



# City of Shoreview Minnesota

## Comprehensive Annual Financial Report



For the  
Fiscal Year Ended  
December 31, 2013



**CITY OF SHOREVIEW, MINNESOTA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2013**

DEPARTMENT OF FINANCE

Debbie Maloney, Assistant Finance Director

Fred W. Espe, Finance Director

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# CITY OF SHOREVIEW, MINNESOTA

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## **INTRODUCTORY SECTION**



## I. INTRODUCTORY SECTION

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May 23, 2014

To the Honorable Mayor,  
Members of the City Council,  
and Citizens of the City of Shoreview, Minnesota

State law requires that every general-purpose local government publish, within six months of the close of each fiscal year, a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended December 31, 2013.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Malloy, Montague, Karnowski, Radosevich & Co., P.A., Certified Public Accountants, have issued an unmodified (“clean”) opinion on the City of Shoreview, Minnesota’s (the City) financial statements for the year ended December 31, 2013. The independent auditor’s report is located at the front of the financial section of this report.

The Management’s Discussion and Analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

### ***Profile of the Government***

The City, incorporated in 1957, is a northern suburb of the Minneapolis/St. Paul metropolitan area, situated in Ramsey County. The City occupies 12.2 square miles and serves a population of 25,429. The City is empowered to levy a property tax on both real and personal property located within its boundaries.

The City operates under the State of Minnesota Statutory Plan B (Council – Manager) form of government. Policy-making and legislative authority are vested in a City Council consisting of the mayor and four other members, all elected on a non-partisan basis. The City Council appoints the government’s manager, who in turn appoints the heads of the various departments. Councilmembers serve four-year terms, with two members elected every two years. The mayor is elected for a two-year term. The mayor and members of the City Council are elected at large.

The City provides a full range of services, including police and fire protection; the construction and maintenance of streets and other infrastructure; recreational and cultural activities; parks and a multi-purpose community center; water, sewer, surface water, and street light systems; community development, building inspection, and planning; and general government operations, including administration, finance/accounting, information systems, community information (newsletter), and general government buildings.

The City Council is required to adopt a budget by late December. The budget is prepared by fund, department (e.g. public safety), and activity (e.g. police). Department heads may transfer resources within an activity. The city manager may transfer resources within any department; however, transfers between departments or between funds require special approval from the City Council.

The City's capital improvement program (covering 5 years), comprehensive infrastructure replacement plan (covering 50 years), and five-year operating plan along with the annual budget serve as the foundation for the City's financial planning and the annual budget serves as the budget control.

### ***Local Economy***

Shoreview is home to numerous businesses that are leaders in their respective industries of banking and business systems, manufacturing, medical and computer technologies. A strong business community led by high profile companies such as Cummins Power Generation, Deluxe Corporation, DJO Global – Empi Inc., Fiserv, Hill-Rom, Land O'Lakes, PaR Systems, Target Corporation, TSI, Wells Fargo, and Westinghouse – PaR Nuclear provide the foundation for a healthy economy, diverse economic tax base and major employment for Shoreview and the surrounding area.

Because of its location in a region with a varied economic base, unemployment is relatively stable. During the past 10 years, the unemployment rate has fluctuated from a low of 3.1 percent in 2006 to a high of 6.3 percent in 2009 and 2010; the current rate is 3.9 percent. Unemployment is expected to remain at or below the regional average.

During the past 10 years, general property taxes have increased in amount and as a percentage of total governmental fund revenues, from 37.4 percent in 2004 to 46.4 percent in the current fiscal year (a 10-year increase of 9.0 percent). Intergovernmental revenues have declined from 13.0 percent in 2004 to 9.7 percent of total revenues in the current fiscal year (a 10-year decrease of 3.3 percent).

During the past 10-year period, governmental fund expenditures related to community development have increased in amount and as a percentage of total current governmental fund expenditures from 7.7 percent (\$811,259) in 2004 to 11.7 percent (\$2,206,684) in the current fiscal year (a 10-year increase of 4.0 percent). The increase reflects growth in developer assistance. In addition, charges for services have increased in amount and as a percentage of total revenue from 25.5 percent in 2004 to 28.7 percent in the current fiscal

year (a 10-year increase of 3.2 percent). A significant portion of the increase (72 percent) reflects increased fees for recreation programs, as well as daily admissions and membership fees for the community center.

### ***Long-Term Financial Planning***

Total General Fund balance (49.0 percent of total General Fund expenditures) is consistent with policy guidelines set by the City Council for budgetary and planning purposes. The total General Fund balance is made up of a working capital allocation equal to 50 percent of taxes and state aid for 2014 (to accommodate cash flows and the timing for receipt of tax and state aid receipts), and an allocation of 10 percent of 2014 budgeted expenditures for unanticipated events.

The City's 5-year operating plan and capital improvement program along with the comprehensive infrastructure replacement plan (covering 50 years) serve as the foundation for the City's long-term financial planning. To ensure the timely replacement of infrastructure, the City prepares long-term cost projections for the replacement of all city assets. Funding needs for capital replacements are reflected in tax levies for the street renewal and general fixed asset funds, and are reflected in user fees established for water, sewer, surface water, and street light funds. The five-year operating plan covering all operating funds, establishes specific goals for each fund. During 2010 Standard & Poor's raised the City's debt rating one notch from 'AA+' to 'AAA'. This was the first time that a 'AAA' rating had been assigned to the City. On October 31, 2013 Standard & Poor's reaffirmed the 'AAA' rating on the City's GO debt.

The 'AAA' rating reflects Standard & Poor's assessment of the City's:

- Very strong economy, which benefits from participation in the broad and diverse economy of Minneapolis-St. Paul (the Twin Cities);
- Very strong budgetary flexibility, with 2012 audited available reserves at 49% of general fund expenditures;
- Strong budgetary performance, which takes into account the small use of reserves for the total governmental budget in 2012.
- Very strong liquidity, providing very strong cash levels to cover both debt service and expenditures;
- Very strong management with strong financial policies reflective in consistent ability to maintain balanced budgets; and
- Adequate debt and contingent liabilities position, driven mostly by the city's moderate carrying charges and high net direct debt as a percent of total governmental funds revenue.

Projections for the next 20 years indicate that property tax contributions, user fees, and investment income will adequately support scheduled replacements. The impact of replacement costs on the property tax levy over the next 20 years is estimated to be 1 percent per year, and user fees are projected to increase between 3.9 percent and 6.6

percent over the next five years. The use of revolving funds will result in stable property tax and user fee increases despite fluctuating capital expenditures.

### ***Relevant Financial Policies***

Trends of the past decade, changes in state tax law, and recent legislation indicate that the City will have a greater reliance on property taxes as a source of financing for City operations in the future and less reliance on intergovernmental revenues (federal and state) and building permit fees. Changes in state tax law over the past few years have resulted in funding changes for both schools and local governments. The elimination of the homestead and agricultural credit aids (HACA) program, and large cuts in both local government aid and the market value homestead credit (MVHC) programs in previous years resulted in revenue losses to the City. In addition, as the City continues toward full development we anticipate future decreases in building permit revenues.

### ***Major Initiatives***

During 2013 significant economic development occurred within the City. In late 2012 and 2013 a new retail center opened that included a major retailer, several new restaurant options and a new bank branch. Construction began on an upscale 104 unit apartment project that will create new higher end market rental housing options within the community. PaR Systems completed construction of a new 36,000 square foot expansion of their facilities. TSI Incorporated completed construction of a 58,000 square foot expansion of their facility. The City and Economic Development Authority has worked closely with these companies in meeting their expansion goals. These efforts were recognized in 2013 by the Economic Development Association of Minnesota when they honored the City of Shoreview with the Business Retention Project of the Year Award for the successful expansions of PaR Systems and TSI Incorporated.

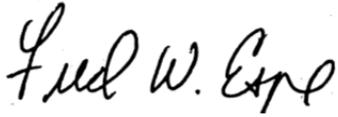
### ***Awards and Acknowledgements***

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2012. This was the twenty-eighth consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

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

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the finance department. We wish to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the mayor, City Council, and city manager for their unfailing support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,



Fred W. Espe  
Finance Director/Treasurer



Deborah Maloney  
Assistant Finance Director

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Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Shoreview**  
**Minnesota**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2012**

Executive Director/CEO

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**CITY OF SHOREVIEW, MINNESOTA**

Principal City Officials

December 31, 2013

**City Council**

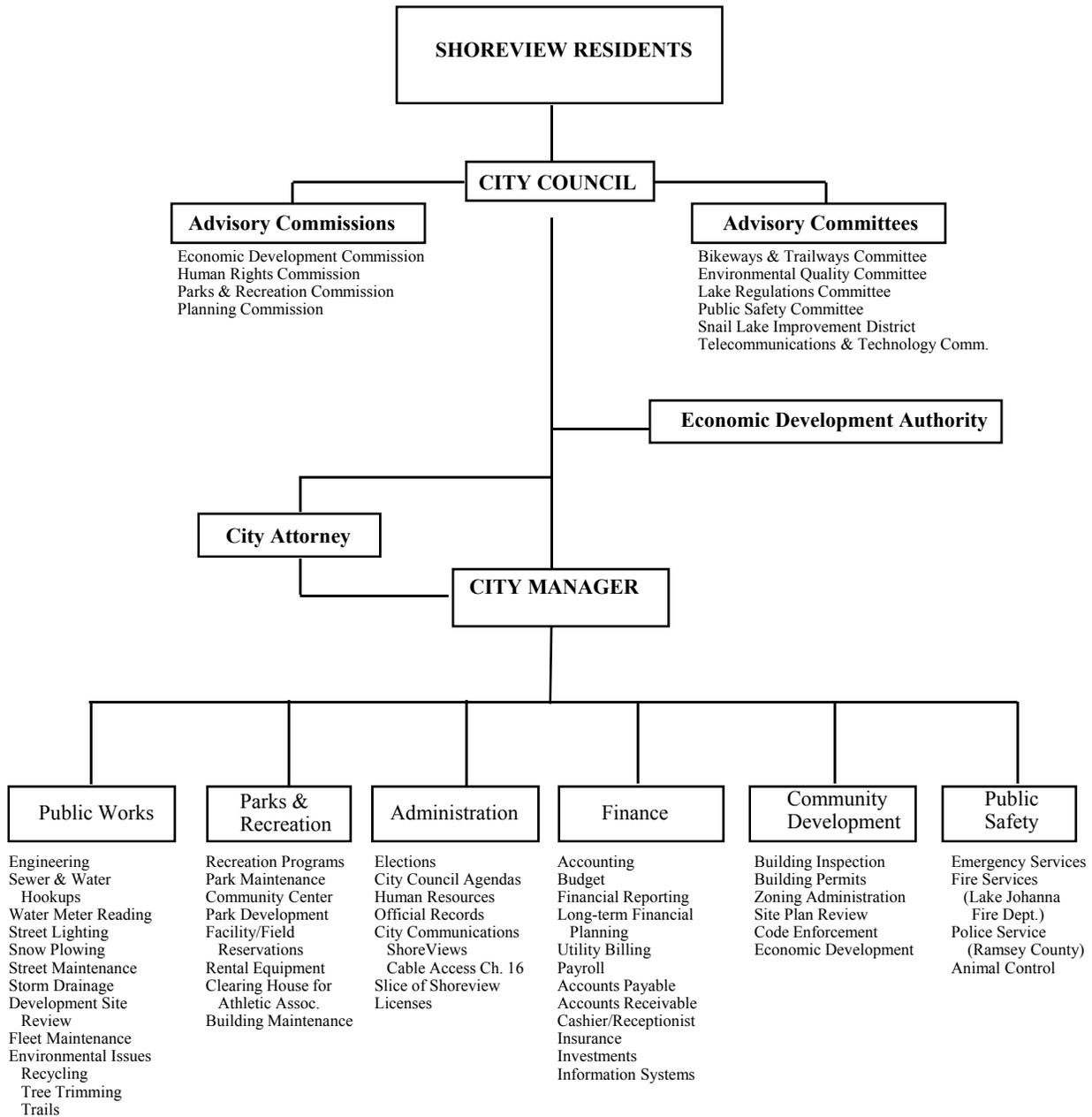
	<u>Term Expires</u>
Mayor Sandy Martin	December 31, 2014
Councilmembers Emy Johnson	December 31, 2016
Terry Quigley	December 31, 2014
Ady Wickstrom	December 31, 2016
Ben Withhart	December 31, 2014

**Administrative Staff**

	<u>Date of Hire</u>
City Manager Terry Schwerm	June 16, 1993
Assistant City Manager/Community Development Director Thomas C. Simonson	February 19, 1985
Finance Director/Treasurer Jeanne A. Haapala	September 26, 1988
Public Works Director Mark J. Maloney	September 6, 1994

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*City Of Shoreview*  
**Organizational Chart**  
 December 31, 2013



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**FINANCIAL SECTION –  
INDEPENDENT AUDITOR’S REPORT AND MD&A**



## **II. FINANCIAL SECTION**

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PRINCIPALS

Thomas M. Montague, CPA  
Thomas A. Karnowski, CPA  
Paul A. Radosevich, CPA  
William J. Lauer, CPA  
James H. Eichten, CPA  
Aaron J. Nielsen, CPA  
Victoria L. Holinka, CPA

INDEPENDENT AUDITOR'S REPORT

To the City Council and Management  
City of Shoreview, Minnesota

**REPORT ON THE FINANCIAL STATEMENTS**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Shoreview, Minnesota (the City) as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

**MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

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

**AUDITOR'S RESPONSIBILITY**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

(continued)

## **OPINIONS**

In our opinion, the financial statements referred to on the previous page present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

## **OTHER MATTERS**

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, and the respective budgetary comparison information for the General Fund and the major special revenue funds, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Information**

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

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

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

*Malloy, Montague, Karnowski, Radosevich & Co., P. A.*

Minneapolis, Minnesota  
May 23, 2014

## Management's Discussion and Analysis

As management of the City of Shoreview, Minnesota (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2013. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages iii–vii of this report.

### Financial Highlights

- The assets of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$86,783,716 (net position). Of this amount, \$19,195,790 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position decreased by \$287,309 as a result of a \$1,439,725 decrease in net position for governmental activities and a \$1,152,416 increase in net position for business-type activities.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$16,341,400, a decrease of \$107,691 in comparison with the prior year. Approximately 17.9 percent of this amount (\$2,926,284) is considered unassigned and available for spending at the City's discretion.
- The unassigned fund balance for the General Fund was \$4,220,635 or 48.1 percent of the total general fund expenditures. Fund balance in the General Fund increased \$167,597 during the year.
- The City's total governmental activity bonded and certificate of participation debt increased by \$4,780,000 (excluding premiums) from the prior year. During 2013 the City issued \$4,190,000 of general obligation improvement bonds for the construction of infrastructure assets and \$2,365,000 of general obligation refunding bonds, in order to take advantage of lower interest rates and reduce future interest costs. Due to the structure of the refunding issue the City is required to report both the principal of the new refunding issue and old refunded bonds (\$2,245,000) on its financial statements until the refunded (old) bonds are called in 2014 and 2015. The City has placed \$2,289,635 in escrow for the payment of principal on the refunded (old) bonds on the call date, and debt service on the refunding (new) bonds until the call date.
- During 2013 the City's business-type activity bonded debt increased \$2,130,000 (excluding premiums) from the prior year. The City issued \$2,230,000 of general obligation revenue bonds for the construction of capital assets and \$1,050,000 of general obligation refunding bonds. As of December 31, 2013 \$685,000 of both the old refunded and new refunding debt remains outstanding until the call date on the old debt in 2014. Net revenues of the Water, Sewer and Surface Water utilities are pledged for the debt service of the business type activity. The City has placed \$690,899 in escrow for the payment of principal on the refunded (old) bonds on the call date, and debt service on the refunding (new) bonds until the call date.
- The City's capital assets increased \$3,804,423, or 6.2% for governmental activities, and \$1,222,906 or 4.0% for business type activities.

## Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

The Statement of Net Position presents information on all of the City's assets and liabilities, and deferred inflows/outflows (as applicable), with the differences reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through use fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, parks and recreation, and community development. The business-type activities of the City include water, sewer, surface water management, and street light services.

The government-wide financial statements can be found on pages 21-23 of this report.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the City's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

*Governmental funds.* Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar

information presented for governmental activities in the government-wide financial statements.

By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains ten individual major governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Community Center Operation Fund, Recreation Programs Fund, Municipal State Aid Fund, Street Renewal Fund, General Fixed Asset Replacement Fund, Community Investment Fund, Capital Improvement Fund, Owasso Street Realignment Fund and 2013 Street Rehabilitation Fund which are considered to be major funds.

Data from all other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 24-28 of this report.

*Proprietary funds.* The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer, surface water management, and street light operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its central garage, short-term disability insurance, and liability claims functions. Because each of these services predominantly benefits governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, sewer, surface water management, and street light operations, which are considered to be major funds of the City. Conversely, all three internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 29-31 of this report.

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

The agency fund Statement of Assets and Liabilities can be found on page 32 of this report.

**Notes to basic financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to basic financial statements can be found on pages 33-69 of this report.

**Other information.** The City adopts an annual appropriated budget for its General Fund and special revenue funds. Budgetary comparison schedules have been provided for these funds to demonstrate compliance with their respective budgets. For the General Fund and major special revenue funds these schedules are presented as required supplementary information following the Notes to Financial Statements, while budgetary schedules for nonmajor special revenue funds are included within the Combining and Individual Nonmajor Funds Statements and Schedules section of this report. The combining statements referred to earlier in connection with nonmajor governmental funds, internal service funds, and fiduciary funds are presented immediately following the required supplementary information on budgeted comparisons. Combining and individual fund statements and schedules can be found on pages 82-114 of this report.

### Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities and deferred inflows of resources by \$86,783,716 at the close of the most recent fiscal year.

By far the largest portion of the City's net position (\$62,724,149 or 72 percent) reflects its investment in capital assets (e.g. infrastructure, land, buildings, and machinery and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Shoreview's Net Position

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 20,827,005	\$ 19,874,404	\$ 9,951,672	\$ 7,772,799	\$ 30,778,677	\$ 27,647,203
Capital assets	65,025,062	61,220,639	31,759,677	30,536,771	96,784,739	91,757,410
Total assets	<u>\$ 85,852,067</u>	<u>\$ 81,095,043</u>	<u>\$ 41,711,349</u>	<u>\$ 38,309,570</u>	<u>\$ 127,563,416</u>	<u>\$ 119,404,613</u>
Long-term liabilities outstanding	\$ 23,992,607	\$ 19,662,922	\$ 9,669,699	\$ 8,275,227	\$ 33,662,306	\$ 27,938,149
Other liabilities	4,590,582	2,606,379	1,934,915	1,080,024	6,525,497	3,686,403
Total liabilities	<u>\$ 28,583,189</u>	<u>\$ 22,269,301</u>	<u>\$ 11,604,614</u>	<u>\$ 9,355,251</u>	<u>\$ 40,187,803</u>	<u>\$ 31,624,552</u>
Deferred inflows of resources	\$ 591,897	\$ 709,036	\$ -	\$ -	\$ 591,897	\$ 709,036
Net position						
Net investment in capital assets	\$ 41,391,324	\$ 40,154,929	\$ 21,332,825	\$ 21,585,799	\$ 62,724,149	\$ 61,740,728
Restricted	4,646,335	5,364,477	217,442	183,496	4,863,777	5,547,973
Unrestricted	10,639,322	12,597,300	8,556,468	7,185,024	19,195,790	19,782,324
Total net position	<u>\$ 56,676,981</u>	<u>\$ 58,116,706</u>	<u>\$ 30,106,735</u>	<u>\$ 28,954,319</u>	<u>\$ 86,783,716</u>	<u>\$ 87,071,025</u>

An additional portion of the City's net position (\$4,863,777 or 6 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of

unrestricted net position (\$19,195,790 or 22 percent) may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the City as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

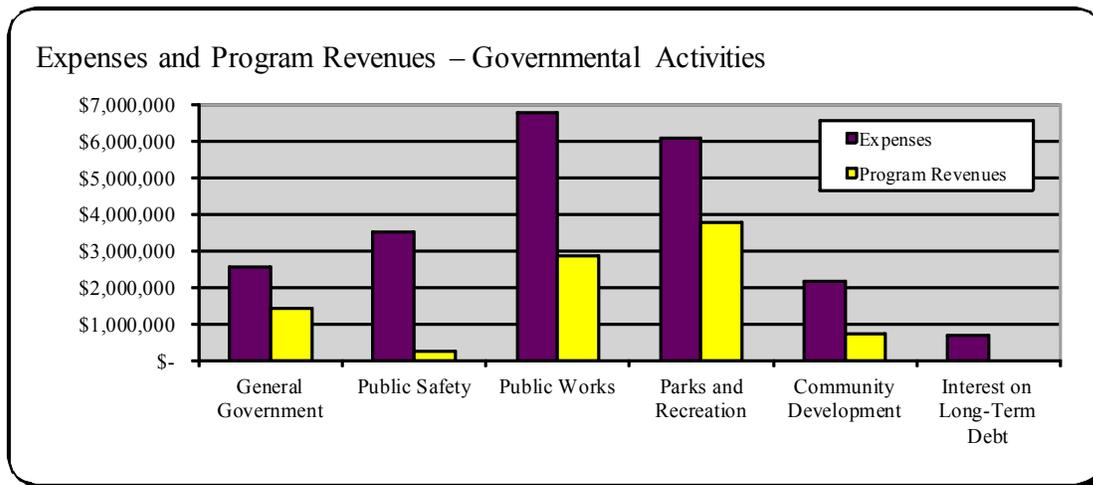
The net position of the City as a whole decreased \$287,309 (.3 percent) from \$87,071,025 at December 31, 2012 to \$86,783,716 at December 31, 2013. Governmental activities decreased \$1,439,725 (2.5 percent) from the prior year while the business-type activities increased \$1,152,416 (4.0 percent) during the same period.

**Governmental activities.** Governmental activities decreased the City's net position by \$1,439,725. Key elements of this decrease are as follows:

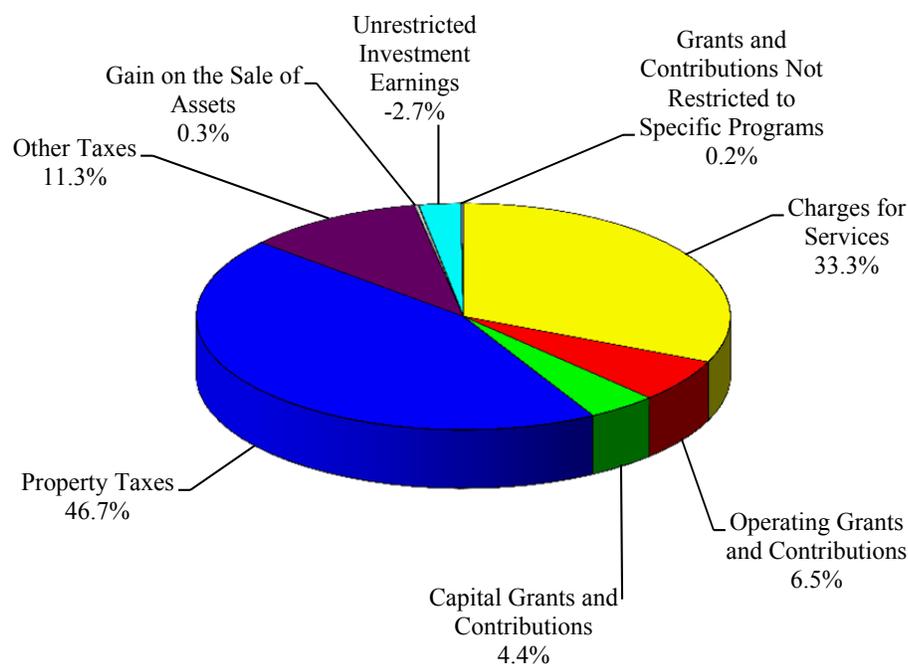
	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 6,881,592	\$ 6,410,705	\$ 8,168,230	\$ 8,090,622	\$ 15,049,822	\$ 14,501,327
Operating grants and contributions	1,345,155	320,347	—	—	1,345,155	320,347
Capital grants and contributions	911,375	852,396	76,008	109,985	987,383	962,381
General revenues						
Property taxes	9,666,218	9,243,083	—	—	9,666,218	9,243,083
Tax increment collections	1,882,775	1,980,051	—	—	1,882,775	1,980,051
Franchise tax	456,242	301,530	—	—	456,242	301,530
Grants and contributions not restricted to specific programs	33,500	33,369	—	—	33,500	33,369
Unrestricted investment earnings	(553,422)	231,716	(235,147)	71,631	(788,569)	303,347
Gain on disposal of capital assets	56,763	26,561	—	—	56,763	26,561
Total revenues	<u>20,680,198</u>	<u>19,399,758</u>	<u>8,009,091</u>	<u>8,272,238</u>	<u>28,689,289</u>	<u>27,671,996</u>
<b>Expenses</b>						
General government	2,582,399	2,349,276	—	—	2,582,399	2,349,276
Public safety	3,543,388	3,113,032	—	—	3,543,388	3,113,032
Public works	6,798,886	3,998,390	—	—	6,798,886	3,998,390
Parks and recreation	6,123,840	6,128,769	—	—	6,123,840	6,128,769
Community development	2,210,253	2,904,944	—	—	2,210,253	2,904,944
Interest on long-term debt	730,200	595,009	—	—	730,200	595,009
Water	—	—	2,238,481	2,206,516	2,238,481	2,206,516
Sewer	—	—	3,498,374	3,283,498	3,498,374	3,283,498
Surface water management	—	—	954,828	1,019,008	954,828	1,019,008
Street lights	—	—	295,949	275,412	295,949	275,412
Total expenses	<u>21,988,966</u>	<u>19,089,420</u>	<u>6,987,632</u>	<u>6,784,434</u>	<u>28,976,598</u>	<u>25,873,854</u>
Increase (decrease) in net position before transfers	(1,308,768)	310,338	1,021,459	1,487,804	(287,309)	1,798,142
Transfers	(130,957)	459,493	130,957	(459,493)	—	—
Increase (decrease) in net position	(1,439,725)	769,831	1,152,416	1,028,311	(287,309)	1,798,142
Net position – January 1	<u>58,116,706</u>	<u>57,346,875</u>	<u>28,954,319</u>	<u>27,926,008</u>	<u>87,071,025</u>	<u>85,272,883</u>
Net position – December 31	<u>\$ 56,676,981</u>	<u>\$ 58,116,706</u>	<u>\$ 30,106,735</u>	<u>\$ 28,954,319</u>	<u>\$ 86,783,716</u>	<u>\$ 87,071,025</u>

- Charges for services for governmental activities increased \$470,887 (7.3 percent) during the year. Significant changes from 2012 to 2013 include a \$156,837 (12.6 percent) increase in general government charges and a \$146,534 (24.0 percent) increase in community development charges. The general government increase is due mainly to increases in administrative charges to capital project funds as a result of increased City construction activity (\$180,613), administrative charges to operating funds (\$70,020) and a decrease resulting from the expiration of tall tower fees (\$110,000). Increases in community development charges are a result of increased building permit revenue (\$129,966). Revenues for public safety, public works and parks and recreation are consistent with prior years in both amounts and types of revenue.
- Operating grants and contributions increased \$1,024,808 (319.9%) during the year. Significant changes from 2012 to 2013 included a \$206,815 increase in public safety and an \$853,389 increase in public works. The public safety increase is a result of a state fire aid grant, and the public work increase is the result of an operating grant from another local government for reimbursement of their allocated share of costs of the County Road D Street Reconstruction project.
- Capital grants and contributions remained consistent with prior years in both amounts and types of grants and contributions.
- Property taxes for governmental activities increased by \$423,135 (4.6 percent) during the year, primarily due to net levy increases for the General Fund, Debt Service, Street Renewal, General Fixed Asset Replacement, Capital Improvement and Special Revenue funds.
- Tax increment collections for governmental activities decreased by \$97,276 (4.9 percent). This decrease is primarily due to decreases in value to property located within tax increment districts.
- Investment earnings decreased by \$785,138 (338.8 percent) during the year due to year-end adjustments to fair market value (\$1,084,327).
- Public safety expenses increased by \$430,356 (13.8 percent) during the year. The increase is primarily due to the payment of a state fire aid grant (\$206,815) to the fire department.
- Public works expenses increased by \$2,800,496 (70.0 percent) during the year. The increase is primarily due to construction of infrastructure assets for other governmental entities for the Red Fox Road, County Road D and Owasso Street Realignment projects. Costs associated with these projects will be recovered through operating grants and contributions, assessments and future tax increment payments.
- Community development expenses decreased by \$694,691 (23.9 percent) during the year. A significant portion of the decrease is the result of decreased developer assistance payments. The City makes pay as you go tax increment financing note payments to various properties within the City; note payments decreased \$359,535 in 2013 due to the maturity of notes in TIF Districts #1 and #5 in 2012. All other 2013 developer assistance payments were consistent with 2012.

The following two graphs provide comparisons of the governmental activities revenues and expenses.



Governmental Activities – Revenues



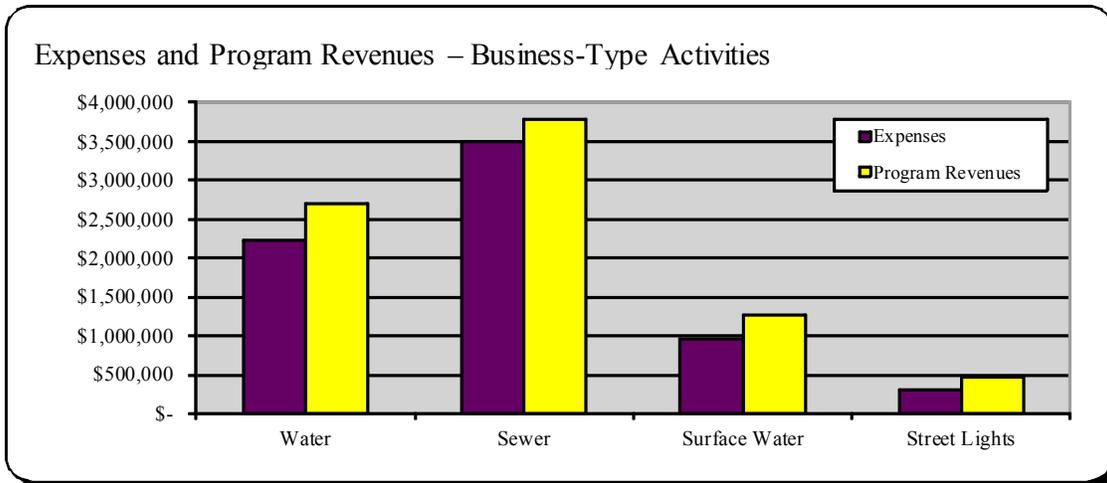
**Business-type activities.** Business-type activities increased the City’s net position by \$1,152,416. Key elements of this increase are as follows:

- Charges for services for business-type activities increased \$77,608 (1.0 percent). Water operations decreased \$223,063 (7.6 percent), this decrease was due to a water rate increase of 3.0 percent for the average residential customer, and a 10.6 percent decrease in the gallons of water sold during the year. Sewer operations increased \$208,575 (5.8 percent), rates increased 6.0% in 2013 and winter residential water consumption decreased 1.2 percent, which provides the basis for residential sewer charges. Surface Water operations had an

increase of \$73,508 (6.4 percent), due to a 10 percent rate increase, which resulted in a quarterly increase of \$1.76 per residential unit. Street Light operations had an increase of \$18,588 (4.1 percent), due to the impact of a street light rate increase of 4 percent, which resulted in a quarterly increase of \$0.36 per residential unit.

- Capital grants and contributions during the year produced \$76,008 in revenue for business-type activities. This consists of intergovernmental capital grants (\$25,019), and contributions from property owners (\$50,989).
- Expenses for business-type activities increased \$203,198 (3.0 percent). The Sewer fund accounts for \$214,876 of the increase due to an increase in sewage treatment costs, general liability insurance, and contractual fees related to a sewer line inventory project. Interest and paying agent fees account for \$50,618 of the increase.

The following graph provides comparisons of the business-type activities program revenues and expenses.



## Financial Analysis of the Government’s Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

*Governmental funds.* The focus of the City’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City’s financing requirements. In particular, unrestricted fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City’s governmental funds reported combined ending fund balances of \$16,341,400, a decrease of \$107,691 in comparison with the prior year. Approximately 18 percent of this amount (\$2,926,284) constitutes unassigned fund balance which is available for spending at the government’s discretion. The remainder of fund balance is classified as non-spendable in the form of prepaid items, restricted, committed or assigned for specific activities and projects. These amounts are not available for new spending because they

are restricted by externally imposed constraints or committed and assigned through internally imposed constraints.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$4,220,635. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned General Fund balance represents 48.1 percent of total General Fund expenditures, while total fund balance represents 49.0 percent of that same amount.

The City's General Fund balance policy establishes a minimum and maximum unassigned fund balance based on the following key factors:

- The unassigned fund balance for working capital needs is equal to 50 percent of the ensuing years General Fund tax levy and levy-based state aids, because taxes and state aids are received in June and December of each year. The working capital allocation is reduced by the balance of nonspendable items at year-end. Budgeted taxes in 2014 are \$247,587 more than in 2013; consequently, the unassigned General Fund balance for working capital increases \$123,793 at the end of the current period. As of year-end the City has met its minimum unassigned working capital balance.
- The maximum unassigned fund balance for unanticipated expenditures at year-end is equal to 10 percent of budgeted ensuing year's expenditures. Ensuing year budgeted expenditures are \$9,100,294 which results in an unassigned fund balance for unanticipated expenditures of \$910,029. As of year-end the City has met its maximum unassigned unanticipated expenditure fund balance.
- The maximum unassigned fund balance is equal to the combined unassigned working capital and unanticipated expenditure fund balances less any nonspendable items. The total for the current fiscal year is \$4,220,635 as compared to \$4,066,796 for the previous year, an increase of \$153,839.

The Community Center Operation Fund balance increased \$59,203. Revenue and transfers in increased by \$22,898. Daily admissions and annual membership revenue decreased \$7,265. Expenditures increased by \$124,744, as a result of increases in personal services (\$73,536), materials and supplies (\$32,367), contractual services (\$24,568), and a decrease in capital outlay (\$5,727).

The Recreation Programs Fund balance increased \$113,096. Program revenue increased \$44,309; the majority of the increase (\$56,523) was a result of a summer child care program. Expenditures decreased \$826.

Fund balances for the Municipal State Aid, Street Renewal and General Fixed Asset Replacement Funds are designed to fluctuate between years depending on the type of operating repairs and capital costs in any given year. Revenues of the Street Renewal and General Fixed Asset Replacement Funds are designed to change gradually from one year to the next, providing a stable revenue stream to support repair and replacement costs that vary due to type, size, and scope. The fund balance of the Municipal State Aid Fund decreased \$851,688 due to planned transfers out for the Red Fox Road, County Road D, and 2013 Street Rehabilitation street construction costs for the current year. The fund balance of the Street Renewal Fund increased \$227,576. Expenditures in the Street Renewal Fund consisted primarily of public works seal

coating repairs. Transfers out in the Street Renewal Fund represent the fund's share of costs for the Cottage Place, Demar/Floral and Red Fox Road street rehabilitation projects. In accordance with the General Fund, fund balance policy, a transfer was made into the Street Renewal Fund to fund future street replacements. Fund balance decreased \$276,480 in the General Fixed Asset Replacement Fund. Significant expenditures in 2013 included the City's capital contribution in the amount of \$389,181 to the Lake Johanna Fire Department, trail seal coating costs and miscellaneous trail repairs in the amount of \$80,490, various community center and park and recreation repairs and supplies in the amount of \$231,566, general government capital expenditures in the amount of \$42,270, and park improvements in the amount of \$487,516. Transfers out in the General Fixed Asset Replacement Fund represent the fund's share of costs for the 2002 Certificates of Participation, and computer acquisitions. Revenues for the Municipal State Aid, Street Renewal and General Fixed Asset Replacement Funds were consistent with prior years.

The Community Investment Fund was established in 2013 to account for resources dedicated for the acquisition of capital assets which have community wide benefit. Significant revenue sources include utility franchise fees, wireless telecommunication and billboard lease receipts, park dedication fees and all assets of the Capital Improvement Fund as of December 31, 2013.

The Capital Improvement Fund was closed into the Community Investment Fund at December 31, 2013 in accordance with the City's Community Investment Policy. Capital and operating expenditures include community center improvements and various park improvements. Transfers out in the Capital Improvement Fund represent the fund's closing and share of costs for the 2002 Certificates of Participation and computer acquisitions. Revenue for the Capital Improvement Fund was consistent with prior years.

The Owasso Street Realignment and 2013 Street Rehabilitation funds are temporary capital project funds used to account for infrastructure related costs. Both projects are scheduled to be completed in 2014.

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

Unrestricted net position in the respective proprietary funds include \$4,244,043 for water, \$2,835,093 for sewer, \$1,146,104 for surface water management, and \$267,048 for street lights. Water Fund net position increased \$330,263 primarily due to a rate increase and capital contributions. Sewer Fund net position increased \$36,774; primarily due to a rate increase and increases in contractual services associated with a sewer line inventory project. Surface Water Fund net position increased \$558,142 primarily due to a rate increase and capital contributions. The Street Lights Fund net position increased \$222,160 primarily as a result of a rate increase and capital contributions.

### **General Fund Budgetary Highlights**

Total General Fund revenues were \$696,769 more than estimated in the budget. Property taxes were under budget by \$15,844. Licenses and permits surpassed anticipated levels by \$334,256 primarily due to building permits, intergovernmental revenues exceeded budget due to the receipt of unbudgeted State Fire Aid (\$206,815), charges for services surpassed anticipated levels by \$334,519, primarily as a result of in-house engineering charges, plan check fees and capital project administrative charges.

Total General Fund expenditures were over budget by \$111,709, primarily due to an unbudgeted expenditure to the Lake Johanna Fire Department (Public Safety) associated with the unbudgeted state Fire Aid (\$206,815). Within the general government department information systems current expenditures were under budget by \$51,241, and capital outlay was over budget by \$20,014, due to a reclassification of wages from current to capital outlay for internally developed software, and a vacant position during a portion of the year. Within the public works department, public works administration and engineering current expenditures were over budget due to overtime associated with increased construction activity and contractual costs associated with a railroad quiet zone study. The community development department building inspection current expenditures were over budget as a result of electrical inspection contractual fees. The unbudgeted transfer to the Street Renewal Fund (\$417,963) was made in accordance with the City's fund balance policy regarding excess fund balance in the General Fund.

## Capital Assets and Debt Administration

**Capital assets.** The City's investment in capital assets for its governmental and business-type activities as of December 31, 2013 amounts to \$96,784,739 (net of accumulated depreciation). This investment in capital assets includes land, buildings and structures, machinery and equipment, distribution and collection systems, park facilities, roads, trails and sidewalks, and pedestrian tunnels and bridges. The total increase in the City's investment in capital assets for the current fiscal year was 5.5 percent (a 6.2 percent increase for governmental activities and a 4.0 percent increase for business-type activities).

City of Shoreview's Capital Assets  
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 7,724,345	\$ 7,724,345	\$ 304,202	\$ 304,202	\$ 8,028,547	\$ 8,028,547
Buildings and structures	24,852,687	24,700,903	4,993,596	4,961,126	29,846,283	29,662,029
Machinery and equipment	4,082,501	4,028,203	2,069,545	2,170,872	6,152,046	6,199,075
Distribution and collection systems	-	-	22,279,179	22,109,355	22,279,179	22,109,355
Infrastructure	22,731,042	23,707,101	-	-	22,731,042	23,707,101
Construction in progress	5,634,487	1,060,087	2,113,155	991,216	7,747,642	2,051,303
Total	<u>\$ 65,025,062</u>	<u>\$ 61,220,639</u>	<u>\$ 31,759,677</u>	<u>\$ 30,536,771</u>	<u>\$ 96,784,739</u>	<u>\$ 91,757,410</u>

Major capital asset events during the current fiscal year included the following:

- A variety of capital assets for governmental activities were completed at a cumulative cost of \$2,316,063. Construction in progress at year-end for governmental activities is \$5,634,487.
- Various capital assets for business-type activities were completed at a cumulative cost of \$1,323,480. Construction in progress for business-type activities as of the end of the current fiscal year is \$2,113,155.

Additional information on the City's capital assets can be found in Note 5 of the notes to financial statements.

**Long-term debt.** At the end of the current fiscal year, the City had total bonded debt outstanding of \$26,980,000 (excluding unamortized premiums), an increase of \$7,255,000 from 2012. The entire bonded debt amount is backed by the full faith and credit of the City. An additional \$3,985,000 of outstanding certificates of participation financed building improvements and a \$6,000,000 loan payable financed land acquisition. Unamortized premium

on City debt totaled \$403,427. The remaining liability is for compensated absences totaling \$345,651.

City of Shoreview's Outstanding Debt  
General Obligation, Revenue Bonds, Long-Term Notes, Loans, and Compensated Absences

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
General obligation improvement bonds	\$ 2,857,200	\$ 1,065,000	\$ -	\$ -	\$ 2,857,200	\$ 1,065,000
General obligation tax increment bonds	690,000	1,320,000	-	-	690,000	1,320,000
General obligation bonds	12,584,469	8,355,000	-	-	12,584,469	8,355,000
General obligation revenue bonds	-	-	11,251,758	8,985,000	11,251,758	8,985,000
Certificates of participation	3,985,000	4,330,000	-	-	3,985,000	4,330,000
Loans payable	6,000,000	6,000,000	-	-	6,000,000	6,000,000
Compensated absences	270,837	262,231	74,814	79,061	345,651	341,292
<b>Total</b>	<b>\$ 26,387,506</b>	<b>\$ 21,332,231</b>	<b>\$ 11,326,572</b>	<b>\$ 9,064,061</b>	<b>\$ 37,714,078</b>	<b>\$ 30,396,292</b>

The City maintains a bond rating from Standard & Poor's Financial Services, LLC of AAA for general obligation debt.

State statutes limit the amount of general obligation debt a Minnesota city may issue to 3 percent of total estimated market value. The current debt limitation for the City is \$72,148,140. The City's net debt applicable to this limit totals \$13,168,149.

Additional information on the City's long-term debt can be found in Note 6 of the notes to financial statements.

### Economic Factors and Next Year's Budgets and Rates

- The annual average unemployment rate (not seasonally adjusted) for the City is currently 3.9 percent, which compares favorably to 5.1 percent unemployment for the state of Minnesota, and 7.4 percent unemployment nationally.
- The current property tax collection rate for the current period is 99.3 percent.
- Building permit activity in the current period resulted in permit valuation equal to \$42.4 million. New residential and commercial construction accounted for 59 percent of building permit values. Reinvestment in homes through improvements to property by homeowners accounted for 23 percent of building permit values, and commercial property accounted for the remaining 18 percent of building permit values.
- The 2014 adopted levy supports the 2014 budget.

All of these factors were considered in preparing the City's budget for the 2014 fiscal year.

Water, sewer, surface water management, and street light rates were increased for the 2014 budget year. The increase for the average customers was 4.2 percent for water, 3.0 percent for sewer, 10.0 percent for surface water management, and 4.0 percent for street lights. The total impact on the average residential customer is estimated to be 4.2 percent. These rate increases were necessary to support operating costs, capital costs, and debt repayment.

## **Requests for Information**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, 4600 Victoria Street North, Shoreview, Minnesota 55126.

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**FINANCIAL SECTION –  
BASIC FINANCIAL STATEMENTS**



## **BASIC FINANCIAL STATEMENTS**

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**CITY OF SHOREVIEW, MINNESOTA**

Statement of Net Position

December 31, 2013

**Statement 1**

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
<b>Assets</b>			
Cash and investments	\$ 16,555,660	\$ 7,116,569	\$ 23,672,229
Restricted cash with escrow agent	2,289,635	690,899	2,980,534
Accrued interest receivable	47,163	19,022	66,185
Accounts receivable	274,032	1,978,138	2,252,170
Loan receivable	148,892	–	148,892
Taxes receivable	322,129	–	322,129
Special assessments receivable	512,746	60,279	573,025
Internal balances	(64,180)	64,180	–
Due from other governmental units	525,853	14,977	540,830
Prepaid items	100,075	7,608	107,683
Property held for resale	115,000	–	115,000
Capital assets			
Nondepreciable	13,358,832	2,417,357	15,776,189
Depreciable (net of accumulated depreciation)	51,666,230	29,342,320	81,008,550
Total assets	<u>85,852,067</u>	<u>41,711,349</u>	<u>127,563,416</u>
<b>Liabilities</b>			
Accounts payable	311,313	59,339	370,652
Salaries payable	130,303	33,979	164,282
Contracts payable	1,067,919	–	1,067,919
Accrued bond interest payable	273,263	161,184	434,447
Deposits payable	308,122	5,824	313,946
Due to other governmental units	26,412	17,716	44,128
Unearned revenue	78,351	–	78,351
Compensated absences payable			
Due within one year	24,899	6,873	31,772
Due in more than one year	245,938	67,941	313,879
Loan payable			
Due in more than one year	6,000,000	–	6,000,000
Certificates of participation payable			
Due within one year	350,000	–	350,000
Due in more than one year	3,635,000	–	3,635,000
Bonds payable			
Due within one year	2,020,000	1,650,000	3,670,000
Due in more than one year	14,111,669	9,601,758	23,713,427
Total liabilities	<u>28,583,189</u>	<u>11,604,614</u>	<u>40,187,803</u>
Deferred inflows of resources			
State Aid received for subsequent years	591,897	–	591,897
<b>Net position</b>			
Net investment in capital assets	41,391,324	21,332,825	62,724,149
Restricted for			
Business loan program	165,777	–	165,777
Cable television	23,485	–	23,485
Debt service	1,595,396	–	1,595,396
Economic development	28,172	–	28,172
Housing and redevelopment	72,227	–	72,227
Recycling	204,137	–	204,137
Trunk facility	–	217,442	217,442
Tax increment purposes	2,557,141	–	2,557,141
Unrestricted	10,639,322	8,556,468	19,195,790
Total net position	<u>\$ 56,676,981</u>	<u>\$ 30,106,735</u>	<u>\$ 86,783,716</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF SHOREVIEW, MINNESOTA**

## Statement of Activities

For The Year Ended December 31, 2013

	<u>Expenses</u>	<u>Charges For Services</u>
Functions/programs		
Primary government		
Governmental activities		
General government	\$ 2,582,399	\$ 1,405,214
Public safety	3,543,388	55,362
Public works	6,798,886	918,543
Parks and recreation	6,123,840	3,744,316
Community development	2,210,253	758,157
Interest on long-term debt	730,200	-
Total governmental activities	<u>21,988,966</u>	<u>6,881,592</u>
Business-type activities		
Water	2,238,481	2,694,959
Sewer	3,498,374	3,777,352
Surface water	954,828	1,221,047
Street lights	295,949	474,872
Total business-type activities	<u>6,987,632</u>	<u>8,168,230</u>
Total primary government	<u>\$ 28,976,598</u>	<u>\$ 15,049,822</u>

The accompanying notes are an integral part of these financial statements.

**Statement 2**

Program Revenues		Net (Expense) Revenue and Changes in Net Position		
Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
		Governmental Activities	Business-Type Activities	Total
\$ 41,490	\$ –	\$ (1,135,695)	\$ –	\$ (1,135,695)
206,815	–	(3,281,211)	–	(3,281,211)
1,082,978	871,785	(3,925,580)	–	(3,925,580)
13,872	39,590	(2,326,062)	–	(2,326,062)
–	–	(1,452,096)	–	(1,452,096)
–	–	(730,200)	–	(730,200)
<u>1,345,155</u>	<u>911,375</u>	<u>(12,850,844)</u>	<u>–</u>	<u>(12,850,844)</u>
–	11,992	–	468,470	468,470
–	9,555	–	288,533	288,533
–	54,461	–	320,680	320,680
–	–	–	178,923	178,923
–	76,008	–	1,256,606	1,256,606
<u>\$ 1,345,155</u>	<u>\$ 987,383</u>	<u>(12,850,844)</u>	<u>1,256,606</u>	<u>(11,594,238)</u>
General revenues				
Property taxes		9,666,218	–	9,666,218
Tax increment collections		1,882,775	–	1,882,775
Franchise tax		456,242	–	456,242
Grants and contributions not restricted to specific programs		33,500	–	33,500
Unrestricted investment earnings		(553,422)	(235,147)	(788,569)
Gain on disposal of capital assets		56,763	–	56,763
Transfers		(130,957)	130,957	–
Total general revenues and transfers		<u>11,411,119</u>	<u>(104,190)</u>	<u>11,306,929</u>
Change in net position		(1,439,725)	1,152,416	(287,309)
Net position – beginning		58,116,706	28,954,319	87,071,025
Net position – ending		<u>\$ 56,676,981</u>	<u>\$ 30,106,735</u>	<u>\$ 86,783,716</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF SHOREVIEW, MINNESOTA**

Balance Sheet

Governmental Funds

December 31, 2013

	General	Community Center Operation	Recreation Programs	Municipal State Aid
<b>Assets</b>				
Cash and investments	\$ 4,390,930	\$ 1,231,626	\$ 772,537	\$ 859,438
Restricted cash with escrow agent	-	-	-	-
Accrued interest receivable	9,147	3,309	2,027	4,798
Accounts receivable (net of allowance for uncollectibles)	24,205	2,643	288	-
Loan receivable	-	-	-	-
Taxes receivable	194,270	-	-	-
Special assessments receivable	-	-	-	888
Interfund receivable	-	-	-	369,131
Due from other governmental units	27,457	-	572	-
Prepaid items	82,971	5,173	3,812	-
Property held for resale	-	-	-	-
<b>Total assets</b>	<b>\$ 4,728,980</b>	<b>\$ 1,242,751</b>	<b>\$ 779,236</b>	<b>\$ 1,234,255</b>
<b>Liabilities</b>				
Accounts payable	\$ 55,672	\$ 52,059	\$ 4,529	\$ -
Salaries payable	75,117	36,329	11,700	-
Contracts payable	-	-	-	441,553
Deposits payable	222,992	85,130	-	-
Interfund payable	-	-	-	-
Due to other governmental units	1,891	20,694	1,272	-
Unearned revenue	753	-	-	-
<b>Total liabilities</b>	<b>356,425</b>	<b>194,212</b>	<b>17,501</b>	<b>441,553</b>
<b>Deferred inflows of resources</b>				
Unavailable revenue – property taxes	58,888	-	-	-
Unavailable revenue – special assessments	-	-	-	888
State aid received for subsequent years	10,061	-	-	581,836
<b>Total deferred inflows of resources</b>	<b>68,949</b>	<b>-</b>	<b>-</b>	<b>582,724</b>
<b>Fund balances</b>				
Nonspendable	82,971	5,173	3,812	-
Restricted	-	-	-	-
Committed	-	1,043,366	757,923	-
Assigned	-	-	-	209,978
Unassigned	4,220,635	-	-	-
<b>Total fund balances</b>	<b>4,303,606</b>	<b>1,048,539</b>	<b>761,735</b>	<b>209,978</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 4,728,980</b>	<b>\$ 1,242,751</b>	<b>\$ 779,236</b>	<b>\$ 1,234,255</b>

The accompanying notes are an integral part of these financial statements.

Statement 3

Street Renewal	General Fixed Asset Replacement	Community Investment	Owasso Street Realignment	Other Governmental Funds	Intra- Activity Eliminations	Total Governmental Funds
\$ 2,434,204	\$ 519,046	\$ 512,391	\$ -	\$ 4,401,427	\$ -	\$ 15,121,599
-	-	-	-	2,289,635	-	2,289,635
6,055	1,563	2,017	-	14,799	-	43,715
-	2,091	152,881	-	80,675	-	262,783
-	-	-	-	148,892	-	148,892
24,760	36,499	3,485	-	57,735	-	316,749
90,776	-	-	-	421,082	-	512,746
-	-	-	-	1,147,829	(1,516,960)	-
-	-	-	-	465,027	-	493,056
4,470	-	-	-	1,187	-	97,613
-	-	-	-	115,000	-	115,000
<u>\$ 2,560,265</u>	<u>\$ 559,199</u>	<u>\$ 670,774</u>	<u>\$ -</u>	<u>\$ 9,143,288</u>	<u>\$ (1,516,960)</u>	<u>\$ 19,401,788</u>
\$ -	\$ 747	\$ 34,675	\$ 84	\$ 85,788	\$ -	\$ 233,554
-	-	-	-	2,849	-	125,995
-	65,901	-	146,438	414,027	-	1,067,919
-	-	-	-	-	-	308,122
-	-	-	1,147,829	369,131	(1,516,960)	-
-	-	-	-	16	-	23,873
-	-	77,598	-	-	-	78,351
-	<u>66,648</u>	<u>112,273</u>	<u>1,294,351</u>	<u>871,811</u>	<u>(1,516,960)</u>	<u>1,837,814</u>
7,391	10,986	1,030	-	45,715	-	124,010
90,290	-	-	-	415,489	-	506,667
-	-	-	-	-	-	591,897
<u>97,681</u>	<u>10,986</u>	<u>1,030</u>	<u>-</u>	<u>461,204</u>	<u>-</u>	<u>1,222,574</u>
4,470	-	-	-	1,187	-	97,613
-	-	-	-	6,832,418	-	6,832,418
2,458,114	481,565	557,471	-	219,463	-	5,517,902
-	-	-	-	757,205	-	967,183
-	-	-	(1,294,351)	-	-	2,926,284
<u>2,462,584</u>	<u>481,565</u>	<u>557,471</u>	<u>(1,294,351)</u>	<u>7,810,273</u>	<u>-</u>	<u>16,341,400</u>
<u>\$ 2,560,265</u>	<u>\$ 559,199</u>	<u>\$ 670,774</u>	<u>\$ -</u>	<u>\$ 9,143,288</u>	<u>\$ (1,516,960)</u>	<u>\$ 19,401,788</u>

Fund balance reported above	\$ 16,341,400
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	56,580,481
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	630,677
Internal service funds are used by management to charge costs to individual funds.	
The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.	4,408,900
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(21,284,477)
Net position of governmental activities	<u>\$ 56,676,981</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF SHOREVIEW, MINNESOTA**

Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Governmental Funds  
For The Year Ended December 31, 2013

	General	Community Center Operation	Recreation Programs	Municipal State Aid	Street Renewal
<b>Revenues</b>					
Taxes					
General property taxes	\$ 6,623,723	\$ —	\$ —	\$ —	\$ 845,322
Tax increments	—	—	—	—	—
Franchise tax	—	—	—	—	—
Special assessments	—	—	—	932	32,830
Licenses and permits	648,306	—	—	—	—
Intergovernmental	395,433	—	—	667,139	—
Charges for services	1,619,489	2,351,488	1,385,140	—	—
Fines and forfeits	52,440	—	—	—	—
Earnings on investments	(118,405)	(42,835)	(26,234)	(62,102)	(78,378)
Billboard fees	—	—	—	—	—
Antenna fees	—	—	—	—	—
Other	31,532	14,750	121	—	6,720
Total revenues	<u>9,252,518</u>	<u>2,323,403</u>	<u>1,359,027</u>	<u>605,969</u>	<u>806,494</u>
<b>Expenditures</b>					
Current					
General government	2,092,838	—	—	—	—
Public safety	3,069,177	—	—	—	—
Public works	1,437,557	—	—	—	396,799
Parks and recreation	1,576,576	2,576,200	1,235,931	—	—
Community development	577,796	—	—	—	—
Capital outlay					
General government	20,014	—	—	—	—
Public works	—	—	—	—	—
Parks and recreation	—	—	—	—	—
Debt service					
Principal	—	—	—	—	—
Interest	—	—	—	—	—
Fiscal charges	—	—	—	—	—
Total expenditures	<u>8,773,958</u>	<u>2,576,200</u>	<u>1,235,931</u>	<u>—</u>	<u>396,799</u>
Revenues over (under) expenditures	<u>478,560</u>	<u>(252,797)</u>	<u>123,096</u>	<u>605,969</u>	<u>409,695</u>
<b>Other financing sources (uses)</b>					
Issuance of refunding debt	—	—	—	—	—
Bond issuance	—	—	—	—	—
Premium on debt issuance	—	—	—	—	—
Payment to refunded bond escrow agent	—	—	—	—	—
Sale of capital assets	—	—	—	—	—
Transfers in	519,000	312,000	70,000	—	417,963
Transfers out	(829,963)	—	(80,000)	(1,457,657)	(600,082)
Total other financing sources (uses)	<u>(310,963)</u>	<u>312,000</u>	<u>(10,000)</u>	<u>(1,457,657)</u>	<u>(182,119)</u>
Net change in fund balances	167,597	59,203	113,096	(851,688)	227,576
Fund balances – January 1	4,136,009	989,336	648,639	1,061,666	2,235,008
Fund balances – December 31	<u>\$ 4,303,606</u>	<u>\$ 1,048,539</u>	<u>\$ 761,735</u>	<u>\$ 209,978</u>	<u>\$ 2,462,584</u>

The accompanying notes are an integral part of these financial statements.

Statement 4

General Fixed Asset Replacement	Community Investment	Capital Improvement	Owasso Street Realignment	2013 Street Rehabilitation	Other Governmental Funds	Intra- Activity Eliminations	Total Governmental Funds
\$ 1,243,169	\$ -	\$ 119,334	\$ -	\$ -	\$ 632,425	\$ -	\$ 9,463,973
-	-	-	-	-	1,882,775	-	1,882,775
-	142,881	-	-	-	313,361	-	456,242
-	-	-	-	-	115,885	-	149,647
-	-	-	-	-	-	-	648,306
-	-	-	-	-	910,729	-	1,973,301
-	-	-	-	-	501,238	-	5,857,355
-	-	-	-	-	-	-	52,440
(20,230)	-	(26,108)	-	-	(134,489)	-	(508,781)
-	-	51,667	-	-	-	-	51,667
-	-	243,606	-	-	-	-	243,606
297	-	38,415	-	-	55,564	-	147,399
<u>1,223,236</u>	<u>142,881</u>	<u>426,914</u>	<u>-</u>	<u>-</u>	<u>4,277,488</u>	<u>-</u>	<u>20,417,930</u>
-	-	-	-	-	292,617	-	2,385,455
389,181	-	-	-	-	-	-	3,458,358
80,490	-	-	1,693,927	-	1,563,599	-	5,172,372
231,566	-	13,868	-	-	-	-	5,634,141
-	-	-	-	-	1,628,888	-	2,206,684
42,270	-	-	-	-	153,095	-	215,379
-	-	-	780,000	2,987,492	1,926,478	-	5,693,970
487,516	-	542,103	-	-	-	-	1,029,619
-	-	-	-	-	1,395,000	-	1,395,000
-	-	-	-	-	329,902	-	329,902
-	-	-	-	-	126,892	-	126,892
<u>1,231,023</u>	<u>-</u>	<u>555,971</u>	<u>2,473,927</u>	<u>2,987,492</u>	<u>7,416,471</u>	<u>-</u>	<u>27,647,772</u>
<u>(7,787)</u>	<u>142,881</u>	<u>(129,057)</u>	<u>(2,473,927)</u>	<u>(2,987,492)</u>	<u>(3,138,983)</u>	<u>-</u>	<u>(7,229,842)</u>
-	-	-	-	-	2,365,000	-	2,365,000
-	-	-	1,350,909	2,363,067	476,024	-	4,190,000
-	-	-	51,289	92,619	141,527	-	285,435
-	-	-	-	-	(135,000)	-	(135,000)
910	-	-	-	-	2,380	-	3,290
-	414,590	-	-	531,806	2,816,591	(4,668,524)	413,426
(269,603)	-	(591,169)	-	-	(840,050)	4,668,524	-
<u>(268,693)</u>	<u>414,590</u>	<u>(591,169)</u>	<u>1,402,198</u>	<u>2,987,492</u>	<u>4,826,472</u>	<u>-</u>	<u>7,122,151</u>
<u>(276,480)</u>	<u>557,471</u>	<u>(720,226)</u>	<u>(1,071,729)</u>	<u>-</u>	<u>1,687,489</u>	<u>-</u>	<u>(107,691)</u>
<u>758,045</u>	<u>-</u>	<u>720,226</u>	<u>(222,622)</u>	<u>-</u>	<u>6,122,784</u>	<u>-</u>	<u>16,449,091</u>
<u>\$ 481,565</u>	<u>\$ 557,471</u>	<u>\$ -</u>	<u>\$ (1,294,351)</u>	<u>\$ -</u>	<u>\$ 7,810,273</u>	<u>\$ -</u>	<u>\$16,341,400</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF SHOREVIEW, MINNESOTA**

Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For The Year Ended December 31, 2013

**Statement 5**

Amounts reported for governmental activities in the Statement of Activities are different because:

Net changes in fund balances – total governmental funds.	\$ (107,691)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the difference between depreciation and capital additions in the current period.	4,587,394
The Statement of Activities reports gains and losses arising from the trade-in or disposal of existing assets to acquire new capital assets. Conversely, governmental funds simply report proceeds on sale of capital assets.	(51,417)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	(21,034)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas material amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(5,291,669)
The transfer out of governmental capital assets contributed to enterprise funds.	(740,481)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(57,124)
Internal service funds are used by management to charge costs to individual funds. This amount is the portion of net revenue attributable to and reported with governmental activities.	242,297
Change in net position of governmental activities.	<u>\$ (1,439,725)</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF SHOREVIEW, MINNESOTA**

Statement of Net Position

Proprietary Funds

December 31, 2013

**Statement 6**

	Business-Type Activities – Enterprise Funds				Totals Current Year	Governmental Activities – Internal Service Funds
	Water	Sewer	Surface Water	Street Lights		
<b>Assets</b>						
<b>Current assets</b>						
Cash and investments	\$ 3,861,336	\$ 2,139,855	\$ 925,041	\$ 190,337	\$ 7,116,569	\$ 1,434,061
Restricted cash with escrow agent	524,420	166,479	–	–	690,899	–
Accrued interest receivable	10,035	5,500	2,813	674	19,022	3,448
Accounts receivable						
Customers	564,338	848,907	287,260	71,791	1,772,296	11,249
Customer accounts certified to county	64,980	103,086	25,797	11,979	205,842	–
Taxes receivable	–	–	–	–	–	5,380
Due from other governmental units	4,996	6,137	3,538	306	14,977	32,797
Prepaid items	2,616	3,340	1,587	65	7,608	2,462
Total current assets	<u>5,032,721</u>	<u>3,273,304</u>	<u>1,246,036</u>	<u>275,152</u>	<u>9,827,213</u>	<u>1,489,397</u>
<b>Noncurrent assets</b>						
Special assessments receivable	28,257	25,993	5,713	316	60,279	–
<b>Capital assets</b>						
Land	27,577	11,459	265,166	–	304,202	36,293
Buildings and structures	6,733,215	1,608,118	–	–	8,341,333	6,929,379
Machinery and equipment	2,474,505	46,746	10,132	723	2,532,106	5,215,132
Distribution and collection systems	16,194,662	11,742,573	10,990,405	1,796,540	40,724,180	–
Construction in progress	674,087	86,000	1,233,696	119,372	2,113,155	–
Total capital assets	<u>26,104,046</u>	<u>13,494,896</u>	<u>12,499,399</u>	<u>1,916,635</u>	<u>54,014,976</u>	<u>12,180,804</u>
Less accumulated depreciation	<u>(11,636,521)</u>	<u>(7,236,655)</u>	<u>(2,362,236)</u>	<u>(1,019,887)</u>	<u>(22,255,299)</u>	<u>(3,736,223)</u>
Total capital assets (net of accumulated depreciation)	<u>14,467,525</u>	<u>6,258,241</u>	<u>10,137,163</u>	<u>896,748</u>	<u>31,759,677</u>	<u>8,444,581</u>
Total noncurrent assets	<u>14,495,782</u>	<u>6,284,234</u>	<u>10,142,876</u>	<u>897,064</u>	<u>31,819,956</u>	<u>8,444,581</u>
Total assets	<u>19,528,503</u>	<u>9,557,538</u>	<u>11,388,912</u>	<u>1,172,216</u>	<u>41,647,169</u>	<u>9,933,978</u>
<b>Liabilities</b>						
<b>Current liabilities</b>						
Accounts payable	38,135	3,381	10,528	7,295	59,339	77,759
Salaries payable	15,454	12,225	5,976	324	33,979	4,308
Accrued bond interest payable	86,519	28,731	45,934	–	161,184	100,977
Customer deposits payable	5,824	–	–	–	5,824	–
Due to other governmental units	16,306	61	1,349	–	17,716	2,539
Compensated absences payable	3,079	2,723	998	73	6,873	489
Revenue bonds payable	965,000	325,000	360,000	–	1,650,000	245,000
Total current liabilities	<u>1,130,317</u>	<u>372,121</u>	<u>424,785</u>	<u>7,692</u>	<u>1,934,915</u>	<u>431,072</u>
<b>Noncurrent liabilities</b>						
Compensated absences payable (net of current portion)	30,490	26,883	9,840	728	67,941	4,826
Revenue bonds payable (net of current portion)	5,039,831	1,680,335	2,881,592	–	9,601,758	5,025,000
Total noncurrent liabilities	<u>5,070,321</u>	<u>1,707,218</u>	<u>2,891,432</u>	<u>728</u>	<u>9,669,699</u>	<u>5,029,826</u>
Total liabilities	<u>6,200,638</u>	<u>2,079,339</u>	<u>3,316,217</u>	<u>8,420</u>	<u>11,604,614</u>	<u>5,460,898</u>
<b>Net position</b>						
Net investment in capital assets	9,083,822	4,425,664	6,926,591	896,748	21,332,825	3,174,581
Restricted for trunk facility	–	217,442	–	–	217,442	–
Unrestricted	4,244,043	2,835,093	1,146,104	267,048	8,492,288	1,298,499
Total net position	<u>\$13,327,865</u>	<u>\$ 7,478,199</u>	<u>\$ 8,072,695</u>	<u>\$ 1,163,796</u>	<u>30,042,555</u>	<u>\$ 4,473,080</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.					64,180	
Net position of business-type activities					<u>\$ 30,106,735</u>	

The accompanying notes are an integral part of these financial statements.

**CITY OF SHOREVIEW, MINNESOTA**  
Statement of Revenues, Expenses, and  
Changes in Fund Net Position  
Proprietary Funds  
For The Year Ended December 31, 2013

**Statement 7**

	Business-Type Activities – Enterprise Funds				Totals Current Year	Governmental
	Water	Sewer	Surface Water	Street Lights		Activities – Internal Service Funds
Operating revenues						
Customer billings	\$ 2,662,898	\$ 3,772,249	\$ 1,212,451	\$ 474,664	\$ 8,122,262	\$ 1,214,919
Water meter sales	10,365	–	–	–	10,365	–
Other	21,696	5,103	8,596	208	35,603	–
Total operating revenues	<u>2,694,959</u>	<u>3,777,352</u>	<u>1,221,047</u>	<u>474,872</u>	<u>8,168,230</u>	<u>1,214,919</u>
Operating expenses						
MCES sewer service charges	–	1,736,154	–	–	1,736,154	–
Administrative charges	204,390	345,970	97,710	40,820	688,890	–
Personal services	630,192	549,544	271,653	14,939	1,466,328	198,268
Materials and supplies	60,232	20,551	9,752	1,088	91,623	272,581
Water meters	19,015	–	–	–	19,015	–
Contractual services	354,868	419,689	236,167	23,079	1,033,803	73,816
Utilities	128,007	8,766	4,061	171,320	312,154	25,853
Insurance	7,134	20,197	2,617	456	30,404	21,951
Depreciation	622,826	326,338	228,865	44,484	1,222,513	641,112
Total operating expenses	<u>2,026,664</u>	<u>3,427,209</u>	<u>850,825</u>	<u>296,186</u>	<u>6,600,884</u>	<u>1,233,581</u>
Operating income (loss)	<u>668,295</u>	<u>350,143</u>	<u>370,222</u>	<u>178,686</u>	<u>1,567,346</u>	<u>(18,662)</u>
Nonoperating revenues (expenses)						
General property taxes	–	–	–	–	–	183,111
Earnings on investments	(121,490)	(68,517)	(36,414)	(8,726)	(235,147)	(44,641)
Gain on sale of capital assets	–	–	–	–	–	56,763
Other	–	–	–	–	–	39,121
Interest	(183,026)	(67,690)	(84,608)	–	(335,324)	(242,702)
Fiscal Charges	(30,451)	(6,150)	(19,900)	–	(56,501)	(425)
Total nonoperating revenues (expenses)	<u>(334,967)</u>	<u>(142,357)</u>	<u>(140,922)</u>	<u>(8,726)</u>	<u>(626,972)</u>	<u>(8,773)</u>
Income (loss) before contributions and transfers	<u>333,328</u>	<u>207,786</u>	<u>229,300</u>	<u>169,960</u>	<u>940,374</u>	<u>(27,435)</u>
Capital contributions	<u>259,992</u>	<u>29,555</u>	<u>455,742</u>	<u>71,200</u>	<u>816,489</u>	<u>78,711</u>
Transfers						
Transfers in	–	–	–	–	–	200,900
Transfers out	(263,057)	(200,567)	(126,900)	(19,000)	(609,524)	(4,802)
Total transfers	<u>(263,057)</u>	<u>(200,567)</u>	<u>(126,900)</u>	<u>(19,000)</u>	<u>(609,524)</u>	<u>196,098</u>
Change in net position	<u>330,263</u>	<u>36,774</u>	<u>558,142</u>	<u>222,160</u>	<u>1,147,339</u>	<u>247,374</u>
Net position – January 1	<u>12,997,602</u>	<u>7,441,425</u>	<u>7,514,553</u>	<u>941,636</u>	<u>28,895,216</u>	<u>4,225,706</u>
Net position – December 31	<u>\$ 13,327,865</u>	<u>\$ 7,478,199</u>	<u>\$ 8,072,695</u>	<u>\$ 1,163,796</u>	<u>\$ 30,042,555</u>	<u>\$ 4,473,080</u>
Net changes in net position reported above					\$ 1,147,339	
Amounts reported for business-type activities in the Statement of Activities are different because:						
Transfer in of capital assets from governmental activities.					740,481	
Governmental activities contribution revenue reported above					(740,481)	
Internal service funds are used by management to charge the cost of equipment maintenance and insurance to individual funds. This amount is the portion of net revenue attributable to and reported with business-type activities.					<u>5,077</u>	
Change in net position of business-type activities					<u>\$ 1,152,416</u>	

The accompanying notes are an integral part of these financial statements.

**CITY OF SHOREVIEW, MINNESOTA**

Statement of Cash Flows

Proprietary Funds

For The Year Ended December 31, 2013

**Statement 8**

	Business-Type Activities – Enterprise Funds				Totals Current Year	Governmental Activities – Internal Service Funds
	Water	Sewer	Surface Water	Street Lights		
Cash flows from operating activities						
Receipts from customers and users	\$ 2,730,019	\$ 3,758,867	\$ 1,227,884	\$ 471,576	\$ 8,188,346	\$ –
Receipts from interfund services provided	–	–	–	–	–	1,214,919
Payments to suppliers	(562,986)	(2,209,262)	(251,728)	(204,643)	(3,228,619)	(339,955)
Payments to employees	(627,112)	(548,865)	(272,544)	(14,899)	(1,463,420)	(197,247)
Payments for interfund services used	(204,390)	(345,970)	(97,710)	(40,820)	(688,890)	–
Miscellaneous revenue	–	–	–	–	–	39,121
Net cash flows from operating activities	<u>1,335,531</u>	<u>654,770</u>	<u>605,902</u>	<u>211,214</u>	<u>2,807,417</u>	<u>716,838</u>
Cash flows from noncapital financing activities						
Transfer to other funds	(263,057)	(200,567)	(126,900)	(19,000)	(609,524)	(4,802)
Cash flows from capital and related financing activities						
Proceeds from sales of capital assets	–	–	–	–	–	98,700
Proceeds from the sale of bonds	1,770,845	297,166	1,361,260	–	3,429,271	–
Acquisition and construction of capital assets	(704,334)	(65,426)	(788,127)	(182,951)	(1,740,838)	(691,976)
Receipts from taxpayers	–	–	–	–	–	182,178
Transfers from other funds	–	–	–	–	–	200,900
Capital contributions	12,489	9,952	54,603	–	77,044	81,881
Principal paid on capital debt	(460,000)	(275,000)	(415,000)	–	(1,150,000)	(245,000)
Interest and paying agent fees on capital debt	(207,446)	(76,792)	(97,409)	–	(381,647)	(244,914)
Net cash flows from capital and related financing activities	<u>411,554</u>	<u>(110,100)</u>	<u>115,327</u>	<u>(182,951)</u>	<u>233,830</u>	<u>(618,231)</u>
Cash flows from investing activities						
Earnings on investments	(121,849)	(67,132)	(36,890)	(8,540)	(234,411)	(44,156)
Net change in cash and cash equivalents	1,362,179	276,971	557,439	723	2,197,312	49,649
Cash and cash equivalents – January 1	3,023,577	2,029,363	367,602	189,614	5,610,156	1,384,412
Cash and cash equivalents – December 31	<u>\$ 4,385,756</u>	<u>\$ 2,306,334</u>	<u>\$ 925,041</u>	<u>\$ 190,337</u>	<u>\$ 7,807,468</u>	<u>\$ 1,434,061</u>
Reconciliation of operating income (loss) to net cash flows from operating activities						
Operating income (loss)	\$ 668,295	\$ 350,143	\$ 370,222	\$ 178,686	\$ 1,567,346	\$ (18,662)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities						
Miscellaneous revenue	–	–	–	–	–	39,121
Depreciation	622,826	326,338	228,865	44,484	1,222,513	641,112
Decrease (increase) in receivables	35,060	(18,485)	6,837	(3,296)	20,116	(10,649)
Decrease (increase) in prepaid items	1,456	(485)	611	46	1,628	182
Increase (decrease) in payables	7,894	(2,741)	(633)	(8,706)	(4,186)	65,734
Total adjustments	<u>667,236</u>	<u>304,627</u>	<u>235,680</u>	<u>32,528</u>	<u>1,240,071</u>	<u>735,500</u>
Net cash flows from operating activities	<u>\$ 1,335,531</u>	<u>\$ 654,770</u>	<u>\$ 605,902</u>	<u>\$ 211,214</u>	<u>\$ 2,807,417</u>	<u>\$ 716,838</u>
Noncash investing, capital, and financing activities						
Contributions of capital assets –						
Governmental funds	\$ 248,000	\$ 20,000	\$ 401,281	\$ 71,200	\$ 740,481	\$ –
Capital asset purchase on account –						
Accounts payable	–	–	(10,300)	–	(10,300)	–
Contracts payable	(25,600)	–	–	–	(25,600)	–
Due from other governmental units –						
Capital contribution	(497)	(397)	(142)	–	(1,036)	(3,170)
Taxes receivable	–	–	–	–	–	933

The accompanying notes are an integral part of these financial statements.

**CITY OF SHOREVIEW, MINNESOTA**

Statement of Assets and Liabilities

Agency Fund

December 31, 2013

**Statement 9**

Assets	
Cash and investments	\$ 382,572
Accrued interest receivable	41
Total assets	<u>\$ 382,613</u>
Liabilities	
Deposits payable	<u>\$ 382,613</u>

The accompanying notes are an integral part of these financial statements.

## **CITY OF SHOREVIEW**

Notes to Financial Statements

December 31, 2013

### **Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Shoreview, Minnesota (the City) was incorporated in 1957 and operates under the state of Minnesota Statutory Plan B (Council – Manager) form of government. The City provides the following municipal services: public safety (police, fire, civil defense, and animal control), highways and streets, sanitation and health, parks and recreation, public improvements, community development, and general administrative services.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America applicable to governmental units as promulgated by the American Institute of Certified Public Accountants (AICPA) and the Governmental Accounting Standards Board (GASB). The following is a summary of the significant accounting policies.

#### **A. FINANCIAL REPORTING ENTITY**

In accordance with GASB pronouncements and accounting principles generally accepted in the United States of America, the financial statements of the reporting entity should include the primary government and its component units. The City includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate. Component units are legally separate organizations for which the elected officials of the City are financially accountable and are included within the basic financial statements of the City because of their operational or financial relationship with the City.

The City is considered financially accountable for a component unit if it appoints a voting majority of the organization's governing body and is able to impose its will on the organization by significantly influencing the programs, projects, activities, or level of service performed or provided by the organization, or if there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the City. Also, the City has operational responsibility of the EDA. It is this criterion that results in the EDA being reported as a blended component unit.

#### **Blended Component Unit**

**Shoreview Economic Development Authority (EDA)** - The EDA was created to carry out the housing and economic development activities within the City. The governing body consists of five members, three of which are City Council members. All EDA Commissioners are appointed by the Mayor with approval by the City Council. A member may be removed by the City Council for inefficiency, neglect of duty, or misconduct in office pursuant to procedures in Minnesota Statutes 469.095. All sales of bonds or other obligations of the EDA must be approved by the City Council. The EDA is required to follow the budget process for City departments in accordance with City policy, ordinances and resolutions. All EDA budgets are approved by the City Council. Development and redevelopment actions of the EDA must be in conformance with the City Comprehensive Plan and official controls implementing the Comprehensive Plan. The EDA must submit its plan for development and redevelopment to the City Council for approval in accordance with City planning procedures and law. The administrative structure and management practices and policies of the EDA must be approved by the City Council. The EDA's activity is reported as the Economic Development Authority and Housing and Redevelopment Authority Special Revenue Funds. The EDA does not issue a separate set of financial statements.

## **B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or business-type activity are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or business-type activity. *Program revenues* include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or business-type activity; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or business-type activity. Taxes and other items not included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

## **C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The City's only fiduciary fund is an agency fund. The agency fund has no measurement focus but utilizes the *accrual basis of accounting* for reporting its assets and liabilities. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

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

**CITY OF SHOREVIEW**

Notes to Financial Statements  
December 31, 2013

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

The government reports the following major governmental funds:

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

The *Community Center Operation Fund* (Special Revenue Fund type) accounts for all operations of the community center, including maintenance of the facility and services offered for a fee basis. The fund's primary revenue sources are memberships, daily user fees, room rentals and concessions.

The *Recreation Programs Fund* (Special Revenue Fund type) accounts for recreational and social programs offered on a fee basis. Revenues are user fees of various programs and activities which fund administrative and direct program expenditures.

The *Municipal State Aid Fund* (Capital Project Fund type) accounts for the City's allocation of the state collected highway use tax. The allocation is based on population and need for construction of designated state aid streets.

The *Street Renewal Fund* (Capital Project Fund type) provides financing for the replacement and/or rehabilitation of the City's street system. This fund has a minimum required fund balance of \$2 million per city policy.

The *General Fixed Asset Replacement Fund* (Capital Project Fund type) provides financing for the replacement of all general capital assets.

The *Community Investment Fund* (Capital Project Fund type) provides financing for improvements having a community-wide benefit.

The *Capital Improvement Fund* (Capital Project Fund type) provides financing for improvements to the City's parks and trail system.

The *Owasso Street Realignment Fund* (Capital Project Fund type) accounts for the financing and construction costs relating to the Owasso Street realignment project.

The *2013 Street Rehabilitation Fund* (Capital Project Fund type) accounts for the financing and construction costs relating to the 2013 Street rehabilitation project.

The government reports the following major proprietary funds:

The *Water Fund* accounts for the water service charges which are used to finance the water system operations.

The *Sewer Fund* accounts for the sewer service charges which are used to finance the sanitary sewer system operations.

The *Surface Water Fund* accounts for the surface water charges which are used to finance the surface water system operations.

The *Street Lights Fund* accounts for the street light charges which are used to finance the street light system operations.

Additionally, the government reports the following fund types:

*Internal service funds* account for the activities of the City's *short-term disability self-insurance, liability claims, and central garage funds*. These services are provided to other departments of the City on a cost reimbursement basis.

*Agency funds* account for the assets of the *Hockey Association* held by the City in a custodial capacity as an agent.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are transactions that would be treated as revenues, expenditures, or expenses if they involved external organizations, such as buying goods and services or payments in lieu of taxes, which are similarly treated when they involve other funds of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

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

#### **D. BUDGETS**

Budgets are legally adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are legally adopted for the General Fund and all special revenue funds. Budgeted expenditure appropriations lapse at year-end.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the appropriation, is not employed by the City because it is at present not considered necessary to assure effective budgetary control or to facilitate effective cash management.

**E. LEGAL COMPLIANCE – BUDGETS**

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The city manager submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is legally enacted through passage of a resolution on a departmental basis (general government, public safety, public works, parks and recreation, community development, and miscellaneous) which is the legal level of control, and can be expended by each department based upon detailed budget estimates for individual expenditure accounts.
4. The city manager is authorized to transfer appropriations within any department budget. Adjustments to appropriations between departments or between funds, and budget additions and deletions must be authorized by the City Council.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund and special revenue funds.
6. Legal debt obligation indentures determine the appropriation level and debt service tax levies for the debt service funds. Supplementary budgets are adopted for the proprietary funds to determine and calculate user charges. These debt service and budget amounts represent general obligation bond indenture provisions and net income for operations and capital maintenance and are not reflected in the financial statements.
7. A capital improvement program is reviewed annually by the City Council for the capital project funds. However, appropriations for major projects are not adopted until the actual bid award of the improvement. The appropriations are not reflected in the financial statements.

**CITY OF SHOREVIEW**  
Notes to Financial Statements  
December 31, 2013

The following is a listing of nonmajor special revenue funds whose expenditures exceeded budget appropriations:

	Original and Final Budget	Actual	Over Budget
Nonmajor funds			
Special revenue fund			
Cable TV	\$ 153,398	\$ 265,821	\$ 112,423
Slice of Shoreview Event – General Government	58,200	67,343	9,143

The overexpenditures were funded by available fund balance and revenues in excess of budget.

**F. CASH AND INVESTMENTS**

Cash and investment balances from all funds are pooled and invested to the extent available in authorized investments. Earnings from investments are allocated to individual funds on the basis of the fund’s equity in the cash and investment pool.

The City provides temporary advances to funds that have insufficient cash balances by means of an advance from another fund shown as interfund receivables in the advancing fund, and an interfund payable in the fund with the deficit, until adequate resources are received. These interfund balances are eliminated on the government-wide financial statements.

Investments are generally stated at fair value, except for investments in 2a7-like external investment pools, which are stated at amortized cost. Investment income is accrued at the balance sheet date.

For purposes of the Statement of Cash Flows, the City considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. All of the cash and investments allocated to the proprietary fund types have original maturities of 90 days or less. Therefore, the entire balance in such fund types are considered to be cash equivalents.

Cash with escrow agent includes balances held in segregated accounts that are established for specific purposes. The cash with escrow agent represents escrow accounts established for cash and investments held for debt service related to refunding bond issues. Interest earned on these investments is allocated directly to the escrow accounts.

**G. RECEIVABLES AND PAYABLES**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. Short-term interfund loans are classified as “interfund receivables/payables.” All short-term interfund receivables and payables at year-end are planned to be eliminated in the subsequent year. Long-term interfund loans are classified as “interfund loan receivable/payable.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.” Internal balances on the Statement of Net Position also consist of prior and current year internal service fund costs in excess of charges to business-type activities.

Property taxes and special assessment receivables have been reported net of estimated uncollectible accounts (See Note 1 H and I). Because utility bills are considered liens on property, no estimated uncollectible amounts are established. Uncollectible amounts are not material for other receivables and have not been reported.

#### **H. PROPERTY TAX REVENUE RECOGNITION**

The City Council annually adopts a tax levy and certifies it to the county in December (levy/assessment date) of each year for collection in the following year. The county is responsible for billing and collecting all property taxes for itself, the City, the local school district, and other taxing authorities. Such taxes become a lien on January 1 and are recorded as receivables by the City at that date. Real property taxes are payable (by property owners) on May 15 and October 15 of each calendar year. Personal property taxes are payable by taxpayers on February 28 and June 30 of each year. These taxes are collected by the county and remitted to the City on or before July 15 and December 15 of the same year. Delinquent collections for November and December are received the following January. The City has no ability to enforce payment of property taxes by property owners. The county possesses this authority.

#### GOVERNMENT-WIDE AND PROPRIETARY FUND FINANCIAL STATEMENTS

The City recognizes property tax revenue in the period for which taxes were levied. Uncollectible property taxes are not material and have not been reported.

#### GOVERNMENTAL FUND FINANCIAL STATEMENTS

The City recognizes property tax revenue when it becomes both measurable and available to finance expenditures of the current period. In practice, current and delinquent taxes received by the City in July, December, and January are recognized as revenue for the current year. Taxes collected by the county by December 31 (remitted to the City the following January) and taxes not received at year-end are classified as delinquent and due from county taxes receivable. The portion of governmental fund delinquent taxes not collected by the City in January is fully offset by a deferred inflow of resources because they are not available to finance current expenditures.

The City's property tax revenue includes payments from the Metropolitan Revenue Distribution (Fiscal Disparities Formula) per Minnesota Statute § 473F. This statute provides a means of spreading a portion of the taxable valuation of commercial/industrial real property to various taxing authorities within the defined metropolitan area. The valuation "shared" is a portion of commercial/industrial property valuation growth since 1971. Property taxes paid to the City through this formula for 2013 totaled \$840,672. Receipt of property taxes from this "fiscal disparities pool" does not increase or decrease total tax revenue.

#### **I. SPECIAL ASSESSMENT REVENUE RECOGNITION**

Special assessments are levied against benefited properties for the cost or a portion of the cost of special assessment improvement projects in accordance with state statutes. These assessments are collectible by the City over a term of years usually consistent with the term of the related bond issue. Collection of annual installments (including interest) is handled by the County Auditor in the same manner as property taxes. Property owners are allowed to (and often do) prepay future installments without interest or prepayment penalties.

Once a special assessment roll is adopted, the amount attributed to each parcel is a lien upon that property until full payment is made or the amount is determined to be excessive by the City Council or court action. If special assessments are allowed to go delinquent, the property is subject to tax forfeit sale and the first proceeds of that sale (after costs, penalties, and expenses of sale) are remitted to the City in payment of delinquent special assessments. Generally, the City will collect the full amount of its special assessments not adjusted by City Council or court action. Pursuant to state statutes, a property shall be subject to a tax forfeit sale after three years unless it is homesteaded or is agricultural or seasonal recreational land, in which event the property is subject to such sale after five years.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The City recognizes special assessment revenue in the period that the assessment roll was adopted by the City Council. Uncollectible special assessments are not material and have not been reported.

GOVERNMENTAL FUND FINANCIAL STATEMENTS

Revenue from special assessments is recognized by the City when it becomes measurable and available to finance expenditures of the current fiscal period. In practice, current and delinquent special assessments received by the City are recognized as revenue for the current year. Special assessments that are collected by the county by December 31 (remitted to the City the following January) are also recognized as revenue for the current year. All remaining delinquent, deferred, and special deferred assessments receivable in governmental funds are completely offset by a deferred inflow of resources.

**J. INVENTORIES**

The original cost of materials and supplies has been recorded as expenditures at the time of purchase for both the governmental and proprietary funds. These funds do not maintain material amounts of materials and supplies.

**K. PREPAID ITEMS**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Prepaid items are reported using the consumption method and recorded as expenditures/expenses at the time of consumption.

**L. PROPERTY HELD FOR RESALE**

Property is acquired by the City for redevelopment purposes. Property held for resale is reported as an asset at the lesser of cost or net realizable value in the government-wide and fund financial statements. Any costs incurred that are above the properties' net realizable value are reported as expenditures of the period.

**M. CAPITAL ASSETS**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair market value at the date of donation.

In the case of the initial capitalization of general infrastructure assets (i.e. those reported by governmental activities) the City chose to include all such items regardless of their acquisition date. These assets are reported at historical cost.

The City estimated historical cost for the initial reporting of these assets through back trending (estimating the current replacement cost and utilizing an appropriate price-level index to deflate the cost to the acquisition year). As the City constructs or acquires additional infrastructure assets each period, they will be capitalized and reported at historical cost.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. For the year ended December 31, 2013, no interest was capitalized in connection with construction in progress.

Property, plant, and equipment of the City is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	
Building and structures	20–75 years
Machinery and equipment	5–20 years
Distribution and collection systems	50 years
Streets	35 years
Street lights	25 years
Trails and sidewalks	25–30 years
Pedestrian tunnels and bridges	35 years

**N. COMPENSATED ABSENCES**

It is the City’s policy to permit employees to accumulate earned but unused annual leave benefits. All annual leave is accrued when incurred in the government-wide and proprietary fund financial statements. Annual leave is payable when used or upon termination of employment. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

**O. LONG-TERM OBLIGATIONS**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. The recognition of bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as an expense in the period incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing uses while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**P. FUND BALANCE CLASSIFICATIONS/FLOW ASSUMPTIONS**

In the fund financial statements, governmental funds report fund balances in classifications that disclose constraints for which those fund balances can be spent. These classifications are as follows:

*Nonspendable* – consists of amounts that are not in spendable form, such as prepaid items.

*Restricted* – consists of amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by state statutory provisions.

*Committed* – consists of internally imposed constraints. These constraints are established by Resolution of the City Council.

*Assigned* – consists of internally imposed constraints. These constraints reflect the specific purpose for which it is the City's intended use. These constraints are established by the City Council and/or management. Pursuant to City Council Resolution, the City Manager or Finance Director is authorized to establish assignments of fund balance.

*Unassigned* – is the residual classification for the general fund and also reflects negative residual amounts in other funds.

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

When committed, assigned or unassigned resources are available for use, it is the City's policy to use resources in the following order: 1) committed, 2) assigned, and 3) unassigned.

**Q. NET POSITION CLASSIFICATIONS/FLOW ASSUMPTIONS**

In the government-wide and proprietary fund financial statements, net position represents the difference between assets, liabilities and deferred inflows/outflows (as applicable). Net position is displayed in three components:

*Net Investment in Capital Assets* – Consists of capital assets, net of accumulated depreciation reduced by any outstanding debt attributable to acquire capital assets.

*Restricted Net Position* – Consists of net position that is restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

*Unrestricted Net Position* – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

When both restricted and unrestricted resources are available for an allowable use, it is the City’s policy to use the restricted resources first, then unrestricted resources as they are needed.

#### **R. INTERFUND TRANSACTIONS**

Interfund services provided and used are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. Interfund loans are reported as an interfund loan receivable or payable which offsets the movement of cash between funds. All other interfund transactions are reported as transfers.

#### **S. USE OF ESTIMATES**

The preparation of financial statements, in accordance with accounting principles generally accepted in the United States of America, requires management to make estimates that affect amounts reported in the financial statements during the reporting period. Actual results could differ from such estimates.

#### **T. DEFERRED INFLOWS OF RESOURCES**

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items which arise under the modified accrual basis of accounting, that qualify for reporting in this category. Accordingly, the item *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The other item, imposed nonexchange revenue transactions, *state aid received for subsequent years*, is deferred and recognized as an inflow of resources in the period that the resources are required to be used. This item is reported both in the governmental fund balance sheet and the government-wide statement of net position as a deferred inflow of resources.

#### **U. CHANGE IN ACCOUNTING PRINCIPLE**

For the year ended December 31, 2013, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 65, “Items Previously Reported as Assets and Liabilities”. The objective of this

statement is to properly classify items previously reported as assets and liabilities as deferred outflows and inflows of resources. The implementation of this standard didn't require a retroactive restatement of the City's financial statements.

**Note 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

1. **EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE GOVERNMENT-WIDE STATEMENT OF NET POSITION**

The governmental fund Balance Sheet includes a reconciliation between *fund balances – total governmental funds* and *net position – governmental activities* as reported in the government-wide Statement of Net Position. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this (\$21,284,477) difference are as follows:

Long-term debt payable	\$ (20,580,000)
Issuance premium	(266,669)
Accrued interest payable	(172,286)
Compensated absences	<u>(265,522)</u>
Net adjustment to reduce fund balances – total governmental funds to arrive at net position – governmental activities	<u>\$ (21,284,477)</u>

Another element of that reconciliation explains that “internal service funds are used by management to charge the costs of fleet management, short-term disability insurance, and liability claims to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.” The details of this \$4,408,900 difference are as follows:

Net position of the internal service funds	\$ 4,473,080
Add: Internal payable representing charges in excess of costs to business-type activities – prior years	(59,103)
Add: Internal payable representing charges in excess of costs to business-type activities – current year	<u>(5,077)</u>
Net adjustment to increase fund balances – total governmental funds to arrive at net position – governmental activities	<u>\$ 4,408,900</u>

2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

The governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide Statement of Activities. One element of that reconciliation explains that “governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$4,587,394 difference are as follows:

Capital outlay	\$ 6,938,968
Depreciation expense	<u>(2,351,574)</u>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 4,587,394</u>

Another element of that reconciliation states that “revenues on the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.” The details of this (\$21,034) difference are as follows:

General property taxes deferred inflow of resources	
At December 31, 2012	\$ (104,876)
At December 31, 2013	124,010
Special assessments deferred inflow of resources	
At December 31, 2012	(546,835)
At December 31, 2013	<u>506,667</u>
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (21,034)</u>

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Another element of that reconciliation states that “the issuance of long-term debt (e.g. bonds and leases) provides current financial resources to governmental funds, while the repayment of the long-term debt consumes the current financial resources of governmental funds.” Neither transaction, however, has any effect on net position. The details of this (\$5,291,669) difference are as follows:

Debt issued or incurred	
General obligation street improvement bonds of 2013	\$ (2,415,000)
General obligation refunding bonds of 2013	(2,365,000)
General obligation improvement bonds of 2013	(1,775,000)
Principal repayments	
General obligation improvement bonds	295,000
General obligation tax increment bonds	630,000
General obligation capital improvement plan bonds	105,000
General obligation street reconstruction bonds	155,000
Certificates of participation	345,000
Premium/discount on debt issuance	<u>(266,669)</u>
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (5,291,669)</u>

Another element of that reconciliation states that “some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.” The details of this (\$57,124) difference are as follows:

Compensated absences	\$ (8,079)
Accrued interest	<u>(49,045)</u>
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (57,124)</u>

**Note 3 DEPOSITS AND INVESTMENTS**

**A. DEPOSITS**

In accordance with Minnesota Statutes, the City maintains deposits at those depository banks authorized by the City Council, all of which are members of the Federal Reserve System.

The following is considered the most significant risk associated with deposits:

Custodial Credit Risk – In the case of deposits, this is the risk that in the event of a failure, the City’s deposits may be lost.

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Minnesota Statutes require that all city deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged must equal 110 percent of the deposits not covered by insurance or bonds.

Minnesota Statutes require that securities pledged as collateral be held in safekeeping by the city treasurer or 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. Authorized collateral includes the following:

- a) United States government treasury bills, treasury notes, and treasury bonds;
- b) Issues of United States government agencies and instrumentalities as quoted by a recognized industry quotation service available to the government entity;
- c) General obligation securities of any state or local government with taxing powers which is rated "A" or better by a national bond rating service, or revenue obligation securities of any state or local government with taxing powers which is rated "AA" or better by a national bond rating service;
- d) Unrated general obligation securities of a local government with taxing powers may be pledged as collateral against funds deposited by that same local government entity;
- e) Irrevocable standby letters of credit issued by Federal Home Loan Banks to a municipality accompanied by written evidence that the bank's public debt is rated "AA" or better by Moody's Investors Service, Inc. or Standard & Poor's Corporation; and
- f) Time deposits that are fully insured by any federal agency.

The City has no additional deposit policies addressing custodial credit risk.

At year-end, the carrying amount of the City's deposits was (\$10,308) and the bank balance was \$170,363. The entire bank balance was covered by federal depository insurance.

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**B. INVESTMENTS**

As of December 31, 2013, the City had the following cash and investments:

Investment Type	Concentration	Interest Risk – Maturity Duration in Years				Carrying Amount at Fair Value
	Risk	Interest Risk – Maturity Duration in Years				
	Over 5% of Portfolio	Less than 1 Year	1 to 5 Years	6 to 10 Years	More than 10 Years	
Federal National Mortgage Association	18.1%	\$ –	\$ –	\$ –	\$4,892,906	\$ 4,892,906
Federal Home Loan Bank	23.4%	–	1,883,808	4,001,329	429,755	6,314,892
Federal Home Loan Mortgage Corporation	3.3%	–	899,913	–	–	899,913
Municipal bonds	**	–	2,064,659	1,010,294	–	3,074,953
US Treasury Notes	N/A	1,581,440	–	–	–	1,581,440
Marketable certificates of deposit	N/A	249,000	2,224,515	708,883	477,695	3,660,093
Money market funds						
Minnesota Municipal Money Market	N/A	6,493,924	–	–	–	6,493,924
Western Asset Institutional Govt. Reserves Institutional Shares	N/A	106,151	–	–	–	106,151
Wells Fargo Advantage Government Money Market Fund	N/A	8,441	–	–	–	8,441
<b>Total investments</b>		<b>\$ 8,438,956</b>	<b>\$ 7,072,895</b>	<b>\$ 5,720,506</b>	<b>\$ 5,800,356</b>	<b>27,032,713</b>
Deposits						(10,308)
Petty cash						12,930
<b>Totals</b>						<b>\$ 27,035,335</b>
Government-Wide Statement of Net Position						
Cash and investments						\$ 23,672,229
Restricted cash with escrow agent						2,980,534
Statement of Assets and Liabilities - Agency Fund						
Cash and investments						382,572
<b>Totals</b>						<b>\$ 27,035,335</b>

\*\* – Individual bonds less than 5%

N/A – Not Applicable

The Minnesota Municipal Money Market Fund is regulated by Minnesota Statutes and the Board of Directors of the League of Minnesota Cities and is an external investment pool not registered with the Securities Exchange Commission (SEC) that follows the same regulatory rules of the SEC under rule 2a7. The City's investment in this trust is measured at the net asset value per share provided by the pool, which is based on an amortized cost method that approximates fair value. The fund is not rated by a nationally recognized rating agency.

Investments are subject to various risks, the following of which are considered the most significant:

**Custodial Credit Risk** – For investments, this is the risk that in the event of a failure of the counterparty to an investment transaction (typically a broker-dealer) the City would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have a formal investment policy addressing this risk, but typically limits its exposure by only purchasing insured or registered investments, or by the control of who holds the securities.

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Credit Risk – This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Minnesota Statutes authorize the City to invest in the following:

- a) Direct obligations or obligations guaranteed by the United States or its agencies, its instrumentalities, or organizations created by an act of Congress, excluding mortgage-backed securities defined as high risk.
- b) Shares of investment companies registered under the Federal Investment Company Act of 1940 that receive the highest credit rating, are rated in one of the two highest rating categories by a national bond rating service, and all of the investments have a final maturity of 13 months or less, and whose only investments are in securities described in (a) above, general obligation tax-exempt securities, or repurchase or reverse repurchase agreements.
- c) Obligations of any state or local municipality as follows:
  - 1) any security which is a general obligation of any state or local government with taxing powers which is rated “A” or better by a national bond rating service;
  - 2) any security which is a revenue obligation of any state or local government with taxing powers which is rated “AA” or better by a national bond rating service; and
  - 3) a general obligation of the Minnesota housing finance agency which is a moral obligation of the state of Minnesota and is rated “A” or better by a national bond rating agency.
- d) Bankers acceptance of United States banks eligible for purchase by the Federal Reserve System.
- e) Commercial paper issued by United States corporations or their Canadian subsidiaries, rated of the highest quality category by at least two national rating agencies, and maturing in 270 days or less.
- f) Guaranteed Investment Contracts guaranteed by a United States commercial bank, domestic branch of a foreign bank, or a United States insurance company, and with a credit quality in one of the top two highest categories by a national bond rating agency.
- g) Repurchase or reverse repurchase agreements and securities lending agreements with financial institutions qualified as a “depository” by the governmental entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000; that are a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York; or certain Minnesota securities broker-dealers; or a bank qualified as a depository.
- h) General obligation temporary bonds of the same governmental entity issued under § 429.091, Subdivision 7; § 469.178, Subdivision 5; or § 475.61, Subdivision 6.

The City’s investment policy does not further address credit risk. As of December 31, 2013, the City’s investment in obligations of U.S. government agencies that are only implicitly guaranteed by the U.S. government (e.g., securities issued by the Federal National Mortgage Association, the Federal Home Loan Bank, and the Federal Home Loan Mortgage Corporation), the Western Asset Institutional Government Reserves Institutional shares, and Wells Fargo Advantage Government Money Market Fund received Aaa credit ratings from Moody’s Investors Service, Inc. and AA+ from Standard & Poor’s Corporation. The City’s investments in Municipal bonds were rated Aaa, Aa1, Aa2 and A2 by Moody’s Investors Service, Inc. and AA- by Standard & Poor’s Ratings Services in the amount of \$557,663, \$470,355, \$238,032, \$700,828 and \$1,108,075, respectively.

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Concentration Risk – This is the risk associated with investing a significant portion of the City’s investment (considered 5 percent or more) in the securities of a single issuer, excluding U.S. guaranteed investments (such as treasuries), investment pools, and mutual funds. The City’s investment policies do not limit the concentration of investments.

Interest Rate Risk – This is the risk of potential variability in the fair value of fixed rate investments resulting from changes in interest rates (the longer the period for which an interest rate is fixed, the greater the risk). The City does not have an investment policy limiting the duration of investments.

**Note 4 RECEIVABLES/UNEARNED REVENUE/DEFERRED INFLOWS OF RESOURCES**

Significant receivable balances not expected to be collected within one year of December 31, 2013 are as follows:

	Accounts Receivable	Certified Utility Accounts Receivable	Utility Customer Accounts Receivable	Delinquent Property Taxes	Special Assessment Receivable	Total
Major funds						
General	\$ 2,084	\$ –	\$ –	\$ 32,271	\$ –	\$ 34,355
Municipal State Aid	–	–	–	–	17	17
Street Renewal	–	–	–	4,050	80,175	84,225
General Fixed Asset Replacement	–	–	–	6,020	–	6,020
Community Investment	–	–	–	564	–	564
Water	–	13,465	49,934	–	24,325	87,724
Sewer	–	21,362	73,151	–	21,406	115,919
Surface Water	–	5,346	24,519	–	4,699	34,564
Street Lights	–	2,482	9,512	–	–	11,994
Nonmajor governmental funds	–	–	–	3,874	363,188	367,062
	<u>\$ 2,084</u>	<u>\$ 42,655</u>	<u>\$ 157,116</u>	<u>\$ 46,779</u>	<u>\$ 493,810</u>	<u>\$ 742,444</u>

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also report unearned revenue in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred inflows and unearned revenue reported in the governmental funds were as follows:

	Major Funds						Total
	General Fund	Municipal State Aid	Street Renewal	General Fixed Asset Replacement	Community Investment	Nonmajor Funds	
Unearned							
Grant revenue received, but not yet earned	\$ 753	\$ –	\$ –	\$ –	\$ –	\$ –	\$ 753
Antenna rental fees received, but not yet earned	–	–	–	–	74,265	–	74,265
Billboard rental fees received, but not yet earned	–	–	–	–	3,333	–	3,333
Total unearned revenue	<u>\$ 753</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 77,598</u>	<u>\$ –</u>	<u>\$ 78,351</u>
Deferred inflows of resources:							
Unavailable revenue - property taxes	\$ 58,888	\$ –	\$ 7,391	\$ 10,986	\$ 1,030	\$ 45,715	\$ 124,010
Unavailable revenue - assessments	–	888	90,290	–	–	415,489	506,667
State Aid received for subsequent years	10,061	581,836	–	–	–	–	591,897
Total deferred inflows of resources	<u>\$ 68,949</u>	<u>\$ 582,724</u>	<u>\$ 97,681</u>	<u>\$ 10,986</u>	<u>\$ 1,030</u>	<u>\$ 461,204</u>	<u>\$ 1,222,574</u>

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**Note 5 CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2013 was as follows:

	Beginning Balance	Increases	Decreases	Adjustments	Ending Balance
Primary government					
Governmental activities					
Capital assets, not being depreciated					
Land	\$ 7,724,345	\$ –	\$ –	\$ –	\$ 7,724,345
Construction in progress	1,060,087	5,925,631	–	(1,351,231)	5,634,487
Total capital assets, not being depreciated	<u>8,784,432</u>	<u>5,925,631</u>	<u>–</u>	<u>(1,351,231)</u>	<u>13,358,832</u>
Capital assets, being depreciated					
Building and structures	34,015,074	384,007	107,482	637,816	34,929,415
Machinery and equipment	7,755,195	580,825	294,718	61,092	8,102,394
Infrastructure	57,948,873	–	57,556	652,323	58,543,640
Total capital assets, being depreciated	<u>99,719,142</u>	<u>964,832</u>	<u>459,756</u>	<u>1,351,231</u>	<u>101,575,449</u>
Less accumulated depreciation for					
Building and structures	9,314,171	818,622	56,065	–	10,076,728
Machinery and equipment	3,726,992	545,682	252,781	–	4,019,893
Infrastructure	34,241,772	1,628,382	57,556	–	35,812,598
Total accumulated depreciation	<u>47,282,935</u>	<u>2,992,686</u>	<u>366,402</u>	<u>–</u>	<u>49,909,219</u>
Total capital assets being depreciated – net	<u>52,436,207</u>	<u>(2,027,854)</u>	<u>93,354</u>	<u>1,351,231</u>	<u>51,666,230</u>
Governmental activities capital assets – net	<u>\$ 61,220,639</u>	<u>\$ 3,897,777</u>	<u>\$ 93,354</u>	<u>\$ –</u>	<u>\$ 65,025,062</u>
	Beginning Balance	Increases	Decreases	Adjustments	Ending Balance
Primary government					
Business-type activities					
Capital assets, not being depreciated					
Land	\$ 304,202	\$ –	\$ –	\$ –	\$ 304,202
Construction in progress	991,216	2,445,419	–	(1,323,480)	2,113,155
Total capital assets, not being depreciated	<u>1,295,418</u>	<u>2,445,419</u>	<u>–</u>	<u>(1,323,480)</u>	<u>2,417,357</u>
Capital assets, being depreciated					
Building and structures	8,060,683	–	–	280,650	8,341,333
Machinery and equipment	2,532,106	–	–	–	2,532,106
Distribution and collection system	39,705,273	–	23,923	1,042,830	40,724,180
Total capital assets, being depreciated	<u>50,298,062</u>	<u>–</u>	<u>23,923</u>	<u>1,323,480</u>	<u>51,597,619</u>
Less accumulated depreciation for					
Building and structures	3,099,557	248,180	–	–	3,347,737
Machinery and equipment	361,234	101,327	–	–	462,561
Distribution and collection system	17,595,918	873,006	23,923	–	18,445,001
Total accumulated depreciation	<u>21,056,709</u>	<u>1,222,513</u>	<u>23,923</u>	<u>–</u>	<u>22,255,299</u>
Total capital assets being depreciated – net	<u>29,241,353</u>	<u>(1,222,513)</u>	<u>–</u>	<u>1,323,480</u>	<u>29,342,320</u>
Business-type activities capital assets – net	<u>\$ 30,536,771</u>	<u>\$ 1,222,906</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 31,759,677</u>

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Depreciation expense was charged to functions/programs of the government as follows:

Governmental activities	
General government	\$ 160,231
Public safety	85,034
Public works	1,627,221
Parks and recreation	479,088
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets	<u>641,112</u>
Total depreciation expense – governmental activities	<u>\$ 2,992,686</u>
Business-type activities	
Water	\$ 622,826
Sewer	326,338
Surface water	228,865
Street lights	<u>44,484</u>
Total depreciation expense – business-type activities	<u>\$ 1,222,513</u>

COMMITMENTS

At December 31, 2013, the City had construction project contracts in progress. The commitments related to the remaining contract balances are summarized as follows:

<u>Project</u>	<u>Amount</u>
Owasso Street Realignment	\$ 191,865
County Road D Reconstruction	50,305
Cottage Place Reconstruction	22,437
2013 Street Rehabilitation	<u>21,861</u>
Total construction commitments	<u>\$ 286,468</u>

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**Note 6 LONG-TERM DEBT**

The City issues general obligation bonds and certificates of participation to provide funds for the acquisition and construction of major capital facilities. The reporting entity's long-term debt is segregated between the amounts to be repaid from governmental activities and amounts to be repaid from business-type activities.

**GOVERNMENTAL ACTIVITIES**

As of December 31, 2013, the governmental activities long-term debt of the City consisted of the following:

	Issue Date	Final Maturity Date	Interest Rate	Authorized and Issued	Outstanding 12/31/2013
<b>G.O. improvement bonds</b>					
2002 Improvement Bonds	11/01/2002	02/01/2014	2.50-3.65	\$ 430,000	\$ 50,000
2006 Improvement Bonds	03/01/2006	02/01/2022	3.25-4.00	205,000	115,000
2008 Improvement Bonds	11/15/2008	02/01/2025	3.50-4.375	330,000	280,000
2009 Improvement Bonds	11/15/2009	02/01/2021	3.00-4.00	235,000	195,000
2010 Improvement Bonds	12/16/2010	02/01/2022	1.00-4.00	140,000	130,000
2013 Refunding Improvement Bonds	03/06/2013	02/01/2022	2.00	235,000	235,000
2013 Improvement Bonds	12/05/2013	02/01/2035	3.00-4.00	1,775,000	1,775,000
Total G.O. improvement bonds				<u>3,350,000</u>	<u>2,780,000</u>
<b>G.O. tax increment bonds</b>					
G.O. Tax Increment Refunding of 2007	11/01/2007	12/01/2015	4.00	1,090,000	690,000
<b>Other G.O. improvement bonds</b>					
G.O. Capital Improvement Plan Bonds of 2004	10/01/2004	02/01/2020	2.00-4.10	1,600,000	870,000
G.O. Street Reconstruction Bonds of 2006	06/01/2006	02/01/2022	4.00-4.20	2,500,000	1,710,000
G.O. Capital Improvement Plan Bonds of 2010	03/10/2010	02/01/2030	1.20-5.85	5,615,000	5,270,000
G.O. Refunding Capital Improvement Plan Bonds of 2013	03/06/2013	02/01/2020	2.00	750,000	750,000
G.O. Refunding Street Reconstruction Bonds of 2013	03/06/2013	02/01/2022	2.00	1,380,000	1,380,000
G.O. Street Reconstruction Bonds of 2013	03/06/2013	02/01/2028	2.00-2.375	2,415,000	2,415,000
Total other G.O. improvement bonds				<u>14,260,000</u>	<u>12,395,000</u>
Unamortized premium	N/A	N/A	N/A	N/A	266,669
<b>Loan payable</b>					
Metropolitan Right-of-Way Acquisition Loan Fund	09/26/2006	N/A	-	6,000,000	6,000,000
<b>Certificates of participation</b>					
Refunding Certificates of Participation 2011	04/01/2011	08/01/2023	2.00-3.75	4,620,000	3,985,000
<b>Compensated absences</b>					
	N/A	N/A	N/A	N/A	270,837
Total city indebtedness – governmental activities				<u>\$ 29,320,000</u>	<u>\$ 26,387,506</u>

N/A – Not Applicable

**CITY OF SHOREVIEW**  
Notes to Financial Statements  
December 31, 2013

BUSINESS-TYPE ACTIVITIES

As of December 31, 2013, the business-type activities long-term debt of the City consisted of the following:

	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Interest Rate</u>	<u>Authorized and Issued</u>	<u>Outstanding 12/31/2013</u>
G.O. revenue bonds					
Water Revenue Bonds of 2002	11/01/2002	02/01/2014	2.50–3.65	\$ 295,000	\$ 30,000
Surface Water Revenue Bonds of 2002	11/01/2002	02/01/2014	2.50–3.65	475,000	50,000
Water Revenue Bonds of 2006	03/01/2006	02/01/2022	3.25–4.00	860,000	575,000
Sewer Revenue Bonds of 2006	03/01/2006	02/01/2022	3.25–4.00	270,000	180,000
Water Revenue Bonds of 2007	11/01/2007	02/01/2023	3.50–4.15	845,000	620,000
Sewer Revenue Bonds of 2007	11/01/2007	02/01/2023	3.50–4.15	260,000	190,000
Surface Water Revenue Bonds of 2007	11/01/2007	02/01/2023	3.50–4.15	600,000	440,000
Water Revenue Bonds of 2008	11/15/2008	02/01/2025	3.5–4.375	2,365,000	1,920,000
Sewer Revenue Bonds of 2008	11/15/2008	02/01/2025	3.5–4.375	580,000	470,000
Surface Water Revenue Bonds of 2008	11/15/2008	02/01/2025	3.5–4.375	230,000	190,000
Surface Water Revenue Bonds of 2009	11/15/2009	02/01/2021	3.00–4.00	1,180,000	890,000
Water Revenue Bonds of 2010	12/16/2010	02/01/2026	0.75–4.60	1,240,000	1,095,000
Sewer Revenue Bonds of 2010	12/16/2010	02/01/2026	0.75–4.60	985,000	870,000
Surface Water Revenue Bonds of 2010	12/16/2010	02/01/2026	0.75–4.60	355,000	315,000
Water Refunding Revenue Bonds of 2013	03/06/2013	02/01/2022	2.00	610,000	610,000
Water Revenue Bonds of 2013A	03/06/2013	02/01/2023	2.00	775,000	775,000
Water Revenue Bonds of 2013C	12/05/2013	02/01/2024	3.00	305,000	305,000
Sewer Refunding Revenue Bonds of 2013	03/06/2013	02/01/2022	2.00	285,000	285,000
Surface Water Refunding Revenue Bonds of 2013	03/06/2013	02/01/2016	2.00	155,000	155,000
Surface Water Revenue Bonds of 2013A	03/06/2013	02/01/2023	2.00	960,000	960,000
Surface Water Revenue Bonds of 2013C	12/05/2013	02/01/2024	3.00	190,000	190,000
Total G.O. revenue bonds				<u>13,820,000</u>	<u>11,115,000</u>
Unamortized premium	N/A	N/A	N/A	<u>N/A</u>	<u>136,758</u>
Compensated absences payable	N/A	N/A	N/A	<u>N/A</u>	<u>74,814</u>
Total city indebtedness – business-type activities				<u>\$ 13,820,000</u>	<u>\$ 11,326,572</u>

N/A – Not Applicable

**CITY OF SHOREVIEW**  
Notes to Financial Statements  
December 31, 2013

GOVERNMENTAL ACTIVITIES

Annual debt service requirements to maturity for the governmental activities long-term debt are as follows:

Year Ending December 31,	G.O. Improvement Bonds		G.O. Tax Increment Bonds		Other G.O. Improvement Bonds		Certificates of Participation	
	Governmental Activities		Governmental Activities		Governmental Activities		Governmental Activities	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 260,000	\$ 67,447	\$ 340,000	\$ 27,600	\$ 1,420,000	\$ 435,622	\$ 350,000	\$ 117,315
2015	130,000	81,974	350,000	14,000	2,060,000	353,534	360,000	110,315
2016	200,000	77,619	—	—	720,000	307,444	365,000	102,935
2017	165,000	72,394	—	—	725,000	289,864	375,000	94,540
2018	155,000	67,488	—	—	740,000	270,929	390,000	84,978
2019	150,000	62,643	—	—	760,000	250,419	400,000	74,058
2020	160,000	57,575	—	—	765,000	228,740	415,000	62,057
2021	165,000	52,160	—	—	655,000	207,356	430,000	48,155
2022	145,000	47,054	—	—	680,000	186,054	440,000	33,750
2023	120,000	42,741	—	—	480,000	165,927	460,000	17,250
2024	125,000	38,704	—	—	495,000	146,841	—	—
2025	135,000	34,391	—	—	510,000	126,622	—	—
2026	80,000	30,880	—	—	520,000	105,168	—	—
2027	80,000	28,320	—	—	535,000	82,156	—	—
2028	85,000	25,680	—	—	555,000	57,607	—	—
2029	85,000	22,960	—	—	380,000	34,033	—	—
2030	90,000	19,800	—	—	395,000	11,554	—	—
2031	85,000	16,300	—	—	—	—	—	—
2032	85,000	12,900	—	—	—	—	—	—
2033	90,000	9,400	—	—	—	—	—	—
2034	95,000	5,700	—	—	—	—	—	—
2035	95,000	1,900	—	—	—	—	—	—
Total	<u>\$ 2,780,000</u>	<u>\$ 876,030</u>	<u>\$ 690,000</u>	<u>\$ 41,600</u>	<u>\$ 12,395,000</u>	<u>\$ 3,259,868</u>	<u>\$ 3,985,000</u>	<u>\$ 745,353</u>

It is not practical to determine the specific year for payment of long-term accrued compensated absences.

The Metropolitan Right-of-Way Acquisition Loan Fund loan payable repayment is subject to conveyance of the property purchased with the loan to the Minnesota Department of Transportation and the timing of highway improvements is currently not known; therefore, it is not practical to determine the annual requirements to amortize this non-interest bearing note.

**CITY OF SHOREVIEW**  
Notes to Financial Statements  
December 31, 2013

BUSINESS-TYPE ACTIVITIES

Annual debt service requirements to maturity for the business-type long-term debt are as follows:

Year Ending December 31,	G.O. Revenue Bonds	
	Business-Type Activities	
	Principal	Interest
2014	\$ 1,650,000	\$ 348,448
2015	965,000	300,327
2016	960,000	274,264
2017	880,000	247,891
2018	905,000	220,681
2019	930,000	191,804
2020	955,000	161,000
2021	985,000	128,211
2022	885,000	96,418
2023	825,000	66,396
2024	505,000	40,699
2025	470,000	19,604
2026	200,000	4,600
Total	<u>\$ 11,115,000</u>	<u>\$ 2,100,343</u>

It is not practical to determine the specific year for payment of long-term accrued compensated absences.

**CITY OF SHOREVIEW**  
Notes to Financial Statements  
December 31, 2013

CHANGE IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended December 31, 2013, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental activities					
Bonds payable					
G.O. improvement bonds	\$ 1,065,000	\$ 2,010,000	\$ 295,000	\$ 2,780,000	\$ 260,000
G.O. tax increment bonds	1,320,000	–	630,000	690,000	340,000
Other G.O. improvement bonds	8,355,000	4,545,000	505,000	12,395,000	1,420,000
Premium	–	285,435	18,766	266,669	–
Total bonds payable	<u>10,740,000</u>	<u>6,840,435</u>	<u>1,448,766</u>	<u>16,131,669</u>	<u>2,020,000</u>
Loans payable	6,000,000	–	–	6,000,000	–
Certificates of participation	4,330,000	–	345,000	3,985,000	350,000
Compensated absences	262,231	355,954	347,348	270,837	24,899
Total governmental activity long-term liabilities	<u>\$ 21,332,231</u>	<u>\$ 7,196,389</u>	<u>\$ 2,141,114</u>	<u>\$ 26,387,506</u>	<u>\$ 2,394,899</u>
Business-type activities					
G.O. revenue bonds	\$ 8,985,000	\$ 3,280,000	\$ 1,150,000	\$ 11,115,000	\$ 1,650,000
Premium	–	149,270	12,512	136,758	–
Total bonds payable	<u>8,985,000</u>	<u>3,429,270</u>	<u>1,162,512</u>	<u>11,251,758</u>	<u>1,650,000</u>
Compensated absences	79,061	91,622	95,869	74,814	6,873
Total business-type activity long-term liabilities	<u>\$ 9,064,061</u>	<u>\$ 3,520,892</u>	<u>\$ 1,258,381</u>	<u>\$ 11,326,572</u>	<u>\$ 1,656,873</u>

The governmental activities loans payable and compensated absences are generally liquidated by the General Fund, special revenue funds, and capital project funds.

Financing of the certificates of participation will be provided from the General Fund, General Fixed Asset Replacement Fund, and Capital Improvement Fund.

All general obligation indebtedness outstanding at December 31, 2013 is backed by the full faith and credit of the City, including improvement, tax increment, other improvement, and revenue bonds. Delinquent assessments receivable at December 31, 2013 totaled \$3,855.

In 2010, the City issued taxable “Build America Bonds,” and will receive direct payment from the federal government of an amount equal to 35 percent of the amount of interest payable on each interest payment date.

BOND REFUNDING

On March 6, 2013 the City issued the \$505,000 General Obligation Refunding Bonds, Series 2013B, with an average interest rate of 2%, and refunded \$135,000 of the 2004 General Obligation Improvement Bonds with an average interest rate of 3.67%, \$95,000 of the 2004 General Obligation Water Revenue Bonds with an average interest rate of 3.64%, \$120,000 of the 2004 General Obligation Sewer Revenue Bonds with an average interest rate

## **CITY OF SHOREVIEW**

Notes to Financial Statements

December 31, 2013

of 3.68%, and \$155,000 of the 2004 General Obligation Surface Water Revenue Bonds with an average interest rate of 3.68%. The refunding resulted in a gross debt service savings of \$4,687, \$2,892, \$4,253, \$5,789 over the next three years and an economic gain of \$4,631, \$2,861, \$4,202, \$5,622 for the General Obligation Improvement, General Obligation Water Revenue, General Obligation Sewer Revenue and General Obligation Surface Water Revenue Bonds, respectively.

On March 6, 2013 the City issued the \$2,910,000 General Obligation Refunding Bonds, Series 2013B, with an average interest rate of 2%, and refunded \$760,000 of the 2004 General Obligation Capital Improvement Plan Bonds with an average interest rate of 3.17%, \$100,000 of the 2006 General Obligation Improvement Bonds with an average interest rate of 3.86%, \$520,000 of the 2006 General Obligation Water Revenue Bonds with an average interest rate of 3.89%, \$165,000 of the 2006 General Obligation Sewer Revenue Bonds with an average interest rate of 3.89% and \$1,380,000 of the 2006 General Obligation Street Reconstruction Bonds with an average interest rate of 2.84%. The refunding resulted in a gross debt service savings of \$65,598, \$7,995, \$53,835, \$14,400, \$132,035 over the next nine years and an economic gain of \$62,985, \$7,521, \$50,899, \$13,850, \$124,482 for the 2004 General Obligation Capital Improvement Plan, 2006 General Obligation Improvement, 2006 General Obligation Water Revenue, 2006 General Obligation Sewer Revenue, and 2006 General Obligation Street Reconstruction Bonds, respectively. The 2004 General Obligation Capital Improvement Plan, 2006 General Obligation Improvement, 2006 General Obligation Water Revenue, and 2006 General Obligation Sewer Revenue Bonds will be called for redemption on February 1, 2014. The 2006 General Obligation Street Reconstruction Bonds will be called for redemption on February 1, 2015. Both the refunding and refunded debt will be reported in the City's financial statements until the call date of the refunded debt.

### **Note 7 PENSION PLANS**

#### **A. PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA) – DEFINED BENEFIT**

##### **PLAN DESCRIPTION**

All full-time and certain part-time employees of the City are covered by defined benefit plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Fund (GERF) which is a cost-sharing, multiple-employer retirement plan. This plan is established and administered in accordance with Minnesota Statutes, Chapters 353 and 356.

GERF 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 statutes, and vest after five 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 PERA'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 accrual 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 all GERS members hired prior to July 1, 1989 whose annuity is calculated using Method 1, a full annuity is available when age plus years of service equal 90. Normal retirement age is 65 for Basic and Coordinated Plan members hired prior to July 1, 1989. Normal retirement age is the age for unreduced Social Security benefits capped at 66 for Coordinated Plan members hired on or after July 1, 1989. 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 single-life annuity is a lifetime annuity that ceases upon the death of the retiree—no survivor annuity is payable. There are also various types of joint and survivor annuity options available which will be 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.

PERA issues a publicly available financial report that includes financial statements and required supplementary information for GERS. That report may be obtained on the web at [www.mnpera.org](http://www.mnpera.org); by writing to PERA at 60 Empire Drive, Suite 200, St. Paul, Minnesota, 55103-2088; or by calling (651) 296-7460 or (800) 652-9026.

#### FUNDING POLICY

Minnesota Statutes, Chapter 353 sets the rates for employer and employee contributions. These statutes are established and amended by the State Legislature. The City makes annual contributions to the pension plans equal to the amount required by state statutes. GERS Basic Plan members and Coordinated Plan members were required to contribute 9.1 percent and 6.25 percent, respectively, of their annual covered salary in 2013. In 2013, the City was required to contribute the following percentages of annual covered payroll: 11.78 percent for Basic Plan members and 7.25 percent for Coordinated Plan members. The City's contributions for the years 2013, 2012, and 2011 were \$395,304, \$387,654 and \$383,811, respectively. The City's contributions were equal to the contractually required contributions for each year as set by state statutes.

#### **B. PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA) – DEFINED CONTRIBUTION**

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

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. The plan provisions are established and administered in accordance with Minnesota Statutes, Chapter 353D.03, which may be amended by the State Legislature and specifies the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes 5 percent of salary which is matched by the

**CITY OF SHOREVIEW**  
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elected official's employer. For ambulance service personnel, employer contributions are determined by the employer, and for salaried employees must be a fixed percentage of salary. Employer contributions for volunteer personnel may be a unit value for each call or period of alert duty. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2 percent of employer contributions and twenty-five hundredths of one percent of the assets in each member's account annually.

Total contributions made by the City during fiscal year 2013 were:

	Amount		Percentage of Covered Payroll		Required Rates
	Employees	Employer	Employees	Employer	
PEDCP	\$ 1,477	\$ 1,477	5.00%	5.00%	5.00%

**Note 8 INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS**

Interfund receivable and payable balances at December 31, 2013 are as follows:

Fund	Receivable	Payable
Major funds		
Municipal State Aid	\$ 369,131	\$ -
Owasso Street Realignment	-	1,147,829
Nonmajor governmental funds	1,147,829	369,131
Total	\$ 1,516,960	\$ 1,516,960

Interfund receivables/payables are used for temporary cash deficits. These balances will be eliminated by future tax receipts, intergovernmental revenue and grants.

**CITY OF SHOREVIEW**  
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December 31, 2013

Interfund transfers:

Transfers out	Transfer In								Total
	General Fund	Community Center Operation Fund	Recreation Programs Fund	Street Renewal Fund	Community Investment Fund	2013 Street Rehabilitation Fund	Nonmajor Governmental Funds	Internal Service Funds	
General Fund	\$ -	\$ 232,000	\$ 70,000	\$ 417,963	\$ -	\$ -	\$ 110,000	\$ -	\$ 829,963
Recreation Programs Fund	-	80,000	-	-	-	-	-	-	80,000
Municipal State Aid Fund	-	-	-	-	-	531,806	925,851	-	1,457,657
Street Renewal Fund	-	-	-	-	-	-	600,082	-	600,082
General Fixed Asset Replacement Fund	-	-	-	-	-	-	269,603	-	269,603
Capital Improvement Fund	-	-	-	-	414,590	-	176,579	-	591,169
Nonmajor governmental funds	115,000	-	-	-	-	-	725,050	-	840,050
Water Fund	190,000	-	-	-	-	-	557	72,500	263,057
Sewer Fund	124,000	-	-	-	-	-	4,067	72,500	200,567
Surface Water Fund	75,000	-	-	-	-	-	-	51,900	126,900
Street Lights Fund	15,000	-	-	-	-	-	-	4,000	19,000
Internal Service Funds	-	-	-	-	-	-	4,802	-	4,802
Total transfers out	\$ 519,000	\$ 312,000	\$ 70,000	\$ 417,963	\$ 414,590	\$ 531,806	\$ 2,816,591	\$ 200,900	\$ 5,282,850

Interfund transfers allow the City to allocate financial resources to the funds that receive benefits from services provided by another fund. All of the City's interfund transfers fall under that category. All of the 2013 transfers are considered routine and consistent with previous practices.

**CITY OF SHOREVIEW**  
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**Note 9 CAPITAL LEASE**

In 2011, the City issued refunding certificates of participation for the lease of the community center expansion area. The lease is paid in semi-annual installments, and final payment is due August 1, 2023. Depreciation in the amount of \$75,598 has been recorded as depreciation expense during 2013.

The net book value of assets under capital lease at December 31, 2013 is as follows:

	December 31, 2013
	<u>                    </u>
Building and structures	\$ 5,359,094
Accumulated depreciation	<u>793,776</u>
Net	<u><u>\$ 4,565,318</u></u>

The following is a schedule of future minimum lease payments under the capital lease:

	Community Center Expansion
<u>Year</u>	<u>                    </u>
2014	\$ 467,315
2015	470,315
2016	467,935
2017	469,540
2018	474,978
2019	474,058
2020	477,057
2021	478,155
2022	473,750
2023	<u>477,250</u>
Total	4,730,353
Less amount representing interest	<u>(745,353)</u>
Present value of minimum lease payments	<u><u>\$ 3,985,000</u></u>

**Note 10 OPERATING LEASE PAYABLE**

During 2013 the City leased seven copier machines under three separate lease agreements. Two leases expired in January 2013 and August 2013, with the other expiring in August 2018; and call for monthly lease payments of \$78, \$2,054, and \$1,947, respectively. During 2013 the City leased thirteen treadmills, fifteen elliptical machines, and six adaptive motion trainers under five separate lease agreements for the community center. Two leases expired in September and October 2013, one in February of 2015 and two in September of 2016; and call for monthly lease payments of \$1,445, \$1,066, \$1,089, \$1,484 and \$1,320, respectively. Lease expenditures for the year ended December 31, 2013 amounted to \$69,568.

Future minimum annual lease payments at December 31, 2013 are as follows:

<u>Year Ended</u> <u>December 31,</u>	<u>Copiers</u>	<u>Exercise</u> <u>Equipment</u>	<u>Total</u>
2014	\$ 23,364	\$ 46,717	\$ 70,081
2015	23,364	34,738	58,102
2016	23,364	26,557	49,921
2017	23,364	-	23,364
2018	<u>15,576</u>	<u>-</u>	<u>15,576</u>
Total	<u>\$ 109,032</u>	<u>\$ 108,012</u>	<u>\$ 217,044</u>

**Note 11 COMMITMENTS AND CONTINGENCIES**

**A. RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Workers' compensation coverage for City employees and councilmembers is provided through a pooled self-insurance program through the League of Minnesota Cities Insurance Trust (LMCIT). The City pays an annual premium to LMCIT. The City is subject to supplemental assessments if deemed necessary by the LMCIT. The LMCIT reinsures through Workers' Compensation Reinsurance Association (WCRA) as required by law. For workers' compensation, the City is not subject to a deductible. The City's workers' compensation coverage prior to December 1, 2004 is retrospectively rated. With this type of coverage, final premiums are determined after loss experience is known. The amount of premium adjustment, if any, is considered immaterial and not recorded until received or paid.

Other insurance coverage is provided through a pooled self-insurance program through LMCIT. The City pays an annual premium to the LMCIT. The City is subject to supplemental assessments if deemed necessary by the LMCIT. The LMCIT reinsures through commercial companies for claims in excess of various amounts. The City retains risk for deductible portions. These deductibles are considered immaterial to the financial statements.

## **CITY OF SHOREVIEW**

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December 31, 2013

The City continues to carry commercial insurance for other risks of loss, including disability insurance. There were no significant reductions in insurance from the previous year or settlements in excess of insurance coverage for any of the past three fiscal years.

The City established the Short-Term Disability Self Insurance Fund to account for the receipt of monthly premiums paid by employees and costs incurred in providing short-term disability insurance to employees on a self-insured basis. Under this program, the Short-Term Disability Self Insurance Fund provides coverage for losses up to two-thirds of any employees' gross wages. Benefits begin on the sixteenth working day and cover up to three calendar months. The City purchases commercial insurance for long-term disability for claims which exceed three months.

The City established the Liability Claims Fund to account for losses in the City's general package insurance. Under this program, the Liability Claims Fund provides coverage for losses up to \$25,000 for each claim (annual aggregate is \$75,000).

All funds of the City participate in these two programs and make payments to these funds based on historical cost information. GASB Statement No. 10 requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. As of the date of the report, liabilities that have occurred are immaterial.

### **B. LITIGATION**

The City attorney has indicated that existing and pending lawsuits, claims, and other actions in which the City is a defendant are either covered by insurance; of an immaterial amount; or, in the judgment of the City attorney, remotely recoverable by plaintiffs.

### **C. FEDERAL AND STATE FUNDS**

The City receives financial assistance from federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with the terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the applicable fund. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2013.

### **D. TAX INCREMENT DISTRICTS**

The City's tax increment districts are subject to review by the state of Minnesota Office of the State Auditor (OSA). Any disallowed claims or misuse of tax increments could become a liability of the applicable fund. Management has indicated that they are not aware of any instances of noncompliance which would have a material effect on the financial statements.

## **Note 12 DEFERRED AD VALOREM TAX LEVIES – BONDED DEBT**

General obligation bond issues sold by the City are financed by ad valorem tax levies. General obligation improvement bond issues sold by the City are partially financed by ad valorem tax levies in addition to special assessments levied against the benefiting properties. When a bond issue to be financed partially or completely by ad valorem tax levies is sold, specific annual amounts of such tax levies are stated in the bond resolution and the county

**CITY OF SHOREVIEW**  
Notes to Financial Statements  
December 31, 2013

auditor is notified and instructed to levy these taxes over the appropriate years. The future tax levies are subject to cancellation when and if the City has provided alternative sources of financing. The City Council is required to levy any additional taxes found necessary for full payment of principal and interest. These future scheduled tax levies are not shown as assets in the accompanying financial statements at December 31, 2013. Future scheduled tax levies for all bonds outstanding at December 31, 2013 totaled \$12,439,194.

**Note 13 FUND BALANCES**

**A. CLASSIFICATIONS**

At December 31, 2013, a summary of the governmental fund balance classifications are as follows:

	General Fund	Major Special Revenue Funds		Major Capital Project Funds	Other Funds	Total
		Community Center Operations	Recreation Programs			
Nonspendable						
Prepaid items	\$ 82,971	\$ 5,173	\$ 3,812	\$ 4,470	\$ 1,187	\$ 97,613
Restricted for						
Business loan program	-	-	-	-	165,777	165,777
Cable Television	-	-	-	-	23,485	23,485
Debt service	-	-	-	-	3,818,055	3,818,055
Economic development	-	-	-	-	29,161	29,161
Housing and redevelopment	-	-	-	-	74,158	74,158
Recycling	-	-	-	-	204,908	204,908
Tax increment purposes	-	-	-	-	2,516,874	2,516,874
Total restricted	-	-	-	-	6,832,418	6,832,418
Committed to						
Community Center operations	-	1,043,366	-	-	-	1,043,366
Recreation programs	-	-	757,923	-	-	757,923
Street improvements	-	-	-	2,458,114	-	2,458,114
Fixed asset replacements	-	-	-	481,565	-	481,565
Community Projects	-	-	-	557,471	-	557,471
Cable TV	-	-	-	-	153,646	153,646
Slice of Shoreview event	-	-	-	-	65,817	65,817
Total committed	-	1,043,366	757,923	3,497,150	219,463	5,517,902
Assigned to						
Debt service	-	-	-	-	695,472	695,472
Street improvements	-	-	-	209,978	18,466	228,444
Computer systems	-	-	-	-	43,267	43,267
Total assigned	-	-	-	209,978	757,205	967,183
Unassigned	4,220,635	-	-	(1,294,351)	-	2,926,284
Total	\$ 4,303,606	\$ 1,048,539	\$ 761,735	\$ 2,417,247	\$ 7,810,273	\$ 16,341,400

**B. MINIMUM UNASSIGNED FUND BALANCE POLICY**

The City Council has formally adopted a policy regarding the minimum unassigned fund balance for the General Fund. The most significant revenue source of the General Fund is property taxes. This revenue source is received in two installments during the year – June and December. As such, it is the City’s goal to begin each fiscal year with sufficient working capital to fund operations between each semi-annual receipt of property taxes. The policy also addresses the potential for unanticipated events.

The policy establishes a year-end targeted unassigned fund balance for working capital needs at fifty percent of the ensuing years’ General Fund tax levy, and levy-based state aids. The working capital allocation shall be reduced by the balance of any prepaid items at year-end. The unassigned unanticipated event fund balance is established at ten percent of the ensuing years’ budgeted General Fund expenditures. At December 31, 2013, the unassigned working capital fund balance was fifty percent of the ensuing years’ General Fund tax levy, and levy based aids. The unassigned unanticipated event fund balance was ten percent of the ensuing years’ budgeted General Fund Expenditures.

**C. DEFICIT FUND BALANCES**

The City had deficit fund balances at December 31, 2013 as follows:

	<u>Amount</u>
Major Funds	
Capital Project	
Owasso Street Realignment	\$ 1,294,351

The Owasso Street Realignment deficit will be eliminated through future grants, intergovernmental revenue and tax increment revenue.

**Note 14 HOME ENERGY IMPROVEMENT LOAN RECEIVABLE**

In 2010, the Economic Development Authority (EDA) started a home energy improvement loan program. As of December 31, 2013 the EDA issued ten loans with interest rates of 5.25%. The terms range from 96 to 120 months and call for monthly payments.

Future minimum loan receipts at December 31, 2013 are as follows:

<u>Year</u>	<u>Home Energy Improvement Loan Program</u>
2014	\$ 25,529
2015	25,529
2016	25,529
2017	25,529
2018	25,430
2019	24,367
2020	23,972
2021	16,149
2022	10,202
2023	<u>5,729</u>
Total	207,965
Less amount representing interest	<u>(59,073)</u>
Total loan receivable	<u>\$ 148,892</u>

**Note 15 CONDUIT DEBT OBLIGATIONS**

From time to time, the City has issued industrial revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Not the City, the state, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2013, there were four series of industrial revenue bonds outstanding, with an aggregate principal amount payable of \$10,404,097.

**Note 16 CONTINGENT NOTE PAYABLE**

The City has issued several tax increment pay-as-you-go revenue notes. These notes are not a general obligation of the City and are payable solely from available tax increments. Accordingly, these notes are not reflected in the financial statements of the City. Details of the pay-as-you-go revenue notes are as follows:

**CITY OF SHOREVIEW**  
Notes to Financial Statements  
December 31, 2013

TIF District #4

Within TIF District #4, there is a pay-as-you-go agreement. As of December 31, 2013, future tax increment flow will be used to pay Tax Increment Agreement (Series 1996) up to a maximum amount of \$834,637.

TIF District #6

Within TIF District #6, there are two pay-as-you-go agreements. As of December 31, 2013, future tax increment flow will be used to pay Tax Increment Agreement #1 (Series 2001) up to a maximum amount of \$1,367,216, and to pay Tax Increment Agreement #2 (Series 2001) up to a maximum amount of \$527,000.

**Note 17 PLEDGED REVENUE**

The City has issued Certificates of Participation, Tax Increment, Capital Improvement, and Utility Improvement bonds for community development expenditures, and the construction of buildings, public works infrastructure, and park and recreation facilities. Specific revenues are pledged for the payments of interest and future retirement of the obligations. As of December 31, 2013 the following pledges were in place:

G.O. Refunding Tax Increment Bonds of 2007

The City pledged \$298,000 of tax increment collections to meet the debt service commitment on the bonds. The debt was originally issued in 2007 to refund the 1999C Tax Increment Bonds, which financed park and recreation building and structures and public works infrastructure and it has a final maturity date of December 1, 2015. The pledged revenues represent 100 percent of the revenue stream, and \$731,600 of the pledge commitment remains outstanding.

G.O. Capital Improvement Plan Bonds of 2010

The City pledged \$1,066,334 of Central Garage charges, property tax collections, earnings on investments, Federal Build America Bond credit, capital contributions and transfers from utility funds to meet the debt service commitment on the bonds. The debt was originally issued in 2010 to finance the Central Garage building renovation and it has a final maturity date of February 1, 2030. The pledged revenues represent 65 percent of the revenue stream, and \$7,767,113 of the pledge commitment remains outstanding.

G.O. Water Revenue Bonds

The City pledged \$1,181,623 of operating revenue, earnings on investments and Federal Build America Bond credits to meet the debt service commitment on the bonds. The debt was originally issued in years 2002 - 2013 to finance water system infrastructure improvements and it has a final maturity date of years 2014 - 2026. The pledged revenues represent 46 percent of the revenue stream, and \$7,091,057 of the pledge commitment remains outstanding.

G.O. Sewer Revenue Bonds

The City pledged \$617,519 of operating revenue, earnings on investments and Federal Build America Bond credits to meet the debt service commitment on the bonds. The debt was originally issued in years 2006 - 2013 to finance sewer system infrastructure improvements and it has a final maturity date of years 2016 - 2026. The pledged revenues represent 16 percent of the revenue stream, and \$2,423,556 of the pledge commitment remains outstanding.

**CITY OF SHOREVIEW**  
Notes to Financial Statements  
December 31, 2013

G.O. Surface Water Revenue Bonds

The City pledged \$617,134 of operating revenue, earnings on investments, capital contributions and Federal Build America Bond credits to meet the debt service commitment on the bonds. The debt was originally issued in years 2002 - 2013 to finance surface water system infrastructure improvements and it has a final maturity date of years 2014 - 2026. The pledged revenues represent 50 percent of the revenue stream, and \$3,000,730 of the pledge commitment remains outstanding.

Refunding Certificates of Participation of 2011

The City pledged \$422,056 of earnings on investments, other revenue and transfers from other funds to meet the debt service commitment on the certificates. The certificates were issued in 2011 to refund the Certificates of Participation of 2002 which financed the community center expansion and it has a final maturity date of August 1, 2023. The pledged revenues represent 100 percent of the revenue stream, and \$4,730,353 of the pledge commitment remains outstanding.

Revenue available to meet debt service requirements is shown in the following table:

Bond Issue	Gross Revenue	Direct Operating Expenses	Available Net Revenue	Debt Service Requirements		
				Principal	Interest and Paying Agent Fees	Total
G.O. Refunding Tax Increment Bonds of 2007	\$ 298,000	\$ -	\$ 298,000	\$ 260,000	\$ 38,375	\$ 298,375
G.O. Capital Improvement Plan Bonds of 2010	1,634,513	568,179 *	1,066,334	245,000	243,127	488,127
G.O. Water Revenue Bonds	2,585,461	1,403,838 *	1,181,623	460,000	213,477	673,477
G.O. Sewer Revenue Bonds	3,718,390	3,100,871 *	617,519	275,000	73,840	348,840
G.O. Surface Water Revenue Bonds	1,239,094	621,960 *	617,134	415,000	104,508	519,508
Refunding Certificates of Participation of 2011	422,056	-	422,056	345,000	126,215	471,215
	<u>\$ 9,897,514</u>	<u>\$ 5,694,848</u>	<u>\$ 4,202,666</u>	<u>\$ 2,000,000</u>	<u>\$ 799,542</u>	<u>\$ 2,799,542</u>

\* Direct Operating expenses exclude Depreciation expense

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**FINANCIAL SECTION –  
REQUIRED SUPPLEMENTARY FINANCIAL  
INFORMATION OTHER THAN MD&A**



**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF SHOREVIEW, MINNESOTA**

Required Supplementary Information  
 Budgetary Comparison Schedule – General Fund  
 For The Year Ended December 31, 2013

**Statement 10**  
**Page 1 of 2**

	Original and Final Budget	Actual Amounts	Variance With Final Budget
<b>Revenues</b>			
General property taxes			
Current	\$ 6,639,567	\$ 6,618,100	\$ (21,467)
Other	–	5,623	5,623
Total general property taxes	<u>6,639,567</u>	<u>6,623,723</u>	<u>(15,844)</u>
Licenses and permits			
Business	38,350	45,275	6,925
Non-business	275,700	603,031	327,331
Total licenses and permits	<u>314,050</u>	<u>648,306</u>	<u>334,256</u>
Intergovernmental			
State			
Road maintenance	165,000	166,785	1,785
Market value homestead credit	–	307	307
PERA aid	20,122	20,122	–
State Fire aid	–	206,815	206,815
Local			
Aggregate gravel tax	500	1,404	904
Total intergovernmental	<u>185,622</u>	<u>395,433</u>	<u>209,811</u>
Charges for services			
General government	600	1,213	613
Public works	353,000	441,578	88,578
Parks and recreation	7,000	8,060	1,060
Community development	60,000	157,819	97,819
Administrative charges			
Special revenue funds	90,480	90,480	–
Capital project funds	85,000	231,449	146,449
Enterprise funds	688,890	688,890	–
Total charges for services	<u>1,284,970</u>	<u>1,619,489</u>	<u>334,519</u>
Fines and forfeits	62,500	52,440	(10,060)
Earnings on investments	45,000	(118,405)	(163,405)
Other	24,040	31,532	7,492
Total revenues	<u>8,555,749</u>	<u>9,252,518</u>	<u>696,769</u>
<b>Expenditures</b>			
General government			
Current			
Council and Commissions	146,343	142,275	4,068
Administration	549,989	561,449	(11,460)
Human resources	258,301	242,232	16,069
Elections	3,300	2,983	317
Communications	195,504	209,168	(13,664)
Finance and accounting	558,561	546,380	12,181
Information systems	327,064	275,823	51,241
Legal	95,000	112,528	(17,528)
Capital outlay			
Information systems	–	20,014	(20,014)
Total general government	<u>2,134,062</u>	<u>2,112,852</u>	<u>21,210</u>

**CITY OF SHOREVIEW, MINNESOTA**

Required Supplementary Information  
 Budgetary Comparison Schedule – General Fund  
 For The Year Ended December 31, 2013

**Statement 10**  
**Page 2 of 2**

	Original and Final Budget	Actual Amounts	Variance With Final Budget
Expenditures (continued)			
Public safety			
Current			
Police	1,927,465	1,910,592	16,873
Fire	947,610	1,154,160	(206,550)
Emergency services	7,618	4,425	3,193
Total public safety	<u>2,882,693</u>	<u>3,069,177</u>	<u>(186,484)</u>
Public works			
Current			
Public works administration and engineering	453,274	473,786	(20,512)
Streets	791,653	763,770	27,883
Trail management	115,797	110,429	5,368
Forestry	115,096	89,572	25,524
Total public works	<u>1,475,820</u>	<u>1,437,557</u>	<u>38,263</u>
Parks and recreation			
Current			
Parks and recreation administration	341,562	346,539	(4,977)
Municipal buildings	130,035	126,385	3,650
Park and sports area maintenance	1,139,696	1,103,652	36,044
Total parks and recreation	<u>1,611,293</u>	<u>1,576,576</u>	<u>34,717</u>
Community development			
Current			
Planning and zoning administration	402,507	400,461	2,046
Building inspection	155,874	177,335	(21,461)
Total community development	<u>558,381</u>	<u>577,796</u>	<u>(19,415)</u>
Total expenditures	<u>8,662,249</u>	<u>8,773,958</u>	<u>(111,709)</u>
Revenues over (under) expenditures	<u>(106,500)</u>	<u>478,560</u>	<u>585,060</u>
Other financing sources (uses)			
Transfers in	519,000	519,000	–
Transfers out	(412,500)	(829,963)	(417,463)
Total other financing sources (uses)	<u>106,500</u>	<u>(310,963)</u>	<u>(417,463)</u>
Net change in fund balance	<u>\$ –</u>	<u>167,597</u>	<u>\$ 167,597</u>
Fund balance – January 1		4,136,009	
Fund balance – December 31		<u>\$ 4,303,606</u>	

**CITY OF SHOREVIEW, MINNESOTA**

Required Supplementary Information

**Statement 11**

Budgetary Comparison Schedule – Community Center Operations Fund

For The Year Ended December 31, 2013

	Original and Final Budget	Actual Amounts	Variance With Final Budget
<b>Revenues</b>			
Charges for services	\$ 2,323,755	\$ 2,351,488	\$ 27,733
Earnings on investments	9,000	(42,835)	(51,835)
Other	–	14,750	14,750
Total revenues	<u>2,332,755</u>	<u>2,323,403</u>	<u>(9,352)</u>
<b>Expenditures</b>			
Parks and recreation			
Current			
Personal services	1,465,784	1,473,503	(7,719)
Materials and supplies	481,115	478,444	2,671
Contractual services	614,825	624,253	(9,428)
Total expenditures	<u>2,561,724</u>	<u>2,576,200</u>	<u>(14,476)</u>
Revenues over (under) expenditures	<u>(228,969)</u>	<u>(252,797)</u>	<u>(23,828)</u>
<b>Other financing sources (uses)</b>			
Transfers in	312,000	312,000	–
Net change in fund balance	<u>\$ 83,031</u>	<u>59,203</u>	<u>\$ (23,828)</u>
Fund balance – January 1		989,336	
Fund balance – December 31		<u>\$ 1,048,539</u>	

**CITY OF SHOREVIEW, MINNESOTA**

Required Supplementary Information

**Statement 12**

Budgetary Comparison Schedule – Recreation Programs Fund

For The Year Ended December 31, 2013

	Original and Final Budget	Actual Amounts	Variance With Final Budget
Revenues			
Charges for services	\$ 1,400,926	\$ 1,385,140	\$ (15,786)
Earnings on investments	4,800	(26,234)	(31,034)
Other	–	121	121
Total revenues	<u>1,405,726</u>	<u>1,359,027</u>	<u>(46,699)</u>
Expenditures			
Parks and recreation			
Current			
Personal services	958,165	922,458	35,707
Materials and supplies	83,071	74,158	8,913
Contractual services	255,886	239,315	16,571
Total expenditures	<u>1,297,122</u>	<u>1,235,931</u>	<u>61,191</u>
Revenues over (under) expenditures	<u>108,604</u>	<u>123,096</u>	<u>14,492</u>
Other financing sources (uses)			
Transfers in	70,000	70,000	–
Transfers out	(80,000)	(80,000)	–
Total other financing sources (uses)	<u>(10,000)</u>	<u>(10,000)</u>	<u>–</u>
Net change in fund balance	<u>\$ 98,604</u>	<u>113,096</u>	<u>\$ 14,492</u>
Fund balance – January 1		<u>648,639</u>	
Fund balance – December 31		<u>\$ 761,735</u>	

**CITY OF SHOREVIEW, MINNESOTA**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 Note to RSI  
 December 31, 2013

**Note A LEGAL COMPLIANCE – BUDGETS**

The General Fund, Community Center Operations Fund, and Recreation Programs Fund budgets are legally adopted on a basis consistent with accounting principles generally accepted in the United States of America. The legal level of budgetary control is at the department level (general government, public safety, public works, parks and recreation, community development, and miscellaneous) for all funds. For the year ended December 31, 2013, the following is a list of funds whose departments exceeded budgeted appropriations:

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Over Budget</u>
Major funds			
General Fund			
Public Safety	\$ 2,882,693	\$ 3,069,177	\$ 186,484
Community Development	558,381	577,796	19,415
Community Center Operations Fund	2,561,724	2,576,200	14,476

The General Fund over expenditures were funded by greater than anticipated revenues. The Community Center Operations Fund over expenditures were funded by available fund balance.

**FINANCIAL SECTION –  
COMBINING AND INDIVIDUAL NONMAJOR FUND  
STATEMENTS AND SCHEDULES**



**COMBINING AND INDIVIDUAL NONMAJOR FUND STATEMENTS AND  
SCHEDULES**

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**NONMAJOR GOVERNMENTAL FUNDS**

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### SPECIAL REVENUE FUNDS

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted, committed, or assigned to expenditures for specified purposes other than debt service or capital projects.

### DEBT SERVICE FUNDS

Debt service funds are used to account for and report the accumulation of restricted, committed, or assigned resources for the payment of, interest, principal, and related costs on long-term debt.

### CAPITAL PROJECT FUNDS

Capital project funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

**CITY OF SHOREVIEW, MINNESOTA**

Combining Balance Sheet

Nonmajor Governmental Funds

December 31, 2013

**Statement 13**

	Special Revenue	Debt Service	Capital Project	Totals Nonmajor Governmental Funds
<b>Assets</b>				
Cash and investments	\$ 658,971	\$ 2,199,961	\$ 1,542,495	\$ 4,401,427
Cash with escrow agent	-	2,289,635	-	2,289,635
Accrued interest receivable	1,538	8,486	4,775	14,799
Accounts receivable	80,675	-	-	80,675
Loan receivable	-	-	148,892	148,892
Taxes receivable	3,779	14,664	39,292	57,735
Special assessments receivable	-	421,082	-	421,082
Interfund receivable	-	-	1,147,829	1,147,829
Due from other governmental units	7,226	-	457,801	465,027
Prepaid items	1,187	-	-	1,187
Property held for resale	-	-	115,000	115,000
<b>Total assets</b>	<b>\$ 753,376</b>	<b>\$ 4,933,828</b>	<b>\$ 3,456,084</b>	<b>\$ 9,143,288</b>
<b>Liabilities</b>				
Accounts payable	\$ 31,361	\$ 375	\$ 54,052	\$ 85,788
Salaries payable	2,849	-	-	2,849
Contracts payable	-	-	414,027	414,027
Interfund payable	-	-	369,131	369,131
Due to other governmental units	16	-	-	16
<b>Total liabilities</b>	<b>34,226</b>	<b>375</b>	<b>837,210</b>	<b>871,811</b>
<b>Deferred inflows of resources</b>				
Unavailable revenue – property taxes	1,011	4,437	40,267	45,715
Unavailable revenue – special assessments	-	415,489	-	415,489
<b>Total deferred inflows of resources</b>	<b>1,011</b>	<b>419,926</b>	<b>40,267</b>	<b>461,204</b>
<b>Fund balances</b>				
Nonspendable	1,187	-	-	1,187
Restricted	497,489	3,818,055	2,516,874	6,832,418
Committed	219,463	-	-	219,463
Assigned	-	695,472	61,733	757,205
<b>Total fund balances</b>	<b>718,139</b>	<b>4,513,527</b>	<b>2,578,607</b>	<b>7,810,273</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 753,376</b>	<b>\$ 4,933,828</b>	<b>\$ 3,456,084</b>	<b>\$ 9,143,288</b>

**CITY OF SHOREVIEW, MINNESOTA**

Combining Statement of Revenues, Expenditures, and  
 Changes in Fund Balances  
 Nonmajor Governmental Funds  
 For The Year Ended December 31, 2013

**Statement 14**

	Special Revenue	Debt Service	Capital Project	Totals Nonmajor Governmental Funds
<b>Revenues</b>				
Taxes				
General property taxes	\$ 134,166	\$ 498,259	\$ -	\$ 632,425
Tax increments	-	-	1,882,775	1,882,775
Franchise tax	313,361	-	-	313,361
Special assessments	-	115,885	-	115,885
Intergovernmental	68,210	1,256	841,263	910,729
Charges for services	501,113	-	125	501,238
Earnings on investments	(19,902)	(66,683)	(47,904)	(134,489)
Other	40,364	-	15,200	55,564
Total revenues	<u>1,037,312</u>	<u>548,717</u>	<u>2,691,459</u>	<u>4,277,488</u>
<b>Expenditures</b>				
Current				
General government	212,242	-	80,375	292,617
Public works	497,335	-	1,066,264	1,563,599
Community development	109,303	-	1,519,585	1,628,888
Capital outlay				
General government	120,922	-	32,173	153,095
Public works	-	-	1,926,478	1,926,478
Debt service				
Principal	-	1,395,000	-	1,395,000
Interest	-	329,902	-	329,902
Fiscal charges	-	126,892	-	126,892
Total expenditures	<u>939,802</u>	<u>1,851,794</u>	<u>4,624,875</u>	<u>7,416,471</u>
Revenues over (under) expenditures	<u>97,510</u>	<u>(1,303,077)</u>	<u>(1,933,416)</u>	<u>(3,138,983)</u>
<b>Other financing sources (uses)</b>				
Issuance of refunding debt	-	2,365,000	-	2,365,000
Bond issuance	-	166,168	309,856	476,024
Premium on debt issuance	-	122,571	18,956	141,527
Payment to refunded bond escrow agent	-	(135,000)	-	(135,000)
Sale of capital assets	-	-	2,380	2,380
Transfers in	10,000	1,168,109	1,638,482	2,816,591
Transfers out	(116,941)	(50,000)	(673,109)	(840,050)
Total other financing sources (uses)	<u>(106,941)</u>	<u>3,636,848</u>	<u>1,296,565</u>	<u>4,826,472</u>
Net change in fund balances	<u>(9,431)</u>	<u>2,333,771</u>	<u>(636,851)</u>	<u>1,687,489</u>
Fund balances – January 1	<u>727,570</u>	<u>2,179,756</u>	<u>3,215,458</u>	<u>6,122,784</u>
Fund balances – December 31	<u>\$ 718,139</u>	<u>\$ 4,513,527</u>	<u>\$ 2,578,607</u>	<u>\$ 7,810,273</u>

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## NONMAJOR SPECIAL REVENUE FUNDS

The City had the following special revenue funds during the year:

Recycling Fund – This fund was established to account for the City’s recycling program. Revenues are received through a joint powers agreement with Ramsey County and a user charge is assessed on property tax statements to all residential property. The City maintains a contract with a private hauler for the curbside collection of all recyclable materials.

Cable TV Fund – This fund was established to account for transactions associated with cable television in the City. Franchise fee revenue is restricted for cable television programs. Expenditures include the operation of the North Suburban Cable Commission and other costs relating to cable television activity.

Slice of Shoreview Event Fund – This fund was established to account for all costs, donations, sponsorships, and entrance fees associated with the Slice of Shoreview event.

Economic Development Authority – This fund was established to account for economic development programs and activities within the City of Shoreview. Minnesota Statutes restrict the use of revenues for economic development purposes.

Housing and Redevelopment Authority – This fund was established to account for housing and redevelopment programs and activities within the City of Shoreview. Minnesota Statutes restrict the use of revenues for housing and redevelopment purposes.

**CITY OF SHOREVIEW, MINNESOTA**

Subcombining Balance Sheet  
 Nonmajor Special Revenue Funds  
 December 31, 2013

**Statement 15**

	<u>Recycling</u>	<u>Cable TV</u>	<u>Slice of Shoreview Event</u>	<u>Economic Development Authority</u>	<u>Housing &amp; Redevelopment Authority</u>	<u>Total Nonmajor Special Revenue Funds</u>
<b>Assets</b>						
Cash and investments	\$ 227,720	\$ 97,152	\$ 65,622	\$ 194,768	\$ 73,709	\$ 658,971
Accrued interest receivable	293	403	196	493	153	1,538
Accounts receivable	–	80,675	–	–	–	80,675
Taxes receivable	–	–	–	1,718	2,061	3,779
Due from other governmental units	7,226	–	–	–	–	7,226
Prepaid items	75	1,048	–	25	39	1,187
<b>Total assets</b>	<b>\$ 235,314</b>	<b>\$ 179,278</b>	<b>\$ 65,818</b>	<b>\$ 197,004</b>	<b>\$ 75,962</b>	<b>\$ 753,376</b>
<b>Liabilities</b>						
Accounts payable	\$ 29,858	\$ 460	\$ 1	\$ 1,042	\$ –	\$ 31,361
Salaries payable	457	639	–	517	1,236	2,849
Due to other governmental units	16	–	–	–	–	16
<b>Total liabilities</b>	<b>30,331</b>	<b>1,099</b>	<b>1</b>	<b>1,559</b>	<b>1,236</b>	<b>34,226</b>
<b>Deferred inflows of resources</b>						
Unavailable revenue – property taxes	–	–	–	482	529	1,011
<b>Fund balances</b>						
Nonspendable	75	1,048	–	25	39	1,187
Restricted	204,908	23,485	–	194,938	74,158	497,489
Committed	–	153,646	65,817	–	–	219,463
<b>Total fund balances</b>	<b>204,983</b>	<b>178,179</b>	<b>65,817</b>	<b>194,963</b>	<b>74,197</b>	<b>718,139</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 235,314</b>	<b>\$ 179,278</b>	<b>\$ 65,818</b>	<b>\$ 197,004</b>	<b>\$ 75,962</b>	<b>\$ 753,376</b>

**CITY OF SHOREVIEW, MINNESOTA**

Subcombining Statement of Revenues, Expenditures, and  
Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For The Year Ended December 31, 2013

**Statement 16**

	<u>Recycling</u>	<u>Cable TV</u>	<u>Slice of Shoreview Event</u>	<u>Economic Development Authority</u>	<u>Housing &amp; Redevelopment Authority</u>	<u>Total Nonmajor Special Revenue Funds</u>
<b>Revenues</b>						
Taxes						
General property taxes	\$ -	\$ -	\$ -	\$ 59,653	\$ 74,513	\$ 134,166
Franchise tax	-	313,361	-	-	-	313,361
Intergovernmental	68,210	-	-	-	-	68,210
Charges for services	475,716	-	25,397	-	-	501,113
Earnings on investments	(3,790)	(5,218)	(2,537)	(6,377)	(1,980)	(19,902)
Other	-	2,174	38,190	-	-	40,364
Total revenues	<u>540,136</u>	<u>310,317</u>	<u>61,050</u>	<u>53,276</u>	<u>72,533</u>	<u>1,037,312</u>
<b>Expenditures</b>						
Current						
General government	-	144,899	67,343	-	-	212,242
Public works	497,335	-	-	-	-	497,335
Community development	-	-	-	48,797	60,506	109,303
Capital outlay						
General government	-	120,922	-	-	-	120,922
Total expenditures	<u>497,335</u>	<u>265,821</u>	<u>67,343</u>	<u>48,797</u>	<u>60,506</u>	<u>939,802</u>
Revenues over (under) expenditures	<u>42,801</u>	<u>44,496</u>	<u>(6,293)</u>	<u>4,479</u>	<u>12,027</u>	<u>97,510</u>
<b>Other financing sources (uses)</b>						
Transfers in	-	-	10,000	-	-	10,000
Transfers out	-	(116,941)	-	-	-	(116,941)
Total other financing sources (uses)	<u>-</u>	<u>(116,941)</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>(106,941)</u>
Net change in fund balances	42,801	(72,445)	3,707	4,479	12,027	(9,431)
Fund balances – January 1	162,182	250,624	62,110	190,484	62,170	727,570
Fund balances – December 31	<u>\$ 204,983</u>	<u>\$ 178,179</u>	<u>\$ 65,817</u>	<u>\$ 194,963</u>	<u>\$ 74,197</u>	<u>\$ 718,139</u>

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## NONMAJOR DEBT SERVICE FUNDS

The City had the following debt service funds during the year:

Refunding Certificates of Participation of 2011 – This fund was established to provide financing for the 2011 refunding lease.

G.O. Capital Improvement Plan Bonds of 2004 – This fund was established to provide financing for the 2004 Capital Improvement Plan Bonds. Revenue sources are from property tax collections.

G.O. Street Reconstruction Bonds of 2006 – This fund was established to provide financing for the 2006 Street Reconstruction Bonds. Revenue sources are from property tax collections.

G.O. Street Reconstruction Bonds of 2013 – This fund was established to provide financing for the 2013 Street Reconstruction Bonds. Revenue sources are from property tax collections.

G.O. Tax Increment Refunding Bonds of 2007 – This fund was established to provide financing for the 2007 Tax Increment Refunding Financing Bonds. Financing of this debt service will be from tax increments.

G.O. Tax Increment Refunding Bonds of 2004 – This fund was established to provide financing for the 2004 Tax Increment Refunding Financing Bonds. Financing of this debt service will be from tax increments.

G.O. Improvement Bonds of 2002 – This fund was established to provide financing for the 2002 Improvement Bonds. Revenue sources are from special assessments and property tax collections.

G.O. Improvement Bonds of 2004 – This fund was established to provide financing for the 2004 Improvement Bonds. Revenue sources are from special assessments and property tax collections.

G.O. Improvement Bonds of 2006 – This fund was established to provide financing for the 2006 Improvement Bonds. Revenue sources are from special assessments and property tax collections.

G.O. Improvement Bonds of 2008 – This fund was established to provide financing for the 2008 Improvement Bonds. Revenue sources are from special assessments and property tax collections.

G.O. Improvement Bonds of 2009 – This fund was established to provide financing for the 2009 Improvement Bonds. Revenue sources are from special assessments and property tax collections.

G.O. Improvement Bonds of 2010 – This fund was established to provide financing for the 2010 Improvement Bonds. Revenue sources are from special assessments and property tax collections.

G.O. Improvement Bonds of 2013 – This fund was established to provide financing for the 2013 Improvement Bonds. Revenue sources are from special assessments and property tax collections.

Closed Bonds – This fund is used to account for previous special assessment bond issues refunded with existing funds. Outstanding special assessment balances are used for related debt service expenditures (fiscal and paying agent fees) and temporary and permanent financing of various capital improvements.

**CITY OF SHOREVIEW, MINNESOTA**

Subcombining Balance Sheet  
 Nonmajor Debt Service Funds  
 December 31, 2013

**Statement 17**  
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	Refunding Certificates of Participation of 2011	G.O. Capital Improvement Plan Bonds of 2004	G.O. Street Reconstruction Bonds of 2006	G.O. Street Reconstruction Bonds of 2013
<b>Assets</b>				
Cash and investments	\$ 490,445	\$ 134,804	\$ 203,491	\$ 194,374
Restricted cash with escrow agent	-	766,710	1,422,027	-
Accrued interest receivable	2,373	1,012	1,824	161
Taxes receivable				
Delinquent	-	1,300	2,103	696
Due from county	-	2,911	4,724	2,677
Special assessments receivable				
Delinquent	-	-	-	-
Deferred	-	-	-	-
Special deferred	-	-	-	-
Due from county	-	-	-	-
Total assets	<u>\$ 492,818</u>	<u>\$ 906,737</u>	<u>\$ 1,634,169</u>	<u>\$ 197,908</u>
<b>Liabilities</b>				
Accounts payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Deferred inflows of resources</b>				
Unavailable revenue – property taxes	-	1,300	2,103	696
Unavailable revenue – special assessments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>1,300</u>	<u>2,103</u>	<u>696</u>
<b>Fund balances</b>				
Restricted	492,818	905,437	1,632,066	197,212
Assigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>492,818</u>	<u>905,437</u>	<u>1,632,066</u>	<u>197,212</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 492,818</u>	<u>\$ 906,737</u>	<u>\$ 1,634,169</u>	<u>\$ 197,908</u>

**CITY OF SHOREVIEW, MINNESOTA**

Subcombining Balance Sheet  
 Nonmajor Debt Service Funds  
 December 31, 2013

	G.O. Tax Increment Refunding Bonds of 2007	G.O. Improvement Bonds of 2002	G.O. Improvement Bonds of 2004	G.O. Improvement Bonds of 2006
<b>Assets</b>				
Cash and investments	\$ 4,416	\$ 33,707	\$ 106,807	\$ 7,337
Restricted cash with escrow agent	-	-	-	100,898
Accrued interest receivable	-	-	311	114
Taxes receivable				
Delinquent	-	172	-	32
Due from county	-	(43)	-	(8)
Special assessments receivable				
Delinquent	-	-	-	241
Deferred	-	-	35,645	23,378
Special deferred	-	-	-	1,381
Due from county	-	388	-	-
Total assets	<u>\$ 4,416</u>	<u>\$ 34,224</u>	<u>\$ 142,763</u>	<u>\$ 133,373</u>
<b>Liabilities</b>				
Accounts payable	<u>\$ 375</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Deferred inflows of resources</b>				
Unavailable revenue – property taxes	-	172	-	32
Unavailable revenue – special assessments	-	-	35,645	25,000
Total deferred inflows of resources	<u>-</u>	<u>172</u>	<u>35,645</u>	<u>25,032</u>
<b>Fund balances</b>				
Restricted	4,041	34,052	107,118	108,341
Assigned	-	-	-	-
Total fund balances	<u>4,041</u>	<u>34,052</u>	<u>107,118</u>	<u>108,341</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 4,416</u>	<u>\$ 34,224</u>	<u>\$ 142,763</u>	<u>\$ 133,373</u>

G.O. Improvement Bonds of 2008	G.O. Improvement Bonds of 2009	G.O. Improvement Bonds of 2010	G.O. Improvement Bonds of 2013	Closed Bonds	Total Nonmajor Debt Service Funds
\$ 131,670	\$ 77,260	\$ 56,838	\$ 67,757	\$ 691,055	\$ 2,199,961
-	-	-	-	-	2,289,635
334	182	140	-	2,035	8,486
-	-	-	-	134	4,437
-	-	-	-	(34)	10,227
-	561	236	-	1,253	2,291
125,975	116,623	70,962	-	31,478	404,061
7,756	-	-	-	-	9,137
475	695	1,619	-	2,416	5,593
<u>\$ 266,210</u>	<u>\$ 195,321</u>	<u>\$ 129,795</u>	<u>\$ 67,757</u>	<u>\$ 728,337</u>	<u>\$ 4,933,828</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 375</u>
-	-	-	-	134	4,437
133,731	117,184	71,198	-	32,731	415,489
<u>133,731</u>	<u>117,184</u>	<u>71,198</u>	<u>-</u>	<u>32,865</u>	<u>419,926</u>
132,479	78,137	58,597	67,757	-	3,818,055
-	-	-	-	695,472	695,472
<u>132,479</u>	<u>78,137</u>	<u>58,597</u>	<u>67,757</u>	<u>695,472</u>	<u>4,513,527</u>
<u>\$ 266,210</u>	<u>\$ 195,321</u>	<u>\$ 129,795</u>	<u>\$ 67,757</u>	<u>\$ 728,337</u>	<u>\$ 4,933,828</u>

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**CITY OF SHOREVIEW, MINNESOTA**

Subcombining Statement of Revenues, Expenditures, and  
 Changes in Fund Balances  
 Nonmajor Debt Service Funds  
 For The Year Ended December 31, 2013

**Statement 18**  
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	Refunding Certificates of Participation of 2011	G.O. Capital Improvement Plan Bonds of 2004	G.O. Street Reconstruction Bonds of 2006	G.O. Street Reconstruction Bonds of 2013
<b>Revenues</b>				
General property taxes	\$ -	\$ 142,231	\$ 230,751	\$ 125,139
Special assessments	-	-	-	-
Intergovernmental	-	-	-	-
Earnings on investments	(22,944)	(814)	(808)	(2,077)
Total revenues	<u>(22,944)</u>	<u>141,417</u>	<u>229,943</u>	<u>123,062</u>
<b>Expenditures</b>				
Debt service				
Principal	345,000	105,000	155,000	-
Interest	124,215	41,322	83,897	-
Fiscal Charges	2,000	15,113	27,446	27,783
Total expenditures	<u>471,215</u>	<u>161,435</u>	<u>266,343</u>	<u>27,783</u>
Revenues over (under) expenditures	<u>(494,159)</u>	<u>(20,018)</u>	<u>(36,400)</u>	<u>95,279</u>
<b>Other financing sources (uses)</b>				
Issuance of refunding debt	-	750,000	1,380,000	-
Bond issuance	-	-	-	51,933
Premium on debt issuance	-	38,220	75,462	-
Payment to refunded bond escrow agent	-	-	-	-
Transfers in	445,000	-	-	50,000
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>445,000</u>	<u>788,220</u>	<u>1,455,462</u>	<u>101,933</u>
Net change in fund balances	<u>(49,159)</u>	<u>768,202</u>	<u>1,419,062</u>	<u>197,212</u>
Fund balances – January 1	541,977	137,235	213,004	-
Fund balances – December 31	<u>\$ 492,818</u>	<u>\$ 905,437</u>	<u>\$ 1,632,066</u>	<u>\$ 197,212</u>

**CITY OF SHOREVIEW, MINNESOTA**

Subcombining Statement of Revenues, Expenditures, and  
 Changes in Fund Balances  
 Nonmajor Debt Service Funds  
 For The Year Ended December 31, 2013

	G.O. Tax Increment Refunding Bonds of 2007	G.O. Tax Increment Refunding Bonds of 2004	G.O. Improvement Bonds of 2002	G.O. Improvement Bonds of 2004
<b>Revenues</b>				
General property taxes	\$ -	\$ -	\$ 70	\$ -
Special assessments	-	-	16,868	13,003
Intergovernmental	-	-	-	-
Earnings on investments	(13)	-	(946)	(4,023)
Total revenues	<u>(13)</u>	<u>-</u>	<u>15,992</u>	<u>8,980</u>
<b>Expenditures</b>				
Debt service				
Principal	260,000	370,000	50,000	45,000
Interest	38,000	6,290	2,700	5,332
Fiscal Charges	375	-	155	2,750
Total expenditures	<u>298,375</u>	<u>376,290</u>	<u>52,855</u>	<u>53,082</u>
Revenues over (under) expenditures	<u>(298,388)</u>	<u>(376,290)</u>	<u>(36,863)</u>	<u>(44,102)</u>
<b>Other financing sources (uses)</b>				
Issuance of refunding debt	-	-	-	135,000
Bond issuance	-	-	-	-
Premium on debt issuance	-	-	-	3,999
Payment to refunded bond escrow agent	-	-	-	(135,000)
Transfers in	298,000	375,109	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>298,000</u>	<u>375,109</u>	<u>-</u>	<u>3,999</u>
Net change in fund balances	<u>(388)</u>	<u>(1,181)</u>	<u>(36,863)</u>	<u>(40,103)</u>
Fund balances – January 1	4,429	1,181	70,915	147,221
Fund balances – December 31	<u>\$ 4,041</u>	<u>\$ -</u>	<u>\$ 34,052</u>	<u>\$ 107,118</u>

G.O. Improvement Bonds of 2006	G.O. Improvement Bonds of 2008	G.O. Improvement Bonds of 2009	G.O. Improvement Bonds of 2010	G.O. Improvement Bonds of 2013	Closed Bonds	Total Nonmajor Debt Service Funds
\$ 13	\$ -	\$ -	\$ -	\$ -	\$ 55	\$ 498,259
6,431	23,792	23,281	13,883	-	18,627	115,885
-	-	-	1,256	-	-	1,256
(31)	(4,326)	(2,354)	(1,814)	(192)	(26,341)	(66,683)
<u>6,413</u>	<u>19,466</u>	<u>20,927</u>	<u>13,325</u>	<u>(192)</u>	<u>(7,659)</u>	<u>548,717</u>
15,000	20,000	20,000	10,000	-	-	1,395,000
5,435	12,000	6,962	3,749	-	-	329,902
2,101	40	71	22	46,286	2,750	126,892
<u>22,536</u>	<u>32,040</u>	<u>27,033</u>	<u>13,771</u>	<u>46,286</u>	<u>2,750</u>	<u>1,851,794</u>
<u>(16,123)</u>	<u>(12,574)</u>	<u>(6,106)</u>	<u>(446)</u>	<u>(46,478)</u>	<u>(10,409)</u>	<u>(1,303,077)</u>
100,000	-	-	-	-	-	2,365,000
-	-	-	-	114,235	-	166,168
4,890	-	-	-	-	-	122,571
-	-	-	-	-	-	(135,000)
-	-	-	-	-	-	1,168,109
-	-	-	-	-	(50,000)	(50,000)
<u>104,890</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>114,235</u>	<u>(50,000)</u>	<u>3,636,848</u>
88,767	(12,574)	(6,106)	(446)	67,757	(60,409)	2,333,771
19,574	145,053	84,243	59,043	-	755,881	2,179,756
<u>\$ 108,341</u>	<u>\$ 132,479</u>	<u>\$ 78,137</u>	<u>\$ 58,597</u>	<u>\$ 67,757</u>	<u>\$ 695,472</u>	<u>\$ 4,513,527</u>

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## NONMAJOR CAPITAL PROJECT FUNDS

The City had the following capital project funds during the year:

Tax Increment Financing District #1 Deluxe – This fund accounts for the receipt and use of tax increment collections in development district number two.

Tax Increment Financing District #2 City Center – This fund accounts for the receipt and use of tax increment collections in development district number two.

Tax Increment Financing District #4 Scandia Shores – This fund is used to account for the receipt and use of tax increment collections in tax increment district number four within development district number two.

Tax Increment Financing District #5 Shoreview Mall and Summer House Senior Housing – This fund is used to account for the receipt and use of tax increment collections in tax increment district number five within development district number two.

Tax Increment Financing District #6 Gateway – This fund is used to account for the receipt and use of tax increment collections in tax increment district number six within development district number two.

The following city improvement project funds are temporary capital project funds which are setup to account for construction costs and capital purchases indicated by the title of each fund.

- Capital Acquisition
- Gaston/Grove St. Albans Water Main Extension
- Demar Floral Rehabilitation
- Red Fox Road Reconstruction
- County Road D Reconstruction
- Cottage Place Reconstruction

**CITY OF SHOREVIEW, MINNESOTA**

Subcombining Balance Sheet  
 Nonmajor Capital Project Funds  
 December 31, 2013

	Tax Increment Financing				
	District #1 Deluxe	District #2 City Center	District #4 Scandia Shores	District #5 Shoreview Mall and Summer House Senior Housing	District #6 Gateway
<b>Assets</b>					
Cash and investments	\$ 576,299	\$ 146,103	\$ 780	\$ 377,118	\$ 12,540
Accrued interest receivable	3,899	202	-	674	-
Loan receivable	148,892	-	-	-	-
Taxes receivable					
Delinquent	40,267	-	-	-	-
Due from county	(975)	-	-	-	-
Interfund receivable	1,147,829	-	-	-	-
Due from other governmental units	-	-	-	-	-
Property held for resale	115,000	-	-	-	-
<b>Total assets</b>	<b>\$ 2,031,211</b>	<b>\$ 146,305</b>	<b>\$ 780</b>	<b>\$ 377,792</b>	<b>\$ 12,540</b>
<b>Liabilities</b>					
Accounts payable	\$ 11,487	\$ -	\$ -	\$ -	\$ -
Contracts payable	-	-	-	-	-
Interfund payable	-	-	-	-	-
<b>Total liabilities</b>	<b>11,487</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred inflows of resources</b>					
Unavailable revenue - property taxes	40,267	-	-	-	-
<b>Fund balances</b>					
Restricted	1,979,457	146,305	780	377,792	12,540
Assigned	-	-	-	-	-
<b>Total fund balances</b>	<b>1,979,457</b>	<b>146,305</b>	<b>780</b>	<b>377,792</b>	<b>12,540</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 2,031,211</b>	<b>\$ 146,305</b>	<b>\$ 780</b>	<b>\$ 377,792</b>	<b>\$ 12,540</b>

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Capital Acquisition	Gaston/Grove St. Albans Water Main Extension	Red Fox Road Reconstruction	County Road D Reconstruction	Cottage Place Reconstruction	Total Nonmajor Capital Project Funds
\$ 59,724	\$ 9,685	\$ 334,001	\$ -	\$ 26,245	\$ 1,542,495
-	-	-	-	-	4,775
-	-	-	-	-	148,892
-	-	-	-	-	40,267
-	-	-	-	-	(975)
-	-	-	-	-	1,147,829
-	-	-	457,801	-	457,801
-	-	-	-	-	115,000
<u>\$ 59,724</u>	<u>\$ 9,685</u>	<u>\$ 334,001</u>	<u>\$ 457,801</u>	<u>\$ 26,245</u>	<u>\$ 3,456,084</u>
\$ 16,457	\$ -	\$ 17,844	\$ 8,264	\$ -	\$ 54,052
-	5,362	306,663	80,406	21,596	414,027
-	-	-	369,131	-	369,131
<u>16,457</u>	<u>5,362</u>	<u>324,507</u>	<u>457,801</u>	<u>21,596</u>	<u>837,210</u>
-	-	-	-	-	40,267
-	-	-	-	-	2,516,874
43,267	4,323	9,494	-	4,649	61,733
<u>43,267</u>	<u>4,323</u>	<u>9,494</u>	<u>-</u>	<u>4,649</u>	<u>2,578,607</u>
<u>\$ 59,724</u>	<u>\$ 9,685</u>	<u>\$ 334,001</u>	<u>\$ 457,801</u>	<u>\$ 26,245</u>	<u>\$ 3,456,084</u>

**CITY OF SHOREVIEW, MINNESOTA**  
Subcombining Statement of Revenues, Expenditures, and  
Changes in Fund Balances  
Nonmajor Capital Project Funds  
For The Year Ended December 31, 2013

	Tax Increment Financing				
	District #1 Deluxe	District #2 City Center	District #4 Scandia Shores	District #5 Shoreview Mall and Summer House Senior Housing	District #6 Gateway
<b>Revenues</b>					
Taxes					
Tax increments	\$ 959,377	\$ 534,760	\$ 105,210	\$ 183,842	\$ 99,586
Intergovernmental	-	-	-	-	-
Charges for services	125	-	-	-	-
Earnings on investments	(35,928)	(2,612)	(28)	(8,722)	(453)
Other	-	-	-	-	-
<b>Total revenues</b>	<u>923,574</u>	<u>532,148</u>	<u>105,182</u>	<u>175,120</u>	<u>99,133</u>
<b>Expenditures</b>					
Current					
General government	-	-	-	-	-
Public works	-	-	-	-	-
Community development	1,310,842	2,939	105,210	1,008	99,586
Capital outlay					
General government	-	-	-	-	-
Public works	300,000	-	-	-	-
<b>Total expenditures</b>	<u>1,610,842</u>	<u>2,939</u>	<u>105,210</u>	<u>1,008</u>	<u>99,586</u>
<b>Revenues over (under) expenditures</b>	<u>(687,268)</u>	<u>529,209</u>	<u>(28)</u>	<u>174,112</u>	<u>(453)</u>
<b>Other financing sources (uses)</b>					
Bond issuance	-	-	-	-	-
Premium on debt issuance	-	-	-	-	-
Sale of capital assets	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	(673,109)	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(673,109)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>(687,268)</u>	<u>(143,900)</u>	<u>(28)</u>	<u>174,112</u>	<u>(453)</u>
Fund balances – January 1	2,666,725	290,205	808	203,680	12,993
Fund balances – December 31	<u>\$ 1,979,457</u>	<u>\$ 146,305</u>	<u>\$ 780</u>	<u>\$ 377,792</u>	<u>\$ 12,540</u>

Statement 20

Capital Acquisition	Gaston/Grove St. Albans Water Main Extension	Demar Floral Rehabilitation	Red Fox Road Reconstruction	County Road D Reconstruction	Cottage Place Reconstruction	Total Nonmajor Capital Project Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,882,775
-	-	-	-	841,263	-	841,263
-	-	-	-	-	-	125
(161)	-	-	-	-	-	(47,904)
-	-	-	15,200	-	-	15,200
<u>(161)</u>	<u>-</u>	<u>-</u>	<u>15,200</u>	<u>841,263</u>	<u>-</u>	<u>2,691,459</u>
80,375	-	-	-	-	-	80,375
-	-	-	225,000	841,264	-	1,066,264
-	-	-	-	-	-	1,519,585
32,173	-	-	-	-	-	32,173
-	98,000	38,824	537,453	752,943	199,258	1,926,478
<u>112,548</u>	<u>98,000</u>	<u>38,824</u>	<u>762,453</u>	<u>1,594,207</u>	<u>199,258</u>	<u>4,624,875</u>
<u>(112,709)</u>	<u>(98,000)</u>	<u>(38,824)</u>	<u>(747,253)</u>	<u>(752,944)</u>	<u>(199,258)</u>	<u>(1,933,416)</u>
-	98,448	-	141,643	48,624	21,141	309,856
-	3,875	-	10,104	3,469	1,508	18,956
2,380	-	-	-	-	-	2,380
112,549	-	38,824	605,000	700,851	181,258	1,638,482
-	-	-	-	-	-	(673,109)
<u>114,929</u>	<u>102,323</u>	<u>38,824</u>	<u>756,747</u>	<u>752,944</u>	<u>203,907</u>	<u>1,296,565</u>
2,220	4,323	-	9,494	-	4,649	(636,851)
41,047	-	-	-	-	-	3,215,458
<u>\$ 43,267</u>	<u>\$ 4,323</u>	<u>\$ -</u>	<u>\$ 9,494</u>	<u>\$ -</u>	<u>\$ 4,649</u>	<u>\$ 2,578,607</u>

**CITY OF SHOREVIEW, MINNESOTA**

Nonmajor Special Revenue Fund – Recycling  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance – Budget and Actual  
 For The Year Ended December 31, 2013

**Statement 21**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
Revenues			
Intergovernmental	\$ 67,000	\$ 68,210	\$ 1,210
Charges for services			
Recycling fees	480,980	475,716	(5,264)
Earnings on investments	–	(3,790)	(3,790)
Total revenues	<u>547,980</u>	<u>540,136</u>	<u>(7,844)</u>
Expenditures			
Public works			
Current			
Personal services	25,546	26,367	(821)
Materials and supplies	1,200	681	519
Contractual services	477,420	470,287	7,133
Total expenditures	<u>504,166</u>	<u>497,335</u>	<u>6,831</u>
Net change in fund balances	<u>\$ 43,814</u>	<u>42,801</u>	<u>\$ (1,013)</u>
Fund balances – January 1		<u>162,182</u>	
Fund balances – December 31		<u>\$ 204,983</u>	

**CITY OF SHOREVIEW, MINNESOTA**

Nonmajor Special Revenue Fund – Cable TV  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance – Budget and Actual  
 For The Year Ended December 31, 2013

**Statement 22**

	Original and Final Budget	Actual Amounts	Variance With Final Budget
<b>Revenues</b>			
Taxes			
Franchise tax	\$ 288,400	\$ 313,361	\$ 24,961
Earnings on investments	1,800	(5,218)	(7,018)
Other	1,200	2,174	974
Total revenues	<u>291,400</u>	<u>310,317</u>	<u>18,917</u>
<b>Expenditures</b>			
General government			
Current			
Personal services	33,688	31,995	1,693
Materials and supplies	500	–	500
Contractual services	119,210	112,904	6,306
Capital outlay	–	120,922	(120,922)
Total expenditures	<u>153,398</u>	<u>265,821</u>	<u>(112,423)</u>
Revenues over (under) expenditures	<u>138,002</u>	<u>44,496</u>	<u>(93,506)</u>
<b>Other financing sources (uses)</b>			
Transfers out	(116,920)	(116,941)	(21)
Net change in fund balances	<u>\$ 21,082</u>	<u>(72,445)</u>	<u>\$ (93,527)</u>
Fund balances – January 1		<u>250,624</u>	
Fund balances – December 31		<u>\$ 178,179</u>	

**CITY OF SHOREVIEW, MINNESOTA**

Nonmajor Special Revenue Fund – Slice of Shoreview Event  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance – Budget and Actual  
 For The Year Ended December 31, 2013

**Statement 23**

	Original and Final Budget	Actual Amounts	Variance With Final Budget
Revenues			
Charges for services	\$ 23,000	\$ 25,397	\$ 2,397
Earnings on investments	–	(2,537)	(2,537)
Contributions	25,000	38,190	13,190
Total revenues	<u>48,000</u>	<u>61,050</u>	<u>13,050</u>
Expenditures			
General government			
Current			
Materials and supplies	3,000	1,161	1,839
Contractual services	55,200	66,182	(10,982)
Total expenditures	<u>58,200</u>	<u>67,343</u>	<u>(9,143)</u>
Revenues over (under) expenditures	<u>(10,200)</u>	<u>(6,293)</u>	<u>3,907</u>
Other financing sources (uses)			
Transfer in	10,000	10,000	–
Net change in fund balances	<u>\$ (200)</u>	<u>3,707</u>	<u>\$ 3,907</u>
Fund balances – January 1		<u>62,110</u>	
Fund balances – December 31		<u>\$ 65,817</u>	

**CITY OF SHOREVIEW, MINNESOTA**

Nonmajor Special Revenue Fund – Economic Development Authority  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance – Budget and Actual  
 For The Year Ended December 31, 2013

**Statement 24**

	Original and Final Budget	Actual Amounts	Variance With Final Budget
<b>Revenues</b>			
General property taxes			
Current	\$ 60,000	\$ 59,606	\$ (394)
Other	–	47	47
Total general property taxes	<u>60,000</u>	<u>59,653</u>	<u>(347)</u>
Earnings on investments	<u>–</u>	<u>(6,377)</u>	<u>(6,377)</u>
Total revenues	<u>60,000</u>	<u>53,276</u>	<u>(6,724)</u>
<b>Expenditures</b>			
Community development			
Current			
Personal services	22,807	25,963	(3,156)
Supplies	2,000	2,336	(336)
Contractual services	<u>27,740</u>	<u>20,498</u>	<u>7,242</u>
Total expenditures	<u>52,547</u>	<u>48,797</u>	<u>3,750</u>
Net change in fund balance	<u>\$ 7,453</u>	<u>4,479</u>	<u>\$ (2,974)</u>
Fund balances – January 1		<u>190,484</u>	
Fund balances – December 31		<u>\$ 194,963</u>	

**CITY OF SHOREVIEW, MINNESOTA**

Nonmajor Special Revenue Fund – Housing and Redevelopment Authority  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance – Budget and Actual  
 For The Year Ended December 31, 2013

**Statement 25**

	Original and Final Budget	Actual Amounts	Variance With Final Budget
<b>Revenues</b>			
General property taxes			
Current	\$ 75,000	\$ 74,458	\$ (542)
Other	–	55	55
Total general property taxes	<u>75,000</u>	<u>74,513</u>	<u>(487)</u>
Earnings on investments	–	(1,980)	(1,980)
Total revenues	<u>75,000</u>	<u>72,533</u>	<u>(2,467)</u>
<b>Expenditures</b>			
Community development			
Current			
Personal services	37,807	47,289	(9,482)
Contractual services	32,000	13,217	18,783
Total expenditures	<u>69,807</u>	<u>60,506</u>	<u>9,301</u>
Net change in fund balance	<u>\$ 5,193</u>	<u>12,027</u>	<u>\$ 6,834</u>
Fund balances – January 1		<u>62,170</u>	
Fund balances – December 31		<u>\$ 74,197</u>	

## INTERNAL SERVICE FUNDS

The internal service funds were established to account for the financing of goods or services provided by one department to other departments of the City on a cost-reimbursement basis. Records are maintained on the accrual basis of accounting.

Short-Term Disability Self-Insurance Fund – This fund accounts for the receipt of monthly premiums paid by employees and costs incurred in providing short-term disability insurance to employees on a self-insured basis.

Liability Claims Fund – This fund was established to account for losses in the City's general package insurance under the deductible amount of \$25,000 per loss/\$75,000 annual limit.

Central Garage Fund – This fund accounts for the operation of the Service Center and vehicle maintenance and replacement. Rental rates and user fees are charged to various departments for the use of the facility and equipment.

**CITY OF SHOREVIEW, MINNESOTA**

Combining Statement of Net Position

Internal Service Funds

December 31, 2013

**Statement 26**

	Short-Term Disability Self-Insurance	Liability Claims	Central Garage	Total
<b>Assets</b>				
Current assets				
Cash and investments	\$ 41,144	\$ 228,265	\$ 1,164,652	\$ 1,434,061
Accrued interest receivable	113	586	2,749	3,448
Accounts receivable	-	-	11,249	11,249
Taxes receivable	-	-	5,380	5,380
Due from other governmental units	-	-	32,797	32,797
Prepaid items	-	-	2,462	2,462
Total current assets	<u>41,257</u>	<u>228,851</u>	<u>1,219,289</u>	<u>1,489,397</u>
Noncurrent assets				
Capital assets				
Land	-	-	36,293	36,293
Buildings and structures	-	-	6,929,379	6,929,379
Machinery and equipment	-	-	5,215,132	5,215,132
Total capital assets	<u>-</u>	<u>-</u>	<u>12,180,804</u>	<u>12,180,804</u>
Less accumulated depreciation	<u>-</u>	<u>-</u>	<u>(3,736,223)</u>	<u>(3,736,223)</u>
Total capital assets (net of accumulated depreciation)	<u>-</u>	<u>-</u>	<u>8,444,581</u>	<u>8,444,581</u>
Total assets	<u>41,257</u>	<u>228,851</u>	<u>9,663,870</u>	<u>9,933,978</u>
<b>Liabilities</b>				
Current liabilities				
Accounts payable	-	972	76,787	77,759
Salaries payable	-	-	4,308	4,308
Accrued bond interest payable	-	-	100,977	100,977
Due to other governmental units	-	-	2,539	2,539
Compensated absences payable	-	-	489	489
General obligation bonds payable	-	-	245,000	245,000
Total current liabilities	<u>-</u>	<u>972</u>	<u>430,100</u>	<u>431,072</u>
Noncurrent liabilities				
Compensated absences payable (net of current portion)	-	-	4,826	4,826
General obligation bonds payable (net of current portion)	<u>-</u>	<u>-</u>	<u>5,025,000</u>	<u>5,025,000</u>
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>5,029,826</u>	<u>5,029,826</u>
Total liabilities	<u>-</u>	<u>972</u>	<u>5,459,926</u>	<u>5,460,898</u>
<b>Net position</b>				
Net investment in capital assets	-	-	3,174,581	3,174,581
Unrestricted	41,257	227,879	1,029,363	1,298,499
Total net position	<u>\$ 41,257</u>	<u>\$ 227,879</u>	<u>\$ 4,203,944</u>	<u>\$ 4,473,080</u>

**CITY OF SHOREVIEW, MINNESOTA**

Combining Statement of Revenues, Expenses, and  
Changes in Fund Net Position  
Internal Service Funds  
For The Year Ended December 31, 2013

**Statement 27**

	Short-Term Disability Self-Insurance	Liability Claims	Central Garage	Total
Operating revenues				
Customer billings	\$ 7,540	\$ —	\$ 1,207,379	\$ 1,214,919
Operating expenses				
Personal services	4,416	—	193,852	198,268
Materials and supplies	—	—	272,581	272,581
Contractual services	—	19,874	53,942	73,816
Utilities	—	—	25,853	25,853
Insurance	—	—	21,951	21,951
Depreciation	—	—	641,112	641,112
Total operating expenses	4,416	19,874	1,209,291	1,233,581
Operating income (loss)	3,124	(19,874)	(1,912)	(18,662)
Nonoperating revenues (expenses)				
General property taxes	—	—	183,111	183,111
Earnings on investments	(1,471)	(7,582)	(35,588)	(44,641)
Gain on sale of capital assets	—	—	56,763	56,763
Other	—	33,053	6,068	39,121
Interest	—	—	(242,702)	(242,702)
Fiscal charges	—	—	(425)	(425)
Total nonoperating revenues (expenses)	(1,471)	25,471	(32,773)	(8,773)
Income (loss) before contributions and transfers	1,653	5,597	(34,685)	(27,435)
Capital contributions	—	—	78,711	78,711
Transfers				
Transfer in	—	—	200,900	200,900
Transfer out	—	—	(4,802)	(4,802)
Total transfers	—	—	196,098	196,098
Change in net position	1,653	5,597	240,124	247,374
Net position – January 1	39,604	222,282	3,963,820	4,225,706
Net position – December 31	\$ 41,257	\$ 227,879	\$ 4,203,944	\$ 4,473,080

**CITY OF SHOREVIEW, MINNESOTA**

Combining Statement of Cash Flows

Internal Service Funds

For The Year Ended December 31, 2013

**Statement 28**

	Short-Term Disability Self-Insurance	Liability Claims	Central Garage	Total
<b>Cash flows from operating activities</b>				
Receipts from interfund services provided	\$ 7,540	\$ -	\$ 1,207,379	\$ 1,214,919
Payments to suppliers	-	(18,902)	(321,053)	(339,955)
Payments to employees	(4,988)	-	(192,259)	(197,247)
Miscellaneous revenue	-	33,053	6,068	39,121
Net cash flows from operating activities	<u>2,552</u>	<u>14,151</u>	<u>700,135</u>	<u>716,838</u>
<b>Cash flows from noncapital financing activities</b>				
Transfers to other funds	-	-	(4,802)	(4,802)
<b>Cash flows from capital and related financing activities</b>				
Proceeds from sales of capital assets	-	-	98,700	98,700
Acquisition and construction of capital assets	-	-	(691,976)	(691,976)
Receipts from taxpayers	-	-	182,178	182,178
Transfers from other funds	-	-	200,900	200,900
Capital contributions	-	-	81,881	81,881
Principal paid on capital debt	-	-	(245,000)	(245,000)
Interest and paying agent fees on capital debt	-	-	(244,914)	(244,914)
Net cashflows from capital and related financing activities	<u>-</u>	<u>-</u>	<u>(618,231)</u>	<u>(618,231)</u>
<b>Cash flows from investing activities</b>				
Earnings on investments	(1,584)	(7,489)	(35,083)	(44,156)
Net change in cash and cash equivalents	968	6,662	42,019	49,649
Cash and cash equivalents – January 1	40,176	221,603	1,122,633	1,384,412
Cash and cash equivalents – December 31	<u>\$ 41,144</u>	<u>\$ 228,265</u>	<u>\$ 1,164,652</u>	<u>\$ 1,434,061</u>
<b>Reconciliation of operating income (loss) to net cash flows from operating activities</b>				
Operating income (loss)	\$ 3,124	\$ (19,874)	\$ (1,912)	\$ (18,662)
<b>Adjustments to reconcile operating income (loss) to net cash flows from operating activities</b>				
Miscellaneous revenue	-	33,053	6,068	39,121
Depreciation	-	-	641,112	641,112
Decrease (increase) in receivables	-	-	(10,649)	(10,649)
Decrease (increase) in prepaid items	-	-	182	182
Increase (decrease) in payables	(572)	972	65,334	65,734
Total adjustments	<u>(572)</u>	<u>34,025</u>	<u>702,047</u>	<u>735,500</u>
Net cash flows from operating activities	<u>\$ 2,552</u>	<u>\$ 14,151</u>	<u>\$ 700,135</u>	<u>\$ 716,838</u>
<b>Noncash investing, capital, and financing activities</b>				
Due from other governmental units –				
Capital contribution	\$ -	\$ -	\$ (3,170)	\$ (3,170)
Taxes receivable	-	-	933	933

## FIDUCIARY FUNDS

Agency funds account for assets held by a governmental unit in a custodial capacity as an agent for individuals, private organizations, other governmental units, and other funds. The City has the following agency fund:

Hockey Association – This fund accounts for the temporary investment of assets retained by the City pursuant to agreements between the communities of Shoreview, Arden Hills, Mounds View, and New Brighton, and the state of Minnesota Amateur Sports Commission regarding the purchase of ice time at the National Sports Center Ice Arena located in the City of Blaine.

**CITY OF SHOREVIEW, MINNESOTA**

Statement of Changes in Assets and Liabilities

Agency Fund

For The Year Ended December 31, 2013

**Statement 29**

	Agency			
	Balance – January 1, 2013	Additions	Deletions	Balance – December 31, 2013
<b>Hockey Association</b>				
<b>Assets</b>				
Cash and investments	\$ 407,369	\$ 5,031	\$ 29,828	\$ 382,572
Accrued interest receivable	42	41	42	41
Total assets	<u>\$ 407,411</u>	<u>\$ 5,072</u>	<u>\$ 29,870</u>	<u>\$ 382,613</u>
<b>Liabilities</b>				
Deposits payable	<u>\$ 407,411</u>	<u>\$ 5,072</u>	<u>\$ 29,870</u>	<u>\$ 382,613</u>

**FINANCIAL SECTION –  
SUPPLEMENTARY FINANCIAL INFORMATION**



**SUPPLEMENTARY FINANCIAL INFORMATION**

**CITY OF SHOREVIEW, MINNESOTA**  
Combining Schedule of Indebtedness  
December 31, 2013

	Interest Rate	Issue Date	Maturity Date
Bonded indebtedness			
G.O. improvement bonds			
2002 Improvement Bonds	2.50–3.65%	11/01/2002	02/01/2014
2004 Improvement Bonds	1.25–3.75%	02/01/2004	02/01/2016
2006 Improvement Bonds	3.25–4.00%	03/01/2006	02/01/2022
2008 Improvement Bonds	3.50–4.375%	11/15/2008	02/01/2025
2009 Improvement Bonds	3.00–4.00%	11/15/2009	02/01/2021
2010 Improvement Bonds	1.00–4.00%	12/16/2010	02/01/2022
2013 Refunding Improvement Bonds	2.00%	03/06/2013	02/01/2022
2013 Improvement Bonds	3.00–4.00%	12/05/2013	02/01/2035
Total G.O. improvement bonds			
G.O. tax increment bonds			
G.O. Refunding Tax Increment Bonds of 2004	1.50–3.40%	02/01/2004	02/01/2013
G.O. Refunding Tax Increment Bonds of 2007	4.00%	11/01/2007	12/01/2015
Total G.O. tax increment bonds			
Other G.O. improvement bonds			
G.O. Capital Improvement Plan Bonds of 2004	2.00–4.10%	10/01/2004	02/01/2020
G.O. Street Reconstruction Bonds of 2006	4.00–4.20%	06/01/2006	02/01/2022
G.O. Capital Improvement Plan Bonds of 2010	1.20–5.85%	03/10/2010	02/01/2030
G.O. Refunding Capital Improvement Plan Bonds of 2013	2.00%	03/06/2013	02/01/2020
G.O. Refunding Street Reconstruction Bonds of 2013	2.00%	03/06/2013	02/01/2022
G.O. Street Reconstruction Bonds of 2013	2.00–2.375%	03/06/2013	02/01/2028
Total other G.O. improvement bonds			
G.O. revenue bonds			
G.O. Water Revenue Bonds of 2002	2.50–3.65%	11/01/2002	02/01/2014
G.O. Water Revenue Bonds of 2004	1.25–3.75%	02/01/2004	02/01/2016
G.O. Water Revenue Bonds of 2006	3.25–4.00%	03/01/2006	02/01/2022
G.O. Water Revenue Bonds of 2007	3.50–4.15%	11/01/2007	02/01/2023
G.O. Water Revenue Bonds of 2008	3.50–4.375%	11/15/2008	02/01/2025
G.O. Water Revenue Bonds of 2010	0.75–4.60%	12/16/2010	02/01/2026
G.O. Water Refunding Revenue Bonds of 2013	2.00%	03/06/2013	02/01/2022
G.O. Water Revenue Bonds of 2013A	2.00%	03/06/2013	02/01/2023
G.O. Water Revenue Bonds of 2013C	3.00%	12/05/2013	02/01/2024
G.O. Sewer Revenue Bonds of 2004	1.25–3.75%	02/01/2004	02/01/2016
G.O. Sewer Revenue Bonds of 2006	3.25–4.00%	03/01/2006	02/01/2022
G.O. Sewer Revenue Bonds of 2007	3.50–4.15%	11/01/2007	02/01/2023
G.O. Sewer Revenue Bonds of 2008	3.50–4.375%	11/15/2008	02/01/2025
G.O. Sewer Revenue Bonds of 2010	0.75–4.60%	12/16/2010	02/01/2026
G.O. Sewer Refunding Revenue Bonds of 2013	2.00%	03/06/2013	02/01/2022
G.O. Surface Water Revenue Bonds of 2002	2.50–3.65%	11/01/2002	02/01/2014
G.O. Surface Water Revenue Bonds of 2004	1.25–3.75%	02/01/2004	02/01/2016
G.O. Surface Water Revenue Bonds of 2007	3.50–4.15%	11/01/2007	02/01/2023
G.O. Surface Water Revenue Bonds of 2008	3.50–4.375%	11/15/2008	02/01/2025
G.O. Surface Water Revenue Bonds of 2009	3.00–4.00%	11/15/2009	02/01/2021
G.O. Surface Water Revenue Bonds of 2010	0.75–4.60%	12/16/2010	02/01/2026
G.O. Surface Water Refunding Revenue Bonds of 2013	2.00%	03/06/2013	02/01/2016
G.O. Surface Water Revenue Bonds of 2013A	2.00%	03/06/2013	02/01/2023
G.O. Surface Water Revenue Bonds of 2013C	3.00%	12/05/2013	02/01/2024
Total G.O. revenue bonds			
Total bonded indebtedness			
Unamortized premium	N/A	N/A	N/A
Refunding Certificates of Participation of 2011	2.00–3.75%	04/01/2011	08/01/2023
Loan payable	–	09/26/2006	N/A
Compensated absences	N/A	N/A	N/A
Total city indebtedness			

N/A – Not Applicable

Exhibit 1

Prior Years		2013		Outstanding 12/31/2013	Principal Due in 2014	Interest Due in 2014
Authorized and Issued	Payments	Outstanding 12/31/2012	Issued			
\$ 430,000	\$ 330,000	\$ 100,000	\$ -	\$ 50,000	\$ 50,000	\$ 912
455,000	275,000	180,000	-	180,000	-	-
205,000	75,000	130,000	-	15,000	115,000	2,180
330,000	30,000	300,000	-	20,000	280,000	11,225
235,000	20,000	215,000	-	20,000	195,000	6,363
140,000	-	140,000	-	10,000	130,000	3,636
-	-	-	235,000	-	235,000	4,250
-	-	-	1,775,000	-	1,775,000	38,881
1,795,000	730,000	1,065,000	2,010,000	295,000	2,780,000	67,447
2,625,000	2,255,000	370,000	-	370,000	-	-
1,090,000	140,000	950,000	-	260,000	690,000	27,600
3,715,000	2,395,000	1,320,000	-	630,000	690,000	27,600
1,600,000	625,000	975,000	-	105,000	870,000	16,721
2,500,000	635,000	1,865,000	-	155,000	1,710,000	66,480
5,615,000	100,000	5,515,000	-	245,000	5,270,000	239,773
-	-	-	750,000	-	750,000	15,000
-	-	-	1,380,000	-	1,380,000	27,600
-	-	-	2,415,000	-	2,415,000	70,048
9,715,000	1,360,000	8,355,000	4,545,000	505,000	12,395,000	435,622
295,000	235,000	60,000	-	30,000	30,000	548
445,000	310,000	135,000	-	135,000	-	-
860,000	235,000	625,000	-	50,000	575,000	10,993
845,000	175,000	670,000	-	50,000	620,000	23,415
2,365,000	325,000	2,040,000	-	120,000	1,920,000	77,195
1,240,000	70,000	1,170,000	-	75,000	1,095,000	36,445
-	-	-	610,000	-	610,000	11,800
-	-	-	775,000	-	775,000	21,043
-	-	-	305,000	-	305,000	5,998
395,000	240,000	155,000	-	155,000	-	-
270,000	75,000	195,000	-	15,000	180,000	3,440
260,000	55,000	205,000	-	15,000	190,000	7,186
580,000	80,000	500,000	-	30,000	470,000	18,902
985,000	55,000	930,000	-	60,000	870,000	29,037
-	-	-	285,000	-	285,000	5,300
475,000	375,000	100,000	-	50,000	50,000	911
535,000	335,000	200,000	-	200,000	-	-
600,000	125,000	475,000	-	35,000	440,000	16,619
230,000	30,000	200,000	-	10,000	190,000	7,683
1,180,000	190,000	990,000	-	100,000	890,000	29,050
355,000	20,000	335,000	-	20,000	315,000	10,563
-	-	-	155,000	-	155,000	2,550
-	-	-	960,000	-	960,000	26,033
-	-	-	190,000	-	190,000	3,737
11,915,000	2,930,000	8,985,000	3,280,000	1,150,000	11,115,000	348,448
27,140,000	7,415,000	19,725,000	9,835,000	2,580,000	26,980,000	879,117
N/A	N/A	N/A	N/A	N/A	403,427	N/A
4,620,000	290,000	4,330,000	-	345,000	3,985,000	117,315
6,000,000	-	6,000,000	-	-	6,000,000	-
-	-	341,292	447,576	443,217	345,651	-
\$ 37,760,000	\$ 7,705,000	\$ 30,396,292	\$ 10,282,576	\$ 3,368,217	\$ 37,714,078	\$ 996,432

**CITY OF SHOREVIEW, MINNESOTA**  
 Taxable Valuations, Tax Levies, and Tax Rates

**Exhibit 2**

	<u>Tax Capacity Values 2011/2012</u>		<u>Tax Capacity Values 2012/2013</u>	
Taxable valuations				
Real estate	\$ 29,471,145		\$ 27,546,240	
Personal property	296,285		311,101	
Fiscal disparities net	(67,883)		(242,396)	
Less captured tax increment value	<u>(1,549,078)</u>		<u>(1,379,783)</u>	
Totals	<u>\$ 28,150,469</u>		<u>\$ 26,235,162</u>	
Tax levies				
Year of extension	2011		2012	
Year of collection	2012		2013	
	<u>Certified Levy</u>	<u>Tax Capacity Rate</u>	<u>Certified Levy</u>	<u>Tax Capacity Rate</u>
Taxes levied				
General Fund	\$ 6,467,060	23.148%	\$ 6,639,567	25.557%
Shoreview EDA	55,000	0.197%	60,000	0.231%
Capital project funds	2,110,000	7.552%	2,220,000	8.545%
Debt service funds	442,026	1.582%	501,000	1.929%
Central Garage Fund	<u>216,000</u>	<u>0.773%</u>	<u>184,000</u>	<u>0.708%</u>
Totals	<u>\$ 9,290,086</u>	<u>33.252%</u>	<u>\$ 9,604,567</u>	<u>36.970%</u>
Shoreview HRA	<u>\$ 70,000</u>	<u>0.254%</u>	<u>\$ 75,000</u>	<u>0.289%</u>

**CITY OF SHOREVIEW, MINNESOTA**

Schedule of Deferred Tax Levies

Other General Obligation Bonds

December 31, 2013

**Exhibit 3**

Year of Tax Levy/Collection	G.O. Refunding Capital Improvement Plan Bonds of 2013	G.O. Capital Improvement Plan Bonds 2010	G.O. Refunding Street Improvement Bonds of 2006	G.O. Street Improvement Bonds of 2013	Total
2013/2014	\$ 132,000	\$ 184,000	\$ 214,000	\$ 194,000	\$ 724,000
2014/2015	139,230	429,065	238,980	199,782	1,007,057
2015/2016	136,710	434,210	224,280	201,987	997,187
2016/2017	144,690	433,153	220,290	198,837	996,970
2017/2018	141,960	436,471	221,550	200,937	1,000,918
2018/2019	139,230	433,489	217,455	197,682	987,856
2019/2020	-	435,311	218,610	199,677	853,598
2020/2021	-	436,312	224,910	201,567	862,789
2021/2022	-	436,777	-	198,102	634,879
2022/2023	-	436,693	-	199,887	636,580
2023/2024	-	436,046	-	201,121	637,167
2024/2025	-	434,821	-	196,987	631,808
2025/2026	-	432,521	-	198,102	630,623
2026/2027	-	434,604	-	198,863	633,467
2027/2028	-	430,470	-	-	430,470
2028/2029	-	430,925	-	-	430,925
Totals	<u>\$ 833,820</u>	<u>\$ 6,694,868</u>	<u>\$ 1,780,075</u>	<u>\$ 2,787,531</u>	<u>\$ 12,096,294</u>

**CITY OF SHOREVIEW, MINNESOTA**

Schedule of Deferred Tax Levies  
 General Obligation Improvement Bonds  
 December 31, 2013

**Exhibit 4**

Year of Tax Levy/ Collection	G.O. Improvement Bonds				Total
	2009	2010	Refunding 2013	2013	
2013/2014	\$ -	\$ -	\$ 8,000	\$ -	\$ 8,000
2014/2015	6,182	2,839	45,588	17,428	72,037
2015/2016	5,395	2,509	15,963	14,750	38,617
2016/2017	4,542	2,115	9,403	12,073	28,133
2017/2018	3,623	1,642	3,943	9,395	18,603
2018/2019	2,704	1,130	9,088	6,718	19,640
2019/2020	1,654	563	8,878	9,290	20,385
2020/2021	-	-	8,668	11,705	20,373
2021/2022	-	-	-	8,713	8,713
2022/2023	-	-	-	5,720	5,720
2023/2024	-	-	-	13,228	13,228
2024/2025	-	-	-	10,764	10,764
2025/2026	-	-	-	8,076	8,076
2026/2027	-	-	-	10,638	10,638
2027/2028	-	-	-	7,782	7,782
2028/2029	-	-	-	10,176	10,176
2029/2030	-	-	-	10,461	10,461
2030/2031	-	-	-	6,891	6,891
2031/2032	-	-	-	8,571	8,571
2032/2033	-	-	-	10,041	10,041
2033/2034	-	-	-	6,051	6,051
Total	<u>\$ 24,100</u>	<u>\$ 10,798</u>	<u>\$ 109,531</u>	<u>\$ 198,471</u>	<u>\$ 342,900</u>

**CITY OF SHOREVIEW, MINNESOTA**

Debt Service Payments to Maturity

Revenue Bonds

December 31, 2013

**Exhibit 5**

Page 1 of 2

	Water Revenue Bonds							
	2002	2006	2007	2008	2010	Refunding 2013	2013A	2013C
Bonds payable	\$ 30,000	\$ 575,000	\$ 620,000	\$ 1,920,000	\$ 1,095,000	\$ 610,000	\$ 775,000	\$ 305,000
Future interest payable	548	10,993	132,699	530,303	292,998	54,500	86,593	52,423
Totals	<u>\$ 30,548</u>	<u>\$ 585,993</u>	<u>\$ 752,699</u>	<u>\$ 2,450,303</u>	<u>\$ 1,387,998</u>	<u>\$ 664,500</u>	<u>\$ 861,593</u>	<u>\$ 357,423</u>
Payments to maturity								
2014	\$ 30,548	\$ 585,993	\$ 73,415	\$ 202,195	\$ 111,445	\$ 51,800	\$ 91,043	\$ 5,998
2015	-	-	76,471	202,095	110,367	115,350	83,400	38,700
2016	-	-	74,409	201,795	113,918	88,500	86,950	37,800
2017	-	-	77,238	201,295	112,077	62,150	85,450	36,900
2018	-	-	74,943	200,595	109,878	70,950	83,950	36,000
2019	-	-	72,603	204,595	107,377	69,650	87,400	35,100
2020	-	-	75,117	203,175	109,548	68,350	85,800	34,200
2021	-	-	77,400	206,328	106,424	67,050	84,200	33,300
2022	-	-	74,547	204,081	103,130	70,700	87,550	32,400
2023	-	-	76,556	206,431	104,517	-	85,850	31,500
2024	-	-	-	208,234	100,625	-	-	35,525
2025	-	-	-	209,484	101,507	-	-	-
2026	-	-	-	-	97,185	-	-	-
	<u>\$ 30,548</u>	<u>\$ 585,993</u>	<u>\$ 752,699</u>	<u>\$ 2,450,303</u>	<u>\$ 1,387,998</u>	<u>\$ 664,500</u>	<u>\$ 861,593</u>	<u>\$ 357,423</u>

**CITY OF SHOREVIEW, MINNESOTA**

Debt Service Payments to Maturity

Revenue Bonds

December 31, 2013

	Sewer Revenue Bonds					
	2006	2007	2008	2010	Refunding 2013	2002
Bonds payable	\$ 180,000	\$ 190,000	\$ 470,000	\$ 870,000	\$ 285,000	\$ 50,000
Future interest payable	3,440	41,095	129,392	234,179	20,450	911
Totals	<u>\$ 183,440</u>	<u>\$ 231,095</u>	<u>\$ 599,392</u>	<u>\$ 1,104,179</u>	<u>\$ 305,450</u>	<u>\$ 50,911</u>
Payments to maturity						
2014	\$ 183,440	\$ 22,186	\$ 48,902	\$ 89,037	\$ 45,300	\$ 50,911
2015	-	21,631	47,701	88,175	64,300	-
2016	-	21,069	51,401	87,058	63,100	-
2017	-	25,407	50,001	85,677	22,300	-
2018	-	24,642	48,601	88,953	21,900	-
2019	-	23,862	52,101	86,922	21,500	-
2020	-	23,068	50,471	84,695	21,100	-
2021	-	22,263	48,811	87,212	20,700	-
2022	-	21,448	52,025	84,500	25,250	-
2023	-	25,519	50,112	81,612	-	-
2024	-	-	48,172	83,475	-	-
2025	-	-	51,094	80,138	-	-
2026	-	-	-	76,725	-	-
	<u>\$ 183,440</u>	<u>\$ 231,095</u>	<u>\$ 599,392</u>	<u>\$ 1,104,179</u>	<u>\$ 305,450</u>	<u>\$ 50,911</u>

Surface Water Revenue Bonds

2007	2008	2009	2010	Refunding 2013	2013A	2013C	Total
\$ 440,000	\$ 190,000	\$ 890,000	\$ 315,000	\$ 155,000	\$ 960,000	\$ 190,000	\$ 11,115,000
93,558	52,159	134,775	84,907	4,550	106,433	33,437	2,100,343
<u>\$ 533,558</u>	<u>\$ 242,159</u>	<u>\$ 1,024,775</u>	<u>\$ 399,907</u>	<u>\$ 159,550</u>	<u>\$ 1,066,433</u>	<u>\$ 223,437</u>	<u>\$ 13,215,343</u>
\$ 51,619	\$ 17,683	\$ 129,050	\$ 30,563	\$ 57,550	\$ 116,033	\$ 3,737	\$ 1,998,448
55,230	22,182	130,975	30,275	51,500	106,500	20,475	1,265,327
53,730	21,582	127,825	29,902	50,500	104,700	20,025	1,234,264
52,220	20,983	129,463	34,380	–	107,850	24,500	1,127,891
55,594	20,382	125,750	33,693	–	105,950	23,900	1,125,681
53,839	19,782	126,812	32,911	–	104,050	23,300	1,121,804
52,050	19,171	127,400	32,055	–	107,100	22,700	1,116,000
55,138	18,549	127,500	31,136	–	105,100	22,100	1,113,211
53,100	17,919	–	30,168	–	103,100	21,500	981,418
51,038	22,175	–	29,136	–	106,050	20,900	891,396
–	21,313	–	28,055	–	–	20,300	545,699
–	20,438	–	26,943	–	–	–	489,604
–	–	–	30,690	–	–	–	204,600
<u>\$ 533,558</u>	<u>\$ 242,159</u>	<u>\$ 1,024,775</u>	<u>\$ 399,907</u>	<u>\$ 159,550</u>	<u>\$ 1,066,433</u>	<u>\$ 223,437</u>	<u>\$ 13,215,343</u>

**CITY OF SHOREVIEW, MINNESOTA**

Debt Service Payments to Maturity  
 General Obligation Improvement Bonds  
 December 31, 2013

**Exhibit 6**

		G.O. Improvement Bonds							
		2002	2006	2008	2009	2010	Refunding 2013	2013C	Total
Bonds payable	\$	50,000	115,000	280,000	195,000	130,000	235,000	1,775,000	2,780,000
Future interest payable		912	2,180	76,926	28,893	20,063	12,650	734,406	876,030
<b>Total</b>	<b>\$</b>	<b>50,912</b>	<b>117,180</b>	<b>356,926</b>	<b>223,893</b>	<b>150,063</b>	<b>247,650</b>	<b>2,509,406</b>	<b>3,656,030</b>
Payments to maturity									
2014	\$	50,912	117,180	31,225	26,363	13,636	49,250	38,881	327,447
2015	-	-	-	30,425	30,687	18,452	73,100	59,310	211,974
2016	-	-	-	29,625	29,937	18,172	56,850	143,035	277,619
2017	-	-	-	28,825	29,156	17,828	21,100	140,485	237,394
2018	-	-	-	28,025	28,313	17,415	10,800	137,935	222,488
2019	-	-	-	27,225	27,437	16,946	5,650	135,385	212,643
2020	-	-	-	31,307	26,500	16,433	10,500	132,835	217,575
2021	-	-	-	30,269	25,500	15,881	10,300	135,210	217,160
2022	-	-	-	29,219	-	15,300	10,100	137,435	192,054
2023	-	-	-	28,156	-	-	-	134,585	162,741
2024	-	-	-	31,969	-	-	-	131,735	163,704
2025	-	-	-	30,656	-	-	-	138,735	169,391
2026	-	-	-	-	-	-	-	110,880	110,880
2027	-	-	-	-	-	-	-	108,320	108,320
2028	-	-	-	-	-	-	-	110,680	110,680
2029	-	-	-	-	-	-	-	107,960	107,960
2030	-	-	-	-	-	-	-	109,800	109,800
2031	-	-	-	-	-	-	-	101,300	101,300
2032	-	-	-	-	-	-	-	97,900	97,900
2033	-	-	-	-	-	-	-	99,400	99,400
2034	-	-	-	-	-	-	-	100,700	100,700
2035	-	-	-	-	-	-	-	96,900	96,900
	<b>\$</b>	<b>50,912</b>	<b>117,180</b>	<b>356,926</b>	<b>223,893</b>	<b>150,063</b>	<b>247,650</b>	<b>2,509,406</b>	<b>3,656,030</b>

**CITY OF SHOREVIEW, MINNESOTA**

Debt Service Payments to Maturity

G.O. Tax Increment and Other General Obligation Bonds

December 31, 2013

**Exhibit 7**

	TIF Refunding Bonds 2007	Other G.O. Bonds						Total
		Capital Plan 2004	Street 2006	Capital Plan 2010	Capital Plan Refunding 2013	Street Refunding 2013	Street 2013	
Bonds payable	\$ 690,000	\$ 870,000	\$ 1,710,000	\$ 5,270,000	\$ 750,000	\$ 1,380,000	\$ 2,415,000	\$ 13,085,000
Future interest payable	41,600	16,721	98,120	2,497,113	60,900	152,900	434,114	3,301,468
<b>Total</b>	<b>\$ 731,600</b>	<b>\$ 886,721</b>	<b>\$ 1,808,120</b>	<b>\$ 7,767,113</b>	<b>\$ 810,900</b>	<b>\$ 1,532,900</b>	<b>\$ 2,849,114</b>	<b>\$ 16,386,468</b>
Payments to maturity								
2014	\$ 367,600	\$ 886,721	\$ 226,480	\$ 484,773	\$ 15,000	\$ 27,600	\$ 215,048	\$ 2,223,222
2015	364,000	-	1,581,640	483,825	133,800	27,600	186,669	2,777,534
2016	-	-	-	481,625	131,400	225,600	188,819	1,027,444
2017	-	-	-	483,295	129,000	211,700	190,869	1,014,864
2018	-	-	-	478,660	136,500	207,900	187,869	1,010,929
2019	-	-	-	477,650	133,900	209,050	189,819	1,010,419
2020	-	-	-	470,571	131,300	205,150	186,719	993,740
2021	-	-	-	467,587	-	206,200	188,569	862,356
2022	-	-	-	463,635	-	212,100	190,319	866,054
2023	-	-	-	458,908	-	-	187,019	645,927
2024	-	-	-	453,385	-	-	188,456	641,841
2025	-	-	-	447,047	-	-	189,575	636,622
2026	-	-	-	439,530	-	-	185,638	625,168
2027	-	-	-	430,625	-	-	186,531	617,156
2028	-	-	-	425,410	-	-	187,197	612,607
2029	-	-	-	414,033	-	-	-	414,033
2030	-	-	-	406,554	-	-	-	406,554
	<b>\$ 731,600</b>	<b>\$ 886,721</b>	<b>\$ 1,808,120</b>	<b>\$ 7,767,113</b>	<b>\$ 810,900</b>	<b>\$ 1,532,900</b>	<b>\$ 2,849,114</b>	<b>\$ 16,386,468</b>

**CITY OF SHOREVIEW, MINNESOTA**

Debt Service Payments to Maturity

Certificates of Participation

December 31, 2013

**Exhibit 8**

	Refunding Certificates of Participation 2011
Bonds payable	\$ 3,985,000
Future interest payable	745,353
Total	<u>\$ 4,730,353</u>
Payments to maturity	
2014	\$ 467,315
2015	470,315
2016	467,935
2017	469,540
2018	474,978
2019	474,058
2020	477,057
2021	478,155
2022	473,750
2023	477,250
	<u>\$ 4,730,353</u>

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**CITY OF SHOREVIEW, MINNESOTA**

Combining Schedule of Property and Equipment

For The Year Ended December 31, 2013

	Capital Assets				Balance – December 31, 2013
	Balance – January 1, 2013	Additions	Deletions	Reclassification	
Governmental activities					
Governmental activities (excluding internal service funds)					
Land	\$ 7,688,052	\$ –	\$ –	\$ –	\$ 7,688,052
Buildings and structures	27,229,019	240,683	107,482	637,816	28,000,036
Machinery and equipment	2,793,997	32,173	–	61,092	2,887,262
Infrastructure	57,948,873	–	57,556	652,323	58,543,640
Construction in progress	1,060,087	5,925,631	–	(1,351,231)	5,634,487
Total	<u>96,720,028</u>	<u>6,198,487</u>	<u>165,038</u>	<u>–</u>	<u>102,753,477</u>
Internal service fund					
Central garage					
Land	36,293	–	–	–	36,293
Buildings and structures	6,786,055	143,324	–	–	6,929,379
Machinery and equipment	4,961,198	548,652	294,718	–	5,215,132
Total central garage	<u>11,783,546</u>	<u>691,976</u>	<u>294,718</u>	<u>–</u>	<u>12,180,804</u>
Total governmental activities	<u>108,503,574</u>	<u>6,890,463</u>	<u>459,756</u>	<u>–</u>	<u>114,934,281</u>
Business-type activities					
Water utility					
Land	27,577	–	–	–	27,577
Buildings and structures	6,452,565	–	–	280,650	6,733,215
Machinery and equipment	2,474,505	–	–	–	2,474,505
Distribution system	15,825,468	–	–	369,194	16,194,662
Construction in progress	397,197	926,734	–	(649,844)	674,087
Total water utility	<u>25,177,312</u>	<u>926,734</u>	<u>–</u>	<u>–</u>	<u>26,104,046</u>
Sewer utility					
Land	11,459	–	–	–	11,459
Buildings and structures	1,608,118	–	–	–	1,608,118
Machinery and equipment	46,746	–	–	–	46,746
Collection system	11,642,147	–	–	100,426	11,742,573
Construction in progress	101,000	85,426	–	(100,426)	86,000
Total sewer utility	<u>13,409,470</u>	<u>85,426</u>	<u>–</u>	<u>–</u>	<u>13,494,896</u>
Surface water management utility					
Land	265,166	–	–	–	265,166
Machinery and equipment	10,132	–	–	–	10,132
Collection system	10,600,867	–	–	389,538	10,990,405
Construction in progress	444,126	1,179,108	–	(389,538)	1,233,696
Total surface water management utility	<u>11,320,291</u>	<u>1,179,108</u>	<u>–</u>	<u>–</u>	<u>12,499,399</u>
Street light utility					
Machinery and equipment	723	–	–	–	723
Distribution system	1,636,791	–	23,923	183,672	1,796,540
Construction in progress	48,893	254,151	–	(183,672)	119,372
Total street light utility	<u>1,686,407</u>	<u>254,151</u>	<u>23,923</u>	<u>–</u>	<u>1,916,635</u>
Total business-type activities	<u>51,593,480</u>	<u>2,445,419</u>	<u>23,923</u>	<u>–</u>	<u>54,014,976</u>
Total government	<u>\$ 160,097,054</u>	<u>\$ 9,335,882</u>	<u>\$ 483,679</u>	<u>\$ –</u>	<u>\$ 168,949,257</u>

Exhibit 9

Accumulated Depreciation				Net Capital Assets		
Balance – January 1, 2013	Additions	Deletions	Reclassification	Balance – December 31, 2013	Balance – January 1, 2013	Balance – December 31, 2013
\$ –	\$ –	\$ –	\$ –	\$ –	\$ 7,688,052	\$ 7,688,052
8,088,650	567,478	56,065	–	8,600,063	19,140,369	19,399,973
1,604,621	155,714	–	–	1,760,335	1,189,376	1,126,927
34,241,772	1,628,382	57,556	–	35,812,598	23,707,101	22,731,042
–	–	–	–	–	1,060,087	5,634,487
<u>43,935,043</u>	<u>2,351,574</u>	<u>113,621</u>	<u>–</u>	<u>46,172,996</u>	<u>52,784,985</u>	<u>56,580,481</u>
–	–	–	–	–	36,293	36,293
1,225,521	251,144	–	–	1,476,665	5,560,534	5,452,714
2,122,371	389,968	252,781	–	2,259,558	2,838,827	2,955,574
<u>3,347,892</u>	<u>641,112</u>	<u>252,781</u>	<u>–</u>	<u>3,736,223</u>	<u>8,435,654</u>	<u>8,444,581</u>
<u>47,282,935</u>	<u>2,992,686</u>	<u>366,402</u>	<u>–</u>	<u>49,909,219</u>	<u>61,220,639</u>	<u>65,025,062</u>
–	–	–	–	–	27,577	27,577
2,606,236	182,750	–	–	2,788,986	3,846,329	3,944,229
323,043	98,092	–	–	421,135	2,151,462	2,053,370
8,084,416	341,984	–	–	8,426,400	7,741,052	7,768,262
–	–	–	–	–	397,197	674,087
<u>11,013,695</u>	<u>622,826</u>	<u>–</u>	<u>–</u>	<u>11,636,521</u>	<u>14,163,617</u>	<u>14,467,525</u>
–	–	–	–	–	11,459	11,459
493,321	65,430	–	–	558,751	1,114,797	1,049,367
29,193	2,988	–	–	32,181	17,553	14,565
6,387,803	257,920	–	–	6,645,723	5,254,344	5,096,850
–	–	–	–	–	101,000	86,000
<u>6,910,317</u>	<u>326,338</u>	<u>–</u>	<u>–</u>	<u>7,236,655</u>	<u>6,499,153</u>	<u>6,258,241</u>
–	–	–	–	–	265,166	265,166
8,818	175	–	–	8,993	1,314	1,139
2,124,553	228,690	–	–	2,353,243	8,476,314	8,637,162
–	–	–	–	–	444,126	1,233,696
<u>2,133,371</u>	<u>228,865</u>	<u>–</u>	<u>–</u>	<u>2,362,236</u>	<u>9,186,920</u>	<u>10,137,163</u>
180	72	–	–	252	543	471
999,146	44,412	23,923	–	1,019,635	637,645	776,905
–	–	–	–	–	48,893	119,372
<u>999,326</u>	<u>44,484</u>	<u>23,923</u>	<u>–</u>	<u>1,019,887</u>	<u>687,081</u>	<u>896,748</u>
<u>21,056,709</u>	<u>1,222,513</u>	<u>23,923</u>	<u>–</u>	<u>22,255,299</u>	<u>30,536,771</u>	<u>31,759,677</u>
<u>\$ 68,339,644</u>	<u>\$ 4,215,199</u>	<u>\$ 390,325</u>	<u>\$ –</u>	<u>\$ 72,164,518</u>	<u>\$ 91,757,410</u>	<u>\$ 96,784,739</u>

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## **STATISTICAL SECTION**



### III. STATISTICAL SECTION (UNAUDITED)

This part of the City of Shoreview, Minnesota’s (the City) comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City’s overall financial health.

<b>Contents:</b>	<b>Table No.</b>
<b>Financial Trends</b>	<b>1–5</b>
These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	
<b>Revenue Capacity</b>	<b>6–12</b>
These schedules contain information to help the reader assess the City’s most significant revenue source, including the property tax and utility revenue.	
<b>Debt Capacity</b>	<b>13–17</b>
These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	
<b>Demographic and Economic Information</b>	<b>18–19</b>
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.	
<b>Operating Indicators</b>	<b>20–22</b>
These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides, and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**CITY OF SHOREVIEW**  
Net Position by Component  
Last Ten Fiscal Years  
(Accrual Basis of Accounting)

	Fiscal Year			
	2004	2005	2006	2007
<b>Governmental activities</b>				
Net investment in capital assets	\$ 32,176,753	\$ 36,726,916	\$ 37,146,161	\$ 37,992,925
Restricted	6,416,990	3,672,378	3,944,143	4,570,921
Unrestricted	10,178,375	8,626,192	9,746,983	10,283,862
Total governmental activities net position	<u>\$ 48,772,118</u>	<u>\$ 49,025,486</u>	<u>\$ 50,837,287</u>	<u>\$ 52,847,708</u>
<b>Business-type activities</b>				
Net investment in capital assets	\$ 19,651,509	\$ 20,884,710	\$ 19,844,055	\$ 19,677,375
Restricted	751,051	761,313	550,207	437,425
Unrestricted	6,032,800	4,537,985	5,625,299	6,259,855
Total business-type activities net position	<u>\$ 26,435,360</u>	<u>\$ 26,184,008</u>	<u>\$ 26,019,561</u>	<u>\$ 26,374,655</u>
<b>Primary government</b>				
Net investment in capital assets	\$ 51,828,262	\$ 57,611,626	\$ 56,990,216	\$ 57,670,300
Restricted	7,168,041	4,433,691	4,494,350	5,008,346
Unrestricted	16,211,175	13,164,177	15,372,282	16,543,717
Total primary government net position	<u>\$ 75,207,478</u>	<u>\$ 75,209,494</u>	<u>\$ 76,856,848</u>	<u>\$ 79,222,363</u>

**Table 1**

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ 38,182,484	\$ 39,316,149	\$ 39,050,369	\$ 40,029,233	\$ 40,154,929	\$41,391,324
3,453,661	4,507,834	5,329,637	6,325,795	5,364,477	4,646,335
9,760,917	8,899,115	10,475,310	10,991,847	12,597,300	10,639,322
<u>\$ 51,397,062</u>	<u>\$ 52,723,098</u>	<u>\$ 54,855,316</u>	<u>\$ 57,346,875</u>	<u>\$ 58,116,706</u>	<u>\$56,676,981</u>
\$ 19,623,905	\$ 20,721,589	\$ 20,512,610	\$ 20,704,816	\$ 21,585,799	\$21,332,825
441,550	432,375	408,379	246,811	183,496	217,442
6,621,360	6,904,000	7,090,656	6,974,381	7,185,024	8,556,468
<u>\$ 26,686,815</u>	<u>\$ 28,057,964</u>	<u>\$ 28,011,645</u>	<u>\$ 27,926,008</u>	<u>\$ 28,954,319</u>	<u>\$30,106,735</u>
\$ 57,806,389	\$ 60,037,738	\$ 59,562,979	\$ 60,734,049	\$ 61,740,728	\$62,724,149
3,895,211	4,940,209	5,738,016	6,572,606	5,547,973	4,863,777
16,382,277	15,803,115	17,565,966	17,966,228	19,782,324	19,195,790
<u>\$ 78,083,877</u>	<u>\$ 80,781,062</u>	<u>\$ 82,866,961</u>	<u>\$ 85,272,883</u>	<u>\$ 87,071,025</u>	<u>\$86,783,716</u>

**CITY OF SHOREVIEW**  
Changes in Net Position  
Last Ten Fiscal Years  
(Accrual Basis of Accounting)

	Fiscal Year		
	2004	2005	2006
<b>Expenses</b>			
Governmental activities			
General government	\$ 1,898,145	\$ 1,957,641	\$ 2,012,555
Public safety	2,016,911	2,120,855	2,280,770
Public works	3,230,781	4,134,959	3,249,104
Parks and recreation	4,645,904	4,969,529	5,030,570
Community development	817,033	907,790	979,173
Interest on long-term debt	791,421	670,144	576,390
Total governmental activities expenses	<u>13,400,195</u>	<u>14,760,918</u>	<u>14,128,562</u>
Business-type activities			
Water	1,542,071	1,679,459	1,776,555
Sewer	2,525,698	2,653,292	2,704,443
Surface water	584,250	583,521	659,539
Street lights	234,792	226,177	257,344
Total business-type activities expenses	<u>4,886,811</u>	<u>5,142,449</u>	<u>5,397,881</u>
Total primary government expenses	<u>\$ 18,287,006</u>	<u>\$ 19,903,367</u>	<u>\$ 19,526,443</u>
<b>Program revenues</b>			
Government activities			
Charges for services			
General government	\$ 966,793	\$ 1,048,227	\$ 1,007,442
Public safety	67,128	61,284	61,161
Public works	638,369	640,760	541,602
Parks and recreation	2,733,549	2,844,391	2,791,453
Community development	939,906	559,333	610,697
Operating grants and contributions	258,545	342,822	277,233
Capital grants and contributions	2,939,081	1,024,129	1,029,830
Total governmental activities program revenues	<u>8,543,371</u>	<u>6,520,946</u>	<u>6,319,418</u>
Business-type activities			
Charges for services			
Water	1,471,639	1,360,134	1,649,154
Sewer	2,348,124	2,462,406	2,616,043
Surface water	596,565	599,376	632,155
Street lights	197,552	197,108	218,101
Operating grants and contributions	11,942	-	-
Capital grants and contributions	397,692	50,730	32,290
Total business-type activities program revenues	<u>5,023,514</u>	<u>4,669,754</u>	<u>5,147,743</u>
Total primary government program revenues	<u>\$ 13,566,885</u>	<u>\$ 11,190,700</u>	<u>\$ 11,467,161</u>

**Table 2**  
**Page 1 of 2**

Fiscal Year						
2007	2008	2009	2010	2011	2012	2013
\$ 2,128,804	\$ 2,225,081	\$ 2,199,814	\$ 2,192,010	\$ 2,227,952	\$ 2,349,276	\$ 2,582,399
2,283,009	2,659,654	2,612,926	2,642,094	2,783,332	3,113,032	3,543,388
3,520,883	3,860,277	3,737,382	3,512,821	3,909,642	3,998,390	6,798,886
4,980,839	5,862,962	5,931,822	5,737,675	6,169,365	6,128,769	6,123,840
886,415	2,555,177	1,357,296	1,472,700	1,398,228	2,904,944	2,210,253
675,827	572,356	524,858	697,523	911,854	595,009	730,200
<u>14,475,777</u>	<u>17,735,507</u>	<u>16,364,098</u>	<u>16,254,823</u>	<u>17,400,373</u>	<u>19,089,420</u>	<u>21,988,966</u>
1,792,092	1,927,324	1,912,770	2,051,213	2,281,299	2,206,516	2,238,481
2,683,832	2,883,638	3,320,551	3,173,831	3,315,044	3,283,498	3,498,374
700,644	753,179	755,520	906,527	966,638	1,019,008	954,828
255,020	258,168	255,038	282,638	318,063	275,412	295,949
<u>5,431,588</u>	<u>5,822,309</u>	<u>6,243,879</u>	<u>6,414,209</u>	<u>6,881,044</u>	<u>6,784,434</u>	<u>6,987,632</u>
<u>\$ 19,907,365</u>	<u>\$ 23,557,816</u>	<u>\$ 22,607,977</u>	<u>\$ 22,669,032</u>	<u>\$ 24,281,417</u>	<u>\$ 25,873,854</u>	<u>\$ 28,976,598</u>
\$ 1,073,599	\$ 1,053,965	\$ 1,103,341	\$ 1,210,068	\$ 1,309,819	\$ 1,248,377	\$ 1,405,214
53,697	59,091	61,578	36,315	64,225	70,304	55,362
675,276	702,876	815,048	692,040	741,563	828,857	918,543
2,748,584	2,877,161	3,144,695	3,385,971	3,620,548	3,651,544	3,744,316
709,768	575,989	388,087	579,792	479,074	611,623	758,157
241,590	118,437	236,381	250,264	311,246	320,347	1,345,155
78,181	131,876	920,597	881,392	1,145,697	852,396	911,375
<u>5,580,695</u>	<u>5,519,395</u>	<u>6,669,727</u>	<u>7,035,842</u>	<u>7,672,172</u>	<u>7,583,448</u>	<u>9,138,122</u>
1,847,847	1,920,360	2,225,830	2,009,301	2,186,139	2,918,022	2,694,959
2,695,914	2,849,000	3,151,607	3,254,199	3,548,325	3,568,777	3,777,352
684,387	749,967	809,111	926,154	1,008,151	1,147,539	1,221,047
232,419	303,697	334,047	348,778	365,475	456,284	474,872
-	-	-	-	-	-	-
220,512	87,063	1,088,613	37,176	27,878	109,985	76,008
<u>5,681,079</u>	<u>5,910,087</u>	<u>7,609,208</u>	<u>6,575,608</u>	<u>7,135,968</u>	<u>8,200,607</u>	<u>8,244,238</u>
<u>\$ 11,261,774</u>	<u>\$ 11,429,482</u>	<u>\$ 14,278,935</u>	<u>\$ 13,611,450</u>	<u>\$ 14,808,140</u>	<u>\$ 15,784,055</u>	<u>\$ 17,382,360</u>

**CITY OF SHOREVIEW**  
Changes in Net Position  
Last Ten Fiscal Years  
(Accrual Basis of Accounting)

	Fiscal Year		
	2004	2005	2006
Net (expense) revenue			
Governmental activities	\$ (4,856,824)	\$ (8,239,972)	\$ (7,809,144)
Business-type activities	136,703	(472,695)	(250,138)
Total primary government net expense	<u>\$ (4,720,121)</u>	<u>\$ (8,712,667)</u>	<u>\$ (8,059,282)</u>
General revenues and other changes in net position			
Governmental activities			
Taxes			
Property taxes	\$ 6,250,274	\$ 6,452,818	\$ 6,966,696
Tax increments	1,514,784	1,556,678	1,638,599
Franchise tax	202,110	222,715	239,281
Unrestricted grants and contributions	36,582	37,547	36,342
Investment earnings	261,132	282,518	565,522
Gain on disposal of capital assets	17,807	36,241	32,762
	5,644	620	–
Transfers	123,186	(95,797)	141,743
Total governmental activities	<u>8,411,519</u>	<u>8,493,340</u>	<u>9,620,945</u>
Business-type activities			
Investment earnings	127,820	125,546	227,434
Transfers	(123,186)	95,797	(141,743)
Total business-type activities	<u>4,634</u>	<u>221,343</u>	<u>85,691</u>
Total primary government	<u>\$ 8,416,153</u>	<u>\$ 8,714,683</u>	<u>\$ 9,706,636</u>
Change in net position			
Governmental activities	\$ 3,554,695	\$ 253,368	\$ 1,811,801
Business-type activities	141,337	(251,352)	(164,447)
Total primary government	<u>\$ 3,696,032</u>	<u>\$ 2,016</u>	<u>\$ 1,647,354</u>

Fiscal Year						
2007	2008	2009	2010	2011	2012	2013
\$ (8,895,082)	\$ (12,216,112)	\$ (9,694,371)	\$ (9,218,981)	\$ (9,728,201)	\$ (11,505,972)	\$ (12,850,844)
249,491	87,778	1,365,329	161,399	254,924	1,416,173	1,256,606
<u>\$ (8,645,591)</u>	<u>\$ (12,128,334)</u>	<u>\$ (8,329,042)</u>	<u>\$ (9,057,582)</u>	<u>\$ (9,473,277)</u>	<u>\$ (10,089,799)</u>	<u>\$ (11,594,238)</u>
\$ 7,584,996	\$ 7,919,725	\$ 8,328,002	\$ 8,620,022	\$ 8,911,670	\$ 9,243,083	\$ 9,666,218
1,785,481	1,840,640	2,007,418	1,935,523	2,035,627	1,980,051	1,882,775
259,107	279,644	280,687	283,344	287,206	301,530	456,242
311,849	187,030	44,876	40,762	41,851	33,369	33,500
776,753	503,337	192,083	168,822	374,378	231,716	(553,422)
7,317	31,090	60,749	29,473	64,709	26,561	56,763
-	-	-	-	-	-	-
180,000	4,000	106,592	273,253	504,319	459,493	(130,957)
<u>10,905,503</u>	<u>10,765,466</u>	<u>11,020,407</u>	<u>11,351,199</u>	<u>12,219,760</u>	<u>12,275,803</u>	<u>11,411,119</u>
285,603	228,382	112,412	65,535	163,758	71,631	(235,147)
<u>(180,000)</u>	<u>(4,000)</u>	<u>(106,592)</u>	<u>(273,253)</u>	<u>(504,319)</u>	<u>(459,493)</u>	<u>130,957</u>
<u>105,603</u>	<u>224,382</u>	<u>5,820</u>	<u>(207,718)</u>	<u>(340,561)</u>	<u>(387,862)</u>	<u>(104,190)</u>
<u>\$ 11,011,106</u>	<u>\$ 10,989,848</u>	<u>\$ 11,026,227</u>	<u>\$ 11,143,481</u>	<u>\$ 11,879,199</u>	<u>\$ 11,887,941</u>	<u>\$ 11,306,929</u>
\$ 2,010,421	\$ (1,450,646)	\$ 1,326,036	\$ 2,132,218	\$ 2,491,559	\$ 769,831	\$ (1,439,725)
355,094	312,160	1,371,149	(46,319)	(85,637)	1,028,311	1,152,416
<u>\$ 2,365,515</u>	<u>\$ (1,138,486)</u>	<u>\$ 2,697,185</u>	<u>\$ 2,085,899</u>	<u>\$ 2,405,922</u>	<u>\$ 1,798,142</u>	<u>\$ (287,309)</u>

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**CITY OF SHOREVIEW**

Governmental Activities Tax Revenues by Source  
Last Ten Fiscal Years  
(Accrual Basis of Accounting)

**Table 3**

<u>Fiscal Year</u>	<u>General Property Tax</u>	<u>Tax Increments</u>	<u>Franchise Tax</u>	<u>Total</u>
2004	\$ 6,250,274	\$ 1,514,784	\$ 202,110	\$ 7,967,168
2005	6,452,818	1,556,678	222,715	8,232,211
2006	6,966,696	1,638,599	239,281	8,844,576
2007	7,584,996	1,785,481	259,107	9,629,584
2008	7,919,725	1,840,640	279,644	10,040,009
2009	8,328,002	2,007,418	280,687	10,616,107
2010	8,620,022	1,935,523	283,344	10,838,889
2011	8,911,670	2,035,627	287,206	11,234,503
2012	9,243,083	1,980,051	301,530	11,524,664
2013	9,666,218	1,882,775	456,242	12,005,235

**CITY OF SHOREVIEW**

Fund Balances of Governmental Funds  
 Last Ten Fiscal Years  
 (Modified Accrual Basis of Accounting)

	Fiscal Year			
	2004	2005	2006	2007
General Fund				
Nonspendable				
Prepaid items	\$ -	\$ -	\$ -	\$ -
Unassigned	-	-	-	-
Reserved	12,293	11,763	41,139	46,887
Unreserved	<u>2,719,514</u>	<u>2,822,064</u>	<u>3,010,210</u>	<u>3,394,008</u>
Total General Fund	<u>\$ 2,731,807</u>	<u>\$ 2,833,827</u>	<u>\$ 3,051,349</u>	<u>\$ 3,440,895</u>
All other governmental funds				
Nonspendable				
Prepaid items	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved	5,333,751	3,213,286	3,572,300	5,402,601
Unreserved, reported in				
Special revenue funds	1,037,895	927,985	930,430	922,183
Capital projects funds	<u>6,049,143</u>	<u>4,008,834</u>	<u>6,300,458</u>	<u>5,366,600</u>
Total all other governmental funds	<u>\$ 12,420,789</u>	<u>\$ 8,150,105</u>	<u>\$ 10,803,188</u>	<u>\$ 11,691,384</u>

(1) The implementation of Governmental Accounting Standards Board Statement No. 54 in 2011 resulted in a significant change in the City's fund balance classifications. Prior years information has not been restated.

Table 4

Fiscal Year					
2008	2009	2010	2011 (1)	2012	2013
\$ -	\$ -	\$ -	\$ 17,954	\$ 69,213	\$ 82,971
-	-	-	3,958,458	4,066,796	4,220,635
47,363	48,559	6,463	-	-	-
3,555,239	3,814,089	3,914,672	-	-	-
<u>\$ 3,602,602</u>	<u>\$ 3,862,648</u>	<u>\$ 3,921,135</u>	<u>\$ 3,976,412</u>	<u>\$ 4,136,009</u>	<u>\$ 4,303,606</u>
\$ -	\$ -	\$ -	\$ 9,924	\$ 8,680	\$ 14,642
-	-	-	5,955,357	5,105,880	6,832,418
-	-	-	5,030,274	5,562,550	5,517,902
-	-	-	1,200,724	1,858,594	967,183
-	-	-	(46,333)	(222,622)	(1,294,351)
3,299,496	4,204,725	5,336,946	-	-	-
952,644	1,083,914	1,338,648	-	-	-
4,441,511	3,499,574	3,884,575	-	-	-
<u>\$ 8,693,651</u>	<u>\$ 8,788,213</u>	<u>\$ 10,560,169</u>	<u>\$ 12,149,946</u>	<u>\$ 12,313,082</u>	<u>\$ 12,037,794</u>

**CITY OF SHOREVIEW**

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	Fiscal Year			
	2004	2005	2006	2007
<b>Revenues</b>				
Taxes				
General property taxes	\$ 6,256,254	\$ 6,443,342	\$ 6,964,113	\$ 7,578,220
Tax increments	1,514,784	1,556,678	1,638,599	1,785,481
Franchise tax	202,110	222,715	239,281	259,107
Special assessments	377,363	223,774	217,849	152,745
Licenses and permits	771,993	479,418	519,666	653,392
Intergovernmental	2,180,799	964,114	950,468	409,907
Charges for services	4,264,281	4,364,782	4,157,841	4,282,726
Fines and forfeits	61,173	55,782	52,605	49,462
Earnings on investments	240,566	264,449	527,272	727,810
Payments in lieu of taxes	110,000	110,000	110,000	110,000
Billboard fees	-	-	-	-
Antenna rental fees	116,564	147,194	142,183	147,056
Loan payments	144,500	14,500	14,500	14,500
Miscellaneous	480,067	396,400	238,796	198,053
Total revenues	<u>16,720,454</u>	<u>15,243,148</u>	<u>15,773,173</u>	<u>16,368,459</u>
<b>Expenditures</b>				
Current				
General government	1,723,973	1,797,619	1,837,668	1,929,640
Public safety	1,943,598	2,045,987	2,188,814	2,175,694
Public works	1,773,393	2,701,593	1,776,118	1,986,180
Parks and recreation	4,237,102	4,580,040	4,638,698	4,579,140
Community development	811,259	898,564	971,118	894,001
Miscellaneous	104,937	94,460	100,375	110,135
Capital outlay	2,416,176	2,667,448	8,078,575	2,472,723
Debt service				
Principal	1,409,351	1,626,674	1,670,000	1,550,000
Interest and paying agent fees	752,364	704,913	580,492	684,749
Payment to refunded bond escrow agent	-	-	-	-
Total expenditures	<u>15,172,153</u>	<u>17,117,298</u>	<u>21,841,858</u>	<u>16,382,262</u>
Revenues over (under) expenditures	<u>1,548,301</u>	<u>(1,874,150)</u>	<u>(6,068,685)</u>	<u>(13,803)</u>
<b>Other financing sources (uses)</b>				
Issuance of refunding debt	2,625,000	-	-	1,090,000
Loan issued	-	-	6,000,000	-
Bonds issued	2,055,000	-	2,705,000	-
Premium on bonds issued	1,255	-	-	17,027
Discount on debt issuance	(16,972)	-	(10,869)	-
Payments to refunded bond escrow agent	-	(2,550,000)	-	-
Sale of capital assets	-	9,106	5,159	-
Transfers in	382,860	246,380	240,000	244,518
Transfers out	-	-	-	(60,000)
Total other financing sources (uses)	<u>5,047,143</u>	<u>(2,294,514)</u>	<u>8,939,290</u>	<u>1,291,545</u>
Net change in fund balances	<u>\$ 6,595,444</u>	<u>\$ (4,168,664)</u>	<u>\$ 2,870,605</u>	<u>\$ 1,277,742</u>
<b>Debt service as a percentage of noncapital expenditures</b>	<u>16.9%</u>	<u>16.1%</u>	<u>16.4%</u>	<u>16.1%</u>

Table 5

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ 7,897,145	\$ 8,274,948	\$ 8,649,002	\$ 8,843,965	\$ 9,011,334	\$ 9,463,973
1,840,640	2,007,418	1,935,523	2,035,627	1,980,051	1,882,775
279,644	280,687	283,344	287,206	301,530	456,242
159,197	260,209	208,473	193,372	181,035	149,647
531,895	368,878	501,198	441,243	540,755	648,306
280,361	404,823	449,736	1,180,975	913,123	1,973,301
4,403,209	4,773,333	5,012,643	5,272,954	5,380,786	5,857,355
55,814	55,582	32,813	62,135	67,000	52,440
477,652	179,965	133,828	352,042	216,714	(508,781)
110,000	110,000	110,000	110,000	110,000	–
–	–	–	–	43,557	51,667
156,934	178,643	228,607	319,150	246,611	243,606
21,750	21,750	21,750	21,750	–	–
81,209	68,358	88,001	87,816	154,427	147,399
<u>16,295,450</u>	<u>16,984,594</u>	<u>17,654,918</u>	<u>19,208,235</u>	<u>19,146,923</u>	<u>20,417,930</u>
2,009,234	1,982,564	2,086,403	2,062,470	2,205,967	2,385,455
2,550,216	2,515,416	2,557,182	2,697,842	3,027,782	3,458,358
2,215,994	2,135,743	1,913,770	2,235,780	2,335,935	5,172,372
5,322,799	5,442,013	5,213,371	5,746,983	5,620,067	5,634,141
2,558,932	1,347,855	1,468,725	1,392,619	2,903,360	2,206,684
117,609	145,689	120,007	–	–	–
1,520,192	1,932,761	1,295,891	2,191,037	1,362,235	6,938,968
1,705,000	1,115,000	1,120,000	1,125,000	1,335,000	1,395,000
615,224	535,526	512,080	367,213	407,823	456,794
–	–	–	85,989	–	–
<u>18,615,200</u>	<u>17,152,567</u>	<u>16,287,429</u>	<u>17,904,933</u>	<u>19,198,169</u>	<u>27,647,772</u>
<u>(2,319,750)</u>	<u>(167,973)</u>	<u>1,367,489</u>	<u>1,303,302</u>	<u>(51,246)</u>	<u>(7,229,842)</u>
–	–	–	4,620,000	–	2,365,000
–	–	–	–	–	–
330,000	235,000	140,000	–	–	4,190,000
–	6,150	–	–	–	285,435
(1,676)	–	(1,120)	(44,759)	–	–
(1,085,000)	–	–	(4,575,241)	–	(135,000)
400	8,431	–	752	250	3,290
240,000	273,000	324,074	341,000	373,729	413,426
–	–	–	–	–	–
<u>(516,276)</u>	<u>522,581</u>	<u>462,954</u>	<u>341,752</u>	<u>373,979</u>	<u>7,122,151</u>
<u>\$ (2,836,026)</u>	<u>\$ 354,608</u>	<u>\$ 1,830,443</u>	<u>\$ 1,645,054</u>	<u>\$ 322,733</u>	<u>\$ (107,691)</u>
<u>13.6%</u>	<u>10.8%</u>	<u>10.9%</u>	<u>9.5%</u>	<u>9.8%</u>	<u>8.9%</u>

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**CITY OF SHOREVIEW**

Taxable Net Tax Capacity Value and Estimated Market Value of Taxable Property  
Last Ten Fiscal Years

**Table 6**

Fiscal Year	Real Property		Personal Property	Agricultural and Miscellaneous	Less Captured Tax Increment Value	Total Taxable Net Tax Capacity Value	Total Direct Tax Rate	Total Market Value	Net Tax Capacity as a Percentage of Market Value
	Residential Property	Commercial Property							
2004	\$ 19,838,893	\$5,718,678	\$ 267,246	\$ 20,633	\$ 1,426,915	\$ 24,418,535	27.067%	\$2,254,552,400	1.1%
2005	22,604,377	5,831,835	273,152	29,250	1,601,414	27,137,200	25.445%	2,544,617,800	1.1%
2006	25,308,639	6,526,392	280,671	24,285	1,665,131	30,474,856	23.974%	2,844,890,400	1.1%
2007	27,747,993	7,310,552	287,179	29,364	1,830,461	33,544,627	23.299%	3,124,914,300	1.1%
2008	28,781,938	8,444,482	278,268	23,059	2,129,346	35,398,401	23.532%	3,276,232,000	1.1%
2009	28,005,715	8,329,045	272,674	25,617	2,033,697	34,599,354	25.129%	3,198,277,000	1.1%
2010	26,372,797	8,238,244	269,727	8,996	1,933,124	32,956,640	27.569%	3,015,578,000	1.1%
2011	24,749,422	7,524,515	276,239	23,332	1,784,852	30,788,656	30.671%	2,838,577,100	1.1%
2012	22,153,383	7,228,211	296,285	21,668	1,549,078	28,150,469	33.252%	2,568,566,800	1.1%
2013	20,538,954	6,704,036	311,101	60,854	1,379,783	26,235,162	36.970%	2,404,938,000	1.1%

Percentage of Total Net Tax Capacity Value

2003	82.2%	22.4%	1.3%	0.1%	6.0%	100.0%
2004	81.2%	23.4%	1.1%	0.1%	5.8%	100.0%
2005	83.3%	21.5%	1.0%	0.1%	5.9%	100.0%
2006	83.0%	21.4%	0.9%	0.1%	5.5%	100.0%
2007	82.7%	21.8%	0.9%	0.1%	5.5%	100.0%
2008	81.3%	23.9%	0.8%	0.1%	6.0%	100.0%
2009	80.9%	24.1%	0.8%	0.1%	5.9%	100.0%
2010	80.0%	25.0%	0.8%	0.1%	6.0%	100.0%
2011	80.4%	24.4%	0.9%	0.1%	5.8%	100.0%
2012	78.7%	25.7%	1.1%	0.1%	5.5%	100.0%
2013	78.3%	25.6%	1.2%	0.2%	5.3%	100.0%

Tax exempt property values are not included in total net capacity value.

Source: Ramsey County Assessor's Office

**CITY OF SHOREVIEW**

Property Tax Rates

Direct and Overlapping (1) Governments

Last Ten Fiscal Years

City of Shoreview	2004	2005	2006
<b>Tax Capacity Rates:</b>			
City of Shoreview			
General Fund	21.287%	19.352%	18.244%
Special Revenue	-	-	-
Capital Project	4.680%	4.865%	4.632%
Debt Service	1.100%	1.228%	1.098%
Internal Service	-	-	-
Total City Tax Rate	27.067%	25.445%	23.974%
Shoreview HRA	-	-	-
Overlapping Rates			
Ramsey County	49.439%	45.848%	43.554%
Ramsey County Library	3.696%	3.362%	3.069%
Total County Tax Rate	53.135%	49.210%	46.623%
Rice Creek Watershed	1.206%	1.606%	1.794%
Metro Watershed	-	-	-
School Districts			
District #621	21.843%	22.112%	23.419%
District #623	15.431%	16.713%	16.664%
District #916	0.083%	0.075%	0.066%
Other			
Regional rail	0.522%	0.833%	2.453%
Regional transit	-	-	-
Metropolitan Council	3.115%	2.755%	2.491%
Mosquito Control	0.606%	0.588%	0.523%
<b>Total Direct and Overlapping Tax Capacity Rates:</b>			
Grass Lake, #621 & #916	106.371%	101.018%	99.549%
Rice Creek, #621 & #916	107.577%	102.624%	101.343%
Metro Watershed, #621 & #916	-	-	-
Grass Lake, #623 & #916	99.959%	95.619%	92.794%
Rice Creek, #623 & #916	101.165%	97.225%	94.588%
Metro Watershed, #623 & #916	-	-	-
<b>State-Wide Tax Capacity Rates:</b>			
Commercial, industrial, and non-electric public utilities	54.109%	51.121%	50.827%
Cabins	54.109%	51.121%	28.385%
<b>Market Value Tax Rates:</b>			
Overlapping Rates			
School Districts			
District #621	0.15947%	0.12131%	0.12803%
District #623	0.19583%	0.16244%	0.15115%

Source: Ramsey County Assessor's office

(1) Overlapping rates are those of local, county, regional, and state governments that apply to property owners within the City. Not all overlapping rates apply to all city property owners (e.g. the rates for special districts apply only to the portion of the government's property owners whose property is located within the geographic boundaries of the special district).

**Table 7**

2007	2008	2009	2010	2011	2012	2013
17.164%	16.972%	18.346%	20.053%	21.634%	23.148%	25.557%
-	-	-	-	0.085%	0.197%	0.231%
4.403%	4.863%	5.175%	5.786%	6.821%	7.552%	8.545%
1.732%	1.697%	1.608%	1.730%	1.797%	1.582%	1.929%
-	-	-	-	0.334%	0.773%	0.708%
23.299%	23.532%	25.129%	27.569%	30.671%	33.252%	36.970%
-	-	-	0.169%	0.198%	0.254%	0.289%
41.967%	41.158%	43.171%	46.598%	50.801%	56.945%	60.638%
2.976%	2.865%	3.375%	3.650%	3.877%	4.372%	4.602%
44.943%	44.023%	46.546%	50.248%	54.678%	61.317%	65.240%
1.315%	1.608%	1.545%	1.511%	1.618%	2.348%	2.322%
-	-	-	-	-	3.043%	3.643%
23.264%	20.380%	22.937%	24.560%	25.573%	29.044%	29.444%
12.372%	10.175%	10.624%	13.065%	14.566%	17.065%	15.464%
-	-	-	-	-	-	-
3.956%	3.454%	3.521%	3.700%	3.921%	4.330%	4.528%
-	-	-	-	-	-	-
2.174%	2.051%	2.084%	2.261%	2.313%	2.706%	2.776%
0.501%	0.479%	0.487%	0.480%	0.503%	0.571%	0.573%
98.137%	93.919%	100.704%	108.987%	117.857%	131.474%	139.820%
99.452%	95.527%	102.249%	110.498%	119.475%	133.822%	142.142%
-	-	-	-	-	134.517%	143.463%
87.245%	83.714%	88.391%	97.492%	106.850%	119.495%	125.840%
88.560%	85.322%	89.936%	99.003%	108.468%	121.843%	128.162%
-	-	-	-	-	122.538%	129.483%
48.032%	45.949%	45.535%	45.881%	49.043%	51.100%	52.523%
24.225%	20.385%	18.214%	17.755%	19.145%	20.750%	22.327%
0.18163%	0.18924%	0.18685%	0.18882%	0.19536%	0.21242%	0.22834%
0.16932%	0.18134%	0.20390%	0.20374%	0.19715%	0.19591%	0.24553%

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**CITY OF SHOREVIEW**  
Principal Property Taxpayers  
Current Year and Nine Years Ago

**Table 8**

Taxpayer	2013				2004			
	Market Value	Taxable Net Tax Capacity Value	Rank	Percentage of Total Net Tax Capacity Value	Market Value	Taxable Net Tax Capacity Value	Rank	Percentage of Total Net Tax Capacity Value
JPMCC 2006-LDP7 Gramsie Rd LLC	\$ 40,561,500	\$ 810,480	1	3.09%	\$ -	\$ -	-	-
Wells Fargo	36,898,500	737,220	2	2.81%	36,100,000	721,250	2	2.95%
Deluxe Corporation	21,900,000	437,250	3	1.67%	29,000,000	579,250	3	2.37%
Medtronic	14,870,000	296,650	4	1.13%	13,500,000	269,250	5	1.10%
Dayton Hudson Corporation	14,598,700	290,474	5	1.11%	13,500,000	269,250	4	1.10%
Terrace Apartments Company	22,366,500	279,581	6	1.07%	21,473,500	268,419	6	1.10%
Carroll Ventures Company	16,621,300	207,766	7	0.79%	-	-	-	-
Fox UTV Holdings Inc & Delaware Corp	10,243,200	202,456	8	0.77%	-	-	-	-
Northern States Power Co.	9,296,500	180,170	9	0.69%	12,773,000	255,373	7	1.05%
TSI Inc.	8,972,900	178,708	10	0.68%	6,812,300	135,496	9	0.55%
Shoreview Owner, LLC	-	-	-	-	41,250,000	824,250	1	3.38%
Rice Creek, LLC	-	-	-	-	6,164,000	122,530	10	0.50%
George J. Reiling	-	-	-	-	8,144,400	160,638	8	0.66%
<b>Total</b>	<b>\$ 196,329,100</b>	<b>\$ 3,620,755</b>		<b>13.81%</b>	<b>\$ 188,717,200</b>	<b>\$ 3,605,706</b>		<b>14.76%</b>

Rank is based on Taxable Net Tax Capacity Value

Source: Ramsey County Board of Equalization and Assessment

**CITY OF SHOREVIEW**  
Property Tax Levies and Collections:  
Last Ten Fiscal Years

Levy Year	Total Tax Levy for Fiscal Year (1)	Collections (Refunds) within the Fiscal Year						
		2004	2005	2006	2007	2008	2009	2010
<b>Property Taxes:</b>								
2004	\$ 6,216,971	\$ 6,150,425	\$ (11,970)	\$ 1,868	\$ -	\$ 845	\$ -	\$ 40
2005	6,567,362	-	6,444,720	42,719	(1,415)	3,164	942	135
2006	7,028,114	-	-	6,907,441	74,370	(20,580)	1,585	981
2007	7,557,202	-	-	-	7,498,003	2,782	3,568	5,152
2008	8,045,252	-	-	-	-	7,906,905	38,347	767
2009	8,350,663	-	-	-	-	-	8,224,205	23,468
2010	8,731,773	-	-	-	-	-	-	8,608,884
2011	9,051,713	-	-	-	-	-	-	-
2012	9,360,028	-	-	-	-	-	-	-
2013	9,679,510	-	-	-	-	-	-	-
Non-levy collections (2)		11,997	10,961	8,498	7,162	2,805	6,261	9,575
Total collections within fiscal year		<u>\$6,256,254</u>	<u>\$ 6,443,342</u>	<u>\$ 6,964,113</u>	<u>\$ 7,578,220</u>	<u>\$ 7,897,145</u>	<u>\$ 8,274,948</u>	<u>\$ 8,649,002</u>
<b>Tax Increments:</b>								
2004	\$ 1,512,562	\$ 1,508,828	\$ -	\$ (19,903)	\$ -	\$ -	\$ -	\$ -
2005	1,612,519	-	1,556,678	15,546	-	-	-	-
2006	1,651,885	-	-	1,642,956	-	-	-	-
2007	1,785,481	-	-	-	1,785,481	-	-	-
2008	1,990,510	-	-	-	-	1,840,640	-	-
2009	2,037,210	-	-	-	-	-	2,007,418	-
2010	2,096,947	-	-	-	-	-	-	1,935,523
2011	2,094,246	-	-	-	-	-	-	-
2012	2,013,059	-	-	-	-	-	-	-
2013	1,917,808	-	-	-	-	-	-	-
Non-levy collections (2)		-	-	-	-	-	-	-
Total collections within fiscal year		<u>\$1,514,785</u>	<u>\$ 1,556,678</u>	<u>\$ 1,638,599</u>	<u>\$ 1,785,481</u>	<u>\$ 1,840,640</u>	<u>\$ 2,007,418</u>	<u>\$ 1,935,523</u>

(1) Net of county rounding adjustment

(2) Non-levy collections include interest and other collections that do not reduce uncollected taxes

Table 9

Collections (Refunds) within the Fiscal Year			Percentage Collected Within the Fiscal Year of the Levy	Total Collections to Date		Abatements and Adjustments	Total Uncollected	
2011	2012	2013		Amount	Percentage of Levy		Amount	Percentage of Levy
\$ -	\$ -	\$ -	98.9%	\$ 6,141,208	98.8%	\$ (75,763)	\$ -	0.00%
205	-	-	98.1%	6,490,470	98.8%	(76,892)	-	0.00%
(6,484)	127	-	98.3%	6,957,440	99.0%	(70,674)	-	0.00%
(10,043)	369	1,183	99.2%	7,501,014	99.3%	(54,920)	1,268	0.02%
(16,093)	908	785	98.3%	7,931,619	98.6%	(110,332)	3,301	0.04%
(27,916)	(4,727)	962	98.5%	8,215,992	98.4%	(130,676)	3,995	0.05%
29,965	(69,854)	(5,977)	98.6%	8,563,018	98.1%	(172,888)	(4,133)	(0.05)%
8,980,471	(7,542)	(11,727)	99.2%	8,961,202	99.0%	(81,546)	8,965	0.10%
-	9,262,995	28,098	99.0%	9,291,093	99.3%	(50,401)	18,534	0.20%
-	-	9,607,386	99.3%	9,607,386	99.3%	(18,690)	53,434	0.55%
(8,254)	43,440	26,253						
<u>\$ 8,941,851</u>	<u>\$ 9,225,716</u>	<u>\$ 9,646,963</u>					<u>\$ 85,364</u>	
\$ -	\$ -	\$ -	99.8%	\$ 1,488,925	98.4%	\$ (23,637)	\$ -	0.00%
-	-	-	96.5%	1,572,224	97.5%	(40,295)	-	0.00%
-	-	-	99.5%	1,642,956	99.5%	(8,929)	-	0.00%
-	-	-	100.0%	1,785,481	100.0%	-	-	0.00%
-	-	-	92.5%	1,840,640	92.5%	(149,870)	-	0.00%
-	-	-	98.5%	2,007,418	98.5%	(29,792)	-	0.00%
9,302	-	-	92.3%	1,944,825	92.7%	(152,122)	-	0.00%
2,026,325	9,864	-	96.8%	2,036,189	97.2%	(58,057)	-	0.00%
-	1,939,529	(8,553)	96.3%	1,930,976	95.9%	(67,319)	14,764	0.73%
-	-	1,891,327	98.6%	1,891,327	98.6%	(978)	25,503	1.33%
-	30,658	-						
<u>\$ 2,035,627</u>	<u>\$ 1,980,051</u>	<u>\$ 1,882,774</u>					<u>\$ 40,267</u>	



**Table 10**

Commercial/Industrial/Hotel/Motel/Public Institutions Religious/Charitable/Residential irrigation only accounts					
Tier 1 – First 50,000 Gallons	Tier 2 – Second 1,150,000 Gallons	Tier 3 – Remaining Water Consumed	Total Commercial/ Industrial Etc.	Shoreview City Accounts (2)	Total Water Sold
–	185.9	–	185.9	–	973.0
–	187.3	–	187.3	–	930.1
–	183.7	–	183.7	–	999.4
–	189.1	–	189.1	17.7	1,044.8
–	186.5	–	186.5	18.0	982.0
–	205.4	–	205.4	24.1	1,071.7

(1) Commercial/Industrial/Hotel/Motel/Public Institutions  
Religious/Charitable/Residential irrigation only accounts

Tier 1 – First 50,000 Gallons	Tier 2 – Second 1,150,000 Gallons	Tier 3 – Remaining Water Consumed	Total Commercial/ Industrial Etc.	Shoreview City Accounts (2)	Total Water Sold
27.0	141.3	32.3	200.6	22.6	910.8
26.1	126.7	41.7	194.5	19.0	890.4

Commercial/Industrial/Hotel/Motel/Public Institutions  
Religious/Charitable/Residential irrigation only accounts

Tier 1 – First 50,000 Gallons	Tier 2 – Second 1,150,000 Gallons	Tier 3 – Remaining Water Consumed	Total Commercial/ Industrial Etc.	Shoreview City Accounts (2)	Total Water Sold
28.2	151.5	49.5	229.2	26.0	1,019.4
27.0	135.3	39.1	201.4	20.2	911.1

Percentage of Total Water Sold

0.0%	19.1%	0.0%	19.1%	0.0%	100.0%
0.0%	20.1%	0.0%	20.1%	0.0%	100.0%
0.0%	18.4%	0.0%	18.4%	0.0%	100.0%
0.0%	18.1%	0.0%	18.1%	1.7%	100.0%
0.0%	19.0%	0.0%	19.0%	1.8%	100.0%
0.0%	19.2%	0.0%	19.2%	2.2%	100.0%
3.0%	15.5%	3.5%	22.0%	2.5%	100.0%
2.9%	14.2%	4.7%	21.8%	2.1%	100.0%
2.8%	14.8%	4.9%	22.5%	2.6%	100.0%
3.0%	14.8%	4.3%	22.1%	2.2%	100.0%

**CITY OF SHOREVIEW**

Residential Utility Rates per Quarter  
Last Ten Fiscal Years

Fiscal Year	Water				Surface Water Management			
	Base Rate Per Unit	Rate per 1,000 Gallons			Per Unit		Per Acre	
		Tier 1 First 15,000 Gallons	Tier 2 Second 15,000 Gallons	Tier 3 Remaining Gallons	Single-Family	Town Home	Condos	Apartments and Mobile Homes
2004	\$ 7.98	\$ 0.677	\$ 1.194	\$ 1.734	\$ 9.72	\$ 10.30	\$ 67.06	\$ 81.33
2005	8.25	0.700	1.235	1.793	9.96	10.56	68.74	83.36
2006	9.08	0.770	1.359	1.972	10.28	10.90	70.97	86.07
2007	10.90	0.770	1.468	2.268	10.90	11.55	75.23	91.23
2008	12.54	0.816	1.644	2.608	12.00	12.71	82.75	100.35
2009	13.17	0.857	1.726	2.738	13.20	13.98	91.03	110.40

	(1) Water				Surface Water Management			
	Base Rate Per Unit	Rate per 1,000 Gallons			Per Unit		Per Acre	
		Tier 1 First 10,000 Gallons	Tier 2 Second 20,000 Gallons	Tier 3 Remaining Gallons	Single-Family	Town Home	Condos	Apartments and Mobile Homes
2010	\$ 10.00	\$ 0.920	\$ 1.860	\$ 2.950	\$ 14.52	\$ 15.38	\$ 121.44	\$ 121.44
2011	11.00	1.010	2.050	3.250	15.97	16.92	133.58	133.58

	(2) Water					Surface Water Management			
	Base Rate Per Unit	Rate per 1,000 Gallons				Per Unit		Per Acre	
		Tier 1 First 5,000 Gallons	Tier 2 Second 5,000 Gallons	Tier 2 Third 20,000 Gallons	Tier 3 Remaining Gallons	Single-Family	Town Home	Condos	Apartments and Mobile Homes
2012	\$ 13.00	\$ 1.04	\$ 1.69	\$ 2.34	\$ 3.84	\$ 17.57	\$ 18.61	\$ 146.94	\$ 146.94
2013	13.40	1.080	1.740	2.410	3.960	19.33	20.47	161.63	161.63

Source: City of Shoreview utility billing department

Note: Rates through 2009 are based on 5/8" meter which is the standard household meter size. The authority charged an excess base rate for meter sizes larger than a 5/8" meter.

- (1) Conservation rates restructured in 2010.
- (2) Conservation rates restructured in 2012 to split the first residential tier into two tiers.

**Table 11**

Sewer						Street Lighting	
Base Rate	Use Rate (Based on Winter Water Use)					Per Unit	
	Tier 1 Less Than 5,000 Gallons	Tier 2 Between 5,000 and 10,000 Gallons	Tier 3 Between 10,001 and 20,000 Gallons	Tier 4 Between 20,001 and 30,000 Gallons	Tier 5 Greater Than 30,000 Gallons	Single and Multi-Family	Condos Apartments and Mobile Homes
\$ 28.94	\$ 9.15	\$ 13.93	\$ 18.69	\$ 23.47	\$ 28.24	\$ 4.00	\$ 3.00
30.27	9.57	14.57	19.55	24.55	29.54	4.00	3.00
31.93	10.10	15.37	20.63	25.90	31.16	4.40	3.30
28.74	11.11	18.44	26.82	34.97	43.62	4.66	3.50
27.88	11.78	20.28	31.11	42.31	54.96	6.06	4.55
30.67	12.96	22.31	34.22	46.54	60.46	6.67	5.00

Sewer						Street Lighting	
Base Rate Per Unit	Use Rate per unit (Based on Winter Water Use)					Per Unit	
	Tier 1 Less Than 5,000 Gallons	Tier 2 Between 5,000 and 10,000 Gallons	Tier 3 Between 10,001 and 20,000 Gallons	Tier 4 Between 20,001 and 30,000 Gallons	Tier 5 Greater Than 30,000 Gallons	Single and Multi-Family	Condos Apartments and Mobile Homes
\$ 32.51	\$ 13.74	\$ 23.65	\$ 36.27	\$ 49.33	\$ 64.09	\$ 6.94	\$ 5.20
35.76	15.11	26.02	39.90	54.26	70.50	7.29	5.46

Sewer						Street Lighting	
Base Rate Per Unit	Use Rate per unit (Based on Winter Water Use)					Per Unit	
	Tier 1 Less Than 5,000 Gallons	Tier 2 Between 5,000 and 10,000 Gallons	Tier 3 Between 10,001 and 20,000 Gallons	Tier 4 Between 20,001 and 30,000 Gallons	Tier 5 Greater Than 30,000 Gallons	Single and Multi-Family	Condos Apartments and Mobile Homes
\$ 35.76	\$ 15.11	\$ 26.02	\$ 39.90	\$ 54.26	\$ 70.50	\$ 9.11	\$ 6.83
37.91	16.02	27.58	42.29	57.52	74.73	9.47	7.10

**CITY OF SHOREVIEW**

Commercial Utility Rates per Quarter  
Last Ten Fiscal Years

Fiscal Year	Water	
	Base Rate – First 15,000 Gallons	Rate per 1,000 Gallons
	(1)	
2004	\$ 17.91	\$ 1.19
2005	18.53	1.235
2006	20.39	1.359
2007	22.02	1.468
2008	24.66	1.644
2009	25.89	1.726

Fiscal Year	Base Rate Per Account	Rate per 1,000 gallons		
		First 50,000	Next 1,150,000	All Remaining
2010	\$ 10.00	\$ 1.40	\$ 1.86	\$ 2.95
2011	11.00	1.54	2.05	3.25
2012	13.00	1.69	2.34	3.84
2013	13.40	1.74	2.41	3.96

Source:

City of Shoreview utility billing department

- (1) Rates through 2009 are based on 5/8” meter. The City charged higher minimum water rates for meter sizes larger than a 5/8” meter through 2009.
- (2) Conservation based rate structure implemented in 2010 for commercial accounts.

**Table 12**

Sewer		Surface Water Management	Street Lights
Base Rate – First 15,000 Gallons	Rate per 1,000 Gallons	Rate Per Acre	Rate Per Acre
\$ 47.63	\$ 2.39	\$ 81.33	\$ 12.00
49.82	2.502	83.36	12.00
52.56	2.640	86.07	13.20
55.56	2.798	91.23	14.00
58.99	2.970	100.35	18.20
64.89	3.270	110.40	20.02

Sewer		Surface Water Management	Street Lights
Sewer Availability Charge Per Account	Rate per 1000 Gallons	Rate Per Acre	Rate Per Acre
\$ 32.51	\$ 3.47	\$ 121.44	\$ 20.82
35.76	3.82	133.58	21.86
35.76	3.82	146.94	27.33
37.91	4.05	161.63	28.42

**CITY OF SHOREVIEW**

Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years

Fiscal Year	Governmental Activities					Business- Type Activities
	General Obligation Improvement Bonds	Other General Obligation Bonds	General Obligation Tax Increment Bonds	Certificates of Participation	Loan Payable	Water Bonds
2004	\$ 2,800,000	\$ 1,600,000	\$ 9,050,000	\$ 6,275,000	\$ -	\$ 2,050,000
2005	2,300,000	1,600,000	5,700,000	5,950,000	-	1,850,000
2006	2,120,000	4,035,000	4,770,000	5,660,000	6,000,000	2,495,000
2007	1,820,000	3,950,000	4,925,000	5,430,000	6,000,000	3,120,000
2008	1,835,000	3,795,000	2,845,000	5,190,000	6,000,000	5,210,000
2009	1,765,000	3,570,000	2,510,000	4,940,000	6,000,000	4,895,000
2010	1,610,000	8,950,000	2,180,000	4,680,000	6,000,000	5,710,000
2011	1,350,000	8,705,000	1,830,000	4,620,000	6,000,000	5,250,000
2012	1,065,000	8,355,000	1,320,000	4,330,000	6,000,000	4,700,000
2013	2,780,000	12,395,000	690,000	3,985,000	6,000,000	5,930,000

Note: Details regarding the City's outstanding debt can be found in the notes to financial statements.

- (1) See Table 6 – Taxable Net Tax Capacity Value and Estimated Market Value of Taxable Property for the estimated actual market value.
- (2) See Table 18 – Demographic and Economic Statistics schedule for estimated personal income and population data.

**Table 13**

<u>Business-Type Activities</u>				Percentage of	Percentage of	
<u>Sewer</u>	<u>Surface</u>	<u>Unamortized</u>	<u>Total Primary</u>	<u>Estimated</u>	<u>Estimated actual</u>	
<u>Bonds</u>	<u>Water</u>	<u>Premium</u>	<u>Government</u>	<u>Personal</u>	<u>Market Value of</u>	<u>Per Capita (2)</u>
	<u>Bonds</u>			<u>Income (2)</u>	<u>Property (1)</u>	
\$ 395,000	\$ 975,000	\$ -	\$ 23,145,000	2.22%	1.03%	\$ 874
365,000	895,000	-	18,660,000	1.73%	0.73%	707
605,000	815,000	-	26,500,000	2.63%	0.93%	1,021
835,000	1,335,000	-	27,415,000	2.56%	0.88%	1,051
1,370,000	1,485,000	-	27,730,000	2.48%	0.85%	1,060
1,315,000	2,555,000	-	27,550,000	2.55%	0.86%	1,058
2,220,000	2,780,000	-	34,130,000	3.08%	1.13%	1,319
2,130,000	2,555,000	-	32,440,000	2.90%	1.14%	1,295
1,985,000	2,300,000	-	30,055,000	2.64%	1.17%	1,197
1,995,000	3,190,000	403,427	37,368,427	3.07%	1.55%	1,470

**CITY OF SHOREVIEW**

Ratios of Net General Bonded Debt Outstanding  
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-Type Activities		
	General Obligation Improvement Bonds	Other General Obligation Bonds	General Obligation Tax Increment Bonds	Water Bonds	Sewer Bonds	Surface Water Bonds
2004	\$2,800,000	\$1,600,000	\$ 9,050,000	\$ 2,050,000	\$ 395,000	\$ 975,000
2005	2,300,000	1,600,000	5,700,000	1,850,000	365,000	895,000
2006	2,120,000	4,035,000	4,770,000	2,495,000	605,000	815,000
2007	1,820,000	3,950,000	4,925,000	3,120,000	835,000	1,335,000
2008	1,835,000	3,795,000	2,845,000	5,210,000	1,370,000	1,485,000
2009	1,765,000	3,570,000	2,510,000	4,895,000	1,315,000	2,555,000
2010	1,610,000	8,950,000	2,180,000	5,710,000	2,220,000	2,780,000
2011	1,350,000	8,705,000	1,830,000	5,250,000	2,130,000	2,555,000
2012	1,065,000	8,355,000	1,320,000	4,700,000	1,985,000	2,300,000
2013	2,780,000	12,395,000	690,000	5,930,000	1,995,000	3,190,000

- Note: Details regarding the City’s outstanding debt can be found in the notes to financial statements.
- (1) See Table 6 – Taxable Net Tax Capacity Value and Estimated Market Value of Taxable Property for the estimated actual market value.
  - (2) See Table 18 – Demographic and Economic Statistics schedule.

**Table 14**

<u>Unamortized Premium</u>	<u>Total</u>	<u>Resources Restricted for Repayment</u>	<u>Net General Bonded Debt</u>	<u>Percentage of Estimated Actual Market Value of Property (1)</u>	<u>Per Capita (2)</u>
\$ –	\$16,870,000	\$ 1,244,319	\$15,625,681	0.69%	\$ 590
–	12,710,000	1,126,169	11,583,831	0.46%	439
–	14,840,000	1,138,503	13,701,497	0.48%	528
–	15,985,000	2,352,925	13,632,075	0.44%	522
–	16,540,000	1,415,305	15,124,695	0.46%	578
–	16,610,000	611,096	15,998,904	0.50%	614
–	23,450,000	1,480,563	21,969,437	0.73%	849
–	21,820,000	1,520,502	20,299,498	0.72%	811
–	19,725,000	1,423,875	18,301,125	0.71%	729
403,427	27,383,427	3,818,055	23,565,372	0.98%	927

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**CITY OF SHOREVIEW**

Direct and Overlapping Governmental Activities Debt  
as of December 31, 2013

**Table 15**

Governmental Unit	Gross Debt Outstanding (1)	Estimated Percentage Applicable (2)	Estimated Share of Overlapping Debt
<b>Overlapping debt</b>			
Ramsey County	\$ 209,772,000	6.417%	\$ 13,460,997
Independent School District #621 (Mounds View)	157,788,495	31.077%	49,035,428
Independent School District #623 (Roseville)	50,865,000	3.594%	1,828,149
Special Independent School District #916 (Vo-Tech)	3,950,000	5.815%	229,696
Metropolitan Council	1,396,829,257	0.885%	12,359,998
Metro Airport Commission	6,075,000	0.885%	53,765
Total overlapping debt			76,968,033
City of Shoreview direct debt excluding premiums (1)			25,850,000
Total direct and overlapping debt			\$ 102,818,033

Debt Ratios

Ratio of debt per capita (25,429 population, Table 18)	\$ 4,043
Ratio of debt to net tax capacity valuations (after fiscal disparities) (\$26,235,162, Table 6)	391.91%
Ratio of debt to estimated actual market value of property (\$2,404,938,000, Table 6)	4.28%

Sources: Assessed value data used to estimate applicable percentages provided by the County Board of Equalization and Assessment. Debt outstanding data provided by the county.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

- (1) Gross bonded and direct debt outstanding includes all general obligation, certificate of participation debt and loans.
- (2) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the government's boundaries and dividing it by the county's total taxable assessed value.

**CITY OF SHOREVIEW**  
 Legal Debt Margin Information  
 Last Ten Fiscal Years

	Fiscal Year			
	2004	2005	2006	2007
Debt limit	\$ 45,091,048	\$ 50,892,356	\$ 56,897,808	\$ 62,498,286
Total net debt applicable to limit	<u>7,209,069</u>	<u>6,920,862</u>	<u>9,055,007</u>	<u>8,614,289</u>
Legal debt margin	<u>\$ 37,881,979</u>	<u>\$ 43,971,494</u>	<u>\$ 47,842,801</u>	<u>\$ 53,883,997</u>
Total net debt applicable to the limit as a percentage of debt limit	15.99%	13.60%	15.91%	13.78%

Note: Under state statutes, prior to June 30, 2008 the City's outstanding general obligation debt and certificates of participation can not exceed 2 percent of total market property value, after that date the limit increases to 3 percent. By law, the debt subject to the limitation may be offset by amounts set aside for repaving the debt.

**Table 16**

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ 98,286,960	\$ 95,948,310	\$ 90,467,340	\$ 85,157,333	\$ 77,057,004	\$ 72,148,140
8,075,009	7,611,185	12,747,163	12,442,328	11,798,714	13,168,149
<u>\$ 90,211,951</u>	<u>\$ 88,337,125</u>	<u>\$ 77,720,177</u>	<u>\$ 72,715,005</u>	<u>\$ 65,258,290</u>	<u>\$ 58,979,991</u>
8.22%	7.93%	14.09%	14.61%	15.31%	18.25%

**Legal Debt Margin Calculation for Fiscal Year 2013**

Market value (payable 2013 value, Table 6)	\$2,404,938,000
Debt limit (3% of market value)	72,148,140
Debt applicable to limit	
Other general obligation bonds	12,395,000
Certificates of participation	3,985,000
Less cash set aside for repayment of general obligation debt	<u>(3,211,851)</u>
Total net debt applicable to limit	<u>13,168,149</u>
Legal debt margin	<u>\$ 58,979,991</u>

**CITY OF SHOREVIEW**  
Pledged Revenue Coverage  
Last Ten Fiscal Years

**Table 17**

Fiscal Year	Utility Revenues	Less Operating Expenses (1)	Net Available Revenue	Debt Service		Times Coverage
				Principal	Interest	
<b>Water Revenue Bonds</b>						
2004	\$ 1,530,258	\$ 1,042,626	\$ 487,632	\$ 475,000	\$ 96,561	0.85
2005	1,415,773	1,185,849	229,924	200,000	73,273	0.84
2006	1,749,143	1,243,722	505,421	215,000	101,273	1.60
2007	1,981,574	1,239,931	741,643	220,000	103,071	2.30
2008	2,033,018	1,329,619	703,399	275,000	126,890	1.75
2009	2,282,465	1,245,066	1,037,399	315,000	197,535	2.02
2010	2,042,580	1,339,306	703,274	425,000	192,894	1.14
2011	2,279,802	1,368,874	910,928	460,000	202,063	1.38
2012	2,966,297	1,405,259	1,561,038	550,000	183,921	2.13
2013	2,585,461	1,403,838	1,181,623	460,000	183,026	1.84
<b>Sewer Revenue Bonds</b>						
2004	\$ 2,398,155	\$ 2,291,031	\$ 107,124	\$ —	\$ 11,231	9.54
2005	2,513,120	2,421,374	91,746	30,000	10,923	2.24
2006	2,704,890	2,455,406	249,484	30,000	21,362	4.86
2007	2,799,893	2,416,145	383,748	30,000	23,635	7.15
2008	2,923,581	2,590,220	333,361	45,000	34,913	4.17
2009	3,187,514	3,013,766	173,748	55,000	50,951	1.64
2010	3,274,000	2,869,607	404,393	80,000	57,495	2.94
2011	3,617,492	2,953,041	664,451	90,000	76,061	4.00
2012	3,604,257	2,893,667	710,590	145,000	72,489	3.27
2013	3,718,390	3,100,871	617,519	275,000	67,690	1.80
<b>Surface Water Management Revenue Bonds</b>						
2004	\$ 614,555	\$ 427,300	\$ 187,255	\$ 35,000	\$ 29,451	2.91
2005	618,569	421,645	196,924	80,000	27,538	1.83
2006	670,491	491,989	178,502	80,000	26,492	1.68
2007	751,760	516,526	235,234	80,000	32,303	2.09
2008	837,128	545,757	291,371	80,000	48,344	2.27
2009	826,536	565,250	261,286	110,000	26,179	1.92
2010	937,550	656,073	281,477	130,000	90,408	1.28
2011	1,032,620	669,298	363,322	225,000	91,277	1.15
2012	1,159,830	710,054	449,776	255,000	84,797	1.32
2013	1,188,105	621,960	566,145	415,000	84,608	1.13

Note: Details regarding the City's outstanding debt can be found in the notes to financial statements. Utility revenues include operating revenue, earnings on investments and the Federal credit associated with Build America Bonds.

(1) Operating expenses do not include depreciation.

**CITY OF SHOREVIEW**

Demographic and Economic Statistics  
Last Ten Fiscal Years

**Table 18**

Fiscal Year	Population (1)	Estimated Personal Income (Amounts Expressed in Whole Dollars) (2)	Per Capita Personal Income (3)	School Enrollment District #621 (4)	School Enrollment District #623 (4)	Unemployment Rate (5)
2004	26,475	\$ 1,042,294,275	\$ 39,369	10,606	6,301	3.7 %
2005	26,381	1,078,534,423	40,883	10,513	6,269	3.2 %
2006	25,964	1,008,935,076	38,859	10,234	6,296	3.1 %
2007	26,093	1,070,700,162	41,034	10,116	6,373	3.5 %
2008	26,159	1,118,872,748	42,772	9,914	6,391	4.4 %
2009	26,036	1,081,847,872	41,552	9,901	6,481	6.3 %
2010	25,882	1,108,862,526	42,843	9,849	6,489	6.3 %
*2011	25,043	1,118,720,896	44,672	9,914	6,593	5.4 %
2012	25,118	1,139,478,070	45,365	10,006	6,765	4.6 %
2013	25,429	1,216,930,224	47,856	10,233	6,902	3.9 %

Notes/Sources:

- (1) Population figures other than Census year are estimates provided by the Metropolitan Council. The last census was taken in 2010. Figures are as of December 31 of the prior year.
- (2) This estimated personal income number is calculated by taking the per capita personal income and multiplying it by the City’s population. Also see note (3) regarding the per capita personal income figures.
- (3) Per capital personal income data is provided by the Bureau of Economic Analysis. The 2004–2005 data is for Ramsey County, in which the City resides, the smallest region applicable to the City that this information is available for. The 2006–2011 and 2013 figures are estimates for the state of Minnesota as there were no other relevant estimates available at the time of this report. 2012 information is for Ramsey County.
- (4) The City is served by two independent school districts. District #621 covers approximately 90% of the City, while District #623 covers approximately 10% of the City. Accordingly, not all students enrolled in District #621 or District #623 live in the City.
- (5) Annual average unemployment provided by the Minnesota Department of Employment & Economic Development.

\* 2010 Federal Census data

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**CITY OF SHOREVIEW**

Principal Employers  
Current Year and Nine Years Ago

**Table 19**

Employer	2013			2004		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Wells Fargo	1,200	1	10.80%	1,200	1	9.74%
Deluxe Corporation	1,150	2	10.35%	1,044	2	8.48%
Land O'Lakes	800	3	7.20%	–	–	–
Cummins Power Generation	600	4	5.40%	–	–	–
Target Corporation	500	5	4.50%	400	4	3.25%
TSI, Inc.	440	6	3.96%	350	5	2.84%
DJO Global – Empi Inc.	430	7	3.87%	311	6	2.52%
Westinghouse (PaR Nuclear)	300	8	2.70%	–	–	–
Fiserv	200	9	1.80%	–	–	–
PaR Systems	200	10	1.80%	200	8	1.62%
Fair Isaac	–	–	–	250	7	2.03%
Curtis 1000	–	–	–	175	9	1.42%
Medtronic	–	–	–	900	3	7.31%
AGS Publishing	–	–	–	150	10	1.22%
<b>Total</b>	<b>5,820</b>		<b>52.37%</b>	<b>4,980</b>		<b>40.43%</b>

Source: Telephone survey of individual employers January 2004, City of Shoreview Community Development Department – 2013

Total City employment provided by the Minnesota Department of Employment & Economic Development

**CITY OF SHOREVIEW**

Budgeted Full-Time Equivalent City Government Employees by Function  
Last Ten Fiscal Years

Function	Budgeted Full-Time Equivalent Employees as of December 31,			
	2004	2005	2006	2007
General government	13.26	12.16	13.36	12.16
Public safety				
Emergency services	0.20	0.20	0.20	0.16
Public works				
Engineering	4.40	4.39	4.39	4.39
Maintenance	6.88	6.93	6.93	6.99
Parks and recreation				
Administration	6.30	6.30	6.31	6.27
Maintenance	9.03	9.04	9.04	9.40
Community center	40.73	42.63	45.81	43.72
Recreation programs	22.76	21.91	23.06	22.12
Community development	5.60	5.60	5.60	5.75
Water	7.80	7.80	7.82	8.11
Sewer	6.53	6.53	6.56	6.83
Surface water	2.86	2.87	2.87	2.88
Street lights	0.10	0.10	0.10	0.10
Central garage	2.40	2.40	2.40	2.40
	<u>128.85</u>	<u>128.86</u>	<u>134.45</u>	<u>131.28</u>
Total				
Full-time	76.00	75.00	77.00	76.00
Part-time	0.75	0.75	–	–
Associate	52.10	53.11	57.45	55.28
	<u>128.85</u>	<u>128.86</u>	<u>134.45</u>	<u>131.28</u>
Total				

Source: City Finance Department

**Table 20**

Budgeted Full-Time Equivalent Employees as of December 31,					
2008	2009	2010	2011	2012	2013
13.61	12.25	14.05	12.66	14.69	13.46
0.16	0.16	0.08	0.08	0.07	0.08
4.05	4.05	4.05	4.05	4.03	4.03
7.36	7.35	6.83	6.83	6.84	7.12
6.26	6.15	6.00	5.00	4.00	4.00
9.87	9.45	9.51	9.71	9.95	9.95
39.51	37.29	36.03	36.68	36.44	36.61
25.42	26.41	26.08	28.54	29.13	29.74
5.75	5.77	5.82	5.82	5.84	6.56
8.36	8.43	8.33	8.35	8.40	8.39
7.08	7.22	7.34	7.35	7.41	7.41
3.33	3.37	3.52	3.52	3.55	3.55
0.20	0.20	0.20	0.20	0.20	0.20
2.40	2.40	2.40	2.40	2.40	2.40
<u>133.36</u>	<u>130.50</u>	<u>130.24</u>	<u>131.19</u>	<u>132.95</u>	<u>133.50</u>
77.25	78.68	79.75	79.00	79.00	79.00
0.75	0.75	0.75	0.75	1.55	1.55
<u>55.36</u>	<u>51.07</u>	<u>49.74</u>	<u>51.44</u>	<u>52.40</u>	<u>52.95</u>
<u>133.36</u>	<u>130.50</u>	<u>130.24</u>	<u>131.19</u>	<u>132.95</u>	<u>133.50</u>

**CITY OF SHOREVIEW**

Operating Indicators by Function  
Last Ten Fiscal Years

	Fiscal Year		
	2004	2005	2006
Function			
Police (contracted with Ramsey County Sheriff's Department)			
Calls for service	7,249	7,115	6,508
Fire (contractual service with Lake Johanna Fire Department)			
Calls for service	283	302	274
Public works			
Salt (tons)	280	260	715
Sand (tons)	790	940	—
Crack sealant (pounds)	26,000	22,000	18,000
Asphalt repairs (tons of asphalt)	450	668	684
Recyclables collected (tons)	3,006	3,412	3,942
Trails resurfaced (miles)	—	—	4.50
Parks and recreation			
Recreation program users (registered participants)	13,994	14,931	15,228
Community program attendance (non-fee programs)	—	—	—
Community center users	397,008	406,783	423,314
Community development			
Permits issued	1,116	1,013	1,146
Permit valuation (millions)	\$ 64.4	\$ 32.0	\$ 40.3
Water			
Water main breaks	9	16	5
Meters replaced	99	301	524
Curb box repairs (water valves)	—	85	225
Hydrants repaired	N/A	18	22
Average annual residential water use per household	85,367	80,802	88,068
Average daily consumption (millions of gallons)	3.08	3.14	3.28
Maximum daily gallons pumped (millions)	8.37	8.90	9.77
Sewer			
Sewage flow (millions of gallons)	1,014	950	886
Miles jetted	55	60	58
Miles rodded	9	8	8
Miles inspected	10	40	40
Surface water management			
Material dredged from ponds (yards)	425	425	425
Sweepings collected (tons of material)	1,100	1,200	450
Miles of street swept	270	360	450
Street sweeping rounds per year	3	4	5
Lake augmentation, gallons pumped (millions)	90.0	32.3	10.4
Central garage			
Gallons of gas	19,000	22,000	20,000
Gallons of diesel	18,500	23,000	17,500
Oil changes	90	99	101
Tires replaced	59	27	81

Sources: Various city departments

Note: Indicators are not available for the general government city functions.

N/A Indicators are not available for these years

\*Community program attendance (non-fee programs) represent data not quantified prior to 2011

Table 21

Fiscal Year						
2007	2008	2009	2010	2011	2012	2013
6,526	6,719	6,441	6,298	6,443	6,661	7,057
302	307	306	806	988	1,060	1,275
705	938	350	525	438	373	500
—	—	—	—	—	—	—
18,000	10,000	11,250	9,000	13,500	9,000	12,000
595	795	578	579	775	505	380
3,723	3,385	3,204	3,342	2,985	3,165	3,242
5.75	5.00	5.50	4.50	5.00	9.90	5.00
14,828	16,369	17,997	20,679	26,317	28,601	25,726
—	—	—	—	57,055	49,542	47,964
415,886	449,811	507,951	627,822	699,025	692,616	698,892
3,057	2,350	1,352	1,044	922	867	1,312
\$ 32.3	\$ 26.6	\$ 18.3	\$ 42.1	\$ 21.9	\$ 29.9	\$ 42.4
7	21	9	14	3	3	10
128	372	8,100	61	25	16	23
180	485	1,130	458	385	225	75
32	192	39	42	75	18	25
91,881	82,600	89,050	82,742	81,368	91,605	82,554
3.50	3.24	3.30	2.91	2.69	3.01	2.69
10.10	8.33	8.17	9.46	5.91	6.97	7.68
920	926	874	865	914	791	872
60	68	65	72	82	82	62
9	28	25	38	32	35	32
40	49	48	40	60	40	40
425	500	432	795	—	—	—
200	300	200	250	200	250	350
450	360	270	405	353	405	794
5	4	3	5	4	5	9
135.9	—	32.5	221.2	—	110.7	8.7
17,500	18,512	15,409	17,500	14,676	14,980	17,333
20,000	18,901	22,265	20,000	20,002	23,183	24,727
115	108	97	164	116	114	78
34	51	29	42	17	54	53

**CITY OF SHOREVIEW**

Capital Asset Statistics by Function  
Last Ten Fiscal Years

Function	Fiscal Year			
	2004	2005	2006	2007
Public safety				
Police (contractual service with Ramsey County Sheriff's Department)				
Patrol units (24-hour)	2	2	2	2
Fire (contractual service with Lake Johanna Fire Department)				
Fire stations in service	4	4	4	4
Number of volunteers	65	65	65	65
Public works				
Streets (miles)	87.6	87.6	87.6	87.6
Culture and recreation				
Parks acreage	268	268	268	268
Parks	10	10	10	10
Park buildings	8	8	8	8
Picnic shelters	5	5	5	5
Community center (square footage)	111,000	111,000	111,000	111,000
Water				
Water mains (miles)	102.8	102.8	102.8	102.8
Fire hydrants	1,310	1,310	1,312	1,312
Wells	6	6	6	6
Maximum storage capacity (millions of gallons)	4	4	4	4
Sewer				
Sanitary sewers (miles)	107.9	107.9	107.9	107.9
Lift stations	17	17	17	17
Surface water management				
Storm water lift stations	2	3	3	4
Storm ponds	197	198	200	200
Street lights	645	645	659	659

Sources: Various city departments

Note: No capital asset indicators are available for the general government and community development functions.

**Table 22**

Fiscal Year						
2008	2009	2010	2011	2012	2013	
2	2	2	2	2	2	2
4	4	4	4	4	4	4
66	61	60	60	60	60	60
87.6	87.6	88.2	89.0	89.0	89.0	89.0
268	268	268	268	268	268	268
10	10	10	10	10	10	10
8	8	8	8	8	8	8
5	6	6	6	6	6	7
111,000	111,000	111,000	111,000	111,000	111,000	111,000
102.8	102.8	102.8	103.0	103.0	103.0	103.0
1,318	1,318	1,318	1,325	1,327	1,327	1,328
6	6	6	6	6	6	6
4	4	4	4	4	4	4
107.9	107.9	107.9	108.2	108.2	108.2	108.2
17	17	17	17	17	17	17
4	5	5	4	4	4	4
200	200	200	200	200	200	201
659	681	692	692	701	701	717

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