	274,908	3,693,666	50,968	68,220	11,831,167
1997	2,168,904	5,916,533	291,876	3,995,090	53,686	67,853	12,493,942
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

\* 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, 2005

Taxpayer	Type of Business	Market Valuation Payable 2006	Total Tax
Pioneer Health Systems, Inc.	Medical Center	\$ 10,148,700	\$ 347,608
Kandi Land 1999, LLC	Kandi Mall	9,300,000	318,434
Menard Inc.	Building Materials	8,138,100	278,496
Jennie-O Foods, Inc.	Food Processing	5,580,600	189,284
Home Depot U.S.A., Inc.	Building Materials	3,740,700	127,342
Torgerson Properties	Hotel	3,591,800	120,983
Dayton Hudson Corp.	Target Stores	3,055,600	103,791
Minnegasco	Gas Utilities	2,998,300	100,636
Coborns, Inc., Lessee	Grocery	2,716,000	92,818
Barrington Lakes Ltd.	Wal-mart Store	2,579,200	87,416

CITY OF WILLMAR, MINNESOTA

SPECIAL ASSESSMENT COLLECTIONS

Year 1996 Through 2005

<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>
1996	649,220	544,306	83.84	290,075
1997	633,043	497,619	78.61	316,870
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

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, 2005

**Legal Debt Limit and Margin**

Legal Debt Limit (2% of Estimated Market Value - \$737,156,200)	\$ 14,752,574
Less: Outstanding Debt Subject to Limit	\$ -
Legal Debt Margin as of December 31, 2005	<u>\$ 14,752,574</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 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
Year 1996	285
Estimated Construction Costs	
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
Year 1996	23,508,965

\*Information obtained from various Departmental Reports

CITY OF WILLMAR, MINNESOTA

MISCELLANEOUS STATISTICAL FACTS

	<u>2005</u>	<u>2004</u>
Public Safety:		
Fire Protection:		
Number of Stations	1.00	1.00
Number of Employees (Admin. & Clerical)	3.00	3.00
Number of Volunteer Firefighters	45.00	45.00
Police Protection:		
Number of Stations	1.00	1.00
Number of Employees (Admin. & Clerical)	4.00	4.50
Number of Employees (Law Enforcement Labor Employees)	32.00	30.00
Total Number of Employees	<u>86.00</u>	<u>84.50</u>
Leisure Services:		
Number of Full-Time Employees	3	3
Number of Part-Time Employees	152	152
Number of Wading Pools	1	1
Number of Outdoor Swimming Pools	1	0
Number of Shelters	30	30
Number of Skating Rinks	4	4
Number of Hockey Rinks	3	3
Indoor Rinks	1	1
Tennis Courts - Lighted	10	10
Non-Lighted	5	5
Shared-Lighted	4	4
Lighted Softball, Football, Baseball and Soccer Fields	6	6
Miles of Hiking and Bicycle Paths	Est. 16 Miles	Est. 16 Miles
Number of Parks	36	36
Park Acres	308	308
Nature Areas	3	3
Parking Lots (Central Business District):		
Parking Spaces On Streets	380	380
Parking Spaces Off Streets	417	417

\*Information obtained from various Departmental Reports