

CITY OF HUGO, MINNESOTA
SUMMARY FINANCIAL REPORT

The purpose of this report is to provide a summary of financial information concerning the City of Hugo to interested citizens. The complete financial statements may be examined at City Hall, 14669 Fitzgerald Avenue and on the city's website. Questions about this report should be directed to Ronald J. Otkin, Finance Director at (651) 762-6314.

Met Council Population Estimate	15,388	15,247
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Revenues and Expenditures for General Operations (Governmental Funds)				
	Total 2019	Total 2018	Percent Increase (Decrease)	
REVENUES:				
Property Taxes - Current	\$ 6,749,803	\$ 6,271,879		
Property Taxes - Delinquent	30,238	48,901		
Non-Levy Related Property Taxes	8,052	8,468		
- Unused Tax Increment	-	160,511		
Tax Increments	-	81,690		
Franchise Taxes	168,628	173,155		
Special Assessments	235,682	309,712		
Penalties & Interest	2,140	14,442		
Business Licenses & Permits	20,725	19,860		
Non-Business Licenses & Permits	395,666	581,266		
Federal Grants - FEMA	-	160,833		
State Grants & Aids	860,066	877,444		
Grants from County & Other Local Governments	573,005	550,181		
Charges for Services	193,049	261,906		
- Developer Infrastructure Charges	616,044	1,183,687		
Fines & Forfeits	40,920	33,958		
Interest on Investments	405,455	306,546		
Net increase (decrease) in the fair value of investments	56,103	5,006		
Rents	50,130	41,655		
Contributions	7,500	100		
Miscellaneous Revenues	430	187		
Total Revenues	\$ 10,413,636	\$ 11,091,387		-6.11%
Per Capita	\$ 677	\$ 727		-6.97%
EXPENDITURES:				
Current:				
General Government	\$ 1,292,195	\$ 1,043,018		
Public Safety	1,946,090	1,831,314		
Streets & Highways	1,413,813	1,232,265		
Culture & Recreation	453,119	409,499		
Urban & Economic Development	65,937	63,348		
Miscellaneous Expenditures	163,421	156,037		
Debt Service:				
Bond Principal	1,875,000	1,680,000		
Interest and Fiscal Charges	67,218	91,707		
Capital Outlay	4,314,766	1,930,783		
Total Expenditures	\$ 11,591,559	\$ 8,437,971		37.37%
Per Capita	\$ 753	\$ 553		36.12%
Long-Term Indebtedness:				
General Obligation Improvement Bonds	\$ 655,000	\$ 1,200,000		
General Obligation Capital Improvement Bonds	210,000	420,000		
General Obligation Tax Abatement Bonds	1,180,000	2,300,000		
Other Long-Term Indebtedness	348,154	337,714		
Total Long-Term Indebtedness	\$ 2,393,154	\$ 4,257,714		-43.79%
Per Capita	156	279		-44.31%
Fund Balances - December 31				
- Restricted for Bond Payments	\$ 1,843,129	\$ 2,423,464		
- Committed for Other Long-Term Indebtedness	551,705	539,677		
- Committed for Park Acquisition & Improvements	1,446,750	1,425,715		
- Assigned for Public Improvements	6,547,290	7,148,733		
- Assigned for Equipment Purchasing & Replacement	5,148,008	5,218,662		
- Assigned for Fire Relief Pensions	124,706	105,276		
- Unassigned	3,216,648	3,083,467		
Total Fund Balances	\$ 18,878,236	\$ 19,944,994		-5.35%
Per Capita	\$ 1,227	\$ 1,308		-6.22%

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CITY OF HUGO, MINNESOTA
PROPRIETARY FUND
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
Cash Flows From Operating Activities		
Cash received from customers	\$ 3,074,938	\$ 3,208,581
Cash paid to suppliers	(1,437,310)	(1,315,213)
Cash paid to employees	(513,877)	(393,895)
Other income received	172,463	210,075
Net Cash Provided By Operating Activities	1,296,214	1,709,548
Cash Flows from Noncapital Financing Activities		
Transfers to other funds	(108,628)	(108,269)
Cash Flows from Capital and Related Financing Activities		
Acquisition of capital assets	(1,734,239)	(370,949)
Cash received from the sale of capital assets	1,517	
Special assessments and property taxes	256,435	342,611
Intergovernmental capital contributions	-	255,200
Net Cash Provided By Capital and Related Financing Activities	(1,476,287)	226,862
Cash Flows From Investing Activities		
Investment earnings received	445,991	341,501
Net increase (decrease) in the fair value of investments	60,658	5,544
Net Cash Provided By Investing Activities	506,649	347,045
Net Increase in Cash and Cash Equivalents		
	217,948	2,175,186
Cash and Cash Equivalents, Beginning of Year		
	22,518,897	20,343,711
Cash and Cash Equivalents, End of Year		
	\$ 22,736,845	\$ 22,518,897
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income (loss)	\$ (104,443)	\$ 191,596
Adjustments to reconcile operating (loss) to net cash provided by operating activities		
Depreciation	703,769	681,624
Loss on sale of capital asset	-	3,145
Change in net pension liability	6,361	(2,200)
Future infrastructure charges, included in nonoperating revenues	504,032	715,776
Other income	172,463	210,075
(Increase) Decrease In:		
Accounts receivable	(75,428)	(108,760)
(Increase) Decrease In:		
Accounts payable	81,468	11,005
Due to other governmental units	2,425	1,286
Salaries payable	3,467	3,145
Estimated liability for compensated absences	2,100	2,856
Net Cash Provided By Operating Activities	\$ 1,296,214	\$ 1,709,548
Noncash Investing, Capital and Financing Activities		
Receipt of contributed property	\$ 1,833,366	\$ 730,589

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CITY OF HUGO, MINNESOTA
PROPRIETARY FUND
STATEMENT OF NET POSITION
DECEMBER 31, 2019 AND 2018

	2019	2018
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 22,736,845	\$ 22,518,897
Receivables		
Accounts receivable	600,989	525,561
Accrued interest	18,282	25,825
Special assessments (net of allowance for uncollectibles)	123,811	124,783
Deposits	1,500	1,500
Total Current Assets	23,481,427	23,196,566
Noncurrent Assets		
Property and Equipment		
Nondepreciable	2,318,803	468,222
Depreciable	29,714,613	27,892,772
Total Property and Equipment	32,033,416	28,360,994
Less: Accumulated depreciation	10,887,659	10,210,190
Net Property and Equipment	21,145,757	18,150,804
Total Assets	44,627,184	41,347,370
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows from pension activity	23,470	46,735
LIABILITIES		
Current Liabilities		
Current portion of long-term debt (compensated absences)	27,476	20,341
Accounts payable	271,360	88,534
Due to other governmental units	17,284	14,859
Salaries payable	10,621	7,154
Unearned revenue	1,000	1,000
Total Current Liabilities	327,741	131,888
Long-term Liabilities		
Net pension liability	245,207	242,797
Compensated absences, net of current portion	-	5,035
Total Long-Term Liabilities	\$ 245,207	\$ 247,832
Total Liabilities		
	\$ 572,948	\$ 379,720
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows from pension activity	\$ 45,894	\$ 65,208
NET POSITION		
Net Investment in capital assets	21,145,757	18,150,804
Unrestricted	22,886,055	22,798,373
Total Net Position	\$ 44,031,812	\$ 40,949,177

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CITY OF HUGO, MINNESOTA
PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
Operating Revenue		
Water charges	\$ 1,161,319	\$ 1,248,240
Meter sales	36,690	44,149
Sewer charges	1,448,325	1,309,176
Total Operating Revenues	2,646,334	2,601,565
Operating Expenses		
Personal services	525,805	397,696
Engineering	189,548	83,335
Electricity	89,996	98,480
Repairs and maintenance	535,703	453,018
Sewer charges - MCES	558,801	528,283
Depreciation	703,769	681,624
Miscellaneous	147,155	164,388
Loss on sale of capital assets	-	3,145
Total Operating Expenses	2,750,777	2,409,969
Operating Income (Loss)		
	(104,443)	191,596
Nonoperating Revenue (Expense)		
Future infrastructure charges	504,032	715,776
Rental income	39,356	37,549
Property taxes (for stormwater purposes)	244,757	269,124
Intergovernmental revenue	9,699	7,391
Investment earnings	438,448	339,603
Net increase in the fair value of investments	60,658	5,544
Gain on sale of capital assets	1,517	-
Miscellaneous	123,408	165,135
Total Nonoperating Revenue	1,421,875	1,540,122
Net Income Before Transfers and Contributions		
	1,317,432	1,731,718
Capital contributions - special assessments	10,706	3,615
Noncash capital contributions	1,833,366	730,589
Capital contributions - intergovernmental	-	255,200
Capital contributions - other	29,759	25,680
Transfers Out	(108,628)	(108,269)
Change in net position	3,082,635	2,638,533
Net Position, Beginning, as restated		
	40,949,177	38,310,644
Net Position, End of Year		
	\$ 44,031,812	\$ 40,949,177

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