

KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION (EDC)
JOINT OPERATIONS BOARD OF DIRECTORS (OB) MEETING
MINUTES
September 14, 2017
EDC Office, Willmar

Present: Art Benson, Rollie Boll, Donna Boonstra, Bob Carlson, Gary Gilman, Les Heitke and Kelly TerWisscha

Excused: Bruce Peterson (Ex Officio) and Connie Schmoll

Absent: Roger Imdieke (Ex Officio)

Guest: Jim Ruff, Ruff & Company CPA's, Inc.

Staff: Aaron Backman, Executive Director

Secretarial: Diane Beck, Legal & Administrative Assistants, Inc. (LAA)

President Donna Boonstra called the meeting to order at approximately 11:05 a.m.

AGENDA—Added to the Consent Agenda under Approve was item 4. Payment of a bill from REDStar in the amount of \$1,502.70. The Agenda and the revised Consent Agenda were approved.

CONSENT AGENDA—

- Approve:
1. Minutes of August 10, 2017 meeting
 2. Financial reports as of August 31, 2017
 3. Removal of Arvind Auluck-Wilson and John Duevel from the Agriculture and Renewable Energy Development Committee
 4. Payment of bill in the amount of \$1,502.70 from REDstar Creative
- Accept: Committee/Subcommittee Minutes
1. Agriculture and Renewable Energy Marketing Subcommittee 8/17/2017
 2. Business Retention and Expansion/Recruitment 8/4/2017
 3. Marketing and Public Relations 7/24/2017

PROGRESS REPORTS

Willmar/Willmar Industrial Park. Aaron Backman reported there has been considerable progress on the Schwieters Chevrolet building site. Les Heitke inquired if additional street access is needed for the business; Backman responded entry will be off Lakeland Drive. Kelly TerWisscha has asked for a diagram of the property if there is other building space that could be developed. West

Central Steel was approved for a \$6.8 million steel frame, 90,000 sq. ft. building expansion. The new Willmar Surgery Center continues to move forward with its 25,000 sq. ft. building.

BNSF Railroad Wye Project. Backman participated in the conference call on September 13th and reported the partners are close to an agreement. A Request for Proposal on the relocation of Highway 12 has been prepared.

Legacy on First Project. Backman reported on the proposed retail project (strip mall) south of Schwegman's Cleaners. The property and building will be a joint ownership between Marcus Construction and the Graves family. The project may include a second phase. They plan to apply for Tax Increment Financing from Kandiyohi County, City of Willmar and the Willmar School District.

Historic 313 on Fourth Street. Backman reported on the status of Historic 313 on Fourth Street. Foxhole Brewhouse has completed an expansion of a sitting area in the front area for private events and additional storage space in the back. Spurs Restaurant is slowly moving forward and may open for business later this fall.

Kandi Mall Rehabilitation Project. Backman reported construction of the new retail business west of Kandi Mall is progressing and tenants include Aspen Dental and Starbucks with space available for another retail business. Backman recently met with representatives of RockStep Capital regarding potential tenants for the former K-Mart space.

MinnWest Technology Campus (MWTC). Backman reported the Minnesota Association of Professional County Economic Developers (MAPCED) will hold its annual meeting in Willmar on September 22, 2017 and following the business meeting, a bus tour will be conducted with stops at MWTC (WORKUP and Mr. B's Chocolates), Destination Playground and other Willmar areas of interest. Backman extended an invitation to EDCOB members to join the bus tour and evening event at Foxhole Brewhouse.

Highway 23 Coalition. Backman reported he and Connie Schmoll have met with various government entities regarding membership in the Highway 23 Coalition. Kandiyohi County and Stearns County have committed memberships at the Advocate level of \$3,000. To date, commitment has been received from nine units of government at various levels of support. Approximately 48 businesses along the Highway 23 Corridor have been approached with 14 committing membership in the Coalition. A budget of \$31,100 was adopted with \$26,000 committed and bank deposits of \$14,000.

Business Visits and Meetings. Backman reviewed Schmoll's recent business visits and meetings (see attached). Backman reported his recent business visits/meetings as follows:

- Meetings to reaffirm the tax abatement for Glacial Ridge Hospitality.
- Meeting with the Regional Director of Otto Bremer Trust with tours of various Willmar diverse businesses.
- Met with Jill Bengtson, Executive Director of Kandiyohi County/McLeod County/Willmar Housing and Redevelopment Authority, to tour possible affordable housing project sites in Raymond, Spicer and Atwater.

- Mentioned Jason Duininck is looking to partner with Marcus Construction on a possible \$10-12 million market-rate housing project east of Wal-Mart. The first phase will be a 100 unit market-rate housing project with the possibility of constructing another 100-unit building in phase two.
- 15th Street Flats near Pizza Ranch is awaiting tax credit announcements.

UNFINISHED BUSINESS—

Business in Focus Magazine Article. Backman shared the EDC's ad and article that will appear in the *Business in Focus* magazine (see attached). The cost of the half-page ad is \$2,708.75, which has been split between the EDC, City of Willmar and Willmar Municipal Utilities.

NEW BUSINESS—

2016 Audit Presentation. Jim Ruff presented the Draft 2016 Audit Financial Report (see attached) and noted the following areas:

- In the past the EDC has omitted a Management's Discussion and Analysis that the Governmental Accounting Standards Board (GASB) has determined necessary to supplement, although not required to be a part of the basic financial statements, GASB considers it an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. In the future, Ruff will work with Backman to begin providing this information.
- Page 3: General Fund Balance Sheet. Ruff suggested undesignated funds be in the neighborhood of \$200,000-\$300,000 to offset expenses/obligations. Some funds could be moved from undesignated to designated.
- Page 5: Statement of General Fund Revenues, Expenditures and Changes in Fund Balance - Budgetary Comparison. Ruff reported overall, the EDC has underspent its budgets.
- Page 15: Report on Internal Control. The EDC is compliant with internal controls.
- Page 17-18: Findings Related to Financial Statement Audited in Accordance with Government Auditing Standards. Ruff noted if grants are received mid-year, the budget should be amended, however, minor budget changes are not necessary. Ruff indicated nothing should go in or out of a reserve account, etc.
- Heitke inquired if Certificate of Deposit (CD) renewals should be for 6 or 12 months. Ruff stated CD renewal dates should be staggered to coincide with the EDC's cash needs.

Ruff shared the 2016 Audit Financial Report is a fairly solid internal control and reported a healthy audit.

Proposals for Reinvesting a CD. Backman reviewed the CD proposals for the \$103,186.13 CD currently with Concorde Bank and maturing on September 28, 2017 (see attached).

IT WAS MOVED BY Rollie Boll, SECONDED BY Gary Gilman, to reinvest the Certificate of Deposit of \$103,186.13 that is maturing at Concorde Bank on September 28, 2017, with United Prairie Bank for six months at the rate of 1.20%. MOTION CARRIED.

Update of 2017 Goals. Backman reviewed the Trucking Related Data for Six Counties along the Highway 23 Corridor for manufacturing, wholesale trade, postal service and data for the number of establishments, number of jobs, total payroll and average weekly wages (see attached) and shared and highlighted areas of the 2015 Retail Trade Analysis Report (see attached).

Other. Gilman inquired on the status of the West Central Angel Fund I. Backman reported the Fund was formed and has a website. Heitke inquired on the status of Comunidades Latinas Unidas En Servicio (CLUES), the largest Latino non-profit organization in Minnesota based in the Twin Cities. Ridgewater College, Rice Memorial Hospital and Bethesda Health and Housing have developed a partnership with CLUES to provide training and jobs in healthcare for low-income students. The Certified Nursing Assistant (CNA) program is expected to begin in October. A current employee of Ridgewater College will serve as a part-time bilingual career navigator for CLUES. An open house was held on September 7th at Ridgewater College.

COMMITTEE REPORTS


Finance. Backman informed the board of a motion made by the Finance Committee for a loan to Urban Escape Boutique, LLC in Spicer that needs board ratification. Backman also shared an overview of the loan application presented by Eryn Hannig, business owner, and Mike Schmid, Vice President of Granite City Community Bank (GCB). Urban Escape Boutique is purchasing Marketing Concepts' building in Spicer. The building will now be known as Building 320.

IT WAS MOVED BY Kelly TerWisscha, SECONDED BY Art Benson, to ratify the Kandiyohi County and City of Willmar Economic Development Commission Finance Committee's approval of a five-year \$30,000 loan under the Revolving Loan Fund Program to Urban Escape Boutique, LLC with interest at 2% over the prime rate at the time of closing with a ten-year amortization and the loan to be closed within 180 days or no later than March 12, 2018. MOTION CARRIED.

[Art Benson and Bob Carlson were excused from the meeting.]

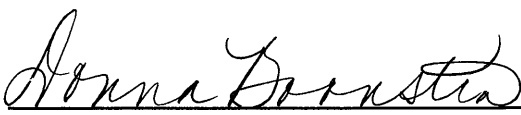
NEXT MEETING—The next board meeting is **11:00 a.m., Thursday, October 12, 2017**, at the EDC office in Willmar.

ADJOURNMENT—There being no further business, the meeting was adjourned at approximately 1:18 p.m.



Art Benson, Secretary

APPROVED: 10/12/2017:



Donna Boonstra, President

Broadband

At Aug. 7 meeting, the EDC's Broadband and Advanced Technology Committee members voted to support, with letter of support and possibly some marketing assistance, any company proposing to deploy any technology of broadband service that meets state minimum requirements of 25/3 speeds for residents and businesses. Have written and submitted to the company, two support letters to be submitted with Minnesota Border-to-Border grant applications as follows:

- ✓ Advantenon –Hybrid Fiber/Fixed Wireless Broadband Network for the businesses and residents residing in unserved and under-served areas of rural Kandiyohi County.
- ✓ TDS -Fiber-to-the-node network for unserved premises using VDSL2+ technology. This technology will ensure 25Mbps download and 3 Mbps upload speeds at a minimum to every premise and will allow a system that can be made scalable to 100 Mbps and beyond over time.

West Central Angel Fund I

The West Central Angel Fund I now has a live website – with tabs for interested investors and for businesses wishing to apply for funds. We have been promoting the Angel Group to start-ups. We offered to assist with a flyer that has the same branding and information as the website. During August the group heard presentations from two different business start-ups.

2017 Kandiyohi County Agriculture Producers BRE Program

AG Marketing Committee

Planning for workshop, speaker and/or panel on Ag in 2018 – currently polling the membership and the members of the WCASA to prioritize the many topics of concern to Ag producers and Ag businesses.

Business Visits

SPICER

Heritage Exteriors – Keith Palmquist and Jason Quade

- Have turned away skilled carpenters because they would have brought with them – a reputation for not completing work they contracted to do.
- Independent contractors who work out of truck—constantly under bidding projects

Bonnema Hardware – Mark Bonnema

- Summer student staff just left and will not hire the positions as less staff is needed after very busy summer season. Now closed on Sundays until spring.
- Has been asked by Hardware Hank to consider another store in another location. Will not do so right now.

NEW LONDON

Wild at Heart Floral – Dani Hillers (1 part-time and self)

- Just recently added a part-time employee.

How Sweet It Is Candy Shoppe – Barb Quade

- Business is best in summer.
- Sundays are dead in New London.
- People on vacation at Sibley Park and resorts and destination shoppers are best customers.
- Local people stop in after lunches to buy candy.
- Buses bring in destination shoppers from southern Minnesota. Marshall area people picking up.

Fischer Laser Eye

- Doctor days are Tuesday and Thursday. "Very busy here!"
- 5 to 6 people at this site. Otherwise just Sarah (1)
- Love the facility

Touch of Class Bridal – Lori Vaadeland

- Been in the business 26 years

Shoppe 14 – Jeanette Plummer and 2 part-time

- Three years in New London
- At new location since May 2017. Three times larger
- The last 1 ½ years, business has boomed
- Influx of buyers from South Dakota and Southwestern Minnesota

Happy Sol – Gina Lieser and 6 FTE

- Marketing success – bringing in people from Marshall, Sioux Falls and SD area.
- Merchants joint marketing the areas has been successful.

Camille's Closet – Laura Becker

- Moving to new London was best ever decision
- Now part of destination shopping. Events bring people, i.e., Grape Stomp, Car Show; also cabins, resorts, State Park
- Posting on Facebook is very effective

Simply Beautiful – Carmen Macik RN

- Just Carmen but she needs help
 - She was an administrator at Wilmar Surgery Center
- In business one year

ATWATER

Peaceful Thymes – Elsie Kashmark

- Marketing – sign idea session – needs to replace “Hardware Hank” sign but needs to tell passers by that she carries hardware basics. – Food, Flowers, Gift items and Hardware.

PAWS Floral

Business is continually good – supplies 2 hospitals with floral arrangements for their gift stores. Consistent source of revenue.

KANDIYOHI

Cronen Cabinets – Malory and Jay Cronen

- Life is better without road construction at their door. Busy – could use extra help but quality cabinet makers are difficult to find. Doing more themselves works best for now.

Meetings

Dooley’s Open House

WorkUp Social Media Networking

Highway 23 coalition promotion – Raymond City Council, Cold Spring City Council and EDA, Richmond City Council, Clara City City Council, Rockville City Council

Resilient Rural Grocery Stores Conference – Bird Island

CERTS Clean Energy Resource Teams Steering Committee Meeting

Community Venture Network and follow-up with two businesses

Business Succession/Transition planning CVN Webinar – 9/11/2017

University of Minnesota Showcase planning

CLUES Ridgewater College Open House for CNA Training Program



Open for BUSINESS

Written by Gina Stephens

Kandiyohi County is an area that is seeing solid growth, new investments, and thriving local businesses with a focus on agriculture technology, advanced manufacturing, medical health and life sciences. It boasts some of the most innovative companies and public/private collaborations in west-central Minnesota.



The EDC was formed in the early 2000s as a result of government officials and local business leaders recognizing the need for a more collaborative approach to economic development between the city and the county. Legislators introduced statute that established the EDC. It is set up as a unit of government, and staff are not employed by the city or the county but work with both levels of government.

The city of Willmar was founded in 1871 and is in the heart of Kandiyohi County. The southern half of the county is very agriculturally oriented, with much corn and soybean production. The northern half of the county is more focused on tourism, featuring a wealth of lakes that attract visitors from within the state and beyond.



Located just two hours west of the Twin Cities of Minneapolis-Saint Paul, Minnesota, is the City of Willmar, in Kandiyohi County. Business in Focus spoke with Aaron Backman, the executive director of the Kandiyohi County and City of Willmar Economic Development Commission (EDC); Joanna Schrupp, business development officer for the MinnWest Technology Campus; and Betsy Bonnema from co-working space WORKUP, to learn more about this dynamic county and what it has to offer for existing and prospective businesses.

The communities of New London, located on the Crow River, and Spicer, located on Green Lake, have several boutiques that make them a unique shopping destination. These two cities, along with the City of Willmar, will host the 2018 Governor's Fishing Opener event.

The county has a low unemployment rate of approximately four percent and features a vibrant local economy sustained by a number of larger enterprises. "We are blessed with some strong employers, so in terms of our unemployment rate, we are below the national average, which sometimes creates challenges in terms of workforce development," says Backman.

Therefore, the EDC is currently working in partnership with Ridgewater College and Comunidades Latinas Unidas en Servicio (CLUES) to provide a customized training program for healthcare and manufacturing industries. ►

"An innovative and cutting-edge facility like the MinnWest Technology Campus is key to attracting a young and motivated workforce."

• The largest employer in the county is Jennie-O Turkey Store, a poultry processing giant that employs over 1,600 people. "Jennie-O is an interesting company because they are one of the world's largest turkey processors. We also have the largest turkey breeding and hatching company nationally, which is Select Genetics," notes Backman.

Kandiyohi County is a regional medical hub with healthcare as its top industry. Rice Memorial Hospital is the second-largest employer in the region with 998 people. It is a Level 3 Trauma Center and the largest community-owned hospital in the state of Minnesota, serving fourteen counties.



Willmar is also home to the MinnWest Technology Campus, one of the largest privately owned technology campuses in Minnesota. This private sector organization was created in 2006 when one of the region's largest employers was considering leaving the area. To prevent such an exit, the city, county and state government collaborated with private sector technology and bioscience businesses in Willmar to facilitate the purchase of the hundred-acre property with almost three dozen buildings from the state to house the new technology campus.

"The private companies then purchased the property, renovated and restored some of its historic and majestic Spanish colonial cottages, and turned it into a beautiful technology park.



They moved to the campus, bringing more than one hundred employees with each phase of the project," explains Schrupp.

"The cottages continue to be 'built to suit' while maintaining the beautiful historic features. Currently, we have over thirty companies with more than six hundred people working on the campus. The companies boast an array of R&D-focused technology, high-tech cloud-based software, bioscience, and animal science companies, including national and global leaders in agriculture and advanced manufacturing such as Nova-Tech Engineering, EpiTox, Life Science Innovations (LSI), Prinsco, Inc. and Procore. There are also four state-of-the-art R&D labs including a University of Minnesota Level II clean room and teaching lab with a DNA sequencing machine – the only one of its kind in Minnesota outside of the Twin Cities and Mayo Clinic in Rochester," says Schrupp.

"We are coining ourselves as a community because we have onsite amenities including a data center, a 200-seat auditorium, a full gymnasium, walking trails, catering services, a cafeteria, and outdoor meeting and common space, as well as marketing agencies and estate planning attorneys on the campus. We have all of that at our fingertips," she says.

Backman notes that an innovative and cutting-edge facility with amenities like the MinnWest Technology Campus is key to attracting a young and motivated workforce. "Everyone wants to recruit millennials to work in different businesses. One way to recruit people is if you provide the right environment. When you provide a setting where people are stimulated, they feel like there is a community where they can network. We have that in MinnWest Technology Campus. We definitely have some interesting businesses out here. One of them, Procore, allows people to bring their dogs to work. That makes it different, which is helpful if you're trying to recruit young people."

The EDC, through its partnership with the MinnWest Technology Campus, is also assisting in the development of a homegrown, well-educated workforce through programs that the MinnWest Technology Campus is engaging in with local schools.

"We've been trying to reach out to the local area schools, concentrating on Willmar and the small communities that surround it. We are trying to plant the seed in these young students' minds that sciences, technology, engineering and math careers aren't as far off as they think they are," says Schrupp.

"We want to plant the seed, accentuate what they are doing in school. We've done things like hold annual science fairs, and I don't mean your typical, make-a-poster-board science fair. We

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"Students act as entrepreneurs, starting a real business of their own through the course of the program."

were bringing in major corporations, getting the business community involved, and they were bringing in their science and technology that they use every day, bringing it down to a level that the kids could actually understand what they were learning in the classroom. This is highly applicable to the everyday world. A lot of hands-on activities take place," she added.

Another program that came about from a collaboration between the EDC, area schools, and scores of local businesses is the Kandiyohi Creating Entrepreneurial Opportunities (KCEO) program. The program involves three local school districts and matches approximately twenty high school students, through a year-long, two-credit high school course, with local business leaders.

The KCEO class meets Monday through Friday from 7:15 AM to 8:45 AM in local businesses which provide business mentors. Students act as entrepreneurs, starting a real business of their own through the course of the program. KCEO is funded exclusively by investors and the local business community.



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- "These students have to start their own businesses. By May of each year, they present their business plan, they meet with bankers, they secure seed money. The business community participates financially, on the board, and during the classroom sessions," explains Schrupp.

An innovative feature of the MinnWest Technology Campus is WORKUP, a two-year old co-working space that is housed in a 4,200-square-foot, historic cottage on the campus. The cottage was remodeled to maintain the original historical architectural details, but updated to also allow for installation of the latest technology and amenities to attract start-ups and entrepreneurs to the space. Betsy Bonnema is the founder of WORKUP and the founder of REDstar Creative, a marketing and advertising agency.



"[REDstar] has been in business for twenty-seven years. We've been in this area for the whole time. The EDC and the MinnWest Technology Campus are clients of ours. We have a pretty tight-knit group of entities in the community that are always trying to build some momentum, especially around entrepreneurship. I was working on campus working in the offices of one of my biggest clients and the idea to open the space started to gel, and I reached out to people to get feedback and it worked out to be a good fit, so I worked with the campus to remodel one of their oldest buildings," says Bonnema.

"We created that entrepreneurial community feel on a smaller scale, to have a community of people that were following their passions, starting businesses, freelancing, and getting away from the norm. My creative agency [REDstar] is the anchor tenant for the space [for WORKUP], and the EDC and the MinnWest Technology Campus are founding members. They have provided financial support and helped to get the word out to bring people to the space."

In 2017, the EDC was also instrumental in efforts to create a new angel investment fund for technology and agriculture-related start-ups. West Central Angel Fund is interested in making investments in cutting-edge companies in the state, particularly in West Central Minnesota.

Backman notes that in addition to Willmar providing innovative spaces like WORKUP for businesses and entrepreneurs, it is also a diverse community with a large Latino and Somali/East African populations. Members of these communities own and operate approximately twelve percent of businesses in Willmar, as evidenced by a recent Diverse Businesses Business Retention and Expansion Survey (Diverse BRE) Program undertaken by the EDC. The survey identified thirty-one East African owned businesses, twenty-seven Latino owned businesses and at least eight Asian owned businesses.

"It's great to see folks wanting to start businesses. Over time, they have increasingly gotten into non-retail commercial and service businesses. They have also been branching out, and that is interesting to see," observes Backman.

"We have a pretty tight-knit group of entities in the community that are always trying to build some momentum, especially around entrepreneurship."

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The EDC seeks to support this growing diversity in its community and is promoting a locally-based, multicultural market called the Midtown Plaza in the downtown area and will be a focal point to help multicultural businesses develop.

Another initiative that the EDC has supported is the development of an ethanol cooperative, Bushmills Ethanol Inc. The cooperative is made up of approximately four hundred farmers/member owners. Bushmills Ethanol runs a dry mill plant that produces sixty-five million gallons of ethanol per year. It is undergoing an expansion right now that will lead to production increasing to one hundred million gallons per year.

One key feature that differentiates Kandiyohi County and the City of Willmar from other neighboring counties is its certified, shovel-ready industrial park which has more than 130 acres available for development and is located just two miles from the airport. The industrial park is already home to more than thirty companies. Currently, there are plans to add rail access to the park. This project, the Willmar Wye, is in the design-to-build phase and aims to add a rail spur making it one of the few green-field parks in the state to have direct rail access.

The county also just recently completed a unique community project – an accessible playground. This \$900,000 project involved over 3,700 volunteers (between the ages of 10 to 82) in the construction. This destination playground is the third-largest fully accessible playground in the country.

"This is not your typical playground. This is a much bigger playground, and if someone is in a wheelchair, they have access to it," says Backman.

What is next for this entrepreneur-friendly, business-ready county? The EDC will continue to provide strategic support for its existing businesses while creating innovative programs that

encourage new entrepreneurs and the growth of their new businesses. Now, more than ever, Kandiyohi County is, as the EDC's tagline says, "Open for Business." ■

"The EDC seeks to support growing diversity in its community and is promoting a locally-based, multicultural market called the Midtown Plaza."



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**KANDIYOHI COUNTY AND CITY OF WILLMAR
ECONOMIC DEVELOPMENT COMMISSION**

ANNUAL FINANCIAL REPORT

December 31, 2016

**JAMES M. RUFF, INC.
Certified Public Accountant and Consultants
Willmar, Minnesota**

**KANDIYOHI COUNTY AND CITY OF WILLMAR
ECONOMIC DEVELOPMENT COMMISSION
WILLMAR, MINNESOTA**

ANNUAL FINANCIAL REPORT

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**KANDIYOHI COUNTY AND CITY OF WILLMAR
ECONOMIC DEVELOPMENT COMMISSION**

BOARD OF DIRECTORS

December 31, 2016

	<u>Name</u>	<u>Term Expires</u>	<u>Representing</u>
Board of Directors - Joint Powers Board			
Chair	Harlan Madsen	12/31/16	Kandiyohi Co.
Vice Chair & EDCOB Liaison	Ron Christianson	12/31/16	City of Willmar
Secretary	Doug Reese	12/31/16	Kandiyohi Co.
Treasurer	Denis Anderson	12/31/16	City of Willmar
Board Members:	Marv Calvin	12/31/16	City of Willmar
	Roger Imdieke	12/31/16	Kandiyohi Co.

Board of Directors - Operations Board

Voting

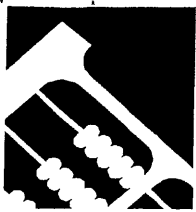
President	Robert P. Carlson	12/31/18
Vice President	Linda Kacher	12/31/16
Secretary	Gary Gilman	12/31/17
Treasurer	Ronnie Boll	12/31/18
Board Member	Art Benson	12/31/18
Board Member	Donna Boonstra	12/31/16
Board Member	Kelly Terwisscha	12/31/17

Non-voting (Ex-Officio)

Board Member	Bruce Peterson	Annually
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Staff

Executive Director	Aaron Backman
Business Development Director	Connie Schmoll



**JAMES M.
RUFF, INC.**

CERTIFIED PUBLIC ACCOUNTANT & CONSULTANTS

JAMES M. RUFF, CPA

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Kandiyohi County and City of Willmar
Economic Development Commission

We have audited the accompanying financial statements of the governmental activities and the General Fund of the Kandiyohi County and City of Willmar Economic Development Commission (EDC) as of and for the year ended December 31, 2016, which collectively comprise the EDC's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the EDC's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the General Fund of the Kandiyohi County and City of Willmar Economic Development Commission as of December 31, 2016, and the respective changes in financial position thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 14, 2017 on our consideration of the Kandiyohi County and City of Willmar Economic Development Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Kandiyohi County and City of Willmar Economic Development Commission has omitted a Management's Discussion and Analysis that the Governmental Accounting Standards Board (GASB) has determined is necessary to supplement, although not required to be part of the basic financial statements. Such information, although not part of the basic financial statements, is considered by GASB to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our report on the basic financial statements is not affected by this missing information.

JAMES M. RUFF, INC.

September 14, 2017

2

◆ Accounting & Auditing ◆ Tax Planning & Preparation ◆ Retirement, Financial, & Estate Planning ◆
◆ Estates & Trusts ◆ QuickBooks ◆ Payroll & Employee Benefits ◆ Agribusiness & Farm ◆ Business Consulting ◆

**KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION
WILLMAR, MINNESOTA**

**GENERAL FUND BALANCE SHEET AND
GOVERNMENTAL ACTIVITIES - STATEMENT OF NET ASSETS
WITH ADJUSTMENTS TO CONVERT MODIFIED TO FULL ACCRUAL**

December 31, 2016

	<u>General Fund</u>	<u>Adjustments</u>	<u>Governmental Activities</u>
ASSETS			
Cash	\$ 293,805	\$ -	\$ 293,805
Certificates of deposit	224,996	-	224,996
Taxes receivable	17,930	-	17,930
Prepaid expenses	2,796	-	2,796
Rent deposits	3,600	-	3,600
Loans receivable, net of \$7,767 allowance	208,510	-	208,510
Capital assets, net of depreciation	-	10,375	10,375
Total Assets	<u>\$ 751,637</u>	<u>\$ 10,375</u>	<u>\$ 762,012</u>
LIABILITIES			
Accounts payable	\$ 1,535	\$ -	\$ 1,535
Vacation and sick leave benefits payable	8,396	-	8,396
PERA and payroll taxes payable	643	-	643
Deferred revenue - tax levy income	-	17,930	17,930
Deferred revenue - grants	-	-	-
Total Liabilities	<u>10,574</u>	<u>17,930</u>	<u>28,504</u>
FUND BALANCE			
Reserved for			
Revolving loan fund - County (\$170,837 loans outstanding)	224,052	(224,052)	
Loan receivable - HRA of Willmar	25,750	(25,750)	
Tourism development	18,262	(18,262)	
KCEO program	11,423	(11,423)	
	<u>279,487</u>	<u>(279,487)</u>	
Unreserved - Designated			
Entrepreneur's loan fund guarantees (50% reserve)	45,762	(45,762)	
Undesignated	415,814	(415,814)	
Total Fund Balance	<u>741,063</u>	<u>(741,063)</u>	
Total Liabilities and Fund Balance	<u>\$ 751,637</u>		
NET ASSETS			
Invested in capital assets		10,375	10,375
Restricted for economic development		279,487	279,487
Unrestricted		443,646	443,646
Total Net Assets		<u>733,508</u>	<u>733,508</u>
Total Liabilities and Net Assets		<u>\$ 10,375</u>	<u>\$ 762,012</u>

The adjustments to convert from modified to full accrual include the addition of capital assets and reporting earned but deferred revenue.

See Notes to the Financial Statements

**KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION
WILLMAR, MINNESOTA**

**GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE AND GOVERNMENTAL ACTIVITIES-STATEMENT OF ACTIVITIES
WITH ADJUSTMENTS TO CONVERT MODIFIED TO FULL ACCRUAL**

For The Year Ended December 31, 2016

	<u>General Fund</u>	<u>Adjustments</u>	<u>Governmental Activities</u>
REVENUES			
Taxes	\$ 479,811	\$ 430	\$ 480,241
Interest on investments and loans	9,868	-	9,868
Charges for services	960	-	960
Grants and miscellaneous	31,770	15,560	47,330
Events and programs	36,943	-	36,943
Refunds and reimbursements	5,224	-	5,224
Total Revenues	<u>564,576</u>	<u>15,990</u>	<u>580,566</u>
EXPENDITURES			
Administration	367,983	-	367,983
Committees and special projects	42,968	-	42,968
Events and programs	22,952	-	22,952
Capital outlays	-	-	-
Depreciation	-	2,077	2,077
Grants and donations	101,631	-	101,631
Loan guarantees	23,254	-	23,254
Total Expenditures / Expenses	<u>558,788</u>	<u>2,077</u>	<u>560,865</u>
Net Change in Fund Balance / Net Assets	5,788	13,913	19,701
Fund Balance / Net Assets, Beginning	<u>735,275</u>	<u>(21,468)</u>	<u>713,807</u>
Fund Balance / Net Assets, Ending	<u>\$ 741,063</u>	<u>\$ (7,555)</u>	<u>\$ 733,508</u>

Adjustments to convert modified accrual to full accrual basis of accounting:

In the fund, under the modified accrual basis, receivables not available for expenditures are deferred. In the statement of activities, those revenues are recognized when earned.

The adjustment is the increase (decrease) in revenues deferred as unavailable. \$ (430)

The fund does not report depreciation expense as an expenditure, but expenses capital outlays as incurred. 2,077

The fund reports capital outlays as an expenditure. In the statement of activities, the cost of capital assets is allocated over their useful lives as depreciation expense. -

The fund records grant revenue when received. In the statement of activities, grant revenue is recorded as income when earned. (15,560)

Total adjustment between change in fund balance and change in net assets \$ (13,913)

**KANDIYOHI COUNTY AND CITY OF WILLMAR ECONOMIC DEVELOPMENT COMMISSION
WILLMAR, MINNESOTA**

**STATEMENT OF GENERAL FUND REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGETARY COMPARISON**

For The Year Ended December 31, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>With Budget</u>
REVENUES				
Taxes	\$ 477,750	\$ 477,750	\$ 480,241	\$ 2,491
Interest on investments and loans	9,073	9,073	9,868	795
Charges for services	1,100	1,100	960	(140)
Grants and miscellaneous	47,042	40,642	47,330	6,688
Events and programs	30,000	30,000	36,943	6,943
Refunds and reimbursements	1,300	1,300	5,224	3,924
Total Revenues	<u>566,265</u>	<u>559,865</u>	<u>580,566</u>	<u>20,701</u>
EXPENDITURES / EXPENSES				
Administration	424,739	424,739	367,983	(56,756)
Committees and special projects	68,020	68,020	42,968	(25,052)
Events and programs	30,000	30,000	22,952	(7,048)
Capital outlays	-	-	-	-
Depreciation	-	-	2,077	2,077
Grants and donations	107,792	105,712	101,631	(4,081)
Loan guarantees	-	-	23,254	23,254
Total Expenditures / Expenses	<u>630,551</u>	<u>628,471</u>	<u>560,865</u>	<u>(67,606)</u>
Net Change in Fund Balance / Net Assets	(64,286)	(68,606)	19,701	88,307
Fund Balance / Net Assets, Beginning	<u>713,807</u>	<u>713,807</u>	<u>713,807</u>	<u>-</u>
Fund Balance / Net Assets, Ending	<u>\$ 649,521</u>	<u>\$ 645,201</u>	<u>\$ 733,508</u>	<u>\$ 88,307</u>

See Notes to the Financial Statements

**KANDIYOHI COUNTY AND CITY OF WILLMAR
ECONOMIC DEVELOPMENT COMMISSION
NOTES TO FINANCIAL STATEMENTS
December 31, 2016**

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial reporting policies of the Kandiyohi County and City of Willmar Economic Development Commission (EDC) conform to generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (statements and interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board issued through November 30, 1989, (when applicable) that do not conflict with or contradict GASB pronouncements. The more significant accounting policies established in GAAP and used by the Kandiyohi County and City of Willmar EDC are discussed below.

A. Financial Reporting Entity

The Kandiyohi County and City of Willmar EDC was established by resolution on July 1, 2003, by a joint-powers agreement between Kandiyohi County and the City of Willmar pursuant to Minn. Laws 2003, ch. 127, art.12, § 30, subd.1. The Kandiyohi County and City of Willmar EDC has all of the powers of an economic development authority under Minn. Stat. §§ 469.090 to 469.107.

The Kandiyohi County and City of Willmar EDC is governed by a six-member Board. The Kandiyohi County Board of Commissioners appoints three members and the Willmar City Council appoints three members. Each member is appointed to serve three years. The Kandiyohi County and City of Willmar EDC elects a chair, vice-chair, secretary, and a treasurer from its members. These officers serve a one-year term of office.

Property taxes represent a substantial portion of the Kandiyohi County and City of Willmar EDC's revenue. The Kandiyohi County and City of Willmar EDC is a political subdivision of the State and a special taxing district as defined by Minn. Stat. § 275.066, clause (25), with the power to adopt and certify a property tax levy to the Kandiyohi County Auditor.

The Kandiyohi County and City of Willmar EDC is a separate entity independent of the city and the county which formed it. In accordance with generally accepted accounting principles, the Kandiyohi County and City of Willmar EDC's financial statements are not included in either the City of Willmar's or Kandiyohi County's financial statements. Neither Kandiyohi County nor the City of Willmar retain control over the operations, has oversight responsibility, or is financially accountable for the Kandiyohi County and City of Willmar EDC.

**KANDIYOHI COUNTY AND CITY OF WILLMAR
ECONOMIC DEVELOPMENT COMMISSION
NOTES TO FINANCIAL STATEMENTS
December 31, 2016**

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basic Financial Statements

The financial statements combine fund level financial statements (General Fund column) and government-wide financial statements (Governmental Activities column). These statements include the financial activities of the Kandiyohi County and City of Willmar EDC overall.

The government-wide columns are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Kandiyohi County and City of Willmar EDC's net assets are reported in three parts: (1) invested in capital assets; (2) restricted net assets; and (3) unrestricted net assets. The Kandiyohi County and City of Willmar EDC first utilizes restricted resources to finance qualifying activities.

The Kandiyohi County and City of Willmar EDC reports one governmental fund. The General Fund is the Kandiyohi County and City of Willmar EDC's primary operating fund. It accounts for all financial resources of Kandiyohi County and City of Willmar EDC.

C. Measurement Focus and Basis of Accounting

The governmental activities columns are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund columns (General Fund) 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 if collected within 60 days after the end of the current period. Interest is considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred. When both restricted and unrestricted resources are available for use, it is the Kandiyohi County and City of Willmar EDC's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Reconciliation of Government-Wide and Fund Financial Statements

The financial statements include an adjustment column to reconcile the General Fund to the governmental activities. The details of the adjustments are:

Balance Sheet to Statement of Net Assets

Amounts reported for governmental activities are different from those reported in General Fund because capital assets, net of depreciation, of \$10,375, and deferred revenue of \$17,930 are not considered financial resources and, therefore, are not reported in the General Fund.

Statement of Activities

Amounts reported for governmental activities in the Statement of Activities differ from the General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance because of the differences in reporting capital assets and unavailable revenues.

KANDIYOHI COUNTY AND CITY OF WILLMAR
ECONOMIC DEVELOPMENT COMMISSION
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Reconciliation of Government-Wide and Fund Financial Statements (Continued)

Statements of Activities (continued)

General Fund reports capital asset purchases as expenditures while governmental activities reports depreciation expense, which allocates the cost of capital assets over their estimated useful lives. The difference, if any, is reported as an adjustment to expenditures.

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the General Fund. An increase in revenues of \$2,611 is shown for the decrease in the long-term tax levy receivable.

E. Assets, Liabilities and Net Assets or Equity

Deposits and Investments

The Kandiyohi County and City of Willmar EDC's deposits and investments include demand deposits, savings, and certificates of deposit.

Capital Assets

Capital assets, which consist of equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the Kandiyohi County and City of Willmar EDC as assets with an initial, individual cost of more than \$500 and an estimated useful life in excess of two years. Such assets are recorded at historical cost.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's lives are not capitalized.

Equipment of the Kandiyohi County and City of Willmar EDC is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Machinery, furniture, and equipment	5 to 7
Leasehold improvements	10

Deferred Revenue

The Kandiyohi County and City of Willmar EDC's General Fund and the government-wide financial statements defer revenue for resources that have been received, but not yet earned. Governmental funds also report deferred revenue in connection with receivables for revenues not considered to be available to liquidate liabilities of the current period.

Fund Equity

In the fund financial statements, governmental funds report reservations of the fund balance for amounts not available for appropriation or legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans subject to change.

**KANDIYOHI COUNTY AND CITY OF WILLMAR
ECONOMIC DEVELOPMENT COMMISSION
NOTES TO FINANCIAL STATEMENTS
December 31, 2016**

F. Budget

The EDC is required to annually send its budget to the Kandiyohi County Board of Commissioners and City of Willmar Council for review and approval.

NOTE B: DETAILED NOTES ON ALL FUNDS

Assets

1. Cash and Investments

The EDC's cash and investments as of December 31, 2016 and 2015 are summarized as follows:

	2016	2015
Restricted:		
Cash on Deposit	\$ 153,733	\$ 147,949
Investments, certificates of deposit	18,262	18,262
	<u>171,995</u>	<u>166,211</u>
Unrestricted: (Designated and Undesignated)		
Cash on Deposit	346,806	418,156
	<u>\$ 518,801</u>	<u>\$ 584,367</u>

Deposits - Cash

In accordance with Minnesota statutes, the EDC is authorized to designate a depository for public funds and to invest in certificates of deposits. The Minnesota statutes require that all EDC deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged shall be at least ten percent more than the amount on deposit plus accrued interest at the close of the financial institution's banking day, not covered by insurance or bonds.

Authorized collateral includes treasury bills, notes, and bills issued by U.S. government agencies; general obligations rated "A" or better and revenue obligations rated "AA" or better; irrevocable standard letters of credit issued by the Federal Home Loan Bank; and certificates of deposit. Minnesota statutes require that securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral.

At December 31, 2016, the EDC's deposits had a carrying amount of \$518,801 and bank balances of \$529,378. Of the bank balances, \$529,378 was covered by federal depository insurance and no deposits were required to be collateralized by standby letters of credit.

Investments

Minnesota statutes generally authorize the following types of investments as available to the EDC:

1. Securities which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress, except mortgage-backed securities defined as "high risk" by Minnesota Statute.

KANDIYOHI COUNTY AND CITY OF WILLMAR
ECONOMIC DEVELOPMENT COMMISSION
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE B: DETAILED NOTES ON ALL FUNDS (Continued)

Assets (continued)

1. Cash and Investments (continued)

Investments (continued)

2. Mutual funds through shares of registered investment companies provided the mutual fund receives certain ratings depending on its investments.
3. General obligations of the State of Minnesota and its municipalities, and certain state agencies and local obligations of Minnesota and other states provided such obligations have certain specified bond ratings by a national bond rating service.
4. Bankers' acceptances of United States banks.
5. Commercial paper issued by the United States corporations or their Canadian subsidiaries that is rated in the highest quality category by two nationally recognized rating agencies and matures in 270 days or less.
6. Repurchase agreements, securities lending agreements, joint powers in investment trusts and guaranteed investment contracts, with certain restrictions.

Interest Rate Risk

Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

Concentration of Credit Risk

As of and during the year ended, December 31, 2016 the EDC was not subject to custodial credit risk due to cash and certificates of deposits held in excess of federal depository insurance limits and related collateral pledged.

**KANDIYOHI COUNTY AND CITY OF WILLMAR
ECONOMIC DEVELOPMENT COMMISSION
NOTES TO FINANCIAL STATEMENTS
December 31, 2016**

NOTE B: DETAILED NOTES ON ALL FUNDS (Continued)

Assets (continued)

2. Taxes Receivable

Taxes receivable consist of uncollected taxes payable by property owners. On the Kandiyohi County and City of Willmar EDC's governmental fund balance sheet, taxes receivable are offset by deferred revenue to indicate they are not available for spending in the current period. No provision has been made for estimated uncollectible amounts because such amounts are not expected to be material. Property taxes are collected by Kandiyohi County and distributed to the Kandiyohi County and City of Willmar EDC three times a year.

Kandiyohi County collected \$7,342 and \$8,193 from taxpayers for tax years December 31, 2016 and 2015 respectively, related to the Kandiyohi County and City of Willmar EDC's tax levy, which was not remitted to the Kandiyohi County and City of Willmar EDC until 2017 and 2016, respectively.

3. Accounts Receivable - Accrued Interest

Interest earned on Certificates of Deposit and loans receivable but not collected until the following year.

4. Loans Receivable

HRA of Willmar

The loan receivable from the HRA of Willmar is a term note dated June 1, 1998 for \$25,750. The note has no stated interest rate, is unsecured, non-guaranteed, and is due in full on June 1, 2028.

	<u>2016</u>
\$	25,750

Revolving Loan Fund

Various Term notes in the initial amounts of \$25,000 to \$50,000 each (\$250,500 total), dated December 2011 through July 2016, requiring 60 monthly payments of \$475 to \$950 including interest at 5.25%.

170,837

Matures December 2016 through February 2022.

Entrepreneurs Loan Guarantee Program

Note receivable in the original amount of \$7,980 with \$250 monthly payments including interest at 5.5%.

7,767

KCEO Student Loans

Loans to student entrepreneurs in amounts of \$250 to \$600 for small business development payable within one year, non interest bearing.

11,923

TOTAL LOANS RECEIVABLE

\$	<u><u>216,277</u></u>
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**KANDIYOHI COUNTY AND CITY OF WILLMAR
ECONOMIC DEVELOPMENT COMMISSION
NOTES TO FINANCIAL STATEMENTS
December 31, 2016**

NOTE B: DETAILED NOTES ON ALL FUNDS (Continued)

Assets (continued)

5. Capital Assets

Capital assets activity for the year ended December 31, 2016 was as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets depreciated				
Leasehold improvements, furniture, and equipment	\$ 37,342	\$ -	\$ -	\$ 37,342
Less: accumulated depreciation for				
Leasehold improvements, furniture, and equipment	(24,890)	(2,077)		(26,967)
Total Capital Assets, Net	<u>\$ 12,452</u>	<u>\$ (2,077)</u>	<u>\$ -</u>	<u>\$ 10,375</u>

Depreciation expense of \$2,876 was charged to the Kandiyohi County and City of Willmar EDC's economic development function.

Liabilities

1. Operating Lease

Effective December 2014, the EDC relocated to new facilities with \$1,800 payable monthly for 60 months, maturing December 2019. Included in this lease are real estate taxes, building insurance, maintenance, and utilities. The lease is renewable for an additional 36 months. The future minimum lease payments are as follows:

Year Ending December 31	Amount
2016	\$ 21,600
2017	21,600
2018	21,600
2019	19,800

2. Risk Management

The Kandiyohi County and City of Willmar EDC is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Kandiyohi County and City of Willmar EDC is a member of the Minnesota Counties Insurance Trust. The Kandiyohi County and City of Willmar EDC retains risk for the deductible portions of the insurance. The amounts of these deductibles are considered immaterial to the financial statements.

There were no significant reductions in insurance from the prior year. There was a \$1,265 and \$1,043 refund for 2016 and 2015 premiums in excess of insurance coverage for past fiscal years.

KANDIYOHI COUNTY AND CITY OF WILLMAR
ECONOMIC DEVELOPMENT COMMISSION
NOTES TO FINANCIAL STATEMENTS
December 31, 2016

NOTE B: DETAILED NOTES ON ALL FUNDS (Continued)

Liabilities (continued)

3. Pension Plans

All full-time and certain part-time employees of the Commission are covered by defined benefit plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the Public Employees Retirement Fund (PERF), the Public Employees Police and Fire Fund (PEPFF), and the Local Government Correctional Service Retirement Fund (LGCSRF) which are cost-sharing, multiple employer retirement plans. These plans are established and administered in accordance with Minnesota Statutes, Chapters 353 and 356.

PERF members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. All new members must participate in the Coordinated Plan.

PERA provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by State Statute, and vest after three years of credited service. The defined retirement 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 of service.

Two methods are used to compute benefits for PERF's Coordinated and Basic Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2 percent of average salary for each of the first 10 years of service and 2.7 percent for each remaining year. The annuity rate for a Coordinated Plan member is 1.2 percent of average salary for each of the first 10 years and 1.7 percent for each remaining year. Under Method 2, the annuity accrual rate is 2.7 percent of average salary for Basic Plan members and 1.7 percent for Coordinated Plan members for each year of service. For PEPFF members, the annuity accrual rate is 3.0 percent for each year of service. For all PEPFF members and for PERF members whose annuity is calculated using Method 1, a full annuity is available when age plus years of service equal 90. A reduced retirement annuity is also available to eligible members seeking early retirement.

There are different types of annuities available to members upon retirement. A normal annuity is a lifetime annuity that ceases upon death of the retiree -- no survivor annuity is payable. There are also various types of joint and survivor annuity options available which will reduce the monthly normal annuity amount, because the annuity is payable over joint lives. Members may also leave their contributions in the fund upon termination of public service in order to qualify for a deferred annuity at retirement age. Refunds of contributions are available at any time to members who leave public service, but before retirement benefits begin.

The benefit provisions stated in the previous 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.

**KANDIYOHI COUNTY AND CITY OF WILLMAR
ECONOMIC DEVELOPMENT COMMISSION
NOTES TO FINANCIAL STATEMENTS
December 31, 2016**

NOTE B: DETAILED NOTES ON ALL FUNDS (Continued)

Liabilities (continued)

3. Pension Plans (continued)

PERA issues a publicly available financial report that includes financial statements and required supplementary information for PERF and PEPFF. That report may be obtained by writing to PERA, 60 Empire Drive, Suite 200, St. Paul, MN 55103-2088 or by calling 651-296-7460 or 800-652-9026.

Pension benefits are funded from member and employer contributions and income from the investment of fund assets. Minn. Stat. ch. 353 sets the rates for employer and employee contributions. These statutes are established by the State Legislature. The Kandiyohi County and City of Willmar EDC makes annual contributions to the pension plans equal to the amount required by state statutes. Public Employees Retirement Fund Basic Plan members and Coordinated Plan members are required to contribute 9.10 and 6.0 percent, respectively, of their annual covered salary. The Kandiyohi County and City of Willmar EDC is required to contribute the following percentages of annual covered payroll:

Public Employees Retirement Fund	
Basic Plan Members	11.78 %
Coordinated Plan Members	7.25 %

The Kandiyohi County and City of Willmar EDC's contributions for the years ended December 31, 2016 and 2015 were \$13,777 and \$12,979 respectively.

4. Contingent Liabilities

The Kandiyohi County and City of Willmar EDC has entered into four loan guarantee agreements in relation to its Partial Loan Guarantee Program. Under the terms of the agreement, the EDC has guaranteed 80% of these \$25,000 (\$50,000 for 2013 and following years) loans to private businesses. Total outstanding loan balances under this loan program are \$91,523 at December 31, 2016 with the EDC establishing a reserve of 50% of the guarantee amount, or \$45,762. During 2016 the EDC repaid to a local bank \$23,253 under this guarantee program.

5. Compensated Absences

The EDC allows certain full-time employees to accumulate and carryover vacation and sick leave into the next year. The policy establishes rates of pay and limits amounts allowed for carryover.

6. Future Commitments

The EDC approved during 2015 a three-year partnership agreement for \$34,000 annually to fund the Willmar Lakes Area Convention and Visitors Bureau for tourism-related services.

7. Line of Credit Agreement

The EDC has an unused line of credit agreement limited to \$25,000 dated August 2016 & maturing August 2017.

NOTE C: EVALUATION OF SUBSEQUENT EVENTS

The Kandiyohi County and City of Willmar EDC has evaluated subsequent events through September 14, 2017, the date the financial statements were available to be issued.



**JAMES M.
RUFF, INC.**

CERTIFIED PUBLIC ACCOUNTANT & CONSULTANTS

JAMES M. RUFF, CPA

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Joint Powers Board and Operations Board
Kandiyohi County and City of Willmar
Economic Development Commission

We have audited the financial statements of Kandiyohi County and City of Willmar Economic Development Commission as of and for the year ended December 31, 2016, and have issued our report thereon dated September 14, 2017.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by Comptroller General of the United States and the provisions of the *Minnesota Legal Compliance Audit Guide for Local Government*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Kandiyohi County and City of Willmar Economic Development Commission's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

However, we identified certain deficiencies in internal control over financial reporting described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting which are not considered material weaknesses. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

◆ Accounting & Auditing ◆ Tax Planning & Preparation ◆ Retirement, Financial, & Estate Planning ◆
◆ Estates & Trusts ◆ QuickBooks ◆ Payroll & Employee Benefits ◆ Agribusiness & Farm ◆ Business Consulting ◆

◆ P.O. Box 1056 ◆ 2015 1st Street S. ◆ Willmar, Minnesota 56201 ◆ Phone: (320) 235-1002 ◆

◆ Fax: (320) 235-3809 ◆ Email: ruffcpas@en-tel.net ◆

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Kandiyohi County and City of Willmar Economic Development Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Minnesota Legal Compliance

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the provisions of the *Minnesota Legal Compliance Audit Guide for Local Government*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65. Accordingly, the audit included tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

The *Minnesota Legal Compliance Audit Guide for Local Government* contains seven categories of compliance to be tested: contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and tax increment financing. Our study included all of the listed categories, except that we did no tests of compliance in: 1) contracting and bidding because the EDC did not enter into any contract or make any purchases requiring bids; 2) public indebtedness, because the EDC had no bonded debt transactions; and 3) tax increment financing.

The results of our tests indicate that, for the items tested, Kandiyohi County and City of Willmar Economic Development Commission complied with the material terms and conditions of the applicable legal provisions.

Kandiyohi County and City of Willmar Economic Development Commission's written responses to the significant deficiencies, material weaknesses and legal compliance findings identified in our audit have not been subjected to any auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This report is intended solely for the use of management and State Agencies, and is not intended to be and should not be used by anyone other than these specified parties.

JAMES M. RUFF, INC.

September 14, 2017

**KANDIYOHI COUNTY AND CITY OF WILLMAR
ECONOMIC DEVELOPMENT COMMISSION
SCHEDULE OF FINDINGS AND RESPONSES**

YEAR ENDED DECEMBER 31, 2016

**I. FINDINGS RELATED TO FINANCIAL STATEMENTS AUDITED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Criteria:

A control deficiency exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent or detect misstatements of the financial statements on a timely basis. A control deficiency that typically is considered significant is the identification by the auditor of a material misstatement in the financial statements that was not initially identified by the entity's internal control.

Finding 2016-1, 2015-1 and 2014-1

Condition:

Non-budgeted expenses, commitments, and recurring revenues - for 2016 and prior budget years the EDC has not budgeted for all significant anticipated revenues and expenses.

Questioned Costs:

None

Context:

Budgeted revenues did not include the receipt of anticipated grants, interest income, and program income. Budgeted expenses failed to include all expected grant disbursements. Total revenues and expenses from actual to budget are misrepresented.

Effect:

Budgeted revenues and expenses are understated as compared to anticipated actual revenues and expenses.

Cause:

Budgeted revenues and expenses include basic operations only.

Recommendation:

We recommend that staff spend additional efforts in ensuring budgeted information is as complete and accurate as possible.

CORRECTIVE ACTION PLAN (CAP)

Finding 2016-1, 2015-1 and 2014-1

Explanation of Disagreement with Audit Finding:

There is no disagreement with the audit finding.

Actions Planned in Response to Finding:

During 2017 and future years the budget will be revised to ensure completeness.

Officer Responsible for Ensuring CAP:

Executive Director, Assistant Director, Treasurer, and fiscal host.

Planned Completion Date:

Monthly during 2017.

Plan to Monitor Completion of CAP:

Responsible officers to report to JOINT BOARD.

**KANDIYOHI COUNTY AND CITY OF WILLMAR
ECONOMIC DEVELOPMENT COMMISSION
SCHEDULE OF FINDINGS AND RESPONSES**

YEAR ENDED DECEMBER 31, 2016

**I. FINDINGS RELATED TO FINANCIAL STATEMENTS AUDITED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS (CONTINUED)**

Finding 2016-2, 2015-2 and 2014-2

Condition:

During our audit, we proposed numerous adjustments that resulted in significant changes to the Commission's financial statements.

Questioned Costs:

None

Context:

As examples during 2016, 2015, 2014, and prior years, certain expenditures (e.g. loan write off of \$23,254 for 2016, accrued sick and vacation for 2015 and 2014) were posted directly to fund balance or reserve accounts. During 2015, 2014, and prior years, certain receipts or transfers from Kandiyohi County were not reported as revenues in the statement of activities.

Effect:

The commission had numerous unrecorded transactions or untimely accounting adjustments that caused the interim and year end financial statements to be materially misstated.

Cause:

Lack of communication between fiscal host and management. Misinterpretation of generally accepted accounting policies.

Recommendation:

We recommend that the Commission insure the completeness of records and supporting documentation for the new fiscal host and that accounting adjustments be made on a regular and recurring basis. All revenues and expenditures should be posted to the statement of activities.

CORRECTIVE ACTION PLAN (CAP)

Finding 2016-2, 2015-2 and 2014-2

Explanation of Disagreement with Audit Finding:

There is no disagreement with the audit finding.

Actions Planned in Response to Finding:

Monthly balance sheets and income statements will be reviewed by the Joint Operations Board. All revenues and expenditures will be posted directly to the Statement of Activities. During 2012 an outside independent contractor (LAA) was hired to act as fiscal host. Auditor will work with new fiscal host (LAA) to ensure completeness and accuracy of year end statements for 2017 and future years.

**KANDIYOHI COUNTY AND CITY OF WILLMAR
ECONOMIC DEVELOPMENT COMMISSION
SCHEDULE OF FINDINGS AND RESPONSES**

YEAR ENDED DECEMBER 31, 2016

**I. FINDINGS RELATED TO FINANCIAL STATEMENTS AUDITED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS (CONTINUED)**

Finding 2016-2, 2015-2 and 2014-2 (continued)

Officer Responsible for Ensuring CAP:

Executive Director, Assistant Director, Treasurer, and fiscal host (LAA).

Planned Completion Date:

Monthly during 2017.

Plan to Monitor Completion of CAP:

Balance Sheets and the Statement of Activities will be monitored monthly by the Executive Director, Treasurer, and fiscal host to encourage adjustments during the year to fully conform to fund accounting.

**II. FINDINGS RELATED TO FINANCIAL STATEMENTS AUDITED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

PREVIOUSLY REPORTED ITEMS NOT RESOLVED

Finding 2000-2 -- Internal Control/Segregation of Duties

Management is responsible for establishing and maintaining internal control. This responsibility includes the internal control over the various accounting cycles, the fair presentation of the financial statements and related notes, and the accuracy and completeness of all financial records and related information. Adequate segregation of duties is a key internal control in an organization's accounting system. The size of the Kandiyohi County and City of Willmar Economic Development Commission and its staffing, limits the internal control that management can design and implement into the EDC. Management should be aware that segregation of duties is not adequate from an internal control point of view.

Management is responsible for the accuracy and completeness of all financial records and related information. Also, management is responsible for controls over the year-end financial reporting process, including controls over procedures used to enter transaction totals into the general ledger; initiate, authorize, record, and process journal entries into the general ledger; and record recurring and nonrecurring adjustments to the financial statements.

Management has requested that we prepare the annual financial statements and related notes. This arrangement is not unusual for an organization the size of the EDC. These decisions were based on the availability of the EDC's staff and the cost/benefit of using our expertise.

During our audit, we proposed numerous adjustments to convert the EDC's financial records to the financial statements as reported. Those adjustments were made to report receivables and revenue (deferred revenue in the fund) for interest and to reclassify various revenues.

September 14, 2017

The Joint Powers Board and
The Operations Committee
Kandiyohi County and the City of Willmar
Economic Development Commission

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Kandiyohi County and the City of Willmar Economic Development Commission (EDC) for the year ended December 31, 2016. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated September 12, 2017. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the EDC are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2016. We noted no transactions entered into by the Kandiyohi County & City of Willmar EDC during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the EDC's financial statements was (were):

- a) useful lives of equipment for computing depreciation expense and
- b) the loan reserve for the loan guarantee program.

Management's estimate of the useful lives of property and equipment is based on estimated economic or useful life. We evaluated the key factors and assumptions used to develop the determination of useful life in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the loan loss reserve is based on historical experience. We evaluated the key factors and assumptions used to develop the loss reserve in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure(s) affecting the financial statements was (were):

The disclosure of FDIC insurance and collateral in Note B to the financial statements regarding credit risk associated with cash funds at financial institutions. The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 12, 2017.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the EDC's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the EDC's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Restriction on Use

This information is intended solely for the use of The Joint Powers Board, The Operations Committee and management of the Kandiyohi County and the City of Willmar Economic Development Commission and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

James M. Ruff, Inc.

CD Interest Rate Comparison

CD with Concorde Bank matures on 9/28/2017

Original amount of CD \$103,186.13 (current interest rate .760%)

	6 months	12 months	18 months	24 months	36 months
Bremer Bank (*special)	0.25%	0.40% 11 mos./1.0%*	19 mos./1.25%*	0.80%	
Citizens Alliance Bank	0.55%	0.70%		0.95%	
Concorde Bank	0.91%	1.36%		1.57%	
Heritage Bank	No response received				
Lake Region Bank	No response received				
North American State Bank	0.81%	1.11%		1.26%	
United Minnesota Bank	No response received				
United Prairie Bank	1.20%	1.45%		1.65%	
US Bank			19 mos./0.50%		37 mos./0.75%
Wells Fargo Bank	No response received				

2017 Goals - The EDC's boards identified four overarching goals on which to focus their efforts

1. The EDC will strengthen partnerships and connections with existing businesses to be a catalyst and build capacity for organic growth.
 - Implement the Diverse BRE Program, surveyed 18 businesses and prepared Final Report. Partnership with SWIF and ADC.
 - WorkUp partnership to assist business start-ups and promote marketing of the area.
 - MinnWest Technology Campus partnership to support existing businesses – Mr. B's, and invite new businesses – Community Venture Network Partnership.
 - MCROC partnership to utilize resources offered by the University – planning the Nov. 2017 U of M Showcase.
 - Work closely with City Council's Planning Committees and EDA's in Raymond, New London, Spicer, Blomkest, Willmar and Atwater (on be-half of TimeWorn).
 - Work with SBDC and SCORE to assist with business planning, business plans and financial documents for new start-ups.

2. The EDC will explore and increase operations to support efforts to improve the tax base by attracting new residents with higher income and educational levels.

Broadband provisions, promotion of Highway 23 access to 4-lane highway all the way to metro, CLUES

3. The EDC will position and market itself as the expert in business development and be a conduit of information, resources and making connections.
 - Marketing EDC through magazine article, FAM tour flyer and attendance at FAM tour
 - RLF Loans to businesses, help to create business plans and present to bank
 - Conduit to refer start-ups and early stage businesses to West Central Angel Fund I
4. EDC staff and board members will work intentionally with data to drive decision-making and investments.

- Preparation and presentation of 2014 and 2015 Retail Trade Analysis Report working with Extension.
- Broadband statistics and data were used throughout the broadband project planning to determine project areas, identify areas that are "unserved", and contact people in the service area
- County and township data was used to identify the producers to contact. The 2017 Ag Producers Survey is providing data to be used to guide work done by the Ag and Renewable Energy Committee and to target industry to meet producers' needs to diversify and find markets for their products
- To assist start-up businesses, industry data has been sought and provided by Luke Griener. Community data used for FAM Tour – site selectors, Trade show – business prospects

Total, Selected 6-County Region Trucking-related Industry Employment Statistics, 2016					
NAICS Industry Title	NAICS Code	No. of Establishments 2016	No. of Jobs 2016	Total Payroll 2016	Avg. Weekly Wages
Total, All Industries	0	7,599	138,297	\$5,816,404,372	\$809
Manufacturing	31	438	19,442	\$943,367,538	\$933
Wholesale Trade	42	333	5,583	\$291,017,066	\$1,002
Transportation and Warehousing	48	367	4,811	\$190,647,777	\$762
Truck Transportation	484	250	2,629	\$131,258,911	\$960
Transit & Ground Passenger Transportation	485	30	832	\$14,810,444	\$343
Support Activities for Transportation	488	8	9	\$181,319	\$410
Postal Service	491	54	525	\$25,719,815	\$942
Couriers & Messengers	492	13	591	\$24,778,963	\$806
Warehousing & Storage	493	6	209	\$9,424,809	\$867
Source: DEED Quarterly Census of Employment & Wages (QCEW) program					
NAICS Industry Title	NAICS Code	No. of Establishments 2016	No. of Jobs 2016	Total Payroll 2016	Avg. Weekly Wages
Total, All Industries	0	1,314	23,328	\$880,147,886	\$724
Manufacturing	31	71	3,476	\$165,635,083	\$914
Wholesale Trade	42	51	721	\$44,334,722	\$1,185
Transportation & Warehousing	48	77	589	\$23,645,038	\$772
Truck Transportation	484	48	252	\$12,201,778	\$927
Transit & Ground Passenger Transportation	485	5	137	\$2,376,866	\$333
Support Activities for Transportation	488	8	9	\$181,319	\$850
Couriers and Messengers	492	4	89	\$3,729,294	\$804
Stearns County Trucking-related Industry Employment Statistics, 2016					
NAICS Industry Title	NAICS Code	No. of Establishments 2016	No. of Jobs 2016	Total Payroll 2016	Avg. Weekly Wages
Total, All Industries	0	4,159	85,200	\$3,771,854,092	\$851
Manufacturing	31	263	11,397	\$551,404,514	\$930
Wholesale Trade	42	169	3,333	\$170,696,128	\$985
Transportation and Warehousing	48	179	3,380	\$153,274,393	\$872
Truck Transportation	484	106	1,578	\$88,855,280	\$1,082
Transit & Ground Passenger Transportation	485	21	621	\$11,886,919	\$368
Postal Service	491	23	358	\$18,729,315	\$1,005
Couriers & Messengers	492	9	502	\$21,049,669	\$807
Warehousing & Storage	493	6	209	\$9,424,809	\$867

Lyon County Trucking-related Industry Employment Statistics, 2016					
NAICS Industry Title	NAICS Code	No. of Establishments 2016	No. of Jobs 2016	Total Payroll 2016	Avg. Weekly Wages
Total, All Industries	0	797	14,579	\$590,388,880	\$779
Manufacturing	31	32	2,150	\$110,023,373	\$984
Wholesale Trade	42	40	574	\$31,504,538	\$1,056
Truck Transportation	484	23	323	\$12,465,375	\$742
Postal Service	491	9	64	\$2,661,043	\$794
Chippewa County Trucking-related Industry Employment Statistics, 2016					
NAICS Industry Title	NAICS Code	No. of Establishments 2016	No. of Jobs 2016	Total Payroll 2016	Avg. Weekly Wages
Total, All Industries	0	421	5,670	\$213,800,221	\$724
Manufacturing	31	30	1,184	\$53,959,048	\$876
Wholesale Trade	42	21	334	\$16,295,971	\$938
Transportation & Warehousing	48	21	148	\$4,758,495	\$624
Truck Transportation	484	12	65	\$1,476,692	\$875
Transit & Ground Passenger Transportation	485	3	64	\$383,489	\$233
Postal Service	491	5	28	\$1,193,881	\$812
Renville County Trucking-related Industry Employment Statistics, 2016					
NAICS Industry Title	NAICS Code	No. of Establishments 2016	No. of Jobs 2016	Total Payroll 2016	Avg. Weekly Wages
Total, All Industries	0	565	5,480	\$217,010,965	\$761
Manufacturing	31	25	1,011	\$54,719,878	\$1,045
Wholesale Trade	42	35	394	\$16,298,349	\$1,061
Transportation & Warehousing	48	59	516	\$5,126,093	\$764
Truck Transportation	484	41	318	\$12,446,161	\$749
Postal Service	491	10	46	\$1,854,034	\$783
Yellow Medicine County Trucking-related Industry Employment Statistics, 2016					
NAICS Industry Title	NAICS Code	No. of Establishments 2016	No. of Jobs 2016	Total Payroll 2016	Avg. Weekly Wages
Total, All Industries	0	343	4,040	\$143,202,328	\$681
Manufacturing	31	17	224	\$7,625,642	\$655
Wholesale Trade	42	17	227	\$11,887,358	\$1,009
Transportation & Warehousing	48	31	178	\$3,843,758	\$832
Truck Transportation	484	20	93	\$3,813,625	\$788
Transit & Ground Passenger Transportation	485	1	10	\$163,170	\$331
Postal Service	491	7	29	\$1,281,542	\$843
Source: DEED Quarterly Census of Employment & Wages (QCEW) program					

2015 Retail Trade Analysis Report



Willmar & Kandiyohi County, Minnesota

Funding provided by

The Blandin Foundation

and

University of Minnesota Extension's Center for Community Vitality

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Willmar Retail Trade Overview

Total Taxable and Gross Retail Sales

The table below presents gross and taxable retail and services sales for Willmar from 2003 through 2015. Without inflation adjustments, taxable sales in Willmar increased 11 percent from 2008 to 2015, while the number of firms rose 6.8 percent. Statewide, taxable sales decreased 0.7 percent over the same time period and the number of firms fell 9.3 percent. The per capita sales and pull factor data in this table are based on taxable sales, the more verified sales measure.

The table also presents sales data in constant 2015 dollars. These figures have been adjusted for inflation to reflect their value in 2015. For example, in 2003, taxable sales in Willmar totaled \$222.03 million, an amount worth \$284.66 million in 2015 dollars. In constant dollars, gross sales grew 5.4 percent between 2008 and 2015. Constant dollar taxable sales increased 1 percent over the same time period.

Year	Estimated Population	Current Dollars		Constant 2015 Dollars		Number of Firms	Per Capita Sales	Pull Factor
		Gross Sales* (\$millions)	Taxable Sales (\$millions)	Gross Sales* (\$millions)	Taxable Sales (\$millions)			
2003	18,303	\$606.60	\$222.03	\$777.69	\$284.66	470	\$12,131	1.36
2004	18,205	\$666.08	\$242.62	\$832.60	\$303.27	491	\$13,327	1.44
2005	18,163	\$619.14	\$240.33	\$755.04	\$293.08	485	\$13,232	1.39
2006	18,067	\$667.18	\$248.42	\$784.92	\$292.26	478	\$13,750	1.43
2007	17,877	\$705.04	\$257.72	\$810.39	\$296.23	499	\$14,416	1.48
2008	17,874	\$827.94	\$301.06	\$909.82	\$330.84	503	\$16,843	1.76
2009	17,907	\$837.64	\$282.03	\$930.71	\$313.37	508	\$15,750	1.76
2010	19,610	\$825.21	\$296.77	\$896.97	\$322.58	503	\$15,134	1.68
2011	19,600	\$873.55	\$301.75	\$909.95	\$314.32	491	\$15,395	1.65
2012	19,694	\$860.88	\$304.16	\$878.45	\$310.37	476	\$15,444	1.60
2013	19,717	\$883.88	\$306.95	\$892.81	\$310.05	482	\$15,568	1.81
2014	19,731	\$926.13	\$318.30	\$926.13	\$318.30	480	\$16,132	1.84
2015	19,848	\$959.07	\$334.11	\$959.07	\$334.11	469	\$16,833	1.86
7 yr Change '08 to '15								
	11.0%	15.8%	11.0%	↓ 5.4%	1.0%	-6.8%	-0.1%	5.7%
3 yr Change '12 to '15								
	0.8%	11.4%	9.8%	9.2%	7.6%	-1.5%	9.0%	16.7%

*Gross sales figures are self-reported by firms and not audited by the Dept. of Revenue for accuracy.

Willmar: Retail/Service Sales in Constant Dollars

Total Sales: Gross & Taxable



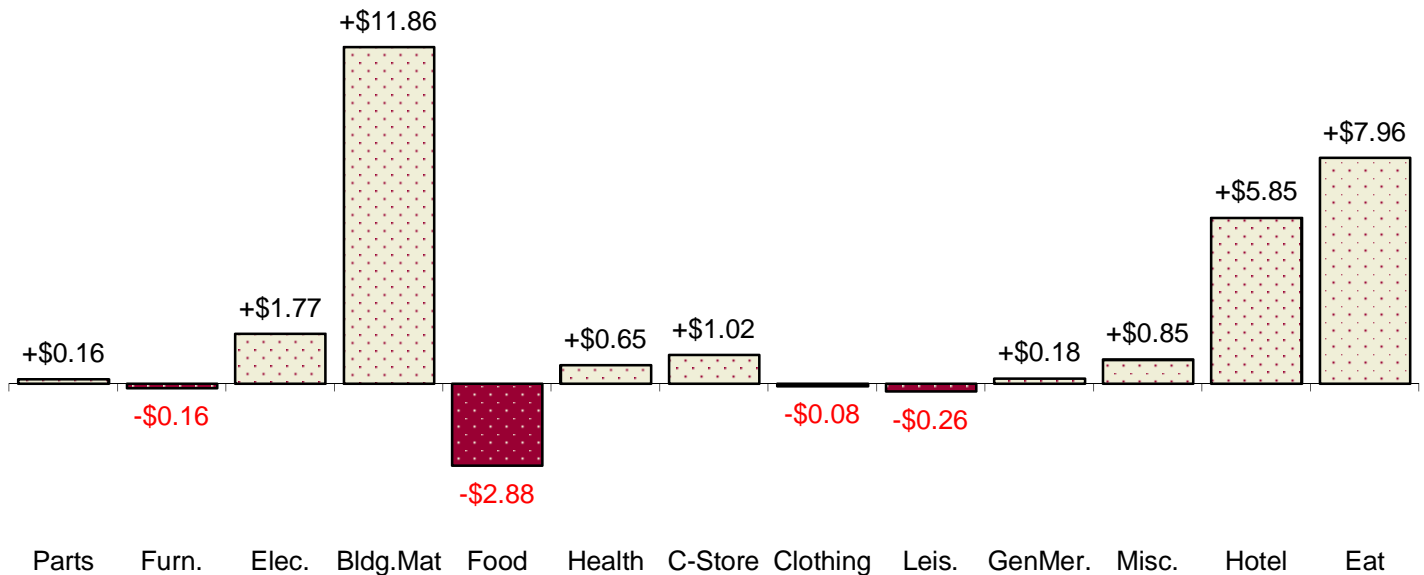
Willmar

Selected Components of Change*, 2012 to 2015

Selected Categories	Taxable Sales 2012	Taxable Sales 2015	Dollar Change	Percent Change
Vehicles & Parts	\$14,466,560	\$14,628,364	+\$161,804	+1.12%
Furniture Stores	\$10,672,847	\$10,515,693	-\$157,154	-1.47%
Electronics	\$14,456,724	\$16,223,403	+\$1,766,679	+12.22%
Building Materials	\$66,411,833	\$78,271,570	+\$11,859,737	+17.86%
Food, Groceries	\$22,155,800	\$19,271,564	-\$2,884,236	-13.02%
Health, Personal Stores	\$3,171,204	\$3,825,191	+\$653,987	+20.62%
Gas/Convenience Stores	\$4,762,617	\$5,780,339	+\$1,017,722	+21.37%
Clothing	\$3,095,270	\$3,014,771	-\$80,499	-2.60%
Leisure Goods	\$3,536,387	\$3,272,018	-\$264,369	-7.48%
General Merchandise Stores	\$61,761,889	\$61,944,257	+\$182,368	+0.30%
Miscellaneous Retail	\$11,104,409	\$11,956,440	+\$852,031	+7.67%
Accommodations	\$22,776,242	\$28,628,291	+\$5,852,049	+25.69%
Eating & Drinking	+\$29,572,239	+\$37,529,924	+\$7,957,685	+26.91%
Total Retail and Services Sales	\$304,162,330	\$334,111,058	+\$29,948,728	+9.85%

* Figures not adjusted for inflation.

Taxable Sales Changes by Category (in Millions) 2012 to 2015



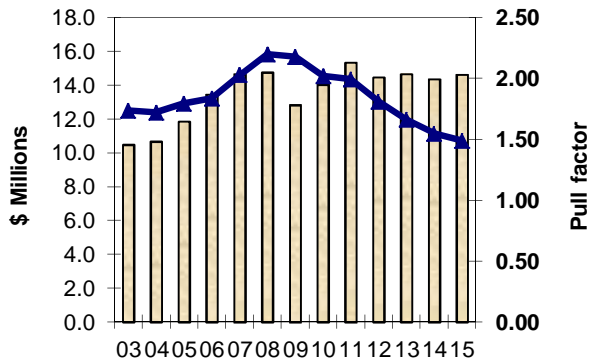
Recent Trends By Merchandise Category

Willmar

This page looks at several merchandise categories to chart the multi-year trend in taxable sales and pull factor. NA=Suppressed Data

■ Taxable Sales ▲ Pull Factor

Vehicles & Parts

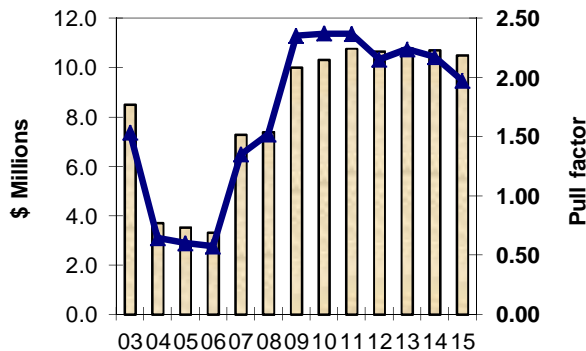


4.4% of Willmar's taxable sales in 2015

Sales per capita are \$728

Stores in the Motor Vehicle and Parts Dealers subsector retail motor vehicles and parts from fixed point-of-sale locations. This can include automobiles, campers, RV's, boats, out-board motors, sailboats, snowmobiles, motorcycles, and all terrain vehicles. On-road vehicle sellers do not collect sales tax but rather Motor Vehicle Tax. Sales tax is collected on boats, snowmobiles, dirt bikes, ATVs, and parts.

Furniture

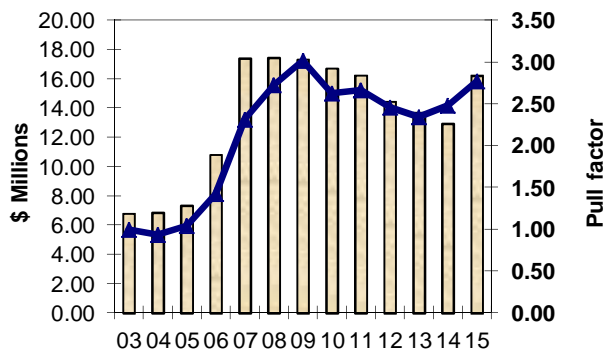


3.1% of Willmar's taxable sales in 2015

Sales per capita are \$543

Stores in the Furniture and Home Furnishings subsector retail new furniture and home furnishings from fixed point-of-sale locations. This can include bed stores, office furniture, carpet stores, window treatments, lamps, framing shops, linens, and kitchenware.

Electronics



4.9% of Willmar's taxable sales in 2015

Sales per capita are \$655

Stores in the Electronics and Appliance subsector retail new electronics and appliances from point-of-sale locations. This can include household appliances, sewing machines, vacuum cleaners, computers, cameras, telephones, cell phones, televisions, and radios.

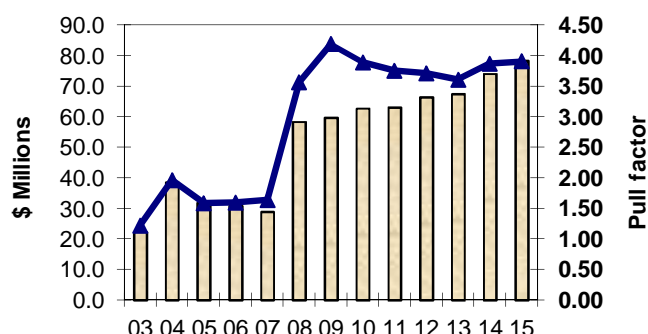
Recent Trends By Merchandise Category

Willmar

This page looks at several merchandise categories to chart the multi-year trend in taxable sales and pull factor. NA=Suppressed Data

■ Taxable Sales — Pull Factor

Building Materials

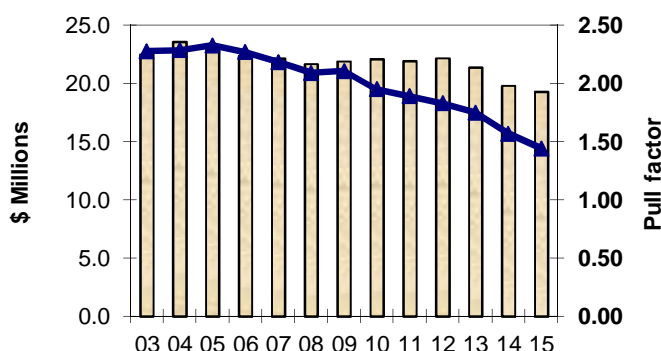


23.4% of Willmar's taxable sales in 2015

Sales per capita are \$3752

Stores in the Building Material and Garden Equipment and Supplies Dealers subsector retail new building material and garden equipment and supplies. This includes home improvement centers and stores that sell paint, wallpaper, ceramic tile, fencing, windows, roofing, siding, hardware, and plumbing.

Groceries & Beverage Stores

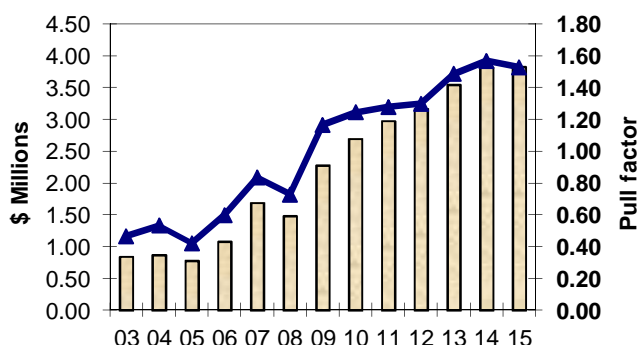


5.8% of Willmar's taxable sales in 2015

Sales per capita are \$1003

Stores in the Food and Beverage Stores subsector usually retail food and beverages merchandise from fixed point-of-sale locations. This can include grocery stores, liquor stores, bakeries, candy shops, butcher stores, meat markets, and produce markets.

Health, Pharmacy, Optical



1.1% of Willmar's taxable sales in 2015

Sales per capita are \$193

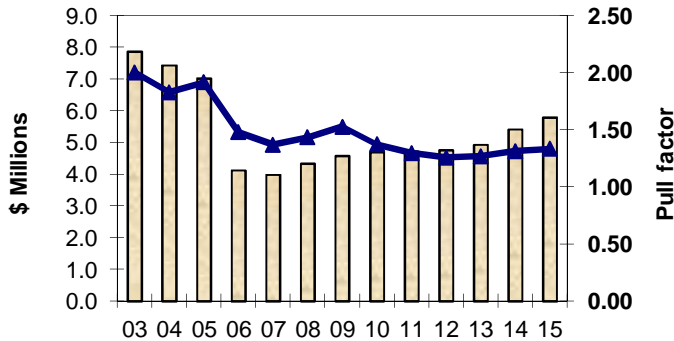
Stores in the Health and Personal Care Stores subsector retail health and personal care merchandise from fixed point-of-sale locations. This includes drug stores, health supplement stores, hearing aid stores, optical goods stores, cosmetic stores, medical supply stores,

Recent Trends By Merchandise Category

Willmar

Taxable Sales
 Pull Factor

Gas/Convenience Stores



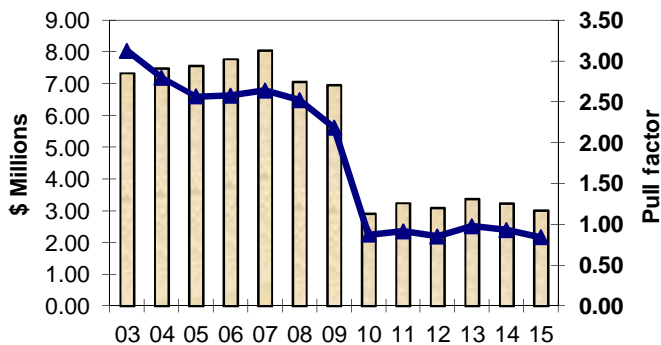
This page looks at several merchandise categories to chart the multi-year trend in taxable sales and pull factor. NA=Suppressed Data

1.7% of Willmar's taxable sales in 2015

Sales per capita are \$274

Stores in the Gasoline Stations subsector group establishments retailing automotive fuels (e.g., gasoline, diesel fuel, gasohol) and automotive oils and retailing these products in combination with convenience store items. This includes truck stops, C stores, marine service stations, and ordinary gas stations that sell automotive supplies.

Clothing & Accessories

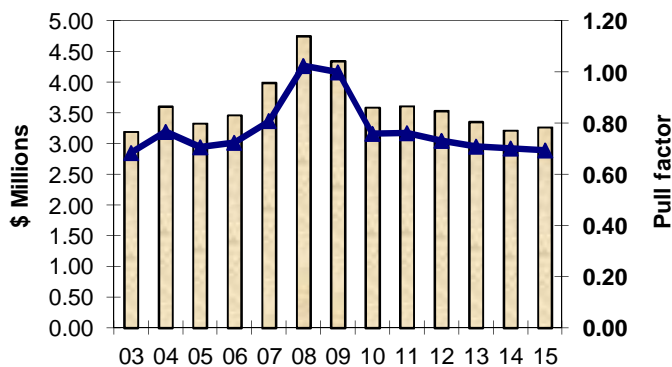


0.9% of Willmar's taxable sales in 2015

Sales per capita are \$164

Stores in the Clothing and Clothing Accessories Stores subsector retailing new clothing and clothing accessories. Besides clothing stores it includes shops that sell jewelry, shoes, luggage, handbags, wigs, ties, bridal gowns, furs, uniforms, T-shirts, baby clothing, swimsuits, and lingerie.

Sporting Goods/Hobbies



1.0% of Willmar's taxable sales in 2015

Sales per capita are \$163

Stores in the Sporting Goods, Hobby, Book, and Music Stores subsector are engaged in retailing and providing expertise on use of sporting equipment or other specific leisure activities, such as needlework and musical instruments. Newstands also fit in this subsector.

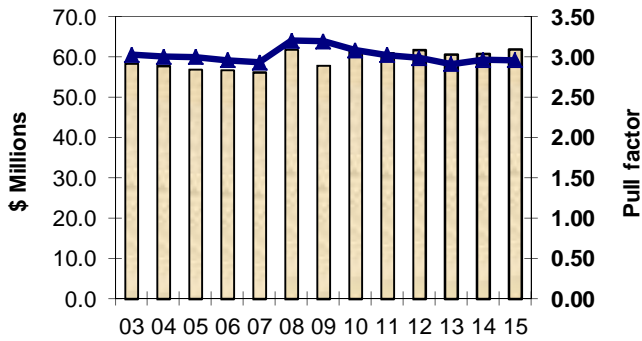
Recent Trends By Merchandise Category

Willmar

This page looks at several merchandise categories to chart the multi-year trend in taxable sales and pull factor. NA=Suppressed Data

■ Taxable Sales — Pull Factor

General Merchandise Stores

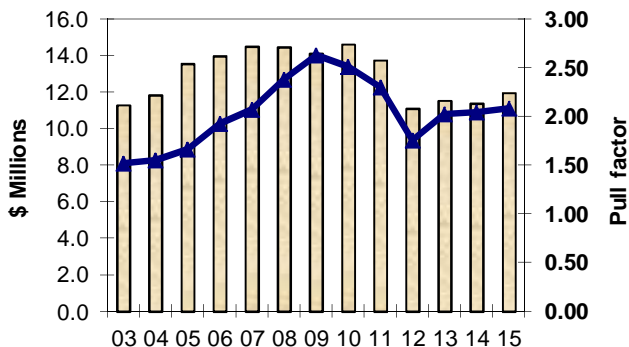


18.5% of Willmar's taxable sales in 2015

Sales per capita are \$3081

Stores in the General Merchandise subsector retail new general merchandise and are unique in that they have the equipment and staff capable of retailing a large variety of goods from a single location. This includes department stores, superstores, dollar stores, and variety stores.

Miscellaneous & Previously Unreported

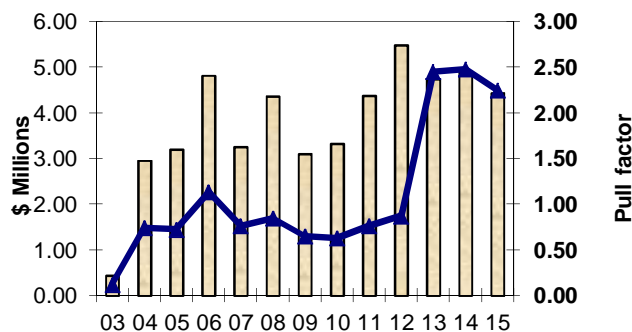


3.6% of Willmar's taxable sales in 2015

Sales per capita are \$577

*Establishments such as florists, used merchandise stores, and pet and pet supply stores as well as other store retailers. **Also, if a community had fewer than 4 stores in a previous sector, it was included in this category. This may cause unrealistically high Pull Factors.***

Non-Store Retail



1.8% of Willmar's taxable sales in 2015

Sales per capita are \$249

Mail-order houses, vending machine operators, home delivery sales, door-to-door sales, party plan sales, electronic shopping, and sales through portable stands (except food). Establishments engage in direct sale (nonstore) of products, such as home heating oil dealers and newspaper delivery are included in this subsector.

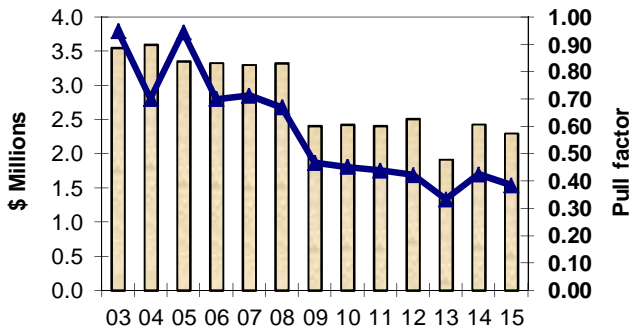
Recent Trends By Merchandise Category

Willmar

This page looks at several merchandise or service categories to chart the multi-year trend in taxable sales and pull factor. NA=Suppressed Data

■ Taxable Sales ▲ Pull Factor

Amusement

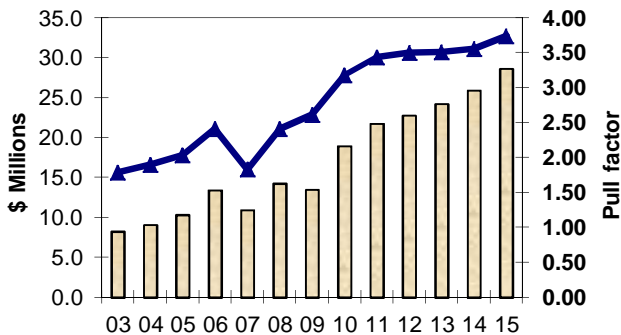


0.7% of Willmar's taxable sales in 2015

Sales per capita are \$97

Establishments include casinos, bowling lanes, water parks, amusement parks, arcades, bingo halls, golf courses, ski slopes, marinas, dance or fitness centers, recreational clubs, ice rinks, swimming pools, roller rinks, and the like.

Accommodations

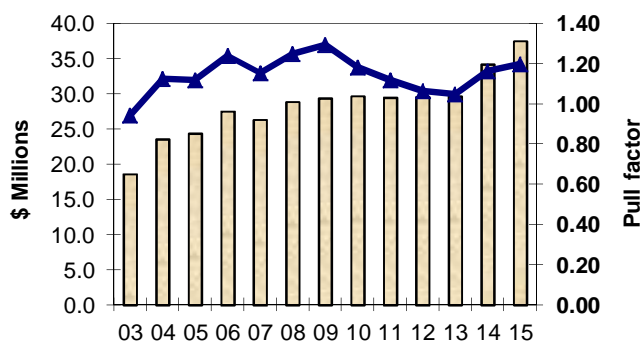


8.6% of Willmar's taxable sales in 2015

Sales per capita are \$1228

These businesses provide provide lodging or short-term accommodations for travelers, vacationers, and others. Included are hotels, motels, lodges, bed & breakfasts, campgrounds, fraternities, boarding houses, and dormitories.

Eating & Drinking



11.2% of Willmar's taxable sales in 2015

Sales per capita are \$1504

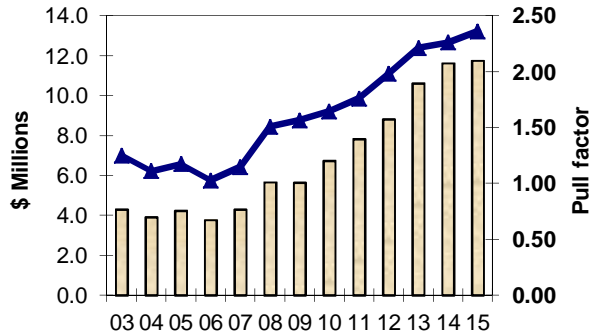
These businesses sell food at full-service or limited-service establishments. It includes cafeterias, bagel shops, ice cream parlors, snack bars, food service contractors, caterers, lunch wagons, and street vendors. It also includes bars, taverns, and nightclubs.

Recent Trends By Merchandise Category

Willmar

Taxable Sales
 Pull Factor

Repair Businesses



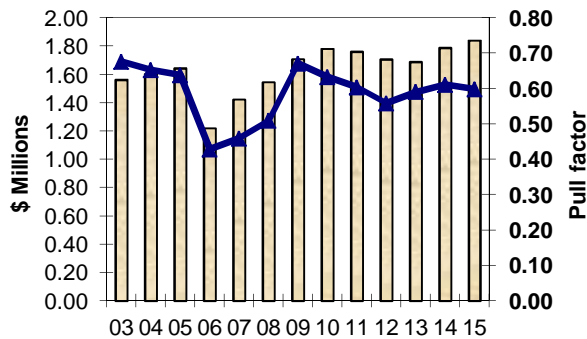
This page looks at several categories to chart the multi-year trend in taxable sales and pull factor. NA=Suppressed Data

3.5% of Willmar's taxable sales in 2015

Sales per capita are \$538

*The Repair and Maintenance subsector restore machinery, equipment, and other products to working order. It does **not** include plumbers & electricitians. It does include repairs to autos, cameras, radio, television, computers, copiers, appliances, lawn mowers, specialized equipment, small engines, furnitures, shoes, guns, etc.*

Personal Service Providers



0.6% of Willmar's taxable sales in 2015

Sales per capita are \$86

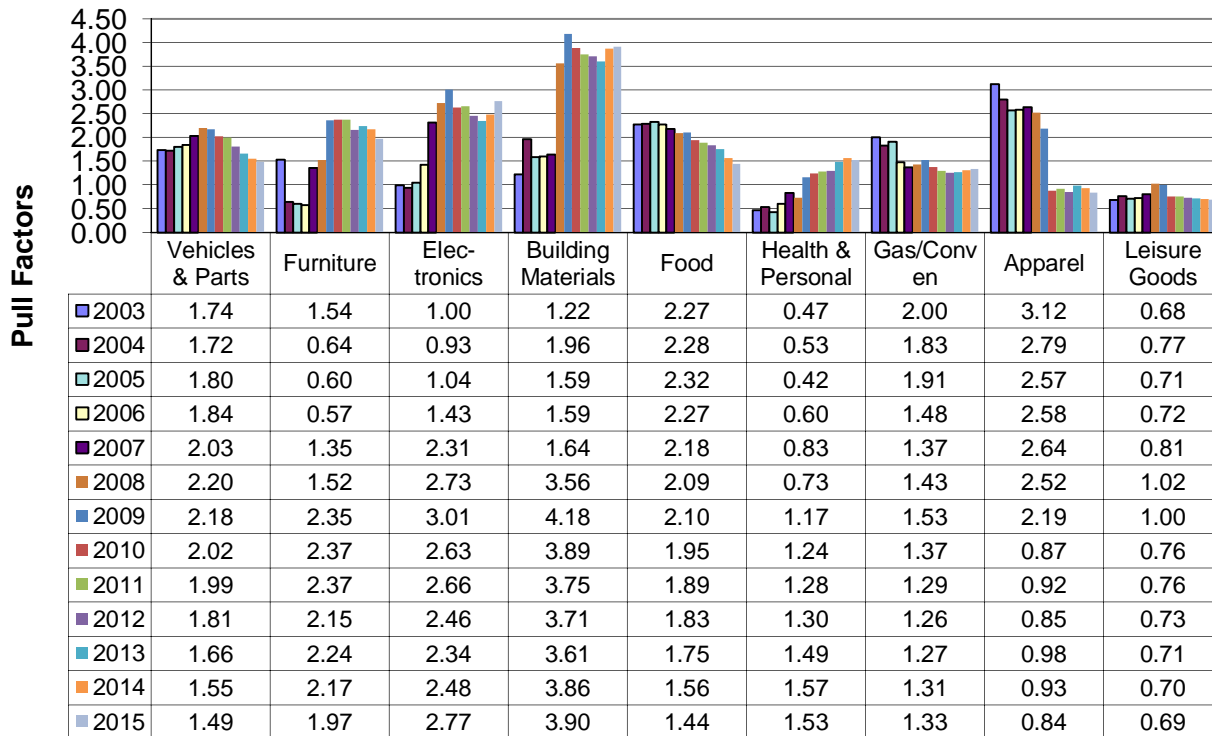
Services performed include: personal care services; barber shops & beauty parlors; death care services; laundry and drycleaning services; and a wide range of other personal services, such as pet care (except veterinary) services, photofinishing services, temporary parking services, and dating services.

Recent Trends By Merchandise Category

Willmar

The following tables and charts depict pull factors in Willmar from 2003 to 2015* by merchandise category. Pull factors are a measure of trade area size that provide a useful measure of changes over time because they account for changes in population and state-wide industry trends.

**Pull Factor by NAICS
Merchandise Category (1 of 2)**



NAICS Category Descriptions

Motor Vehicles & Parts: Establishments that sell new & used autos, boats, motorcycles, golf carts, RV's, campers, snowmobiles, trailers, tires, and parts.

Furniture: Stores that sell furniture, beds, carpeting, window coverings, lamps, china, kitchenware, & woodburning stoves.

Electronics: Establishments primarily engaged in retailing household-type appliances, sewing machines, cameras, computers, and other electronic goods.

Building Materials: Establishments that sell lumber, hardware, paint, wallpaper, tile, hardwood floors, roofing, fencing, ceiling fans, lawn equipment, and garden centers.

Food: Grocery stores, deli's, bakery, & butcher shops that sell food to be prepared at home. Liquor stores.

Health & Personal: Pharmacies, food supplements, vision supplies, cosmetics, & hearing aid stores.

Gas Stations/Convenience Store: Retailers that sell fuel along with convenience store items.

Leisure Goods: Sporting goods, books, music, hobby stores, fabric shops, and toy stores.

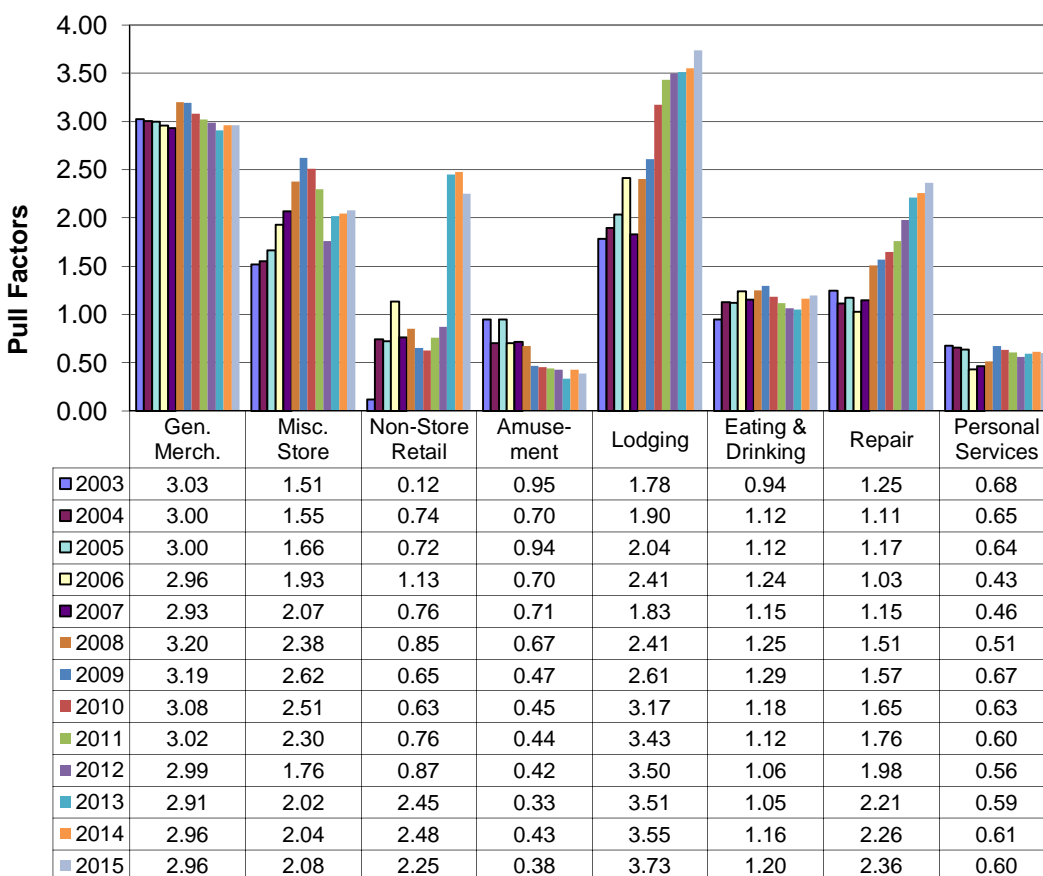
*Caution should be used when comparing pull factors before 2003 to those in later years due to how businesses are classified.

Recent Trends By Merchandise Category

Willmar

The following tables and charts depict pull factors in Willmar from 2003 to 2015* by merchandise category. Pull factors are a measure of trade area size that provide a useful measure of changes over time because they account for changes in population and state-wide industry trends.

Pull Factor by NAICS Merchandise Category (2 of 2)



NAICS Category Descriptions

General Merchandise: Establishments that sell a mixed line of goods. Examples are department stores, supercenters, and dollar stores.

Miscellaneous Store Retailers: Stores not covered in other categories such as florists, office supplies, pets, antiques, tobacco, art, used merchandise, and trophies. (see Suppressed Data in Cautions section)

Non-Store Retail: Retailers that do not use stores. This includes mail order, internet selling, bazaars, vending machines, fuel oil dealers, firewood dealers, door-to-door sales, and produce stands.

Amusement: Establishments such as golf courses, bowling lanes, marinas, amusement parks, water parks, shooting ranges, pool halls, horseback riding, ballrooms, health club facilities, ski hills, and casinos.

Lodging: Seasonal resorts, hotels, boarding houses, bed & breakfast, campgrounds, and RV parks.

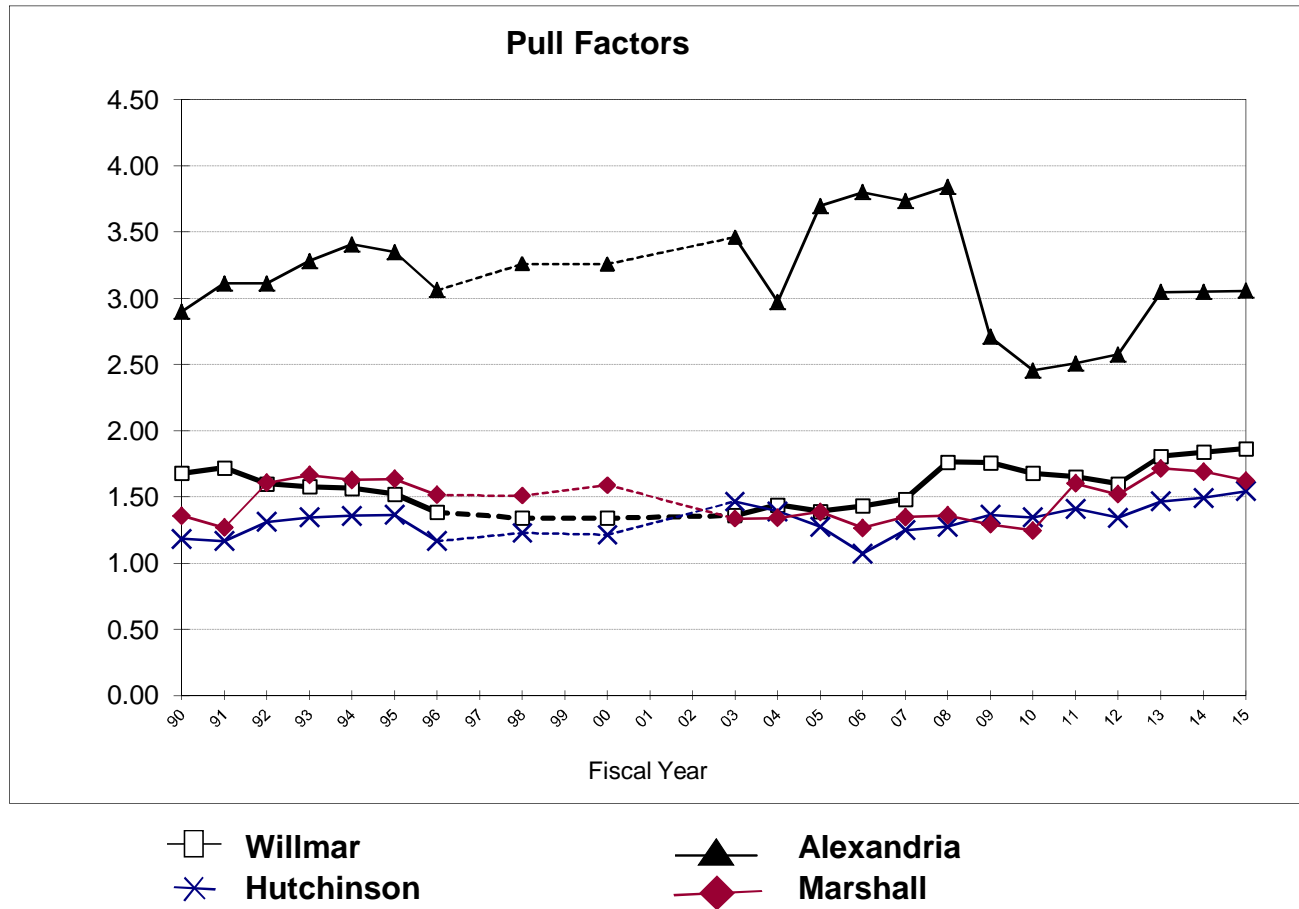
Eating & Drinking: Restaurants, donut shops, coffee house, cafeteria, caterers, taverns, and nightclubs,

Repair: Businesses that return items to working order. Examples: cars, lawnmowers, small engines, knives, shoes, computers, furniture, and appliances.

*Caution should be used when comparing pull factors before 2003 to those in later years due to how businesses are classified.

Comparison with Competing Centers

Willmar



Information about competing trade centers can provide a useful means of comparison when assessing a community's retail trade sector. Comparison towns were selected based on geographic proximity, relative size and availability of data. Some caution is warranted in the interpretation of these comparisons however, since retail sales data is provided for only a limited number of towns and cities.

Comparison with Competing Trade Centers, 2015

Town	Population	Gross Sales (\$millions)	Taxable Sales (\$millions)	Number of Firms	Per Capita Taxable Sales	Pull Factor (Taxable Sales)
Willmar	19,848	\$959.07	\$334.11	469	\$16,833	1.86
Alexandria	13,340	\$807.73	\$368.25	574	\$27,605	3.06
Hutchinson	14,170	\$423.82	\$197.35	336	\$13,927	1.54
Marshall	13,793	\$427.92	\$202.13	354	\$14,654	1.62

Rural Community Trade Area Analysis

Willmar

The following tables provide information on retail sales by merchandise category. "Expected sales" is a standard to which actual performance is compared. In calculating expected sales, population and income characteristics, as well as the typical "pulling power" of similar rural communities are taken into account. Expected sales can be used as a guideline or "par value" in analyzing retail strength.

Deviations from these norms can be analyzed to first judge whether they should be considered relevant. If the differences appear to be significant (whether in dollar amounts or relatively with percentages), additional consideration is merited. Categories with undesirable performance may be further examined for potential corrective action. It is also important to determine whether or not the situation is relatively uncontrollable due to external or extenuating circumstances. In cases of favorable differences from expectations, the positive aspects could be identified and built upon.

Trade Area Analysis by Merchandise Category, 2015

Merchandise Group	Expected Sales (\$millions)	Actual Sales (\$millions)	Variance Between Actual & Expected		Trade Area Pop. Gain or Loss	Number of Firms	Percent of Total Sales
			In Dollars (millions)	As % of Expected			
Vehicles & Parts	\$12.08	\$14.63	+\$2.55	+21.1%	4,181	14	4.4%
Furniture Stores	\$4.01	\$10.52	+\$6.51	+162.5%	32,248	11	3.1%
Electronics	\$2.95	\$16.22	+\$13.27	+449.9%	89,287	10	4.9%
Building Materials	\$33.43	\$78.27	+\$44.85	+134.2%	26,629	13	23.4%
Food, Groceries	\$15.35	\$19.27	+\$3.93	+25.6%	5,079	13	5.8%
Health, Personal Stores	\$2.63	\$3.83	+\$1.20	+45.7%	9,066	16	1.1%
Gas/Convenience Stores	\$5.72	\$5.78	+\$0.06	+1.1%	212	11	1.7%
Clothing	\$1.14	\$3.01	+\$1.87	+164.1%	32,573	21	0.9%
Leisure Goods	\$2.38	\$3.27	+\$0.89	+37.2%	7,382	10	1.0%
General Merchandise Stores	\$49.13	\$61.94	+\$12.81	+26.1%	5,175	9	18.5%
Miscellaneous Retail	\$9.22	\$11.96	+\$2.74	+29.7%	5,895	33	3.6%
Amusement & Recreation	\$2.80	\$2.30	-\$0.50	-17.8%	-3,540	12	0.7%
Accommodations	\$5.57	\$28.63	+\$23.06	+414.1%	82,191	14	8.6%
Eating & Drinking Places	\$29.53	\$37.53	+\$8.00	+27.1%	5,375	53	11.2%
Repair, Maintenance	\$4.92	\$11.76	+\$6.83	+138.8%	27,547	35	3.5%
Personal Services, Laundry	\$1.19	\$1.84	+\$0.65	+54.6%	10,846	37	0.6%
Total Taxable Retail & Service*	\$200.67	\$334.11	+\$133.44	+66.5%	13,198	469	100.0%

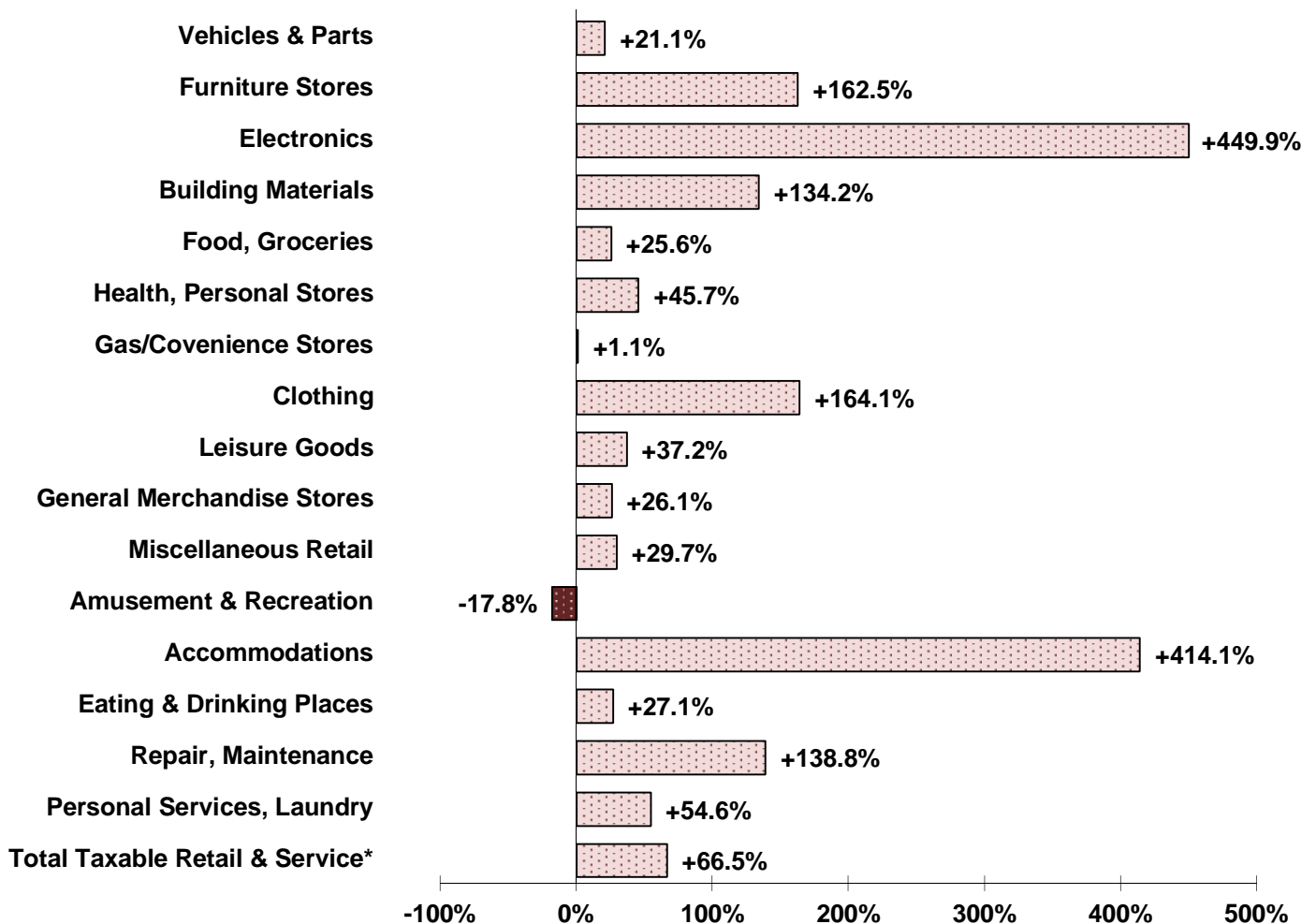
*All retail and service categories are included in Total Sales, including some categories not shown. Therefore, the merchandise groups shown here generally will not sum to Total Sales.

Summary of Willmar Retail Trade (Rural)

The chart below depicts the percentage amount Willmar's actual sales were above or below expected sales in 2015 by merchandise group. Of the 16 merchandise categories with reported data, sales in 15 of the categories were above what would be expected based on the performance in similar-sized cities in Greater Minnesota. The strongest merchandise group by this standard is the Electronics category, which has a 449.9 percent surplus. Overall, Willmar had a retail sales surplus of 66.5 percent in 2015.

It is important to note that variations in a city's relative retail performance may occur for a variety of reasons, some of which are beyond the control of local policy. Proximity to larger population centers, management, marketing, and transportation patterns are just a few factors that can cause the retail sales of a particular city to deviate substantially from expected sales. It is important that decision-makers consider these influences when constructing policies, plans, or projects.

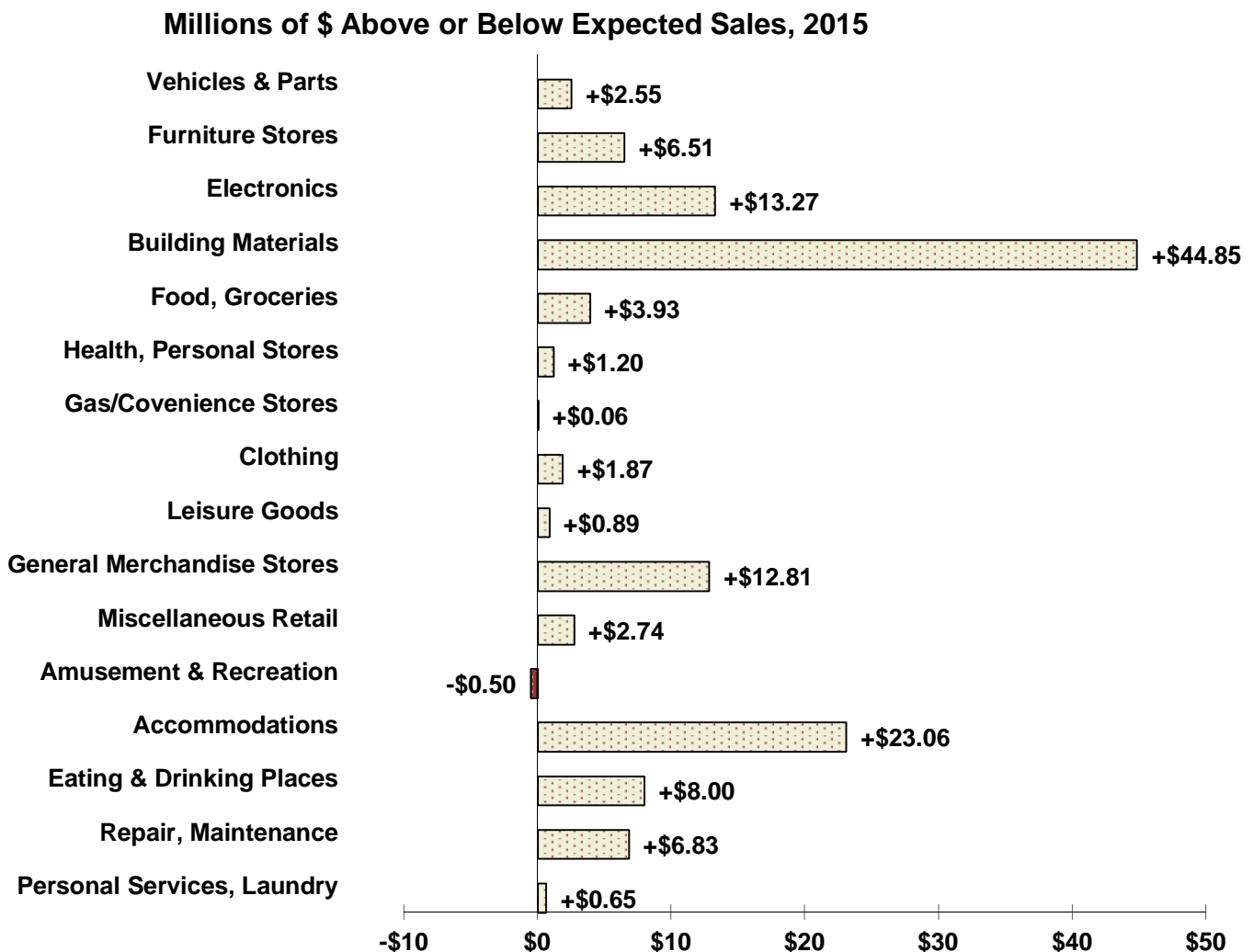
Percentage Above or Below Expected Sales, 2015



Willmar Retail Trade Performance in Dollars (Rural)

The chart below depicts the dollar amount Willmar's actual sales were above or below expected sales in 2015 by merchandise group. Of the 16 merchandise categories with reported data, sales in 15 of the categories were above what would be expected based on the performance in similar-sized Minnesota cities. The strongest merchandise group by this standard is the Building Materials category, which has a \$44.8 million surplus. Overall, Willmar had a retail sales surplus of \$133.4 million in 2015.

It is important to note that variations in a city's relative retail performance may occur for a variety of reasons, some of which are beyond the control of local policy. Proximity to larger population centers, management, marketing, and transportation patterns are just a few factors that can cause the retail sales of a particular city to deviate substantially from expected sales. It is important that decision-makers consider these influences when constructing policies, plans, or projects.



Comparison of Pull Factors by Merchandise Category

2015 Index of "Pulling Power" Cities Outside the 7 County Metro Area with Populations between 13,800 & 25,700 (Range: Population of Willmar +/- ~ 30%.)

(12 Cities)

Pull Factors

City	Population	Vehicles, Parts	Furniture Stores	Elec- tronics	Building Materials	Food	Health, Personal	Gas & Conven.	Clothing	Leisure Goods	General Merch.	Misc.	Amuse- ment	Lodging	Eating & Drinking	Repair, Maint.	Personal Services	Taxable \$ Pull Factor
Austin	25,111	0.57	0.27	0.85	0.47	1.10	0.90	1.25	0.22	0.32	1.51	0.27	0.38	0.78	0.79	0.66	0.20	0.70
Elk River	23,987	1.68	0.94	0.14	3.26	1.17	1.09	1.20	0.26	0.82	1.69	1.79	0.45	0.00	1.05	1.46	0.50	1.23
Faribault	23,700	0.89	0.40	0.34	0.45	1.28	0.97	0.88	0.65	0.25	1.45	0.41	0.38	0.30	0.86	0.34	0.31	0.87
Northfield	20,320	0.65	0.40	0.00	0.30	0.86	0.78	1.13	0.13	0.11	0.00	3.94	0.43	0.30	0.92	0.77	0.23	0.61
Willmar	19,848	1.49	1.97	2.77	3.90	1.44	1.53	1.33	0.84	0.69	2.96	2.08	0.38	3.73	1.20	2.36	0.60	1.86
Albert Lea	17,899	2.21	0.83	0.14	1.46	1.25	1.19	3.20	0.58	0.92	1.98	0.64	0.22	1.07	1.06	0.77	0.32	1.12
Sartell	17,203	0.00	0.00	0.00	0.00	1.15	0.00	0.00	0.00	0.00	4.13	1.43	0.97	0.00	0.56	0.26	0.23	0.79
Red Wing	16,534	2.34	0.94	0.09	2.44	1.09	0.72	0.96	0.14	0.53	2.44	1.15	0.23	1.28	1.16	1.13	0.70	1.30
Hibbing	16,316	0.73	0.61	0.00	1.56	0.92	1.23	1.75	0.02	0.54	1.81	0.82	0.35	1.20	0.62	0.92	0.30	0.95
Buffalo	16,033	1.55	0.05	0.00	0.00	1.25	1.03	1.00	0.13	0.26	3.09	11.84	0.75	0.00	0.96	1.02	0.59	1.24
Bemidji	14,969	3.70	1.77	0.90	5.01	1.68	2.83	2.30	2.36	1.89	5.27	3.64	0.70	2.07	2.14	3.08	0.54	2.77
Hutchinson	14,170	0.64	1.58	3.42	3.44	1.25	1.44	1.85	0.33	0.80	3.28	0.74	0.80	0.53	1.15	0.83	0.39	1.54

Unadjusted Average: *	1.37	0.81	0.72	1.86	1.20	1.14	1.40	0.47	0.59	2.47	2.40	0.50	0.94	1.04	1.13	0.41	1.25
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* Raw averages; not adjusted for special circumstances. For example, in cities with a college student population that is large relative to overall population, these pull factors may understate the relative strength of the retail sector. While college students are counted as part of the city population, in general they spend less than other city residents in many retail categories. Most Pull Factor outliers were eliminated for calculating typical pull factors used in the expected sales formula.

Comparison of Pull Factors by Merchandise Category

2015 Index of "Pulling Power" Cities Outside the 7 County Metro Area with Populations between 13,800 & 25,700 (Range: Population of Willmar +/- ~ 30%.) (12 Cities)

Rankings

City	Population	Vehicles, Parts	Furniture Stores	Elec- tronics	Building Materials	Food	Health, Personal	Gasoline Stations	Clothing	Leisure Goods	General Merch.	Misc.	Amuse- ment	Lodging	Eating & Drinking	Repair, Maint.	Personal Services	Taxable \$ Pull Factor
Austin	# 1	# 11	# 10	# 4	# 8	# 9	# 9	# 6	# 7	# 8	# 10	# 12	# 8	# 6	# 10	# 10	# 12	# 11
Elk River	# 2	# 4	# 4	# 7	# 4	# 7	# 6	# 7	# 6	# 3	# 9	# 5	# 5	# 10	# 6	# 3	# 5	# 6
Faribault	# 3	# 7	# 8	# 5	# 9	# 3	# 8	# 11	# 3	# 10	# 11	# 11	# 9	# 8	# 9	# 11	# 8	# 9
Northfield	# 4	# 9	# 9	# 9	# 10	# 12	# 10	# 8	# 10	# 11	# 12	# 2	# 6	# 9	# 8	# 9	# 10	# 12
Willmar	# 5	# 6	# 1	# 2	# 2	# 2	# 2	# 5	# 2	# 5	# 5	# 4	# 7	# 1	# 2	# 2	# 2	# 2
Albert Lea	# 6	# 3	# 6	# 6	# 7	# 6	# 5	# 1	# 4	# 2	# 7	# 10	# 12	# 5	# 5	# 8	# 7	# 7
Sartell	# 7	# 12	# 12	# 9	# 11	# 8	# 12	# 12	# 12	# 12	# 2	# 6	# 1	# 10	# 12	# 12	# 11	# 10
Red Wing	# 8	# 2	# 5	# 8	# 5	# 10	# 11	# 10	# 8	# 7	# 6	# 7	# 11	# 3	# 3	# 4	# 1	# 4
Hibbing	# 9	# 8	# 7	# 9	# 6	# 11	# 4	# 4	# 11	# 6	# 8	# 8	# 10	# 4	# 11	# 6	# 9	# 8
Buffalo	# 10	# 5	# 11	# 9	# 11	# 4	# 7	# 9	# 9	# 9	# 4	# 1	# 3	# 10	# 7	# 5	# 3	# 5
Bemidji	# 11	# 1	# 2	# 3	# 1	# 1	# 1	# 2	# 1	# 1	# 1	# 3	# 4	# 2	# 1	# 1	# 4	# 1
Hutchinson	# 12	# 10	# 3	# 1	# 3	# 5	# 3	# 3	# 5	# 4	# 3	# 9	# 2	# 7	# 4	# 7	# 6	# 3

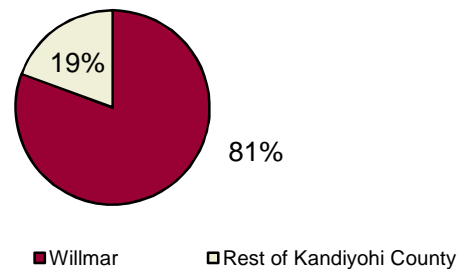
Above are all communities in the population range listed in the title with data available by merchandise category. Adjustments for special circumstances may be necessary for accurate comparisons.

Willmar & Kandiyohi County Comparison, 2015

It is important to review the retail performance for the whole county and not just the city in isolation. For example, it is common for county seat towns to have above-average retail performance, while the county overall has a leakage of sales. This is usually because the county seat city doesn't have the critical mass of retail to attract the purchases of everyone in the county. By analyzing county data, city business people can develop strategies to recapture some of the sales being lost to other cities. For counties that have a local option sales tax, the analysis of county sales is extremely important, since lost sales are lost tax dollars. A thorough analysis of county sales can help county officials develop more meaningful economic development plans aimed at recapturing the lost sales.

The table below shows retail sales and number of firms by merchandise category for Willmar and Kandiyohi County in 2015. Willmar accounted for 47 percent of the county's firms and 81 percent of the county's sales.

Share of County Sales



Sales by Merchandise Category, Willmar & Kandiyohi County, 2015

Merchandise Category	Willmar		Kandiyohi County		City's Share of County Total	
	Taxable Sales (\$millions)	Number of Firms	Taxable Sales (\$millions)	Number of Firms	Sales	Firms
Vehicles & Parts	\$14.63	14	\$29.14	40	50.2%	35.0%
Furniture Stores	\$10.52	11	\$11.75	19	89.5%	57.9%
Electronics	\$16.22	10	\$16.49	14	98.4%	71.4%
Building Materials	\$78.27	13	\$82.83	25	94.5%	52.0%
Food, Groceries	\$19.27	13	\$23.59	27	81.7%	48.1%
Health, Personal Stores	\$3.83	16	\$3.84	21	99.7%	76.2%
Gas/Convenience Stores	\$5.78	11	\$12.87	23	44.9%	47.8%
Clothing	\$3.01	21	\$3.27	25	92.2%	84.0%
Leisure Goods	\$3.27	10	\$3.91	24	83.8%	41.7%
General Merchandise	\$61.94	9	\$61.97	11	100.0%	81.8%
Miscellaneous Retail	\$11.96	38	\$13.87	86	86.2%	44.2%
Non-Store Retailers	\$4.44	14	\$5.78	41	76.8%	34.1%
Amusement & Recreation	\$2.30	12	\$4.23	23	54.4%	52.2%
Accommodations	\$28.63	14	\$30.61	32	93.5%	43.8%
Eating & Drinking Places	\$37.53	53	\$48.24	79	77.8%	67.1%
Repair, Maintenance	\$11.76	35	\$22.15	104	53.1%	33.7%
Personal Service, Laundry	\$1.84	37	\$3.11	85	59.1%	43.5%
Total Sales	\$334.11	469	\$414.31	996	80.6%	47.1%

Kandiyohi County Retail Trade Overview

Total Taxable and Gross Retail Sales

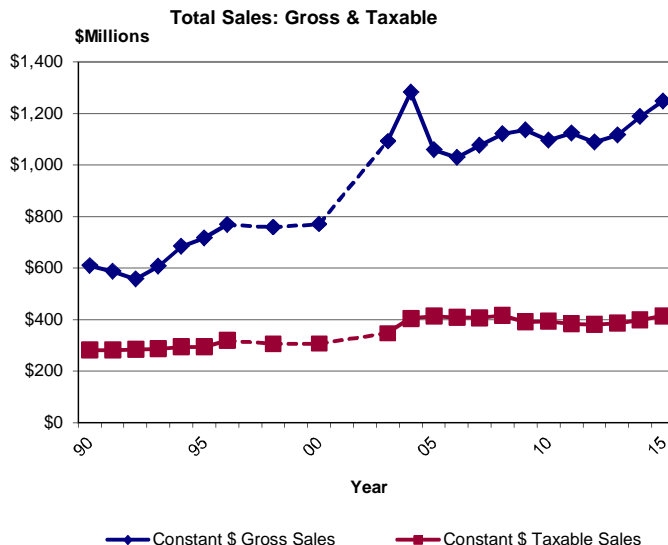
The table below presents gross and taxable retail and services sales for Kandiyohi County from 2003 through 2015. Taxable sales in Kandiyohi County increased 9.8 percent from 2008 to 2015, while the number of firms fell 3.9 percent. Statewide, taxable sales decreased 9.3 percent over the same time period and the number of firms fell 0.7 percent. The per capita sales and pull factor data in this table are based on taxable sales, the more verified sales measure.

The table also presents sales data in constant 2015 dollars. These figures have been adjusted for inflation to reflect their value in 2015. For example, in 2003, taxable sales in Kandiyohi County totaled \$270.97 million, an amount worth \$347.4 million in 2015 dollars. In constant dollars, gross sales grew 11.3 percent between 2007 and 2015. Constant dollar taxable sales decreased 0.1 percent over the same time period.

Year	Estimated Population	Current Dollars		Constant 2015 Dollars		Number of Firms	Per Capita Sales	Pull Factor
		Gross Sales* (\$millions)	Taxable Sales (\$millions)	Gross Sales* (\$millions)	Taxable Sales (\$millions)			
2003	41,148	\$852.42	\$270.97	\$1,092.85	\$347.40	970	\$6,585	0.74
2004	41,191	\$1,025.89	\$323.46	\$1,282.36	\$404.32	1,019	\$7,853	0.85
2005	41,199	\$867.93	\$339.56	\$1,058.45	\$414.10	1,021	\$8,242	0.87
2006	41,088	\$874.13	\$347.16	\$1,028.38	\$408.43	999	\$8,449	0.88
2007	40,784	\$935.85	\$353.93	\$1,075.69	\$406.81	1,033	\$8,678	0.89
2008	40,679	\$1,019.89	\$377.43	\$1,120.76	\$414.76	1,036	\$9,278	0.97
2009	41,123	\$1,022.57	\$352.08	\$1,136.19	\$391.20	1,063	\$8,562	0.96
2010	42,270	\$1,007.54	\$361.79	\$1,095.15	\$393.25	1,041	\$8,559	0.95
2011	42,118	\$1,077.51	\$368.84	\$1,122.40	\$384.21	1,014	\$8,757	0.94
2012	42,315	\$1,066.44	\$372.76	\$1,088.20	\$380.37	981	\$8,809	0.91
2013	42,351	\$1,104.60	\$382.50	\$1,115.76	\$386.37	1,015	\$9,032	1.05
2014	42,258	\$1,188.15	\$398.61	\$1,188.15	\$398.61	1,024	\$9,433	1.07
2015	42,510	\$1,247.74	\$414.31	\$1,247.74	\$414.31	996	\$9,746	1.08
7 yr Change '08 to '15	4.5%	22.3%	9.8%	11.3%	-0.1%	-3.9%	5.0%	11.1%
3 yr Change '12 to '15	0.5%	17.0%	11.1%	14.7%	8.9%	1.5%	10.6%	18.4%

*Gross sales figures are self-reported by firms and not audited by the Dept. of Revenue for accuracy.

Kandiyohi County: Retail/Service Sales in Constant Dollars



Kandiyohi County

Selected Components of Change*, 2012 to 2015

Category	Taxable Sales 2012	Taxable Sales 2015	Dollar Change	Percent Change
Vehicles & Parts	\$28,095,571	\$29,136,498	+\$1,040,927	+3.70%
Furniture Stores	\$11,632,140	\$11,753,753	+\$121,613	+1.05%
Electronics	\$14,769,085	\$16,493,380	+\$1,724,295	+11.68%
Building Materials	\$70,627,296	\$82,826,859	+\$12,199,563	+17.27%
Food, Groceries	\$26,515,460	\$23,590,722	-\$2,924,738	-11.03%
Health, Personal Stores	\$3,232,714	\$3,838,154	+\$605,440	+18.73%
Gas/Convenience Store	\$10,617,982	\$12,868,030	+\$2,250,048	+21.19%
Clothing	\$3,222,816	\$3,268,729	+\$45,913	+1.42%
Leisure Goods	\$4,020,209	\$3,905,288	-\$114,921	-2.86%
General Merchandise Stores	\$61,762,082	\$61,967,040	+\$204,958	+0.33%
Miscellaneous Retail	\$14,289,598	\$13,867,419	-\$422,179	-2.95%
Accommodations	\$24,481,044	\$30,613,053	+\$6,132,009	+25.05%
Eating & Drinking Places	\$39,007,986	\$48,244,442	+\$9,236,456	+23.68%
Total Retail and Services Sales	\$372,761,746	\$414,306,626	+\$41,544,880	+11.15%

* Figures not adjusted for inflation.

Dollar Changes by Category (in Millions) 2012 - 2015

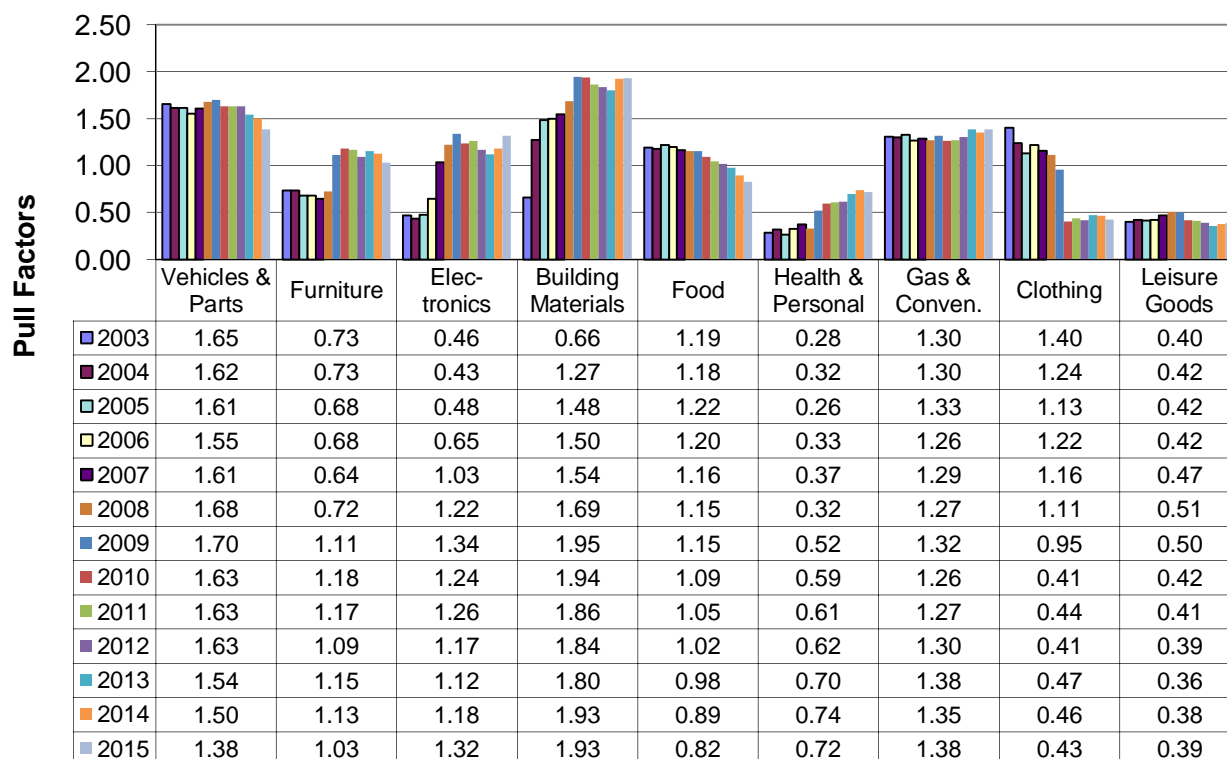


Pull Factors By Merchandise Category

Kandiyohi County

The following tables and charts depict pull factors in Kandiyohi County from 2003 to 2015* by merchandise category. Pull factors are a measure of trade area size that provide a useful measure of changes over time because they account for changes in population and state-wide industry trends.

Pull Factors by NAICS Merchandise Category (1 of 2)



NAICS Category Descriptions

Motor Vehicles & Parts: Establishments that sell new & used autos, boats, motorcycles, golf carts, RV's, campers, snowmobiles, trailers, tires, and parts.

Furniture: Stores that sell furniture, beds, carpeting, window coverings, lamps, china, kitchenware, & woodburning stoves.

Electronics: Establishments primarily engaged in retailing household-type appliances, sewing machines, cameras, computers, and other electronic goods.

Building Materials: Establishments that sell lumber, hardware, paint, wallpaper, tile, hardwood floors, roofing, fencing, ceiling fans, lawn equipment, and garden centers.

Food: Grocery stores, deli's, bakery, & butcher shops that sell food to be prepared at home. Liquor stores.

Health & Personal: Pharmacies, food supplements, vision supplies, cosmetics, & hearing aid stores.

Gas and Convenience Store: Retailers that sell fuel along with convenience store items.

Leisure Goods: Sporting goods, books, music, hobby stores, fabric shops, and toy stores.

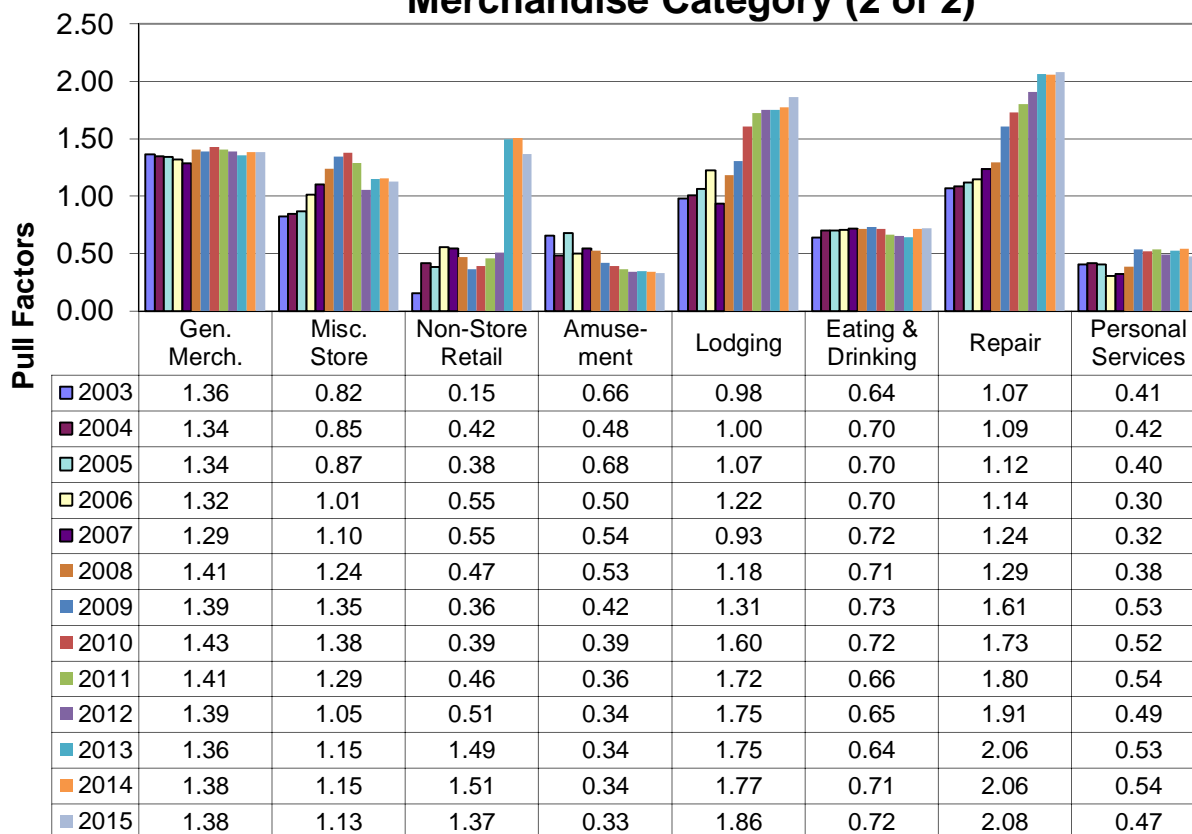
*Caution should be used when comparing pull factors before 2003 to those in later years due to the switch from SIC to NAICS.

Recent Trends By Merchandise Category

Kandiyohi County

The following tables and charts depict pull factors in Kandiyohi County from 2003 to 2015* by merchandise category. Pull factors are a measure of trade area size that provide a useful measure of changes over time because they account for changes in population and state-wide industry trends.

Pull Factors by NAICS
Merchandise Category (2 of 2)



NAICS Category Descriptions

General Merchandise: Establishments that sell a mixed line of goods. Examples are department stores, supercenters, and dollar stores.

Miscellaneous Store Retailers: Stores not covered in other categories such as florists, office supplies, pets, antiques, tobacco, art, used merchandise, and trophies.

Non-Store Retail: Retailers that do not use stores. This includes mail order, internet selling, bazaars, vending machines, fuel oil dealers, firewood dealers, door-to-door sales, and produce stands.

Amusement: Establishments such as golf courses, bowling lanes, marinas, amusement parks, water parks, shooting ranges, pool halls, horseback riding, ballrooms, health club facilities, ski hills, and casinos.

Lodging: Seasonal resorts, hotels, boarding houses, bed & breakfast, campgrounds, and RV parks.

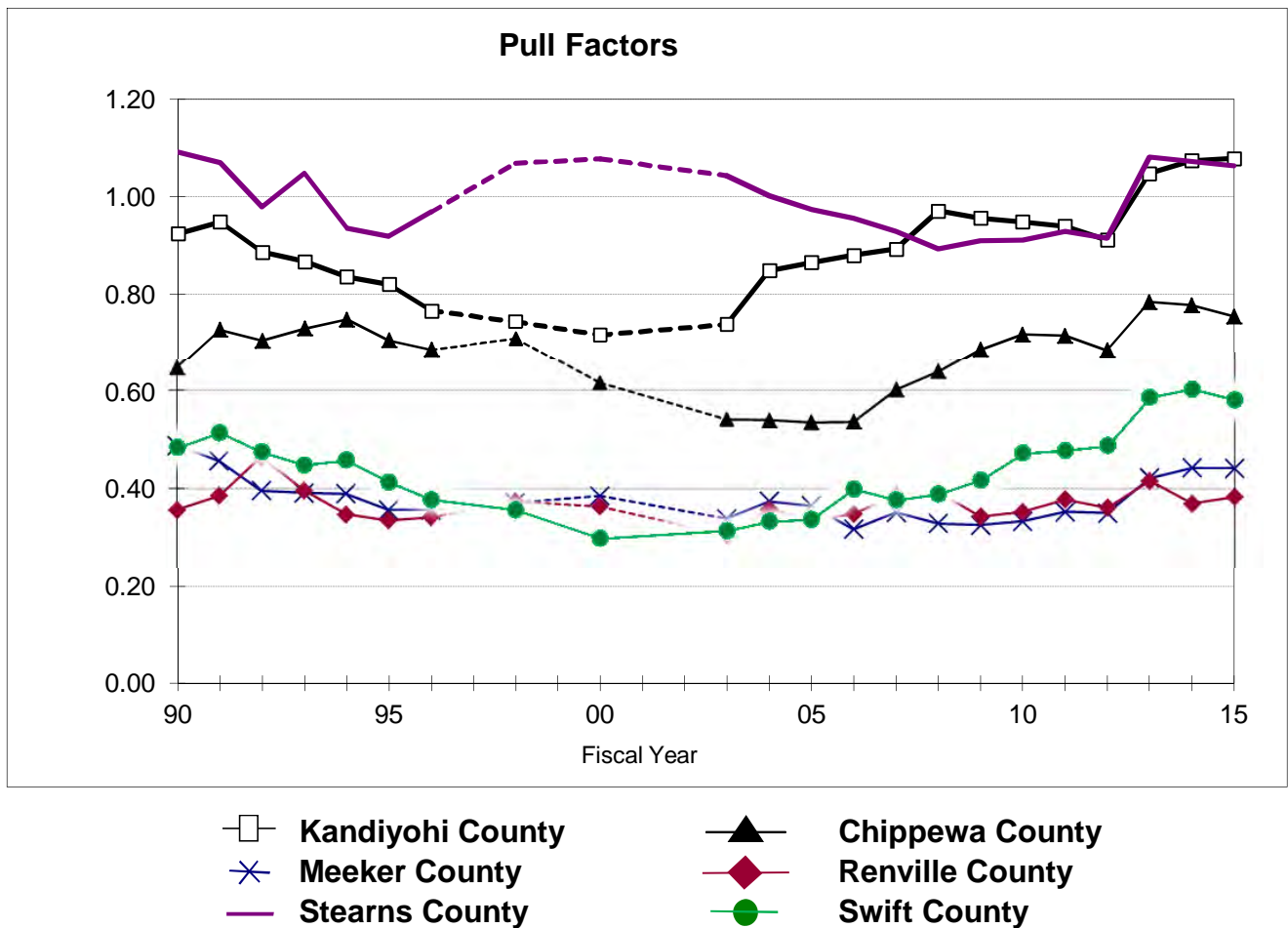
Eating & Drinking: Restaurants, donut shops, coffee house, cafeteria, caterers, taverns, and nightclubs,

Repair: Businesses that return equipment to working order. Examples: cars, lawnmowers, small engines, knives, shoes, computers, furniture, and appliances.

*Caution should be used when comparing pull factors before 2003 to those in later years due to the switch from SIC to NAICS.

Comparison with Neighboring Counties

Kandiyohi County



Comparison with Neighboring Counties, 2015

Town	Population	Gross Sales (\$millions)	Taxable Sales (\$millions)	Number of Firms	Per Capita Taxable Sales	Pull Factor (Taxable Sales)
Kandiyohi County	42,510	\$1,247.74	\$414.31	996	\$9,746	1.08
Chippewa County	12,117	\$219.46	\$82.54	323	\$6,812	0.75
Meeker County	23,110	\$253.31	\$92.06	474	\$3,983	0.44
Renville County	14,965	\$155.54	\$51.72	317	\$3,456	0.38
Stearns County	154,446	\$4,294.45	\$1,484.34	3,518	\$9,611	1.06
Swift County	9,361	\$160.10	\$49.10	213	\$5,245	0.58

Trade Area Analysis of Retail Sales

Kandiyohi County

The following tables provide information on retail sales by merchandise category. "Potential sales" is a standard to which actual performance is compared. In calculating potential sales, population and income characteristics are taken into account. Potential sales can be used as a guideline or "par value" in analyzing retail strength.

Deviations from these norms can be analyzed to first judge whether they should be considered relevant. If the differences appear to be significant (whether in dollar amounts or relatively with percentages), additional consideration is merited. Categories with undesirable performance may be further examined for potential corrective action. It is also important to determine whether or not the situation is relatively uncontrollable due to external or extenuating circumstances. In cases of favorable differences from expectations, the positive aspects should be identified and built upon.

Trade Area Analysis by Merchandise Category, 2015

Merchandise Group	Potential Sales (\$millions)	Actual Sales (\$millions)	Variance Between Actual & Potential		Trade Area Pop. Gain or Loss	Number of Firms	Percent of Total Sales
			In Dollars (millions)	As % of Potential			
Vehicles & Parts	\$20.30	\$29.14	+\$8.84	+43.5%	18,509	40	7.0%
Furniture Stores	\$11.01	\$11.75	+\$0.74	+6.7%	2,867	19	2.8%
Electronics	\$12.09	\$16.49	+\$4.40	+36.4%	15,466	14	4.0%
Building Materials	\$41.41	\$82.83	+\$41.42	+100.0%	42,516	25	20.0%
Food, Groceries	\$27.62	\$23.59	-\$4.03	-14.6%	-6,203	27	5.7%
Health, Personal Stores	\$5.17	\$3.84	-\$1.33	-25.7%	-10,938	21	0.9%
Gas/Convenience Store	\$8.97	\$12.87	+\$3.90	+43.4%	18,465	23	3.1%
Clothing	\$7.40	\$3.27	-\$4.13	-55.8%	-23,739	25	0.8%
Leisure Goods	\$9.74	\$3.91	-\$5.83	-59.9%	-25,464	24	0.9%
General Merchandise Stores	\$43.23	\$61.97	+\$18.74	+43.4%	18,430	11	15.0%
Miscellaneous Retail	\$11.86	\$13.87	+\$2.00	+16.9%	7,177	86	3.3%
Amusement & Recreation	\$12.35	\$4.23	-\$8.12	-65.8%	-27,962	23	1.0%
Accommodations	\$15.83	\$30.61	+\$14.78	+93.4%	39,685	32	7.4%
Eating & Drinking Places	\$64.70	\$48.24	-\$16.46	-25.4%	-10,814	79	11.6%
Repair, Maintenance	\$10.28	\$22.15	+\$11.87	+115.5%	49,086	104	5.3%
Personal Services, Laundry	\$6.36	\$3.11	-\$3.24	-51.0%	-21,677	85	0.8%
Total Taxable Retail & Service*	\$370.33	\$414.31	+\$43.97	+11.9%	5,048	996	100.0%

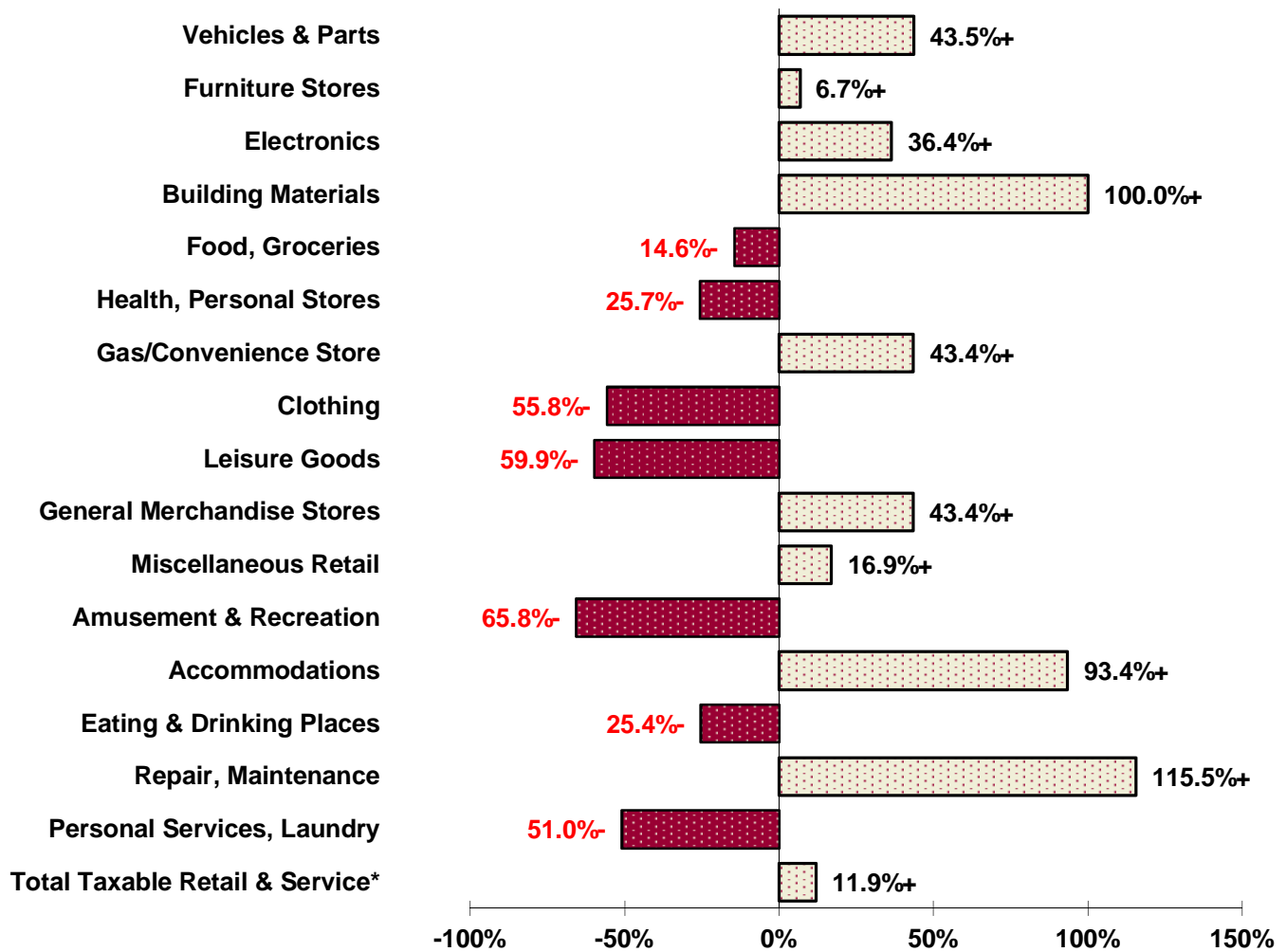
*All retail and service categories are included in Total Sales, including some categories not shown. Therefore, the merchandise groups shown here generally will not sum to Total Sales.

Kandiyohi County Retail Trade Performance in Percentages

The chart below depicts the percentage amount Kandiyohi County's actual sales were above or below potential sales in 2015 by merchandise group. Of the 16 merchandise categories with reported data, sales in 9 of the categories were above what would be expected based on the county's population and income characteristics as well as statewide spending patterns. The strongest merchandise group by this standard is the Repair, Maintenance category, which has a 115.5 percent surplus. Overall, Kandiyohi County had a retail sales surplus of 11.9 percent.

It is important to note that variations in a county's relative retail performance may occur for a variety of reasons, some of which are beyond the control of local policy. Proximity to larger population centers and transportation patterns, as well as the individual retailer's management and marketing, can cause the retail sales of a particular county to deviate substantially from potential sales. It is important that decision-makers consider these influences when constructing policies, plans, or projects.

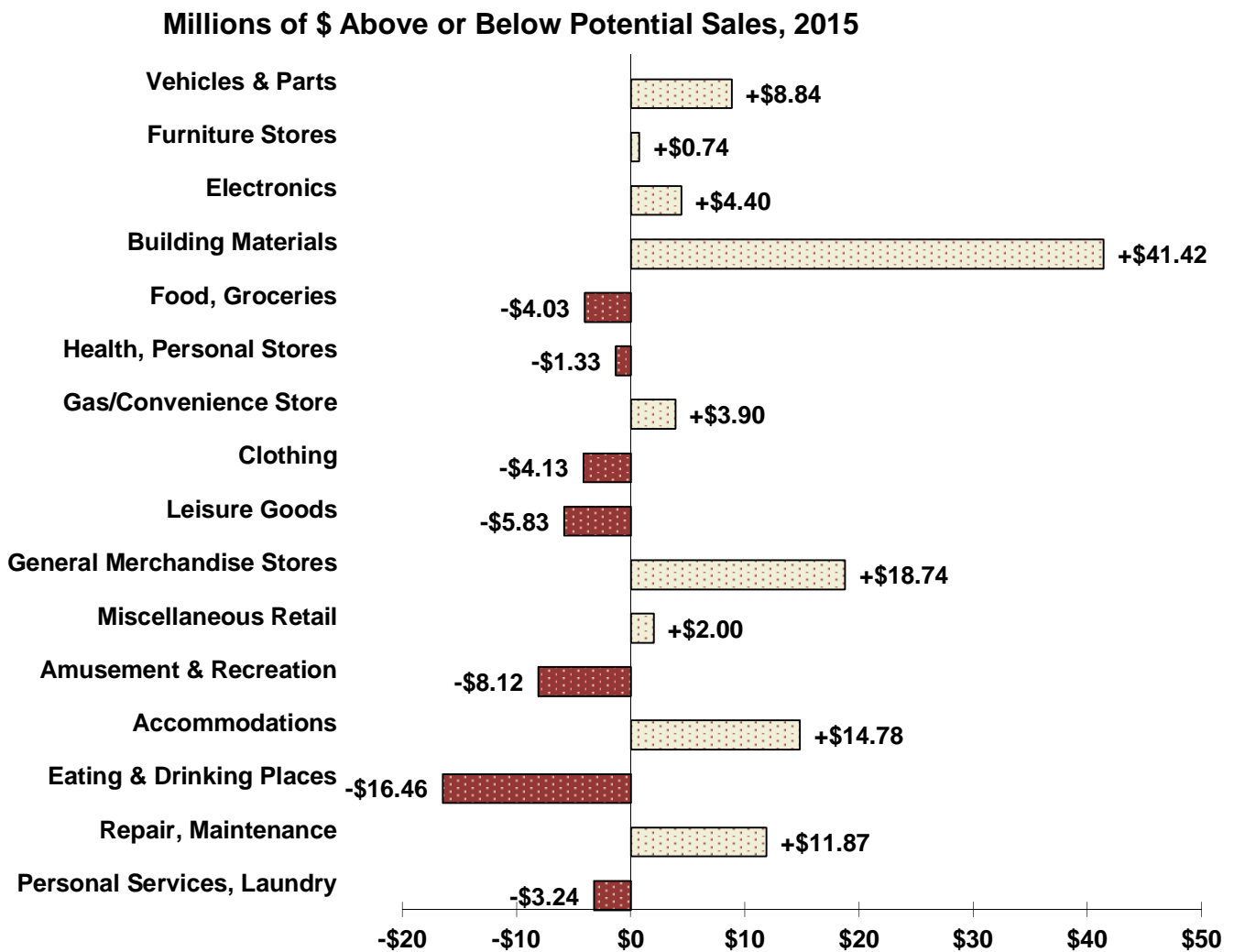
Percentage Above or Below Potential Sales, 2015



Kandiyohi County Retail Trade Performance in Dollars

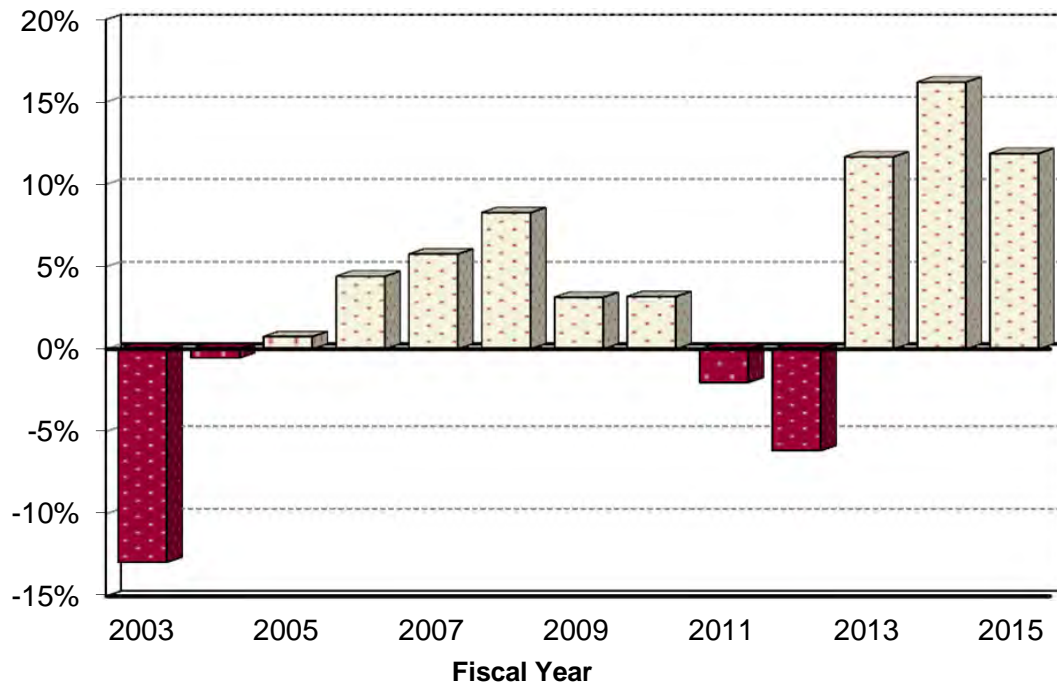
The chart below depicts the dollar amount Kandiyohi County's actual sales were above or below potential sales in 2015 by merchandise group. Of the 16 merchandise categories with reported data, sales in 9 of the categories were above the calculated potential. The strongest merchandise group by this standard is the Building Materials category, which has a \$41.4 million surplus. Overall, Kandiyohi County had a retail sales surplus of \$44.0 million in 2015.

It is important to note that variations in a county's relative retail performance may occur for a variety of reasons, some of which are beyond the control of local policy. Proximity to larger population centers, management, marketing, and transportation patterns are just a few factors that can cause the retail sales of a particular county to deviate substantially from potential sales. It is important that decision-makers consider these influences when constructing policies, plans, or projects.



Kandiyohi County Retail Trade Surplus or Leakage

County Surplus or Leakage as a Percent of Potential



Fiscal Year	Population Estimate	Index of Income	Potential Sales (in millions)	Actual Sales (in millions)	Surplus or Leakage (in millions)	Surplus or Leakage as % of Potential	Trade Area Population Gain or Loss
2003	41,148	0.85	\$311.2	\$271.0	-\$40.3	-12.9%	-5,325
2004	41,191	0.85	\$325.2	\$323.5	-\$1.7	-0.5%	-220
2005	41,199	0.86	\$337.0	\$339.6	\$2.5	+0.8%	+311
2006	41,088	0.84	\$332.5	\$347.2	\$14.7	+4.4%	+1,814
2007	40,784	0.84	\$334.6	\$353.9	\$19.3	+5.8%	+2,351
2008	40,679	0.90	\$348.6	\$377.4	\$28.9	+8.3%	+3,367
2009	41,123	0.93	\$341.3	\$352.1	\$10.7	+3.1%	+1,293
2010	42,270	0.92	\$350.6	\$361.8	\$11.2	+3.2%	+1,345
2011	42,118	0.96	\$376.5	\$368.8	-\$7.6	-2.0%	-854
2012	42,315	0.97	\$397.3	\$372.8	-\$24.5	-6.2%	-2,610
2013	42,351	0.94	\$342.5	\$382.5	\$40.0	+11.7%	+4,941
2014	42,258	0.92	\$343.0	\$398.6	\$55.6	+16.2%	+6,848
2015	42,510	0.96	\$370.3	\$414.3	\$44.0	+11.9%	+5,048

State of Minnesota Per Capita Taxable Retail Sales & Threshold Levels for Selected Goods and Services 2015

Threshold level refers to the number of people per business, which can be used as a general guide for determining the "critical mass" necessary to support a business. These are broad averages for the state as a whole and do not reflect differences in income, tourism, agglomeration, establishment, etc. Further, the business counts are based on the number of sales tax returns filed and are converted to "full-time equivalents." Multiplying people per business by sales per capita yields average sales per firm. In addition to state averages, averages for the non-metropolitan regions were calculated by excluding the seven county Minneapolis-St. Paul metropolitan region.

Business Activity / Store Type NAICS	People Per Business		Sales Per Capita		
	State	Non-Metro	State	Non-Metro	Willmar
RETAIL TRADE					
441 Vehicles, Parts	2,008	1,459	\$495.15	\$486.19	\$727.76
442 Furniture Stores	3,225	3,143	\$268.60	\$176.68	\$543.36
443 Electronics	4,187	4,225	\$295.00	\$143.13	\$655.41
444 Building Materials	2,769	1,855	\$1,010.15	\$1,106.89	\$3,752.19
445 Food and Beverage Stores	1,603	1,419	\$673.77	\$557.88	\$1,002.80
446 Health, Personal Stores	3,118	3,383	\$126.06	\$79.52	\$193.37
447 Gas/Convenience Stores	2,755	2,001	\$218.84	\$266.49	\$274.33
448 Clothing & Accessory Stores	1,611	1,934	\$180.58	\$84.01	\$164.27
451 Leisure Goods	1,585	1,417	\$237.58	\$168.91	\$163.19
452 General Merchandise	4,733	3,538	\$1,054.45	\$1,134.99	\$3,081.03
453 Miscellaneous Merchandise	520	434	\$289.42	\$219.61	\$576.86
454 Non-store Retail	968	914	\$99.38	\$87.10	\$249.03
Retail Total			\$4,948.97	\$4,511.40	\$11,383.60
INFORMATION					
511 Publishing Industry	10,330	12,717	\$3.90	\$1.41	
512 Movie & Recording Industry	11,081	18,787	\$35.89	\$24.37	
515 Broadcasting	46,094	29,174	\$13.63	\$8.76	
516 Info -Internet Publ/Brcst	8,452		\$357.50	\$0.00	
517 Telecommunications	8,452	8,350	\$357.50	\$235.89	
518 Internet Service	13,782	25,831	\$18.23	\$1.17	
519 Other Information Services	5,388	5,701	\$48.26	\$41.22	
FINANCE AND INSURANCE					
522 Credit Intermediation	8,400	6,794	\$28.39	\$7.30	
523 Securities, Commodities	18,044	33,511	\$2.53	\$0.71	
524 Insurance Carriers	10,589	14,849	\$0.78	\$0.49	
525 Funds, Trusts	156,721	165,321	\$0.76	\$0.46	
REAL ESTATE AND RENTAL AND LEASING					
531 Real Estate	2,424	3,006	\$35.53	\$30.96	
532 Rental, Leasing Services	3,669	3,285	\$162.88	\$70.42	
533 Lessors Nonfinancial Assets	249,329	309,977	\$0.32	\$0.29	
PROFESSIONAL, SCIENTIFIC, AND TECHNICAL SERVICES					
541 Prof, Scientific, Technical Services	479	731	\$172.88	\$80.31	
Mgmt Of Companies	26,757	48,624	\$32.82	\$4.30	
ADMINISTRATIVE & SUPPORT; WASTE MGMT & REMEDIATION SVCS					
561 Admin, Support Services	575	599	\$275.59	\$141.88	
562 Waste Mgmt, Remediation	13,645	9,538	\$2.58	\$2.25	
EDUCATIONAL SVCS; HEALTH & SOCIAL ASSISTANCE					
611 Educational Services	4,149	4,460	\$18.94	\$15.52	
621 Health -Ambulatory Care	1,049	1,300	\$18.76	\$15.05	
622 Health -Hospitals	37,315	25,049	\$16.41	\$15.29	
623 Health -Nursing,Residential Care	10,468	8,406	\$2.96	\$2.89	
624 Health -Social Assistance	11,015	11,221	\$3.08	\$4.68	
ARTS, ENTERTAINMENT & RECREATION					
711 Performing Art, Spectator Sports	2,221	2,610	\$71.06	\$12.64	
712 Museums, Historical Sites	30,305	20,326	\$4.29	\$1.79	
713 Amusement, Gambling, Recr	2,396	1,945	\$301.18	\$143.54	\$97.25
ACCOMMODATION & FOOD SERVICES					
721 Accommodation	2,170	1,196	\$386.21	\$369.99	\$1,227.67
722 Food Services, Drinking Places	487	473	\$1,578.36	\$1,173.73	\$1,504.04
OTHER SERVICES					
811 Repair, Maintenance	651	468	\$250.79	\$264.03	\$538.46
812 Personal, Laundry Service	636	566	\$155.04	\$54.26	\$85.64
813 Religious, Civic, Professional Orgs	2,643	2,138	\$33.86	\$37.29	
814 Private Households	88,472	95,378	\$0.20	\$0.16	
921 Exec., Legisla., Other Govt	7,704	4,460	\$51.12	\$64.81	
TOTAL RETAIL AND SERVICES			\$9,033.73	\$7,339.34	

Compare the Community to the Region

Willmar and Kandiyohi County

On other pages of this report we compared communities using a combination of retail sectors and service sectors. The information on this page only includes businesses in **retail trade** and does not include service sectors. The retail trade sectors include the following: building materials, motor vehicles & parts, clothing, food stores, electronics, convenience stores, leisure goods, health stores, furniture, general merchandise, non-store retail, and miscellaneous stores.

2015 Retail Sales per capita

