



Financial Statements
December 31, 2020
City of Cologne

INTRODUCTORY SECTION

Officials (Unaudited)	I
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FINANCIAL SECTION

Independent Auditor's Report	II
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Basic Financial Statements:

Government-Wide Financial Statements:

Statement of Net Position	1
Statement of Activities	2

Fund Financial Statements:

Balance Sheet – Governmental Funds	3
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	4
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	5
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	6
Budgetary Comparison Schedule – General Fund	7
Statement of Net Position – Proprietary Funds	8
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds	9
Statement of Cash Flows – Proprietary Funds	10
Notes to Financial Statements	11

Required Supplementary Information

Schedule of Employer's Share of Net Pension Liability and Schedule of Employer's Contributions	36
Schedule of Changes in the Net Pension Liability and Related Ratios – Fireman's Relief Association	39
Schedule of Employer Contributions and Non-Employer Contributing Entities – Fireman's Relief Association	40

OTHER REPORTS

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	41
Report on <i>Minnesota Legal Compliance</i>	43
Summary of Audit Findings	44

<u>Name</u>	<u>Position</u>	<u>Term Expires</u>
City Council		
Matt Lein	Mayor	2022
Rachel Lenzen	Council Member	2022
Carol Szaroletta	Council Member	2022
Sarah Bruss	Council Member	2024
Nathan Kells	Council Member	2024
Administration		
Jesse Dickson	City Administrator	
Michelle Morrison	City Clerk	



Independent Auditor's Report

Honorable Mayor and City Council
City of Cologne
Cologne, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cologne, Minnesota (the City), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 5 to the financial statements, the City has corrected an error related to debt service amounts relating to the water fund improperly recorded in the debt service fund and governmental activities. Accordingly, beginning balances for cash, interest payable, bond premium, and bonds payable have been restated, and an adjustment has been made to net position as January 1, 2020, to correct the error. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedule of employer's share of net pension liability and schedule of employer's contributions, schedule of changes in the net pension liability and related ratios – fireman's relief association and schedule of employer contributions and non-employer contributing entities – fireman's relief association as listed on the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods or preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that the accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by the missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Cologne's financial statements. The introductory section listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements.

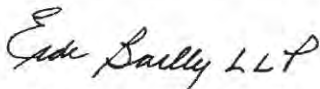
The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated June 29, 2021 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the *Legal Compliance Audit Guide* prepared by the Office of the State Auditor pursuant to Minn. Stat. §6.65, we have also issued a report dated June 29, 2021, on our consideration of the City's compliance with aspects of the provisions of the *Minnesota Legal Compliance Audit Guide for Cities*. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing, and not directed primarily toward obtaining knowledge of noncompliance. That report is an integral part of procedures performed in accordance with the Office of the State Auditor's *Minnesota Legal Compliance Audit Guide for Cities* in considering the City's compliance with certain regulatory requirements pursuant to Minn. Stat. §6.65.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Mankato, Minnesota
June 29, 2021

City of Cologne
Statement of Net Position
December 31, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Totals
Assets			
Cash and cash equivalents	\$ 3,129,705	\$ 1,142,463	\$ 4,272,168
Restricted cash and cash equivalents	999	-	999
Receivables:			
Taxes	11,030	-	11,030
Special assessments	368,211	-	368,211
Accounts	50,441	74,132	124,573
Capital assets not being depreciated:			
Land	254,300	-	254,300
Construction in progress	2,997,805	2,287,542	5,285,347
Capital assets, net of accumulated depreciation:			
Buildings	1,851,616	318,688	2,170,304
Road network	2,199,307	-	2,199,307
Equipment	496,971	229,575	726,546
Distribution plant	-	10,103,991	10,103,991
Vehicles	677,502	-	677,502
Net pension asset	69,431	-	69,431
Total Assets	12,107,318	14,156,391	26,263,709
Deferred Outflows of Resources			
Pension plans	82,272	10,632	92,904
Liabilities			
Accounts payable	212,735	122,949	335,684
Escrow withholding	1,017	1,851	2,868
Escrow deposits	40,000	-	40,000
Interest payable	102,077	70,875	172,952
Noncurrent liabilities:			
Due within one year - bonds payable, bond premium, certificates of indebtedness, and compensated absences	456,092	409,867	865,959
Due in more than one year - bonds payable, bond premium, certificates of indebtedness, and compensated absences	8,639,731	10,175,888	18,815,619
Net pension liability	247,089	76,666	323,755
Total Liabilities	9,698,741	10,858,096	20,556,837
Deferred Inflows of Resources			
Pension plans	70,651	4,412	75,063
Net Position			
Net investment in capital assets	2,559,650	2,506,796	5,066,446
Unrestricted	(139,452)	797,719	658,267
Total Net Position	\$ 2,420,198	\$ 3,304,515	\$ 5,724,713

The notes to the financial statements are an integral part of the financial statements

City of Cologne
Statement of Activities
Year Ended December 31, 2020

Functions/Programs	Program Revenues		Net (Expense) Revenue and Changes in Net Position			Totals
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Primary Government Business-type Activities	
Governmental Activities						
General government	\$ 592,092	\$ 106,000	\$ 5,630	\$ (480,462)	\$ -	\$ (480,462)
Public safety	381,682	184,320	33,617	(163,745)	-	(163,745)
Streets and highways	52,743	-	-	(52,743)	-	(52,743)
Culture and recreation	302,810	23,491	-	(279,319)	-	(279,319)
Economic development	12,506	-	-	(12,506)	-	(12,506)
Interest and other charges on long-term debt	210,335	-	-	(210,335)	-	(210,335)
Total Governmental Activities	1,552,168	313,811	39,247	(1,199,110)	-	(1,199,110)
Business-Type Activities						
Water	658,292	519,211	-	-	(139,081)	(139,081)
Sanitary sewer	399,460	372,528	-	-	(26,932)	(26,932)
Storm sewer	35,164	31,842	-	-	(3,322)	(3,322)
Total Business-Type Activities	1,092,916	923,581	-	-	(169,335)	(169,335)
Total Government	\$ 2,645,084	\$ 1,237,392	\$ 39,247	(1,199,110)	(169,335)	(1,368,445)
General Revenues						
Property taxes				1,473,514	-	1,473,514
State aid				401,300	-	401,300
Special assessments				19,943	-	19,943
Earnings on investments				26,425	-	26,425
Refunds and reimbursements				272,052	-	272,052
Total General Revenues				2,193,234	-	2,193,234
Changes in Net Position				994,124	(169,335)	824,789
Net Position - Beginning, As Restated (Note 5)				1,426,074	3,473,850	4,899,924
Net Position - Ending				\$ 2,420,198	\$ 3,304,515	\$ 5,724,713

The notes to the financial statements are an integral part of the financial statements

City of Cologne
Balance Sheet – Governmental Funds
December 31, 2020

	General	Debt Service Fund	Nonmajor Fund TIF 2-1 Fund	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 3,128,988	\$ -	\$ 717	\$ 3,129,705
Restricted cash and cash equivalents	-	999	-	999
Receivables:				
Taxes	6,157	4,873	-	11,030
Special assessments	-	368,211	-	368,211
Accounts	50,441	-	-	50,441
Due from other funds	31,765	-	-	31,765
Total Assets	<u>\$ 3,217,351</u>	<u>\$ 374,083</u>	<u>\$ 717</u>	<u>\$ 3,592,151</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities				
Due to other funds	\$ -	\$ 31,765	\$ -	\$ 31,765
Accounts payable	212,735	-	-	212,735
Escrow withholding	1,017	-	-	1,017
Escrow deposits	40,000	-	-	40,000
Total Liabilities	<u>253,752</u>	<u>31,765</u>	<u>-</u>	<u>285,517</u>
Deferred Inflows of Resources				
Unavailable revenue	29,976	369,736	-	399,712
Fund Balances				
Restricted	-	-	717	717
Assigned	1,487,382	-	-	1,487,382
Unassigned	1,446,241	(27,418)	-	1,418,823
Total Fund Balances (Deficit)	<u>2,933,623</u>	<u>(27,418)</u>	<u>717</u>	<u>2,906,922</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 3,217,351</u>	<u>\$ 374,083</u>	<u>\$ 717</u>	<u>\$ 3,592,151</u>

The notes to the financial statements are an integral part of the financial statements

City of Cologne
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
December 31, 2020

Total Fund Balances for Governmental Funds \$ 2,906,922

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

Capital assets and net pension assets used in governmental activities
are not financial resources and therefore are not reported as assets
in governmental funds.

Capital assets	8,477,501
Net pension asset	69,431

Some of the City's receivables will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore, are reported as deferred inflows in the funds.	399,712
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Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds.	11,621
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Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	(102,077)
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Long-term liabilities that pertain to governmental funds, including
bonds payable, are not due and payable in the current period,
and therefore, are not reported as fund liabilities. All liabilities
- both current and long-term - are reported in the statement of
net position. Balances at year-end are:

Bonds payable	\$ (9,037,851)	
Net pension liability	(247,089)	
Compensated absences	(57,972)	
	(9,342,912)	(9,342,912)

Total Net Position for Governmental Activities	\$ 2,420,198
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City of Cologne

Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds
Year Ended December 31, 2020

	General	Debt Service Fund	Nonmajor Fund TIF 2-1 Fund	Total Governmental Funds
Revenues				
Property taxes	\$ 786,908	\$ 683,629	\$ 12,113	\$ 1,482,650
Franchise taxes	6,565	-	-	6,565
Special assessments	-	59,075	-	59,075
Fees and fines	2,203	-	-	2,203
Licenses and permits	69,976	-	-	69,976
Intergovernmental	401,300	-	-	401,300
Charges for services	235,067	-	-	235,067
Interest earnings	26,425	-	-	26,425
Refunds and reimbursements	313,871	-	-	313,871
Contributions and donations	39,247	-	-	39,247
Total revenue	1,881,562	742,704	12,113	2,636,379
Expenditures				
Current:				
General government	646,125	-	-	646,125
Public safety	293,466	-	-	293,466
Capital outlay	182,046	-	-	182,046
Streets and highways	333,362	-	-	333,362
Capital outlay	2,152,564	-	-	2,152,564
Culture and recreation	227,866	-	-	227,866
Capital outlay	102,836	-	-	102,836
Economic development	-	-	12,506	12,506
Miscellaneous	672	-	-	672
Debt Services:				
Principal	-	463,000	-	463,000
Interest and other charges	24,677	161,833	-	186,510
Total expenditures	3,963,614	624,833	12,506	4,600,953
Excess (deficiency) of revenues over (under) expenditures	(2,082,052)	117,871	(393)	(1,964,181)
Other Financing Sources				
Issuance of debt	2,955,000	-	-	2,955,000
Premium on issuance of debt	155,398	-	-	155,398
Total other financing sources	3,110,398	-	-	3,110,398
Net change in fund balances	1,028,346	117,871	(393)	1,145,824
Fund Balances (Deficit) - Beginning, as Restated (Note 5)	1,905,277	(145,289)	1,110	1,761,098
Fund Balances (Deficit) - Ending	\$ 2,933,623	\$ (27,418)	\$ 717	\$ 2,906,922

The notes to the financial statements are an integral part of the financial statements

City of Cologne

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental
Funds to the Statement of Activities
Year Ended December 31, 2020

Total Net Change in Fund Balances - Governmental Funds	\$ 1,145,824
Amounts reported for governmental activities in the statement of activities are different because:	
Because some revenues will not be collected for several months after the City's fiscal year end, they are considered "unavailable" revenues in the governmental funds.	(59,193)
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Depreciation	(452,603)
Capital outlay	3,009,842
Asset sales gross proceeds are reported in governmental funds as revenues. However, in the statement of activities, the gain or loss of these assets only is recorded.	(30,893)
Governmental funds report the issuance of debt proceeds as a financing source. The statement of activities, however, reports this as a long-term liability.	(3,110,398)
Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	7,890
Costs related to compensated absences are reported as expenditures when paid in governmental funds. The statement of activities records these costs when earned, and the statement of net position records these costs as a liability when earned.	(17,028)
In the statement of activities the cost of pension benefits earned net of employee contributions is reported as pension expense. In the governmental funds, however, the contributions are reported as expense.	69,400
The governmental funds report repayment of bond principal as expenditures. In the statement of net position, however, repayment of principal reduces the liability.	463,000
Interest is recognized as an expenditure in the governmental funds when it is due. In the statement of activities, however, interest expense is recognized as it accrues, regardless of when it is due.	(31,717)
Change in Net Position of Governmental Activities	<u>\$ 994,124</u>

City of Cologne
Budgetary Comparison Schedule – General Fund
Year Ended December 31, 2020

	Original	Final	Actual Amounts	Variance with Final Budget
Revenues				
Property taxes	\$ 766,875	\$ 766,875	\$ 786,908	\$ 20,033
Franchise taxes	3,500	3,500	6,565	3,065
Special assessments	15,000	15,000	-	(15,000)
Licenses and permits	86,775	86,775	69,976	(16,799)
Intergovernmental revenue				
Local government aid	90,596	90,596	227,328	136,732
PERA aid	500	500	-	(500)
Other state aids and grants	33,300	33,300	173,972	140,672
Charges for services				
General government	15,825	15,825	27,256	11,431
Police and fire contracts	163,000	163,000	184,320	21,320
Parks and recreation	71,100	71,100	23,491	(47,609)
Fees and fines	2,000	2,000	2,203	203
Interest earnings	20,000	20,000	26,425	6,425
Miscellaneous revenue	1,000	1,000	-	(1,000)
Donations	-	-	39,247	39,247
Refunds and reimbursements	17,500	17,500	313,871	296,371
Total revenues	1,286,971	1,286,971	1,881,562	594,591
Expenditures				
General government				
Mayor and council	13,035	13,035	12,539	496
Administration and finance	235,595	235,595	249,823	(14,228)
Other general government	109,815	109,815	383,763	(273,948)
Public safety				
Police current expenditures	49,547	49,547	53,027	(3,480)
Fire current expenditures	249,632	249,632	204,792	44,840
Fire capital outlay	12,000	12,000	182,046	(170,046)
Other protection	30,250	30,250	35,647	(5,397)
Streets and highways				
Street maintenance	318,301	318,301	311,761	6,540
Street lighting	-	-	21,601	(21,601)
Street construction - capital outlay	14,000	14,000	2,152,564	(2,138,564)
Culture and recreation				
Parks and recreation - current expenditures	195,296	195,296	227,866	(32,570)
Parks and recreation - capital outlay	49,500	49,500	102,836	(53,336)
Miscellaneous	10,000	10,000	672	9,328
Debt Service				
Interest and fiscal charges	-	-	24,677	(24,677)
Total expenditures	1,286,971	1,286,971	3,963,614	(2,676,643)
Deficiency of Revenue				
Under Expenditures	-	-	(2,082,052)	(2,082,052)
Other Financing Sources				
Issuance of debt	-	-	2,955,000	2,955,000
Premium on issuance of debt	-	-	155,398	155,398
Total other financing sources	-	-	3,110,398	3,110,398
Net Change in Fund Balances	\$ -	\$ -	1,028,346	\$ 1,028,346
Fund Balance - Beginning			1,905,277	
Fund Balance - Ending			<u>\$ 2,933,623</u>	

The notes to the financial statements are an integral part of the financial statements

City of Cologne
Statement of Net Position – Proprietary Funds
December 31, 2020

	Water	Sanitary Sewer	Nonmajor Fund Storm Sewer	Enterprise Fund Total
Assets				
Current Assets:				
Cash and cash equivalents	\$ 346,141	\$ 530,568	\$ 265,754	\$ 1,142,463
Receivables:				
Accounts	38,510	32,877	2,745	74,132
Total current assets	384,651	563,445	268,499	1,216,595
Noncurrent Assets:				
Capital assets not being depreciated:				
Construction in progress	1,135,990	202,300	949,252	2,287,542
Capital assets, net of accumulated depreciation:				
Buildings	61,031	257,657	-	318,688
Equipment	172,043	57,532	-	229,575
Distribution plant	9,146,405	933,790	23,796	10,103,991
Total noncurrent assets	10,515,469	1,451,279	973,048	12,939,796
Total Assets	10,900,120	2,014,724	1,241,547	14,156,391
Deferred Outflows of Resources				
Pension plans	5,316	5,316	-	10,632
Liabilities				
Current Liabilities:				
Accounts payable	57,411	25,999	39,539	122,949
Escrow withholding	1,031	820	-	1,851
Interest payable	55,878	2,657	12,340	70,875
Due within one year - bonds payable, bond premium, certificates of indebtedness, and compensated absences	409,867	-	-	409,867
Total current liabilities	524,187	29,476	51,879	605,542
Noncurrent Liabilities:				
Net pension liability	38,333	38,333	-	76,666
Bond premium	91,208	10,902	50,645	152,755
Due in more than one year - bonds payable, bond premium, certificates of indebtedness, and compensated absences	8,851,190	207,588	964,355	10,023,133
Total noncurrent liabilities	8,980,731	256,823	1,015,000	10,252,554
Total Liabilities	9,504,918	286,299	1,066,879	10,858,096
Deferred Inflows of Resources				
Pension plans	2,206	2,206	-	4,412
Net Position				
Net investment in capital assets	1,254,412	1,243,691	8,693	2,506,796
Unrestricted	143,900	487,844	165,975	797,719
Total Net Position	\$ 1,398,312	\$ 1,731,535	\$ 174,668	\$ 3,304,515

The notes to the financial statements are an integral part of the financial statements

City of Cologne

Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds

Year Ended December 31, 2020

	Water	Sanitary Sewer	Nonmajor Fund Storm Sewer	Enterprise Fund Total
Operating Revenues				
Sales and services	\$ 483,211	\$ 343,278	\$ 31,842	\$ 858,331
Access fees	36,000	29,250	-	65,250
Total operating revenues	519,211	372,528	31,842	923,581
Operating Expenses				
Personnel services	99,720	100,181	-	199,901
Purchases	29,238	74,801	-	104,039
Supplies	14,105	55,739	-	69,844
Other services and charges	88,182	62,946	-	151,128
Repairs and maintenance	3,037	7,924	13,896	24,857
Depreciation	287,143	93,480	881	381,504
Miscellaneous	11,280	-	-	11,280
Total operating expenses	532,705	395,071	14,777	942,553
Operating Income (Loss)	(13,494)	(22,543)	17,065	(18,972)
Nonoperating Expenses				
Interest expense	(125,587)	(4,389)	(20,387)	(150,363)
Change in Net Position	(139,081)	(26,932)	(3,322)	(169,335)
Net Position - Beginning, as Restated (Note 5)	1,537,393	1,758,467	177,990	3,473,850
Net Position - Ending	\$ 1,398,312	\$ 1,731,535	\$ 174,668	\$ 3,304,515

The notes to the financial statements are an integral part of the financial statements

City of Cologne
Statement of Cash Flows – Proprietary Funds
Year Ended December 31, 2020

	Water	Sanitary Sewer	Nonmajor Fund Storm Sewer	Enterprise Fund Total
Cash Flows from Operating Activities				
Receipts from customers	\$ 525,178	\$ 370,359	\$ 31,812	\$ 927,349
Payments to employees	(101,022)	(101,483)	-	(202,505)
Payments to suppliers	(119,613)	(203,506)	25,643	(297,476)
Net cash provided by operating activities	<u>304,543</u>	<u>65,370</u>	<u>57,455</u>	<u>427,368</u>
Cash Flows provided by (used for) Capital and Related Financing Activities				
Acquisition of property, plant and equipment	(1,135,990)	(231,871)	(949,252)	(2,317,113)
Principal paid on bonds payable	(399,695)	-	-	(399,695)
Interest paid on bonds payable	(111,017)	(1,732)	(8,047)	(120,796)
Proceeds from bonds	1,158,057	207,588	964,355	2,330,000
Premium on bonds	60,818	10,902	50,645	122,365
Net cash provided by (used for) capital and related financing activities	<u>(427,827)</u>	<u>(15,113)</u>	<u>57,701</u>	<u>(385,239)</u>
Net increase (decrease) in cash and cash equivalents	(123,284)	50,257	115,156	42,129
Cash and cash equivalents - January 1, water fund as restated (Note 5)	<u>469,425</u>	<u>480,311</u>	<u>150,598</u>	<u>1,100,334</u>
Cash and cash equivalents - December 31	<u>\$ 346,141</u>	<u>\$ 530,568</u>	<u>\$ 265,754</u>	<u>\$ 1,142,463</u>
Reconciliation of Operating Income to Net Cash provided by Operating Activities:				
Operating income	\$ (13,494)	\$ (22,543)	\$ 17,065	\$ (18,972)
Adjustments to reconcile operating loss to net cash used by operating activities:				
Depreciation	287,143	93,480	881	381,504
Amortization	(2,338)	-	-	(2,338)
Deferred outflows	(2,488)	(2,488)	-	(4,976)
Net pension liability	6,257	6,257	-	12,514
Deferred inflows	(5,071)	(5,071)	-	(10,142)
Decrease (increase) in assets:				
Accounts receivable	(2,661)	(2,244)	(30)	(4,935)
Taxes receivable	8,628	75	-	8,703
Increase (decrease) in liabilities:				
Accounts payable	28,573	(2,096)	39,539	66,016
Escrow withholding	(6)	-	-	(6)
Net Cash provided by Operating Activities	<u>\$ 304,543</u>	<u>\$ 65,370</u>	<u>\$ 57,455</u>	<u>\$ 427,368</u>

The notes to the financial statements are an integral part of the financial statements