City of Winona, Minnesota

Comprehensive Annual Financial
Report for the Year Ended
December 31, 2015

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Director of Finance

Cover design by Tom Grier, Professor of Mass Communication at Winona State University

The cover photographs were taken by Bill Kuhl of the Mississippi Queen docked at the Winona levee.

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INTRODUCTORY SECTION

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CITY OF WINONA, MINNESOTA

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June 14, 2016

Honorable Mayor Peterson and
Members of the City Council of the City of Winona
Winona, MN 55987

Dear Mayor Peterson and City Council Members:

The Comprehensive Annual Financial Report (CAFR) of the City of Winona, MN (the "City"), for the fiscal year ended December 31, 2015, is submitted herewith. Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the City. The Finance Department believes that the data presented is accurate in all material respects and is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of the various funds. All disclosures necessary for a reader to gain an understanding of the City's financial activities have been included.

An outline to guide the reader of the CAFR is as follows:

1. *Introductory Section*—Includes this letter of transmittal, a list of the City's leaders, an organization chart, and a reproduction of the City's Certificate of Achievement for Excellence in Financial Reporting.

2. *Financial Section*—Includes the report of our independent auditors, Management's Discussion and Analysis (MD&A), and the basic financial statements. The combining fund financial statements are presented after the basic financial statements.

3. *Statistical Section*—Includes selected financial, economic, and demographic information, generally presented on a 10-year historical basis.

The organization, form, and content of this report were prepared in accordance with the standards prescribed by the Governmental Accounting Standards Board (GASB), the Government Finance Officers Association of the United States and Canada (GFOA), the American Institute of Certified Public Accountants, the State Auditor's Office—State of Minnesota, and the City Charter.

Profile of the City:

This report includes all funds and departments of the City (the primary government) and the Port Authority of Winona ("Port Authority") (the component unit) according to GASB's requirements. A component unit is included in the City's reporting entity because of the significance of its operational or financial relationship with the City. Note 1 to the basic financial statements includes additional information regarding the reporting of the component unit.

The activities of the Housing and Redevelopment Authority of Winona (HRA) are limited to operating Department of Housing and Urban Development-sponsored projects and grants. No local financing is involved; thus, the City Council is not involved in financial oversight. Additionally, other than an irrevocable appointment by the Mayor of the HRA Board (four-year term and only one out of five HRA Board Members are from the City Council), the City exercises no control in the areas of budgeting, staff appointment, or accountability for fiscal matters. Accordingly, based on GASB Statement No. 61, *The Financial Reporting Entity: Omnibus; an amendment of GASB Statements No.14 and No. 34*, the HRA does not qualify as a component unit of the City's financial statements, and the related financial statements have not been included in this report. Audited financial statements for the HRA are available upon request at its business office in Winona.

The City provides the full range of municipal services requested by statute or charter. This includes public safety (police and fire), highways and streets, sanitation, parks, public improvements, planning and zoning, and general administrative services. The City also operates eight enterprises: water; sanitary sewer; inspections; airport; public transportation; recreation, library; and storm sewer.

Local Economy:

Winona, incorporated in 1857, is located in the southeastern corner of Minnesota, two hours south of the Minneapolis/Saint Paul area and one hour east of Rochester. It is positioned along the banks of the Mississippi River and is surrounded by gently sloping hills. It is known for its natural beauty throughout the year but especially during the season of autumn. The City is the headquarters for the Upper Mississippi River National Wildlife and Fish Refuge and is the county seat of Winona County.

Besides its natural beauty, the City is noted for its many strengths. Some of those strengths are listed below:

- Winona's highly diversified tax base that experienced an increase in its market value of 11.5% from 2006 to 2016;
- Stable financial operations (including financial management, cash flow dollars, and reserves for future capital needs);
- Low debt burden with rapid principal amortization (100% of GO debt retired in 10 years) and significant nonproperty tax levy support for debt service;
- An "entrepreneurial spirit" for start-up companies;
- An independent, community-managed healthcare system, including emergency room services. The community also sponsors extensive programs for people with disabilities;
- A "regional center" for southeastern Minnesota (for education, employment, entertainment, visual and performing arts and shopping);
- Three colleges located in the City (two universities and one technical college)—the three in total have had stable enrollment over the past few years;
- Well-capitalized banks – most are locally owned;

- An arts/tourism base that continues to grow with attractions such as the Minnesota Beethoven Festival featuring Joshua Bell in 2008 and 2016, Yo-Yo Ma in 2010, Branford Marsalis in 2012 and James Galway in 2014, the Shakespeare Festival, and the Minnesota Marine Art Museum (MMAM). The MMAM features original Impressionist, American and Hudson River School paintings by artists such as Edgar Degas, Paul Gauguin, Joseph Mallord William Turner, Vincent van Gogh, Paul Cézanne, Pablo Picasso, Emanuel Leutze, Max Beckmann, Thomas Cole, Thomas Moran, Robert Duncanson and Mary Cassatt;

- Located in the scenic Mississippi River valley.

Some of the <u>challenges</u> that the City faces are listed below:

- Available (and developable) land for the City to continue to grow;

- Transportation needs for improvements and maintenance;

- Infrastructure—maintenance costs (the City is 159 years old);

- City government financial dependency on state-provided local government aid;

- Substantial real estate is exempt from property tax, such as college campuses which still require City services.

Other key objectives of the City:

- To attract citizens that work for the overall good of the City (with a 'big-picture' vision) to serve as Board Members for the City Council, Port Authority, and other City commissions;

- To attract and retain smart, forward-thinking employees who have the overall best interests of the City in mind;

- To continue to serve as an economic engine for our region in the State of Minnesota;

- To encourage and support the expansion of existing businesses, and to cultivate the development of new businesses that want to make the City of Winona their home.

A community profile of the City's business and industrial diversity is highlighted below:

- Electronic

  Company (customers): Benchmark (original equipment manufacturer users of circuit boards)—located in the Winona regional area

  Company (customers): Watlow Controls (construction industry)
  Products: electronic design, contract manufacturer of mechanical and electronic components, and process control instruments;

  Company (customers): TRW (major auto manufacturers);

➢ Distribution	Company: Fastenal National and international distributor of threaded fasteners and other industrial maintenance and construction supplies (founded in 1967, Fastenal's sales in 2015 were $3.9 billion);
➢ Composites	Company (customers): Fiberite Inc. (aero and computer industries) Products: manufacturer of thermosets and molding compounds; Company: RTP Company Compounder of raw material for the composite industry; Company (customers): WE-NO-NAH Canoe (Olympic teams and recreational users) Leading worldwide manufacturer of composite canoes and kayaks and large producer of Royalex-type canoes; Company: PlastiComp Innovations in long-fiber thermoplastic molding; Company (customers): Coda (Juilliard School of Music) Maker of musical bows with graphite-fiber construction, which produce fine sound and quality performance, and will not fatigue or warp;
➢ Bulk Commodities Transport	Commercial Harbor: Transportation network (via the barge system on the river) of regionally grown corn and soybeans from the City, and fertilizer, coal, salt into the City and sand for the energy industry. (Most of the corn and soybeans from this Harbor are exported to Asia.);
➢ Agricultural Products	Company (customers): Malteurop North America (malting facility—beer/whiskey exports) Product: manufacturer of malt for the brewing of beer and the distilling of whiskey; Company (customers): Bay State Milling Co. (commercial bakeries) Product: maker of whole wheat, rye, and commercial bakery flour;
➢ Education	Two universities and a technical college within the City, which have a combined enrollment of approximately 10,000 students. International Residency High School Other private and public schools (including two charter schools in District 861);
➢ Healthcare	Company: Winona Health Provides a general medical and surgical hospital, options for assisted living and nursing home care, and Winona Clinic which offers regional diversified healthcare services;

- Promotional Materials — Company: WIN CRAFT Inc.
  Major supplier to the Olympics, NASCAR, NFL, and Major League Baseball
  Product: manufacturer and distributor of promotional material;

- Telecommunications — Company: Hiawatha Broadband Communications, Inc.
  Product: a provider of broadband internet, cable television, and telephone services within the Winona regional area;

  Company: Charter Communications
  Product: a provider of internet and cable television services;

- Music — Company: Hal Leonard Publishing (founded in Winona, Minnesota)
  Product: largest manufacturer of printed music—internationally distributed;

- Stained Glass — More than five stained glass companies within the area
  Customers include the Vatican Chapel in Jerusalem and Radio City Music Hall in New York City
  Products: studios that manufacture, design, and restore stained glass;

- Equipment Manufacturer — Company: Thern, Inc.
  Product: manufacturer of material handling equipment such as winches, hoists and cranes with emphasis on niche market products. (Thern Inc. custom makes the winch to hold and lower the world-famous New York Times Square ball that is dropped on New Year's Eve.)

  Company: Peerless Chain Company
  Largest producer of welded and weld-less chain in the U.S.A.

- Rail Products — Company: Miller Ingenuity (changed name from Miller Felpax)
  Product: designer and manufacturer of rolling stock products (rail) used in over 100 countries for 50 years. They were the original inventor and OEM of traction motor lubricators and gear case seals for the companies of GE and EMD.

- Knitwear — Company: Knitcraft Corporation (located in the Winona regional area)
  Product: manufacturer of knitwear ("St. Croix" brand—international).

- Manufacturer — Company: J.R. Watkins (started in 1868)
  Product: Manufacturer of spices (winner of gold medals for its Vanilla Extract, Cinnamon and Black Pepper) and natural products.

Major Initiatives:

Current Projects—2015 Highlights:

- City property values increased, during 2015, through the issuance of $39,326,300 in building permits, (140 nonresidential permits for a value of $27,246,499 and 637 residential permits for a value of $12,079,801), which includes the list below:

  - WinCraft Inc. – began construction of a 125,000 sq. ft. manufacturing facility ($5,527,000)
  - Dahl Automotive – Addition and renovation of Toyota Dealership ($3,450,000)
  - Morningside Terrace – renovation to the 54 unit apartment building ($2,500,000)
  - Hiawatha Valley Mental Health – began construction of a new 20-unit apartment home ($2,359,373)
  - P. Krause – construction of a new 15-unit apartment building (1,500,000)
  - Cotter High School – construction of a new gymnasium and lobby ($1,376,000)
  - Oppidan Investment Company – began construction of a new Goodwill store ($1,225,000)
  - Baker & Denker – construction of a 2 12-Plex apartment building ($1,140,000)
  - Kwik Trip – construction of an addition onto a store ($900,000)
  - Saint Mary's University – construction of a foundation for a new Science facility ($750,000)
  - C.D. Corporation – remodel for a new business Gypsoil ($680,000)
  - Winona State University – remodel Sheehan residence Hall ($840,000)
  - Winona State University – remodel Phelps classroom Hall ($782,700)
  - Winona State University – renovation of Lourdes residence Hall ($320,000)
  - WinCraft Inc. – remodel office and manufacturing facility ($498,000)

Long-term Financial Planning:

The City Airport has been undergoing a major upgrade. The upgrade includes work to lengthen the main runway, upgrade the alignment lighting and provide for a realignment of the taxiways at the Airport.

An analysis of the water and sanitary sewer utility rates has been completed and the revised rates have been used for 2012 through 2015. The purpose of the review was to provide a solid foundation for the future of the utilities (including recovering more of the fixed costs of the system) and to provide reserves for future replacement needs. The rates are to be reviewed annually to determine if the Water and Sanitary Sewer Funds are meeting their objectives.

The water and sanitary sewer utilities, of the City, are being extended to accommodate an orderly annexation of property into the City of Winona.

A fund, called Infrastructure Replacement, was established in 2007. This fund will allow for the replacement of some of the City's infrastructure over the next years.

Accounting System and Budgetary Control:

The City's accounting records are maintained on the accrual or modified accrual basis, as appropriate. Budgetary control is maintained by an encumbrance system, whereby purchase orders are reviewed by the department involved as to the availability of funds prior to their release to vendors. Purchase orders which exceed appropriation balances (or which have not had approval as required under the Minnesota Statutes or the City Charter) are not to be released until such funding or approval is made available.

Also inherent is a management philosophy that the existence of a particular item or appropriation on the approved budget does not automatically dictate that it will or must be spent. The budget process has flexibility in that transfers can be made within the department budget by the City Manager or between funds by the City Council where need has been adequately demonstrated. There is a review process—expenditures are not to be approved until it has been determined that (1) adequate funds were appropriated, (2) the expenditure is still necessary, and (3) funds are available.

In developing and evaluating the City's accounting system, consideration is given to the adequacy of the City's internal control structure. A properly designed internal control structure is designed to provide reasonable, but not absolute, assurance regarding (1) the safeguarding of assets against loss from unauthorized use or disposition, and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that (1) the cost of control should not exceed the benefits likely to be derived, and (2) the evaluation of costs and benefits requires estimates and judgments by management. We believe that the City's internal control structure adequately safeguards assets, and provides reasonable assurance of the proper recording of financial transactions.

Encumbrances are commitments related to unperformed contracts for goods or services and are used for budgetary control purposes. Encumbrances outstanding at the end of the year represent an estimated amount to be expended when the unperformed contracts are completed.

General Fund Functions:

Revenues:

The following table presents a comparative analysis of General Fund budgeted revenues for 2016 and actual revenues for 2015 and 2014:

	2016 Budget		2015 Actual		2014 Actual	
Revenue/Sources	Amount	% of Total	Amount	% of Total	Amount	% of Total
Property taxes	$ 4,953,150	29.7 %	$ 4,359,105	27.8 %	$ 4,366,030	28.3 %
Franchise fees and other taxes	1,340,000	8.0	1,365,415	8.7	1,431,655	9.3
Licenses and permits	153,450	0.9	172,154	1.1	177,642	1.2
Fines and forfeits	167,000	1.0	162,745	1.0	162,011	1.0
Intergovernmental	8,382,666	50.3	8,746,246	55.7	8,465,341	54.8
Investment earnings and change in fair value of investments	2,009	0.0	1,350	0.0	276	0.0
Charges for services	757,568	4.5	860,573	5.5	803,886	5.2
Other	919,697	5.5	31,721	0.2	34,942	0.2
	$ 16,675,540	100.0 %	$ 15,699,309	100.0 %	$ 15,441,783	100.0 %

The certified **property taxes** in the General Fund have an increase in 2016 over 2015 of $594,045. (The decrease in property taxes for the General Fund operations was $6,925 for 2015 from 2014.)

Intergovernmental remains the largest percentage of General Fund revenues at 50.3% for 2016 and at 55.7% for 2015. Included in this category are the State of Minnesota's payments to the City for Local Government Aid (LGA), which were approximately $9,799,177 (total for all funds) for 2015. Also included in 2015 were the Market Value credits of $2,186 for all funds. Market value credits are payments to the City,

from the State of Minnesota, which lower the amount of property tax liability for a homeowner. (In 2014, the market value credit program revenue for the City was $1,079.)

Included in the 2016 budget (**other**) is $478,000 for transfers into the General Fund from various Funds, which represent 3% of the total budget.

Expenditures:

A comparative analysis of General Fund budgeted expenditures for 2016 and actual expenditures for 2015 and 2014 is presented in the table below:

	2016 Budget		2015 Actual		2014 Actual	
Expenditures/Uses	Amount	% of Total	Amount	% of Total	Amount	% of Total
General government	$ 3,460,489	20.8 %	$ 2,689,350	18.1 %	$ 2,741,128	18.0 %
Public safety	7,952,467	47.7	7,380,958	49.8	7,471,922	49.0
Highways and streets	3,136,661	18.8	2,648,384	17.9	2,905,548	19.1
Sanitation and waste removal	53,150	0.3	50,975	0.3	37,585	0.2
Economic development	309,840	1.9	299,571	2.0	291,382	1.9
Park maintenance	1,762,933	10.6	1,756,907	11.9	1,795,635	11.8
	$ 16,675,540	100.0 %	$ 14,826,145	100.0 %	$ 15,243,200	100.0 %

General Government includes approximately $391,000 for contingencies in the 2016 budget (General Government), which represents 2.3% of the total budget. The amount incurred for contingencies for the 2015 actual and the 2014 actual was $0.

Public safety remained the largest area of the General Fund expenditures during 2015 (at 49.8%) and includes the departments of the Police, Fire, Emergency Management, Safety and Health Coordinator, and Flood Control. It is important to note that 24.9% of the 2015 $615,810 cost to operate the Law Enforcement Center, "LEC," (a facility shared with Winona County) is included in the City's financial reports (and 23.2% of $601,011 for 2014). Winona County includes the LEC in its annual budget and pays the total costs for the facility. The amount the City pays to Winona County per year is based on a contractual formula.

Highways and streets (17.9% in 2015) includes the services of Engineering, Streets and Alleys (snow removal), Street Lighting, and Central Garage.

General Fund—Cash Flow needs:

A portion of the City's Fund Balance is designated for cash flow purposes. The dollars set-aside are crucial to avoid short-term borrowing to meet cash flow needs. A major portion of the General Fund revenues is from property taxes and state revenues—those payments are made to the City only twice a year (June/July and December).

Cash Management:

Cash is invested in accordance with the City's Investment Policy, which has been adopted by the City Council. All of the investments included in the City's policy are also authorized by the State of Minnesota.

The City maintains a cash and investment pool that is available for use by all funds, except the employee benefit fund. The interest earnings from the cash pool were allocated to the various funds based upon their average cash balance.

The City's Investment Policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. The pooled deposits were either insured by federal deposit insurance or collateralized. The collateral was pledged by various banks and held in safekeeping departments of banks other than the pledging bank in the name of the City.

All of the City's pooled deposits and investments at December 31, 2015, are classified in the most secure credit risk category as defined by GASB. None of the City's investments were held by the counterparty's trust department or agent.

The City has not purchased any collateralized mortgage obligations (CMO), derivative securities, or interest-only strip investments. GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools,* requires investments to be reported at fair value in the balance sheet with changes in the fair value of investments reported in the operating statement. The City's practice is to hold investments to maturity; therefore, the City does not expect the net decrease in the fair value of investments shown in the financial statements will be realized. All investments in the City's portfolio had a maturity of two years or less at December 31, 2015.

Risk Management—Health Plan:

The City's health benefit program is designed to provide for the payment of healthcare costs for employees. The City maintains a self-insurance program for employee group health coverage, which includes an individual excess coverage policy for claims exceeding $100,000 per family per year in 2015 and 2014.

As of July 1, 2005, all of the City's health plan options are consumer-driven healthcare programs combining high deductibles with individual Health Plan Accounts (HPA) or Health Savings Accounts (HSA)—employer-held (HPA) or employee-held (HSA) accounts used for healthcare expenses not covered by the underlying plan. Eide Bailly administers the HPA accounts for these programs.

City Policies:

The City has a policy that the annual budget needs to be balanced. This policy resulted in the General Fund total 2016 adopted budget of $16,675,540 being $763,672 more than the 2015 adopted budget (of $15,911,868).

A financial policy that had a significant impact on the Water Fund and the Sanitary Sewer Fund was the decision to more adequately cover depreciation costs in those funds and to recover fixed costs through a user fee. A rate analysis was completed in 2011, which included a new rate structure that commenced on January 1, 2012.

The Equipment Replacement Fund, the Facilities Fund and the Infrastructure Replacement Fund have been set up for the purpose of the replacement of City equipment, the renovation of City facilities and the reconstruction of the City's infrastructure, respectively, over the long term.

Debt Management:

Bond Rating:

Moody's Investors Service of New York, the City's bond rating agency, has assigned an Aa1 rating to the City of Winona's $3.7 million General Obligation Equipment Certificates, Series 2015A and to the Port Authority of Winona's $1.4 million General Obligation Refunding Bonds, Series 2015A.

Concurrently, Moody's affirmed the Aa1 rating on the City's outstanding general obligation debt, affecting approximately $8.1 million post-sale. In issuing the rating, the service had discussed the City's diversified tax base and its role as a regional economic center due to its significant health care, education and manufacturing presences. The service also expects the City's financial position to remain stable and healthy. The City's debt is modestly sized, with a direct debt burden of 0.4% of full value. Principal amortization is rapid with 100% of its debt to be retired in ten years. All of the City's debt is fixed rate, and the City is not a party to any interest rate swap agreements.

Debt Per Capita:

Net bonded debt per capita is a useful indicator of a city's debt position to management, citizens, and investors in city bonds. The net direct bonded debt per capita for the City was approximately $178 in 2015. The City believes that its current low debt per capita enables it to issue debt, if needed, for specific projects that would greatly benefit the community. The City is more than $40 million below Minnesota law's legal debt margin. Debt statistics as of December 31, 2015 and 2014, follow:

Net Direct and Overlapping Debt	2015 Amount	2014 Amount	2015 Debt per Capita	2014 Debt per Capita
Net direct bonded	$ 4,897,930	$ 2,807,668	$ 178	$ 102
Overlapping	12,344,628	14,716,387	448	534
Total	$ 17,242,558	$ 17,524,055	$ 626	$ 636

Important Economic Factors:

During 2015, the City expended approximately $9.0 million in capital assets for construction in progress. Taxable market values in the City increased from 2015 to 2016 by 2.4%. Growth in values related to construction during 2015 were approximately $27 million for nonresidential and $12 million for residential.

A crucial element in the City's continued financial stability is the revenue it receives from the State of Minnesota in the form of LGA, which is approximately 50% of the City's General Fund's revenues. (A discussion and analysis of the City's overall financial condition during the fiscal year ended 2015 is included as part of the MD&A.)

Independent Audit:

The City Charter requires the City Council to provide for an annual audit of the City's accounts and transactions of its departments by independent auditors, or the state department in charge of such work. This requirement has been complied with, and the independent auditors' report is included in this CAFR.

The Honorable Mayor and
Members of the City Council
City of Winona
June 14, 2016

Awards and Acknowledgments:

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting ("Certificate of Achievement") to the City of Winona, Minnesota, for its CAFR for the fiscal year ended December 31, 2014. The Certificate of Achievement is a prestigious national award that recognizes conformance with the highest standards for preparation of state and local government financial reports. Approximately 15% of the cities in Minnesota receive this award.

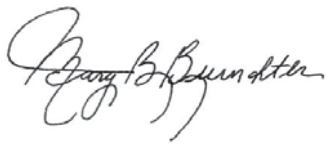
In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual financial report whose contents conform to program standards. This report satisfied accounting principles generally accepted in the United States of America, as well as applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to meet the Certificate of Achievement program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

It is time to applaud the City Finance Team for their smart work in the details with the new Pension standard requirement for reporting and the other many numbers required to complete this 190 page financial report. Additional praise should go to Jessica Wojahn, Financial Analyst, and to Allyn Burgmeier, City Accountant, for their extra work putting together the various reports, additional disclosures and statistical tables.

Thanks also to Mayor Peterson, the City Council, the Port Authority Commissioners, the City Manager and the Department Heads for their work and support throughout the year. The Finance team looks forward to continuing to work with them. A special note of gratitude and praise to the retired Judy Bodway who cared deeply about the City during her tenure of 30-plus years as the Director of Economic Development and the City Manager. Enjoy your retirement Judy.

Respectfully submitted,



Mary B. Burrichter
Finance Director

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CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Winona

Minnesota

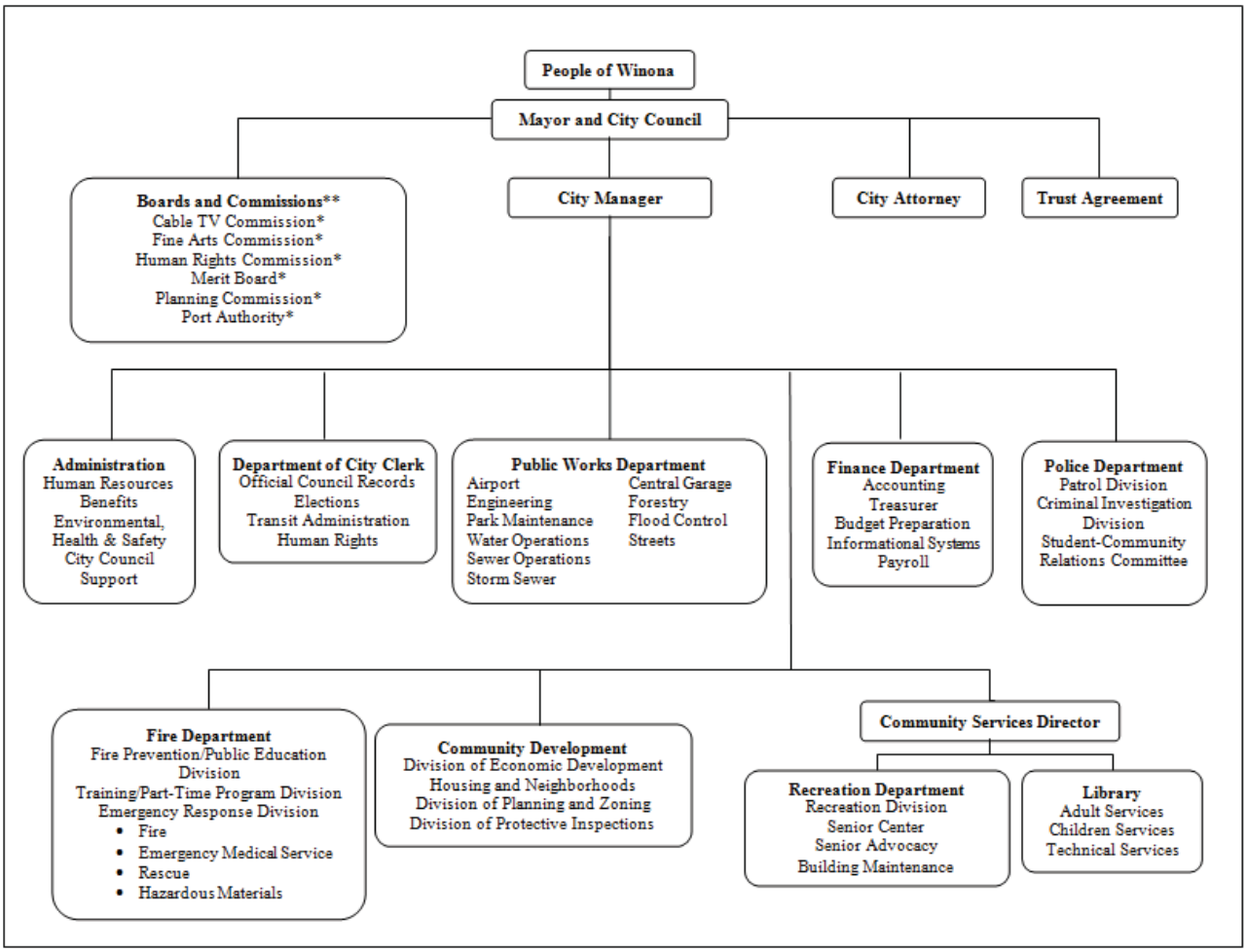
For its Comprehensive Annual Financial Report for the Fiscal Year Ended

December 31, 2014

Executive Director/CEO

CITY OF WINONA, MINNESOTA

ORGANIZATIONAL CHART



*Financial operations of these boards and commissions are included in this financial report.

**Additional boards and commissions:

Aghaming Park Advisory Committee
Airport Board of Adjustment
Architectural Review Board
Board of Adjustments
Board of Gas Examiners
Charter Commission
Convention and Business Bureau
Citizen's Environmental Quality Commission
Heritage Preservation Commission
John Latsch Memorial Board
Joint Airport Zoning Board
Recreational Waterways Commission
Winona Housing and Redevelopment Authority
Winona Athletic Board

CITY OF WINONA, MINNESOTA

CITY LEADERS
DECEMBER 31, 2015

City Council:

	Appointed/ Elected Date	Term Expires
Mark Peterson, Mayor	01/01/13	12/31/16
Allyn Thurley, 1st Ward	01/01/01	12/31/16
Gerry Krage, 2nd Ward	01/01/99	12/31/18
Pam Eyden, 3rd Ward	11/19/12	12/31/16
George Borzyskowski, 4th Ward	01/01/99	12/31/18
Michelle Alexander, At-Large	01/01/11	12/31/18
Paul Double, At-Large	01/01/13	12/31/16

City Staff:

Judith Bodway	City Manager (retired February 19, 2016)
Stephen T. Sarvi	City Manager (began February 22, 2016)
Flaherty and Hood	City Attorney
Keith Nelson	Director of Public Works
Monica Hennessy Mohan	City Clerk
Mary B. Burrichter	Finance Director
Paul Bostrack	Chief of Police
Curt Bittle	Fire Chief
Lucy McMartin	Director of Community Development
Chad Ubl	Director of Community Services
Maynard Johnson	Recreation Director
Brian DeFrang	City Engineer
Allyn Burgmeier	City Accountant
Jessica Wojahn	Financial Analyst
Carlos Espinosa	City Planner
Malia Fox	Senior Friendship Center Director
Greg Karow	Building Official
Larry Tulius	Superintendent of Parks & Forestry
Arlan Runnigen	Central Garage Superintendent
Mike Biggerstaff	Street Superintendent
Paul Drazkowski	Wastewater Treatment Plant Superintendent
Bob Dunn	Water Department Superintendent

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SECTION II

FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members
of the City Council
City of Winona, MN

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Winona, Minnesota (the "City"), as of and for the year ended December 31, 2015, 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 an opinion 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. 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 opinion.

Member of
Deloitte Touche Tohmatsu

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of December 31, 2015, and the changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 19-28 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 of 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying supplementary information such as the combining and individual nonmajor fund financial statements, other supplementary schedules, and the other information, such as the introductory and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information, such as the combining and individual nonmajor fund financial statements and other supplementary schedules, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information, such as the combining and individual nonmajor fund financial statements and other supplementary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Deloitte + Touche LLP

June 14, 2016

CITY OF WINONA, MINNESOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

This section of the comprehensive annual financial report (CAFR) of the City of Winona, Minnesota (the "City"), presents a discussion and analysis of the City's financial performance during the fiscal year ended December 31, 2015. Please read it in conjunction with the transmittal letter at the front of this report and the City's basic financial statements following this section.

Financial Highlights

- The assets of the City exceeded liabilities by $128,114,022 (net position). Of this amount, $77,874,596 is the net investment in capital assets, $26,128,230 is restricted for specific purposes and $24,111,196 (unrestricted net position) may be used to meet the City's ongoing obligations to its citizens and creditors in accordance with the City's fund designations, cash flow needs and fiscal policies. The City-wide financial statements include $4.3 million of depreciation expense on its investment in capital assets.

- The City's total net position increased by $2,606,438. A contributor to this was the increase in the net position for business type activities of $8,440,178. In the business type activities the total assets increased by $9,091,147. Construction in progress increased by $8,701,631.

- The City's governmental funds reported combined ending fund balances of $6.0 million. Of this total amount, all of it is either nonspendable, restricted, committed, or assigned.

- At the end of the current fiscal year, the fund balance for the General Fund was distributed as follows: restricted of $455,305, committed of $1,635,533, assigned of $7,752,807 and nonspendable of $33,692.

- The City increased total outstanding debt obligations during the current fiscal year. The total indebtedness of City Bond and Equipment Certificates increased by $1,950,000. The Port Authority of Winona ("Port Authority") decreased its total outstanding debt obligations during the current fiscal year. The total Port Authority bond indebtedness decreased by $235,000.

- The City maintained its Aal bond rating from Moody's in February 2015. Moody's cited the City's highly diversified tax base, favorable debt profile including rapid payback of debt, stable financial operations and strong financial management.

- The net position of the City was negatively impacted due to the required implementation of GASB Statement No. 68, which related to the accounting treatment of defined benefit pension plans, specifically the Public Employees Retirement Association of Minnesota (PERA). This is a result of a change in an accounting principle and does not affect the City's obligation requirements as set by Minnesota statute. This is more fully described in the notes to the financial statements. While the accounting standard has changed, the City will continue to fund the pension plan based on the required contribution rates as set by Minnesota statute.

Using the Financial Section of This Comprehensive Annual Financial Report

This annual report consists of a series of financial statements.

1. Government-wide financial statements providing information for the City as a whole. These include the Statement of Net Position and the Statement of Activities, which provide information about the activities of the City as a whole, and present a longer-term view of the City's finances.

2. Fund financial statements are presented after the Statement of Activities and provide detailed information for the City's significant funds. Fund financial statements report the City's operations in more detail than the government-wide statements by providing information about the City's funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of organizations outside of the government.

3. The notes to the basic financial statements provide information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

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

An analysis of the City begins with the Statement of Net Position and the Statement of Activities. One of the most important questions asked about the City's finances is, "Is the City, as a whole, better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities both report information about the City, as a whole, and about its activities in a way that helps answer this question. With the exception of fiduciary funds, which have been excluded because they do not represent the City's financial resources, these statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net position and changes in them. You can think of the City's net position—the difference between assets and liabilities—as one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position are one indicator of whether the City's financial health is improving or deteriorating. You will also need to consider nonfinancial factors, however, to assess the overall health of the City.

The government-wide financial statements include not only the City (known as the primary government), but also a legally separate Port Authority for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government.

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. An analysis of the City's major funds begins with the funds' financial statements, and provides detailed information about the most significant funds—not the City as a whole. Some funds are required to be established by state law and by bond covenants. However, the City establishes other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (like grants received). The City's three kinds of funds—governmental, proprietary, and fiduciary—use different accounting approaches.

Governmental Funds—Governmental fund financial statements focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using

an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps the reader of the statements determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's general governmental programs. The comparison between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is shown in a reconciliation.

The basic governmental fund financial statements can be found on pages 31–35 of this report.

Proprietary Funds—When the City charges customers for the services it provides—whether to outside customers or to other units of the City—these services are generally reported in proprietary funds. The City maintains two different types of proprietary funds. Enterprise funds are used to report the same as the business-type activities reported in the government-wide statements, but provide more detail and additional information. Internal service funds are used to accumulate and allocate costs internally among the City's various functions. Because the internal service funds predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 36–41 of this report.

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

The basic fiduciary fund financial statement can be found on page 42 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 43-83 of this report.

Other Information

The combining statements in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 85–108 of this report.

Government-Wide Financial Analysis

Net position may serve over time as a useful indicator of the City's financial position. For the City, the assets exceeded liabilities by $128,114,022 at December 31, 2015.

The largest portion of the City's net position (61%) reflects the City's investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate liabilities.

A condensed version of the Statement of Net Position at December 31, 2015, is as follows:

Table 1
SCHEDULE OF NET POSITION (Primary Government only) at December 31, 2015, compared to December 31, 2014:
(In thousands)

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	$ 38,951	$ 35,194	$ 28,959	$ 27,029	$ 67,910	$ 62,223
Capital assets	42,221	40,966	42,184	35,023	84,405	75,989
Total assets	$ 81,172	$ 76,160	$ 71,143	$ 62,052	$ 152,315	$ 138,212
Deferred outflows of resources	$ 1,577	$	$ 323	$	$ 1,900	$
Current and other liabilities	$ 10,250	$ 2,680	$ 4,325	$ 1,317	$ 14,575	$ 3,997
Long-term liabilities	8,323	4,714	1,705	3,994	10,028	8,708
Total liabilities	$ 18,573	$ 7,394	$ 6,030	$ 5,311	$ 24,603	$ 12,705
Deferred inflows of resources	$ 1,244	$	$ 255	$	$ 1,499	$
Net position:						
Net investment in capital assets	$ 38,106	$ 39,591	$ 39,769	$ 31,804	$ 77,875	$ 71,395
Restricted	21,613	19,876	4,515	3,879	26,128	23,755
Unrestricted	3,213	9,299	20,898	21,058	24,111	30,357
Total net position	$ 62,932	$ 68,766	$ 65,182	$ 56,741	$ 128,114	$ 125,507
Total liabilities and net position	$ 81,505	$ 76,160	$ 71,212	$ 62,052	$ 152,717	$ 138,212

A portion of the City's net position is invested in capital assets, at $77.8 million. Another portion of the net position represents resources that are subject to external restrictions on how they may be used (approximately $26 million). The remaining balance of unrestricted net position (approximately $24 million) may be used to meet the City's ongoing obligations to citizens, creditors and cash flow needs.

At both December 31, 2015 and 2014, the City is able to report positive balances in all three categories of net position, both for the City, as a whole, as well as for its separate governmental and business-type activities.

The City's beginning net position decreased by approximately $7,774,000 due to a prior period adjustment to implement GASB 68. In 2015 the net position in governmental activities increased by approximately $1,941,000. Contributors were an increase in assets in the General Fund.

The City's beginning net position decreased by approximately $1,592,000 due to a prior period adjustment to implement GASB 68. In 2015 the net position in business activities increased by $10.0 million. This is primarily a result of an increase in net position in the Airport Fund of $8.1 million and an increase in the Water Fund of $1.2 million. The increase in the Airport Fund and the Water Fund were planned increases in net position to fund current and future infrastructure projects.

The government activities had a significant increase in the amount of liabilities from the previous year. The primary reason for the increase was the implementation of GASB Statement No. 68 in which the City is required to report its proportionate share of the Minnesota Public Employees Retirement Association (PERA) net pension liabilities.

Governmental Activities

Governmental activities increased the City's net position by $1,941,215, in 2015, compared to an increase of $181,880 in 2014.

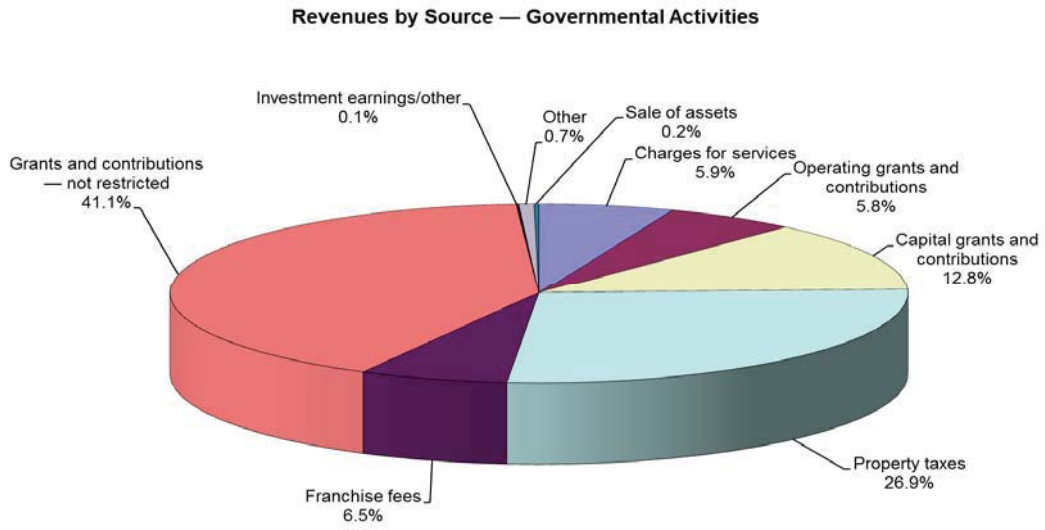
Table 2
STATEMENT OF ACTIVITIES (Primary Government only) for the year ended December 31, 2015, compared to the year ended December 31, 2014:
(In thousands)

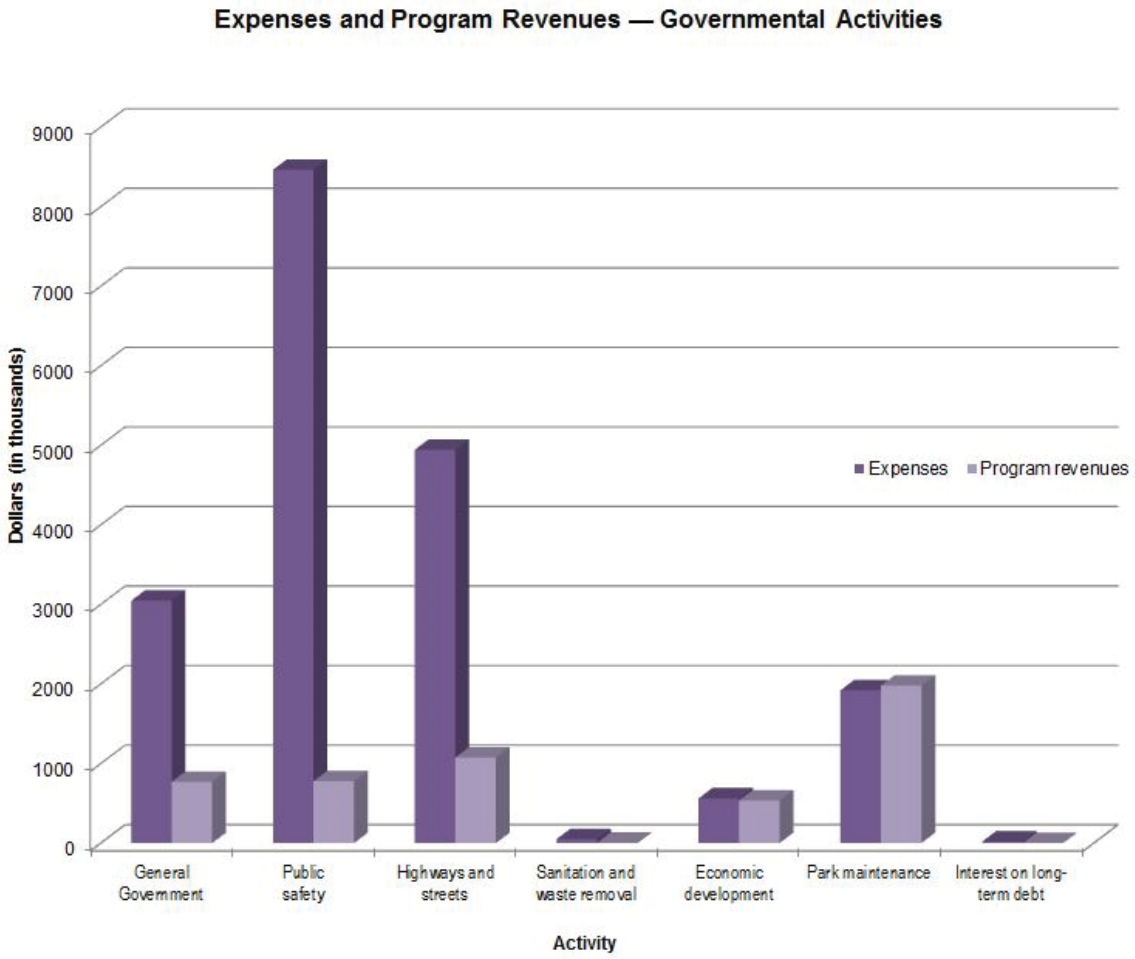
	2015			2014		
	Govern-mental Activities	Business-Type Activities	Total	Govern-mental Activities	Business-Type Activities	Total
REVENUES:						
Program revenues:						
Charges for services	$ 1,240	$ 8,747	$ 9,987	$ 1,265	$ 8,292	$ 9,557
Operating grants and contributions	1,209	901	2,110	1,079	1,023	2,102
Capital grants and contributions	2,693	8,089	10,782	1,010	3,469	4,479
General revenues:						
Taxes (property)	5,652	763	6,415	5,202	763	5,965
Taxes (sales)						
Franchise fees	1,365		1,365	1,432		1,432
Grants and contributions not restricted	8,639	1,181	9,820	8,638	1,125	9,763
Investment earnings	23	37	60			
Other	140		140			
Sale of assets	45		45	18	27	45
Total revenues	21,006	19,718	40,724	18,644	14,699	33,343
EXPENSES:						
General government	3,047		3,047	2,974		2,974
Public safety	8,464		8,464	7,744		7,744
Highways and streets	4,944		4,944	5,092		5,092
Sanitation and waste removal	51		51	37		37
Economic development	561		561	701		701
Park maintenance	1,920		1,920	1,740		1,740
Interest on long-term debt	19		19	38		38
Water		2,418	2,418		2,337	2,337
Sanitary Sewer		2,957	2,957		2,813	2,813
Inspections		374	374		321	321
Airport		317	317		315	315
Public transportation		726	726		800	800
Recreation		1,653	1,653		1,701	1,701
Library		1,086	1,086		1,036	1,036
Storm sewer		213	213		227	227
Total expenses	19,006	9,744	28,750	18,326	9,550	27,876
CHANGE IN NET POSITION BEFORE TRANSFERS	2,000	9,974	11,974	318	5,149	5,467
TRANSFERS	(59)	59		(136)	136	
CHANGE IN NET POSITION	1,941	10,033	11,974	182	5,285	5,467
NET POSITION—Beginning of year	68,766	56,741	125,507	68,584	51,456	120,040
PRIOR PERIOD ADJUSTMENT-PENSION	(7,775)	(1,592)	(9,367)			
NET POSITION—Beginning of year, restated	60,991	55,149	116,140	68,584	51,456	120,040
NET POSITION—End of year	$ 62,932	$ 65,182	$ 128,114	$ 68,766	$ 56,741	$ 125,507

* GASB Statement No. 68 was implemented for the year ended December 31, 2015 and required a $9,367,416 restatement of beginning net position. Prior year amounts were not restated causing a variance in ending net position at December 31, 2014 and beginning net position on January 1, 2015.

Governmental Activities (continued)

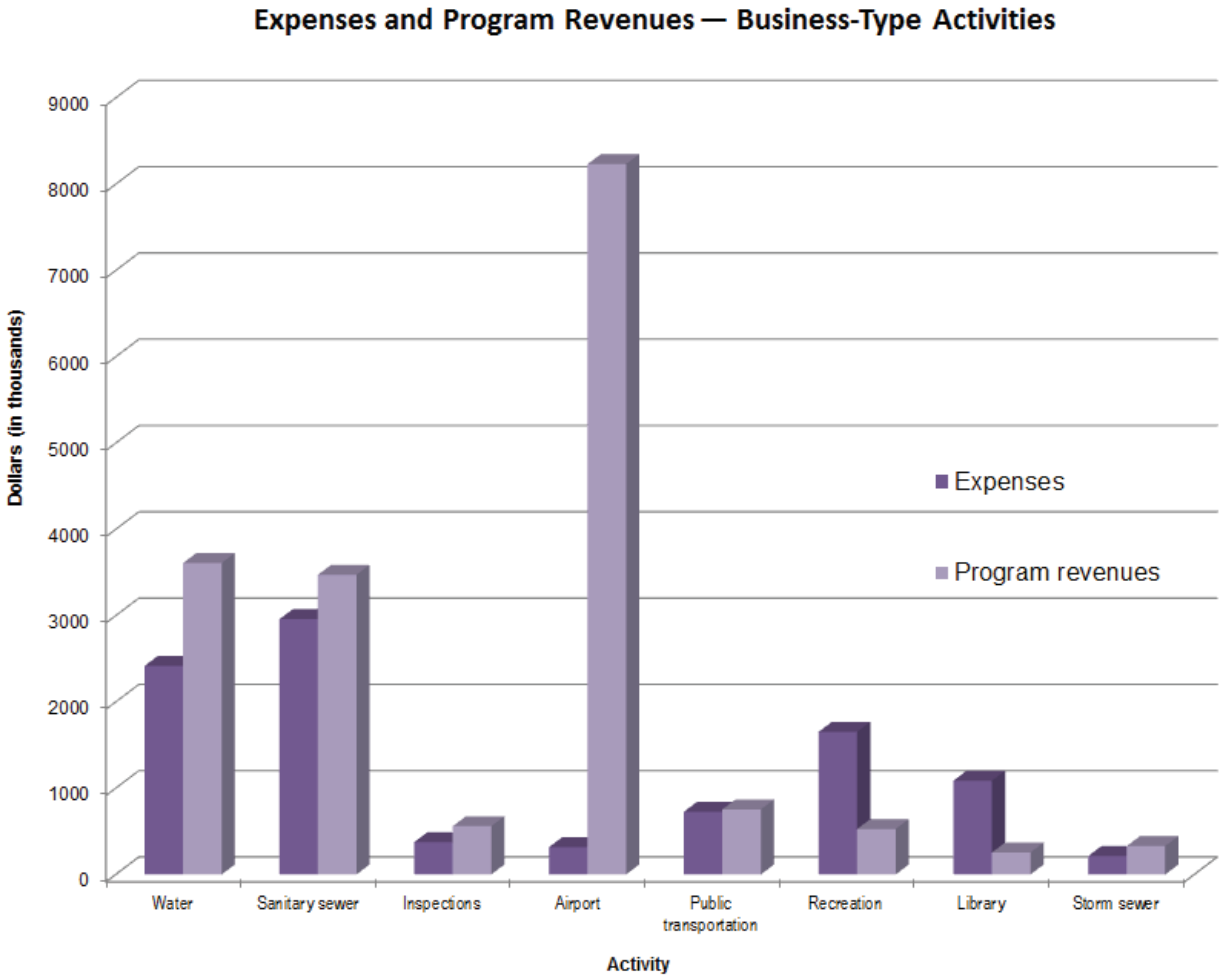
The following charts illustrate the City's governmental activities for the year ended December 31, 2015:





Business-Type Activities

The following charts illustrate the City's business-type activities for the year ended December 31, 2015:



Financial Analysis of the City's Funds

Governmental Funds:

This description of the City's governmental funds provides information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financial requirements.

General Fund—At December 31, 2015, the fund balance of the General Fund was composed of the following: restricted of $455,305, committed of $1,635,533, assigned of $7,752,807, and nonspendable of $33,692. The 2015 expenditures for the General Fund decreased by approximately $417,055 from 2014 mainly due to the decrease in expenditures in the departments of Public Safety, Highways and Streets and Park Maintenance. (The Public Safety-capital outlay expenditures decreased by $262,248 from 2014, the Highways and Streets-capital outlay expenditures decreased by $110,112 from 2014 and the Park Maintenance-capital outlay expenditures decreased by $67,427 from 2014.)

Debt Service Funds—The total fund balance of the debt service funds is restricted for the payment of debt service.

Permanent Improvement Revolving Bond Fund—The fund balance for this fund has decreased by $102,279 from 2014 to 2015 due to $96,296 less in property taxes revenue and $25,992 less in special assessments.

PROPRIETARY FUNDS:

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

Water Fund—The rates for the Water utility were increased by less than 1.0% for 2015. (They were unchanged for 2014 from 2013.) A new water rate structure was put into place for 2012, which included a seasonal variable rate and recovers more of the fixed costs of the system as an availability charge.

Sanitary Sewer Fund—The rates for the Sanitary Sewer utility were increased by less than 2.0% for 2015. (They were unchanged for 2014 from 2013). A new Sanitary Sewer utility rate structure was approved for 2012, which works to recover more of the fixed costs of the system with the addition of an availability charge.

Storm Sewer Fund—This utility began in 2003 to cover the maintenance costs of handling storm water and the increased responsibilities of handling storm water due to federal requirements. During 2015, the minimum charge was increased by a very small dollar amount per customer. (During 2014, except for the change in the minimum quarterly charge to be $1.00, the Storm Sewer utility rates were not changed from those of 2013, 2012 or 2011.)

General Fund Budgetary Highlights and Analysis

During 2015 there was a net increase of $1,266,037 in appropriations for the General Fund from the original to the final amended budget. Following are some of the components of the increase:

- $1,064,764 was added to various departments for encumbrances from December 31, 2014;
- $128,500 was added to the Fire Department for the West Fire Station addition:
- $21,375 was added to the Police Department for the drug forfeiture account;
- $21,415 was added to the Building Maintenance for an air conditioning unit;
- $18,964 was added to the Park Maintenance-Sobieski Park for removal of an old building;
- $4,037 was added to Park Maintenance for various donations;
- $3,200 was added to the Fire Department for training (funded by a grant);
- $1,086 was added to the Fire Department for various donations.

Following is a budget variance analysis:

- The Streets and Alleys Department had a favorable budget variance of approximately $352,000 because the actual expense was approximately $190,000 less on supplies than the 2015 budget.

Capital Assets

At the end of 2015, the City had $84,404,703 invested in a broad range of capital assets (net of accumulated depreciation). The total increase in capital assets for the current fiscal year was 11.1% (a 3.1% increase for governmental activities and a 20.4% increase for business-type activities). Major capital asset events during the current year included the following:

- The Police department purchased three vehicles for over $88,000.

- The Fire department purchased 2 trucks for over $1,550,000.
- The Street department spent over $970,200 on the Franklin Street (Broadway to 10th Street), $559,000 on the Franklin Street (10th Street to Sarnia) reconstruction project and purchased equipment for $566,000.
- In the Water Fund, $35,000 was spent on a truck.
- The Sanitary Sewer and the Storm Sewer Funds spent $95,000 on equipment.

Refer to Note 3 of the basic financial statements for a schedule showing the City's capital asset activity.

Long-Term Debt

As of December 31, 2015, the City had $6,495,000 in bonds and equipment certificates outstanding versus $4,545,000 at December 31, 2014, an increase of $1,950,000. Also, as of December 31, 2015, the Port Authority had $1,385,000 in bonds outstanding versus $1,620,000 at December 31, 2014, a decrease of $235,000. All debt is backed by the full faith and credit of the City. Refer to Note 5 of the basic financial statements for a schedule showing the City's long-term debt activity.

The City's general obligation bond rating carries a Aa1 bond rating from Moody's Investors Services. This rating was assigned and affirmed in February 2015 with the issuance of the City of Winona's $3.7 million General Obligation Equipment Certificates, Series 2015A and to the Port Authority of Winona's $1.4 million General Obligation Refunding Bonds, Series 2015A. Concurrently, Moody's affirmed the Aa1 rating on the City's outstanding general obligation debt, affecting approximately $8.1 million post-sale.

Economic Factors and Next Year's Budget

- The City has stayed with short-term maturities and high-credit quality on investments as disclosed in Note 2 to the financial statements (weighted-average maturity of .71 years). This is due to the concern that the City wants to remain protected against a significant increase in interest rates which would create a large reduction in the fair value of any long maturity investments.
- Beginning in the 2012 tax collection year, the State of Minnesota Market Value Homestead Credit program was changed to a Homestead Market Value Exclusion program which resulted in a reduction to the overall taxable market values and tax capacities of Minnesota cities. The City of Winona experienced a loss of approximately $151 million (or 9.8% of the 2011 collection year) taxable market value due to this change.
- As a labor-intensive organization, the City faces competitive pressures and rising costs relating to staff. The cost of the City's health benefits was approximately $2.07 million in 2015 and $1.73 million in 2014.
- For 2015, the City offered three health plan options with consumer-driven healthcare programs that combined high deductibles with individual Health Plan Accounts or Health Savings Accounts employer-held (HPA) or employee-held (HSA) accounts used for health care expenses not covered by the underlying plan. The City will continue to pursue healthcare options that would contain costs for the City, and remain a benefit to the employees.
- City retirees have the same choice of healthcare plans that the City provides to their active employees. The City requires the former employee to pay the full group active employee cost of the plan they select. Until 2007, the benefit expired at age 65. In late 2007, the City began allowing retirees to continue their coverage beyond age 65 by continuing to pay the full group active employee cost. At this time, the seven police sergeants have elected not to participate in the City's healthcare plan. (They are entitled to review the options again in 2016.) For additional detail, refer to Note 13 of the basic financial statements.
- As discussed in Note 6 to the basic financial statements, the City participates in the statewide defined benefit pension plans. The City's contributions to the General Employees Retirement Fund (GERF) in 2015 were $431,112. The City's contributions to the Public Employees Police and Fire Fund (PEPFF) in 2015 were $666,246. As of December 31, 2015, the General Employees Retirement Fund was 78.2% funded and

the Public Employees Police and Fire Fund was 86.6% funded. (As of December 31, 2014, the General Employees Retirement Fund was 78.7% funded and the Public Employees Police and Fire Fund was 87.1% funded.) Contribution rates were increased in 2011, 2014 and 2015 (from 7.25% in 2011 to 7.5% in 2015 for the GERF and from 14.4% in 2011 to 15.3% in 2014, to 16.2% in 2015 for the PEPFF) to move the plans back to a fully funded status as required by Minnesota state law.

- There were no increases in rates in 2015 for the Public Employees Retirement Association of Minnesota (PERA) for the City.
- The outstanding bonds for the City and the Port Authority totaled $7.9 million on December 31, 2015 and $6.2 million on December 31, 2014. Amortization is rapid at 100% within ten years with all of the interest at a fixed rate. The majority of the debt is supported by special assessments and utility fund revenues.
- For 2016 the City and Port Authority's Capital Plan includes $1,000,000 for a street reconstruction project, a water main project for $185,000, various sanitary sewer projects for $1,240,000 and other street projects for $1,070,000.
- The City continues to see new construction growth both in residential and in commercial construction. In 2015 the building permits totaled approximately $39.3 million.
- The increase to the City's tax base during the past ten years is at 11.5%.
- Per State Statute, the State of Minnesota will have a balance budget for the next biennium. (The legislature is scheduled to adjourn during the third week of May.)
- The Mayor, the City Council, and the management of the City are currently focused on what they can do to promote continued growth.

Contacting the City's Financial Management

This financial report is designed to provide a general overview of the City's finances for all people with an interest in the City's finances, and to show the City's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact the City of Winona Finance Department (Finance Director) at Post Office Box 378, Winona, MN 55987.

BASIC FINANCIAL STATEMENTS

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CITY OF WINONA, MINNESOTA

STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2015

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Unit—Port Authority
ASSETS:				
Cash and cash equivalents	$ 32,646,120	$25,537,997	$ 58,184,117	$ 3,500,152
Restricted investments	316,686		316,686	
Receivables	2,708,494	1,409,190	4,117,684	12,857
Internal balances	2,574,105	(2,574,105)		
Due from component unit	16,136		16,136	
Due from other governmental units	66,892	4,285,295	4,352,187	3,188
Note receivable	588,000		588,000	
Inventories		283,430	283,430	
Prepaid items	34,345	17,559	51,904	2,500
Properties held for development (Note 4)				3,426,479
Capital assets (Note 3):				
Nondepreciable	7,074,361	1,031,619	8,105,980	
Construction in progress	275,758	12,043,227	12,318,985	
Depreciable buildings, property, and equipment—net	5,552,937	17,945,357	23,498,294	1,162,949
Depreciable infrastructure—net	29,317,860	11,163,584	40,481,444	
Capital assets—net	42,220,916	42,183,787	84,404,703	1,162,949
Total assets	81,171,694	71,143,153	152,314,847	8,108,125
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred outflow - pension	1,577,597	323,122	1,900,719	-
LIABILITIES:				
Accounts payable	1,005,978	272,150	1,278,128	8,034
Outstanding and incurred, but not reported claims	328,000		328,000	
Accrued salaries & comp absences payable				
Accrued interest payable	56,857	18,211	75,068	19,621
Due to primary government				16,136
Unearned revenue	571,274	895	572,169	
Noncurrent liabilities:				
Due within one year	715,000	335,000	1,050,000	270,000
Due in more than one year	7,572,914	3,698,833	11,271,747	1,115,000
Net pension liability	8,322,963	1,704,703	10,027,666	
Total liabilities	18,572,986	6,029,792	24,602,778	1,428,791
DEFERRED INFLOWS OF RESOURCES:				
Deferred inflow - pension	1,243,976	254,790	1,498,766	-
NET POSITION:				
Net investment in capital assets	38,105,916	39,768,680	77,874,596	(222,051)
Restricted for:				
OPEB—Contribution & retiree subsidy health	387,396	86,200	473,596	
Employee benefits	2,867,352		2,867,352	
Capital projects	4,215,993		4,215,993	1,918,775
Ice arena	2,861,884		2,861,884	
Health insurance	759,794		759,794	
Debt service	1,279,614	366,100	1,645,714	506,687
PIR Construction	605,426		605,426	
Equipment	2,328,894		2,328,894	
Facilities	2,288,443		2,288,443	
Infrastructure replacement	2,686,210		2,686,210	
Lake Winona dredging project				566,723
Other purposes (Note 1.M.)	980,972	4,062,893	5,043,865	3,909,200
Nonexpendable—other than permanent funds	33,692		33,692	
Nonexpendable—permanent funds	56,000		56,000	
Expendable permanent funds	261,367		261,367	
Unrestricted	3,213,376	20,897,820	24,111,196	
Total net position	$ 62,932,329	$65,181,693	$128,114,022	$ 6,679,334

See notes to basic financial statements.

CITY OF WINONA, MINNESOTA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating and Other Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position — Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Unit Port Authority
GOVERNMENTAL ACTIVITIES:								
General government	$ 3,046,766	$ 740,701	$ 29,129	$ -	$ (2,276,936)	$ -	$ (2,276,936)	
Public safety	8,464,231	238,467	538,896		(7,686,868)		(7,686,868)	
Highways and streets	4,944,205	31,548	299,269	745,365	(3,868,023)		(3,868,023)	
Sanitation and waste removal	50,975	2,650			(48,325)		(48,325)	
Economic development	561,572	46,756	341,474	147,448	(25,894)		(25,894)	
Park maintenance	1,919,498	180,553		1,800,000	61,055		61,055	
Interest on long-term debt	18,836				(18,836)		(18,836)	
Total governmental activities	19,006,083	1,240,675	1,208,768	2,692,813	(13,863,827)	-	(13,863,827)	
BUSINESS-TYPE ACTIVITIES:								
Water	2,417,436	3,609,862				1,192,426	1,192,426	
Sanitary Sewer	2,957,252	3,468,352		3,950		515,050	515,050	
Inspections	374,175	558,614				184,439	184,439	
Airport	317,004	37,448	109,326	8,084,564		7,914,334	7,914,334	
Public transportation	725,671	244,252	509,600			28,181	28,181	
Recreation	1,652,476	462,250	64,177			(1,126,049)	(1,126,049)	
Library	1,086,920	38,676	215,958			(832,286)	(832,286)	
Storm sewer	213,250	327,758	1,500			116,008	116,008	
Total business-type activities	9,744,184	8,747,212	900,561	8,088,514	-	7,992,103	7,992,103	
Total primary government	$ 28,750,267	$ 9,987,887	$ 2,109,329	$ 10,781,327	(13,863,827)	7,992,103	(5,871,724)	
Component unit activities— Port Authority	$ 2,587,721	$ 1,355,225	$ 10,331	$ -				$ (1,222,165)
General revenues:								
Taxes:								
Property taxes levied for general purposes					5,651,870	763,155	6,415,025	537,923
Other taxes					-	-	-	-
Franchise fees					1,365,415		1,365,415	
Grants and contributions not restricted to specific programs					8,638,784	1,181,271	9,820,055	1,136
Interest and investment earnings					22,815	37,286	60,101	5,126
Other					140,432		140,432	42,350
Sale of assets					44,550		44,550	316,500
Transfers					(58,824)	58,824		
Total general revenues and transfers					15,805,042	2,040,536	17,845,578	903,035
Change in net position					1,941,215	10,032,639	11,973,854	(319,130)
Net position—beginning					68,766,069	56,741,515	125,507,584	6,998,464
Prior Period Adjustment - Pension					(7,774,955)	(1,592,461)	(9,367,416)	-
Net position—beginning, restated					60,991,114	55,149,054	116,140,168	6,998,464
Net position—ending					$ 62,932,329	$ 65,181,693	$ 128,114,022	$ 6,679,334

See notes to basic financial statements

CITY OF WINONA, MINNESOTA

BALANCE SHEET—GOVERNMENTAL FUNDS
AS OF DECEMBER 31, 2015

ASSETS	General	Permanent Improvement Revolving Bond	Permanent Improvement Revolving Construction	City Equipment	Bud King Ice Arena	Other Nonmajor Governmental Funds	Total Governmental Funds
Cash, cash equivalents, and investments	$ 11,706,541	$ 150,591	$ 605,426	$ 361,573	$ 1,061,884	$ 5,742,966	$ 19,628,981
Restricted investments						316,686	316,686
Receivables—net:							
Taxes	91,456	5,618				9,823	106,897
Special assessments		455,274					455,274
Customers and other	292,616				1,800,000	1,327	2,093,943
Due from other funds	150,000						150,000
Due from other governmental units	36,183	8,640				22,069	66,892
Due from component unit	16,136						16,136
Prepaid items	33,692						33,692
Accrued interest on investments	52,379						52,379
TOTAL	$ 12,379,003	$ 620,123	$ 605,426	$ 361,573	$ 2,861,884	$ 6,092,871	$ 22,920,880
LIABILITIES AND FUND BALANCES							
LIABILITIES:							
Accounts payable	$ 547,950	$ -	$ -	$ 28,756	$ -	$ 1,564	$ 578,270
Accrued salaries and compensated absences	1,862,260					57,015	1,919,275
Due to other funds							-
Unavailable revenue	91,456	460,892				28,921	581,269
Total liabilities	2,501,666	460,892	-	28,756	-	87,500	3,078,814
FUND BALANCES (DEFICITS):							
Nonspendable	33,692					56,000	89,692
Restricted	455,305	159,231	605,426	332,817	2,861,884	5,264,926	9,679,589
Committed	1,635,533					721,156	2,356,689
Assigned	7,752,807						7,752,807
Unassigned (deficit)						(36,711)	(36,711)
Total fund balances	9,877,337	159,231	605,426	332,817	2,861,884	6,005,371	19,842,066
TOTAL	$ 12,379,003	$ 620,123	$ 605,426	$ 361,573	$ 2,861,884	$ 6,092,871	$ 22,920,880

See notes to basic financial statements.

CITY OF WINONA, MINNESOTA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION AS OF DECEMBER 31, 2015

FUND BALANCE—TOTAL GOVERNMENTAL FUNDS		$19,842,066
Amounts reported for governmental activities in the statement of net position are different because:		
1. Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds:		
Construction in progress	$ 275,758	
Governmental capital assets	94,755,512	
Less accumulated depreciation	(52,810,354)	42,220,916
2. Unavailable revenue in governmental funds is susceptible to full accrual on the government-wide statements—		
Unavailable special assessments, property taxes, state grant, and service charges		581,268
3. Long-term liabilities (bonds payable) are not payable with current financial resources and are therefore not reported in the governmental funds.		(4,115,000)
4. The City uses an internal service fund to charge the cost of its self-insurance activities to individual funds:		
Internal service funds net position	4,465,831	
Cumulative portion to business-type activities	(5,895)	4,459,936
5. Accrued interest is not payable with current financial resources and is therefore not reported in the governmental funds.		(56,857)
6. Note receivable in governmental funds is susceptible to full accrual on the government-wide statements:		
Note receivable	588,000	
Less unavailable revenue	(588,000)	-
NET POSITION OF GOVERNMENTAL ACTIVITIES		$62,932,329

See notes to basic financial statements.

CITY OF WINONA, MINNESOTA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES—GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2015

	General	Permanent Improvement Revolving Bond	Permanent Improvement Revolving Construction	City Equipment	Bud King Ice Arena	Other Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:							
General property taxes	$ 4,359,105	$ 255,598	$ -	$ -	$ -	$ 1,030,098	$ 5,644,801
Franchise fees	1,365,415						1,365,415
Special assessments		147,448					147,448
Licenses and permits	172,154						172,154
Fines and forfeits	162,745						162,745
Intergovernmental revenues	8,746,246					1,729,718	10,475,964
Investment earnings	22,294	64	941	2,831		8,238	34,368
Net increase (decrease) in fair value of investments	(20,944)					(3,567)	(24,511)
Charges for services	860,573			140,432		112,386	1,113,391
Contributions	31,721				1,800,000	85,231	1,916,952
Total revenues	15,699,309	403,110	941	143,263	1,800,000	2,962,104	21,008,727
EXPENDITURES:							
Current:							
General government	2,625,055			4		118,126	2,743,185
Public safety	7,016,825						7,016,825
Highways and streets	2,589,852						2,589,852
Sanitation and waste removal	50,975						50,975
Economic development	299,571					267,267	566,838
Park maintenance	1,608,680						1,608,680
Capital outlay:							
General government	64,295						64,295
Public safety	364,133			1,661,333			2,025,466
Highways and streets	58,532		61,635	523,337		1,907,325	2,550,829
Economic development							
Park maintenance	148,227				138,116		286,343
Debt service:							
Bond principal		495,000				290,000	785,000
Interest and other expenditures		10,389		55,387		13,463	79,239
Total expenditures	14,826,145	505,389	61,635	2,240,061	138,116	2,596,181	20,367,527
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	873,164	(102,279)	(60,694)	(2,096,798)	1,661,884	365,923	641,200
OTHER FINANCING (USES) SOURCES:							
G.O. Equipment certificates issued				3,525,000			3,525,000
Transfer to other funds	(1,342,278)			(1,353,886)		(1,546,698)	(4,242,862)
Transfers from other funds	703,304				1,200,000	1,687,158	3,590,462
Total other financing (uses) sources	(638,974)	-	-	2,171,114	1,200,000	140,460	2,872,600
NET CHANGE IN FUND BALANCE	234,190	(102,279)	(60,694)	74,316	2,861,884	506,383	3,513,800
FUND BALANCE— January 1, 2015	9,643,147	261,510	666,120	258,501		5,498,988	16,328,266
FUND BALANCE— December 31, 2015	$ 9,877,337	$ 159,231	$ 605,426	$ 332,817	$ 2,861,884	$ 6,005,371	$ 19,842,066

See notes to basic financial statements.

CITY OF WINONA, 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, 2015

NET CHANGE IN FUND BALANCES—TOTAL GOVERNMENTAL FUNDS		$ 3,513,800
Amounts reported for governmental activities in the statement of activities are different because:		
1. Governmental funds report capital outlays as expenditures while the government-wide statement of activities reports depreciation expense to allocate those expenditures over the life of the assets. As a result, fund balance decreases by the amount of financial resources expended, whereas net position decreases by the amount of depreciation expense charged for the year. This is the amount by which capital outlays exceeded depreciation expense.		
Construction in progress	$ (533,746)	
Capital outlay	3,416,241	
Depreciation expense	(1,627,339)	1,255,156
2. Revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		
Taxes	7,071	
Special assessments	(22,774)	
Other	140	(15,563)
3. Bond proceeds are reported as other financing sources in governmental funds and thus contribute to the increase in fund balance. In the government-wide statements, however, issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities. This is the amount received related to the issuance of debt.		
Net of issuance and repayment of the principal on long-term debt	(2,740,000)	(2,740,000)
4. Interest expense in the government-wide statement of activities differs from the amount reported in governmental funds because additional accrued interest was calculated for bonds payable, which are expended in the governmental fund statements.		
Accrued interest payable—December 31, 2015	(56,857)	
Accrued interest payable—December 31, 2014	12,071	(44,786)
5. Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. This amount represents the change in net position of the internal service fund, which is reported with governmental activities.	(27,392)	(27,392)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		$ 1,941,215

See notes to basic financial statements.

CITY OF WINONA, MINNESOTA

BUDGETARY COMPARISON STATEMENT—GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	Budgeted Amounts			Variance With Final
	Original	Final	Actual	Budget
REVENUES:				
General property taxes	$ 4,346,480	$ 4,346,480	$ 4,359,105	$ 12,625
Franchise fees	1,280,000	1,280,000	1,365,415	85,415
Licenses and permits	159,250	159,250	172,154	12,904
Fines and forfeits	185,000	185,000	162,745	(22,255)
Intergovernmental revenues	8,440,580	8,443,780	8,746,246	302,466
Investment earnings	1,000	1,000	22,294	21,294
Net increase (decrease) in fair value of investments			(20,944)	(20,944)
Charges for services	858,058	858,058	860,573	2,515
Contributions		30,646	31,721	1,075
Total revenues	15,270,368	15,304,214	15,699,309	395,095
EXPENDITURES:				
General government	3,197,637	3,292,835	2,625,055	667,780
Public safety	7,063,981	7,306,042	7,016,825	289,217
Highways and streets	2,879,033	3,312,797	2,589,852	722,945
Sanitation and waste removal	53,150	53,150	50,975	2,175
Economic development	301,273	304,932	299,571	5,361
Park maintenance	1,534,385	1,665,861	1,608,680	57,181
Capital outlay	819,958	1,179,837	635,187	544,650
Total expenditures	15,849,417	17,115,454	14,826,145	2,289,309
(DEFICIENCY) EXCESS OF REVENUES (UNDER) OVER EXPENDITURES	(579,049)	(1,811,240)	873,164	2,684,404
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	641,500	826,379	703,304	(123,075)
Transfers to other funds	(62,451)	(101,278)	(1,342,278)	(1,241,000)
Total other financing sources (uses)	579,049	725,101	(638,974)	(1,364,075)
NET CHANGE IN FUND BALANCES		(1,086,139)	234,190	1,320,329
FUND BALANCE—January 1, 2015	9,643,147	9,643,147	9,643,147	
FUND BALANCE—December 31, 2015	$ 9,643,147	$ 8,557,008	$ 9,877,337	$ 1,320,329

See notes to basic financial statements

CITY OF WINONA, MINNESOTA

STATEMENT OF NET POSITION—PROPRIETARY FUNDS
AS OF DECEMBER 31, 2015

ASSETS	Water	Sanitary Sewer	Inspections	Airport
CURRENT ASSETS:				
Cash and cash equivalents	$ 9,957,798	$ 12,453,109	$ 702,895	$ 30,642
Restricted investments				
Receivables—net:				
Billed	118,677	76,860		
Unbilled	538,372	356,471		
Other	5,857	266,177	10,918	1,551
Due from other funds				4,224,817
Due from other governmental units				
Prepaid items	1,732	276		3,637
Accrued interest on investments				
Inventories	283,430			
Total current assets	10,905,866	13,152,893	713,813	4,260,647
PROPERTY AND EQUIPMENT—CAPITAL ASSETS (Note 3):				
Nondepreciable:				
Land	16,600	11,900		458,840
Collections				
Construction in progress		335,676		11,707,551
Depreciable:				
Buildings	7,877,257	5,270,478		2,077,271
Improvements other than buildings	10,057,926	14,300,185		950,119
Machinery and equipment	2,757,709	1,120,211	56,991	210,197
Infrastructure	5,938,325	6,946,151		
Books				
Accumulated depreciation	(12,662,019)	(16,850,867)	(40,968)	(2,436,924)
Total capital assets	13,985,798	11,133,734	16,023	12,967,054
TOTAL ASSETS	24,891,664	24,286,627	729,836	17,227,701
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred outflow - pension	67,855	84,012	25,850	
LIABILITIES AND NET POSITION				
CURRENT LIABILITIES:				
Accounts payable	40,656	121,966	4,093	12,717
Accrued salaries and compensated absences	370,301	506,417	104,529	46,673
Bonds payable	335,000			
Accrued interest payable	11,292			6,919
Due to other funds				2,430,000
Unearned revenue	396			499
Outstanding and incurred, but not reported claims				
Total current liabilities	757,645	628,383	108,622	2,496,808
NONCURRENT LIABILITIES:				
Net pension liability	357,987	443,223	136,376	
Revenue bonds payable (net of unamortized premiums and discounts)	1,060,057			1,020,050
Total liabilities	2,175,689	1,071,606	244,998	3,516,858
DEFERRED INFLOWS OF RESOURCES:				
Deferred inflow - pension	53,506	66,245	20,383	
NET POSITION:				
Net investment in capital assets	12,590,741	11,133,734	16,023	11,947,004
Restricted for (Note 8):				
Commitments	670,570	1,496,195		1,763,839
Bond requirements	366,100			
OPEB-retiree subsidy health plan	32,300	43,100	10,800	
PERA contribution				
Unrestricted	9,070,613	10,559,759	463,482	
TOTAL NET POSITION	$ 22,730,324	$ 23,232,788	$ 490,305	$ 13,710,843

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds
Net position of business-type activities.

See notes to basic financial statements.

Public Transportation	Recreation	Library	Storm Sewer	Total	Governmental Activities— Internal Service Funds
$ 537,473	$ 315,770	$ 324,947	$ 1,215,363	$ 25,537,997	$ 13,017,140
			10,719	206,256	
				894,843	
21,431	120	2,040		308,094	
				4,224,817	2,430,000
56,454	2,000	2,024		60,478	
	3,399	8,515		17,559	653
				283,430	
615,358	321,289	337,526	1,226,082	31,533,474	15,447,793
		5,286	363,193	855,819	
		175,800		175,800	
				12,043,227	
211,455	1,705,842	364,432		17,506,735	
62,746	1,560,907			26,931,883	
799,802	43,104	49,425	50,000	5,087,439	
			3,450,840	16,335,316	
		431,075		431,075	
(674,103)	(2,524,475)	(684,436)	(1,309,716)	(37,183,508)	
399,900	785,378	341,582	2,554,317	42,183,786	-
1,015,258	1,106,667	679,108	3,780,399	73,717,260	15,447,793
	74,318	71,087		323,122	1,577,597
57,049	20,391	13,921	1,356	272,149	408,543
57	316,148	259,267	15,336	1,618,728	2,253,639
				335,000	
				18,211	
		150,000		2,580,000	
				895	2,438
					328,000
57,106	336,539	423,188	16,692	4,824,983	2,992,620
	392,082	375,035		1,704,703	8,322,963
				2,080,107	
57,106	728,621	798,223	16,692	8,609,793	11,315,583
	58,602	56,054		254,790	1,243,976
399,900	785,378	341,582	2,554,317	39,768,679	
50,400			81,889	4,062,893	
				366,100	
				86,200	
					11,843,756
507,852	(391,616)	(445,664)	1,127,501	20,891,927	(7,377,925)
$ 958,152	$ 393,762	$ (104,082)	$ 3,763,707	65,175,799	$ 4,465,831
				5,895	
				$ 65,181,694	

CITY OF WINONA, MINNESOTA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION—PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Water	Sanitary Sewer	Inspections	Airport
OPERATING REVENUES:				
Water sales	$ 3,507,283	$ -	$ -	$ -
Sewer and storm sewer charges		3,404,542		
Permits and licenses			544,631	
Athletic fees and memberships				
Fares and passes				
Rents				34,580
Charges to city departments			13,983	
Other charges and services	63,781	39,488		
Tap fees	24,322	24,322		
Library sales				
Refunds and reimbursements				
Other	14,476			2,868
Total operating revenues	3,609,862	3,468,352	558,614	37,448
OPERATING EXPENSES:				
Salaries and employee benefits	732,031	865,043	270,434	73,355
Health insurance stop-loss premium				
Health insurance claims and fees				
Contractual services	495,064	721,168	96,648	128,601
Supplies	272,985	333,532	4,266	5,313
Maintenance of equipment	11,797	146,950		
Utilities	224,414	198,816		7,287
Depreciation	650,709	691,743	2,827	83,375
Other expense	16			
Total operating expenses	2,387,016	2,957,252	374,175	297,931
OPERATING INCOME (LOSS)	1,222,846	511,100	184,439	(260,483)
NONOPERATING REVENUES (EXPENSES):				
General property taxes				94,835
Contributions				127,700
Investment earnings	13,773	17,956	888	1,776
Intergovernmental revenues:				
Federal grants				
State market value credits and LGA				110,680
State grants				1,726,068
County				
Interest expense	(28,850)			(16,634)
Other revenue		3,950		
Other expense	(1,569)			(2,438)
Nonoperating (expenses) revenues	(16,646)	21,906	888	2,041,987
INCOME (LOSS) BEFORE TRANSFERS	1,206,200	533,006	185,327	1,781,504
CAPITAL CONTRIBUTIONS FEDERAL GRANTS				6,340,122
TRANSFERS IN				
TRANSFERS OUT	(5,200)	(5,800)	(1,000)	
INCREASE (DECREASE) IN NET POSITION	1,201,000	527,206	184,327	8,121,626
NET POSITION—Beginning of year	21,863,741	23,119,622	433,375	5,589,217
Prior period adjustment - pension	(334,417)	(414,040)	(127,397)	
NET POSITION—Beginning of year, restated	21,529,324	22,705,582	305,978	5,589,217
NET POSITION—End of year	$ 22,730,324	$ 23,232,788	$ 490,305	$ 13,710,843

See notes to basic financial statements.

Public Transportation	Recreation	Library	Storm Sewer	Total	Governmental Activities— Internal Service Fund
$ -	$ -	$ -	$ -	$ 3,507,283	$ -
			327,758	3,732,300	
				544,631	
	462,250			462,250	
125,711				125,711	
				34,580	
				13,983	2,384,422
118,540		13,475		235,284	408,272
				48,644	
		25,201		25,201	
					215,711
				17,344	
244,251	462,250	38,676	327,758	8,747,211	3,008,405
7,688	973,110	745,434	76,208	3,743,303	1,018,386
					325,818
					1,577,228
462,110	323,255	150,585	63,081	2,440,512	720,899
70,569	124,245	98,543	868	910,321	
83,785	47,600	2,675		292,807	
1,693	74,235	23,024		529,469	
98,086	110,022	66,659	73,093	1,776,514	
1,740	9			1,765	
725,671	1,652,476	1,086,920	213,250	9,694,691	3,642,331
(481,420)	(1,190,226)	(1,048,244)	114,508	(947,480)	(633,926)
	332,114	336,206		763,155	
	55,287	21,757	1,500	206,244	
722	215	218	1,738	37,286	12,958
205,000				205,000	
	690,990	379,601		1,181,271	
304,600				2,030,668	
	8,890	194,201		203,091	
				(45,484)	
				3,950	
				(4,007)	
510,322	1,087,496	931,983	3,238	4,581,174	12,958
28,902	(102,730)	(116,261)	117,746	3,633,694	(620,968)
				6,340,122	
	19,218	119,906		139,124	1,260,300
	(4,300)	(3,000)	(61,000)	(80,300)	(666,724)
28,902	(87,812)	645	56,746	10,032,640	(27,392)
929,250	847,840	245,614	3,706,961	56,735,620	12,268,178
	(366,266)	(350,341)		(1,592,461)	(7,774,955)
929,250	481,574	(104,727)	3,706,961	55,143,159	4,493,223
$ 958,152	$ 393,762	$ (104,082)	$ 3,763,707	$ 65,175,799	$ 4,465,831

CITY OF WINONA, MINNESOTA

STATEMENT OF CASH FLOWS—PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Water	Sanitary Sewer	Inspections	Airport
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers	$ 3,608,075	$ 3,429,036	$ 558,451	$ (2,448,967)
Payments to employees	(708,354)	(854,246)	(252,666)	(72,802)
Payments to other funds	(90,500)		(60,000)	
Payments to suppliers	(944,653)	(1,474,700)	(44,193)	(200,230)
Service charges	(16)			
Net cash provided by (used in) operating activities	1,864,552	1,100,090	201,592	(2,721,999)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
County grants				
Unearned revenue-increase (decrease)				
Due to (from) other funds				1,900,000
Federal grants				
State grants				1,726,068
State LGA and market value credits				110,680
Taxes				94,835
Contributions				
Transfers from other funds				127,700
Transfers to other funds	(5,200)	(5,800)	(1,000)	
Other	(14,080)	3,950		623
Net cash (used in) provided by noncapital financing activities	(19,280)	(1,850)	(1,000)	3,959,906
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of capital assets	(35,417)	(409,736)	(18,850)	(8,365,956)
Federal grants				6,340,122
Interest paid on capital debt	(37,600)			(16,780)
Other fiscal agent charges	(1,570)			(2,438)
Payments on capital debt	(690,000)			(100,000)
Proceeds from capital debt				
Restriction of proceeds from capital debt				
Net cash (used in) provided by capital & related financing activities	(764,587)	(409,736)	(18,850)	(2,145,052)
CASH FLOWS FROM INVESTING ACTIVITIES—Interest received	13,773	17,956	888	1,776
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,094,458	706,460	182,630	(905,369)
CASH AND CASH EQUIVALENTS—Beginning of year	8,863,340	11,746,649	520,265	936,011
CASH AND CASH EQUIVALENTS—End of year	$ 9,957,798	$ 12,453,109	$ 702,895	$ 30,642
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
Operating income (loss)	$ 1,222,846	$ 511,100	$ 184,439	$ (260,483)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	650,709	691,743	2,827	83,375
Changes in assets and liabilities:				
Accounts payable	(28,566)	(74,234)	(3,278)	(59,029)
Deferred outflow - pension	(67,855)	(84,012)	(25,850)	
Net pension liability	23,570	29,183	8,979	
Deferred inflow - pension	53,506	66,245	20,383	
Compensated absences	12,003	(4,661)	11,816	379
Customer receivables	(1,787)	(39,317)	(164)	(2,486,415)
Inventory	(2,328)			
Other accrued liabilities				
Salaries and benefits payable	2,454	4,043	2,440	174
Net cash provided by (used in) operating activities	$ 1,864,552	$ 1,100,090	$ 201,592	$ (2,721,999)

See notes to basic financial statements.

Public Transporation	Recreation	Library	Storm Sewer	Total	Governmental Activities— Internal Service Funds
$ 243,983	$ 464,509	$ 37,128	$ 333,140	$ 6,225,355	$ 2,048,827
(7,669)	(973,725)	(761,202)	(74,873)	(3,705,537)	
				(150,500)	
(620,017)	(572,317)	(271,220)	(66,260)	(4,193,590)	(2,309,875)
				(16)	(154,926)
(383,703)	(1,081,533)	(995,294)	192,007	(1,824,288)	(415,974)
	8,890	194,201		203,091	
					149,763
116,385				2,016,385	(1,900,000)
205,000				205,000	
304,600				2,030,668	
	690,990	379,601		1,181,271	
	332,114	336,206		763,155	
	55,286			55,286	
	19,218	119,906		266,824	(666,724)
	(4,300)	(3,000)	(61,000)	(80,300)	1,260,300
		21,757	1,500	13,750	
625,985	1,102,198	1,048,671	(59,500)	6,655,130	(1,156,661)
		(57,190)	(50,000)	(8,937,149)	
				6,340,122	
				(54,380)	
				(4,008)	
				(790,000)	
-	-	(57,190)	(50,000)	(3,445,415)	-
722	215	218	1,738	37,286	12,958
243,004	20,880	(3,595)	84,245	1,422,713	(1,559,677)
294,469	294,890	328,542	1,131,118	24,115,284	14,576,817
$ 537,473	$ 315,770	$ 324,947	$ 1,215,363	$ 25,537,997	$ 13,017,140
$ (481,420)	$ (1,190,226)	$ (1,048,244)	$ 114,508	$ (947,480)	$ (633,926)
98,086	110,022	66,659	73,093	1,776,514	
(121)	(2,972)	3,607	(2,310)	(166,903)	159,144
	(74,318)	(71,087)		(323,122)	(1,577,597)
	25,816	24,694		112,242	548,008
	58,602	56,054		254,790	1,243,976
	(11,947)	(15,207)	1,085	(6,532)	
(268)	2,258	(1,548)	5,382	(2,521,859)	(653)
				(2,328)	
					(154,926)
20	1,232	(10,222)	249	390	
$ (383,703)	$ (1,081,533)	$ (995,294)	$ 192,007	$ (1,824,288)	$ (415,974)

CITY OF WINONA, MINNESOTA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES—TOURISM PROMOTION AGENCY FUND
AS OF DECEMBER 31, 2015

ASSETS—	
Accounts receivable—total assets	$ 17,356
LIABILITIES—	
Accounts payable—total liabilities	$ 17,356

See notes to basic financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Winona, Minnesota (the "City"), was incorporated on March 6, 1857, by the Minnesota territorial legislature. On October 1, 1968, the City adopted the home rule charter and operates under a Council-Manager form of government. The City provides the following services, as authorized by its charter: public safety (police and fire); highways and streets; sanitation; public transportation; culture-recreation; public improvements; planning and zoning; water and sewer; and general administrative services.

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America ("generally accepted accounting principles" or GAAP) as applied to governmental units by the Governmental Accounting Standards Board (GASB). The following is a summary of the more significant accounting policies:

A. Financial Reporting Entity of the City

In accordance with GASB Statement No. 61, *The Financial Reporting Entity: Omnibus; an amendment of GASB Statements No.14 and No. 34,* the City's financial statements include all funds, organizations, institutions, agencies, departments, and offices of the City and the City's component unit. The component unit discussed below is included in the City's reporting entity because of the significance of its operational or financial relationship with the City.

The City is considered financially accountable for a component unit if it appoints a voting majority of the organization's governing body, and it is able to impose its will on the organization by significantly influencing the programs, projects, activities, or level of services performed or provided by the organization, or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the City.

As a result of applying the component unit definition criteria above, certain organizations have been defined in accordance with GASB Statement No. 61, *The Financial Reporting Entity: Omnibus; an amendment of GASB Statements No. 14 and No. 34* and are presented in this report as listed below:

- *Blended Component Units*—Reported as if they were part of the City
- *Discretely Presented Component Units*—Entails reporting the component unit financial data in a column separate from the financial data of the City
- *Related Organizations*—The relationship of the City with the entity is disclosed
- *Joint Ventures and Jointly Governed Organizations*—The relationship of the City with the entity is disclosed

For each of the categories above, the specific entities are identified as stated below:

Blended Component Units:

The City has no blended component units.

Discretely Presented Component Units:

Port Authority of Winona:

The Port Authority of Winona ("Port Authority") was established by the City Council in 1968 to maintain and operate the river-port of the City. In the late 1970s, the Port Authority commenced an active role as a facilitator for land acquisitions and improvements and as a promoter of community economic development. The Port Authority is governed by commission members who are directly appointed by the Mayor and confirmed by the City Council. Subject to the approval of the City Council, the Port Authority may issue bonds for public improvements and land development. The Port Authority's principal activity is financing building activity exclusively for the City, and it is considered a component unit of the City.

Related Organizations:

Housing and Redevelopment Authority of Winona:

Housing and Redevelopment Authority of Winona (HRA) activities are limited to operating Department of Housing and Urban Development-sponsored projects and grants. No local financing is involved; thus, the City Council is not involved in financial oversight. Additionally, other than an irrevocable appointment by the Mayor of the HRA Board (four-year term and only one out of five HRA Board Members are from the City Council), the City exercises no control in the areas of budgeting, staff appointment, or accountability for fiscal matters. Accordingly, the HRA does not qualify as a component unit of the City's basic financial statements, and the related financial statements have not been included in this report.

Complete financial statements for the individual component unit and the related organization may be obtained at the following addresses:

Port Authority of Winona
c/o City of Winona, City Hall
207 Lafayette Street, P.O. Box 378
Winona, MN 55987

Housing and Redevelopment
Authority of Winona
1756 Kraemer Drive, Suite 100
Winona, MN 55987

Joint Ventures and Jointly Governed Organizations:

The City was not part of any joint venture or jointly governed organization during 2013.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City and its component unit, the Port Authority. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support. Interfund services provided and used are not eliminated in the process of consolidation.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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 Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. (The accrual basis of accounting is used for the agency fund, the agency fund has no measurement focus.) Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

Major governmental funds—The City reports the following major governmental funds:

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

- *Permanent Improvement Revolving (P.I.R.) Bond Fund*—The PIR Bond Fund is established to account for the collection of assessments from benefited properties for the retirement of debt. The property owners are assessed their share of the costs of the benefit, according to City policy. Interest is charged on the unpaid assessments.

- *P.I.R. Construction Fund*—The P.I.R. Construction Fund is established to finance public improvements. Expenditures made from this fund are for improvements, the obligation for which is payable wholly or partially from the proceeds of special assessments levied upon property specifically benefited by the improvements.

- *City Equipment Fund*—Established to account for the proceeds of the 2011A and 2006A General Obligation Equipment Certificates used to purchase equipment and vehicles for the police, fire, emergency management, streets and park maintenance/recreation departments.

- *Bud King Ice Arena Fund*—Established to account for the updates to the ice arena equipment project.

Major proprietary funds—The City reports the following major proprietary funds:

- *Water Fund*—The Water Fund is established to account for the provision of water services to the residents and to commercial and industrial establishments of the City. All activities necessary to provide this service are accounted for in this fund, including, but not limited to, administrative, operations, maintenance, financing, and related debt service.

- *Sanitary Sewer Fund*—The Sanitary Sewer Fund is established to account for the provision of sewage disposal services to the residents and to commercial and industrial establishments of the City. All activities necessary to provide this service are accounted for in this fund, including, but not limited to, administrative, operations, maintenance, financing, and related debt service.

- *Inspections Fund*—The Inspections Fund is established to account for the revenues and expenses associated with the enforcement of State of Minnesota Codes (building, plumbing, and mechanical), the City's ordinances, and other specific laws.

- *Airport Fund*—The Airport Fund is established to account for the revenues and the expenses of the Winona Municipal Airport.

- *Public Transportation Fund*—The Public Transportation Fund is established to account for the revenues and the expenses of the Winona Transit Service.

- *Recreation Fund*—The Recreation Fund is established to account for the revenues and the expenses of the City's recreation programs, the Winona Senior Friendship Center, the Aquatic Center, park administration, and the Winona Municipal Band.

- *Library Fund*—The Library Fund is established to account for the revenues and the expenses relating to the City-owned library.

- *Storm Sewer Fund*—The Storm Sewer Fund is established to account for the revenues and the expenses of the City's storm sewer system.

Other funds—The City reports the following fund types:

- *Permanent Funds*—The permanent funds (included in other nonmajor governmental funds) are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the City's programs. These funds include the following: Bell Art Endowment; Laird and Bell Endowment; C. M. Youman

Memorial; H.C. Garvin Winona Civic; Dr. C. A. Rohrer; Leonhard Fried Educational; and the Mielimonka Library.

- *Internal Service Funds*—The internal service funds account for the services of insurance, benefits, risk management, equipment, facilities and pension liabilities provided to other departments of the City on a cost reimbursement basis. These funds include the following: Health Insurance; Law Enforcement Labor Services (LELS); Employee Benefit; Risk Management; Equipment Replacement; Facilities, Infrastructure Replacement, Pension-Coordinated and Pension-Police and Fire.

- *Tourism Promotion Agency Fund*—The Tourism Promotion Fund accounts for the lodging tax paid to the City, and the amount of lodging tax paid out.

As a general rule, the effect of interfund activity has been eliminated from the government-wide basic financial statements. Interfund services provided and used are not eliminated in the process of consolidation.

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

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

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

D. Budgets and Budgetary Accounting

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the General Fund and certain Special Revenue Funds (Senior Advocacy Program Fund for the primary government), and Capital Project Funds (Municipal State Aid Fund, Dike Construction Fund, and the Permanent Improvement Revolving Construction Fund, all of which are part of the primary government). All annual appropriations lapse at fiscal year-end.

The City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.

The budget is legally enacted through passage of a resolution.

The original adopted budgets may be amended by the City Council. Budget amounts are as originally adopted, as revised by approved transfers, or as amended by the City Council. (A proposed amendment to the budget is presented to the City Council as an agenda item. The agenda

item is to include the amendment amount, the reason for the amendment, and the source of the money to fund the amendment.)

The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

The City Council has given authority to the following: the City Manager may authorize transfers of budgeted amounts between departments (of the same Director/Department Head) within any funds, and only the City Council may authorize the transfers of budgeted amounts between departments (which are not under the same Director/Department Head) within any fund, transfers of budgeted amounts between funds, and budget amendments.

During the year there was a net increase of $1,266,037 in appropriations between the General Fund original and final amended budget. Following are some of the components of this:

- $1,064,764 was added to various departments for encumbrances from December 31, 2014;
- $128,500 was added to the Fire Department for the West Fire Station addition;
- $21,375 was added to the Police Department for the drug forfeiture account;
- $21,415 was added to Building Maintenance for an air conditioning unit;
- $18,964 was added to Park Maintenance-Sobieski Park for removal of an old building;
- $4,037 was added to Park Maintenance for various donations;
- $3,200 was added to the Fire Department for training (funded by a grant);
- $1,086 was added to the Fire Department for various donations.

Spending control is established by the amount of expenditures budgeted for the fund, but management control is exercised at the departmental level.

Encumbrance accounting is employed at the fund level. Encumbrances, which consist of purchase orders outstanding at year-end, are reported as reservation of fund balances and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent fiscal year.

E. Cash, Cash Equivalents, and Investments

Cash balances from all funds are combined and invested to the extent available in certificates of deposit, commercial paper, and similar investments (see Note 2).

Investment earnings are allocated to the respective funds on the basis of applicable cash balance participation by each fund. Investments are stated at fair value, based upon quoted market prices at the reporting date (see Note 2).

The City conforms to GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*. For purposes of the statement of cash flows, the proprietary funds consider all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. All of

the cash and investments allocated to the proprietary funds have original maturities of 90 days or less; therefore, the entire balance in such fund types is considered cash or cash equivalents.

The City has adopted GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools.* Under this statement, investments are carried at fair value. Changes in fair value of securities in the City's investment portfolio are recorded as a change in fair value of investments in the City's fund financial statements and within general revenues in the government-wide financial statements.

F. Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds (see Note 7).

G. Inventories and Prepaid Items

Inventories are stated at cost, on a first-in, first-out basis. The cost of inventory is recorded as an expense when consumed (i.e., consumption method).

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The consumption method is the treatment accorded prepaid items in the governmental funds.

H. Funds Held by Others

None for the City of Winona or the Port Authority during 2015.

I. Restricted Assets

Restricted net position results from contributions whose use is limited by donor-imposed stipulations that either expire by passage of time, or can be fulfilled and removed by actions of the City pursuant to these stipulations. Net position may also be restricted for use in future periods or used for specified purposes, such as capital projects in the case of proceeds from enterprise fund revenue bonds. Additionally, certain contributions whose use is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by the City's actions, have been reported as restricted net position of permanent funds. Investment earnings on the net position to be maintained in perpetuity are included as restricted net position, and are included in Note 8 as expendable permanent funds in the restricted net position.

J. Capital Assets

Capital assets, which include land, buildings, machinery and equipment, and infrastructure, are reported in the applicable governmental or business-type activity columns in the government-wide statements. The capitalization threshold for individual capital assets is $10,000. The capitalization threshold for the City's infrastructure is $50,000. Library books are capitalized on an annual group basis when the total purchase of books is $10,000 or greater. Capital assets purchased with a Federal Grant have a capitalization threshold at the current Federal threshold level.

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.

Capital outlays are recorded as expenditures in the City's fund financial statements, which use the modified accrual basis of accounting. Capital outlays are capitalized in the City's government-wide statement of net position, which uses the full accrual basis of accounting. All capital assets are recorded at historical cost or estimated historical cost if actual cost was not available. Donated capital assets are valued at the fair market value as of the date received.

Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Asset	Years
Buildings	20–75
Building improvements	20
Improvements	10–100
Public domain infrastructure	15–40
Water mains	25-50
Sanitary sewer mains	50
Storm sewer mains	50
Furniture	10
Machinery and equipment	3–25
Books (library)	5

K. Compensated Absences Benefits and Pensions

Compensated Absences Benefits: It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation and the portion of sick pay allowable as separation pay is accrued when incurred in the government-wide and proprietary fund financial statements. The amounts are calculated based on hours actually earned at the current rate of pay.

Pensions: For purposes of measuring the net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to or deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA except that PERA's fiscal year end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. See Note 6 for a detail description of the PERA plans.

L. Long-Term Obligations

Long-term obligations are recorded in the City's government-wide statement of net position when they become a liability of the City. Long-term obligations are recognized as a liability of a governmental fund when due. Long-term obligations expected to be financed from proprietary funds are accounted for in those funds.

M. Fund Equity

In the government-wide financial statements, governmental funds report restrictions of fund balance generally when constraints are placed on the use of resources that are either externally imposed, or imposed by law or regulations. (Also, see Note 8).

Included in the Statement of Net Position—Net Position section—Restricted for Other Purposes are the items as listed below:

Governmental Activities	Amount
General Fund	$ 67,909
Risk Management	912,801
LELS Program	262
Total Governmental	$ 980,972
Business-Type Activities	
Projects	$ 4,062,893
Component Unit	
Port Authority projects	$ 3,909,200

The majority of the commitments are externally imposed.

N. Bond Discounts

In governmental fund types, bond discounts and issuance costs are recognized as expenditures in the current period. Bond discounts for proprietary fund types are deferred and amortized over the term of the bonds using the bonds-outstanding method, which approximates the effective interest method. In proprietary fund types, bond discounts are presented as a reduction of the face amount of bonds payable, and issuance costs are recorded as deferred charges.

O. Interfund Transactions

Interfund services provided are accounted for as revenues and expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. Other interfund transactions are reported as transfers in (out).

Interfund transactions within the respective categories of governmental activities and business-type activities in the government-wide statement of activities are eliminated. The internal balances caption on the government-wide statement of net position represents interfund receivables or payables between the two types of activities, governmental and business-type.

P. Property Taxes

Property tax levies are set by the City Council in December of each year, and are certified to Winona County (the "County") for collection in the following year. In Minnesota, counties act as collection agents for all property taxes.

The County spreads all levies over taxable property. Such taxes become a lien on January 1 and are recorded as receivables by the City at that date. Within the fund financial statements, property

taxes are accrued and recognized as revenue, excluding delinquent taxes received over 60 days after year-end.

Real property taxes may be paid by taxpayers in two equal installments on May 15 and October 15 (November 15 for agricultural property). The County provides tax settlements to cities and other taxing districts three times a year, in July, December, and January.

In the fund financial statements, taxes that remain unpaid at December 31 are classified as delinquent taxes receivable and are fully offset by unavailable revenue, because they are not known to be available to finance current expenditures. No allowance for uncollectible taxes has been provided because such amounts are not expected to be material.

Q. New Accounting Pronouncements

The GASB has issued Statement No. 68, *Accounting and Financial Reporting for Pensions; an amendment of GASB Statement No. 27.* This Statement replaces the requirements of Statements No. 27 and No. 50 related to pension plans that are administered through trusts or equivalent arrangements. The requirements of Statements No. 27 and No. 50 remain applicable for pensions that are not administered as trusts or equivalent arrangements. The requirements of this Statement are effective for the City in 2015. The City has implemented the requirements of this Statement and it has had an impact on the City's basic financial statements with the addition of the city's share of the PERA pension liabilities.

The GASB has issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date, an amendment of GASB Statement No. 68.* The provisions of this Statement are required to be applied simultaneous with the provisions of Statement No. 68. The requirements of this Statement are effective for the City in 2015. The requirements of this Statement are effective for the City in 2015.

The GASB has issued Statement No. 72, *Fair Value Measurement and Application.* The primary objective of this statement is to enhance the comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a more detailed definition of fair value and accepted valuation techniques. The requirements of this Statement are effective for the City in 2016. The City is evaluating the requirements of this Statement to determine the impact on the City's basic financial statements.

R. Change in Accounting Principles

During fiscal 2015, the City implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions; an amendment of GASB Statement No. 27.* This standard required a retroactive implementation which resulted in the restatement of beginning balances as of December 31, 2014. Changes related to these standards are reflected in the financial statements and schedules and related disclosures are included in Note 6.

As a result of the restatement of beginning balances, the following schedule reconciles the previously reported December 31, 2014 balances to the December 31, 2015 financial statements:

Net Position December 31, 2014 (as previously reported)	$ 125,507,584
Prior Period restatement [(1)]	(9,367,416)
Net Position January 1, 2015 as restated	$ 116,140,168

[(1)] To record beginning net pension liability and deferred outflow of resources at 12-31-14

2. CASH, CASH EQUIVALENTS, AND INVESTMENTS

A. Deposits

In accordance with Minnesota Statutes, the City maintains deposits at those depository banks authorized by the City's Investment Policy, all of which are members of the Federal Reserve System. A portion of the City's investments is in certificates of deposit, as authorized by Minnesota Statutes. In accordance with GASB Statement No. 3, *Deposits with Financial Institutions, Investments (Including Repurchase Agreements), and Reverse Repurchase Agreements,* as amended by GASB Statement No. 40, *Deposit and Investment Risk Disclosures—an Amendment of GASB Statement No. 3,* such investments are to be classified as deposits.

Minnesota Statutes require that all of the City's deposits be protected by insurance, surety bonds, or collateral. The fair value of collateral pledged must equal 110% of the deposits not covered by insurance or bonds. Minnesota Statutes require that securities pledged as collateral can only be safely kept in either a restricted account at the Federal Reserve or at a financial institution not owned or controlled by the financial institution furnishing the collateral.

Deposit balances at December 31, 2015, for the City and its component unit are as follows:

Deposit Type	Bank Balances	Carrying Amount
Insured or collateralized with securities held by the City or its agent in the City's name	$ 6,775,094	$ 6,580,976
Primary government	$ 6,368,588	$ 6,186,117
Component unit	$ 406,506	$ 394,859

B. Investments

Both the Minnesota Statutes and the City's Investment Policy approve of the following investment instruments for the City and its component unit:

- Governmental bonds, notes, bills, and other federal government instruments
- State bonds and state agencies (General Obligations or Revenue)—limited investment instruments
- Local government bonds (General Obligations or Revenue)—limited investment instruments
- Repurchase agreements—limited investment instruments
- Bankers' acceptances of United States banks eligible for purchase by the Federal Reserve System
- Commercial paper issued by United States corporations or their Canadian subsidiaries that was rated in the highest quality category by at least two nationally recognized rating agencies and matures in 270 days or less

- Money market mutual funds regulated by the Securities and Exchange Commission and whose portfolios consist only of domestic securities

Primary Government

The City's balances at December 31, 2015, are as follows:

Investment Type	Carrying/ Fair Value
U.S. treasury securities	$ 43,426,180
Money market mutual funds	8,888,506
Total investments, restricted cash, and escrow deposits	52,314,686
Total deposits (Note 2.A.)	6,186,117
Total deposits, investments, restricted cash, and escrow accounts	$ 58,500,803

A reconciliation to the basic financial statements at December 31, 2015, is as follows:

Governmental activities:	
Governmental funds—cash and cash equivalents	$ 19,628,980
Governmental funds—restricted investments	316,686
Internal service funds—cash and cash equivalents	13,017,140
Total governmental activities	32,962,806
Business-type activities:	
Enterprise funds—cash and cash equivalents	25,537,997
Enterprise funds—restricted investments	-
Total business-type activities	25,537,997
Total	$ 58,500,803

As of December 31, 2015, the City had the following investments and weighted-average maturity in number of years:

Investment Type	Fair Value	Weighted-Average Maturity (Years)
U.S. Treasury Securities (excluding escrow account)	$ 43,426,180	0.71
Total fair value	$ 43,426,180	
Portfolio weighted average maturity		0.71

Interest Rate Risk—The City does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The City's investment policy states that the interest rate risk may be minimized or eliminated by 1) structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity (the City's policy is to hold the investments to maturity), and 2) by investing operating funds primarily in shorter-term securities or money market funds.

Credit Risk—The U.S.'s AA+ credit rating was affirmed by Standard & Poor's in June, 2014. Minnesota state law limits investments in commercial paper to that which is issued by a U.S. corporation rated in the highest quality category by at least two nationally recognized rating agencies, and matures in 270 days or less. (The City does not hold any commercial paper as of December 31, 2015.) Also, as of December 31, 2015, the primary government and the component unit had $11,223,883 invested in a money market fund with a rating of AAAm/Aaa and $739,336 was invested in a money market fund that is not rated for the fund itself, but the underlying investments are all rated or insured/collateralized as per Minnesota Statutes.

Concentration of Credit Risk—The City's investment policy states that it is the City's preference to limit to no more than 20% of total City investments in any one company for the commercial paper that is purchased. At December 31, 2015, the City does not hold any commercial paper as part of its investment portfolio.

Custodial Credit Risk—Deposits—Minnesota state law requires that to the extent that City funds deposited are in excess of available federal deposit insurance, the City shall require the financial institution to furnish collateral security or a corporate surety bond executed by a company authorized to do business in the State of Minnesota. The total amount of the collateral computed at its market value shall be at least 10% more than the amount on deposit, plus accrued interest at the close of the business. The financial institutions may furnish both a surety bond and collateral aggregating the required amount.

Custodial Credit Risk—Investments—For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City invests in U.S. Treasury Notes, which are backed by the U.S. government.

Maturity dates for securities held in investments, restricted cash and escrow accounts at December 31, 2015, are listed below:

Maturity Year	**Fair Value**
2016	$ 36,868,631
2017	15,446,055
Total	$ 52,314,686

Component Unit

The component unit's balances at December 31, 2015, are as follows:

Investment Type	Carrying/ Fair Value
Money market mutual funds	$ 3,105,293
Total deposits (Note 2.A.)	394,859
Total deposits and investments	$ 3,500,152

The maturity date for securities held in investment accounts at December 31, 2015, is listed below:

Maturity Year	Fair Value
2016	$ 3,105,293

3. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2015, was as follows:

	Primary Government			
	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Nondepreciable:				
Land	$ 7,074,361	$ -	$ -	$ 7,074,361
Construction in progress	809,504	275,758	(809,504)	275,758
Depreciable:				
Buildings and improvements	5,632,728			5,632,728
Machinery and equipment	7,921,371	2,544,100	(939,627)	9,525,844
Infrastructure:				
Flood control	33,000,000			33,000,000
Street system	37,432,811	1,811,768		39,244,579
Park	278,000			278,000
Total at historical cost	92,148,775	4,631,626	(1,749,131)	95,031,270
Less accumulated depreciation:				
Buildings and improvements	(4,057,155)	(192,295)		(4,249,450)
Machinery and equipment	(5,697,949)	(597,863)	939,627	(5,356,185)
Infrastructure:				
Flood control	(25,124,999)	(715,909)		(25,840,908)
Street system	(16,143,425)	(1,051,455)		(17,194,880)
Park	(159,487)	(9,444)		(168,931)
Total accumulated depreciation	(51,183,015)	(2,566,966)	939,627	(52,810,354)
Governmental activities capital assets—net	$ 40,965,760	$ 2,064,660	$ (809,504)	$ 42,220,916
Business-type activities:				
Nondepreciable:				
Land	$ 855,819	$ -	$ -	$ 855,819
Collections	175,800			175,800
Construction in progress	3,341,596	8,701,631		12,043,227
Depreciable:				
Buildings and improvements	44,438,619			44,438,619
Machinery and equipment	5,031,816	178,327	(122,704)	5,087,439
Books	440,177	57,191	(66,293)	431,075
Infrastructure:				
Water	5,938,326			5,938,326
Sanitary Sewer	6,946,151			6,946,151
Storm sewer	3,450,840			3,450,840
Total at historical cost	70,619,144	8,937,149	(188,997)	79,367,296
Less accumulated depreciation:				
Buildings and improvements	(26,485,001)	(1,156,641)		(27,641,642)
Machinery and equipment	(3,950,626)	(227,573)	122,704	(4,055,495)
Books	(336,131)	(44,799)	66,293	(314,637)
Infrastructure:				
Water	(1,591,271)	(141,890)		(1,733,161)
Sanitary Sewer	(1,996,335)	(137,519)		(2,133,854)
Storm sewer	(1,236,624)	(68,093)		(1,304,717)
Total accumulated depreciation	(35,595,988)	(1,776,515)	188,997	(37,183,506)
Business-type activities capital assets—net	$ 35,023,156	$ 7,160,634	$ -	$ 42,183,790

Depreciation expense for governmental activities is charged to functions in 2015, as follows:

General government	$ 125,052
Public safety	943,440
Highways and streets	1,309,887
Park maintenance	188,587
Total depreciation expense for governmental activities	$ 2,566,966

The Governmental activities accumulated depreciation "Increases" column, on the previous page, of $2,566,966 does not include any capital asset transfers between the general fund and the business-type funds.

Depreciation expense for business-type activities charged in 2015, as follows:

Water	$ 650,710
Sanitary Sewer	691,743
Inspections	2,827
Airport	83,375
Public transportation	98,086
Recreation	110,022
Library	66,659
Storm sewer	73,093
Total depreciation expense for business-type activities	$ 1,776,515

The Business-type activities accumulated depreciation "Increases" column, on the previous page, of $1,776,515, does not include any capital asset transfers between the general fund and the business-type funds.

Component Unit

Capital asset activity (Port Authority) for the year ended December 31, 2015, was as follows:

	Component Unit			
	Beginning Balance	Increases	Decreases	Ending Balance
Component unit:				
Buildings and improvements	$ 1,252,728	$ -	$ -	$ 1,252,728
Total at historical cost	1,252,728	-	-	1,252,728
Less accumulated depreciation:				
Buildings and improvements	(64,724)	(25,055)		(89,779)
Total accumulated depreciation	(64,724)	(25,055)	-	(89,779)
Component unit capital assets—net	$ 1,188,004	$ (25,055)	$ -	$ 1,162,949

Construction in Progress

There is one project included in the capital assets—construction in progress (in the governmental activities) at December 31, 2015.

West Fire Station	$ 275,758

There are two projects included in the capital assets—construction in progress (in the business-type activities) at December 31, 2015. It is as follows:

Sanitary Sewer - Lift station #7	$ 335,676
Airport—Runway project	11,707,551
Total	$ 12,318,985

Component Unit

There are no projects included in the capital assets—construction in progress (Port Authority) at December 31, 2015.

4. PROPERTIES HELD FOR DEVELOPMENT

The component unit includes an asset called Properties Held for Development. These properties are held for development purposes and are reported at acquisition cost, plus preparation for resale costs not to exceed their net realizable value. The component unit is involved in the acquisition of real property for the purpose of improvement and, after improvement, the resale of real property to local industries.

During 2015, there was a sale of 6.3 acres in the properties held for development of land category (Technology Park). There are 36.76 developable acres as of December 31, 2015.

5. LONG-TERM DEBT

Primary Government

A summary of bonds outstanding at year-end follows:

Bonds	Maturities	Rates	December 31, 2015
Business-type activities:			
Bonds	2016–2024	0.35–5.00%	$ 2,380,000
Add unamortized premium			40,057
Less unamortized discounts			(4,950)
Total bonds outstanding			$ 2,415,107

A summary of changes in bonds payable (at par) during 2015 is as follows:

Bonds	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
Governmental activities:					
G.O. bonds—supported by taxes	$ 207,900	$ -	$ (207,900)	$ -	$ -
G.O. bonds—supported by special assessments	287,100		(287,100)		
Total governmental activities	495,000	-	(495,000)		-
Business-type activities	3,170,000		(790,000)	2,380,000	440,000
Total	$3,665,000	$ -	$ (1,285,000)	$2,380,000	$ 440,000

Debt service requirements to maturity as of December 31, 2015, including interest of $147,707, are as follows:

	General Obligation (G.O.) Bonds			
Year Ending December 31	Supported by Property Taxes	Supported by Special Assessments	Supported by Water and Sewer Utilities	Total Bonds
2016	$ -	$ -	$ 480,066	$ 480,066
2017			487,537	487,537
2018			469,665	469,665
2019			466,513	466,513
2020			121,435	121,435
2021-2024			502,491	502,491
Total	$	$	$ 2,527,707	$ 2,527,707

Year Ending	Governmental Activities			Business-Type Activities		
December 31	Principal	Interest	Total	Principal	Interest	Total
2016	$ -	$ -	$ -	$ 440,000	$ 40,066	$ 480,066
2017				455,000	32,537	487,537
2018				445,000	24,665	469,665
2019				450,000	16,513	466,513
2020				110,000	11,435	121,435
2021-2024				480,000	22,491	502,491
Total	$ -	$ -	$ -	$2,380,000	$ 147,707	$2,527,707

The long-term debt of the primary government is described as follows:

Supported by Property Taxes—The City issues general obligation (G.O.) bonds to provide funds for the construction of major capital improvements having a relatively long life. General obligation bonds have been issued for both governmental and business-type activities. These G.O. bonds are supported by property taxes.

Supported by Special Assessments—These G.O. bonds are payable from special assessments levied and collected on local improvements to property and are backed by the full faith, credit, and taxing authority of the City.

Supported by Water and Sanitary Sewer Utilities—All of the bonds in this category are G.O. Water and Sewer Revenue and are recorded as a liability in the appropriate Enterprise Fund. These bonds are intended to be paid first from the revenues of the appropriate Enterprise Fund, and are also backed by the full faith, credit, and taxing authority of the City.

There are limitations and restrictions contained in the bond indentures.

In addition to bond obligations, other debt outstanding at year-end is summarized below:

Other Debt	Maturities	Interest Rates	December 31, 2015
Governmental funds—			
G.O. Equipment Certificates	2016	1.35 - 2.0%	$ 715,000
	2017	1.60 - 2.0%	715,000
	2018	2.0 %	425,000
	2019	2.0 %	435,000
	2020	2.0 %	445,000
	2021-23	2.00 - 2.5%	1,380,000
	Total		$ 4,115,000

Debt service requirements to maturity as of December 31, 2015, including interest of $356,298, listed below for other debt are summarized as follows:

Year Ending December 31	G.O. Equipment Certificates		
	Principal	Interest	Total
2016	$ 715,000	$ 103,963	$ 818,963
2017	715,000	64,910	779,910
2018	425,000	54,100	479,100
2019	435,000	45,500	480,500
2020	445,000	36,700	481,700
2021-23	1,380,000	51,125	1,431,125
	$ 4,115,000	$ 356,298	$ 4,471,298

The City issued General Equipment Certificates of Indebtedness, Series 2015A, dated March 25, 2015, for $3,685,000. The 2015 Bonds were sold to the bidder at a true interest rate of 1.38% and will be repaid with property taxes. The Bonds are secured by the City's full faith, credit, and taxing authority of the City. Proceeds from the 2015A Bonds will be used to finance the purchase of various equipment for the City such as two fire trucks and ice equipment for the Bud King Ice Arena.

The Port Authority issued General Obligation Refunding Bonds, Series 2015A, dated March 25, 2015, for $1,430,000. The 2015 Bonds were sold to the bidder at a true interest rate of 1.05% and will be repaid with property taxes. The 2015 bonds are structured as a current refunding of General Obligation Bonds, Series 2005, (dated December 1, 2005 with an interest rate of 4%). The 2015 bonds are being issued to achieve debt service savings of approximately $80,000. The Bonds are secured by the City's full faith, credit, and taxing authority of the City.

A summary of changes in the governmental activities long-term debt (Primary Government) follows:

Debt	Beginning Balance	Issued	Retired	Ending Balance
Bonds payable	$ 495,000	$ -	$ (495,000)	$ -
Other debt	880,000	3,525,000	(290,000)	4,115,000
Total	$ 1,375,000	$ 3,525,000	$ (785,000)	$ 4,115,000

A review of improvement bonds for the years 1995–2015 is as follows:

Bonds Issued	Assessed per Document	Total Project Costs	Assessed per Actual-to-Date
G.O. Improvement, 1995C:			
1996 Projects	$ 480,508	$ 1,850,882	$ 480,508
1997 Projects	827,356	1,194,396	827,356
1998 Projects	387,136	525,507	387,136
Total	$ 1,695,000	$ 3,570,785	$ 1,695,000
G.O. Improvement, 1998B:			
1998 Projects	$ 207,284	$ 282,966	$ 207,284
1999 Projects	1,138,550	1,992,705	1,138,550
2000 Projects	134,743	180,507	134,743
Total	$ 1,480,577	$ 2,456,178	$ 1,480,577
G.O. Improvement, 2001A:			
2001 Projects	$ 34,605	$ 61,612	$ 34,605
2002 Projects	929,940	1,397,713	718,432
2003 Projects	550,888	683,617	418,090
2004 Projects	1,069,752	1,684,814	1,069,752
Total	$ 2,585,185	$ 3,827,756	$ 2,240,879
G.O. Improvement, 2004A:			
2004 Projects	$ 245,552	$ 532,768	$ 245,552
2005 Projects	1,766,923	5,783,908	1,766,923
2006 Projects	31,729	79,538	31,729
2007 Projects	43,932	43,932	43,932
2008 Projects	21,026	21,026	21,026
2009 Projects	12,296	12,296	12,296
Total	$ 2,121,458	$ 6,473,468	$ 2,121,458

Component Unit

A summary of bonds outstanding at year-end is as follows:

Bonds	Maturities	Rates	December 31, 2015
Long-term debt—G.O.	2016–2020	2.00%	$ 1,385,000

A summary of changes in bonds payable (at par) during 2015 is as follows:

Bonds	Beginning Balance	Issued	Retired	Ending Balance
Long-term (G.O.)—Bonds payable	$ 1,620,000	$ 1,385,000	$ (1,620,000)	$ 1,385,000

Debt service requirements to maturity as of December 31, 2015, including interest of $79,645, are listed below for general long-term debt (bonds):

Year Ending December 31	General Obligation		
	Principal	Interest	Total
2016	$ 270,000	$ 34,695	$ 304,695
2017	275,000	19,550	294,550
2018	275,000	14,050	289,050
2019	280,000	8,500	288,500
2020	285,000	2,850	287,850
Total	$ 1,385,000	$ 79,645	$ 1,464,645

***General Obligation Bonds*—**The G.O. bonds are backed by the full faith, credit, and taxing authority of the City.

There are limitations and restrictions contained in the bond indentures. There are no authorized and unissued bonds for the component unit.

Long-Term Liability Activity

Long-term liability activity for the year ended December 31, 2015, was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Governmental activities:					
Bonds and certificates payable	$ 1,375,000	$ 3,525,000	$ (785,000)	$ 4,115,000	$ 715,000
Compensated absences	4,274,075	1,366,557		5,640,632	150,000
Total governmental activities	5,649,075	4,891,557	(785,000)	9,755,632	865,000
Business-type activities:					
Bonds and certificates payable	3,170,000		(790,000)	2,380,000	440,000
Compensated absences	1,618,656		(214,795)	1,403,861	60,000
Other	55,179	194,793		249,972	
Total business-type activities	4,843,835	194,793	(1,004,795)	4,033,833	500,000
	$10,492,910	$ 5,086,350	$ (1,789,795)	$ 13,789,465	$ 1,365,000

Compensated absences classified as long-term liabilities include unused vacation, compensated time, other post-employment benefit obligation (OPEB) and sick leave estimated to be paid or used by employees for periods ending after December 31, 2015. The Governmental activities - unused vacation liability at December 31, 2015 was at $404,276 and decreased by $12,221 for December 31, 2015 from December 31, 2014. The Business-type activities - unused vacation was at $148,716 at December 31, 2015 and decreased by $987 for December 31, 2015 from December 31, 2014. (The OPEB liability is

$2,368,074.) For the governmental activities, compensated absences are generally liquidated by the general fund.

6. PENSION PLANS

A. Defined Benefit Pension Plans—Statewide
Public Employees Retirement Association

1. Plan Description

The City participates in the following cost-sharing multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA's defined benefit pension plans are established and administered in accordance with Minnesota Statutes, Chapters 353 and 356. PERA's defined benefit pension plans are tax qualified plans un Section 401(a) of the Internal Revenue Code.

General Employees Retirement Fund (GERF)

All full-time and certain part-time employees of the City are covered by the GERF. GERF members belong to either the Coordinated Plan or the Basic Plan. There are no City members with the Basic Plan. Coordinated Plan members are covered by Social Security. All new members must participate in the Coordinated Plan.

Public Employees Police and Fire Fund (PEPFF)

The PEPFF, originally established for police officers and firefighters not covered by a local relief association, now covers all police officers and firefighters hired since 1980. Effective July 1, 1999, the PEPFF also covers police officers and firefighters belonging to a local fire relief association that elected to merge with and transfer assets and administration to PERA.

2. Benefits Provided

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state legislature.

Benefit increases are provided to benefit recipients each January. Increases are related to the funding ratio of the plan. Members in plans that are at least 90% funded for two consecutive years are given 2.5% increases. Members in plans that have not exceeded 90% funded, or have fallen below 80%, are given 1% increases.

The benefit provisions stated in the following 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.

GERF Benefits

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 or service. Two methods are used to compute benefits for PERA's Coordinated Plan members. The retiring member receives the higher of step-rate benefit accrual formula ("Method 1") or a level accrual formula ("Method 2"). Under Method 1, the annuity accrual rate for a Coordinated Plan member is 1.2% of average salary for each of the first ten years and 1.7% for each remaining year. Under Method 2, the annuity accrual rate is 1.7% for Coordinated Plan members for each year of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or

after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66. Disability benefits are available for vested members and are based upon years of service and average high-five salary.

PEPFF Benefits

Benefits for the PEPFF members first hired after June 30, 2010, but before July 1, 2014, vest on a prorated basis from 50% after five years up to 100% after ten years of credited service. Benefits for PEPFF members first hired after June 30, 2014, vest on a prorated basis from 50% after ten years of service up to 100% after twenty years of credited service. The annuity accrual rate is 3% of average salary for each year of service. For PEPFF who were first hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90.

3. Contributions

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state legislature.

GERF Contributions

Coordinated Plan members were required to contribute 6.5% of their annual covered salary in calendar year 2015. The City was required to contribute 7.5% for Coordinated Plan members in calendar year 2015. The City expense to the GERF for years ended December 31, 2015, 2014 and 2013 were $431,112, $422,116, and $408,456.

The City's contributions were equal to the required contributions as set by state statute.

PEPFF Contributions

Plan members were required to contribute 10.8% of their annual covered salary in calendar year 2015. The City was required to contribute 16.2% of pay for PEPFF members in calendar year 2015. The City expense to the PEPFF for the year ended December 31, 2015, 2014 and 2013 were $666,246, $607,949, and $564,425 respectively. The City's contributions were equal to the required contributions as set by state statute.

4. Pension Costs

GERF Pension Costs

At December 31, 2015, the City reported a liability of $5,073,686 for its proportionate share of the GERF's net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2014 through June 30, 2015, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2015, the City's proportion was .0979% which was a decrease of .0112% from its proportion measured as of June 30, 2014.

For the year ended December 31, 2015, the City recognized pension expense of $543,172 for its proportionate share of the GERF's pension expense.

At December 31, 2015, the City reported its proportionate share of the GERF's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience		$ 255,800
Differences between projected and actual investment earnings	$ 480,302	
Changes in proportion		394,590
GERF contributions paid subsequent to the measurement date	216,992	
Totals	$ 697,294	$ 650,390

The deferred outflows of resources in the amount of $216,992 related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2016. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Pension Expense Amount
2016	$ (96,720)
2017	(96,720)
2018	(96,720)
2019	120,076
2020	-
Thereafter	-
Total	$ (170,084)

PEPFF Pension Costs

At December 31, 2015, the City reported a liability of $4,953,980 for its proportionate share of the PEPFF's net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by PERA during the measurement period of employer payroll paid dates from July 1, 2014 through June 30, 2015, relative to the total employer contributions from all of PERA's participating employers. At June 30, 2015, the City's proportion was 0.436% which was an increase of 0.005% from its proportion measured as of June 30, 2014.

For the year ended December 31, 2015, the City recognized pension expense of $845,031 for its proportionate share of the PEPFF's pension expense. The City also recognized $39,240 for the year ended December 31, 2015, as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's on-behalf contributions to the PEPFF.

Legislation passed in 2013 required the State of Minnesota to begin contributing $9 million to the PEPFF each year, starting in fiscal year 2014.

At December 31, 2015, the City reported its proportionate share of the PEPFF's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience		$ 803,374
Differences between projected and actual investment earnings	$ 863,149	
Changes in proportion		45,002
GERF contributions paid subsequent to the measurement date	340,275	
Totals	$ 1,203,424	$ 848,376

The deferred outflows of resources in the amount of $340,275 related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Pension Expense Amount
2016	$ 64,113
2017	64,113
2018	64,113
2019	64,113
2020	(151,675)
Thereafter	-
Total	$ 104,777

5. Actuarial Assumptions

The total pension liability in the June 30, 2015 actual valuation was determined using the following actuarial assumptions:

Inflation	2.75%	per year
Active Member Payroll Growth	3.50%	per year
Investment Rate of Return	7.90%	

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors and disabilitants were based on the RP-2000 tables for males or females, as appropriate, with slight adjustments. Cost of living benefit increases for retirees are assumed to be: 1% effective January 1st until 2034, then 2.5% thereafter.

Actuarial assumptions used in the June 30, 2015 valuation were based on the results of actuarial experience studies. The experience study in the GERF was for the period July 1, 2004 through June 30, 2008, with an update of economic assumptions in 2014. The experience study for PEPFF was for the period July 1, 2004 through June 30, 2009.

The following changes in actuarial assumptions occurred in 2015: The MERF Division was fully merged into GERP on January 1, 2015. The discount rate was changed from 8.0% through June 30, 2017 and 8.5% thereafter to 8.0% for all years. The inflation assumption

was changed from 3.00% to 2.75%. The total payroll growth assumption was changed from 3.75% to 3.5%. Assumed increases in member salaries were decreased by 0.25% at all ages. The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2026 in the GERP and through 2023 in the PEPFP and 2.5% per year thereafter to 1.0% per year through 2034 in both the GERP and PEPFP and 2.5% per year thereafter.

The long-term expected rate of return on pension plan investments is 7.9% as indicated in PERA's CAFR for the Fiscal Year Ended June 30, 2015. The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness of the long-term expected rate of return on a regular basis using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Domestic Stocks	45.00%	5.50%
International Stocks	15.00%	6.00%
Bonds	18.00%	1.45%
Alternative Assets	20.00%	6.40%
Cash	2.00%	0.50%

* From PERA's CAFR for the Fiscal Year Ended June 30, 2015

6. Discount Rate

The discount rate used to measure the total pension liability was 7.9%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in Minnesota statute. Based on that assumption, each of the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

7. Pension Liability Sensitivity

The following presents the City's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

City's Proportionate Share of the Net Pension Liability	6.9% One Point Decrease	7.9% Current Rate	8.9% One Point Increase
GERF	$ 7,977,638	$ 5,073,686	$ 2,675,468
PEPFF	9,655,360	4,953,980	1,069,822
Total	$17,632,998	$10,027,666	$ 3,745,290

8. Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in a separately issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the Internet at www.mnpera.org, by writing to PERA, 60 Empire Drive #200, Saint Paul, MN 55103-2088, or by calling (651) 296-7460 or 1-800-652-9026.

9. Funding Status and Progress

Current Funding Ratios

The primary funding objectives of PERA are (1) to establish contribution rates which, when expressed as a percentage of active members' payroll, will remain level from generation to generation, and (2) to meet the required deadlines for full funding. PERA's progress toward meeting the full funding objective is displayed on the Schedule of Funding Progress. This report shows the funding levels using the entry age normal actuarial cost method. At the end of fiscal year 2015, the ratio of assets to liabilities of GERF was 78.2% and 86.6% for PEPFF. At the end of fiscal year 2014, the ratio of assets to liabilities of GERF was 78.7% and 87.1% for PEPFF.

Schedule of Funding Progress for GERF (last ten years, in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
June 30, 2006	$ 12,495,207	$ 16,737,757	$ 4,242,550	74.7 %	$ 4,247,109	99.9 %
June 30, 2007	12,985,324	17,705,627	4,720,303	73.3	4,448,954	106.1
June 30, 2008	13,048,970	17,729,847	4,680,877	73.6	4,722,432	99.1
June 30, 2009	13,158,490	18,799,416	5,640,926	70.0	4,778,708	118.0
June 30, 2010	13,126,993	17,180,956	4,053,963	76.4	4,804,627	84.4
June 30, 2011	13,455,753	17,898,949	4,443,096	75.2	5,079,429	87.5
June 30, 2012	13,661,682	18,598,897	4,937,125	73.5	5,142,592	96.0
June 30, 2013	14,113,295	19,379,769	5,266,474	72.8	5,246,928	100.4
June 30, 2014	17,404,822	22,102,321	4,697,499	78.7	5,351,920	87.8
June 30, 2015	18,581,795	23,764,314	5,182,519	78.2	5,549,255	93.4

Schedule of Funding Progress for PEPFF (last ten years, in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
June 30, 2006	$ 5,017,951	$ 5,260,564	$ 242,613	95.4 %	$ 618,435	39.2 %
June 30, 2007	5,198,922	5,669,347	470,425	91.7	648,342	72.6
June 30, 2008	5,233,015	5,918,061	685,046	88.4	703,701	97.3
June 30, 2009	5,239,855	6,296,274	1,056,419	83.2	733,164	144.1
June 30, 2010	5,188,339	5,963,672	775,333	87.0	740,101	104.8
June 30, 2011	5,274,602	6,363,546	1,088,944	82.9	775,806	140.4
June 30, 2012	5,797,868	7,403,295	1,605,427	78.3	794,417	202.1
June 30, 2013	5,932,945	7,304,032	1,371,087	81.2	796,188	172.2
June 30, 2014	7,273,100	8,353,141	1,080,041	87.1	820,333	131.7
June 30, 2015	7,348,704	8,484,938	1,136,234	86.6	845,076	134.5

B. Defined Contribution Plan—Statewide

There are six City Council members of the City are covered by the Public Employees Defined Contribution Plan (PEDCP), a multiple-employer deferred compensation plan administered by PERA. The PEDCP is a tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. Minnesota Statutes, Chapter 353(D.03), specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes 5 percent of salary which is matched by the elected official's employer. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2 percent of employer contributions and twenty-five hundredths of 1 percent (.0025%) of the assets in each member's account annually.

Total Contributions made by the City during 2015, 2014, and 2013 were:

	Contribution Amount		Percentage of Covered Payroll		Required Rate for Employees &	
For the Year Ended:	Employee	Employer	Employee	Employer	Employee	Employer
December 31, 2013	$ 2,145	$ 2,145	5.0%	5.0%	5.0%	5.0%
December 31, 2014	5,279	5,279	5.0%	5.0%	5.0%	5.0%
December 31, 2015	2,145	2,145	5.0%	5.0%	5.0%	5.0%

7. INTERFUND RECEIVABLES, PAYABLES, AND TRANSACTIONS

Interfund receivables and payables at December 31, 2015, are listed below for the primary government.

Receivable Fund	Payable Fund	Amount	Purpose
Due to/due from Other Funds (Primary Government):			
General	Library	$ 150,000	[1]
Internal service	Airport	2,430,000	[2]
Total		$ 2,580,000	

[1] The Library Fund will repay the General Fund from available cash.

[2] The Airport Fund will repay the Equipment and Facilities Funds after it receives money from the state and federal governments for project reimbursement. The City expects the repayment to occur within the next three years.

Transfers during 2015 were as follows for the primary government. (A brief summary of the transfer activity is at the end of this note.)

	Transfers In	Transfers Out
Primary Government		
Governmental activities:		
General (1)	$ 61,000	$ 3,058
General (2)	34,000	62,451
General (3)	57,500	300,000
General (4)	52,215	300,000
General (5)	15,846	300,000
General (6)	32,339	41,000
General (7)	10,348	300,000
General (8)	48,144	19,218
General (9)	24,853	16,551
General (10)	32,180	
General (11)	21,415	
General (12)	42,000	
General (13)	86,500	
General (14)	150,000	
General (15)	16,000	
General (16)	18,964	
Nonmajor Governmental Funds:		
Senior Advocacy Program (17)	3,058	
Senior Advocacy Program (18)	62,451	
Library Memorial-Special Revenue Fund		78,935
Equipment Certificates-Debt Service (19)	3,886	
Engineering Dept. Capital Project Fund (20)	275,168	
Street Reconstruction Capital Project Fund (21)	1,192,595	
Street Reconstruction Capital Project Fund (22)	150,000	
Bud King Ice Arena Capital Project Fund (23)	1,200,000	
Municipal State Aid Capital Project Fund		275,168
Municipal State Aid Capital Project Fund		1,192,595
City Equipment Capital Project Fund		3,886
City Equipment Capital Project Fund		150,000
City Equipment Capital Project Fund		1,200,000
Total governmental funds	3,590,462	4,242,862

Internal Service Funds:		
Health Insurance (24)	$ 300,000	
Equipment Replacement (25)	300,000	$ 34,000
Equipment Replacement		57,500
Equipment Replacement		52,215
Equipment Replacement		15,846
Equipment Replacement		32,339
Equipment Replacement		10,348
Equipment Replacement		48,144
Equipment Replacement		24,853
Equipment Replacement		32,180
Equipment Replacement		24,420
Facilities (26)	300,000	21,415
Facilities		42,000
Facilities		86,500
Facilities		150,000
Facilities		16,000
Facilities		18,964
Risk Management (27)	41,000	
Risk Management (28)	5,200	
Risk Management (29)	5,800	
Risk Management (30)	4,300	
Risk Management (31)	3,000	
Risk Management (32)	1,000	
Infrastructure Replacement (33)	300,000	
Total internal service funds	1,260,300	666,724
Total governmental activities	4,850,762	4,909,586
Business-type activities:		
Water Fund		5,200
Sanitary Sewer Fund		5,800
Inspections Fund		1,000
Storm Sewer Fund		61,000
Recreation Fund (34)	19,218	4,300
Library Fund (35)	78,935	3,000
Library Fund (36)	24,420	
Library Fund (37)	16,551	
Total business-type activities	139,124	80,300
Total Primary Government	$ 4,989,886	$ 4,989,886

Continued from previous page:

PURPOSE OF TRANSFERS IN:
(1) From the Storm Sewer Fund for reimbursements
(2) From the Equipment Replacement Fund for computer
(3) From the Equipment Replacement Fund for police vehicle
(4) From the Equipment Replacement Fund for fire turnout gear
(5) From the Equipment Replacement Fund for engineering department truck
(6) From the Equipment Replacement Fund for street department truck/plow
(7) From the Equipment Replacement Fund for street department sander
(8) From the Equipment Replacement Fund for park maintenance loader
(9) From the Equipment Replacement Fund for park maintenance truck
(10) From the Equipment Replacement Fund for park maintenance truck/plow
(11) From the Facilities Fund for finance department computer air conditioning
(12) From the Facilities Fund for West fire station addition
(13) From the Facilities Fund for West fire station addition
(14) From the Facilities Fund for West fire station addition
(15) From the Facilities Fund for Levee dock
(16) From the Facilities Fund for Sobieski Park
(17) From the General Fund—salary increase
(18) From the General Fund—provide subsidy to cover portion of the Senior Advocacy's operation
(19) From the City Equipment-Capital Project Fund—certficates
(20) From the Municipal State Aid-Capital Project Fund—for Hwy 43 bridge/traffic signals
(21) From the Street Reconstruction-Capital Project Fund—for Franklin Street construction
(22) From the City Equipment-Capital Project Fund—for pedestrian safety crossing Huff-Hwy 61
(23) From the City Equipment-Capital Project Fund—for Bud King Ice Renovation
(24) From the General Fund for Health Insurance Fund
(25) From the General Fund per Financial Management Policy
(26) From the General Fund per Financial Management Policy
(27) From the General Fund for excess liability coverage set aside
(28) From the Water Fund for excess liability coverage set aside
(29) From the Sewer Fund for excess liability coverage set aside
(30) From the Recreation Fund for excess liability coverage set aside
(31) From the Library Fund for excessliability coverage set aside
(32) From the Inspections Fund for excess liability coverage set aside
(33) From the General Fund per Financial Management Policy
(34) From the General Fund—salary increase
(35) From the Library Memorial Special Revenue Fund for Library use
(36) From the Equipment Replacement Fund for Library water intrusion project
(37) From the General Fund—salary increase

8. FUND EQUITY

Nonspendable, Restricted, Committed, Assigned, or Unassigned—

The fund balance classifications are defined by GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions,* as follows:

Nonspendable: Amounts that cannot be spent because they are not in spendable form or legally or contractually required to remain intact.

Restricted: Externally-imposed constrains that apply to the use of the funds such as by grantor or debt covenants. If money is set aside for this purpose, it is used first before the other classifications.

Committed: Internally-imposed constraints that apply to use of the funds. (The City Council approves a resolution for committed items each year. The City Council approves the uncommitted funds.)

Assigned: The intended use is expressed, but neither restricted nor committed. (The delegation of the authority to assign the fund balance is given to the Finance Director by approval of the City Council.)

Unassigned: Not constrained in any way.

The City considers restricted amounts to have been spent when an expenditure is incurred for the purpose of the restriction. The City considers committed amounts to have been spent when an expenditure is incurred for the purpose of the commitment.

The flow assumption, if committed, assigned, and unassigned resources are available for use for the same purpose, the city's policy is to use first-committed resources, second-assigned resources and third-unassigned resources.

Net position, fund balances, and retained earnings in the various funds at December 31, 2015, have been set up as nonspendable, restricted, committed, assigned, or unassigned for the following purposes:

PRIMARY GOVERNMENT

RESTRICTED—Government-Wide Financial Statements

Major Governmental Funds:	
General Fund:	
Drug seizure and DWI penalty assessment (Police)	$ 27,909
CMH property transfer	35,000
Japanese Garden	5,000
OPEB - retiree subsidy health plan	387,396
PERA Contribution	
P.I.R. Bond Fund—for debt payments	159,231
P.I.R. Construction Fund—for P.I.R. projects	605,426
City equipment	332,817
Ice arena	2,861,884
Other Funds (Internal Service Funds):	
Health Insurance Fund:	
Health plan account	14,000
Contributed to start the fund	199,654
Health insurance	546,140
LELS Health Fund—health insurance	262
Employee Benefit Fund:	
Employee benefits	2,867,352
Risk Management Fund:	
Property self-insurance	202,729
Workers' compensation maximum	476,072
Emergency issues/claims	234,000
Equipment Replacement Fund:	
Equipment replacement	1,866,894
Commitments	462,000
Facilities Fund:	
Commitments	126,000
Facilities	2,162,443
Infrastructure Replacement Fund	2,686,210

RESTRICTED—Continued

Nonmajor Governmental Funds:	
Debt Service Funds:	
1999B Sales Tax Revenue Bond— for Riverbend Industrial Park infrastructure/sales tax issues	$ 180,227
Equipment Certificates—for debt payments	940,156
Capital Projects Funds:	
Municipal State Aid—projects	270,954
Dike construction	196,620
Park Site-parks for subdivisions	104,785
Engineering projects	413,755
City building improvements	2,529
Infrastructure Revolving	1,612,544
Street reconstruction projects	975,273
High Wagon Bridge reconstruction	164,408
Aghaghming Park construction	1,836
Softball field development—improvements	140,472
Permanent Funds:	
Expendable	261,367
Total governmental activities	21,523,345
Major Proprietary Funds:	
Water Fund:	
Commitments	670,570
Bond requirements	366,100
OPEB - retiree subsidy health plan	32,300
Sanitary Sewer Fund:	
Commitments	1,496,195
OPEB - retiree subsidy health plan	43,100
Inspections Fund:	
OPEB—retiree subsidy health plan	10,800
Airport Fund—commitments	1,763,839
Public Transportation Fund—commitments	50,400
Storm Sewer Fund—commitments	81,889
Total business-type activities	4,515,193
Total Restricted (Primary Government) Excluding Nonspendable	26,038,538

RESTRICTED, NONSPENDABLE—Fund Financial Statements

Nonmajor Governmental Funds:	
General Fund	33,692
Permanent Funds:	
Endowment (original contributions)	56,000
Total Nonexpendable	89,692
Total Restricted (Primary Government) Including Nonexpendable	$ 26,128,230

COMMITTED—Fund Financial Statements

Major Governmental Fund:	
General Fund:	
Encumbrances and commitments	$ 1,343,337
Snow removal	84,789
Boat harbor	206,907
Trail maintenance	500
Nonmajor Governmental Funds:	
Special Revenue Funds:	
Emergency	48,877
Athletic	15,217
Library Memorials	187,061
1990 Downtown Redevelopment Grant	43,068
1994 Downtown Redevelopment Grant	102,481
Metro Plains	58
West Central Revitalization	47,368
Central City Rehab	277,026
Total Committed (Primary Government)	$ 2,356,689

ASSIGNED—Fund Financial Statements

Major Governmental Fund:	
General Fund:	
Cash flow	$ 7,752,807
Total Assigned (Primary Government)	$ 7,752,807

UNASSIGNED—Fund Financial Statements

Nonmajor Governmental Fund:	
Special Revenue Fund:	
Senior Advocacy Program	$ (36,711)
Total Unassigned (Primary Government)	$ (36,711)

COMPONENT UNIT—Government-Wide Financial Statements

Restricted-Port Debt Service and projects	$ 6,679,334
Total Component Unit	$ 6,679,334

9. NET POSITION DEFICITS, FUND EQUITY DEFICITS, AND INDIVIDUAL FUND DISCLOSURES

Primary Government

***Fund Equity Deficits*—**At December 31, 2015, the Senior Advocacy Program Fund, a special revenue fund, had a deficit fund balance of $36,711. This fund had a carryover deficit of fund balance from 2014. (The deficit fund balance at December 31, 2014 was $36,563.) The deficit fund balance should be eliminated in 2016 or 2017.

***Individual Fund Disclosures*—**For the year ended December 31, 2015; actual expenditures exceeded the budget in the following General Fund departments:

General Fund	Budgeted	Actual	Final Variance
City manager	$ 249,558	$ 259,694	$ (10,136)
Cable television commission	22,000	25,500	(3,500)
Safety and health coordinator	56,910	58,901	(1,991)

Expenditures were less than appropriations for other departments within the General Fund; therefore, the actual amounts that exceeded the budget (listed above) had no significant impact on the financial results of the General Fund.

Component Unit

***Fund Equity Deficits*—**At December 31, 2015, the Component Unit had no fund equity deficits.

10. FUND CHANGES

Funds opened during 2015:

City—Internal Service Funds	Pension-Coordinated and Pension-Police and Fire
Component Unit –	No funds were opened during 2015

Funds closed during 2015:

City—	No funds were closed during 2015
Component Unit—	No funds were closed during 2015

11. SEGMENT INFORMATION FOR ENTERPRISE FUNDS

At December 31, 2015, the City reported eight Enterprise Funds. These funds provide water, sanitary sewer, inspections, airport, public transportation, recreation, library, and storm sewer. There are no revenue bonds where investors rely solely on the revenue generated by the individual segments or other individual activities for repayment.

12. CONTINGENCIES

There are several pending lawsuits, claims, and disputes in which the City is involved. The City does not expect that the potential claims against the City not covered by insurance and resulting from such litigation, claims, and disputes would materially affect the financial statements.

13. RISK MANAGEMENT

City's Programs:

The City highlights the following risk management programs: (1) health benefit; (2) other post-employment benefits; and (3) property and casualty insurance. For the health benefit risk management program, premiums are paid into the Health Insurance Fund by user departments, employees, and other funds. Such premiums are available to pay claims and administrative costs, and to fund claim reserves.

For the other post-employment benefits, the premiums for the employees' pensions are paid partially by the City and partially by the employee. The retirees that are part of the City's health insurance plan pay the premium that is the full group rate of an active employee. For the property and casualty insurance risk management program, premiums are paid from the user department based on use.

For 2015, there were no significant reductions in insurance coverage from 2014 in either of the health benefit or the property and casualty insurance program.

Health Benefit Program:

The health benefit program is designed to provide for the payment of healthcare costs for employees. The City maintains a self-insurance program for employee group health coverage, which includes an individual excess coverage policy for claims exceeding $100,000 per family, per year in 2015 ($100,000 per family in 2014). Also included in the program is an aggregate excess coverage policy; for 2015, the attachment point for this policy was set at $2,007,236. The aggregate excess coverage attachment point is 125% of the expected claims for the plan year. This amount is calculated by BlueCross BlueShield of Minnesota.

For 2015, the City offered three health plan options with consumer-driven healthcare programs that combined high deductibles with individual Health Plan Accounts (HPA) or Health Savings Accounts (HSA)—employer-held (HPA) or employee-held (HSA) accounts used for healthcare expenses not covered by the underlying plan. Eide Bailly administers the HPA accounts for these programs.

During 2015, net claims were $1,492,344 (total claims of $2,241,589 less specific stop-loss claim reimbursements of $749,245 paid back to the City). Other 2015 costs are listed as follows: administrative costs of $68,515; HPA reimbursements of $7,773; and an increase in incurred but not reported claims (over December 31, 2014) of $172,000, reflecting the depletion of unused funds in employees' HPAs and an increase in overall incurred, but not reported claims. The stop-loss premium was $325,818; premiums are based on the option chosen, the number of covered employees, prior years' costs, and the projected increase in healthcare cost for the coming year. Premiums are budgeted in each fund/department and are, with the exception of premiums paid by employees, reported as department charges or quasi-external interfund transactions, as appropriate.

An estimate of incurred but not reported claims and administration fees and claims reported, but not settled at year-end of $328,000 has been accrued as a liability in the Health Insurance Fund within the Internal Service Fund at December 31, 2015. In addition, a reserved fund balance of $14,000 has been established for future HPA claims. For the past three years, there have been no settlements paid for more than the insurance coverage.

Changes in the health insurance liability for claims and administration fees for the Internal Service Fund during the past two years are as follows:

	2015	2014
Beginning of year liability	$ 176,847	$ 181,414
Current year claims, administration fees, and changes to estimates	2,066,524	1,726,797
Payments for claims and administration fees	(1,902,301)	(1,731,364)
End of year liability and HPA reserves	$ 341,070	$ 176,847

Also, effective January 1, 2003, the police officers and police sergeants left the City-sponsored health plan to enroll in a non-City-sponsored health plan. This group represents approximately 4% of the City's benefits-eligible workforce. Effective January 1, 2010, the police officers' group returned to the City's health plan.

Other Post-Employment Benefits—Pensions:

State law requires that all full-time and certain part-time employees of the City participate in a statewide defined benefit pension plan administered by PERA. PERA administers GERF and PEPFF. As of December 31, 2015, GERF was 78.2% funded and PEPFF was 86.6% funded. As of December 31, 2014, GERF was 78.7% funded and PEPFF was 87.1% funded. (See Note 6.)

Other Post-Employment Benefits—Other Than Pensions:

Plan Description—The City of Winona administers a single-employer defined benefit healthcare plan, as part of the City of Winona Medical Benefit Plan. Retirees have the same choice of healthcare plans that the City provides to their active employees. The City's retiree healthcare plan does not issue a standalone financial report; retiree healthcare financial information is included in the City's overall financial report.

Funding Policy—The City requires the former employee to pay the full group active employee cost of the plan they select. Until 2007, the benefit expired at age 65. In late 2007, the City began allowing retirees to continue their coverage beyond age 65 by continuing to pay the full group active employee cost. At this time, police sergeants have elected not to participate in the City's health plan.

Annual Other Post-employment Benefit (OPEB) Cost—For 2015,the City used the roll-forward from 2014. For 2015, the City's annual OPEB cost (expense) of $283,219 was equal to the Annual Required Contribution (ARC), plus one year's interest on the net OPEB obligation and an adjustment to the ARC to amortize the Contribution Deficiency over 10 years. Thirteen retirees and two dependent spouses are currently covered by the City's plan. They paid $108,992 in premiums at the group rate. (Claims and fees of $73,816 were paid on their behalf.)

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for each of the last five years is as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
December 31, 2015 (1)	$ -	0.0%	2,368,074
December 31, 2014	283,219	88.4%	2,368,074
December 31, 2013	163,552	50.7%	2,335,143
December 31, 2012	158,777	33.6%	2,254,536
December 31, 2011	316,915	6.0%	2,149,113

(1) For 2015, due to the use of the roll-forward from 2014, there was no increase in contributions.

Funded Status and Funding Progress—The liability that has been accrued by the City is the value of the subsidy that retirees receive for their participation in the City's group health plan. Since retirees pay the same rates as active employees, this liability is considered to be an implicit rate subsidy.

Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress for each of the last five years is as follows:

Actuarial Valuation Date	Actuarial Value of Asset (1) (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as of of Covered Payroll [(b-a)/c]
December 31, 2015 [3]	$ -	$ 2,916,886	$ 2,916,886	0%	$ 9,398,698	31.0%
December 31, 2014		2,916,886	2,916,886	0%	9,276,537	31.4%
December 31, 2013 [2]		2,306,550	2,306,550	0%	8,932,312	25.8%
December 31, 2012 [2]		2,179,743	2,179,743	0%	8,950,638	24.4%
December 31, 2011		2,057,813	2,057,813	0%	9,093,756	22.6%

(1) The City has set aside the following amounts for its retiree health care liabilty: $703,088 in both 2009 and 2010, $1,361,176 in 2011 and $100,000 in 2012. These assets ($2,867,352) are held in general assets (not plan assets) and are therefore not used to offset the AAL.

(2) Note that the 2013 and 2012 actuarial valuations are roll-forward estimates based the actuarial valuation as of 12/31/11

(3) Note that the 2015 actuarial valuation is a roll-forward of the actuarial valuation as of 12/31/14

The required schedule of funding progress presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions—Projections of benefits for financial reporting purposes are based on the substantive plan, and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The December 31, 2014 actuarial valuation (rolled forward for December 31, 2015) used the entry age actuarial cost method. Relevant actuarial assumptions included a 4.0% discount rate, an initial medical trend rate of 8.0% to graduate to 5% over 15 years. The RP-2000 Mortality Table (White Collar) with Generational adjustments to future Mortality (setforward 3 years for Male Employees, setback 1 year for Female Employees). There have not been any factors significantly affecting trends. The amortization of unfunded liabilities as a level dollar amount over 10 years was selected by the City to comply with GASB Statement No. 45 requirements. The amortization period used is open.

Property and Casualty Insurance Program:

The City participates in the self-insurance program of the League of Minnesota Cities Insurance Trust (LMCIT) to provide the City's property and casualty coverage. During 2015, costs of premiums associated with the program were $228,112 (2014 premium costs were $275,823). There were no changes in the overall program for 2015 as compared to 2014.

City property is insured on a blanket basis with a limit of $87,246,553 and $86,312,763 for 2015 and 2014, respectively. The City also carried a $50,000 deductible, per occurrence, for property losses for both 2015 and 2014.

The liability policy is on a claims-made basis, and is retroactive to January 1, 1987. The deductibles included within the policy are $50,000 per occurrence and $200,000 annual aggregate. The policy includes a $2,000,000 liability limit per Minnesota Statutes in 2015 and a $1,500,000 liability limit per Minnesota Statutes in 2014. During 2015 and 2014, costs of premiums associated with the municipal liability program were $117,109 and $103,334, respectively.

For 2015, the boiler and equipment policy is covered up to whatever the loss is subject to the statement of values for property limit of $87,246,553 with a $50,000 deductible. (For 2014, the value for the property limit was $86,312,763 with a $50,000 deductible.) The 2015 premium for this option was $6,797, and for 2014 it was $7,078. For 2015 and 2014, the premium for mobile property was $7,758 and $7,999, respectively, which included comprehensive protection for equipment and replacement cost.

The LMCIT provided airport insurance for the City in 2015 and 2014. This policy provided both a $1,000,000 coverage for each occurrence and in aggregate. In this policy, the Airport Hangarkeeper's Liability is unlimited. The 2015 cost was included in the municipal liability policy. This was also true for the 2014 cost.

Premiums are charged to the funds/departments based on a formula of usage and expenditures. For the past three years, there have been no settlements paid more than the insurance coverage. The amounts paid that are less than the deductible are as follows: $71,471 for 2015; $124,554 for 2014; and $120,163 for 2013.

The City participates in the LMCIT for its workers' compensation plan, which is administered by Berkley Administrators. Under the plan, all claims are paid from the insurance trust. The net deposit premium paid by the City in 2015 totaled $379,954 (in 2014, it totaled $331,364). The City's premiums are adjusted in future years based upon the cost of claims with the minimum cost of $95,875 and the maximum cost of $856,026.

Risk Management Fund:

A City Internal Service Fund was established during 1996 to account for receipts of dividends from property/casualty and workers' compensation refunds as revenues. These receipts may be used to finance property losses for items less than any applicable insurance deductible or for specific low-risk items which are uninsured. These receipts may also be applied toward the payment of the annual cost of the property/casualty insurance premium (prior to the distribution of the costs by fund and department), may pay for items which would be considered those to reduce the City's risk, may absorb the annual fluctuation of workers' compensation premiums, and may contribute toward the maximum premium payment for workers' compensation. At December 31, 2015, $476,072 has been restricted within fund balance to pay the 2015 maximum, if needed.

14. CONDUIT DEBT OBLIGATIONS

In prior years, the City has issued certain debt (bonds or notes) bearing its name to lower the cost of borrowing for specific nongovernmental third-parties for which the purpose of the debt is deemed to be in the public interest. These conduit or no-commitment debt obligations are serviceable from payments derived pursuant to a Loan Agreement and from the property which secures payment of the debt. The City is not obligated in any manner for repayment of the bonds or notes; thus, the debt is not reported as a liability in the accompanying financial statements.

The principal amount payable for the bonds and notes could not be determined. The original issue amounts of the conduit debt are listed below (the * denotes the conduit debt for the component unit—the Port Authority):

Company, Series, Project, Issue Date	Maturity	Original Amount
Winona State University Foundation Project—September 1, 2002	September 1, 2027	$ 9,816,000
*Housing Revenue Note, Series 2004, Home and Community Options Project—June 1, 2004	June 1, 2024	920,000
*Housing Revenue Refunding Note, Series 2004, Saint Anne of Winona Project—July 10, 2004	June 10, 2027	6,600,000
Health Care Facilities Revenue Refunding Note, Series 2005 Sauer Memorial Home Project—March 7, 2005 (Refunded Health Care Facilities Revenue Note, Series 1998)	May 14, 2025	1,090,000
*Lease Revenue Bonds, Series 2007A & 2007B, Bluffview Montessori School Project—November 1, 2007 (Refunded the Lease Revenue Bonds, Series 1999A & 1999B, which had been issued for $3,095,000)	December 1, 2037	5,055,000
Housing Revenue Note, Series 2009, Home and Community Options, Inc. Project—August 1, 2009	August 20, 2029	300,000
*Housing Revenue Note, Series 2010, Home and Community Options, Inc. Project—August 23, 2010	August 23, 2025	180,000
*Minnesota Recovery Zone Facility Revenue Bond, Series 2010, Bay State Milling Company Project—August 30, 2010	September 1, 2022	5,200,000
*Housing Facility Revenue Note, Series 2010, Saint Anne of Winona Project—October 18, 2010	October 18, 2035	2,500,000
*Senior Housing Revenue Bonds, Series 2010 The Waters at Winona Project—December 29, 2010	December 1, 2050	10,750,000
Education Facilities Revenue Bond, Series 2011, MN State SE Technical Foundation Project—March 29, 2012 (Refunded Education Facilities Bonds, Series 2005)	March 29, 2032	900,000
Healthcare Facilities Refunding Revenue Bonds, Series 2012, Winona Health Obligated Group—May 1, 2012 (Refunded Health Care Facilities Bonds, Series 2004A)	July 1, 2034	19,895,000

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OTHER SUPPLEMENTARY INFORMATION

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Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Emergency Fund—Established to account for residential rehabilitation projects funded by repayments of previous rental rehabilitation projects.

Athletic Fund—Established pursuant to an agreement which creates a board to control, administer, and care for certain properties within the City.

Senior Advocacy Program Fund—Established to record the receipt of federal revenues used for various support services for senior citizens.

Library Memorials Fund—Established to account for the proceeds of estates donated to the City to be used for the public library.

Downtown—1990 Community Development (C.D.) Loan Fund—Established to account for the repayment of loans from the 1990 Downtown Redevelopment Grant.

Downtown—1994 Community Development (C.D.) Loan Fund—Established to account for the repayment of loans from the 1994 Downtown Redevelopment Grant.

Metro Plains Housing Fund—Established to facilitate the development of rental housing for low- and moderate-income people in the former Winona Middle School building.

West Central Revitalization Fund—Established to account for the rehabilitation of single family properties in the neighborhood surrounding the Habitat Jimmy Carter project.

Center City Rehab Fund—Established to assist in a commercial and housing rehabilitation loan program for the core area of the City.

Debt Service Funds

The Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

1999B G.O. Sales Tax Revenue Bond Fund—Established to account for revenues primarily from Winona sales and use tax and motor vehicle excise tax proceeds to pay for the debt service of the 1999B G.O. Sales Tax Revenue Bond. The proceeds of the bond were used to finance the costs associated with dredging Lake Winona and relocating the dredge material to the Riverbend Industrial Park.

Equipment Certificates of Indebtedness (2015A) Fund—Established to account for property tax proceeds and debt service on the 2011A and the 2015A G.O. Equipment Certificates.

Capital Projects Funds

Capital Projects Funds are used to account for the acquisition, construction, or improvement of major capital facilities or sites other than those financed by proprietary funds and trust funds.

Municipal State Aid Fund—Established to account for both the revenues received for State Aid road construction projects and the expenditures of related State Aid road construction projects.

Dike Construction Fund—Established to account for the revenues and the expenditures related to the City's flood control project (expenditures are mostly for City dike improvements).

Park Site Fund—Established to account for revenues from subdivision development for the purpose of park acquisition and park improvements.

Engineering Department Projects Fund—Established to account for property tax and other revenues to finance Engineering Department capital improvement projects that are not included in an individual fund.

City Building Improvements Fund—Established to account for revenues and expenditures relating to the improvements of City buildings.

Infrastructure Revolving Fund—Established to front capital improvement projects (with reimbursement to be made back to this fund) or finance capital projects (with no reimbursement back to this fund). These are projects that are included in the Capital Improvement Plan (CIP). The project must appear in the CIP for at least two years, and no more than 50% of the project costs would be contributed by this fund.

Street Reconstruction Fund—Established to account for property tax and other revenues to finance the annual street reconstruction project within the City.

High Wagon Bridge Reconstruction Fund—Established to account for revenues and expenditures for the reconstruction of the High Wagon Bridge project.

Aghaghming Park Construction Funds—Established to account for Aghaghming Park projects.

Softball Field Development Fund—Established to account for revenues from softball fees that are to be used for softball field development.

Permanent Funds

Permanent Funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the City's programs.

Bell Art Endowment Fund—Created pursuant to the bequest by Frederick Somers Bell, a $5,000 gift was given to the Winona Public Library. The principal is to be kept intact, and only the interest of the fund may be used for the purchase of books in the general field of art, including architecture, music, and the like.

Laird and Bell Endowment Fund—Established pursuant to the bequests of William H. Laird and Francis Laird Bell, the $10,000 of principal is to be kept intact. The interest may only be used for the maintenance, repair, decoration, and redecoration of the Laird Library building.

C. M. Youman Memorial Fund—Created pursuant to a bequest of $2,000 by C. M. Youman, the principal is to be kept intact. The interest may only be used for general park purposes, which may include acquiring new park ground.

H. C. Garvin Winona Civic Fund—Established pursuant to H. C. Garvin's bequest of $35,000 to the City, the principal is to be kept intact. The interest may only be used for certain areas on Garvin Heights and for the care and maintenance of Windom Square Park.

Dr. C. A. Rohrer Fund—Established pursuant to a $2,000 bequest by Dr. C. A. Rohrer, the principal is to be kept intact. The interest may only be used for the betterment of the Lake Winona gardens and park.

Leonhard Fried Educational Fund—Created pursuant to the bequest made by Leonhard Fried, the Winona National Bank is the trustee of the estate. The net income derived from the trust is to be an annual gift to the Winona Public Library for the purchase of books and other educational materials.

Mielimonka Library Fund—Created pursuant to a $2,000 gift to the Winona Public Library from Dieter and Denise Mielimonka. The principal is kept intact, and only the interest of the fund may be used for the purchase of library materials.

CITY OF WINONA, MINNESOTA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF DECEMBER 31, 2015

ASSETS	Emergency	Athletic	Senior Advocacy Program	Library Memorials
Cash and cash equivalents	$ 48,877	$ 15,217	$ 35,453	$ 187,061
Restricted investments				
Receivables—Net:				
Taxes				
Customers and other			75	
Due from other governmental units				
TOTAL	$ 48,877	$ 15,217	$ 35,528	$ 187,061
LIABILITIES AND FUND BALANCES (DEFICITS)				
LIABILITIES:				
Accounts payable	$ -	$ -	$ 474	$ -
Accrued salaries and compensated absences			57,015	
Unavailable revenue			14,750	
Total liabilities	-	-	72,239	-
FUND BALANCES (DEFICITS):				
Nonspendable				
Restricted				
Committed	48,877	15,217		187,061
Unassigned (deficit)			(36,711)	
Total fund balances (deficits)	48,877	15,217	(36,711)	187,061
TOTAL	$ 48,877	$ 15,217	$ 35,528	$ 187,061

Special Revenue						Debt Service		
Downtown 1990 C.D. Loan	Downtown 1994 C.D. Loan	Metro Plains Housing	West Central Revitalization	Central City Rehab	Special Revenue Total	1999B G.O. Sales Tax Revenue Bond	Equipment Certificates (2011A) (2015A)	Debt Service Total
$ 43,068	$ 102,280	$ 58	$ 47,368	$ 261,247	$ 740,629	$ 180,227	$ 935,732	$ 1,115,959
							9,823	9,823
	263			308	646			
				15,997	15,997		5,064	5,064
$ 43,068	$ 102,543	$ 58	$ 47,368	$ 277,552	$ 757,272	$ 180,227	$ 950,619	$ 1,130,846
$ -	$ -	$ -	$ -	$ 450	$ 924	$ -	$ 640	$ 640
					57,015			
	62			76	14,888		9,823	9,823
-	62	-	-	526	72,827	-	10,463	10,463
						180,227	940,156	1,120,383
43,068	102,481	58	47,368	277,026	721,156			
					(36,711)			
43,068	102,481	58	47,368	277,026	684,445	180,227	940,156	1,120,383
$ 43,068	$ 102,543	$ 58	$ 47,368	$ 277,552	$ 757,272	$ 180,227	$ 950,619	$ 1,130,846

CITY OF WINONA, MINNESOTA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF DECEMBER 31, 2015

					Capital Projects
ASSETS	**Municipal State Aid**	**Dike Construction**	**Park Site**	**Engineering Department Projects**	**City Building Improve-ments**
Cash and cash equivalents	$ 270,954	$ 196,620	$ 104,785	$ 413,612	$ 2,529
Restricted investments					
Receivables—Net:					
Taxes					
Customers and other					
Due from other governmental units				143	
TOTAL	$ 270,954	$ 196,620	$ 104,785	$ 413,755	$ 2,529
LIABILITIES AND FUND BALANCES (DEFICITS)					
LIABILITIES:					
Accounts payable	$ -	$ -	$ -	$ -	$ -
Accrued salaries and compensated absences					
Unavailable revenue					
Total liabilities	-	-	-	-	-
FUND BALANCES (DEFICITS):					
Nonspendable					
Restricted	270,954	196,620	104,785	413,755	2,529
Committed					
Unassigned (deficit)					
Total fund balances (deficits)	270,954	196,620	104,785	413,755	2,529
TOTAL	$ 270,954	$ 196,620	$ 104,785	$ 413,755	$ 2,529

Infra-structure Revolving	Street Recon-struction	High Wagon Bridge Recon-struction	Aghaghming Park Construction	Softball Field Development	Capital Projects Total
$ 1,612,544	$ 974,408	$ 168,618	$ 1,836	$ 140,472	$ 3,886,378
	865				1,008
$ 1,612,544	$ 975,273	$ 168,618	$ 1,836	$ 140,472	$ 3,887,386
$ -	$ -	$ -	$ -	$ -	$ -
		4,210			4,210
-	-	4,210	-	-	4,210
1,612,544	975,273	164,408	1,836	140,472	3,883,176
1,612,544	975,273	164,408	1,836	140,472	3,883,176
$ 1,612,544	$ 975,273	$ 168,618	$ 1,836	$ 140,472	$ 3,887,386

CITY OF WINONA, MINNESOTA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF DECEMBER 31, 2015

ASSETS	Bell Art Endow-ment	Laird and Bell Endowment	C.M. Youman Memorial	H.C. Garvin Winona Civic
Cash and cash equivalents	$ -	$ -	$ -	$ -
Restricted investments	5,515	10,829	11,608	230,804
Receivables—Net:				
Taxes				
Customers and other				
Due from other governmental units				
TOTAL	$ 5,515	$ 10,829	$ 11,608	$ 230,804
LIABILITIES AND FUND BALANCES (DEFICITS)				
LIABILITIES:				
Accounts payable	$ -	$ -	$ -	$ -
Accrued salaries and compensated absences				
Unavailable revenue				
Total liabilities	-	-	-	-
FUND BALANCES (DEFICITS):				
Nonspendable	5,000	10,000	2,000	35,000
Restricted	515	829	9,608	195,804
Committed				
Unassigned (deficit)				
Total fund balances (deficits)	5,515	10,829	11,608	230,804
TOTAL	$ 5,515	$ 10,829	$ 11,608	$ 230,804

Permanent Funds				Total Nonmajor Governmental Funds
Dr. C. A. Rohrer	Leonhard Fried Educational	Mielimonka Library	Permanent Funds Total	
$ -	$ -	$ -	$ -	$ 5,742,966
17,482	38,267	2,181	316,686	316,686
				9,823
	681		681	1,327
				22,069
$ 17,482	$ 38,948	$ 2,181	$ 317,367	$ 6,092,871
$ -	$ -	$ -	$ -	$ 1,564
				57,015
				28,921
-	-	-	-	87,500
2,000		2,000	56,000	56,000
15,482	38,948	181	261,367	5,264,926
				721,156
				(36,711)
17,482	38,948	2,181	317,367	6,005,371
$ 17,482	$ 38,948	$ 2,181	$ 317,367	$ 6,092,871

CITY OF WINONA, MINNESOTA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

						Special Revenue
	Emergency	Athletic	Senior Advocacy Program	Library Memorials	Downtown 1990 C.D. Loan	Downtown 1994 C.D. Loan
REVENUES:						
General property taxes	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental revenues			22,288			
Investment earnings		19	44	325		
Net increase (decrease) in fair value of investments						
Refunds and reimbursements						
Contributions						
Charges for services	10,437	1,000	30,137			8,241
Total revenues	10,437	1,019	52,469	325	-	8,241
EXPENDITURES:						
General government			118,126			
Public safety						
Economic development	7,265					40,000
Park maintenance						
Capital outlay						
Debt service:						
Bond principal						
Interest and other expenditures						
Total expenditures	7,265	-	118,126	-	-	40,000
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	3,172	1,019	(65,657)	325		(31,759)
OTHER FINANCING SOURCES (USES):						
G.O. Equipment Certificates Issued						
Transfers to other funds				(78,935)		
Transfers from other funds			65,509			
Total other financing sources (uses)	-	-	65,509	(78,935)	-	-
NET CHANGE IN FUND BALANCES	3,172	1,019	(148)	(78,610)		(31,759)
FUND BALANCES (DEFICITS)— January 1, 2015	45,705	14,198	(36,563)	265,671	43,068	134,240
FUND BALANCES (DEFICITS)— December 31, 2015	$ 48,877	$ 15,217	$ (36,711)	$ 187,061	$ 43,068	$ 102,481

Metro Plains Housing	West Central Revitalization	Central City Rehab	Special Revenue Total	Debt Service: 1999B G.O. Sales Tax Revenue Bond	Debt Service: Equipment Certificates (2011A and 2015A)	Debt Service: Debt Service Total
$ 12,147	$ -	$ -	$ 12,147	$ -	$ 850,497	$ 850,497
		231,363	253,651			
			388	266	661	927
		85,111	85,111			
		48,903	98,718			
12,147	-	365,377	450,015	266	851,158	851,424
			118,126			
12,147		207,855	267,267			
					290,000	290,000
					13,463	13,463
12,147	-	207,855	385,393	-	303,463	303,463
		157,522	64,622	266	547,695	547,961
			(78,935)			
			65,509		3,886	3,886
-	-	-	(13,426)	-	3,886	3,886
		157,522	51,196	266	551,581	551,847
58	47,368	119,504	633,249	179,961	388,575	568,536
$ 58	$ 47,368	$ 277,026	$ 684,445	$ 180,227	$ 940,156	$ 1,120,383

CITY OF WINONA, MINNESOTA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Municipal State Aid	Dike Construction	Park Site	Engineering Department Projects
REVENUES:				
General property taxes	$ -	$ -	$ -	$ 23,780
Intergovernmental revenues	745,365			36,000
Investment earnings	1,001	290	156	211
Net increase (decrease) in fair value of investments				
Refunds and reimbursements				
Contributions				120
Charges for services				
Total revenues	746,366	290	156	60,111
EXPENDITURES:				
General government				
Public safety				
Economic development				
Park maintenance				
Capital outlay				298,057
Debt service:				
Bond principal				
Interest and other expenditures				
Total expenditures	-	-	-	298,057
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	746,366	290	156	(237,946)
OTHER FINANCING SOURCES (USES):				
G.O. Equipment Certificates Issued				
Transfers to other funds	(1,467,763)			
Transfers from other funds				275,168
Total other financing sources (uses)	(1,467,763)	-	-	275,168
NET CHANGE IN FUND BALANCES	(721,397)	290	156	37,222
FUND BALANCES (DEFICITS)— January 1, 2015	992,351	196,330	104,629	376,533
FUND BALANCES (DEFICITS)— December 31, 2015	$ 270,954	$ 196,620	$ 104,785	$ 413,755

Capital Projects						
City Building Improve-ments	Infra-structure Revolving	Street Recon-struction	High Wagon Bridge Recon-struction	Aghaghming Park Construction	Softball Field Development	Capital Projects Total
$ -	$ -	$ 143,674	$ -	$ -	$ -	$ 167,454
		694,702				1,476,067
1	2,388	780	246	1	198	5,272
						120
	1,433		4,210		8,025	13,668
1	3,821	839,156	4,456	1	8,223	1,662,581
		1,609,268				1,907,325
-	-	1,609,268	-	-	-	1,907,325
1	3,821	(770,112)	4,456	1	8,223	(244,744)
						(1,467,763)
		1,342,595				1,617,763
-	-	1,342,595	-	-	-	150,000
1	3,821	572,483	4,456	1	8,223	(94,744)
2,528	1,608,723	402,790	159,952	1,835	132,249	3,977,920
$ 2,529	$ 1,612,544	$ 975,273	$ 164,408	$ 1,836	$ 140,472	$ 3,883,176

CITY OF WINONA, MINNESOTA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Permanent Funds			
	Bell Art Endow-ment	Laird and Bell Endowment	C.M. Youman Memorial	H.C. Garvin Winona Civic
REVENUES:				
General property taxes	$ -	$ -	$ -	$ -
Intergovernmental revenues				
Investment earnings	9	16	17	342
Net increase (decrease) in fair value of investments				
Refunds and reimbursements				
Contributions				
Charges for services				
Total revenues	9	16	17	342
EXPENDITURES:				
General government				
Public safety				
Economic development				
Park maintenance				
Capital outlay				
Debt service:				
Bond principal				
Interest and other expenditures				
Total expenditures	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	9	16	17	342
OTHER FINANCING SOURCES (USES):				
G.O. Equipment Certificates Issued				
Transfers to other funds				
Transfers from other funds				
Total other financing sources (uses)	-	-	-	-
NET CHANGE IN FUND BALANCES	9	16	17	342
FUND BALANCES (DEFICITS)— January 1, 2015	5,506	10,813	11,591	230,462
FUND BALANCES (DEFICITS)— December 31, 2015	$ 5,515	$ 10,829	$ 11,608	$ 230,804

Dr. C. A. Rohrer	Leonhard Fried Educational	Mielimonka Library	Permanent Funds Total	Total Nonmajor Governmental Funds
$ -	$ -	$ -	$ -	$ 1,030,098
				1,729,718
25	1,241	1	1,651	8,238
	(3,567)		(3,567)	(3,567)
				85,231
				112,386
25	(2,326)	1	(1,916)	2,962,104
				118,126
				267,267
				1,907,325
				290,000
				13,463
-	-	-	-	2,596,181
25	(2,326)	1	(1,916)	365,923
				(1,546,698)
				1,687,158
-	-	-	-	140,460
25	(2,326)	1	(1,916)	506,383
17,457	41,274	2,180	319,283	5,498,988
$ 17,482	$ 38,948	$ 2,181	$ 317,367	$ 6,005,371

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INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one city department to other city departments on a cost-reimbursement basis.

Health Insurance Fund—Established to account for the City's health self-insurance activities.

Law Enforcement Labor Services (LELS) Fund—Established to account for the police officers' and the police sergeants' health insurance activities. Also includes the prepaid amounts for health insurance for specific retirees.

Employee Benefit Fund—Established to accrue all unused employee vacation, sick leave, and compensation time for the governmental funds of the City. The Employee Benefit Fund's revenues are derived from direct charges to the City's governmental funds.

Risk Management Fund—Established to account for the revenues from dividends of property/casualty and workers' compensation insurance programs. For the property program, it may finance the uninsured items and pay out the annual premium cost prior to department distribution. For the workers' compensation program, it may absorb the annual fluctuations in this cost.

Equipment Replacement Fund—Established to begin an Equipment Revolving Schedule. In the future, this fund is to account for the acquisition of machinery and equipment, and user charges will be billed to various City departments.

Facilities Fund—Established to begin a Facilities Schedule that will account for the replacement, development, and large-type maintenance of the City's buildings and structures.

Infrastructure Replacement Fund—Established to begin a schedule to replace the City's infrastructure.

Pension-Coordinated Fund—Due to the adoption of GASB Statement 68, this fund was established to account for the governmental funds net pension liability and related expense related to the PERA Coordinated (GERF) plan.

Pension-Police and Fire Fund— Due to the adoption of GASB Statement 68, this fund was established to account for the governmental funds net pension liability and related expense related to the PERA Police and Fire plan.

CITY OF WINONA, MINNESOTA

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2015

	Health Insurance	LELS Health	Employee Benefit	Risk Manage-ment
ASSETS				
Cash and cash equivalents	$ 1,089,812	$ 407,662	$ 5,120,991	$ 1,525,128
Receivables—Net—				
Customers and other				
Due from other funds				
Prepaid items	653			
Total assets	1,090,465	407,662	5,120,991	1,525,128
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflow - pension				
LIABILITIES AND NET POSITION				
LIABILITIES:				
Accounts payable	233	407,400		910
Accrued salaries and compensation			2,253,639	
Net pension liability				
Unavailable revenue	2,438			
Outstanding and incurred, but not reported claims	328,000			
Total liabilities	330,671	407,400	2,253,639	910
DEFERRED INFLOWS OF RESOURCES				
Deferred inflow - pension				
NET POSITION				
Restricted	759,794	262	2,867,352	912,801
Unrestricted—Internal Service Fund				611,417
Total net position	$ 759,794	$ 262	$ 2,867,352	$ 1,524,218

Equipment Replace-ment	Facilities	Infrastructure Replace-ment	Pension-Coordinated	Pension-Police & Fire	Total
$ 1,281,894	$ 905,443	$ 2,686,210	$ -	$ -	$ 13,017,140
					-
1,047,000	1,383,000				2,430,000
					653
2,328,894	2,288,443	2,686,210	-	-	15,447,793
			374,173	1,203,424	1,577,597
					408,543
					2,253,639
			3,368,983	4,953,980	8,322,963
					2,438
					328,000
-	-	-	3,368,983	4,953,980	11,315,583
			395,600	848,376	1,243,976
2,328,894	2,288,443	2,686,210			11,843,756
			(3,390,410)	(4,598,932)	(7,377,925)
$ 2,328,894	$ 2,288,443	$ 2,686,210	$ (3,390,410)	$ (4,598,932)	$ 4,465,831

CITY OF WINONA, MINNESOTA

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2015

	Health Insurance	LELS Health	Employee Benefit	Risk Manage-ment
OPERATING REVENUES:				
Charges to city departments	$ 1,464,737	$ -	$ -	$ -
Other charges and services	523,958		(154,926)	
Refunds and reimbursements	45,174			135,116
Total operating revenues	2,033,869	-	(154,926)	135,116
OPERATING EXPENSES:				
Salaries and employee benefits			(154,926)	
Health insurance claims and fees	1,577,228			
Health insurance stop-loss premium	325,818			
Pension expense				
Contractual services	649,428			71,471
Total operating expenses	2,552,474	-	(154,926)	71,471
OPERATING INCOME (LOSS)	(518,605)	-	-	63,645
NONOPERATING REVENUES—				
Investment earnings	1,339			2,111
Total nonoperating revenues	1,339	-	-	2,111
INCOME (LOSS) BEFORE TRANSFERS	(517,266)	-	-	65,756
TRANSFERS IN	300,000			60,300
TRANSFERS OUT				
CHANGE IN NET POSITION	(217,266)	-	-	126,056
NET POSITION—Beginning of year	977,060	262	2,867,352	1,398,162
Prior period adjustment - pension	-	-	-	-
NET POSITION—Beginning of year, Restated	977,060	262	2,867,352	1,398,162
NET POSITION—End of year	$ 759,794	$ 262	$ 2,867,352	$ 1,524,218

Equipment Replace-ment	Facilities	Infrastructure Replace-ment	Pension-Coordinated	Pension-Police & Fire	Total
$ -	$ -	$ -	$ 253,439	$ 666,246	$2,384,422
				39,240	408,272
35,421					215,711
35,421	-	-	253,439	705,486	3,008,405
					(154,926)
					1,577,228
					325,818
			323,881	849,431	1,173,312
					720,899
-	-	-	323,881	849,431	3,642,331
35,421	-	-	(70,442)	(143,945)	(633,926)
3,135	2,836	3,537			12,958
3,135	2,836	3,537	-	-	12,958
38,556	2,836	3,537	(70,442)	(143,945)	(620,968)
300,000	300,000	300,000			1,260,300
(331,845)	(334,879)				(666,724)
6,711	(32,043)	303,537	(70,442)	(143,945)	(27,392)
2,322,183	2,320,486	2,382,673	-	-	12,268,178
-	-	-	(3,319,968)	(4,454,987)	(7,774,955)
2,322,183	2,320,486	2,382,673	(3,319,968)	(4,454,987)	4,493,223
$2,328,894	$2,288,443	$2,686,210	$ (3,390,410)	$ (4,598,932)	$4,465,831

CITY OF WINONA, MINNESOTA

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Health Insurance	LELS Health	Employee Benefit	Risk Manage-ment
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers	$ 2,033,216	$ -	$ (154,926)	$ 135,116
Service charges			(154,926)	
Payments to suppliers	(2,380,708)		154,926	(84,093)
Net cash (used in) provided by operating activities	(347,492)	-	(154,926)	51,023
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Unavailable revenue—decrease	802	148,961		
Due to other funds				
Due from other funds				
Transfers to other funds	300,000			60,300
Transfers from other funds				
Net cash provided by (used in) noncapital financing activities	300,802	148,961		60,300
CASH FLOWS FROM INVESTING ACTIVITIES—				
Interest received	1,339			2,111
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(45,351)	148,961	(154,926)	113,434
CASH AND CASH EQUIVALENTS—Beginning of year	1,135,163	258,701	5,275,917	1,411,694
CASH AND CASH EQUIVALENTS—End of year	$ 1,089,812	$ 407,662	$ 5,120,991	$ 1,525,128
RECONCILIATION OF OPERATING (LOSS) INCOME TO NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES:				
Operating income (loss)	$ (518,605)	$ -	$ -	$ 63,645
Adjustments to reconcile operating income (loss) to net cash (used in) provided by operating activities —				
Changes in assets and liabilities:				
Customer receivables	(653)			
Deferred outflow - pension				
Accounts payable	171,766			(12,622)
Net pension liability				
Deferred inflow - pension				
Other accrued liabilities			(154,926)	
Net cash (used in) provided by operating activities	$ (347,492)	$ -	$ (154,926)	$ 51,023

Equipment Replace-ment	Facilities	Infrastructure Replace-ment	Pension-GERF	Pension-PEPFF	Total
$ 35,421	$ -	$ -	$ -	$ -	$ 2,048,827
			253,439	666,246	764,759
			(253,439)	(666,246)	(3,229,560)
35,421	-	-	-	-	(415,974)
					149,763
(817,000)	(1,083,000)				(1,900,000)
300,000	300,000	300,000			1,260,300
(331,845)	(334,879)				(666,724)
(848,845)	(1,117,879)	300,000	-	-	(1,156,661)
3,135	2,836	3,537			12,958
(810,289)	(1,115,043)	303,537			(1,559,677)
2,092,183	2,020,486	2,382,673			14,576,817
$ 1,281,894	$ 905,443	$ 2,686,210	$ -	$ -	$ 13,017,140
$ 35,421	$ -	$ -	$ (70,442)	$ (143,945)	$ (633,926)
					(653)
			(374,173)	(1,203,424)	(1,577,597)
					159,144
			49,015	498,993	548,008
			395,600	848,376	1,243,976
					(154,926)
$ 35,421	$ -	$ -	$ -	$ -	$ (415,974)

CITY OF WINONA, MINNESOTA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES—TOURISM PROMOTION AGENCY FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	Beginning Balance	Increases	Decreases	Ending Balance
ASSETS:				
Cash and cash equivalents	$ -	$ 379,504	$ 379,504	$ -
Accounts receivable	20,033	17,356	20,033	17,356
Total assets	$ 20,033	$ 396,860	$ 399,537	$ 17,356
LIABILITIES—				
Accounts payable—total liabilities	$ 20,033	$ 376,827	$ 379,504	$ 17,356

CITY OF WINONA, MINNESOTA

GENERAL FUND
SCHEDULE OF REVENUES—BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2015

	Final Budget	Actual	Variance
GENERAL PROPERTY TAX:			
Ad valorem	$ 4,346,480	$ 4,306,718	$ (39,762)
Delinquent ad valorem taxes		43,795	43,795
Penalties and interest		8,592	8,592
Total general property taxes	4,346,480	4,359,105	12,625
FRANCHISE FEES:			
Cable TV	330,000	327,577	(2,423)
Electric	950,000	1,037,838	87,838
Total franchise fees	1,280,000	1,365,415	85,415
LICENSES AND PERMITS:			
Business	134,900	135,519	619
Nonbusiness	24,350	36,635	12,285
Total licenses and permits	159,250	172,154	12,904
FINES AND FORFEITS—Other fines and forfeits	185,000	162,745	(22,255)
INTERGOVERNMENTAL REVENUES:			
Shared taxes:			
State aid maintenance	247,172	277,267	30,095
Payment in lieu of tax	17,000	11,556	(5,444)
State grants:			
Local government aid	7,867,204	7,867,204	
Police training	12,400	11,328	(1,072)
Fire/police aid			
Insurance aid	250,000	391,691	141,691
Market value credits		2,018	2,018
State grants restricted to programs	3,200	131,126	127,926
State grants not restricted to programs	27,304	27,304	
Local—County road and bridge maintenance	17,000	22,002	5,002
Local—Other county grants		250	250
Federal grants	2,500	4,500	2,000
Total intergovernmental revenues	8,443,780	8,746,246	302,466
INVESTMENT EARNINGS	1,000	22,294	21,294
NET INCREASE (DECREASE) IN FAIR VALUE OF INVESTMENTS		(20,944)	(20,944)

CITY OF WINONA, MINNESOTA

GENERAL FUND
SCHEDULE OF REVENUES—BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2015

	Final Budget	Actual	Variance
CHARGES FOR SERVICES:			
General government	$ 3,631	$ 8,203	$ 4,572
Public safety	67,281	65,548	(1,733)
Public works	500	1,080	580
Inspections	60,000	60,000	
Investment fee	2,000		(2,000)
Admininistrative fee—Lodging tax	15,000	19,880	4,880
Recreation	130,000	171,527	41,527
Water and sewer	187,180	187,180	
Port Authority	234,041	223,821	(10,220)
Rents	44,900	52,869	7,969
Commissions on sales	3,000	7,392	4,392
Refunds and reimbursements	10,525	17,698	7,173
Other	100,000	45,375	(54,625)
Total charges for services	858,058	860,573	2,515
CONTRIBUTIONS—Contributions	30,646	31,721	1,075
Total revenues	$ 15,304,214	$ 15,699,309	$ 395,095

CITY OF WINONA, MINNESOTA

GENERAL FUND
SCHEDULE OF EXPENDITURES—BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2015

	Final Budget	Actual	Variance
GENERAL GOVERNMENT:			
Mayor—council:			
Salaries and employee benefits	$ 102,189	$ 100,470	$ 1,719
Supplies	4,200	3,960	240
Other services and charges	171,572	163,427	8,145
Total mayor—council	277,961	267,857	10,104
City clerk:			
Salaries and employee benefits	118,043	112,204	5,839
Supplies	1,250	1,585	(335)
Other services and charges	8,366	8,219	147
Total city clerk	127,659	122,008	5,651
City manager:			
Salaries and employee benefits	238,848	248,400	(9,552)
Supplies	1,800	1,637	163
Other services and charges	8,910	9,657	(747)
Total city manager	249,558	259,694	(10,136)
Elections and voter registration:			
Salaries and employee benefits			
Supplies			
Other services and charges	6,000	5,483	517
Total elections and voter registration	6,000	5,483	517
Finance:			
Salaries and employee benefits	621,256	486,696	134,560
Supplies	55,395	74,071	(18,676)
Other services and charges	461,361	352,174	109,187
Capital outlay	153,458	42,430	111,028
Total finance	1,291,470	955,371	336,099
Independent audit—			
Other services and charges	101,000	97,200	3,800
Assessing—			
Other services and charges	103,000	103,000	
Legal:			
Supplies			
Other services and charges	328,415	301,047	27,368
Total legal	328,415	301,047	27,368

(Continued)

CITY OF WINONA, MINNESOTA

GENERAL FUND
SCHEDULE OF EXPENDITURES—BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2015

	Final Budget	Actual	Variance
GENERAL GOVERNMENT (continued):			
Merit board—			
Other services and charges	$ 2,200	$ 679	$ 1,521
Human rights commission—			
Other services and charges	850	724	126
Cable television commission—			
Other services and charges	22,000	25,500	(3,500)
Fine arts commission:			
Supplies	900	620	280
Other services and charges	1,023	1,219	(196)
Total fine arts commission	1,923	1,839	84
Human resources:			
Salaries and employee benefits	100,458	84,108	16,350
Supplies	300	689	(389)
Other services and charges	2,885	14,116	(11,231)
Total human resources	103,643	98,913	4,730
Planning:			
Salaries and employee benefits	164,711	166,674	(1,963)
Supplies	2,800	592	2,208
Other services and charges	66,852	38,934	27,918
Total planning	234,363	206,200	28,163
Building maintenance:			
Salaries and employee benefits	142,458	97,680	44,778
Supplies	54,150	43,775	10,375
Other services and charges	44,724	51,140	
Capital outlay	21,415	21,865	(450)
Total building maintenance	262,747	214,460	54,703
Central communications:			
Supplies	4,900	3,604	1,296
Other services and charges	33,480	25,771	7,709
Total central communications	38,380	29,375	9,005
Contingency—			
Other services and charges	316,539		316,539
Total general government	3,467,708	2,689,350	784,774

(continued)

CITY OF WINONA, MINNESOTA

GENERAL FUND
SCHEDULE OF EXPENDITURES—BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2015

	Final Budget	Actual	Variance
PUBLIC SAFETY (continued):			
Police:			
Salaries and employee benefits	$ 3,908,809	$ 3,812,746	$ 96,063
Supplies	258,525	157,088	101,437
Other services and charges	397,925	353,673	44,252
Capital outlay	92,500	88,375	4,125
Total police	4,657,759	4,411,882	245,877
Fire:			
Salaries and employee benefits	2,212,340	2,216,836	(4,496)
Supplies	198,886	166,955	31,931
Other services and charges	164,618	154,747	9,871
Capital outlay	278,500	275,758	2,742
Total fire	2,854,344	2,814,296	40,048
Emergency management:			
Other services and charges	33,780	32,320	1,460
Total emergency management	33,780	32,320	1,460
Safety and health coordinator:			
Salaries and employee benefits	40,464	41,212	(748)
Supplies	3,445	2,823	622
Other services and charges	13,001	14,866	(1,865)
Total safety and health coordinator	56,910	58,901	(1,991)
Flood control:			
Supplies	44,850	20,395	24,455
Other services and charges	29,399	43,164	(13,765)
Capital outlay	75,000		75,000
Total flood control	149,249	63,559	85,690
Total public safety	7,752,042	7,380,958	371,084
HIGHWAYS AND STREETS:			
Engineering:			
Salaries and employee benefits	312,535	320,074	(7,539)
Supplies	18,350	10,377	7,973
Other services and charges	317,964	41,971	275,993
Capital outlay	16,500	15,846	654
Total engineering	665,349	388,268	277,081

(continued)

CITY OF WINONA, MINNESOTA

GENERAL FUND
SCHEDULE OF EXPENDITURES—BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2015

	Final Budget	Actual	Variance
HIGHWAYS AND STREETS (continued):			
Streets and alleys:			
Salaries and employee benefits	$ 929,460	$ 889,730	$ 39,730
Supplies	478,300	287,938	190,362
Other services and charges	455,627	397,849	57,778
Capital outlay	106,500	42,687	63,813
Total streets and alleys	1,969,887	1,618,204	351,683
Highways and street lighting:			
Supplies	251,500	204,680	46,820
Other services and charges	20,000	13,330	6,670
Total highways and street lighting	271,500	218,010	53,490
Central garage:			
Salaries and employee benefits	299,636	301,982	(2,346)
Supplies	97,600	36,680	60,920
Other services and charges	80,523	34,461	46,062
Capital outlay			
Total central garage	477,759	373,123	104,636
Public works:			
Salaries and employee benefits	49,302	49,579	(277)
Supplies	600	201	399
Other services and charges	1,400	999	401
Total public works	51,302	50,779	523
Total highways and streets	3,435,797	2,648,384	787,413
SANITATION AND WASTE REMOVAL—			
Compost site:			
Supplies	150	233	(83)
Other services and charges	53,000	50,742	2,258
Total compost site	53,150	50,975	2,175
ECONOMIC DEVELOPMENT:			
Community development:			
Salaries and employee benefits	216,613	220,970	(4,357)
Supplies	7,200	4,448	2,752
Other services and charges	18,628	8,537	10,091
Total community development	242,441	233,955	8,486

(Continued)

CITY OF WINONA, MINNESOTA

GENERAL FUND
SCHEDULE OF EXPENDITURES—BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2015

	Final Budget	Actual	Variance
ECONOMIC DEVELOPMENT (continued):			
Community Development Matching:			
Salaries and employee benefits	$ 58,941	$ 61,972	$ (3,031)
Supplies	250	34	216
Other services and charges	3,300	3,610	(310)
Total community development matching	62,491	65,616	(3,125)
Total economic development	304,932	299,571	5,361
PARK MAINTENANCE—			
Park maintenance:			
Salaries and employee benefits	1,058,797	1,026,181	32,616
Supplies	261,717	173,753	87,964
Other services and charges	345,347	408,746	(63,399)
Capital outlay	435,964	148,227	287,737
Total park maintenance	2,101,825	1,756,907	344,918
Total expenditures	$ 17,115,454	$ 14,826,145	$ 2,295,725

Concluded

CITY OF WINONA, MINNESOTA

SENIOR ADVOCACY PROGRAM
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE—BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2015

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	
REVENUES:				
Intergovernmental—Federal	$ 22,288	$ 22,288	$ 22,288	$ -
Investment earnings			44	44
Charges for services	30,650	30,650	30,137	(513)
Total revenues	52,938	52,938	52,469	(469)
EXPENDITURES—				
Current:				
Salaries and employee benefits	112,509	115,567	115,811	(244)
Contractual services	2,530	2,530	1,975	555
Supplies	350	350	340	10
Total expenditures	115,389	118,447	118,126	321
DEFICIENCY OF REVENUES OVER EXPENDITURES	(62,451)	(65,509)	(65,657)	(148)
OTHER FINANCING SOURCES—				
Operating transfers in	62,451	65,509	65,509	-
DEFICIENCY OF REVENUES AND OTHER FINANCING SOURCES UNDER EXPENDITURES	-	-	(148)	(148)
FUND DEFICIT—Beginning of year	(36,563)	(36,563)	(36,563)	-
FUND DEFICIT—End of year	$(36,563)	$(36,563)	$ (36,711)	$ (148)

CITY OF WINONA, MINNESOTA

MUNICIPAL STATE AID FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE—BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2015

	Original and Final Budget	Actual	Variance With Final Budget
REVENUES:			
Intergovernmental—			
State of Minnesota grant	$ 741,516	$ 745,365	$ 3,849
Investment earnings		1,001	1,001
Total revenues	741,516	746,366	4,850
EXPENDITURES—			
Capital outlay	141,516		141,516
EXCESS OF REVENUES OVER EXPENDITURES	600,000	746,366	146,366
OTHER FINANCING USES—			
Transfers to other funds	(600,000)	(1,467,763)	(867,763)
DEFICIENCY OF REVENUES AND OTHER FINANCING USES UNDER EXPENDITURES		(721,397)	(721,397)
FUND BALANCE—Beginning of year	992,351	992,351	-
FUND BALANCE—End of year	$ 992,351	$ 270,954	$ (721,397)

CITY OF WINONA, MINNESOTA

DIKE CONSTRUCTION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE—BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2015

	Original and Final Budget	Actual	Variance With Final Budget
REVENUES—			
Investment earnings	$ 10	$ 290	$ 280
Total revenues	10	290	280
EXPENDITURES—			
Capital outlay	5,000		5,000
(DEFICIENCY) EXCESS OF REVENUES (UNDER) OVER EXPENDITURES	(4,990)	290	5,280
FUND BALANCE—Beginning of year	196,330	196,330	
FUND BALANCE—End of year	$ 191,340	$ 196,620	$ 5,280

CITY OF WINONA, MINNESOTA

PERMANENT IMPROVEMENT REVOLVING CONSTRUCTION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE—BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2015

	Original and Final Budget	Actual	Variance With Final Budget
REVENUES:			
Special assessments	$ -	$ -	$ -
Investment earnings	50	941	891
Total revenues	50	941	891
EXPENDITURES—Capital outlay	130,000	61,635	68,365
(DEFICIENCY) EXCESS OF REVENUES (UNDER) OVER EXPENDITURES	(129,950)	(60,694)	69,256
OTHER FINANCING USES— Transfers to other funds	(60,000)	-	60,000
(DEFICIENCY) EXCESS OF REVENUES (UNDER) OVER EXPENDITURES AND OTHER FINANCING SOURCES	(189,950)	(60,694)	129,256
FUND BALANCE—Beginning of year	666,120	666,120	-
FUND BALANCE—End of year	$ 476,170	$ 605,426	$ 129,256

CITY OF WINONA, MINNESOTA

SCHEDULE OF CONTRIBUTIONS
PUBLIC EMPLOYEES GENERAL EMPLOYEES RETIREMENT FUND
REQUIRED SUPPLEMENTARY INFORMATION (LAST TEN YEARS) (1)

Year	Statutorily Required Contributions (a)	Contributions in Relation to the Statutorily Required Contributions (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (d) (2)	Contributions as a Percentage of Covered Payroll (b/d)
2015	$ 428,821	$ 428,821	$ -	$ 5,717,617	7.50%

(1) This schedule is presented prospectively beginning with the fiscal year ended December 31, 2015.
(2) For purposes of this schedule, cover payroll is defined as "pensionable wages".

CITY OF WINONA, MINNESOTA

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
PUBLIC EMPLOYEES GENERAL EMPLOYEES RETIREMENT FUND
REQUIRED SUPPLEMENTARY INFORMATION (LAST TEN YEARS) (1)

Year	Employer's Proportion (Percentage) of the Net Pension Liability	Employer's Proportionate Share (Amount) of the Net Pension Liability (a)	Employer's Covered Payroll (b) (2)	Employers Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.0979%	$ 5,073,686	$ 5,755,988	88.15%	78.20%

(1) This schedule is presented prospectively beginning with the fiscal year ended December 31, 2015.
(2) For purposes of this schedule, cover payroll is defined as "pensionable wages".

CITY OF WINONA, MINNESOTA

SCHEDULE OF CONTRIBUTIONS
PUBLIC EMPLOYEES POLICE AND FIRE FUND
REQUIRED SUPPLEMENTARY INFORMATION (LAST TEN YEARS) (1)

Year	Statutorily Required Contributions (a)	Contributions in Relation to the Statutorily Required Contributions (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (d) (2)	Contributions as a Percentage of Covered Payroll (b/d)
2015	$ 661,846	$ 661,846	$ -	$ 4,085,468	16.20%

(1) This schedule is presented prospectively beginning with the fiscal year ended December 31, 2015.
(2) For purposes of this schedule, cover payroll is defined as "pensionable wages".

CITY OF WINONA, MINNESOTA

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
PUBLIC EMPLOYEES POLICE AND FIRE FUND
REQUIRED SUPPLEMENTARY INFORMATION (LAST TEN YEARS) (1)

Year	Employer's Proportion (Percentage) of the Net Pension Liability	Employer's Proportionate Share (Amount) of the Net Pension Liability (a)	Employer's Covered Payroll (b) (2)	Employers Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.436%	$ 4,953,980	$ 3,998,041	123.910%	86.600%

(1) This schedule is presented prospectively beginning with the fiscal year ended December 31, 2015.
(2) For purposes of this schedule, cover payroll is defined as "pensionable wages".

CITY OF WINONA, MINNESOTA

SCHEDULE OF LONG-TERM OBLIGATIONS—PRIMARY GOVERNMENT
AS OF DECEMBER 31, 2015

	True Interest Rate	Authorized	Outstanding
BONDED INDEBTEDNESS:			
City—G.O. Bonds supported by taxes:			
G.O. Permanent Improvement Revolving Bonds of 2004A (G.O. Portion)	2.86 %	$ 2,091,600	$ -
Total G.O. Bonds supported by taxes		2,091,600	-
G.O. Special Assessment Bonds:			
G.O. Permanent Improvement Revolving Bonds of 2004A (Special Assessment Portion)	2.86	2,888,400	-
Total G.O. Special Assessment Bonds		2,888,400	-
G.O. Enterprise Fund Bonds:			
G.O. Water Revenue Refunding Bonds of 2006B	3.63	2,295,000	-
G.O. Water Revenue Refunding Bonds of 2013A	0.96	1,685,000	1,355,000
G.O. Airport Bonds of 2013A (Port Authority of Winona)	1.93	1,125,000	1,025,000
Total G.O. Enterprise Fund Bonds		5,105,000	2,380,000
OTHER INDEBTEDNESS:			
G.O. Equipment Certificates of 2011A	1.36	1,385,000	590,000
G.O. Equipment Certificates of 2015A	1.38	3,525,000	3,525,000
Total other indebtedness		4,910,000	4,115,000
		$ 14,995,000	$ 6,495,000

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CITY OF WINONA, MINNESOTA

SCHEDULE OF BONDS PAYABLE—PRIMARY GOVERNMENT
AS OF DECEMBER 31, 2015

General Obligation Bonds	Interest Rates and Maturity Dates		Issue Date	Final Maturity Date
GENERAL OBLIGATION BONDS SUPPORTED BY TAXES:				
G.O. Permanent Improvement Revolving Bonds of 2004A (G.O. Portion)	3.450 %	(2015)	February 1, 2004	February 1, 2015
Total G.O. Bonds Supported by Taxes				
GENERAL OBLIGATION SPECIAL ASSESSMENT BONDS:				
G.O. Permanent Improvement Revolving Bonds of 2004A (Special Assessment Portion)	3.450	(2015)	February 1, 2004	February 1, 2015
Total G.O. Special Assessment Bonds				

Annual Payment		Authorized and Issued	Retired	Outstanding
$ 207,900	(2015)	$ 2,091,600	$ 2,091,600	$ -
		2,091,600	2,091,600	-
287,100	(2015)	2,888,400	2,888,400	
		2,888,400	2,888,400	

CITY OF WINONA, MINNESOTA

SCHEDULE OF BONDS PAYABLE—PRIMARY GOVERNMENT
AS OF DECEMBER 31, 2015

General Obligation Bonds	Interest Rates and Maturity Dates		Issue Date	Final Maturity Date
GENERAL OBLIGATION ENTERPRISE FUND BONDS				
G.O. Water Revenue Refunding Bonds of 2006B	4.000 %	(2015)	December 15, 2006	February 1, 2015
G.O. Water Revenue Refunding Bonds of 2013A	2.000	(2016-19)	January 1, 2013	February 1, 2019
G.O. Airport Bonds of 2013A (Port Authority of Winona) (1)	0.550	(2016)	November 7, 2013	February 1, 2024
	0.800	(2017)		
	1.150	(2018)		
	1.400	(2019)		
	1.650	(2020)		
	1.900	(2021)		
	2.100	(2022)		
	2.300	(2023)		
	2.450	(2024)		
Total G.O. Enterprise Fund Bonds				
Total G.O. bonds payable				

(1) G.O. Airport Bonds of 2013A (Port Authority of Winona) are shown in Primary Government-G.O. Enterprise Fund Bonds because they are the source of funding for the City Airport project.

Annual Payment		Authorized and Issued	Retired	Outstanding
$ 360,000	(2015)	$ 2,295,000	$ 2,295,000	$ -
335,000	(2016)	1,685,000	330,000	1,355,000
345,000	(2017)			
335,000	(2018)			
340,000	(2019)			
105,000	(2016)	1,125,000	100,000	1,025,000
110,000	(2017-20)			
115,000	(2021)			
120,000	(2022-23)			
125,000	(2024)			
		5,105,000	2,725,000	2,380,000
		$ 10,085,000	$ 7,705,000	$ 2,380,000

CITY OF WINONA, MINNESOTA

SCHEDULE OF OTHER DEBT—PRIMARY GOVERNMENT
AS OF DECEMBER 31, 2015

Other Debt	Interest Rates and Maturity Dates		Issue Date	Final Maturity Date
G.O. Equipment Certificates of 2011A	1.350 %	(2016)	November 1, 2011	February 1, 2017
	1.600	(2017)		
G.O. Equipment Certificates of 2015A	2.000	(2016-21)	March 25, 2015	February 1, 2023
	2.500	(2022-23)		
Total other debt				
Total G.O. bonds payable				
Total long-term obligations				

Annual Payment		Authorized and Issued	Retired	Outstanding
$ 295,000	(2016-17)	$ 1,385,000	$ 795,000	$ 590,000
420,000	(2016-17)	3,525,000		3,525,000
425,000	(2018)			
435,000	(2019)			
445,000	(2020)			
450,000	(2021)			
460,000	(2022)			
470,000	(2023)			
		$ 4,910,000	$ 795,000	$ 4,115,000
		$ 10,085,000	$ 7,705,000	$ 2,380,000
		$ 14,995,000	$ 8,500,000	$ 6,495,000

PORT AUTHORITY OF WINONA, MINNESOTA

SCHEDULE OF LONG-TERM OBLIGATIONS
AS OF DECEMBER 31, 2015

	True Interest Rate	Authorized	Outstanding
BONDED INDEBTEDNESS—			
G.O. Bonds:			
General Obligation Bonds of 2005 (Pelzer Street)	3.890 %	$ 3,570,000	$ -
G.O. Refunding Bonds of 2015A (Pelzer Street)	1.049 %	1,385,000	1,385,000
Total G.O. Bonds		4,955,000	1,385,000
Total Bonded Indebtedness		$ 4,955,000	$ 1,385,000

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PORT AUTHORITY OF WINONA, MINNESOTA

SCHEDULE OF BONDS PAYABLE
AS OF DECEMBER 31, 2015

General Obligation Bonds *	Interest Rates and Maturity Dates	Issue Date	Final Maturity Date
G.O. Bonds of 2005 (Pelzer Street) (1)	4.000 % (2016-20)	December 1, 2005	May 1, 2015
G.O. Refunding Bonds of 2015A (Pelzer Street)	2.000 % (2016-20)	March 25, 2015	February 1, 2020
Total G.O. Bonds			
Total Bonded Indebtedness			

* G.O. Airport Bonds of 2013A (Port Authority of Winona) are shown in Primary Government-G.O. Enterprise Fund Bonds because they are the source of funding for the City Airport project.

(1) G.O. Bonds of 2005 were paid May 1, 2015 by G.O. Refunding Bonds of 2015A (Pelzer Street).

Annual Payment		Authorized and Issued	Retired	Outstanding
$ -		$ 3,570,000	$ 3,570,000	$ -
270,000	(2016)	1,385,000		1,385,000
275,000	(2017-18)			
280,000	(2019)			
285,000	(2020)			
		4,955,000	3,570,000	1,385,000
		$ 4,955,000	$ 3,570,000	$ 1,385,000

CITY OF WINONA, MINNESOTA

SCHEDULE OF SALARIES, EMPLOYEE BENEFITS, AND CLOTHING ALLOWANCE FOR THE YEAR ENDED DECEMBER 31, 2015

	Number of Employees*		Salaries and Wages	Pensions**	Clothing/ Tuition Allowance***
	Full Time	All Other			
GOVERNMENTAL FUNDS:					
General government	23.145	10.00	$ 1,667,176	$ 99,149	$ 6,712
Police	40.000	2.00	2,843,993	441,457	58,785
Fire	21.500	16.00	1,594,949	235,027	54,667
Safety and health coordinator	0.500		28,491	2,847	100
Highways and streets/public works	12.400		690,929	6,160	3,947
Park maintenance	14.000		837,107	(21,707)	3,239
Senior advocacy program		2.00	81,487	8,881	
Rehabilitation projects			12,378	928	
Total governmental funds	111.545	30.00	7,756,509	772,741	127,450
ENTERPRISE FUNDS:					
Water utility	9.100		508,715	49,360	3,220
Sanitary sewer utility/storm sewer	12.800		684,100	47,462	4,920
Inspections	3.500		179,394	25,271	910
Airport	1.000		49,034	4,057	200
Public transportation	0.055		5,810	432	
Library	7.750	12.00	595,168	24,583	
Recreation programs	8.250	60.00	749,547	28,209	1,635
Total enterprise funds	42.455	72.00	2,771,769	179,373	10,885
	154.000	102.00	$ 10,528,278	$ 952,114	$ 138,335

* Reflects the employment of the City of Winona on December 31, 2015. Numbers from the Finance Department.

** Pensions include the following: PERA ($1,099,503), Fire—other ($11,300), Compensated absences adjustment (-$158,689),

***Clothing/Tuition allowance include the following: Clothing ($99,218), Car ($3,600), Incentive ($32,924), Phone ($600), and Tuition ($1,993).
(Incentive pay is per union contract and includes paramedic certification, more-than-required license for water and sanitary sewer operators, additional monthly payment for the Police-Community Liaison officer and employees hired prior to a date in 1999 that took educational classes.)

Medicare/ Unemployment Compensation	Social Security	Health Insurance	Life and Disability Insurance	Dental Insurance	Workers' Compensation	Total
$ 21,801	$ 91,021	$ 284,631	$ 3,096	$ -	$ 25,568	$ 2,199,154
38,628	8,736	315,346	4,938		102,856	3,814,739
20,701	6,907	198,048	2,695	7,821	94,028	2,214,843
380	1,624	7,260	60		452	41,212
8,746	37,394	142,309	1,252		48,572	939,309
11,252	45,621	118,681	1,432		30,556	1,026,181
1,040	4,449	18,554	173		1,228	115,812
166	709	3,248	25		100	17,554
102,715	196,460	1,088,077	13,671	7,821	303,360	10,368,804
6,808	29,109	104,742	975		19,882	722,810
9,210	39,379	114,906	1,355		28,504	929,835
9,286	9,881	40,471	373		1,336	266,922
574	2,454	14,520	97		2,420	73,355
76	325	987	11		48	7,688
7,936	33,936	67,590	875		5,684	735,772
10,191	43,576	109,074	969		19,808	963,010
44,080	158,659	452,290	4,656		77,682	3,699,392
$ 146,795	$ 355,119	$ 1,540,367	$ 18,327	$ 7,821	$ 381,042	$ 14,068,196

CITY OF WINONA, MINNESOTA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2015

Federal Grantor/Pass-Through Grantor/Program Title	Grantor Entity Identifying Number	CFDA Number	2015 Expenditures
U.S. DEPARTMENT OF TRANSPORTATION—			
Passed through the MN Department of Transportation:			
Formula Grants for Other than Urbanized Areas-Operating	07185	20.509	$ 205,000
Office of Aeronautics:			
FAA Eligible Rwy 12/30 Reconst. Phs II SP A	06771	20.106	5,836,524
Rwy 12/30, Txy Reconst Ph 1 AIP 08-13	04991	20.106	489,406
Update airport layout plan; Improve runway SP 8501-58	99844	20.106	14,192
Total U.S. Department of Transportation			6,545,122
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—			
Passed through the MN Department of Employment and Economic Development:			
Small Cities Development Block Grant	CDAP-14-0037-O-FY15	14.228	15,997
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES—			
Passed through S.E. MN Area Agency on Aging:			
Special Programs for the Aging—Title III, Part B Grants for Supportive Services and Senior Centers	310-025	93.044	22,288
U.S. DEPARTMENT OF INTERIOR—			
Passed through Minnesota Historical Society:			
Historic Preservation Fund Grants-in-Aid	27-14-61930.012	15.904	4,500
Total expenditures of federal awards			$ 6,587,907

CITY OF WINONA, MINNESOTA

RECONCILIATION OF SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS TO COMPREHENSIVE ANNUAL FINANCIAL REPORT

TOTAL EXPENDITURES OF FEDERAL AWARDS	$ 6,587,907
Total federal grant revenue—2015	6,587,907
Other intergovernmental revenues:	
Shared taxes	288,823
State sources	13,334,043
Local sources	225,343
Total other intergovernmental revenues	13,848,209
TOTAL INTERGOVERNMENTAL REVENUES— Governmental and proprietary funds (Primary Government)	$ 20,436,116

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SECTION III

STATISTICAL SECTION

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CITY OF WINONA, MINNESOTA

STATISTICAL SECTION
(Unaudited)

This part of the City's comprehensive annual financial report presents detailed information as a context for understanding this year's financial statements, note disclosures, and supplementary information. This information is unaudited. This section includes only information for the primary government, and excludes the information for discretely presented component unit, with the exception of Tables XII, XIII, XIV, XVIII and XIX.

Contents **Table**

FINANCIAL TRENDS I–XI
These tables contain trend information that may assist the reader in assessing the City's current financial performance by placing it in a historical perspective.

REVENUE CAPACITY XII–XV
These tables contain information that may assist the reader in assessing the viability of the City's most significant own-source revenue source, which is property taxes.

DEBT CAPACITY XVI–XXI
These tables contain information that may assist the reader in analyzing the affordability of the City's current levels of outstanding debt, and the City's ability to issue additional debt in the future.

DEMOGRAPHIC AND ECONOMIC INFORMATION XXII–XXIV
These tables present demographic and economic information intended (1) to assist users in understanding the socioeconomic environment within which the City operates and (2) to provide information that facilitates comparisons of financial statement information over time and among cities.

OPERATING INFORMATION XXV–XXVII
These tables contain service and infrastructure indicators that can inform one's understanding of how the information in the City's financial statements relates to the services the City provides, and the activities it performs.

DATA SOURCE
Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial report for the applicable year. The City implemented GASB Statement No. 54 in 2011 (retrospective to 2010); therefore, tables presenting governmental fund financial information only reflect the adoption of GASB Statement No. 54 2010 and on.

CITY OF WINONA, MINNESOTA

GOVERNMENT-WIDE NET POSITION BY COMPONENT (Unaudited) (1)
LAST TEN CALENDAR YEARS
(accrual basis of accounting)

	2006	2007	2008	2009
GOVERNMENTAL ACTIVITIES:				
Net investment in capital assets (2)	$ 37,952,203	$ 41,611,501	$ 42,438,214	$ 42,023,094
Restricted	18,239,282	16,736,009	14,575,890	15,422,892
Unrestricted	9,427,363	8,488,228	9,149,796	8,933,815
Total	$ 65,618,848	$ 66,835,738	$ 66,163,900	$ 66,379,801
BUSINESS-TYPE ACTIVITIES:				
Net investment in capital assets (2)	$ 21,074,836	$ 21,899,448	$ 27,238,820	$ 29,157,211
Restricted	4,738,144	4,508,086	4,337,253	3,188,585
Unrestricted	12,437,654	14,290,300	10,749,862	11,710,105
Total	$ 38,250,634	$ 40,697,834	$ 42,325,935	$ 44,055,901
TOTAL PRIMARY GOVERNMENT:				
Net investment in capital assets (2)	$ 59,027,039	$ 63,510,949	$ 69,677,034	$ 71,180,305
Restricted	22,977,426	21,244,095	18,913,143	18,611,477
Unrestricted	21,865,017	22,778,528	19,899,658	20,643,920
Total	$ 103,869,482	$ 107,533,572	$ 108,489,835	$ 110,435,702

Notes:

(1) Accounting standards require that net position be reported in three components in the financial statements: invested in capital assets; restricted; and unrestricted. Net position are considered restricted only when (1) an external party, such as the State of Minnesota or the federal government, places a restriction on how the resources may be used, or (2) enabling legislation is enacted by the City. Effective 2012 the title Net Position replaced Net Assets.

(2) Effective 2012, Net investment in capital assets replaced Investments in capital assets-net of related debt.

Data Source—
Applicable years' comprehensive annual financial report.

TABLE I

December 31					
2010	2011	2012	2013	2014	2015
$ 42,090,682	$ 40,283,040	$ 39,640,097	$ 39,475,110	$ 39,590,760	$ 38,105,916
15,884,013	18,389,002	19,412,588	19,720,934	19,876,212	21,613,037
9,270,479	8,842,796	8,967,044	9,388,145	9,299,097	3,213,376
$ 67,245,174	$ 67,514,838	$ 68,019,729	$ 68,584,189	$ 68,766,069	$ 62,932,329
$ 29,596,476	$ 30,516,219	$ 30,221,198	$ 27,225,756	$ 31,804,192	$ 39,768,680
2,634,330	2,558,921	2,096,306	4,734,149	3,879,093	4,515,193
13,374,783	14,328,382	16,981,843	19,496,518	21,058,230	20,897,820
$ 45,605,589	$ 47,403,522	$ 49,299,347	$ 51,456,423	$ 56,741,515	$ 65,181,693
$ 71,687,158	$ 70,799,259	$ 69,861,295	$ 66,700,866	$ 71,394,952	$ 77,874,596
18,518,343	20,947,923	21,508,894	24,455,083	23,755,305	26,128,230
22,645,262	23,171,178	25,948,887	28,884,663	30,357,327	24,111,196
$ 112,850,763	$ 114,918,360	$ 117,319,076	$ 120,040,612	$ 125,507,584	$ 128,114,022

CITY OF WINONA, MINNESOTA

CHANGES IN NET POSITION—GOVERNMENTAL ACTIVITIES (Unaudited) (1)
LAST TEN CALENDAR YEARS
(accrual basis of accounting)

	For The Calendar Year Ended December 31,			
	2006	**2007**	**2008**	**2009**
EXPENSES:				
General government	$ 3,362,463	$ 3,758,765	$ 3,736,373	$ 3,121,449
Public safety	8,927,248	9,123,908	9,589,140	7,358,480
Highways and streets	929,145	3,986,125	4,586,202	3,750,342
Sanitation and waste removal	30,166	63,532	50,981	54,198
Economic development	2,722,709	353,074	755,172	803,547
Park maintenance	1,754,272	2,094,671	2,765,600	1,969,496
Other	2,014,229			
Interest and fiscal charges	348,838	318,089	269,367	222,065
Total expenses	20,089,070	19,698,164	21,752,835	17,279,577
PROGRAM REVENUES:				
Charges for services:				
General government	773,290	1,352,315	1,430,071	702,919
Public safety	382,717	1,398,639	1,417,066	231,591
Highways and streets	30,766	644,359	565,644	30,949
Economic development	54,323	(485,882)	(369,718)	56,789
Other	2,182,070	373,016	366,702	114,079
Operating grants and contributions	1,585,976	1,306,458	1,696,519	1,111,357
Capital grants and contributions	5,678,612	766,018	1,158,495	903,340
Total program revenues	10,687,754	5,354,923	6,264,779	3,151,024
NET EXPENSE	(9,401,316)	(14,343,241)	(15,488,056)	(14,128,553)
GENERAL REVENUES:				
Taxes:				
Property	4,212,753	4,334,907	4,558,328	4,711,442
Sales				
Franchise	1,143,200	1,193,201	1,263,465	1,066,901
Unrestricted grants and contributions	8,877,334	9,062,208	8,411,657	8,737,980
Gain on sale of capital assets				
Investment earnings	1,168,228	1,083,303	603,023	129,573
Other				
Total general revenues	15,401,515	15,673,619	14,836,473	14,645,896
NET TRANSFERS IN (OUT)	(87,418)	(113,488)	(20,255)	(301,442)
TOTAL NET TRANSFERS AND GENERAL REVENUES	15,314,097	15,560,131	14,816,218	14,344,454
CHANGE IN NET POSITION (1)	$ 5,912,781	$ 1,216,890	$ (671,838)	$ 215,901

Notes:
(1) In 2012, Net Position replaced Net Assets.

Data Source —
Applicable years' comprehensive annual financial report.

TABLE II

2010	2011	2012	2013	2014	2015
$ 2,758,302	$ 2,733,573	$ 2,779,097	$ 2,765,186	$ 2,973,611	$ 3,046,766
8,069,508	7,610,314	7,808,418	7,647,157	7,744,276	8,464,231
3,808,737	4,062,121	4,616,226	5,200,298	5,092,421	4,944,205
45,851	45,635	34,888	48,993	37,585	50,975
763,675	851,661	548,383	645,040	700,782	561,572
1,646,308	1,518,720	1,538,243	1,704,671	1,739,944	1,919,498
175,759	131,150	102,332	67,716	38,315	18,836
17,268,140	16,953,174	17,427,587	18,079,061	18,326,934	19,006,083
693,994	746,878	653,782	694,506	771,056	740,701
242,744	223,841	309,834	263,241	239,939	238,467
30,720	35,524	28,844	29,084	85,433	31,548
58,300	87,638	61,894	46,697	9,660	46,756
91,948	140,667	152,442	153,885	159,304	183,203
1,874,459	1,029,207	1,206,546	1,423,344	1,078,501	1,208,768
1,131,448	705,005	858,089	1,252,059	1,010,378	2,692,813
4,123,613	2,968,760	3,271,431	3,862,816	3,354,271	5,142,256
(13,144,527)	(13,984,414)	(14,156,156)	(14,216,245)	(14,972,663)	(13,863,827)
5,016,384	5,208,768	5,254,948	5,220,064	5,202,393	5,651,870
			47,176		
1,205,739	1,304,498	1,245,615	1,379,806	1,431,656	1,365,415
8,026,899	8,039,317	8,099,790	8,100,124	8,637,847	8,638,784
					44,550
51,851	41,344	22,297	8,635	18,478	22,815
					140,432
14,300,873	14,593,927	14,622,650	14,755,805	15,290,374	15,863,866
(290,973)	(339,849)	38,397	24,900	(135,831)	(58,824)
14,009,900	14,254,078	14,661,047	14,780,705	15,154,543	15,805,042
$ 865,373	$ 269,664	$ 504,891	$ 564,460	$ 181,880	$ 1,941,215

CITY OF WINONA, MINNESOTA

CHANGES IN NET POSITION—GOVERNMENTAL ACTIVITIES—
PERCENTAGE OF TOTAL (Unaudited) (1)
LAST TEN CALENDAR YEARS
(accrual basis of accounting)

	2006	2007	2008	2009
EXPENSES:				
General government	16.7 %	19.1 %	17.2 %	18.1 %
Public safety	44.4	46.3	44.1	42.6
Highways and streets	4.6	20.2	21.1	21.7
Sanitation and waste removal	0.2	0.3	0.2	0.3
Economic development	13.6	1.8	3.5	4.6
Park maintenance	8.8	10.7	12.7	11.4
Other	10.0			
Interest and fiscal charges	1.7	1.6	1.2	1.3
Total expenses	100.0 %	100.0 %	100.0 %	100.0 %
PROGRAM REVENUES:				
Charges for services:				
General government	7.2 %	25.3 %	22.8 %	22.3 %
Public safety	3.6	26.1	22.6	7.3
Highways and streets	0.3	12.0	9.0	1.0
Economic development	0.5	(9.1)	(5.9)	1.8
Other	20.4	7.0	5.9	3.6
Operating grants and contributions	14.8	24.4	27.1	35.3
Capital grants and contributions	53.2	14.3	18.5	28.7
Total program revenues	100.0 %	100.0 %	100.0 %	100.0 %
GENERAL REVENUES:				
Taxes:				
Property	27.4 %	27.7 %	30.7 %	32.2 %
Sales				
Franchise	7.4	7.6	8.5	7.3
Unrestricted grants and contributions	57.6	57.8	56.7	59.6
Gain on sale of capital assets				
Investment earnings	7.6	6.9	4.1	0.9
Other				
Total general revenues	100.0 %	100.0 %	100.0 %	100.0 %

Notes:
(1) In 2012, Net Position replaced Net Assets.

Data Source—Table II.

TABLE III

For the Calendar Year Ended December 31,					
2010	2011	2012	2013	2014	2015
16.0 %	16.1 %	15.9 %	15.3 %	16.2 %	16.0 %
46.7	44.9	44.8	42.3	42.3	44.5
22.1	24.0	26.5	28.7	27.8	26.0
0.3	0.3	0.2	0.3	0.2	0.3
4.4	5.0	3.2	3.6	3.8	3.0
9.5	8.9	8.8	9.4	9.5	10.1
1.0	0.8	0.6	0.4	0.2	0.1
100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
16.8 %	25.2 %	20.0 %	18.0 %	14.4 %	14.4 %
5.9	7.5	9.5	6.8	7.2	4.6
0.7	1.2	0.9	0.8	2.5	0.6
1.4	3.0	1.9	1.2	0.3	0.9
2.2	4.7	4.6	4.0	4.7	3.6
45.5	34.7	36.9	36.8	32.2	23.5
27.5	23.7	26.2	32.4	30.1	52.4
100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
35.1 %	35.7 %	35.9 %	35.4 %	34.0 %	35.6 %
			0.3		
8.4	8.9	8.5	9.3	9.4	8.6
56.1	55.1	55.4	54.9	56.5	54.5
					0.3
0.4	0.3	0.2	0.1	0.1	0.1
					0.9
100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

CITY OF WINONA, MINNESOTA

CHANGES IN NET POSITION—BUSINESS-TYPE ACTIVITIES (Unaudited) (1)
LAST TEN CALENDAR YEARS
(accrual basis of accounting)

	For the Calendar Year Ended December 31, 2015			
	2006	2007	2008	2009
EXPENSES:				
Water	$ 2,338,414	$ 2,572,331	$ 2,436,411	$ 3,108,385
Sanitary Sewer	2,459,257	2,312,959	2,373,000	2,493,370
Inspections	527,428	524,880	474,242	474,607
Airport	152,002	194,493	182,393	441,095
Public Transportation	592,790	599,160	727,352	545,624
Recreation	1,403,468	1,686,896	1,840,605	1,665,488
Library	1,123,011	1,193,005	1,313,732	1,064,813
Storm Sewer	128,323	70,558	135,739	124,704
Total expenses	8,724,693	9,154,282	9,483,474	9,918,086
PROGRAM REVENUES:				
Charges for services:				
Water	3,246,470	3,323,052	3,425,888	3,323,698
Sanitary Sewer	2,956,748	2,936,907	2,856,741	2,913,380
Inspections	369,732	388,919	381,204	543,769
Airport	28,444	32,180	31,321	31,701
Public Transportation	157,904	206,962	231,732	200,234
Recreation	267,910	333,883	396,577	354,471
Library	23,240	25,686	23,955	16,598
Storm Sewer	271,003	280,443	289,016	297,169
Operating grants and contributions	815,498	913,286	780,795	1,314,516
Capital grants and contributions	122,109	133,340	13,560	99,960
Total program revenues	8,259,058	8,574,658	8,430,789	9,095,496
NET REVENUE (EXPENSE)	(465,635)	(579,624)	(1,052,685)	(822,590)
GENERAL REVENUES:				
Property taxes	505,504	615,105	676,892	688,289
Unrestricted grants	1,243,131	1,569,793	1,434,092	1,450,222
Investment earnings	564,981	728,438	549,547	112,603
Total general revenues	2,313,616	2,913,336	2,660,531	2,251,114
NET TRANSFERS (OUT) IN	87,418	113,488	20,255	301,442
Total net transfers and general revenues	2,401,034	3,026,824	2,680,786	2,552,556
CHANGE IN NET POSITION (1)	$ 1,935,399	$ 2,447,200	$ 1,628,101	$ 1,729,966

Notes —
(1) In 2012, Net Position replaced Net Assets.
Data Source —
Applicable years' comprehensive annual financial report.

TABLE IV

2010	2011	2012	2013	2014	2015
$ 2,367,557	$ 2,297,415	$ 2,407,299	$ 2,400,217	$ 2,337,243	$ 2,417,436
2,433,420	2,694,866	2,731,544	2,472,995	2,813,212	2,957,252
471,289	396,645	342,585	344,620	320,560	374,175
326,625	394,964	382,734	1,000,161	314,599	317,004
617,609	699,450	691,364	780,964	800,341	725,671
1,505,246	1,659,898	1,797,826	1,546,333	1,700,674	1,652,476
1,033,555	985,856	931,196	1,053,224	1,035,774	1,086,920
198,936	159,406	282,245	230,614	227,480	213,250
8,954,237	9,288,500	9,566,793	9,829,128	9,549,883	9,744,184
3,192,309	3,286,008	3,658,003	3,671,267	3,605,132	3,609,862
2,822,274	2,928,524	3,401,815	3,341,558	3,145,712	3,468,352
381,550	499,047	424,325	397,566	459,849	558,614
34,917	38,352	36,828	41,157	37,425	37,448
244,483	239,274	239,707	242,910	251,813	244,252
383,389	384,781	421,892	420,102	413,629	462,250
51,202	43,298	39,859	37,503	33,291	38,676
297,383	306,532	388,544	310,774	345,379	327,758
954,596	845,148	798,848	1,000,432	1,023,606	900,561
21,766	328,994	142,561	652,024	3,468,945	8,088,514
8,383,869	8,899,958	9,552,382	10,115,293	12,784,781	17,736,287
(570,368)	(388,542)	(14,411)	286,165	3,234,898	7,992,103
633,313	657,790	821,748	758,789	762,621	763,155
1,181,629	1,173,526	1,114,850	1,124,850	1,124,850	1,181,271
14,141	15,310	12,035	12,172	26,892	37,286
1,829,083	1,846,626	1,948,633	1,895,811	1,914,363	1,981,712
290,973	339,849	(38,397)	(24,900)	135,831	58,824
2,120,056	2,186,475	1,910,236	1,870,911	2,050,194	2,040,536
$ 1,549,688	$ 1,797,933	$ 1,895,825	$ 2,157,076	$ 5,285,092	$ 10,032,639

CITY OF WINONA, MINNESOTA

CHANGES IN NET POSITION—TOTAL (Unaudited) (1)
LAST TEN CALENDAR YEARS
(accrual basis of accounting)

	For the Calendar Year Ended December 31,			
	2006	2007	2008	2009
EXPENSES:				
Governmental activities (2)	$ 20,089,070	$ 19,698,164	$ 21,752,835	$ 17,279,577
Business-type activities (3)	8,724,693	9,154,282	9,483,474	9,918,086
Total expenses	28,813,763	28,852,446	31,236,309	27,197,663
PROGRAM REVENUES:				
Governmental activities (2)	10,687,754	5,354,923	6,264,779	3,151,024
Business-type activities (3)	8,259,058	8,574,658	8,430,789	9,095,496
Total program revenues	18,946,812	13,929,581	14,695,568	12,246,520
NET EXPENSE	(9,866,951)	(14,922,865)	(16,540,741)	(14,951,143)
GENERAL REVENUES AND TRANSFERS:				
Governmental activities (2)	15,314,097	15,560,131	14,816,218	14,344,454
Business-type activities (3)	2,401,034	3,026,824	2,680,786	2,552,556
Total general revenues and transfers	17,715,131	18,586,955	17,497,004	16,897,010
CHANGE IN NET POSITION (1)	$ 7,848,180	$ 3,664,090	$ 956,263	$ 1,945,867

Notes:
(1) In 2012, Net Position replaced Net Assets.
Data Source:
(2) See Table II.
(3) See Table IV.

TABLE V

2010	2011	2012	2013	2014	2015
$ 17,268,140	$ 16,953,174	$ 17,427,587	$ 18,079,061	$ 18,326,934	$ 19,006,083
8,954,237	9,288,500	9,566,793	9,829,128	9,549,883	9,744,184
26,222,377	26,241,674	26,994,380	18,079,061	27,876,817	28,750,267
4,123,613	2,968,760	3,271,431	3,862,816	3,354,271	5,142,256
8,383,869	8,899,958	9,552,382	10,115,293	12,784,781	17,736,287
12,507,482	11,868,718	12,823,813	3,862,816	16,139,052	22,878,543
(13,714,895)	(14,372,956)	(14,170,567)	(14,216,245)	(11,737,765)	(5,871,724)
14,009,900	14,254,078	14,661,047	14,780,705	15,154,543	15,805,042
2,120,056	2,186,475	1,910,236	1,870,911	2,050,194	2,040,536
16,129,956	16,440,553	16,571,283	14,780,705	17,204,737	17,845,578
$ 2,415,061	$ 2,067,597	$ 2,400,716	$ 564,460	$ 5,466,972	$ 11,973,854

CITY OF WINONA, MINNESOTA

FUND BALANCES—GOVERNMENTAL FUNDS (Unaudited)
LAST TEN CALENDAR YEARS
(modified accrual basis of accounting)

	2006	2007	2008	2009
GENERAL FUND:				
Reserved	$ 2,588,629	$ 2,367,809	$ 1,674,277	$ 3,477,338
Unreserved	5,393,400	5,996,783	6,726,060	5,597,485
Nonspendable (2)				
Restricted (1)				
Committed (1)				
Assigned (1)				
Subtotal general fund	7,982,029	8,364,592	8,400,337	9,074,823
GENERAL FUND PERCENTAGE CHANGE FROM PRIOR YEAR	(0.6)%	4.8 %	0.4 %	8.0 %
ALL OTHER GOVERNMENTAL FUNDS:				
Reserved	8,312,408	5,992,197	5,512,035	4,971,246
Unreserved:				
Special Revenue Funds	(7,963)	(12,662)	(11,870)	(18,662)
Debt Service Funds				
Capital Projects Funds	1,458,642	354,933	983,290	1,595,306
Nonspendable				
Restricted				
Committed				
Assigned				
Unassigned				
Subtotal all other Governmental Funds	9,763,087	6,334,468	6,483,455	6,547,890
ALL OTHER GOVERNMENTAL FUNDS PERCENTAGE CHANGE FROM PRIOR YEAR	(43.7)%	(35.1)%	2.4 %	1.0 %
TOTAL GOVERNMENTAL FUNDS:				
Reserved	10,901,037	8,360,006	7,186,312	8,448,584
Unreserved	6,844,079	6,339,054	7,697,480	7,174,129
Nonspendable				
Restricted				
Committed				
Assigned				
Unassigned				
TOTAL GOVERNMENTAL FUNDS	$ 17,745,116	$ 14,699,060	$ 14,883,792	$ 15,622,713
ALL GOVERNMENTAL FUNDS PERCENTAGE CHANGE FROM PRIOR YEAR	(30.1)%	(17.2)%	1.3 %	5.0 %

Notes:
(1) The Fund Balance classifications changed for 2011 from Reserved, Designated and Undesignated to five new categories called Nonspendable, Restricted, Unrestricted-Committed, Unrestricted-Assigned and Unrestricted-Unassigned per GASB Statement No. 54 (retrospective to 2010).
(2) Nonspendable moved from Assigned in 2012.

Data Source—Applicable years' comprehensive annual financial report.

TABLE VI

At December 31, 2010	2011	2012	2013	2014	2015
$ -	$ -	$ -	$ -	$ -	$ -
		16,440	14,871	7,972	33,692
2,242,981	1,620,716	1,724,538	1,748,415	2,104,271	455,305
948,116	1,058,290	1,192,915	2,059,077	1,342,200	1,635,533
6,065,050	5,703,244	5,606,375	5,412,438	6,188,704	7,752,807
9,256,147	8,382,250	8,540,268	9,234,801	9,643,147	9,877,337
2.0 %	(9.4)%	1.9 %	8.1 %	4.4 %	2.4 %
56,000	56,000	56,000	56,000	56,000	56,000
5,766,571	6,413,544	5,946,608	5,948,793	5,995,870	9,224,284
635,911	609,429	611,439	639,315	669,812	721,156
(30,306)	(31,690)	(32,639)	(33,931)	(36,563)	(36,711)
6,428,176	7,047,283	6,581,408	6,610,177	6,685,119	9,964,729
(1.8)%	9.6 %	(6.6)%	0.4 %	1.1 %	49.1 %
56,000	56,000	72,440	70,871	63,972	89,692
8,009,552	8,034,260	7,671,146	7,697,208	8,100,141	9,679,589
1,584,027	1,667,719	1,804,354	2,698,392	2,012,012	2,356,689
6,065,050	5,703,244	5,606,375	5,412,438	6,188,704	7,752,807
(30,306)	(31,690)	(32,639)	(33,931)	(36,563)	(36,711)
$ 15,684,323	$ 15,429,533	$ 15,121,676	$ 15,844,978	$ 16,328,266	$ 19,842,066
0.4 %	(1.6)%	(2.0)%	4.8 %	3.1 %	21.5 %

CITY OF WINONA, MINNESOTA

GENERAL GOVERNMENTAL REVENUES BY SOURCE (Unaudited) (1)
LAST TEN CALENDAR YEARS
(Modified accrual basis of accounting)

	2006	2007	2008	2009
				Amount
REVENUE SOURCE:				
Taxes (2)	$ 5,358,613	$ 5,532,317	$ 5,833,891	$ 5,733,942
Special assessments	894,270	766,018	554,465	427,672
Intergovernmental	14,608,555	10,328,659	10,690,005	10,595,394
Licenses and permits	149,753	161,329	171,860	163,149
Fines and forfeitures	313,581	253,614	254,135	219,823
Charges for services	880,358	838,500	917,413	741,755
Contributions	349,772	40,006	22,199	14,141
Investment earnings	1,075,531	957,663	390,434	83,009
Miscellaneous	446	363,713	273,000	
Total revenues	$ 23,630,879	$ 19,241,819	$ 19,107,402	$ 17,978,885
PERCENTAGE CHANGE FROM PRIOR YEAR	(15.1)%	(18.6)%	(0.7)%	(5.9)%
				Percentage of Total
Taxes (2)	22.7 %	28.7 %	30.5 %	31.9 %
Special assessments	3.8	4.0	2.9	2.4
Intergovernmental	61.8	53.7	56.0	58.9
Licenses and permits	0.6	0.8	0.9	0.9
Fines and forfeitures	1.3	1.3	1.3	1.2
Charges for services	3.7	4.4	4.8	4.1
Contributions	1.5	0.2	0.1	0.1
Investment earnings	4.6	5.0	2.1	0.5
Miscellaneous	0.0	2	1.4	0.0
Total revenues	100.0 %	100.0 %	100.0 %	100.0 %

Notes:
(1) Includes all governmental fund types.
(2) For explanations of significant changes in tax revenues, see Table VIII.

Data Source—
Applicable years' comprehensive annual financial report.

TABLE VII

For The Calendar Year Ended December 31,					
2010	2011	2012	2013	2014	2015
$ 6,203,216	$ 6,538,843	$ 6,473,465	$ 6,627,765	$ 6,645,411	$ 7,010,216
360,876	362,968	238,891	210,542	173,440	147,448
10,906,571	9,588,783	9,903,534	10,177,666	10,488,089	10,475,964
155,661	169,473	165,798	174,982	177,642	172,154
222,562	211,375	228,408	168,112	162,011	162,745
750,177	878,153	879,329	891,743	983,587	1,113,391
6,621	8,206	21,999	449,365	65,197	1,916,952
46,327	35,813	16,978	5,059	7,672	9,857
6,786	88				
$ 18,658,797	$ 17,793,702	$ 17,928,402	$ 18,705,234	$ 18,703,049	$ 21,008,727
3.8 %	(4.6)%	0.8 %	4.3 %	(0.1)%	12.3 %
33.2 %	36.7 %	36.1 %	35.4 %	35.5 %	33.4 %
1.9	2.0	1.3	1.1	0.9	0.7
58.5	53.9	55.3	54.4	56.1	49.9
0.8	1.0	0.9	0.9	0.9	0.8
1.2	1.2	1.3	0.9	0.9	0.7
4.0	4.9	4.9	4.8	5.3	5.3
0.1	0.1	0.1	2.4	0.3	9.1
0.2	0.2	0.1	0.1	0.1	0.1
0.1					
100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

TABLE VIII

CITY OF WINONA, MINNESOTA

TAX REVENUES BY SOURCE—GOVERNMENTAL FUNDS (Unaudited) (1)
FOR THE LAST TEN CALENDAR YEARS ENDED DECEMBER 31
(modified accrual basis of accounting)

	Amounts			
	Property	Franchise	Sales	Total
2006	$ 4,215,412	$ 1,143,201	$ -	$ 5,358,613
2007	4,339,116	1,193,201		5,532,317
2008	4,570,426	1,263,465		5,833,891
2009	4,667,041	1,066,901		5,733,942
2010	4,997,477	1,205,739		6,203,216
2011	5,234,345	1,304,498		6,538,843
2012	5,227,850	1,245,615		6,473,465
2013	5,247,958	1,379,807		6,627,765
2014	5,213,756	1,431,655		6,645,411
2015	5,644,801	1,365,415		7,010,216

	Percentage of Total			
	Property	Franchise	Sales	Total
2006	78.7 %	21.3 %	0.0 %	100.0 %
2007	78.4	21.6		100.0
2008	78.3	21.7		100.0
2009	81.4	18.6		100.0
2010	80.6	19.4		100.0
2011	80.1	19.9		100.0
2012	80.8	19.2		100.0
2013	79.2	20.8		100.0
2014	78.5	21.5		100.0
2015	80.5	19.5		100.0

Notes:
(1) Includes all governmental fund types.
Data Source—
Applicable years' comprehensive annual financial report.

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CITY OF WINONA, MINNESOTA

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (Unaudited) (1)
FOR THE LAST TEN CALENDAR YEARS ENDED DECEMBER 31
(modified accrual basis of accounting)

Function	2006	2007	2008	2009
CURRENT:				
General government	$ 3,327,563	$ 3,073,892	$ 2,983,688	$ 3,010,960
Public safety	6,813,091	7,221,380	7,584,452	6,512,463
Highways and streets	2,606,047	2,774,581	3,306,623	2,865,359
Economic development	346,931	365,911	754,102	773,027
Park maintenance	1,720,125	1,729,743	2,362,062	1,778,571
Other	30,166	43,532	43,169	54,198
Total current	14,843,923	15,209,039	17,034,096	14,994,578
PERCENTAGE CHANGE FROM PRIOR YEAR	7.4 %	2.5 %	12.0 %	(11.9)%
CAPITALIZED CAPITAL OUTLAY (2)	5,136,903	382,443	571,871	345,914
PERCENTAGE CHANGE FROM PRIOR YEAR	968.0 %	(92.6)%	49.5 %	(39.7)%
DEBT SERVICE:				
Principal	1,575,000	1,495,000	1,420,000	1,360,000
Interest and fees	350,963	321,256	274,117	224,533
Other				
Total debt service	1,925,963	1,816,256	1,694,117	1,584,533
PERCENTAGE CHANGE FROM PRIOR YEAR	23.6 %	(5.7)%	(6.7)%	(6.5)%
Total expenditures (3)	$ 21,906,789	$ 17,407,738	$ 19,300,084	$ 16,925,025
PERCENTAGE CHANGE FROM PRIOR YEAR	38.1 %	(20.5)%	10.9 %	(12.3)%
DEBT SERVICES AS A PERCENT OF NONCAPITAL EXPENDITURES	11.5 %	10.7 %	9.0 %	9.6 %

Reconciliation of total expenditures: Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds to Table IX

Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds:
Total expenditures
Capital outlay
Table IX: Capitalized capital outlay
Table IX: Total expenditures

Notes:
(1) Includes all governmental fund types.
(2) The significant increase in 2010 is due to the Pelzer Street project being finalized and the reduction in construction in progress being added to 2010 capital outlay. Capitalized capital outlay used 2010 and on.
(3) Total expenditures are those from the governmental statements with the change to capital outlay to reflect the Gov't Wide capitalized capital outlay (2010 and on). See reconciliation above.

Data Source —
Applicable years' comprehensive annual financial report.

TABLE IX

2010	2011	2012	2013	2014	2015
$ 2,683,792	$ 2,696,087	$ 2,716,895	$ 2,598,999	$ 2,857,647	$ 2,743,185
7,286,443	6,640,661	7,037,736	6,644,687	6,845,541	7,016,825
2,657,992	2,625,036	2,580,500	2,773,739	2,736,904	2,589,852
757,831	837,643	542,169	631,552	702,873	566,838
1,498,905	1,389,884	1,391,948	1,508,534	1,579,981	1,608,680
45,851	45,635	34,888	48,993	37,585	50,975
14,930,814	14,234,946	14,304,136	14,206,504	14,760,531	14,576,355
(0.4)%	(4.7)%	0.5 %	(0.7)%	3.9 %	(1.2)%
729,594	449,514	(109,643)	(9,336)	1,392,986	3,416,241
110.9 %	(38.4)%	(124.4)%	(91.5)%	15020.6 %	145.2 %
1,300,000	1,220,000	1,035,000	1,260,000	780,000	785,000
177,809	166,171	105,338	69,512	43,989	79,239
1,477,809	1,386,171	1,140,338	1,329,512	823,989	864,239
(6.7)%	(6.2)%	(17.7)%	16.6 %	(38.0)%	4.9 %
$ 17,138,217	$ 16,070,631	$ 15,334,831	$ 15,526,680	$ 16,977,506	$ 18,856,835
1.3 %	(6.2)%	(4.6)%	1.3 %	9.3 %	11.1 %
9.0 %	8.9 %	7.4 %	8.6 %	5.3 %	5.6 %

2014	2015
$ 18,491,322	$ 20,367,527
(2,906,802)	(4,926,933)
1,392,986	3,416,241
$ 16,977,506	$ 18,856,835

CITY OF WINONA, MINNESOTA

GENERAL GOVERNMENTAL CURRENT EXPENDITURES BY FUNCTION (Unaudited) (1)
FOR THE LAST TEN CALENDAR YEARS ENDED DECEMBER 31
(modified accrual basis of accounting)

Function	2006	2007	2008	2009
CURRENT:				
General government	$ 3,327,563	$ 3,073,892	$ 2,983,688	$ 3,010,960
Public safety	6,813,091	7,221,380	7,584,452	6,512,463
Highways and streets	2,606,047	2,774,581	3,306,623	2,865,359
Economic development	346,931	365,911	754,102	773,027
Park maintenance	1,720,125	1,729,743	2,362,062	1,778,571
Other	30,166	43,532	43,169	54,198
Total current	$ 14,843,923	$ 15,209,039	$ 17,034,096	$ 14,994,578

	2006	2007	2008	2009
CURRENT:				
General government	22.4 %	20.2 %	17.5 %	20.1 %
Public safety	45.9	47.5	44.5	44.5
Highways and streets	17.6	18.2	19.4	19.1
Economic development	2.3	2.4	4.4	5.2
Park maintenance	11.6	11.4	13.9	11.9
Other	0.2	0.3	0.3	0.4
Total current	100.0 %	100.0 %	100.0 %	100.0 %

Notes:
(1) Includes all governmental fund types.

Data Source—Table IX.

TABLE X

Amounts					
2010	2011	2012	2013	2014	2015
$ 2,683,792	$ 2,696,087	$ 2,716,895	$ 2,598,999	$ 2,857,647	$ 2,743,185
7,286,443	6,640,661	7,037,736	6,644,687	6,845,541	7,016,825
2,657,992	2,625,036	2,580,500	2,773,739	2,736,904	2,589,852
757,831	837,643	542,169	631,552	702,873	566,838
1,498,905	1,389,884	1,391,948	1,508,534	1,579,981	1,608,680
45,851	45,635	34,888	48,993	37,585	50,975
$ 14,930,814	$ 14,234,946	$ 14,304,136	$ 14,206,504	$ 14,760,531	$ 14,576,355

Percentage of Total					
2010	2011	2012	2013	2014	2015
18.0 %	18.9 %	19.0 %	18.3 %	20.8 %	18.8 %
48.8	46.7	49.2	46.8	45.2	48.1
17.8	18.4	18.0	19.5	18.7	17.8
5.1	5.9	3.8	4.4	5.1	3.9
10.0	9.8	9.7	10.6	9.9	11.0
0.3	0.3	0.3	0.4	0.3	0.4
100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

CITY OF WINONA, MINNESOTA

SUMMARY OF CHANGES IN FUND BALANCES—GOVERNMENTAL FUNDS (Unaudited) (1) (2)
FOR THE LAST TEN CALENDAR YEARS ENDED DECEMBER 31
(modified accrual basis of accounting)

Source	2006	2007	2008	2009
TOTAL REVENUES	$ 23,630,879	$ 19,241,819	$ 19,107,402	$ 17,978,885
TOTAL EXPENDITURES	30,607,030	21,315,396	19,937,403	17,300,454
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(6,976,151)	(2,073,577)	(830,001)	678,431
OTHER FINANCING (USES) SOURCES:				
Debt proceeds	845,000			
Transfers in	1,061,683	1,258,053	2,141,305	1,755,890
Transfers out	(2,563,652)	(2,230,532)	(1,126,572)	(1,695,400)
Total other financing (uses) sources	(656,969)	(972,479)	1,014,733	60,490
NET CHANGE IN FUND BALANCES	(7,633,120)	(3,046,056)	184,732	738,921
FUND BALANCES—Beginning of year	25,378,236	17,745,116	14,699,060	14,883,792
FUND BALANCES—End of year	$ 17,745,116	$ 14,699,060	$ 14,883,792	$ 15,622,713

Notes:
(1) Includes all governmental fund types.
(2) The City's nonexpendable trust funds are classified as permanent funds.
Data Source:
Applicable years' comprehensive annual financial report.

TABLE XI

2010	2011	2012	2013	2014	2015
$ 18,658,797	$ 17,793,702	$ 17,928,402	$ 18,705,234	$ 18,703,049	$ 21,008,727
17,587,202	16,872,809	17,101,065	17,746,096	18,491,322	20,367,527
1,071,595	920,893	827,337	959,138	211,727	641,200
	1,385,000				3,525,000
434,619	968,269	701,412	1,397,826	1,092,050	3,590,462
(1,444,604)	(3,528,952)	(1,836,606)	(1,633,662)	(820,489)	(4,242,862)
(1,009,985)	(1,175,683)	(1,135,194)	(235,836)	271,561	2,872,600
61,610	(254,790)	(307,857)	723,302	483,288	3,513,800
15,622,713	15,684,323	15,429,533	15,121,676	15,844,978	16,328,266
$ 15,684,323	$ 15,429,533	$ 15,121,676	$ 15,844,978	$ 16,328,266	$ 19,842,066

CITY OF WINONA, MINNESOTA

ESTIMATED ACTUAL VALUE OF PROPERTY AND TAX CAPACITY (1)
BY PROPERTY TYPE (Unaudited)
LAST TEN CALENDAR YEARS

Tax Collection Year*	Real Property		Personal Property	
	Tax Capacity (1)	Estimated Market Value	Tax Capacity (1)	Estimated Market Value
2007	$ 17,709,035	$ 1,470,440,000	$ 324,604	$ 16,626,000
2008	18,368,606	1,521,383,800	304,177	15,543,900
2009	18,590,745	1,531,838,200	302,529	15,490,200
2010	19,249,222	1,578,442,900	303,421	15,533,300
2011	18,673,533	1,547,504,300	322,219	16,525,400
2012 (3)	16,926,347	1,534,908,400	334,620	17,116,300
2013	16,602,774	1,502,200,100	412,967	21,078,200
2014	16,751,603	1,505,797,000	419,392	21,413,600
2015	17,175,391	1,527,375,000	420,876	21,503,700
2016	17,626,461	1,562,609,600	461,422	23,424,000

Notes:
* The levy of the property taxes was done the year prior to the year of collection.
(1) Tax capacity is determined by multiplying a property's market value by its applicable classification rate. Each property is assigned a classification rate depending upon its use. This table includes the primary government and the discretely presented component unit, the Port Authority of Winona. The tax capacities do not include Jobz.
(2) The tax rate is presented as $1,000 of tax capacity. (This is the City Tax Rate.)
(3) Beginning in the 2012 tax collection year, the State of Minnesota Market Value Homestead Credit program was changed to a Homestead Market Value Exclusion program which resulted in a reduction to the overall taxable market values and tax capacities of Minnesota cities.
(Loss of approximately $151 million taxable market value due to this change.)
Data Source:
Winona County Assessor (2007-2016)

TABLE XII

Total Estimated Tax Capacity (1)	Total Direct Tax Rate (2)	Total Estimated Market Value	Ratio of Total Tax Capacity to Total Estimated Market Value	Annual Percentage Change In Total Estimated Market Value
$ 18,033,639	30.77	$ 1,487,066,000	1.21 %	4.5 %
18,672,783	30.44	1,536,927,700	1.21	3.4
18,893,274	30.83	1,547,328,400	1.22	0.7
19,552,643	31.22	1,593,976,200	1.23	3.0
18,995,752	31.81	1,564,029,700	1.21	(1.9)
17,260,967	33.64	1,552,024,700	1.11	(0.8)
17,015,741	35.15	1,523,278,300	1.12	(1.9)
17,170,995	35.35	1,527,210,600	1.12	0.3
17,596,267	34.71	1,548,878,700	1.14	1.4
18,087,883	36.60	1,586,033,600	1.14	2.4

TABLE XIII

CITY OF WINONA, MINNESOTA

DIRECT AND OVERLAPPING PROPERTY TAX RATES (Unaudited)
LAST TEN CALENDAR YEARS
(rate per $1,000 of tax capacity)

	Direct		Overlapping Rates		
Year Collected (1)	City Rate	Port Authority	School District (2)	Winona County	Total
2006	30.77 %	1.93 %	13.08 %	44.52 %	90.30 %
2007	30.44	1.87	16.26	43.51	92.08
2008	30.83	1.78	16.57	43.14	92.32
2009	31.22	2.46	17.62	43.79	95.09
2010	31.81	2.36	16.68	42.03	92.88
2011	33.64	2.42	17.35	42.22	95.63
2012	35.15	2.64	18.86	43.54	100.19
2013	35.35	3.44	17.22	41.08	97.09
2014	34.71	3.17	15.97	38.43	92.28
2015	36.60	3.06	18.32	37.93	95.91

Notes:

(1) For the City, net of homestead and agriculture credit aid, but not net of Minnesota market value (MV) credits, for 2006–2008.

(2) For the school district, the MV tax rate is not included in the total tax rate above.

Data Source—
Winona County Auditor

TABLE XIV

CITY OF WINONA, MINNESOTA

PROPERTY TAX LEVIES AND COLLECTIONS (Unaudited) (1)
LAST TEN CALENDAR YEARS

For The Year Collected	Total Taxes Levied	Collected Within the Year of The Levy		Delinquent Collections (2)	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2006 (3)	$ 5,003,460	$ 4,940,533	98.74 %	$ 59,865	$ 5,000,398	99.94 %
2007 (4)	5,238,625	5,165,212	98.60	67,369	5,232,581	99.88
2008 (5)	5,530,485	5,479,274	99.07	50,473	5,529,747	99.99
2009 (6)	5,790,110	5,690,480	98.28	91,763	5,782,243	99.86
2010 (7)	6,590,943	5,969,463	90.57	85,297	6,054,760	91.86
2011 (7)	6,816,772	6,205,360	91.03	55,983	6,261,343	91.85
2012	6,528,644	6,436,327	98.59	54,821	6,491,148	99.43
2013	6,605,703	6,505,901	98.49	58,074	6,563,975	99.37
2014	6,513,266	6,450,367	99.03	43,050	6,493,417	99.70
2015	6,944,004	6,883,849	99.13		6,883,849	99.13

Notes:

(1) This table includes the primary government and the discretely presented component unit, the Port Authority.

(2) The 2006-2011 amounts reported in the total uncollected taxes column are the uncollected taxes for each tax levy.

(3) Net of HACA and State of Minnesota MV credits (HACA was zero and MV credits were $577,887 excluding MV TI credits).

(4) Net of HACA and State of Minnesota MV credits (HACA was zero and MV credits were $557,383 excluding MV TI credits).

(5) Net of HACA and State of Minnesota MV credits (HACA was zero and MV credits were $555,945 excluding MV TI credits).

(6) Net of HACA and State of Minnesota MV credits (HACA was zero and MV credits were $549,700 excluding MV TI credits).

(7) In 2010 and 2011, the market value credit revenues paid to the City was short by $467,000 because the State of Minnesota discontinued the reimbursement program (due to budget reductions). This is the reason that there is a large drop in the percentage of levy collections.

Data Source:

Winona County Auditor

City Finance Department

TABLE XV

CITY OF WINONA, MINNESOTA

PRINCIPAL PROPERTY TAXPAYERS (Unaudited)
FOR THE CALENDAR YEARS ENDED DECEMBER 31, 2015 AND 2006

	2015 (For Taxes Payable in 2016)			
Principal Taxpayer	**Type of Business**	**Tax Capacity (1)**	**Rank**	**Percentage of Total Tax Capacity**
Northern States Power Co.	Utility	$ 424,418	1	2.35 %
Rivers Development	Commercial	291,798	2	1.61
Wal-Mart	Commercial	258,216	3	1.43
Fastenal Company	Commercial/Industrial	220,257	4	1.22
Menard's, Inc.	Commercial	218,430	5	1.21
Mikrut Properties	Commercial/Industrial	198,123	6	1.10
Broadstone HLC Midwest LLC (Hal Leonard-Tech Park)*	Industrial/Commercial	174,942	7	0.97
Miller Waste Mills	Industrial/Commercial	144,100	8	0.80
Sarnia Realty Investors (Winona Clinic)	Commercial	139,914	9	0.77
Mills Properties, Inc. (Mills Fleet Farm)	Commercial	117,844	10	0.65
Total Principal Taxpayers		2,188,042		12.10%
All Other Taxpayers		15,899,841		87.90 %
Total		$ 18,087,883		100.00 %

	2006 (For Taxes Payable in 2007)			
Principal Taxpayer	**Type of Business**	**Tax Capacity (1)**	**Rank**	**Percentage of Total Tax Capacity**
Northern State Power Co.	Utility	$ 341,169	1	1.89 %
Wal-Mart	Commercial	267,776	2	1.48
Menards, Inc.	Commercial	222,408	3	1.23
Fastenal Company	Commercial/ Industrial	200,343	4	1.11
Rivers Development	Commercial	194,579	5	1.08
Mikrut Properties	Commercial	137,041	6	0.76
Infinity Financial Winona (Winona Mall)	Commercial	127,672	7	0.71
Mills Properties, Inc. (Mills Fleet Farm)	Commercial	126,380	8	0.70
Hy-Vee, Inc.	Commercial	114,520	9	0.64
Dayton Hudson Corporation (Target)	Commercial	110,976	10	0.62
Total Principal Taxpayers		1,842,864		10.22 %
All Other Taxpayers		16,190,775		89.78 %
Total		$ 18,033,639		100.00 %

Notes:

(1) Tax capacity is determined by multiplying a property's market value by its applicable classification rate. Each property is assigned a classification rate depending upon its use.

* In JobZ (lower property tax zone)

Data Source—Winona County Auditor

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CITY OF WINONA, MINNESOTA

RATIOS OF TOTAL DEBT OUTSTANDING BY TYPE (Unaudited) (4)
LAST TEN CALENDAR YEARS

	Governmental Activities				
	General Obligation Bonds Supported by			General Obligation	
Calendar Year	Taxes (1)	Other Revenues	Special Assessments (2)	Equipment Certificates	Total
2006	$ 3,194,500	$ -	$ 5,820,500	$ 845,000	$ 9,860,000
2007	2,794,200		4,835,800	735,000	8,365,000
2008	2,398,100		3,921,900	625,000	6,945,000
2009	2,001,800		3,073,200	510,000	5,585,000
2010	1,605,500		2,289,500	390,000	4,285,000
2011	1,209,000		1,591,000	1,650,000	4,450,000
2012	812,500		1,082,500	1,520,000	3,415,000
2013	413,700		571,300	1,170,000	2,155,000
2014	207,900		287,100	880,000	1,375,000
2015				4,115,000	4,115,000

Notes:
(1) These bonds are issued for construction of major capital improvements and are backed by the full faith, credit, and taxing authority of the City.
(2) These bonds are issued for local improvements of privately owned property, and are payable from special assessments levied on these improvements. However, the bonds are backed by the full faith, credit, and taxing authority of the City.
(3) These bonds are G.O. water and sewer revenue bonds, and are being repaid from revenues from the appropriate enterprise fund. However, the bonds are backed by the full faith, credit, and taxing authority of the City.
Data Source:
(4) Applicable years' comprehensive annual financial report.
(5) See Table XXII.

TABLE XVI

Business-type Activities General Obligation Bonds (3)	Total	Percentage of Personal Income (5)	Estimated Population (5)	Total Debt Per Capita
$ 11,520,000	$ 21,380,000	0.015	27,324	$ 783
10,135,000	18,500,000	0.012	27,458	674
7,015,000	13,960,000	0.009	27,582	506
6,115,000	11,700,000	0.007	27,474	426
5,200,000	9,485,000	0.006	27,592	344
4,240,000	8,690,000	0.005	27,554	315
3,505,000	6,920,000	0.004	27,782	251
5,595,000	7,750,000	0.004	27,741	279
3,170,000	4,545,000	0.002	27,581	165
2,380,000	6,495,000	0.003	27,581	235

CITY OF WINONA, MINNESOTA

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING (Unaudited) (5)
LAST TEN CALENDAR YEARS

	Governmental Activities			Business-type Activities	
	General Obligation Bonds Supported by				
Calendar Year	Taxes (1)	Other Revenues	Special Assessments (2)	General Obligation Bonds (3)	Total
2006	$ 3,194,500	$ -	$ 5,820,500	$ 11,520,000	$ 20,535,000
2007	2,794,200		4,835,800	10,135,000	17,765,000
2008	2,398,100		3,921,900	7,015,000	13,335,000
2009	2,001,800		3,073,200	6,115,000	11,190,000
2010	1,605,500		2,289,500	5,200,000	9,095,000
2011	1,209,000		1,591,000	4,240,000	7,040,000
2012	812,500		1,082,500	3,505,000	5,400,000
2013	413,700		571,300	5,595,000	6,580,000
2014	207,900		287,100	3,170,000	3,665,000
2015				2,380,000	2,380,000

Notes:
(1) These bonds are issued for construction of major capital improvements, and are backed by the full faith, credit, and taxing authority of the City.
(2) These bonds are issued for local improvements of privately owned property, and are payable from special assessments levied on these improvements. However, the bonds are backed by full faith credit, and taxing authority of the City.
(3) These bonds are general obligation water and sewer revenue bonds, and are being repaid from revenues from the appropriate enterprise fund. However, the bonds are backed by the full faith, credit, and taxing authority of the City.
(4) Includes the fund balance of the permanent improvement bond revolving fund and the restricted assets for both the water and sewer funds.
Data Source:
(5) Applicable years' comprehensive annual financial report.
(6) Table XII.
(7) Table XXII.

TABLE XVII

Less Restricted Assets To Repay Debt Principal (4)	Net General Obligation Bonds	Percentage of Actual Taxable Value of Property (6)	Estimated Population (7)	Total General Obligation Debt Per Capita
$ 4,774,810	$15,760,190	1.06	27,324	$ 577
3,847,754	13,917,246	0.91	27,458	507
3,407,480	9,927,520	0.64	27,582	360
2,897,230	8,292,770	0.54	27,474	302
2,401,127	6,693,873	0.42	27,592	243
1,786,475	5,253,525	0.33	27,554	191
1,494,430	3,905,570	0.25	27,782	141
2,460,344	4,119,656	0.26	27,741	148
293,810	3,371,190	0.22	27,581	122
525,331	1,854,669	0.12	27,581	67

CITY OF WINONA, MINNESOTA

RATIOS OF NET GENERAL BONDED DEBT TO MARKET VALUE AND NET BONDED DEBT PER CAPITA (Unaudited) (1) (6)
(BASED UPON G.O. DEBT THAT ACTUALLY IS PAID FROM PROPERTY TAXES)
LAST TEN CALENDAR YEARS

Tax Year Collected	Estimated Population (4)	Market Value (5) (in $1,000)	Gross Bonded Debt (1)	Less Debt Service Monies Available	Less Debt Payable From Port and Enterprise Revenues (2)
2006	27,324	$ 1,422,377	$ 25,050,000	$ 571,941	$ 11,890,000
2007	27,458	1,487,066	21,955,000	611,562	10,480,000
2008	27,582	1,536,928	17,195,000	780,847	7,335,000
2009	27,474	1,547,328	14,710,000	808,454	6,410,000
2010	27,592	1,593,976	11,995,000	822,369	5,200,000
2011	27,554	1,564,030	10,990,000	861,387	4,240,000
2012	27,782	1,552,025	9,000,000	971,625	3,505,000
2013	27,741	1,523,278	9,605,000	991,247	4,470,000
2014	27,581	1,527,211	6,165,000	1,025,232	2,045,000
2015	27,581	1,548,879	7,880,000	1,627,070	1,355,000

This table includes the primary government and the component unit.

Notes:
(1) G.O. certificates are included in this schedule.
(2) Excludes Port Authority G.O. bonds of 2005 (Pelzer Street)
and Port Authority G.O. Airport Bonds of 2013A, which will be retired with property taxes.
(3) Net bonded debt is property tax supported debt. As compared to table XVII, this is the amount of debt that the City is actually retiring from property taxes.
Data Source:
(4) Table XXII
(5) Winona County Assessor (2006-2015)
(6) City's Planning Department
City's Finance Department

TABLE XVIII

Less Debt Payable From Special Assessments	Less Debt Payable From Leased Properties	Net Bonded Debt (3)	Ratio of Net Bonded Debt To Market Value	Net Bonded Debt Per Capita
$ 5,820,500	$ -	$ 6,767,559	0.0048	$ 248
4,835,800		6,027,638	0.0041	220
3,921,900		5,157,253	0.0034	187
3,073,200		4,418,346	0.0029	161
2,289,500		3,683,131	0.0023	133
1,591,000		4,297,613	0.0027	156
1,082,500		3,440,875	0.0023	125
571,300		3,572,453	0.0023	129
287,100		2,807,668	0.0018	102
		4,897,930	0.0032	178

TABLE XIX

CITY OF WINONA, MINNESOTA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT (Unaudited)
DECEMBER 31, 2015

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
CITY DIRECT DEBT:			
General obligation bonds supported by property taxes	$ -	100.0 %	$ -
General obligation bonds supported by special assessments		100.0	
General obligation equipment certificates	4,115,000	100.0	4,115,000
Total city direct debt			4,115,000
COMPONENT UNIT DEBT:			
General obligation bonds supported by Port Authority	2,410,000	100.0	2,410,000
Total component unit debt			2,410,000
OVERLAPPING DEBT: (2)			
Debt repaid with property taxes:			
Independent School District No. 861— G.O. bonds	17,340,000	61.6	10,681,440
Winona County— General obligation bonds	3,941,205	42.2	1,663,188
Total overlapping debt			12,344,628
Total direct and overlapping debt			$ 18,869,628

This table includes the primary government and the component unit.

Notes:
(1) Applicable percentages were estimated by determining the portion of another government unit's tax capacity that is within the City's geographic boundaries, and dividing it by each government's total tax capacity.
(2) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City.
Data Source—
Applicable governments

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CITY OF WINONA, MINNESOTA

LEGAL DEBT MARGIN (Unaudited)
FOR THE LAST TEN CALENDAR YEARS ENDED DECEMBER 31

	2006	2007	2008	2009
ASSESSED VALUE (5)	$ 1,422,377,000	$ 1,487,066,000	$ 1,536,927,700	$ 1,547,328,400
LEGAL DEBT MARGIN:				
Debt limit (3% of market value of taxable property) (1)	$ 28,447,540	$ 29,741,320	$ 46,107,831	$ 46,419,852
Debt applicable to limit:				
Gross debt (6)	21,380,000	18,500,000	13,960,000	11,700,000
Less exempt debt (2)			-	-
Special assessment improvement bonds	(5,820,500)	(4,835,800)	(3,921,900)	(3,073,200)
G.O. bonds (3)				
G.O. revenue bonds (4)	(11,520,000)	(10,135,000)	(7,015,000)	(6,115,000)
Debt subject to limit	4,039,500	3,529,200	3,023,100	2,511,800
Legal debt margin	$ 24,408,040	$ 26,212,120	$ 43,084,731	$ 43,908,052
Total net debt applicable to the limit as a percentage of the debt limit	14.20 %	11.87 %	6.56 %	5.41 %

Notes:
(1) MN Statutes, Section 475.53, which reports gross G.O. debt before deducting any available debt service fund balances (3% of market value of taxable property in years after 2007, 2% in 2007 and prior years).
(2) Per MN Statutes.
(3) G.O. debt supported by revenues other than special assessments and enterprise funds.
(4) G.O. debt supported by revenues in enterprise funds.
Data Source:
(5) See Table XII.
(6) Includes G.O. bonds and G.O. equipment certificates.

TABLE XX

2010	2011	2012	2013	2014	2015
$ 1,593,976,200	$ 1,564,029,700	$ 1,552,024,700	$ 1,523,278,300	$ 1,527,210,600	$ 1,548,878,700
$ 47,819,286	$ 46,920,891	$ 46,560,741	$ 45,698,349	$ 45,816,318	$ 46,466,361
9,485,000	8,690,000	6,920,000	7,750,000	4,545,000	6,495,000
-	-				
(2,289,500)	(1,591,000)	(1,082,500)	(571,300)	(287,100)	
(5,200,000)	(4,240,000)	(3,505,000)	(4,470,000)	(2,045,000)	(1,355,000)
1,995,500	2,859,000	2,332,500	2,708,700	2,212,900	5,140,000
$ 45,823,786	$ 44,061,891	$ 44,228,241	$ 42,989,649	$ 43,603,418	$ 41,326,361
4.17 %	6.09 %	5.01 %	5.93 %	4.83 %	11.06 %

TABLE XXI

CITY OF WINONA, MINNESOTA

PLEDGED REVENUE BOND COVERAGE (Unaudited) (1)
LAST TEN CALENDAR YEARS

	Water and Sewer Revenue Bonds						
Calendar Year	Gross Revenues (2)	Less: Operating Expenses (3)	Net Available Revenues	Debt Service Principal	Debt Service Interest	Debt Service Total	Times Coverage
2006	$ 6,697,050	$ 3,342,586	$ 3,354,464	$ 1,340,000	$ 428,729	$ 1,768,729	1.90
2007	6,912,334	3,370,212	3,542,122	1,385,000	433,145	1,818,145	1.95
2008 (4)	6,780,595	3,355,293	3,425,302	3,120,000	361,408	3,481,408	0.98
2009	6,336,203	4,192,645	2,143,558	900,000	265,373	1,165,373	1.84
2010	6,026,399	3,245,159	2,781,240	915,000	228,866	1,143,866	2.43
2011	6,227,574	3,477,056	2,750,518	960,000	189,948	1,149,948	2.39
2012	7,069,814	3,580,217	3,489,597	735,000	155,358	890,358	3.92
2013	7,023,500	3,370,604	3,652,896	720,000	146,391	866,391	4.22
2014 (5)	6,792,298	4,374,720	2,417,578	2,425,000	109,583	2,534,583	0.95
2015	7,109,943	4,001,816	3,108,127	690,000	37,600	727,600	4.27

Notes:
(1) These revenue bonds are first secured by water and sewer revenue, and secondarily backed by the full faith and credit of the City.
(2) Gross revenue includes charges for water and sewer services, other charges, tap fees, investment earnings and property taxes.
(3) Operating expenses do not include depreciation, interest expense, or fiscal charges.
(4) $2,285,000 in principal was paid from a refunding escrow account established for this purpose. Removing these principal payments would reduce principal payments to $835,000 and increase the coverage ratio to 2.86.
(5) $1,680,000 in principal was paid from a refunding escrow account established for this purpose. Removing these principal payments would reduce principal payments to $745,000 and increase the coverage ratio to 2.83.
Data Source—
Applicable years' comprehensive annual financial report.

TABLE XXII

CITY OF WINONA, MINNESOTA

DEMOGRAPHIC AND ECONOMIC FACTORS (Unaudited)
LAST TEN CALENDAR YEARS

Year	City Population (1)	City Metropolitan Area Population (2)	Personal Income (3) (thousands of dollars)	Per Capita Income (4)	City Unemployment Rate (5)(6)	United States Unemployment Rate (5) (6)
2006	27,324	49,730	$ 1,510,583	30,376	3.8 %	4.6 %
2007	27,458	49,848	1,643,177	32,964	4.3	4.8
2008	27,582	49,590	1,710,826	34,499	6.2	7.1
2009	27,474	49,436	1,697,007	34,327	7.2	9.7
2010	27,592	51,395	1,765,396	34,350	7.0	9.1
2011	27,554	51,378	1,800,754	35,049	5.6	8.5
2012	27,782	51,629	1,960,950	37,982	5.1	7.8
2013	27,741	51,232	2,014,822	39,327	4.3	6.7
2014	27,581	51,097	2,129,531	41,676	2.9	5.6
2015	27,581	51,097	2,129,531	41,676	3.0	5.0

Data Source:
(1) State demographer's estimate, except 2010, which is from the 2010 Census. 2015 not available.
(2) 2006–2014—U.S. Bureau of Economic Analysis - Winona, MN Metropolitan Area, http://www.bea.gov/regional/index.htm. 2015 not available.
(3) 2006–2014—U.S. Bureau of Economic Analysis - Winona, MN Metropolitan Area, http://www.bea.gov/regional/index.htm. 2015 not available.
(4) 2006–2014—U.S. Bureau of Economic Analysis - Winona, MN Metropolitan Area, http://www.bea.gov/regional/index.htm. 2015 not available.
(5) Minnesota Department of Employment and Economic Development (i.e., the yearly annual average), (2010, 2011, 2012, 2013 and 2014 U.S. rate is seasonally adjusted).
(6) Minnesota Department of Employment and Economic Development
(Rate is not seasonally adjusted for 12/31/07, 12/31/08, 12/31/09, 12/31/10, 12/31/11, 12/31/12, 12/31/13 and 12/31/14)

TABLE XXIII

CITY OF WINONA, MINNESOTA

PRINCIPAL EMPLOYERS (Unaudited)
FOR THE CALENDAR YEARS ENDED DECEMBER 31, 2015 AND 2005

		2015		
Employer (1)	Type of Business	Number of Employees	Rank	Percentage of Total County Employment
Fastenal Company (3)	Commercial/Industrial	1,670	1	10.72 %
Winona State University	Post-secondary education	1,200	2	7.71
Winona Health (5)	Hospital/Clinic/Health Care	1,100	3	7.06
Independent School District No. 861	K-12 education	683	4	4.39
Saint Mary's University	Post-secondary education	600	5	3.85
Wincraft	Promotional materials	500	6	3.21
TRW Automotive Electronics	Industrial	400	7	2.57
RTP Company	Industrial	400	8	2.57
Wal-Mart	Commercial	300	9	1.93
Winona County	County Government	287	10	1.84
Total principal employers		7,140		45.85
Other employers		8,434		54.15
Total employers (4)		15,574		100.00 %

		2005		
Employer (2)	Type of Business	Number of Employees	Rank	Percentage of Total County Employment
Fastenal Company (3)	Commercial/Industrial	1,200	1	8.02 %
Winona Health	Hospital/Health Care	900	2	6.01
Winona State University	Post-secondary education	850	3	5.68
Independent School District No. 861	K-12 education	750	4	5.01
TRW Automotive Electronics	Industrial machinery	700	5	4.68
RTP Company	Plastic and synthetic resins	600	6	4.01
Saint Mary's University	Post-secondary education	420	7	2.81
Wincraft	Promotional materials	400	8	2.67
Winona County	County Government	360	9	2.41
Watlow Controls	Electronic Control manufacturer	283	10	1.89
Total principal employers		6,463		43.19
Other employers		8,503		56.81
Total employers (4)		14,966		100.00 %

Data Source:
(1) Official Statement—Bond Offering (City of Winona-February 2015)
(2) Official Statement—Bond Offering (City of Winona-October 2005)
(3) Fastenal Company information
(4) MN DEED, 2015 is at 12/31/2015 and 2005 is at 12/31/2005
(5) Winona Health information FTE is 900 at 12/31/15

TABLE XXIV

CITY OF WINONA, MINNESOTA

PROPERTY VALUES AND CONSTRUCTION (Unaudited)
LAST TEN CALENDAR YEARS

Tax Collection Year	Estimated Property Value (3)		Nonresidential Construction (4)		Residential Construction (4)	
	Taxable	Nontaxable (1)	Number of Permits	Value (2)	Number of Permits	Value
2006	$ 1,422,377,000	$ 482,142,700	134	$ 19,912,636	912	$ 10,150,859
2007	1,487,066,000	482,142,700	127	24,965,605	812	8,299,429
2008	1,536,927,000	482,142,700	144	16,101,088	839	10,638,324
2009	1,547,328,000	482,142,700	142	30,462,564	952	27,260,566
2010	1,593,976,000	482,142,700	115	11,755,997	1,135	13,217,273
2011	1,564,029,700	625,833,300	168	15,533,885	1,358	26,189,526
2012	1,552,024,700	625,833,300	116	16,436,708	1,050	10,014,096
2013	1,523,278,300	625,833,300	115	12,119,264	802	9,186,331
2014	1,527,210,600	625,833,300	116	23,196,034	757	8,515,072
2015	1,548,878,700	625,833,300	140	27,246,499	637	12,079,801

Notes:
(1) Tax-exempt property valuation is updated every six years.
(2) In 2006, the Southeast Minnesota Technical College remodeling and new entrance is included at $2,996,000 and the Target remodeling and addition is included at $2,913,000.
2007 includes Hal Leonard at $4,967,027, WSU Maxwell Center remodeling at $4,476,622, and WSU Memorial Hall at $2,674,000.
2008 includes the Holiday Inn Express at $4,996,000, Animal Care Clinic at $1,863,525, and an addition to the Minnesota Marine Art Museum at $1,548,400.
2009 includes the Winona State University at $14,600,000 for a Wellness Center and $17,973,222 (Residential Construction) for a new residence hall, and an addition to the Winona County Historical Society for $3,300,000.
2010 includes Bradford Development for $4,650,000 to construct a senior housing cooperative and $3,449,500 for the Benedictine Health Systems Assisted Living Apartments addition.
2011 residential includes McNally 16 Condos for $1,390,000, Gernes apartments for $900,000, Saint Mary's University's Residential Hall for $5,580,400, and Winona Senior Living for $5,800,000
In 2012, the MN State SE Technical addition of $2,378,800 and CPI Banini addition of $3,000,000 are included.
In 2014-Nonresidential includes the Dahl Auto new car dealership for $4.9 million and Cytec expansion for $4 million
In 2014-Residential includes the Rivers Edge Condos development for $853,000
In 2015-Non residential includes WinCraft's new manufacturing facility (125,000 sq ft) and Dahl Automotive's construction of an addition/renovation of the Toyota dealership. Residential includes a major renovation to Morningside Terrace's apartment building, the new construction of Hiawatha Valley Mental Health's apartment home and a new 15-unit apartment building (Krause).
Data Source:
(3) Winona County Assessor
(4) City of Winona-Inspection Department

CITY OF WINONA, MINNESOTA

CITY EMPLOYEES BY FUNCTION/PROGRAM (Unaudited) (1) (2)

Function/Program	2006	2007	2008	2009
GENERAL FUND:				
General government:				
City manager	2.000	2.000	2.000	2.000
City clerk	1.888	1.888	1.888	1.225
Finance	7.000	7.000	7.000	7.000
Human resources	1.600	1.600	1.600	1.500
Planning	3.375	3.375	3.375	2.375
Building maintenance	2.250	2.250	2.250	2.275
Public safety:				
Police	43.800	44.600	43.600	40.500
Fire	23.000	23.000	23.000	21.500
Safety and health coordinator	1.000	1.000	1.000	1.000
Highways and streets:				
Engineering	5.800	5.800	4.800	4.000
Streets and alleys	14.000	14.000	14.000	13.000
Central garage	4.000	4.000	4.000	4.300
Public works				0.400
Park maintenance—				
Park maintenance	20.000	20.000	20.000	18.000
Tree crew				
Economic development:				
Community development	2.625	3.625	2.625	2.625
Community development-matching funds	.000	.000	1.000	1.000
Total general fund	132.338	134.138	132.138	122.700
Senior Advocacy Fund—				
Senior Advocacy	1.525	1.700	1.000	1.700
Central City Rehab Fund—				
Core Rehabilitation Program/East revitalization (beginning 2015)				
Water and Sanitary Sewer Funds:				
Water power and pumping/water distribution	9.000	9.000	9.000	9.275
Water/sanitary sewer—administration and general	3.000	3.000	1.500	1.100
Sanitary Sewer—administration and general	12.000	12.000	13.500	13.000
Total water and sanitary sewer funds:	24.000	24.000	24.000	23.375
Public Transportation Fund—				
Transit—administration and general	0.112	0.112	0.112	0.075
Airport Fund—				
Airport—administration and general	1.000	1.000	1.000	1.000
Recreation Fund:				
Recreation administration	2.000	3.000	2.500	2.500
Community services			1.750	1.750
Recreation programs	3.000	3.000	2.000	2.000
Senior center	4.250	4.250	4.250	4.000
Total Recreation Fund	9.250	10.250	10.500	10.250
Library Fund—				
Library administration	13.250	14.625	13.250	10.150
Storm Sewer Fund				0.300
Inspections Fund—				
Inspections	6.000	6.000	4.000	4.750
TOTAL	187.475	191.825	186.000	174.300

Notes:
(1) Information presented in full-time equivalents.
Data Source—
(2) The City of Winona Finance Department—Current Year Budget Book

TABLE XXV

2010	2011	2012	2013	2014	2015
2.000	2.000	2.000	2.000	2.000	2.000
1.225	1.195	1.195	1.195	1.195	1.195
7.000	7.000	8.000	7.000	8.000	8.000
1.500	1.500	1.500	1.500	1.500	1.500
2.375	2.375	2.375	2.375	1.875	1.875
2.275	2.000	2.000	2.000	2.000	2.000
41.500	41.500	41.000	41.000	41.000	42.000
21.500	22.000	21.500	21.500	22.000	21.750
1.000	1.000	1.000	0.500	0.500	0.500
4.000	4.000	4.000	4.000	4.000	4.200
13.000	12.000	12.000	12.000	12.000	12.000
4.300	4.000	4.000	4.000	4.000	4.000
0.400	0.400	0.400	0.400	0.400	0.400
17.000	15.000	15.000	15.000	15.000	11.500
					4.000
2.625	2.625	2.625	2.625	2.625	2.625
1.000	0.625	0.625	0.625	0.750	0.750
122.700	119.220	119.220	117.720	118.845	120.295
1.700	1.700	1.700	1.700	1.700	1.700
	0.375	0.375	0.375	0.250	0.250
9.275	8.000	8.000	8.000	8.000	8.000
1.100	1.100	1.100	1.100	1.100	1.100
13.000	13.000	13.000	12.000	12.000	12.000
23.375	22.100	22.100	21.100	21.100	21.100
0.075	0.105	0.105	1.105	0.105	0.105
1.000	1.000	1.000	1.000	1.000	1.000
2.250	2.000	2.000	2.000	2.000	2.000
1.500	1.350	1.250	1.250	1.250	1.250
2.000	2.000	2.000	2.000	2.000	2.500
4.000	4.000	4.000	4.000	4.000	4.000
9.750	9.350	9.250	9.250	9.250	9.750
11.900	10.900	12.250	11.625	11.625	11.625
0.300	0.300	0.300	0.800	0.800	0.800
4.550	3.250	3.500	3.500	3.500	3.750
175.350	168.300	169.800	168.175	168.175	170.375

CITY OF WINONA, MINNESOTA

OPERATING STATISTICS BY FUNCTION/PROGRAM (Unaudited)
LAST TEN CALENDAR YEARS

Function/Program	2006	2007	2008	2009
Public safety:				
Fire:				
Number of emergency responses	1,763	2,033	2,090	1,978
Number of inspections	395	375	491	171
Police:				
Calls for service	-	-	-	-
Crime clearance	55 %	57 %	64 %	61 %
Sanitary Sewage system:				
Daily average treatment (in gallons) (1)	4,400,000	4,326,000	4,400,000	4,400,000
Maximum daily of capacity of treatment plant (in gallons)	9,700,000	9,600,000	9,600,000	9,600,000
Water system:				
Daily average consumption (in gallons)	2,800,000	2,860,000	2,860,000	2,860,000
Maximum daily capacity of plant (in gallons)	8,500,000	10,296,000	10,300,000	10,300,000

Data Source—
The City's various departments
(1) Number is from 2014

TABLE XXVI

2010	2011	2012	2013	2014	2015
2,070	2,176	2,124	2,134	2,021	2,218
124	188	154	158	64	474
-	17,091	23,388	N/A	16,398	20,544
60 %	60 %	60 %	63 %	62 %	N/A
4,400,000	5,078,000	5,078,000	4,559,000	4,730,000	4,730,000
9,600,000	9,600,000	9,600,000	9,600,000	9,600,000	9,600,000
2,860,000	2,928,000	2,928,000	2,890,000	2,910,000	2,818,000
10,300,000	10,300,000	10,300,000	10,300,000	10,300,000	10,300,000

CITY OF WINONA, MINNESOTA

CAPITAL ASSET AND INFRASTRUCTURE STATISTICS AND INFRASTRUCTURE STATISTICS BY FUNCTION/PROGRAM (Unaudited)
LAST TEN CALENDAR YEARS

Function/Program	2006	2007	2008	2009
Public safety:				
Fire stations	2	2	2	2
Police stations	1	1	1	1
Streets and highways:				
Streets (miles)	113	113	114	114
Culture and recreation:				
Acreage	3,000	3,000	3,000	3,000
Number of bandshells	1	1	1	1
Number of parks	30	30	30	30
Number of community centers	2	2	2	2
Number of swimming pools	1	1	1	1
Number of tennis courts	15	16	16	16
Sanitary sewage system:				
Miles of sanitary sewers	111	111	112	112
Miles of storm sewers	88	88	89	89
Number of treatment plants	1	1	1	1
Water system:				
Miles of water mains	113	114	115	115
Number of accounts	8,230	8,260	8,290	8,310
Number of fire hydrants	1,432	1,451	1,461	1,461

Data Source—
The City's various departments.

TABLE XXVII

2010	2011	2012	2013	2014	2015
2	2	2	2	2	2
1	1	1	1	1	1
114	114	114	115	115	115
3,000	3,000	3,000	3,000	3,000	3,000
1	1	1	1	1	1
30	30	30	30	30	30
2	2	2	2	2	2
1	1	1	1	1	1
16	16	16	16	13	13
112	112	113	113	113	113
89	89	89	89	89	89
1	1	1	1	1	1
115	115	116	133	133	133
8,320	8,330	8,350	8,370	8,408	8,430
1,461	1,461	1,470	1,505	1,510	1,514

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