



## City of East Bethel

### August 2021 Financial Statement Analysis

*The summary below was derived from observations related to the City of East Bethel's monthly financial statements, which should be read in conjunction with the analysis below. The City of East Bethel utilizes a fund accounting system consisting of a General Fund, Special Revenue Funds, Debt Service Funds, Other Governmental Funds and Enterprise Funds.*

#### Balance Sheet

##### Assets

**Cash and Cash Equivalents:** The City of East Bethel ended the month of August with \$8,261,095 in reconciled bank balances. A summary of the City's cash account holdings is chronicled on the attached bank reconciliation sheet. The city also holds \$150 in petty cash and is reconciled on a daily basis.

**Taxes Receivable:** The City has tax receivables of roughly \$110,865—delinquent taxes derived from balances remaining from 2000 through 2020.

**Special Assessments Deferred:** The City has future special assessment principal balances from various sources in the amount of \$942,942. These are outstanding principal balances with annual payment schedules, which are then used to assist in the payment of their respective bond issues.

**Land/Other Fixed Assets:** The City had roughly \$38,391,845 in capitalized infrastructure and other fixed assets (net of depreciation) at the end of fiscal year 2020.

##### Liabilities

**MCES Reserve Capacity Loan:** The Reserve Capacity loan balance at year end 2020 was \$883,542. The Reserve Capacity Loan ERU goal for 2021 is 152 of which 110 have been secured.

**External Debt:** The City of East Bethel has two outstanding bond issues at the end of the month—2014A, and 2015A totaling \$15,930,000 in principal.

**Escrows:** The City requires escrow accounts for various purposes to ensure City guidelines are followed and fulfilled. Escrow amounts totaled \$312,437 at the end of August.

##### Fund Balance

**Fund Balance:** The City of East Bethel began fiscal year 2020 with a General Fund balance of \$3,427,667 and has since (1/1/21 to 8/31/21) incurred an excess of expenditures over revenues of (\$369,645)—leaving the City with a total General Fund balance of \$3,054,676 at the end of August.

## Revenue / Expense Statement – General Fund

### Revenue

**Property Tax and State Grants:** The City has received \$2,574,751 in property tax revenue through the month of August or 53% of the annual budget.

**Franchise Taxes:** Franchise tax revenue consists of franchise fees administered by Midcontinent Communications. The City has received roughly \$38,341 or 57% of the annual budget through the month of August.

**Licenses and Fees:** Licenses and Fee revenue consists of mostly fees derived from the selling of liquor and tobacco licenses. The City has received 34,486 in this revenue source or 79% of the annual budget through the month of August.

**Building Inspection:** Building inspection revenues are comprised of the various permits associated with building projects—plumbing, building, and mechanical. The City has received roughly \$345,782 in Building inspection revenue or 117% of the annual budget through the month of August.

**State Aid:** State Aid revenue is mostly comprised of street maintenance aid and fire relief aid. The City has received \$197,321 in this revenue source or 76% of the annual budget through the month of August.

**Fines and Forfeits:** The City has received roughly \$19,744 or 56% of the annual budget in this classification through August.

**Site Lease Revenue:** Tower Lease revenue consists of revenue from American Tower and Verizon in relation to leasing land for their cell towers. The City has received \$59,670 or 85% of the annual budget through August.

**Interest Earnings:** The City has received \$2,436 in interest revenue or 8% of the annual budget through the month of August.

Overall, General Fund Revenues are coming in at roughly \$3,674,010 or 61% of the annual budget through August.

### Expenses

**General Government:** General Government expenditures include salaries / benefits, supplies and purchased services in conjunction with activities performed by the Mayor, four City Council Members and City Administration / Finance team. Expenditures for Legal and Assessing services are also captured in this classification. General Government expenditures total roughly \$766,601 or 66% of the annual budget through August.

**Community Development:** Community Development expenditures include salaries / benefits, supplies and purchased services in conjunction with activities performed by the departments Director, Building Official, Building Inspector and Administrative support personnel. Community Development expenditures totaled roughly \$353,916 or 58% of the annual budget through August.

**Public Safety:** The City of East Bethel contracts with Anoka County to provide police services and has an in-house fire department. Public Safety expenditures totaled roughly \$1,406,990 or 68% of the annual budget through August.

**Public Works:** Public Works expenditures include salaries / benefits associated with the departments full and part time employees. This classification captures expenditures of supplies and purchased services that are used to maintain the city parks and streets. Public Works expenditures totaled roughly \$890,980 or 59% of the annual budget through August.

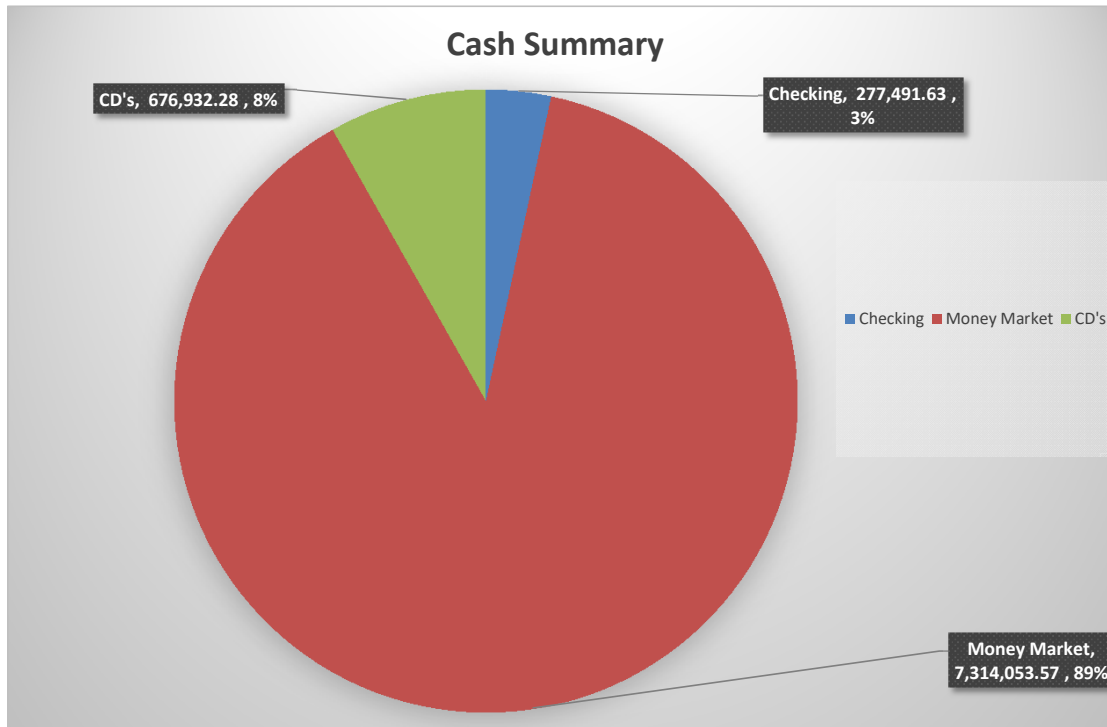
**Transfers / Other:** All internal transfers to Building Capital, Street Capital, and Parks Capital have been completed and total \$615,000.

Overall, General Fund Expenditures totaled roughly \$4,043,654 through August or 67% of the annual budget.

**City of East Bethel  
Bank Reconciliation  
Fiscal Year 2021  
8/31/21**

<i>Institution</i>	<i>Instrument</i>	<b>8/1/2021</b>	<i>Deposits</i>	<i>Expenditures</i>	<i>Transfers</i>	<i>Interest</i>	<b>8/31/2021</b>
First Bank and Trust	Main Checking	797,519.69	137,969.99	2,158,026.42	1,500,000.00	28.37	277,491.63
		797,519.69	137,969.99	2,158,026.42	1,500,000.00	28.37	277,491.63
Village Bank	CD - Village Bank	227,625.24					227,625.24
		227,625.24	-	-	-	-	227,625.24
4M Fund	Money Market	8,786,703.94	26,820.20		(1,499,657.56)	186.99	7,314,053.57
	CD - Wells Fargo	224,654.76			(342.44)	342.44	224,654.76
	CD - Goldman Sachs	224,652.28					224,652.28
		9,236,010.98	26,820.20	-	(1,500,000.00)	529.43	7,763,360.61
<b>Total Cash per Statements</b>		<b>10,261,155.91</b>	<b>164,790.19</b>	<b>2,158,026.42</b>	<b>-</b>	<b>557.80</b>	<b>8,268,477.48</b>

<b>G xxx-10100</b>	<b>BDS</b>	<b>8,261,095.41</b>
	<b>Outstanding</b>	<b>7,382.07</b>
	<b>Total</b>	<b>8,268,477.48</b>
	<b>Unreconciled</b>	<b>-</b>
	<b>OK</b>	
	<b>PB Collateral</b>	<b>3,027,408.84</b>



**City of East Bethel**  
**Balance Sheet**  
**Fiscal Year 2021**  
**8/31/21**

Fund Name	General Fund	Special Revenue Funds	Debt Service Funds	Governmental Funds - Committed	Governmental Funds - Restricted	Enterprise Funds	All Funds
G xxx-10100 Cash	3,362,786.16	99,163.99	(121,437.79)	2,972,438.46	(12,236.69)	1,960,381.28	8,261,095.41
G xxx-10200 Petty Cash	150.00	-	-	-	-	-	150.00
G xxx-10400 Interest Receivable	3,026.03	-	-	-	-	-	3,026.03
G xxx-10700 Taxes Receivable-Delinquent	82,155.20	3,166.52	25,543.51	(0.35)	-	-	110,864.88
G xxx-12200 Special Assess Delinquent	-	75.00	500.00	38.00	-	-	613.00
G xxx-12300 Special Assess Rec-Deferred	-	-	185,281.67	749,592.88	-	8,067.32	942,941.87
G xxx-xxxx Pension (Deferred Outflows)	-	-	1,068,179.00	-	-	-	1,068,179.00
G xxx-xxxx Fixed Assets	-	-	71,935,876.22	4,354,435.38	-	18,532,306.68	94,822,618.28
G xxx-xxxx Accumulated Depreciation	-	-	(48,295,085.14)	(2,554,552.66)	-	(5,581,135.85)	(56,430,773.65)
<b>Total Assets</b>	<b>3,448,117.39</b>	<b>102,405.51</b>	<b>24,798,857.47</b>	<b>5,521,951.71</b>	<b>(12,236.69)</b>	<b>14,919,619.43</b>	<b>48,778,714.82</b>
G xxx-20400 Sales Tax Payable	254.51	-	-	-	-	-	254.51
G xxx-20810 State Surcharges	2,825.05	-	-	-	-	276.32	3,101.37
G xxx-20820 SAC	-	-	-	-	-	12,740.00	12,740.00
G xxx-20830 MCES Reserve Capacity Loan	-	-	-	-	-	883,542.00	883,542.00
G xxx-217xx Payroll Liabilities	(9,230.69)	-	-	-	-	-	(9,230.69)
G xxx-22200 Deferred Revenues	82,155.20	3,241.52	(835,027.25)	749,630.53	-	-	-
G xxx-23110 Bonds Principle Payable	-	-	15,930,000.00	-	-	-	15,930,000.00
G xxx-21500 Accrued Interest Payable	-	-	241,973.00	-	-	-	241,973.00
G xxx-23900 Compensated Absences Payable	-	-	-	210,921.40	-	-	210,921.40
G xxx-23999 Pension Liability	-	-	1,482,173.00	-	-	-	1,482,173.00
G xxx-24500 Escrow	317,437.02	-	-	-	-	-	317,437.02
<b>Total Liabilities</b>	<b>393,441.09</b>	<b>3,241.52</b>	<b>16,819,118.75</b>	<b>960,551.93</b>	<b>-</b>	<b>896,558.32</b>	<b>19,072,911.61</b>
<b>Fund Balance</b>							
G xxx-25300 Unreserved Fund Balance at 12/31/20	3,424,321.05	186,338.26	7,953,253.13	4,017,222.07	794,757.77	13,737,590.74	30,113,483.02
Excess of Revenues over Expenses (1/1/21 to 8/31/21)	(369,644.75)	(87,174.27)	26,485.59	544,177.71	(806,994.46)	285,470.37	(407,679.81)
<b>Total Fund Balance</b>	<b>3,054,676.30</b>	<b>99,163.99</b>	<b>7,979,738.72</b>	<b>4,561,399.78</b>	<b>(12,236.69)</b>	<b>14,023,061.11</b>	<b>29,705,803.21</b>
<b>Total Liabilities and Fund Balance</b>	<b>3,448,117.39</b>	<b>102,405.51</b>	<b>24,798,857.47</b>	<b>5,521,951.71</b>	<b>(12,236.69)</b>	<b>14,919,619.43</b>	<b>48,778,714.82</b>

**City of East Bethel  
Income Statement (Summary)  
Fiscal Year 2021  
1/1/21 to 8/31/21**

<u>General Fund</u>	Account Description	2021 Actual through 8/31/21	2021 Budget	YTD as a % of Budget
<b>Revenues</b>				
	Property Tax	2,574,750.84	4,836,000.00	53%
	Franchise Tax	38,340.50	67,500.00	57%
	Gambling Tax	41,633.96	40,000.00	104%
	Licenses and Fees	34,486.00	43,500.00	79%
	Building Inspection Permits	345,782.38	296,500.00	117%
	Building Inspection Permits (Bethel)	7,678.57	2,000.00	384%
	State Aid	197,321.00	259,200.00	76%
	Fines and Forfeits	19,744.36	35,500.00	56%
	Intergovernmental Charges	306,450.40	285,000.00	108%
	Other Fees	2,012.81	3,000.00	67%
	Cemetery Revenue	8,800.00	5,000.00	176%
	Site Lease Revenue	59,669.49	70,000.00	85%
	Refunds and Reimbursements	34,904.06	27,000.00	129%
	Interest Earnings	2,435.70	30,000.00	8%
<b>Total Revenues - General Fund</b>		<b>3,674,010.07</b>	<b>6,000,200.00</b>	<b>61%</b>
<b>Expenditures</b>				
<b>General Government</b>				
	Mayor and Council Administration	48,952.96	77,900.00	63%
	Administration	256,199.77	429,200.00	60%
	Elections	2,419.13	3,000.00	81%
	Finance	203,094.08	313,800.00	65%
	Assessing	29,817.50	60,500.00	49%
	Legal	91,203.76	151,000.00	60%
	Government Buildings	42,787.45	43,000.00	100%
	Risk Management	92,126.00	90,000.00	102%
<b>Total General Government</b>		<b>766,600.65</b>	<b>1,168,400.00</b>	<b>66%</b>
<b>Community Development</b>				
	Planning and Zoning	144,773.00	267,900.00	54%
	Building Inspection	209,143.28	344,400.00	61%
<b>Total Community Development</b>		<b>353,916.28</b>	<b>612,300.00</b>	<b>58%</b>
<b>Public Safety</b>				
	Police Protection	905,110.00	1,162,000.00	78%
	Fire Protection	501,880.39	899,700.00	56%
<b>Total Public Safety</b>		<b>1,406,990.39</b>	<b>2,061,700.00</b>	<b>68%</b>
<b>Engineering</b>				
	Engineering <i>*paid for services through April</i>	5,167.90	40,000.00	13%
<b>Total Engineering</b>		<b>5,167.90</b>	<b>40,000.00</b>	<b>13%</b>
<b>Public Works</b>				
	Park Maintenance	297,871.69	483,400.00	62%
	Street Maintenance	593,107.91	1,014,400.00	58%
<b>Total Public Works</b>		<b>890,979.60</b>	<b>1,497,800.00</b>	<b>59%</b>
<b>Civic Events</b>				
	Civic Events	5,000.00	5,000.00	100%
<b>Total Culture and Recreation</b>		<b>5,000.00</b>	<b>5,000.00</b>	<b>100%</b>
<b>Transfers / Other</b>				
	Transfer to Building Capital	50,000.00	50,000.00	100%
	Transfer to Street Capital	475,000.00	475,000.00	100%
	Transfer to Parks Capital	90,000.00	90,000.00	100%
<b>Total Other</b>		<b>615,000.00</b>	<b>615,000.00</b>	<b>100%</b>
<b>Total Expenditures - General Fund</b>		<b>4,043,654.82</b>	<b>6,000,200.00</b>	<b>67%</b>
<b>Excess of Revenues over Expenditures - General Fund</b>		<b>(369,644.75)</b>	<b>-</b>	<b>N/A</b>

**City of East Bethel  
Income Statement (Summary)  
Fiscal Year 2021  
1/1/21 to 8/31/21**

**Special Revenue Funds**

<b>Revenues</b>				
	Recycling	2,347.20	67,100.00	3%
	HRA	37,066.86	70,500.00	53%
	EDA	64,529.42	126,200.00	51%
<b>Total Revenue - Debt Service</b>		<b>103,943.48</b>	<b>263,800.00</b>	<b>39%</b>
<b>Expenses</b>				
	Recycling	36,562.52	67,100.00	54%
	HRA	30,000.00	30,500.00	98%
	EDA	124,555.23	126,200.00	99%
<b>Total Expenditures - Debt Service</b>		<b>191,117.75</b>	<b>223,800.00</b>	<b>85%</b>
<b>Excess of Revenues over Expenditures - Debt Service</b>		<b>(87,174.27)</b>	<b>40,000.00</b>	

**Debt Service**

<b>Revenues</b>				
	2013A, 2008A, 2015A, 2014A	602,307.26	1,138,600.00	53%
<b>Total Revenue - Debt Service</b>		<b>602,307.26</b>	<b>1,138,600.00</b>	<b>53%</b>
<b>Expenses</b>				
	2013A, 2008A, 2015A, 2014A	1,790,821.67	1,123,175.00	159%
<b>Total Expenditures - Debt Service</b>		<b>1,790,821.67</b>	<b>1,123,175.00</b>	<b>159%</b>
<b>Excess of Revenues over Expenditures - Debt Service</b>		<b>(1,188,514.41)</b>	<b>15,425.00</b>	

**Other Governmental Funds**

<b>Revenues</b>				
	Other Governmental Funds	4,900,533.96	895,000.00	548%
<b>Total Revenue - Other Governmental Funds</b>		<b>4,900,533.96</b>	<b>895,000.00</b>	<b>548%</b>
<b>Expenses</b>				
	Other Governmental Funds	5,163,350.71	-	N/A
<b>Total Expenditures - Other Governmental Funds</b>		<b>5,163,350.71</b>	<b>-</b>	<b>N/A</b>
<b>Excess of Revenues over Expenditures - Other Governmental Funds</b>		<b>(262,816.75)</b>	<b>895,000.00</b>	

**Enterprise Funds**

<b>Revenues</b>				
	Water	279,312.01	175,000.00	160%
	Sewer	237,437.55	166,300.00	143%
	Arena	99,307.97	219,300.00	45%
<b>Total Revenue - Enterprise Funds</b>		<b>616,057.53</b>	<b>560,600.00</b>	<b>110%</b>
<b>Expenses</b>				
	Water	118,857.21	373,100.00	32%
	Sewer	132,128.36	838,000.00	16%
	Arena	79,601.59	219,300.00	36%
<b>Total Expenditures - Enterprise Funds</b>		<b>330,587.16</b>	<b>1,430,400.00</b>	<b>23%</b>
<b>Net Income - Enterprise Funds</b>		<b>285,470.37</b>	<b>(869,800.00)</b>	
<b>Net Income - All Funds</b>		<b>(1,622,679.81)</b>	<b>80,625.00</b>	