

Scope of Report

This publication is intended to facilitate the understanding of city financial operations by citizens, local government officials, and other policy makers. The report summarizes, through data tables and charts, the financial operations of Minnesota cities over 2,500 in population for calendar year 1999. These cities are required to annually submit comprehensive annual financial reports prepared in accordance with Generally Accepted Accounting Principles (GAAP) to the Office of the State Auditor (OSA).¹

The data presented in this report is divided into governmental funds and proprietary funds. The governmental funds consist of the General, Special Revenue, Capital Projects, and Debt Service Funds. The financial operations of these funds are summarized in tables 3 through 6 of this report. Tables 8 and 9 present the data by individual city. Appendix A discusses factors that affect the revenues and expenditures of cities.

The enterprise or proprietary funds of cities are presented separately from the governmental funds. Minnesota cities operate many types of public service enterprises. The enterprises furnish a variety of services and operate wholly or in large part with revenues derived from the sale of goods or services. Table 7 summarizes the operating revenues, expenses, and income/(loss) for city enterprises. The financial operations of the municipal public service enterprises (excluding municipal liquor stores) are presented in tables 10 through 18. Footnotes used in the analysis of the enterprise operations are described at the end of the enterprise fund section. Table 19 details the financial operations of municipal liquor operations.²

Table 20 lists by individual city the bonded and other long-term debt outstanding as of December 31, 1999. Other long-term debt refers to liabilities such as long-term lease agreements, installment purchase contracts, and notes.

Table 21 presents an analysis of the 1998 and 1999 unreserved fund balances in the General and Special Revenue Funds of cities over 2,500 in population. The table details the actual unreserved fund balances, the percentage change in unreserved fund balances from 1998 to 1999, and a comparison to 1999 total current expenditures. Appendix B provides a more detailed discussion of fund balances.

To provide additional insight into the relative spending level of cities, the OSA publishes a separate report that lists cities based on their per capita expenditures and long-term debt. This report may be obtained by contacting the OSA or by visiting the OSA web site at www.osa.state.mn.us.

¹ GAAP requires the modified accrual basis of accounting for governmental funds and the accrual basis for enterprise funds

² A separate and more detailed analysis of municipal liquor operations is available in the Office of the State Auditor's publication, *An Analysis of Minnesota's Municipal Liquor Store Operations in 1999*.

In addition to this publication, the Office of the State Auditor maintains an interactive database containing several years of data that can be accessed through the OSA web site. The database allows users to customize the presentation of data to their individual needs. For example, a user can select a group of cities they want to compare, the criteria on which to compare them, and the time frame in which to compare them. The query can then be viewed on screen or saved to a file for downloading. The OSA web site address is www.osa.state.mn.us.