



**COMPREHENSIVE  
ANNUAL FINANCIAL  
REPORT OF THE  
CITY OF NEW BRIGHTON,  
MINNESOTA  
FOR THE YEAR ENDED  
DECEMBER 31, 2012**

**Prepared by:  
Finance Department**

**Daniel Maiers,  
Director of Finance and Support Services**





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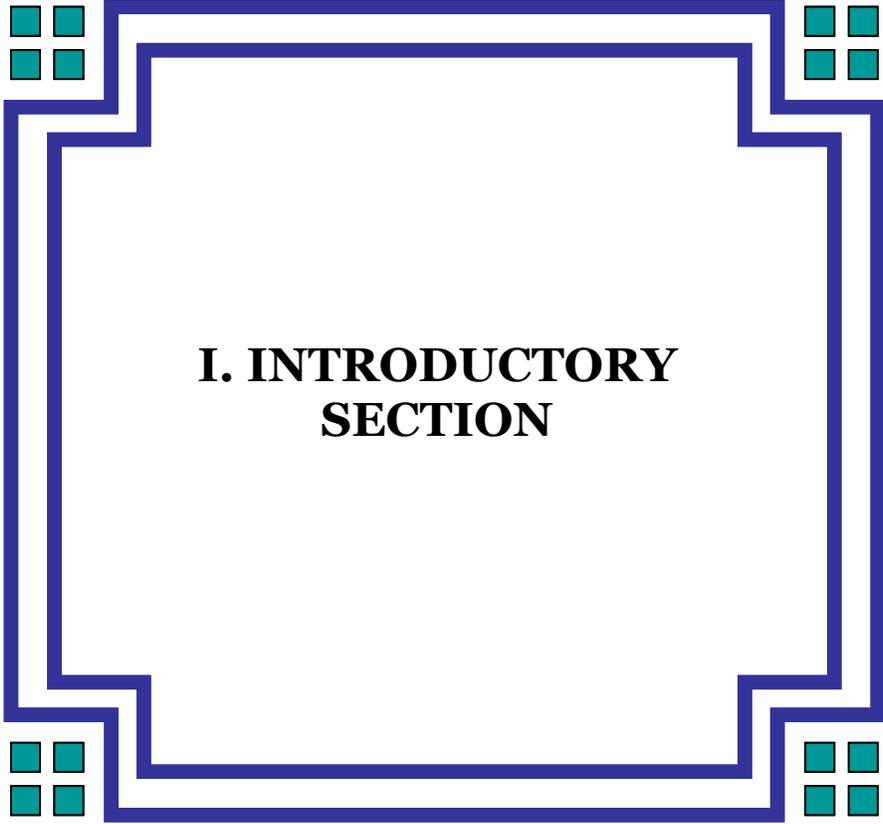
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May 13, 2013

To the Honorable Mayor, Members of the City Council, and Citizens of the City of New Brighton, Minnesota:

State law requires that all general-purpose local governments 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, 2012.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that have been established for this purpose. Because the cost of internal controls 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.

Kern DeWenter Viere, Certified Public Accountants, have issued an unqualified opinion on the City of New Brighton's financial statements for the year ended December 31, 2012. The independent auditor's report is located at the front of the financial section of this report.

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 City**

The City of New Brighton, incorporated in 1887, is located in northwestern Ramsey County, and is a first ring northern suburb of the Minneapolis-St. Paul metropolitan area. The City encompasses an area of 4,464 acres or eight square miles and serves a population of 21,496 (per 2011 Met Council estimate).

The City's eastern boundary is generally defined by Interstate 35W, with Interstate 694 traversing the City approximately midway between its northern and southern boundaries. The City is located 10 minutes north of downtown Minneapolis and 15 minutes northwest of downtown St. Paul. City residents and businesses have easy access to all parts of the Minneapolis-St. Paul metropolitan area.

The City is served by two school districts: Independent School District (ISD) #282 (St. Anthony), which has a 2012/2013 enrollment of 1,769 and ISD #621 (Mounds View), which has a 2012/2013 enrollment of 10,033. ISD # 282 has one school each for elementary, middle and high school. ISD # 621 has six elementary schools, three middle schools and two high schools. The majority of the City is served by ISD # 621.

In 1964, the Council-Manager form of government was adopted. Policy-making and legislative authority are vested in the City Council consisting of the mayor and four council members. The City Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the City Manager. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City, and for appointing the heads of the various departments. The council is elected on a non-partisan basis. Council members serve four-year staggered terms, with two council members elected every two years. The mayor is elected to serve a two-year term.

The City of New Brighton provides a full range of services including elections; license bureau; police services; fire suppression and prevention; the construction, reconstruction and maintenance of streets and other infrastructure; the water distribution, sanitary sewer collection, and stormwater systems; parks and forestry maintenance; recycling; and recreational activities, including the New Brighton Community Center and Brightwood Hills Golf Course.

The New Brighton Firefighters' Relief Association is a separate legal entity, and accordingly is excluded from this report. The New Brighton Economic Development Authority (EDA), an entity legally separate from the City, is governed by a board which includes the City Council. Its sole purpose is to promote economic development within the City of New Brighton. The EDA is a component unit of the City and its financial transactions have been included in these financial statements as a blended component unit. Additional information on both of these legally separate entities can be found in Notes 1A & 7B in the notes to the financial statements.

The annual budget serves as the foundation for the City of New Brighton's financial planning and control. All departments of the City of New Brighton submit requests for appropriations to the City Manager in late spring of each year. The City Manager uses these requests as the starting point for developing his recommended budget. The City Manager then presents the recommended budget to the City Council for review. The City will adopt a proposed preliminary tax levy prior to September 15. According to Minnesota State Statutes, this proposed preliminary tax levy can be subsequently decreased but not increased (the State does allow a few exceptions) when it is adopted as a final tax levy in December. The City Council is required to hold public hearings on the proposed budget and to adopt a final budget by December 31, the close of the City of New Brighton's fiscal year.

The appropriated budget is prepared for the General Fund by function (e.g., public safety), and department (e.g., police). Department heads may make transfers of

appropriations within a department with the approval of the City Manager. Transfers of appropriations between departments, however, require the approval of the City Council. Budget-to-actual comparisons are provided on Statement 10 as required supplementary information to the basic financial statements for the governmental funds.

### **Factors Affecting Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of New Brighton operates.

**Local economy.** The Minneapolis-St. Paul metropolitan area has continued to experience a relatively stable economy. The market place for local products and services remains strong. New Brighton is a fully developed city. However, continued long-term growth is anticipated as New Brighton continues to aggressively pursue redevelopment opportunities.

**Long-term financial planning.** The City maintains four internal service funds for the replacement of various capital assets. The capitalization threshold for capital assets is having a value of \$5,000 or more and a useful life of at least two years. The capitalization threshold for easements is \$50,000. The Fleet Capital Replacement Fund maintains reserves for the replacement of the City's fleet including all vehicles and heavy equipment. The Non-Fleet Capital Replacement Fund has been established for the replacement of non-fleet capital items including miscellaneous equipment and furnishings. The Pavement Management Fund was established to replace parking lots, trails, tennis courts and hard courts. The Information Technology Fund has been established to account for the operations of the city-wide computer network system and the replacement of capital items such as computers, telephone systems, copiers, printers, and various technology related items.

**Relevant Financial Policies.** The City of New Brighton has a Fund Balance Policy requiring the fund balance of the General Fund to have a designated amount for cash flows for the subsequent year's operating budget. The targeted designated amount is equal to 50% of the subsequent year's General Fund property tax levy, less any debt service portion included, and 50% of State aid revenues anticipated in the ensuing year's operating budget.

The City's Investment Policy states that the foremost investment objective is to preserve capital. Secondary considerations are liquidity and lastly yield. Accordingly, deposits are either insured by federal depository insurance or collateralized. All temporary cash surpluses during the year are invested in various securities permitted by Minnesota Statutes. The City's policy is to invest all available monies at competitive interest rates in accordance with the City's over-all fiscal plan coordinated with operating needs and programs projected over the ensuing 12 months. The yield on the City's investments was 0.89% in 2012.

The City's accounting system was developed and is continually evaluated to ensure the adequacy of internal controls. Internal accounting controls are designed to provide reasonable but not absolute assurance in the areas of: (1) safeguarding assets against loss from unauthorized use or disposition; and (2) reliability of financial records and convenience of access for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance adopted by the City of New Brighton recognizes that: (1) the evaluation of cost and benefits requires estimates and judgments by management; and (2) the cost of a control should not exceed the benefits likely to be derived. All internal controls are evaluated against the above criteria. It is our belief that the City's internal accounting controls adequately safeguard the City's assets and also provide reasonable assurance of properly recording financial transactions.

An employee wellness program has been made available to all employees. The implementation of a risk management program aids in preventing worksite accidents and injuries, and in reducing medical expenses and other costs related to lost workdays, replacement workers, etc. The City has been actively working to limit its liability risk and insurance costs. A safety committee consisting of employees from every department meets periodically throughout the year to discuss safety related items, to review accident reports and to provide recommendations to reduce the City's exposure. The City maintains a Risk Management Fund with current reserves of \$1,342,600. The financing of this fund is from departmental user charges, insurance premium rebates, and investment earnings. The City's general liability insurance is with the League of Minnesota Cities Insurance Trust. In order to reduce the cost of insurance, an aggregate deductible of \$100,000 is maintained and funded by the Risk Management Fund.

**Major Initiatives.** The City continues to make progress on its New Brighton Exchange redevelopment project. In 2012, a number of milestones were either accomplished or underway. The View at Long Lake apartment project was completed and opened for occupancy; the apartment project is 124 units at market rate. Discussions have occurred with Pulte Homes regarding their proposed 120 unit residential development on a 26 acre tract of land. It is possible that the project could break ground in the fall of 2013. Negotiations have occurred with APi Group about a potential office expansion to their existing location. The company is interested in more than doubling its office space within the next 5 to 6 years. If the parties can finalize a deal in 2013, the company would break ground for its first phase (45,000 square foot building) in 2014. Colliers and Ryan Company continue to market vacant sites on the eastern side of the New Brighton Exchange to prospective users.

The City experienced a significant rainfall in 2011 which approached or exceeded the regional 100-year, 24-hour event. Local rainfall gauges indicate that approximately five inches of rain fell during a 2.5-hour period. This led to flooding in the City and other neighboring communities. The City conducted a review of its existing drainage systems, along with an investigation of potential improvements to reduce future flooding in those areas. A number of the higher priority improvements were made during 2012. More improvements are planned for 2013 and future years as recommended by consultants who

assisted the City by creating a hydrologic/hydraulic model used to evaluate the rainfall event.

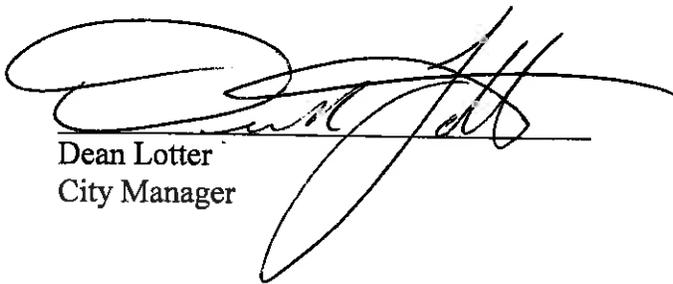
### **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of New Brighton for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2011. This was the twenty-second consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

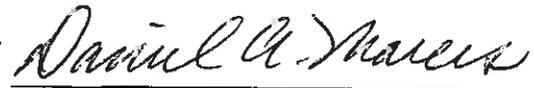
A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to all members of the department for their assistance and contributions to the preparation of this report, particularly Kevin Mannerter, Assistant Finance Director, Patty Isaacson, Accountant 2, and Tom Silvers, Accountant 1. Credit also must be given to the Mayor and the City Council for their support for maintaining the highest standard of professionalism in the management of the City of New Brighton's finances.

Respectfully submitted,



Dean Lotter  
City Manager



Daniel A. Maiers  
Finance Director

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of New Brighton  
Minnesota

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



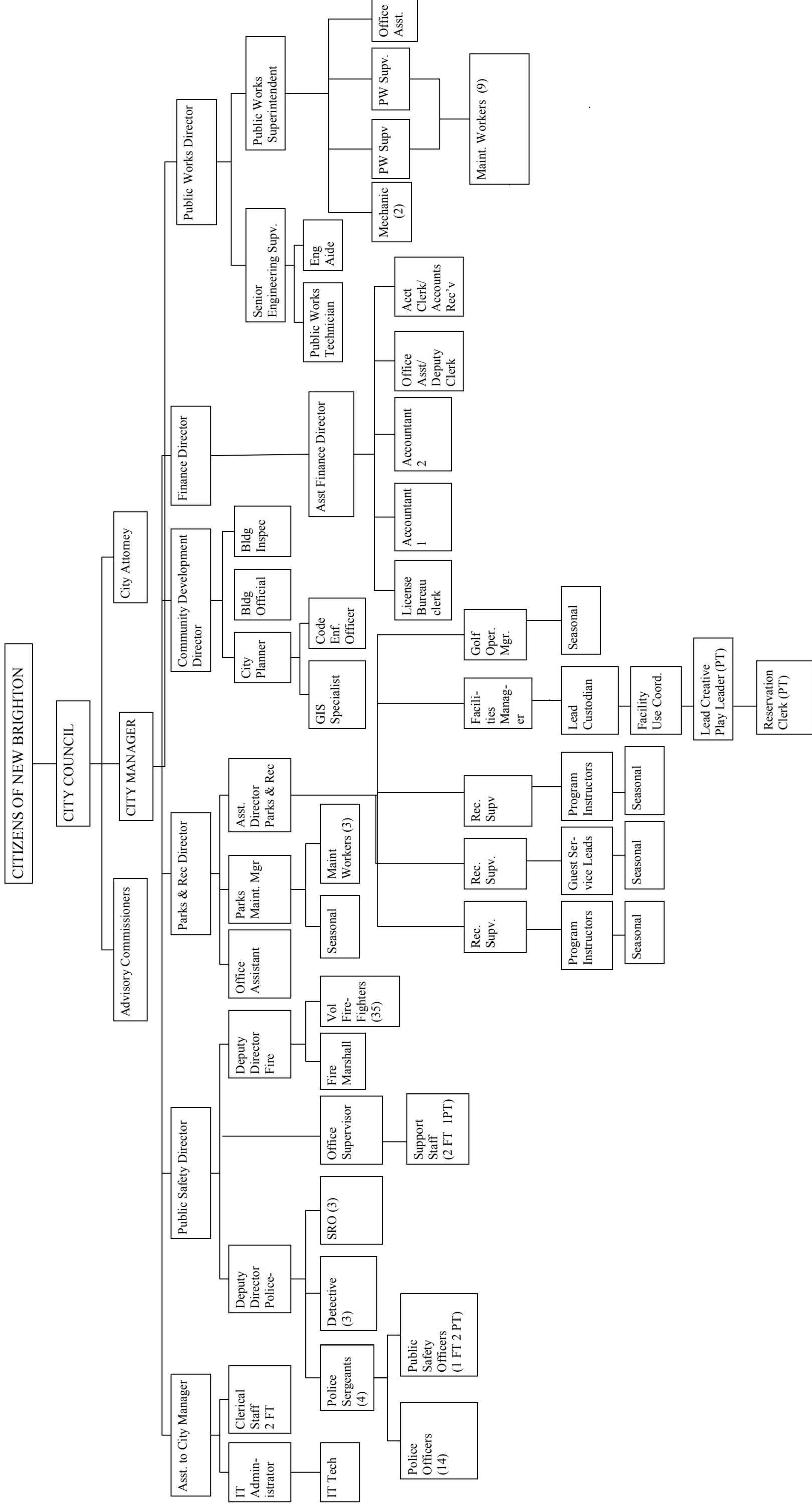
*Christopher P. Morrell*

President

*Jeffrey R. Egan*

Executive Director

**2013 City of New Brighton Organizational Chart**





**CITY OF NEW BRIGHTON, MINNESOTA**  
**PRINCIPAL CITY OFFICIALS**  
December 31, 2012

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**Elected Officials**

	<u><b>Term Expires</b></u>
Mayor:	
Dave Jacobsen	2013
Council Members:	
Mary Burg	2015
Paul Jacobsen	2015
Gina Bauman	2013
Char Samuelson	2013

**Appointed Personnel**

	<u><b>Position</b></u>
Chief Administrator:	
Dean Lotter	City Manager
Department Heads:	
Robert Jacobson	Public Safety Director
Grant Fernelius	Community Development Director
Daniel Maiers	Director of Finance & Support Services
Grant Wyffels	Public Works Director
Sandy Breuer	Parks and Recreation Director
Key Financial Personnel:	
Kevin Mannerter	Assistant Finance Director
Patty Isaacson	Accountant II
Tom Silvers	Accountant I









*Expert advice. When you need it.<sup>SM</sup>*

## **INDEPENDENT AUDITOR'S REPORT**

Honorable Mayor and Members  
of the City Council  
City of New Brighton  
New Brighton, Minnesota

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of New Brighton, Minnesota, as of and for the year ended December 31, 2012, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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.



## **Opinions**

In our opinion, the financial statements referred to above 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 of New Brighton, Minnesota, as of December 31, 2012, 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.

## **Implementation of GASB 63**

As discussed in Note 15 to the financial statements, the City has adopted the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis which follows this letter and the Budgetary Comparison Schedule – General Fund as well as the Budgetary Comparison Schedule – Note to RSI 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 of New Brighton's basic financial statements. The Introductory Section, combining individual fund statements and schedules and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements.



The combining and individual 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 individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory Section 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 it.

*Report on Summarized Comparative Information*

We have previously audited the City's 2011 financial statements, and our report, dated June 1, 2012, expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2011, is consistent, in all material respects, with the audited financial statements from which it has been derived.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 13, 2013 on our consideration of the City of New Brighton's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and results of that testing, and not to provide an opinion on internal control over financial control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of New Brighton's internal control over financial reporting and compliance.

*Kern, DeWenter, Viere, Ltd.*  
KERN, DEWENTER, VIERE, LTD.  
St. Cloud, Minnesota  
May 13, 2013

**CITY OF NEW BRIGHTON, MINNESOTA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
December 31, 2012

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As management of the City of New Brighton, we offer readers of the City of New Brighton's financial statements this narrative overview and analysis of the financial activities of the City of New Brighton for the fiscal year ended December 31, 2012. 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 in the Introductory Section of this report.

**Financial Highlights**

- The assets of the City of New Brighton exceeded its liabilities at the close of the most recent fiscal year by \$74,648,769 (*net position*). Of this amount, \$21,238,499 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$1,588,613.
- As of the close of the current fiscal year, the City of New Brighton's governmental funds reported combined ending fund balances of \$28,484,123, an increase of \$673,124 in comparison with the prior year. Approximately 77.8% of this total amount, \$22,167,278, is *available for spending* at the government's discretion.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$6,031,782, or 54.4% of total General Fund expenditures.
- The City of New Brighton's total bonded debt decreased by \$2,415,000 (4.8%) during the current fiscal year due to principal payments of \$6,205,000 and the issuance of General Obligation Bonds, Series 2012A, \$2,695,000 and Taxable General Obligation Tax Increment Refunding Bonds, Series 2012B, \$1,095,000.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the City of New Brighton's basic financial statements. The City of New Brighton's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the 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 of New Brighton's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City of New Brighton's assets and liabilities, with the difference between the two 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 of New Brighton is improving or deteriorating.

The *statement of activities* presents information showing how the government'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 of New Brighton 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 user fees and charges (*business-type activities*). The governmental activities of the City of New Brighton include general government, community development, parks and recreation, public safety, and public works. The business-type activities of the City of New Brighton include the operation of water, sewer and stormwater utilities, street light system, and the golf course.

**CITY OF NEW BRIGHTON, MINNESOTA**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2012

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The government-wide financial statements include not only the City of New Brighton itself (known as the *primary government*), but also a legally separate New Brighton Economic Development Authority (EDA) for which the City of New Brighton is financially accountable. The EDA functions for all practical purposes as a department of the City of New Brighton, and therefore has been included as an integral part of the primary government.

The government-wide financial statements can be found on Statements 1 and 2 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 of New Brighton, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of New Brighton 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 government'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 of New Brighton maintains 56 individual 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, Water Treatment Plant No.1, Dedicated Treatment Plant No.1 Financing, Municipal Development, and Tax Increment District numbers 31, 31A, 32, and 32A, all of which are considered to be major funds. Data from the other 48 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining and subcombining statements elsewhere in this report.

The City of New Brighton adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on Statements 3 through 4 of this report.

**Proprietary funds.** The City of New Brighton 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 of New Brighton uses enterprise funds to account for its water, sewer, stormwater, street light system, and golf course operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City of New Brighton's various functions. The City of New Brighton uses internal service funds to account for its risk management programs, compensated absences, replacement program for its fleet of vehicles, replacement program for its non-fleet capital items such as equipment and furnishings, pavement management program for parking lots, trails, and hard courts, and for its information technology systems. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

**CITY OF NEW BRIGHTON, MINNESOTA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
December 31, 2012

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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, stormwater, street light system, and golf course operations, which are considered to be major funds of the City of New Brighton. Conversely, the 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 Statements 6 through 8 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 of New Brighton's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statement can be found on Statement 9 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found following Statement 9 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information on budgetary comparisons. Combining and individual fund statements and schedules can be found on Statements 11 through 25 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 of New Brighton, assets exceeded liabilities by \$74,648,769 at the close of the most recent fiscal year.

A portion of the City of New Brighton's net position reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. This decreased by \$257,655 in 2012 to \$52,072,772. The primary reasons for this were due to depreciation of \$3,468,063, new debt issues of \$3,790,000 and paying off debt principal in the amount of \$6,205,000. The City of New Brighton uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of New Brighton'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.

An additional portion of the City of New Brighton's net position (\$1,337,498) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$21,238,499) may be used to meet the government's ongoing obligations to citizens and creditors.

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

**CITY OF NEW BRIGHTON, MINNESOTA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
December 31, 2012

**City of New Brighton's Net Position**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2012</u>	<u>2011, restated</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011, restated</u>
Current and other assets	\$ 76,188,472	\$ 77,391,114	\$ 3,405,543	\$ 3,721,630	\$ 79,594,015	\$ 81,112,744
Capital assets	46,521,517	48,066,316	11,326,255	11,394,111	57,847,772	59,460,427
Total assets	<u>\$ 122,709,989</u>	<u>\$ 125,457,430</u>	<u>\$ 14,731,798</u>	<u>\$ 15,115,741</u>	<u>\$ 137,441,787</u>	<u>\$ 140,573,171</u>
Long-term liabilities						
outstanding	\$ 46,894,319	\$ 49,455,361	\$ 149,326	\$ 444,622	\$ 47,043,645	\$ 49,899,983
Other liabilities	15,657,631	17,421,346	91,742	191,686	15,749,373	17,613,032
Total liabilities	<u>\$ 62,551,950</u>	<u>\$ 66,876,707</u>	<u>\$ 241,068</u>	<u>\$ 636,308</u>	<u>\$ 62,793,018</u>	<u>\$ 67,513,015</u>
Net position:						
Net investment in						
capital assets,	\$ 40,746,517	\$ 41,276,316	\$ 11,326,255	\$ 11,054,111	\$ 52,072,772	\$ 52,330,427
Restricted	1,337,498	1,452,611	-	58,940	1,337,498	1,511,551
Unrestricted	18,074,024	15,851,796	3,164,475	3,366,382	21,238,499	19,218,178
Total net position	<u>\$ 60,158,039</u>	<u>\$ 58,580,723</u>	<u>\$ 14,490,730</u>	<u>\$ 14,479,433</u>	<u>\$ 74,648,769</u>	<u>\$ 73,060,156</u>

**CITY OF NEW BRIGHTON, MINNESOTA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
December 31, 2012

The government's net position increased by \$1,588,613 during the 2012 fiscal year. Key elements of this increase are as follows:

**City of New Brighton's Changes in Net Position**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	2012	2011, restated	2012	2011	2012	2011, restated
Revenues:						
Program revenues:						
Charges for services	\$ 7,437,082	\$ 5,419,083	\$ 4,891,548	\$ 4,891,831	\$ 12,328,630	\$ 10,310,914
Operating grants and contributions	1,336,617	16,581	-	-	1,336,617	16,581
Capital grants and contributions	342,903	2,627,411	-	-	342,903	2,627,411
General revenues:						
Property taxes	7,520,855	7,205,425	2,207	2,219	7,523,062	7,207,644
Other taxes	4,361,145	4,377,928	-	-	4,361,145	4,377,928
Grants and contributions not restricted to specific programs	-	33,968	-	-	-	33,968
Unrestricted investment earnings	259,280	925,189	12,224	44,184	271,504	969,373
Gain on sale of capital assets	14,394	13,091	-	-	14,394	13,091
<b>Total revenues</b>	<b>21,272,276</b>	<b>20,618,676</b>	<b>4,905,979</b>	<b>4,938,234</b>	<b>26,178,255</b>	<b>25,556,910</b>
Expenses:						
General government	1,708,455	1,669,295	-	-	1,708,455	1,669,295
Community development	2,338,616	2,294,932	-	-	2,338,616	2,294,932
Parks and recreation	2,787,129	1,958,747	-	-	2,787,129	1,958,747
Public safety	5,074,784	5,131,153	-	-	5,074,784	5,131,153
Public works	5,620,482	4,939,938	-	-	5,620,482	4,939,938
Interest on long-term debt	1,966,395	2,085,176	-	-	1,966,395	2,085,176
Water	-	-	1,575,995	1,390,229	1,575,995	1,390,229
Sewer	-	-	2,402,868	2,354,110	2,402,868	2,354,110
Stormwater	-	-	577,794	584,133	577,794	584,133
Street lights	-	-	202,503	180,971	202,503	180,971
Golf course	-	-	334,621	321,992	334,621	321,992
<b>Total expenses</b>	<b>19,495,861</b>	<b>18,079,241</b>	<b>5,093,781</b>	<b>4,831,435</b>	<b>24,589,642</b>	<b>22,910,676</b>
Increase (decrease) in net position before transfers	1,776,415	2,539,435	(187,802)	106,799	1,588,613	2,646,234
Transfers	(199,099)	(244,937)	199,099	244,937	-	-
<b>Increase (decrease) in net position</b>	<b>1,577,316</b>	<b>2,294,498</b>	<b>11,297</b>	<b>351,736</b>	<b>1,588,613</b>	<b>2,646,234</b>
Net position – January 1	58,580,723	56,286,225	14,479,433	14,127,697	73,060,156	70,413,922
<b>Net position – December 31</b>	<b>\$ 60,158,039</b>	<b>\$ 58,580,723</b>	<b>\$ 14,490,730</b>	<b>\$ 14,479,433</b>	<b>\$ 74,648,769</b>	<b>\$ 73,060,156</b>

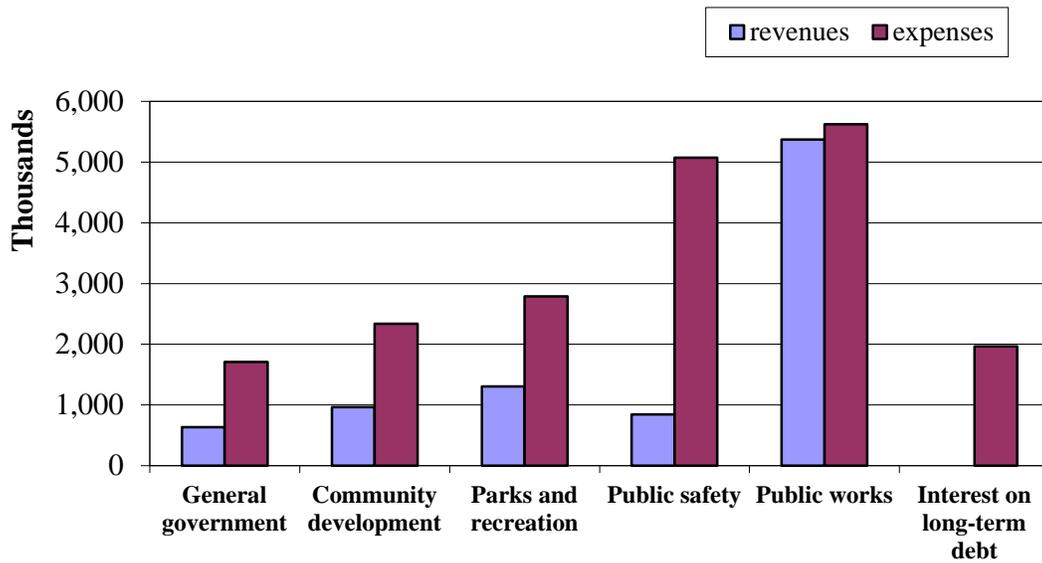
**CITY OF NEW BRIGHTON, MINNESOTA**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**  
 December 31, 2012

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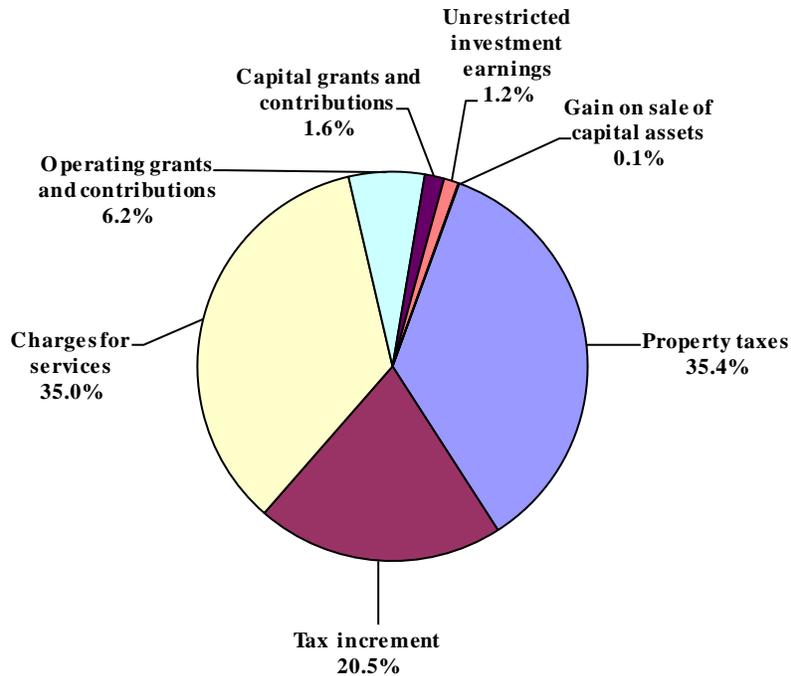
**Governmental activities.** Governmental activities increased the City of New Brighton’s net position by \$1,577,316. Key elements of this increase are:

- The City’s General Fund increased by \$281,654.
- Internal service funds increased by \$1,033,456 as designed to accumulate resources to replace equipment and vehicles.

**Program Revenues and Expenses - Governmental Activities**



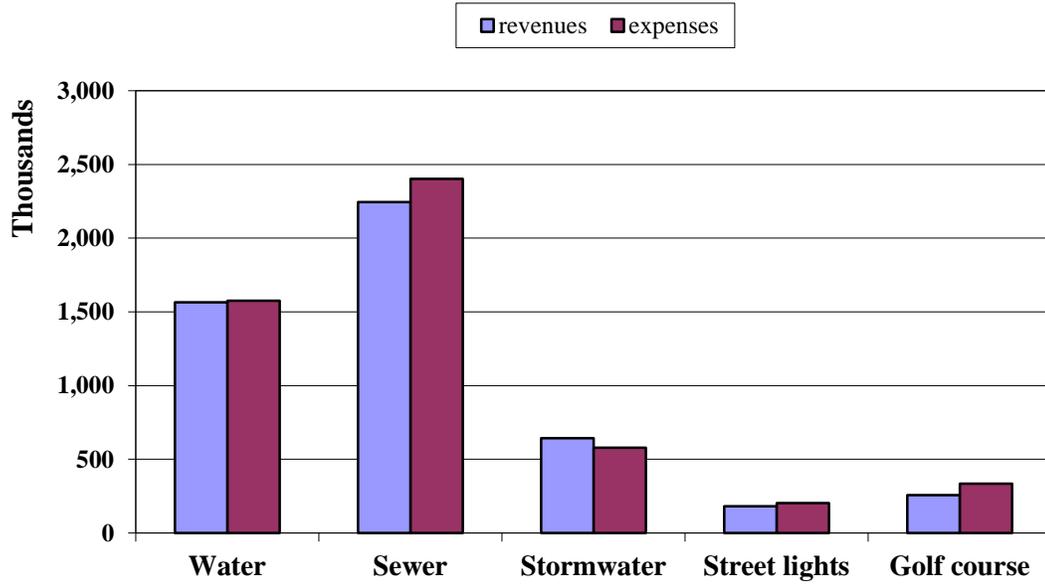
**Revenues by Source - Governmental Activities**



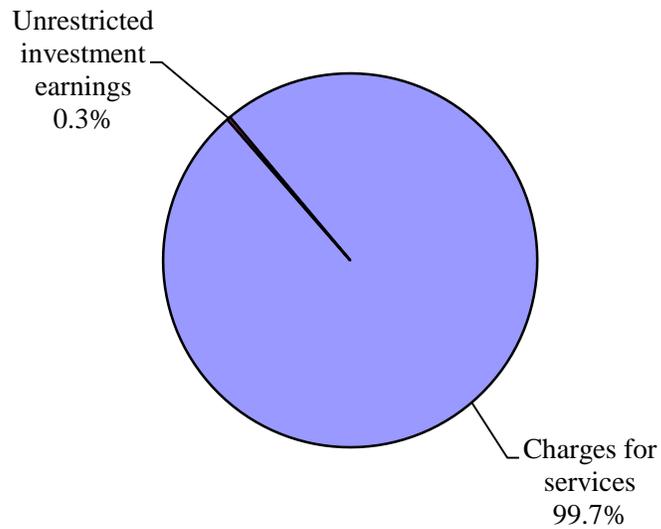
**Business-type activities.** Business-type activities increased the City of New Brighton's net position by \$11,297. The key elements of this increase are as follows:

- The change in net position of the Water, Sewer, Stormwater, Street Lights and Golf Course enterprise funds increased by \$184,859.
- The net position of the Water improvements, Sewer improvements, and Stormwater improvements capital projects funds was decreased by \$ 207,480.
- The consolidation of internal service activities related to enterprise funds increased net position \$33,918.

**Program Revenues and Expenses- Business-type Activities**



**Revenues by Source - Business-type Activities**



**CITY OF NEW BRIGHTON, MINNESOTA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
December 31, 2012

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**Financial Analysis of the Government's Funds**

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

**Governmental funds.** The focus of the City of New Brighton'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 of New Brighton's financing requirements. In particular, *spendable 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 of New Brighton's governmental funds reported combined ending fund balances of \$28,484,123, an increase of \$673,124 in comparison with the prior year. Approximately 77.8% of this total amount (\$22,167,278) constitutes *spendable unrestricted, fund balance*, which is available for spending at the government's discretion. \$6,312,907 is restricted for 1) tax increment (\$3,301,334), 2) park dedication (\$402,614), 3) public safety (\$60,784) and 4) debt retirement (\$2,548,175). The remainder of fund balance is *nonspendable* to indicate that it is not available for spending because it is not in spendable form, (prepaid items totaling \$3,938).

The General Fund is the chief operating fund of the City of New Brighton. At the end of the current fiscal year, the nonspendable fund balance of the General Fund was \$3,938; the unassigned fund balance was \$6,031,782 for a total fund balance of \$6,035,720. 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 fund balance represents 54.4% of total General Fund expenditures and total fund balance represents 54.5% of that same amount.

The General Fund increased by \$281,654 during the current fiscal year. The final amended 2012 General Fund budget was a deficit of \$35,000. The Municipal Development Fund increased by \$514,643, primarily because of interest on investments and interfund loans. The New Brighton Exchange redevelopment capital projects (Tax Increment Districts 31, 31A, 32 and 32A major funds) decreased by \$1,353,524 due to further redevelopment expenditures and transfers out to debt service funds. Nonmajor Debt Service Funds increased by \$924,592 as a result of bond proceeds to refund the 2004A, 2004B, and 2004C bonds outstanding. The nonmajor tax increment capital project funds increased by \$370,061 as districts, which are receiving more tax increment revenues than required to pay off their debts, have transferred \$425,000 to the New Brighton Exchange redevelopment capital project funds. The Street Improvements Fund increased by \$913,999, mainly due to municipal state aid revenue and 2012A bond proceeds. The Community Reinvestment Fund decreased by \$171,146 due to transfers out to debt service funds, consistent with the long-term plan. Other non-major capital projects decreased by \$818,899, which was mostly the result of stormwater improvement projects and transfers out.

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

Unrestricted net position of the water, sewer, stormwater, street light system, and golf course operations at the end of the year amounted to \$2,051,154. The change in net position for each fund was: Water Utility increased \$43,434; Sewer Utility decreased \$335,372; Stormwater Management Utility increased \$245,936; Street Light System decreased \$22,843; and Municipal Golf Course increased \$253,704. Other factors concerning the finances of these funds have already been addressed in the discussion of the City of New Brighton's business-type activities.

**CITY OF NEW BRIGHTON, MINNESOTA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
December 31, 2012

**General Fund Budgetary Highlights**

Variations from actual to budget can be briefly summarized as follows:

- Property tax revenues were \$53,066 less than anticipated in the budget due to higher delinquents.
- License Bureau revenues were \$47,725 more than anticipated due to the State of Minnesota increasing fees.
- Recreation program revenues were \$26,345 more than budgeted due to more recreation programs being added in 2012.
- The Community Center's revenues were \$93,562 higher than expected due to more participants than expected.
- Personnel expenditures for Police were less than budgeted by \$99,445. Reasons for this include the absence of two officers during the year who were deployed with the military and less than anticipated use of overtime.

**Capital Asset and Debt Administration**

**Capital assets.** The City of New Brighton's investment in capital assets for its governmental and business type activities as of December 31, 2012, amounts to \$57,847,772 (net of accumulated depreciation). This investment in capital assets includes land, buildings and structures, improvements, machinery and equipment, park facilities, roads, highways, and infrastructure. The total decrease in the City of New Brighton's investment in capital assets for the current fiscal year was 2.7% (a 3.2% decrease for governmental activities and a 0.6% decrease for business-type activities).

Major capital asset events during the current fiscal year included the following: reconstruction of City streets, replacement of machinery and equipment, and replacement of portions of the water distribution, sanitary sewer collection and stormwater systems.

**City of New Brighton's Capital Assets**  
(net of depreciation)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Land	\$ 6,081,134	\$ 6,080,734	\$ 847,400	\$ 847,400	\$ 6,928,534	\$ 6,928,134
Buildings and structures	16,158,689	17,319,248	3,600,789	3,684,641	19,759,478	21,003,889
Machinery and equipment	4,823,964	4,880,444	24,103	30,428	4,848,067	4,910,872
Infrastructure	15,493,018	15,345,390	3,843,251	3,871,855	19,336,269	19,217,245
Other improvements	3,757,334	3,550,853	2,704,420	2,522,722	6,461,754	6,073,575
Construction in progress	207,378	889,647	306,292	437,065	513,670	1,326,712
Net capital assets	<u>\$ 46,521,517</u>	<u>\$ 48,066,316</u>	<u>\$11,326,255</u>	<u>\$11,394,111</u>	<u>\$ 57,847,772</u>	<u>\$ 59,460,427</u>

Additional information on the City of New Brighton's capital assets can be found in note 5.

**Long-term debt.** At the end of the current fiscal year, the City of New Brighton had total bonded debt outstanding of \$48,040,000. Of this amount, \$42,265,000 comprises debt backed by the full faith and credit of the government and \$5,775,000 is G.O. improvement debt for which the government is liable in the event of default by the property owners subject to special assessment.

**CITY OF NEW BRIGHTON, MINNESOTA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
December 31, 2012

**City of New Brighton's Outstanding Debt**  
General Obligation and Revenue Bonds

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
General obligation bonds:						
G.O. improvement	\$ 5,775,000	\$ 6,790,000	\$ -	\$ -	\$ 5,775,000	\$ 6,790,000
Tax increment	42,265,000	43,325,000	-	-	42,265,000	43,325,000
Revenue bonds	-	-	-	340,000	-	340,000
Total bonded debt	<u>\$ 48,040,000</u>	<u>\$ 50,115,000</u>	<u>\$ -</u>	<u>\$ 340,000</u>	<u>\$ 48,040,000</u>	<u>\$ 50,455,000</u>

The City of New Brighton's total bonded debt decreased by a net amount of \$2,415,000 (4.8%) during 2012. The total increased by the issuance of General Obligation Bonds, Series 2012A, \$2,695,000 and Taxable General Obligation Tax Increment Refunding Bonds, Series 2012B, \$1,095,000 and decreased by \$6,205,000 during the current fiscal year due to principal payments.

The City of New Brighton maintains an "AA" rating from Standard & Poor's for general obligation debt. State statutes limit the amount of general obligation debt the City may issue to 3% of its total market value. The current debt limitation for the City of New Brighton is \$52,081,635. The City of New Brighton has no debt applicable to the debt limit.

Additional information on the City of New Brighton's long-term debt can be found in note 6.

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

- According to the Minnesota Department of Employment and Economic Development, the City of New Brighton's unemployment rate as of December, 2012, was 5.6%; Ramsey County was 5.3%; the Minneapolis/St. Paul metropolitan area was 5.1%; and the State of Minnesota was 5.4%.
- Maintaining acceptable service levels while being sensitive to increases in property taxes remains the most significant challenge during a time of revenue reductions, followed by a long-term plan to reinvest into the City's capital assets.
- The 2013 total tax levy remained the same as 2012, \$7,287,308.

These factors were considered in preparing the City of New Brighton's budget for the 2013 fiscal year.

The utility rates for 2013 were increased. The increases were 10.2% for water, 11.0% for sanitary sewer, 8.0% for stormwater and 6.9% for street lights

**Requests for Information**

This financial report is designed to provide a general overview of the City of New Brighton's finances for all those with an interest in the government'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, City of New Brighton, 803 Old Highway 8 NW, New Brighton, Minnesota, 55112-2792.

**BASIC FINANCIAL  
STATEMENTS**

CITY OF NEW BRIGHTON, MINNESOTA  
STATEMENT OF NET POSITION  
December 31, 2012

Statement 1

	Primary Government		Totals	
	Governmental	Business-Type	2012	2011, restated
	Activities	Activities		
<b>Assets:</b>				
Cash and investments	\$ 40,672,784	\$ 2,260,696	\$ 42,933,480	\$ 43,020,182
Restricted cash and investments	9,517,003	-	9,517,003	11,035,349
Accrued interest receivable	166,176	7,335	173,511	169,582
Due from other governmental units	80,292	4,500	84,792	113,693
Internal balances	117,307	(117,307)	-	-
Accounts receivable-net	273,326	1,239,547	1,512,873	1,476,720
Taxes receivable:				
Delinquent	383,217	220	383,437	419,910
Due from County	80,391	-	80,391	128,395
Special assessments receivable	322,188	10,552	332,740	331,653
Prepaid items	6,688	-	6,688	10,060
Assets held for resale	24,569,100	-	24,569,100	24,407,200
Capital Assets (net of accumulated depreciation)				
Land	6,081,134	847,400	6,928,534	6,928,134
Buildings and structures	16,158,689	3,600,789	19,759,478	21,003,889
Machinery and equipment	4,823,964	24,103	4,848,067	4,910,872
Infrastructure	15,493,018	3,843,251	19,336,269	19,217,245
Other improvements	3,757,334	2,704,420	6,461,754	6,073,575
Construction in progress	207,378	306,292	513,670	1,326,712
Total assets	<u>\$ 122,709,989</u>	<u>\$ 14,731,798</u>	<u>\$ 137,441,787</u>	<u>\$ 140,573,171</u>
<b>Liabilities:</b>				
Accounts payable	\$ 656,804	\$ 66,029	\$ 722,833	\$ 638,688
Special assessments payable	9,932	-	9,932	-
Salaries payable	173,420	19,212	192,632	157,287
Deposits payable	58,514	-	58,514	48,383
Due to other governmental units	20,324	901	21,225	13,131
Contracts payable	18,969	5,380	24,349	109,275
Unearned Revenue	8,988,020	220	8,988,240	12,044,666
Accrued interest payable	782,311	-	782,311	830,353
Compensated absences:				
Due within one year	34,337	-	34,337	249
Due in more than one year	847,319	149,326	996,645	977,483
Bonds payable:				
Due within one year	4,785,000	-	4,785,000	3,725,000
Due in more than one year	43,255,000	-	43,255,000	46,730,000
Pollution remediation obligation				
Due within one year	130,000	-	130,000	46,000
Due in more than one year	2,792,000	-	2,792,000	2,192,500
Total liabilities	<u>\$ 62,551,950</u>	<u>\$ 241,068</u>	<u>\$ 62,793,018</u>	<u>\$ 67,513,015</u>
<b>Net Position:</b>				
Net investment in capital assets	\$ 40,746,517	\$ 11,326,255	\$ 52,072,772	\$ 52,330,427
Restricted for:				
Debt service	934,884	-	934,884	1,110,567
Capital improvements	402,614	-	402,614	400,984
Unrestricted	18,074,024	3,164,475	21,238,499	19,218,178
Total net position	<u>\$ 60,158,039</u>	<u>\$ 14,490,730</u>	<u>\$ 74,648,769</u>	<u>\$ 73,060,156</u>

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

**CITY OF NEW BRIGHTON, MINNESOTA**  
**STATEMENT OF ACTIVITIES**

For the Year Ended December 31, 2012

**Statement 2**

Functions/Programs	Program Revenues			Net (Expense) Revenues and Changes in Net Position		
	Charges for Services	Operating Grants and Contributions		Governmental Activities	Primary Government	
		Operating Grants and Contributions	Capital Grants and Contributions		Business-type Activities	Totals
Government activities:						
General government	\$ 1,708,455	\$ 47,845	\$ -	\$ (1,074,992)	\$ (1,074,992)	\$ (1,067,377)
Community development	2,338,616	48,068	-	(1,376,576)	(1,376,576)	(1,902,986)
Parks and recreation	2,787,129	3,025	1,630	(1,479,985)	(1,479,985)	(525,228)
Public safety	5,074,784	643,599	10,500	(4,230,590)	(4,230,590)	(4,258,480)
Public works	5,620,482	594,080	330,773	(250,721)	(250,721)	(176,919)
Interest on long-term debt	1,966,395	-	-	(1,966,395)	(1,966,395)	(2,085,176)
Total government activities	19,495,861	1,336,617	342,903	(10,379,259)	(10,379,259)	(10,016,166)
Business-type activities:						
Water	1,575,995	-	-	-	(10,870)	93,265
Sewer	2,402,868	-	-	-	(157,661)	(13,317)
Stormwater	577,794	642,159	-	-	64,365	60,262
Street lights	202,503	181,562	-	-	(20,941)	(4,330)
Golf course	334,621	257,495	-	-	(77,126)	(75,484)
Total business-type activities	5,093,781	4,891,548	-	-	(202,233)	60,396
Total primary government	\$ 24,589,642	\$ 1,336,617	\$ 342,903	(10,379,259)	(10,581,492)	(9,955,770)
General revenues:						
Property taxes		7,520,855			2,207	7,207,644
Tax increment		4,361,145			-	4,377,928
Grants and contributions not restricted to specific programs		-			-	33,968
Unrestricted investment earnings		259,280			12,224	969,373
Gain on sale of capital assets		14,394			-	13,091
Transfers		(199,099)			199,099	-
Total general revenues, contributions, special items, and transfers		11,956,575			213,530	12,602,004
Change in net position		1,577,316			11,297	2,646,234
Net position - beginning, restated		58,580,723			14,479,433	70,413,922
Net position - ending		\$ 60,158,039			\$ 14,490,730	\$ 73,060,156

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

CITY OF NEW BRIGHTON, MINNESOTA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2012  
With Comparative Totals For December 31, 2011

	General	Water Treatment Plant No. 1	Dedicated Treatment Plant No. 1 Financing	Municipal Development	Tax Increment District #31
<b>Assets:</b>					
Cash and investments	\$ 6,388,126	\$ 270,812	\$ -	\$ 7,437,668	\$ -
Restricted cash and investments	-	-	8,469,641	-	-
Accrued interest receivable	-	-	55,111	59,860	9,209
Due from other governmental units	9,330	-	-	-	-
Accounts receivable	262,145	-	-	-	-
Interfund receivable	-	-	-	-	-
Delinquent	174,912	-	-	-	49,324
Due from County	69,040	-	-	-	-
Special assessments receivable	2,705	-	-	-	-
Interfund loan receivable	-	-	-	12,730,252	-
Prepaid items	3,938	-	-	-	-
Assets held for resale	-	-	-	-	10,110,300
<b>Total assets</b>	<b>\$ 6,910,196</b>	<b>\$ 270,812</b>	<b>\$ 8,524,752</b>	<b>\$ 20,227,780</b>	<b>\$ 10,168,833</b>
<b>Liabilities and fund balance:</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 227,796	\$ 269,240	\$ -	\$ -	\$ 5,148
Special assessments payable	-	-	-	-	-
Interfund payable	-	-	-	-	-
Salaries payable	170,593	-	-	-	-
Deposits payable	58,514	-	-	-	-
Due to other governmental units	6,962	-	-	-	69
Contracts payable	-	1,572	-	-	2,061
Interfund loan payable	-	-	-	-	4,010,963
Deferred revenue	410,611	-	8,524,752	-	10,159,624
<b>Total liabilities</b>	<b>874,476</b>	<b>270,812</b>	<b>8,524,752</b>	<b>-</b>	<b>14,177,865</b>
<b>Fund balance (deficit):</b>					
<b>Reserved for:</b>					
Non-spendable	3,938	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	20,227,780	-
Assigned	-	-	-	-	-
Unassigned	6,031,782	-	-	-	(4,009,032)
<b>Total fund balance (deficit)</b>	<b>6,035,720</b>	<b>-</b>	<b>-</b>	<b>20,227,780</b>	<b>(4,009,032)</b>
<b>Total liabilities and fund balance</b>	<b>\$ 6,910,196</b>	<b>\$ 270,812</b>	<b>\$ 8,524,752</b>	<b>\$ 20,227,780</b>	<b>\$ 10,168,833</b>

The accompany notes are an intergal part of these financial statements

Tax Increment District #31A	Tax Increment District #32	Tax Increment District #32A	Other Governmental Funds	Totals	
				Governmental Funds	
				2012	2011, restated
\$ -	\$ -	\$ -	\$ 14,018,132	\$ 28,114,738	\$ 28,950,540
-	-	-	1,047,362	9,517,003	10,976,409
3,424	708	4,481	31,924	164,717	161,108
-	-	-	70,962	80,292	66,531
-	-	-	5,286	267,431	247,803
-	-	-	96,986	96,986	336,883
-	-	-	159,201	383,437	419,910
-	-	-	11,351	80,391	128,395
-	-	-	319,483	322,188	323,337
-	-	-	305,800	13,036,052	11,615,030
-	-	-	-	3,938	10,060
-	14,458,800	-	-	24,569,100	24,407,200
<u>\$ 3,424</u>	<u>\$ 14,459,508</u>	<u>\$ 4,481</u>	<u>\$ 16,066,487</u>	<u>\$ 76,636,273</u>	<u>\$ 77,643,206</u>
\$ -	\$ 4,142	\$ 1,599	\$ 60,984	\$ 568,909	\$ 447,427
-	-	-	9,932	9,932	-
-	-	-	12,801	12,801	282,981
-	-	-	-	170,593	140,286
-	-	-	-	58,514	48,383
-	-	-	13,248	20,279	12,087
-	20	-	13,803	17,456	98,043
948,436	2,717,387	2,215,319	3,143,947	13,036,052	11,615,030
-	14,458,800	-	703,827	34,257,614	37,187,970
<u>948,436</u>	<u>17,180,349</u>	<u>2,216,918</u>	<u>3,958,542</u>	<u>48,152,150</u>	<u>49,832,207</u>
-	-	-	-	3,938	10,060
-	-	-	6,312,907	6,312,907	5,279,524
-	-	-	3,149,812	23,377,592	-
-	-	-	5,956,665	5,956,665	29,499,774
(945,012)	(2,720,841)	(2,212,437)	(3,311,439)	(7,166,979)	(6,978,359)
<u>(945,012)</u>	<u>(2,720,841)</u>	<u>(2,212,437)</u>	<u>12,107,945</u>	<u>28,484,123</u>	<u>27,810,999</u>
<u>\$ 3,424</u>	<u>\$ 14,459,508</u>	<u>\$ 4,481</u>	<u>\$ 16,066,487</u>	<u>\$ 76,636,273</u>	<u>\$ 77,643,206</u>
Fund balance reported above				\$ 28,484,123	\$ 27,810,999
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				41,575,963	43,441,024
Other long-term assets are not available to pay for current-period expenditures and therefore, are deferred in the funds				25,269,374	25,143,304
Internal service funds are used by management to charge the costs of insurance, capital asset management and management information systems to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position				17,413,533	16,413,995
Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore, are not reported in the funds				(48,822,311)	(50,941,976)
Utility capital projects funds are included in the governmental funds but should be included with the business-type activities				(840,643)	(1,048,123)
Pollution Remediation obligation is not due and payable in the current year and is not reported in the funds				(2,922,000)	(2,238,500)
Net position of governmental activities				<u>\$ 60,158,039</u>	<u>\$ 58,580,723</u>

The accompany notes are an integral part of these financial statements

**CITY OF NEW BRIGHTON, MINNESOTA**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
For The Year Ended December 31, 2012  
With Comparative Totals For The Year Ended December 31, 2011

	General	Water Treatment Plant No. 1	Dedicated Treatment Plant No. 1 Financing	Municipal Development	Tax Increment District #31
<b>Revenues:</b>					
General property taxes	\$ 7,234,234	\$ -	\$ -	\$ -	\$ -
Tax increment	-	-	-	-	151,158
Licenses and permits	482,589	-	-	-	-
Intergovernmental	598,551	-	-	-	-
Charges for services	3,772,290	2,564,189	2,505,414	7,644	27,911
Special assessments	-	-	-	-	-
Fines and forfeits	67,468	-	-	-	-
<b>Investment income:</b>					
Interest on investments	45,050	-	81,828	64,118	(8,484)
Change in fair value of investments	(16,049)	-	(23,053)	(21,721)	3,729
Interest on interfund loans	-	-	-	464,602	-
Other interest	-	-	-	-	-
Rents	260,637	-	-	-	-
Refunds and reimbursements	37,480	-	-	-	-
In-house engineering and administrative charges	-	-	-	-	-
Contributions and donations	5,451	-	-	-	-
Park dedication charge	-	-	-	-	-
<b>Total revenues</b>	<b>12,487,701</b>	<b>2,564,189</b>	<b>2,564,189</b>	<b>514,643</b>	<b>174,314</b>
<b>Expenditures:</b>					
<b>Current:</b>					
General government	1,611,938	-	-	-	-
Community development	862,610	-	-	-	64,597
Parks and recreation	2,679,113	-	-	-	-
Public safety	4,671,196	-	-	-	-
Public works	1,256,240	2,516,334	2,564,189	-	-
Interest on interfund loans	-	-	-	-	116,138
<b>Capital outlay:</b>					
Community development	-	-	-	-	314,901
Parks and recreation	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	47,429	-	-	-
<b>Debt service:</b>					
Principal retirement	-	-	-	-	-
Interest and paying agent fees	-	-	-	-	-
<b>Total expenditures</b>	<b>11,081,097</b>	<b>2,563,763</b>	<b>2,564,189</b>	<b>-</b>	<b>495,636</b>
<b>Revenues over (under) expenditures</b>	<b>1,406,604</b>	<b>426</b>	<b>-</b>	<b>514,643</b>	<b>(321,322)</b>
<b>Other financing sources (uses):</b>					
G.O. refunding debt issued	-	-	-	-	-
G.O. improvement debt issued	-	-	-	-	-
Tax increment refunding debt issued	-	-	-	-	-
Transfers in	-	4,669	-	-	684,924
Transfers out	(1,124,950)	(5,095)	-	-	(1,497,045)
<b>Total other financing sources (uses)</b>	<b>(1,124,950)</b>	<b>(426)</b>	<b>-</b>	<b>-</b>	<b>(812,121)</b>
Special Item - Sale of Land	-	-	-	-	-
<b>Net increase (decrease) in fund balance</b>	<b>281,654</b>	<b>-</b>	<b>-</b>	<b>514,643</b>	<b>(1,133,443)</b>
<b>Fund balance - (deficit) - January 1, restated</b>	<b>5,754,066</b>	<b>-</b>	<b>-</b>	<b>19,713,137</b>	<b>(2,875,589)</b>
<b>Fund balance (deficit) - December 31</b>	<b>\$ 6,035,720</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 20,227,780</b>	<b>\$ (4,009,032)</b>

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

Statement 4

Tax Increment District #31A	Tax Increment District #32	Tax Increment District #32A	Other Governmental Funds	Totals	
				Governmental Funds	
				2012	2011, restated
\$ -	\$ -	\$ -	\$ 325,301	\$ 7,559,535	\$ 7,301,270
-	190,363	33,550	3,986,074	4,361,145	4,377,928
-	-	-	-	482,589	691,400
-	-	-	838,550	1,437,101	1,333,219
-	-	-	16,077	8,893,525	7,685,258
-	-	-	145,934	145,934	205,342
-	-	-	28,330	95,798	98,140
(200)	(1,573)	(370)	107,096	287,465	651,457
226	893	301	(39,842)	(95,516)	65,852
-	-	-	-	464,602	465,892
-	-	-	790	790	-
-	-	-	-	260,637	217,959
-	-	-	1,815	39,295	11,942
-	-	-	8,557	8,557	36,466
-	-	-	25,669	31,120	24,121
-	-	-	1,630	1,630	202,120
<u>26</u>	<u>189,683</u>	<u>33,481</u>	<u>5,445,981</u>	<u>23,974,207</u>	<u>23,368,366</u>
-	-	-	29,077	1,641,015	1,563,831
50,504	30,746	40,770	216,547	1,265,774	1,349,740
-	-	-	7,967	2,687,080	2,521,209
-	-	-	107,430	4,778,626	4,868,047
-	-	-	317,366	6,654,129	5,407,871
34,197	105,493	84,248	124,526	464,602	465,875
-	233,610	-	-	548,511	1,488,183
-	-	-	3,946	3,946	34,233
-	-	-	20,232	20,232	-
-	-	-	620,767	668,196	2,191,107
-	-	-	5,865,000	5,865,000	7,155,000
-	-	-	2,011,060	2,011,060	2,190,988
<u>84,701</u>	<u>369,849</u>	<u>125,018</u>	<u>9,323,918</u>	<u>26,608,171</u>	<u>29,236,084</u>
<u>(84,675)</u>	<u>(180,166)</u>	<u>(91,537)</u>	<u>(3,877,937)</u>	<u>(2,633,964)</u>	<u>(5,867,718)</u>
-	-	-	485,183	485,183	788,973
-	-	-	444,817	444,817	606,027
-	-	-	2,860,000	2,860,000	2,940,000
-	259,924	-	5,997,715	6,947,232	8,349,567
-	(123,627)	-	(4,679,427)	(7,430,144)	(8,017,729)
-	136,297	-	5,108,288	3,307,088	4,666,838
-	-	-	-	-	694,785
(84,675)	(43,869)	(91,537)	1,230,351	673,124	(506,095)
<u>(860,337)</u>	<u>(2,676,972)</u>	<u>(2,120,900)</u>	<u>10,877,594</u>	<u>27,810,999</u>	<u>28,317,094</u>
<u>\$ (945,012)</u>	<u>\$ (2,720,841)</u>	<u>\$ (2,212,437)</u>	<u>\$ 12,107,945</u>	<u>\$ 28,484,123</u>	<u>\$ 27,810,999</u>

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



**CITY OF NEW BRIGHTON, MINNESOTA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCES OF**  
**GOVERNMENTAL FUNDS**  
For the Year Ended December 31, 2012

**Statement 5**

	<u>2012</u>	<u>2011</u>
Amounts reported for governmental activities in the statement of activities are different because:		
Net changes in fund balances - total governmental funds (statement 4)	\$ 673,124	\$ (506,095)
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 amount by which capital outlays exceeded depreciation in the current period.	(1,865,061)	550,200
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	44,665	(2,053,823)
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. This amount is the net effect of these differences in the treatment of long-term debt and related items.	2,075,000	2,820,000
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.	126,070	105,812
Internal service funds are used by management to charge the cost of compensated absences, fleet and non-fleet capital asset replacement, information technology and risk management services to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	999,538	962,722
Utility capital projects funds are included in the governmental funds but should be included with the business-type activities	207,480	(135,818)
Pollution remediation 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.	<u>(683,500)</u>	<u>551,500</u>
Change in net position of governmental activities (statement 2)	<u>\$ 1,577,316</u>	<u>\$ 2,294,498</u>

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

**CITY OF NEW BRIGHTON, MINNESOTA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
December 31, 2012  
With Comparative Totals For December 31, 2011

	Business-Type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Stormwater Management
<b>Assets</b>			
<b>Current assets:</b>			
Cash and cash equivalents	\$ 351,409	\$ 121,246	\$ 633,738
Restricted cash and cash equivalents	-	-	-
Accrued interest receivable	3,767	3,468	-
Due from other governmental units	4,500	-	-
Accounts receivable:			
Customer - unbilled	175,720	333,423	100,747
Customer - billed	160,059	224,625	-
Customer - certified to County	-	239,177	-
Other	196	2,365	-
Special assessments receivable:			
Due from County	-	10,102	450
Prepaid items	-	-	-
<b>Total current assets</b>	<b>695,651</b>	<b>934,406</b>	<b>734,935</b>
<b>Noncurrent assets:</b>			
<b>Capital assets:</b>			
Land	365,800	600	-
Buildings	4,676,372	333,018	-
Equipment	-	6,997	-
Distribution and collection systems	7,552,924	8,791,910	3,841,368
Other improvements	-	-	-
Construction in progress	-	-	306,292
Less accumulated depreciation	(6,718,923)	(7,737,774)	(1,136,948)
Net capital assets	5,876,173	1,394,751	3,010,712
<b>Total noncurrent assets</b>	<b>5,876,173</b>	<b>1,394,751</b>	<b>3,010,712</b>
<b>Total assets</b>	<b>6,571,824</b>	<b>2,329,157</b>	<b>3,745,647</b>
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Accounts payable	21,004	7,544	10,213
Interfund payable	-	-	-
Salaries payable	8,778	6,880	2,043
Due to other governmental units	901	-	-
Contracts payable	-	-	-
Accrued interest payable	-	-	-
Bonds payable - current	-	-	-
Compensated absences payable - current	-	-	-
<b>Total current liabilities</b>	<b>30,683</b>	<b>14,424</b>	<b>12,256</b>
<b>Noncurrent liabilities:</b>			
Bonds payable	-	-	-
Compensated absences payable	95,377	38,814	11,175
<b>Total noncurrent liabilities</b>	<b>95,377</b>	<b>38,814</b>	<b>11,175</b>
<b>Total liabilities</b>	<b>126,060</b>	<b>53,238</b>	<b>23,431</b>
<b>Net position:</b>			
Net investment in capital assets	5,876,173	1,394,751	3,010,712
Restricted	-	-	-
Unrestricted	569,591	881,168	711,504
<b>Total net position</b>	<b>\$ 6,445,764</b>	<b>\$ 2,275,919</b>	<b>\$ 3,722,216</b>

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

Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds	
Street Light System	Municipal Golf Course	Totals		Totals	
		2012	2011	2012	2011
\$ -	\$ -	\$ 1,106,393	\$ 1,136,738	\$ 13,712,349	\$ 12,932,904
-	-	-	58,940	-	-
-	100	7,335	7,447	1,459	1,027
-	-	4,500	4,511	-	42,651
-	-	609,890	614,892	-	-
-	-	384,684	342,348	-	-
-	-	239,177	271,677	-	-
-	-	2,561	-	9,130	-
-	-	10,552	8,316	-	-
-	-	-	-	2,750	-
-	100	2,365,092	2,444,869	13,725,688	12,976,582
-	481,000	847,400	847,400	-	-
-	728,936	5,738,326	5,738,326	576,325	576,325
-	99,755	106,752	113,317	8,410,103	8,086,754
-	-	20,186,202	19,686,161	-	-
-	165,790	165,790	187,137	939,311	568,606
-	-	306,292	437,065	35,847	30,672
-	(430,862)	(16,024,507)	(15,615,295)	(5,016,032)	(4,637,065)
-	1,044,619	11,326,255	11,394,111	4,945,554	4,625,292
-	1,044,619	11,326,255	11,394,111	4,945,554	4,625,292
-	1,044,719	13,691,347	13,838,980	18,671,242	17,601,874
18,005	3,548	60,314	93,806	93,610	97,455
28,892	55,293	84,185	53,902	-	-
-	1,511	19,212	14,768	2,827	2,233
-	-	901	955	45	89
-	-	-	-	6,893	11,232
-	-	-	3,377	-	-
-	-	-	35,000	-	-
-	-	-	-	34,337	249
46,897	60,352	164,612	201,808	137,712	111,258
-	-	-	305,000	-	-
-	3,960	149,326	139,622	847,319	837,861
-	3,960	149,326	444,622	847,319	837,861
46,897	64,312	313,938	646,430	985,031	949,119
-	1,044,619	11,326,255	11,054,111	4,945,554	4,625,292
-	-	-	58,940	-	-
(46,897)	(64,212)	2,051,154	2,079,499	12,740,657	12,027,463
\$ (46,897)	\$ 980,407	\$ 13,377,409	\$ 13,192,550	\$ 17,686,211	\$ 16,652,755
Utility capital projects funds are included in the governmental funds but are included with the business-type activities		840,643	1,048,123		
Adjustment to reflect the consolidation of internal service activities related to enterprise funds		272,678	238,760		
Net position of business-type activities		\$ 14,490,730	\$ 14,479,433		

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

CITY OF NEW BRIGHTON, MINNESOTA  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION - PROPRIETARY FUNDS  
For The Year Ended December 31, 2012  
With Comparative Totals For The Year Ended December 31, 2011

	Business-Type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Stormwater Management Utility
Operating revenues:			
Customer charges	\$ 1,326,178	\$ 2,070,558	\$ 595,713
Late charges	8,755	73,029	-
Other charges	22,149	2,935	-
Total operating revenues	<u>1,357,082</u>	<u>2,146,522</u>	<u>595,713</u>
Operating expenses:			
Personnel services	545,488	421,691	145,802
Materials and supplies	114,029	24,148	15,955
Contractual services	630,358	1,895,174	254,043
Professional services	-	-	-
Depreciation	226,234	63,328	127,657
Total operating expenses	<u>1,516,109</u>	<u>2,404,341</u>	<u>543,457</u>
Operating income (loss)	<u>(159,027)</u>	<u>(257,819)</u>	<u>52,256</u>
Nonoperating revenues (expenses):			
Investment income:			
Interest on investments	356	2,348	4,859
Change in fair value of investments	(917)	(263)	(1,566)
Interest on assessments	-	-	29
Interest on interfund loan	-	-	-
In-house engineering and administrative charges	182,872	83,235	46,417
Credits and interest received from MCES	-	15,429	-
Other State aid	1,520	-	-
School District grant	-	-	-
Interest on bonds	-	-	-
Paying agent fees and bonding costs	-	-	-
Gain (loss) on disposal of capital assets	-	-	-
Refunds and reimbursements	8,148	21	-
Other - net	-	-	-
Total nonoperating revenues (expenses)	<u>191,979</u>	<u>100,770</u>	<u>49,739</u>
Income (loss) before contributions and transfers	<u>32,952</u>	<u>(157,049)</u>	<u>101,995</u>
Capital contributions	<u>13,801</u>	<u>2,877</u>	<u>352,591</u>
Transfers:			
Transfers from:			
General Fund	-	-	-
Special Revenue Funds	-	-	-
Capital Project Funds	-	-	-
Enterprise Funds	-	-	-
Internal Service Funds	-	-	-
Transfers to:			
Special Revenue Funds	(3,319)	-	-
Capital Project Funds	-	(181,200)	(208,650)
Internal Service Funds	-	-	-
Total transfers	<u>(3,319)</u>	<u>(181,200)</u>	<u>(208,650)</u>
Change in net position	43,434	(335,372)	245,936
Net position - January 1	<u>6,402,330</u>	<u>2,611,291</u>	<u>3,476,280</u>
Net position - December 31	<u>\$ 6,445,764</u>	<u>\$ 2,275,919</u>	<u>\$ 3,722,216</u>

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

Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds	
Street Light System	Municipal Golf Course	Totals		Totals	
		2012	2011	2012	2011
\$ 178,677	\$ 257,495	\$ 4,428,621	\$ 4,317,192	\$ 1,851,040	\$ 1,825,033
-	-	81,784	105,964	-	-
-	-	25,084	28,386	-	-
<u>178,677</u>	<u>257,495</u>	<u>4,535,489</u>	<u>4,451,542</u>	<u>1,851,040</u>	<u>1,825,033</u>
-	178,288	1,291,269	1,188,896	199,329	241,897
5,814	19,115	179,061	155,016	26,092	30,013
198,533	119,820	3,097,928	2,982,777	706,508	610,791
-	-	-	-	1,638	18,934
-	19,905	437,124	400,710	649,956	590,680
<u>204,347</u>	<u>337,128</u>	<u>5,005,382</u>	<u>4,727,399</u>	<u>1,583,523</u>	<u>1,492,315</u>
(25,670)	(79,633)	(469,893)	(275,857)	267,517	332,718
(132)	(42)	7,389	20,157	109,539	208,850
74	132	(2,540)	1,797	(35,624)	21,260
-	-	29	37	-	-
-	-	-	(17)	-	-
-	-	312,524	315,394	-	405
-	-	15,429	17,694	-	-
-	-	1,520	-	-	-
-	-	-	-	10,500	10,500
-	(16,883)	(16,883)	(22,382)	-	-
-	-	-	(431)	-	-
-	-	-	-	28,507	13,091
2,885	-	11,054	174	123,117	119,490
-	-	-	-	3,949	570
<u>2,827</u>	<u>(16,793)</u>	<u>328,522</u>	<u>332,423</u>	<u>239,988</u>	<u>374,166</u>
(22,843)	(96,426)	(141,371)	56,566	507,505	706,884
-	-	369,269	747,028	-	-
-	-	-	-	172,000	-
-	-	-	1,638	653	-
-	350,130	350,130	57,900	353,298	307,372
-	-	-	-	-	4,321
-	-	-	-	39,000	-
-	-	(3,319)	(1,748)	-	-
-	-	(389,850)	(697,000)	-	-
-	-	-	(4,321)	(39,000)	-
-	<u>350,130</u>	<u>(43,039)</u>	<u>(643,531)</u>	<u>525,951</u>	<u>311,693</u>
(22,843)	253,704	184,859	160,063	1,033,456	1,018,577
(24,054)	726,703			16,652,755	15,634,178
<u>\$ (46,897)</u>	<u>\$ 980,407</u>			<u>\$ 17,686,211</u>	<u>\$ 16,652,755</u>

Utility capital projects funds are included in the governmental funds but should be included with the business-type activities	(207,480)	135,818
Transfers In of Capital Assets from Governmental Activities	46,891	572,609
Governmental Activities Contribution Revenue Reported Above	(46,891)	(572,609)
Adjustment to reflect the consolidation of internal service activities related to enterprise funds	33,918	55,855
Change in net position of business-type activities	<u>\$ 11,297</u>	<u>\$ 351,736</u>

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

**CITY OF NEW BRIGHTON, MINNESOTA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
For the Year Ended December 31, 2012  
With Comparative Totals For The Year Ended December 31, 2011

	Business-Type Activities - Enterprise Funds			
	Water Utility	Sewer Utility	Stormwater Management	Street Light System
<b>Cash flows - operating activities:</b>				
Receipts from customers and users	\$ 1,306,394	\$ 2,188,792	\$ 594,510	\$ 178,678
Receipts from interfund services provided	-	-	-	-
Payments to employees	(537,737)	(419,175)	(143,870)	-
Payments to suppliers for goods and services	(286,424)	(1,460,486)	(59,041)	(177,790)
Payments for interfund services used	(457,000)	(497,500)	(208,000)	(24,700)
Net cash flows - operating activities	<u>25,233</u>	<u>(188,369)</u>	<u>183,599</u>	<u>(23,812)</u>
<b>Cash flows - noncapital financing activities:</b>				
Advances from (to) other funds	-	-	-	-
Transfer from (to) special revenue funds	-	-	-	-
Principal paid on bond/leases	-	-	-	-
Interest and paying agent fees paid on bond/leases	-	-	-	-
Refunds and reimbursements	8,148	21	-	2,885
Net cash flows - noncapital and related financing activities	<u>8,148</u>	<u>21</u>	<u>-</u>	<u>2,885</u>
<b>Cash flows - capital and related financing activities:</b>				
Other federal aid	-	-	-	-
Acquisition of capital assets	-	-	-	-
MCES current value credit	-	15,429	-	-
Other state aid	1,520	-	-	-
In-house engineering and administrative charges	182,872	83,235	46,417	-
Principal on assessments	-	-	-	-
Interest on assessments	-	-	29	-
Principal on interfund loan	-	-	-	20,960
Interest on interfund loan	-	-	-	-
Principal paid on bond/leases	-	-	-	-
Donations	-	-	-	-
Interest and paying agent fees paid on bonds/leases	-	-	-	-
Transfer from general fund	-	-	-	-
Transfer from capital project funds	-	-	-	-
Transfer to special revenue funds	-	-	-	-
Transfer to capital project funds	(3,319)	(181,200)	(208,650)	-
Proceeds from sale of capital assets	-	-	-	-
Net cash flows - capital and related financing activities	<u>181,073</u>	<u>(82,536)</u>	<u>(162,204)</u>	<u>20,960</u>
<b>Cash flows - investing activities:</b>				
Investment income:				
Interest on investments	333	2,439	4,664	(107)
Change in fair value of investments	(917)	(263)	(1,566)	74
Net cash flows - investing activities	<u>(584)</u>	<u>2,176</u>	<u>3,098</u>	<u>(33)</u>
Net change in cash and cash equivalents	213,870	(268,708)	24,493	-
Cash and cash equivalents - January 1	137,539	389,954	609,245	-
Cash and cash equivalents - December 31	<u>\$ 351,409</u>	<u>\$ 121,246</u>	<u>\$ 633,738</u>	<u>\$ -</u>
<b>Reconciliation of operating income (loss) to net cash flows - operating activities:</b>				
Operating income (loss)	\$ (159,027)	\$ (257,819)	\$ 52,256	\$ (25,670)
Adjustments to reconcile operating income (loss) to net cash flows - operating activities:				
Depreciation	226,234	63,328	127,657	-
Changes in assets and liabilities:				
Decrease (increase) in receivables	(50,688)	42,270	(1,203)	-
Inventory/prepays	-	-	-	-
Increase (decrease) in payables	963	(38,664)	2,956	1,858
Salaries and Compensated absences payable	7,751	2,516	1,933	-
Total adjustments	<u>184,260</u>	<u>69,450</u>	<u>131,343</u>	<u>1,858</u>
Net cash flows - operating activities	<u>\$ 25,233</u>	<u>\$ (188,369)</u>	<u>\$ 183,599</u>	<u>\$ (23,812)</u>
<b>Noncash investing, capital and financing activities:</b>				
Capital Contributions	\$ 13,801	\$ 2,877	\$ 352,591	\$ -

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

Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds	
Municipal Golf Course	Totals		Totals	
	2012	2011	2012	2011
\$ 257,495	\$ 4,525,869	\$ 4,548,402	\$ -	\$ -
-	-	-	1,893,690	1,825,033
(176,341)	(1,277,123)	(1,180,943)	(155,191)	(164,135)
(79,024)	(2,062,765)	(1,883,726)	(767,747)	(649,815)
(60,400)	(1,247,600)	(1,203,200)	-	-
(58,270)	(61,619)	280,533	970,752	1,011,083
-	-	42,825	-	-
-	-	1,638	-	-
-	-	(140,000)	-	-
-	-	(24,735)	-	-
-	11,054	174	117,117	70,840
-	11,054	(120,098)	117,117	70,840
-	-	-	449	570
-	-	(12,000)	(943,611)	(957,175)
-	15,429	17,694	-	-
-	1,520	-	-	-
-	312,524	315,394	653	405
-	-	-	-	-
-	29	37	-	-
9,325	30,285	(3,500)	-	-
(3,377)	(3,377)	(200)	-	-
(340,000)	(340,000)	-	-	-
-	-	-	20,000	16,500
(16,883)	(16,883)	-	-	-
-	-	-	172,000	-
350,130	350,130	57,900	-	-
-	-	(1,748)	-	-
-	(393,169)	(697,000)	353,298	307,372
-	-	-	19,377	14,110
(805)	(43,512)	(323,423)	(377,834)	(618,218)
3	7,332	22,142	105,034	229,798
132	(2,540)	1,797	(35,624)	21,260
135	4,792	23,939	69,410	251,058
(58,940)	(89,285)	(139,049)	779,445	714,763
58,940	1,195,678	1,334,727	12,932,904	12,218,141
\$ -	\$ 1,106,393	\$ 1,195,678	\$ 13,712,349	\$ 12,932,904
-	-	-	-	-
\$ (79,633)	\$ (469,893)	\$ (275,857)	\$ 267,517	\$ 332,718
19,905	437,124	400,710	649,956	590,680
-	(9,621)	96,860	42,650	-
-	-	390	(2,750)	-
(489)	(33,376)	50,477	13,379	87,685
1,947	14,147	7,953	-	-
21,363	408,274	556,390	703,235	678,365
\$ (58,270)	\$ (61,619)	\$ 280,533	\$ 970,752	\$ 1,011,083
\$ -	\$ 369,269	\$ 747,028	\$ -	\$ -

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

**CITY OF NEW BRIGHTON, MINNESOTA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
December 31, 2012

**Statement 9**

	Hazardous Materials Program	
	2012	2011
Assets:		
Cash and investments	\$ 24,709	\$ 14,954
Due from other governmental units	1,252	1,303
<b>Total assets</b>	<b>\$ 25,961</b>	<b>\$ 16,257</b>
Liabilities:		
Accounts payable	\$ 14,258	\$ 4,379
Due to other governmental units	11,703	11,878
<b>Total liabilities</b>	<b>\$ 25,961</b>	<b>\$ 16,257</b>

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

**CITY OF NEW BRIGHTON, MINNESOTA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2012

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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of New Brighton was incorporated in 1887 and operates under the State of Minnesota Statutory Plan B form of government. The governing body consists of a 5 member council elected by voters of the City.

The financial statements of the City of New Brighton have been prepared in conformity with U.S. generally accepted accounting principles as applied to governmental units by 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 generally accepted accounting principles, the financial statements of the reporting entity include those of the City of New Brighton (the primary government) and its component units. The component unit discussed below is included in the City's reporting entity because of the significance of its operational or financial relationships with the City.

**COMPONENT UNITS**

In conformity with U.S. generally accepted accounting principles, the financial statements of the component unit have been included in the financial reporting as a blended component unit.

The Economic Development Authority (EDA), an entity legally separate from the City, is governed by a separate board which includes the City Council and, therefore, is substantially the same as the primary government. Although it is legally separate from the City, the EDA is reported as if it were part of the primary government because its sole purpose is to promote economic development within the City of New Brighton. Separate financial statements are not prepared for the EDA.

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

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these Statements. *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 to external parties for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or business-type activities 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.

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**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. 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. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, 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 *Water Treatment Plant No. 1 Special Revenue Fund* accounts for water treatment costs which are funded through reimbursements from the *Dedicated Treatment Plant No. 1 Financing Special Revenue Fund* pursuant to a litigation settlement with the United States Army.

The *Dedicated Treatment Plant No. 1 Financing Special Revenue Fund* was established pursuant to the long-term LitSAGIA Implementing Agreement to account for all financial matters relating to the operation and maintenance of the New Brighton Contaminated Ground Water Recovery System. Its revenue is from interest income and the recognition of the portion of the U.S. Army advance funding that reimburses the *Water Treatment Plant No. 1 Special Revenue Fund* for its water treatment costs.

The *Municipal Development Capital Projects Fund* accounts for municipal money dedicated to community development and initial project costs.

The *Tax Increment District No. 31 Capital Projects Fund* accounts for development costs for projects that are part of this tax increment district.

The *Tax Increment District No. 31A Capital Projects Fund* accounts for development costs for projects that are part of this tax increment district.

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION  
(CONTINUED)**

The *Tax Increment District No. 32A Capital Projects Fund* accounts for development costs for projects that are part of this tax increment district.

The government reports the following major proprietary funds:

The *Water Utility Fund* accounts for customer water service charges which are used to finance the water system operating expenses.

The *Sewer Utility Fund* accounts for customer sewer service charges which are used to finance the sewer system operating expenses.

The *Stormwater Management Fund* accounts for customer stormwater service charges which are used to finance stormwater operating expenses.

The *Street Light System Fund* accounts for customer street light service charges which are used to finance street light operating expenses.

The *Municipal Golf Course Fund* accounts for the City's nine hole executive golf course operations.

Additionally, the government reports the following fund types:

*Internal Service Funds* account for compensated absences, fleet and non-fleet capital asset replacement, information technology, pavement management, and risk management services provided to other departments or agencies of the City or to other governments, on a cost-reimbursement basis.

The *Agency Fund* accounts for assets held by the City as an agent for the joint powers Hazardous Materials Response Team. Members of the Response Team are the Cities of New Brighton, Falcon Heights, Vadnais Heights and the Lake Johanna Fire Department.

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, are similarly treated when they involve other funds of the City of New Brighton. 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.

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION  
(CONTINUED)**

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 utility, sewer utility, stormwater management, street light system and municipal golf course enterprise funds and the City's internal service funds are charges to customers for sales and services. Operating expenses for the 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 non-operating revenues and expenses.

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.

**D. BUDGETS**

Budgets are adopted on a basis consistent with U.S. generally accepted accounting principles. Annual appropriated budgets are adopted for the General Fund. 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. The City Council reviews the proposed budget and makes appropriate changes.
3. Public hearings are conducted to obtain taxpayer comments.
4. The budget is legally enacted through passage of a resolution on a departmental basis and can be expended by each department based upon detailed budget estimates for individual expenditure accounts.
5. The City Manager is authorized to transfer appropriations within any department budget. Additional interdepartmental or interfund appropriations and deletions are or may be authorized by the City Council with fund (contingency) reserves or additional revenues.
6. Formal budgetary integration is employed as a management control device during the year for the General Fund. The General Fund is the only fund with a legally adopted annual budget.
7. 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 operation and capital maintenance and are not reflected in the financial statements.

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**E. LEGAL COMPLIANCE – BUDGETS (CONTINUED)**

8. 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.
9. Expenditures may not legally exceed budgeted appropriations at the total fund level. Monitoring of budgets for the General Fund is maintained at the expenditure category level (i.e., salaries, wages and benefits; materials and supplies; contractual services and capital outlay) within each activity.
10. The City Council may authorize transfer of budgeted amounts between City funds.

**F. DEPOSITS AND INVESTMENTS**

Cash and cash equivalents consist of available cash, cash deposits and highly liquid investments with an original maturity date at the time of purchase of three months or less.

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.

*Minnesota Statutes* require that all City deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by insurance or bonds (140% in the case of mortgage notes pledged).

Authorized collateral includes the legal investments described below, as well as certain first mortgage notes, and certain other state or local government obligations. *Minnesota Statutes* require that securities pledged as collateral be held in safekeeping by the City Treasurer or in a financial institution other than that furnishing the collateral.

*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 and whose only investments are in securities described in (a) above, general obligation tax-exempt securities or repurchase or reverse repurchase agreements.
- c) General obligations of the State of Minnesota or any of its municipalities.
- 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, of the highest quality, and maturing in 270 days or less.
- f) Repurchase or reverse repurchase agreements with banks that are members of the Federal Reserve System with capitalization exceeding \$ 10,000,000; a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York; certain Minnesota securities broker-dealers or a bank qualified as a depositor.

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**F. DEPOSITS AND INVESTMENTS (CONTINUED)**

Investments for the government are reported at fair value. The City participates in an external investment pool sponsored by the League of Minnesota Cities. The pool is established in accordance with *Minnesota Statutes*, Section 471.59. Only municipalities as defined by statute are permitted to open accounts and become participants in the fund. As of December 31, 2012, the fair value of the City's position in the pool is the same as the value of the pool shares.

**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 receivable" or "interfund payable". All short-term interfund receivables and payables at December 31, 2012 are planned to be eliminated in 2013. Long-term interfund loans are classified as "interfund loan receivable/payable". Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances".

Property taxes and special assessments 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 7 and December 2 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 FINANCIAL STATEMENTS**

The City recognizes property tax revenue in the period for which the 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 and State credits 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 and credits not received at year end are classified as delinquent and due from County taxes receivable. The portion of delinquent taxes not collected by the City in January are fully offset by deferred revenue 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 Statutes* 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 2012 and 2011 totaled \$ 1,145,784 and \$ 1,273,819 respectively. Receipt of property taxes from this "fiscal disparities pool" does not increase or decrease total tax revenue.

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**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 *Minnesota 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 *Minnesota Statutes*, a property shall be subject to a tax forfeit sale after three years unless it is homesteaded, agricultural or seasonal recreational land in which event the property is subject to such sale after five years. Special assessment debt will be paid from these assessment revenues, and if insufficient revenues are available, the City remains obligated for the balance.

**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 are collected by the County by December 31 (remitted to the City the following January) and are also recognized as revenue for the current year. All remaining delinquent, deferred and special deferred assessments receivable in governmental funding are completely offset by deferred revenues.

**J. INVENTORIES AND PREPAID ITEMS**

The original cost of materials and supplies has been recorded as expenditures at the time of purchase. The City does not maintain material amounts of inventories of goods and supplies.

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

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**K. CAPITAL ASSETS**

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and intangible assets such as easements and computer software, 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) (except for easements which is \$50,000) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

In the case of the initial capitalization of general infrastructure assets, the City chose to include all such items regardless of their acquisition date or amount. These assets are reported at historical cost or estimated historical cost, using the 1987 base highway construction price trend, when historical costs were unavailable.

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, 2012, no interest was capitalized in connection with construction in progress.

The City implemented GASB 51, *Accounting and Financial Reporting for Intangible Assets* effective January 1, 2010, which required the City to capitalize and amortize intangible assets. Pursuant to GASB Statement 51, in the case of initial capitalization of intangible assets, the City chose to capitalize intangible assets retroactively to 1980. The City has already accounted for computer software at historical cost and therefore retroactive reporting was not necessary. The City determined that it did not have any intangible assets which met the capitalization threshold of \$50,000 to be reported retroactively to 1980. The City did not acquire any intangible assets during the year ending December 31, 2012, which met the capitalization threshold.

Capital assets of the primary government, as well as the component unit, are depreciated/amortized using the straight-line method over the estimated useful lives of assets, as follows:

<u>Assets</u>	<u>Useful Lives</u>
Buildings and Structures	15-100 years
Machinery, Equipment and Furnishings	5-25 years
Other Improvements	10-40 years
Fleet (Vehicles)	3-25 years
Water Lines	40-50 years
Sewer Lines	40 years
Stormwater	30 years
Street Lights	30 years
Sidewalks and Curbs	70 years
Streets	30 years
Temporary easements	2-15 years

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**L. COMPENSATED ABSENCES**

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay is accrued when incurred in the government-wide, proprietary and fiduciary fund financial statements. 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. In accordance with the provisions of Statement of Government Accounting Standards No. 16, *Accounting for Compensated Absences*, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that is vested as severance pay.

**M. 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 assets. Bond premiums and discounts, as well as issuance costs, are immaterial and are expensed in the year of bond issuance.

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 sources 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.

**N. FUND BALANCE CLASSIFICATIONS**

In the fund financial statements, governmental funds report fund balance in classifications that disclose constraints for which amounts in those funds 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. The City Council has adopted a fund balance policy that authorizes the Finance Director to determine the assigned fund balances.

*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 use, it is the City's policy to first use restricted resources, and then use 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.

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**O. 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.

**P. RESTRICTED ASSETS**

Assets of the Dedicated Treatment Plant No. 1 Financing Fund are classified as restricted cash and investments assets in the Balance Sheet, because their use is limited to the operation and maintenance of the New Brighton Contaminated Ground Water Recovery System pursuant to the long-term LitSAGIA Implementing Agreement. Assets of the 2004B Tax Increment Bonds are classified as restricted assets in the Balance Sheet, because their use is limited by the Bond's documents.

**Q. 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.

**R. NET POSITION**

Net position represents the difference between assets and liabilities in the government-wide financial statements. Net investment in capital assets consists of capital assets, net of accumulation depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted in the government-wide financial statements when there are limitations on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**S RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

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

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. Elements of that reconciliation are detailed as follows:

Long-Term debt:		
Bonds payable	\$ (48,040,000)	
Accrued interest payable	(782,311)	
Change in net position		\$ (48,822,311)
Capital assets (net of depreciation)		41,575,963
Addition of deferred revenues		25,269,374
Internal service funds		17,413,533
Utility capital project funds included with business-type activities		(840,643)
Pollution Remediation		(2,922,000)
Net change in net position- governmental activities		<u>\$ 31,673,916</u>

2. **EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUNDS 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.”

**CITY OF NEW BRIGHTON, MINNESOTA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2012

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**S. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)**

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

The details of this \$(1,865,061) difference is as follows:

Capital Outlay	\$ 899,305
Assets Transferred to Enterprise Funds	(369,269)
Disposal of Assets	(14,113)
Depreciation Expense	(2,380,984)
Net adjustment to increase/(decrease) net changes in fund balances	
- total governmental funds to arrive at changes in net position of governmental activities	\$ (1,865,061)

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 \$126,070 difference are as follows:

General property taxes deferred revenue:		
At December 31, 2012	\$ 383,437	
At December 31, 2011	(419,910)	
Net change in general property taxes deferred revenue		(36,473)
Special assessments deferred revenue:		
At December 31, 2012	316,837	
At December 31, 2011	(316,194)	
Net change in special assessments deferred revenue		643
Assets held for resale deferred revenue:		
At December 31, 2012	24,569,100	
At December 31, 2011	(24,407,200)	
Net change in assets held for resale deferred revenue		161,900
Net adjustment to increase/(decrease) net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities		<u>\$ 126,070</u>

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**S. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)**

**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 (CONTINUED)**

Another element of that reconciliation states that “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 assets.” The details of this \$ 2,075,000 difference are as follows:

Principal issuance and repayments:	
Improvement bonds	\$ 1,015,000
Tax increment bonds	<u>1,060,000</u>
Net adjustment to increase/(decrease) net change in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u><u>\$ 2,075,000</u></u>

Another element of that reconciliation states “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 \$ 44,665 difference is accrued interest.

Another element of that reconciliation is that utility capital projects funds are included in the governmental funds but should be included with the business-type activities. The effect of this adjustment is to increase the amounts reported for governmental activities and decrease the amounts reported in the business-type activities by \$ 207,480 in the Statement of Activities.

Another element of that reconciliation is the effect of GASB 49, Pollution remediation. The effect of this adjustment is to decrease the amounts reported for governmental activities by \$ 683,500 in the Statement of Activities.

Another element of that reconciliation states that “Internal service funds are used by management to charge the costs of compensated absences, fleet and nonfleet capital asset replacement information technology and risk management services to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.” The details of this \$ 999,538 difference are as follows:

Internal service funds change in net assets	\$ 1,033,456
Net revenue/(expense) attributable to business-type activities	<u>(33,918)</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	<u><u>\$ 999,538</u></u>

**CITY OF NEW BRIGHTON, MINNESOTA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**T. COMPARATIVE DATE/RECLASSIFICATION**

Comparative total data for the prior year have been presented in the financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with this year's presentation.

**NOTE 2 DEPOSITS AND INVESTMENTS**

**DEPOSITS**

Custodial credit risk – deposits: Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. Minnesota statutes require that all City deposits be protected by insurance, surety bond, or collateral. As of December 31, 2012, the City was not exposed to custodial credit risk because the bank balance of the City's deposits was covered by federal depository insurance or covered by collateral pledged and held in the City's name.

**INVESTMENTS**

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

Investment Type	Total	Remaining Maturity			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More than 60 Months
Brokered certificates of deposit	\$ 11,408,859	\$ 11,160,180	\$ 248,679	\$ -	\$ -
Federal Home Loan Banks	28,070,684	513,930	-	-	27,556,754
Federal Home Loan Mortgage Corp	2,754,900	-	-	-	2,754,900
Federal National Mortgage Assn	6,403,371	401,724	-	2,000,250	4,001,397
4M Fund	1,977,716	1,977,716	-	-	-
US Treasury Notes	1,047,362	1,047,362	-	-	-
Total	<u>\$ 51,662,892</u>	<u>\$ 15,100,912</u>	<u>\$ 248,679</u>	<u>\$ 2,000,250</u>	<u>\$ 34,313,051</u>

Interest Rate Risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City does not have a formal policy for limiting interest rate risk.

**CITY OF NEW BRIGHTON, MINNESOTA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2012

**NOTE 2 DEPOSITS AND INVESTMENTS**

**INVESTMENTS (CONTINUED)**

Credit Risk: The City’s investment policy limits investment in commercial paper and guaranteed investment contracts to issuers that have been rated at the highest classification by at least two nationally recognized rating agencies. At December 31, 2012, the City held no investments in commercial paper or guaranteed investment contracts. The federal agency securities, money market funds, federal treasury notes, and guaranteed investment contracts are rated AA+ by Moody’s and Aaa by Standard and Poor’s rating agencies.

Concentration of Credit Risk: The City places the following limits on the amount that the City may invest in any one issuer:

- No more than 25% of the portfolio shall be invested in any one security issuer with the exception of U.S. Treasury or agency obligations which could represent 100% of the portfolio.
- No more than 35% of the City’s total investment portfolio shall be invested in commercial paper at any time. The total investment in commercial paper from one corporation shall not exceed \$ 5 million. The total investment in any one corporation shall not exceed 10% of the corporation’s outstanding obligations.
- No more than 40% of the total investment portfolio will be invested with a single financial institution.

Investments in any one issuer that represent 5% or more of the City’s total investments are as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Amount Reported</u>	<u>% of Portfolio</u>
Federal Home Loan Bank	Federal agency security	\$ 28,070,684	54%
Federal National Mortgage Association	Federal agency security	6,403,371	12%

Custodial credit risk – investments: For an investment, this is the risk in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Some City securities held by the City’s broker-dealer are not registered to the City, but are held in an insured account. The account is insured up to \$ 500,000 SIPC insurance and the broker-dealer provides an additional aggregate insurance policy for all of its customers as a group, not individually. It is unknown what portion of this policy is applicable to the City’s portfolio.

Summary of cash deposits and investments as of December 31, 2012:

Petty cash	\$ 3,274
Deposits	809,026
Investments	<u>51,662,892</u>
Total	<u>\$ 52,475,192</u>

**CITY OF NEW BRIGHTON, MINNESOTA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2012

**NOTE 2 DEPOSITS AND INVESTMENTS**

Deposits and investments are presented in the December 31, 2012 basic financial statements as follows:

Statement of net assets:	
Cash and investments	\$ 42,933,480
Restricted cash	9,517,003
Statement of fiduciary net assets:	
Cash and investments	<u>24,709</u>
Total deposits and investments	<u><u>\$ 52,475,192</u></u>

**NOTE 3 RECEIVABLES**

Significant receivable balances not expected to be collected within one year of December 31, 2012 are as follows:

	<u>Major Funds</u>			Nonmajor Funds	Total
	<u>General</u>	<u>Municipal Development</u>	<u>Tax Increment District #31</u>		
Special assessments receivable	\$ 2,705	\$ -	\$ -	\$ 319,483	\$ 322,188
Delinquent property taxes	174,912	-	49,324	159,201	389,934
Interfund loan receivable	-	12,730,252	-	305,800	13,341,852
Total	<u><u>\$ 177,617</u></u>	<u><u>\$ 12,730,252</u></u>	<u><u>\$ 49,324</u></u>	<u><u>\$ 784,484</u></u>	<u><u>\$ 14,053,974</u></u>

**CITY OF NEW BRIGHTON, MINNESOTA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2012

**NOTE 3 RECEIVABLES**

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition 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 revenue and unearned revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Delinquent property taxes receivable (General Fund)	\$ 174,912	\$ -
Delinquent property taxes receivable (nonmajor funds)	6,497	-
Delinquent property taxes receivable Tax Increment No. 31 Fund)	49,324	-
Delinquent property taxes receivable (nonmajor funds)	152,704	-
Special assessments not yet due (nonmajor funds)	316,837	-
Land held for resale (Tax Increment No. 31 Fund)	10,110,300	-
Land held for resale (Tax Increment No. 32 Fund)	14,458,800	-
Recreation fees received but unearned (General Fund)	-	94,832
Contributions contingent on eligible expenses:		
(Dedicated Treatment Plant #1 Financing Fund)	-	8,524,752
Municipal State Aid (nonmajor funds)	-	227,789
Antenna leases received but unearned (General Fund)	-	140,867
	<u>                    </u>	<u>                    </u>
Total deferred/unearned revenue for governmental funds	<u>\$ 25,269,374</u>	<u>\$ 8,988,240</u>

**NOTE 4 METROPOLITAN COUNCIL ENVIRONMENTAL SERVICES**

In 1971, the Metropolitan Waste Control Commission (MWCC) was organized to provide for consolidation of the sanitary sewer collection, treatment and disposal in the seven county metropolitan area surrounding Minneapolis and St. Paul. Previously, these operations were maintained by the city governments on an individual or collective basis. When the MWCC was formed, existing interceptor sewer lines and treatment facilities were transferred from the cities to the MWCC in exchange for future credits. During 1987, additional interceptor lines were transferred to the MWCC from the City of New Brighton. These future credits are being remitted to the City over a 30 year period. Future credits are recorded as assets in these financial statements. The MWCC merged with the Metropolitan Council during 1994 to form Metropolitan Council Environmental Services (MCES).

The MCES bills on a quarterly basis based on normalized flows with a two quarter delay in flow determination.

**CITY OF NEW BRIGHTON, MINNESOTA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2012

**NOTE 5 CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2012 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental Activities:				
Capital Assets not being Depreciated:				
Land	\$ 6,080,734	\$ 400	\$ -	\$ 6,081,134
Construction in Progress	889,647	207,378	889,647	207,378
Total Capital Assets not being Depreciated	<u>6,970,381</u>	<u>207,778</u>	<u>889,647</u>	<u>6,288,512</u>
Capital Assets being Depreciated:				
Infrastructure	28,253,718	1,005,807	261,258	28,998,267
Buildings	36,672,349	-	43,425	36,628,924
Improvements	5,551,542	491,144	73,413	5,969,273
Machinery and Equipment	10,243,112	807,864	398,880	10,652,096
Total Capital Assets being Depreciated	<u>80,720,721</u>	<u>2,304,815</u>	<u>776,976</u>	<u>82,248,560</u>
Less Accumulated Depreciation for:				
Infrastructure	12,908,328	858,179	261,258	13,505,249
Buildings	19,353,101	1,146,446	29,312	20,470,235
Improvements	2,000,689	284,663	73,413	2,211,939
Machinery and Equipment	5,362,668	741,652	276,188	5,828,132
Total Accumulated Depreciation	<u>39,624,786</u>	<u>3,030,940</u>	<u>640,171</u>	<u>42,015,555</u>
Total Capital Assets being Depreciated, Net	<u>41,095,935</u>	<u>(726,125)</u>	<u>136,805</u>	<u>40,233,005</u>
Governmental Activities Capital Assets, Net	<u>\$ 48,066,316</u>	<u>\$ (518,347)</u>	<u>\$ 1,026,452</u>	<u>\$ 46,521,517</u>

**CITY OF NEW BRIGHTON, MINNESOTA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2012

**NOTE 5 CAPITAL ASSETS**

	Beginning Balance	Additions	Reductions	Ending Balance
Business-Type Activities:				
Capital Assets not being Depreciated:				
Land	\$ 847,400	\$ -	\$ -	\$ 847,400
Construction in Progress	437,065	306,292	437,065	306,292
Total Capital Assets not being Depreciated	<u>1,284,465</u>	<u>306,292</u>	<u>437,065</u>	<u>1,153,692</u>
Capital Assets being Depreciated:				
Buildings and structures	5,738,326	-	-	5,738,326
Machinery and equipment	113,317	-	6,565	106,752
Water/sewer lines and other	19,873,298	500,040	21,346	20,351,992
Total Capital Assets being Depreciated	<u>25,724,941</u>	<u>500,040</u>	<u>27,911</u>	<u>26,197,070</u>
Less Accumulated Depreciation for:				
Buildings and structures	2,053,685	83,852	-	2,137,537
Machinery and equipment	82,889	6,325	6,565	82,649
Water/sewer lines and other	13,478,721	346,947	21,347	13,804,321
Total Accumulated Depreciation	<u>15,615,295</u>	<u>437,124</u>	<u>27,912</u>	<u>16,024,507</u>
Total Capital Assets being Depreciated, Net	<u>10,109,646</u>	<u>62,916</u>	<u>(1)</u>	<u>10,172,563</u>
Business-Type Activities Capital Assets, Net	<u>\$ 11,394,111</u>	<u>\$ 369,208</u>	<u>\$ 437,064</u>	<u>\$ 11,326,255</u>

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

General government	\$155,889
Community development	3,471
Parks & recreation	431,297
Public safety	559,734
Public works	1,880,549
Total depreciation expense - governmental activities	<u>\$3,030,940</u>
Business Activities:	
Water	\$226,234
Sewer	63,328
Stormwater	127,657
Golf course	19,905
Total depreciation expense - business-type activities	<u>\$437,124</u>

**CITY OF NEW BRIGHTON, MINNESOTA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2012

**NOTE 6 LONG-TERM DEBT**

**GENERAL OBLIGATION BONDS**

The City issues General Obligation (G.O.) bonds and equipment certificates to provide funds for street improvements, tax increment financing projects and acquisition of capital equipment. Debt service is covered respectively by special assessments against benefited properties and tax increments with any shortfalls being paid from general taxes.

General obligation bonds are direct obligations and pledge the full faith and credit of the City. The amounts are repaid from governmental activities. General obligation bonds outstanding as of December 31, 2012 are as follows:

	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Authorized and Issued</u>	<u>Principal Outstanding</u>	<u>Due Within One Year</u>
Governmental Activities:						
G.O. Improvement Bonds:						
2007A Improvement Bonds	3.70%-4.00%	06/01/07	02/01/19	\$ 455,000	\$ 295,000	\$ 40,000
2009A Improvement Bonds	2.00%-4.25%	06/17/09	02/01/20	375,000	305,000	35,000
2010A Improvement Bonds	2.00%-2.50%	03/18/10	02/01/16	4,760,000	3,160,000	765,000
2011A Improvement Bonds	.50%-3.30%	01/28/11	02/01/22	1,395,000	1,085,000	370,000
2012A Improvement Bonds	.35%-2.35%	04/24/12	02/01/23	930,000	930,000	160,000
Total G.O. Improvement Bonds				<u>7,915,000</u>	<u>5,775,000</u>	<u>1,370,000</u>
G.O. Tax Increment Bonds:						
2004B Taxable Tax Increment Bonds	3.00%-5.10%	10/01/04	02/01/13	2,385,000	1,215,000	1,215,000
2006A Tax Increment Bonds	4.25%-5.00%	07/15/06	02/01/32	20,450,000	20,450,000	235,000
2007B Tax Increment Bonds	4.00%-4.75%	06/01/07	02/01/33	14,985,000	14,985,000	125,000
2009A Tax Increment Bonds	2.00%-2.50%	06/17/09	02/01/13	570,000	150,000	150,000
2009B Taxable Tax Increment Bonds	1.50%-2.50%	06/17/09	02/01/13	1,350,000	360,000	360,000
2011A Tax Increment Bonds	.50%-1.25%	01/28/11	02/01/15	735,000	555,000	180,000
2011B Taxable Tax Increment Bonds	.65%-2.40%	01/28/11	02/01/16	2,205,000	1,690,000	515,000
2012A Tax Increment Bonds	.35%-1.00%	04/24/12	02/01/17	1,765,000	1,765,000	595,000
2012B Taxable Tax Increment Bonds	.70%-2.35%	04/24/12	02/01/20	1,095,000	1,095,000	40,000
Total Tax Increment Bonds				<u>45,540,000</u>	<u>42,265,000</u>	<u>3,415,000</u>
Total - General Obligation Bonds				<u>\$ 53,455,000</u>	<u>\$ 48,040,000</u>	<u>\$ 4,785,000</u>

**CITY OF NEW BRIGHTON, MINNESOTA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2012

**NOTE 6 LONG-TERM DEBT**

**GENERAL OBLIGATION BONDS (CONTINUED)**

Annual debt service requirements to maturity for these issues are as follows:

Year Ending December 31,	G.O. Improvement Bonds			Tax Increment Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2013	\$ 1,370,000	\$ 107,974	\$ 1,477,974	\$ 3,415,000	\$ 1,702,205	\$ 5,117,205
2014	1,270,000	84,477	1,354,477	2,010,000	1,628,001	3,638,001
2015	1,130,000	63,590	1,193,590	2,280,000	1,580,828	3,860,828
2016	990,000	41,047	1,031,047	1,680,000	1,523,600	3,203,600
2017	195,000	26,228	221,228	1,685,000	1,463,766	3,148,766
2018	195,000	20,998	215,998	1,545,000	1,403,104	2,948,104
2019	195,000	15,269	210,269	1,580,000	1,339,761	2,919,761
2020	155,000	10,005	165,005	1,605,000	1,273,327	2,878,327
2021	110,000	6,144	116,144	1,595,000	1,204,276	2,799,276
2022	115,000	2,859	117,859	1,670,000	1,130,554	2,800,554
2023	50,000	588	50,588	1,755,000	1,052,362	2,807,362
2024	-	-	-	1,835,000	970,800	2,805,800
2025	-	-	-	1,920,000	883,507	2,803,507
2026	-	-	-	2,030,000	788,213	2,818,213
2027	-	-	-	2,090,000	687,331	2,777,331
2028	-	-	-	2,185,000	584,856	2,769,856
2029	-	-	-	2,285,000	479,894	2,764,894
2030	-	-	-	2,425,000	368,703	2,793,703
2031	-	-	-	2,540,000	250,937	2,790,937
2032	-	-	-	2,665,000	127,500	2,792,500
2033	-	-	-	1,470,000	32,156	1,502,156
Total	<u>\$ 5,775,000</u>	<u>\$ 379,179</u>	<u>\$ 6,154,179</u>	<u>\$ 42,265,000</u>	<u>\$ 20,475,681</u>	<u>\$ 62,740,681</u>

**CITY OF NEW BRIGHTON, MINNESOTA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2012

**NOTE 6 LONG-TERM DEBT**

**CHANGE IN LONG-TERM LIABILITIES**

Long-term liability activity for the year ended December 31, 2012 was as follows:

	Balance 01/01/12	Additions	Deletions	Balance 12/31/12	Due Within One Year
Governmental activities:					
Bonded Debt:					
G.O. Improvement bonds	\$ 6,790,000	\$ 930,000	\$ 1,945,000	\$ 5,775,000	\$ 1,370,000
Tax increment bonds	43,325,000	2,860,000	3,920,000	42,265,000	3,415,000
Total bonds payable	<u>50,115,000</u>	<u>3,790,000</u>	<u>5,865,000</u>	<u>48,040,000</u>	<u>4,785,000</u>
Compensated Absences	\$ 838,110	\$ 43,795	\$ 249	\$ 881,656	\$ 34,337
Pollution remediation obligation	2,238,500	893,219	209,719	2,922,000	130,000
Total government activity long-term liabilities	<u>\$ 53,191,610</u>	<u>\$ 4,727,014</u>	<u>\$ 6,074,968</u>	<u>\$ 51,843,656</u>	<u>\$ 4,949,337</u>
Business-type activities:					
Revenue bonds	\$ 340,000	\$ -	\$ 340,000	\$ -	\$ -
Compensated absences	139,622	9,704	-	149,326	-
Total business-type activity long-term liabilities	<u>\$ 479,622</u>	<u>\$ 9,704</u>	<u>\$ 340,000</u>	<u>\$ 149,326</u>	<u>\$ -</u>

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities totaling \$ 881,656 for compensated absences are included as part of the totals for governmental activities. For governmental activities, compensated absences are generally liquidated by the general fund. There were no compensated absences (retirements or separations) paid from the business-type activities in 2012. It is estimated that there will be no compensated absences (retirements or separations) paid from the business-type activities in 2013.

On April 24, 2012, the City issued \$ 2,695,000 of General Obligation Bonds, Series 2012A, with a true interest rate of 1.24%. The bonds are general obligations of the City for which the City will pledge its full faith and credit and power to levy direct general ad valorem taxes. The issue was used to finance a street improvement project and to effect a current refunding of the 2013 through 2017 maturities of the City's \$ 6,935,000 General Obligation Tax Increment Bonds, Series 2004A, dated October 1, 2004, and effecting a current refunding of the 2013 through 2015 maturities of the City's \$ 1,265,000 General Obligation Improvement Bonds, Series 2004C, dated October 1, 2004. The current refunding resulted in gross debt service savings of \$ 83,851 and net present value debt service savings of \$ 81,061.

On April 24, 2012, the City issued \$ 1,095,000 of General Obligation Taxable Tax Increment Refunding Bonds, Series 2012B, with a true interest rate of 1.71%. The bonds are general obligations of the City for which the City will pledge its full faith and credit and power to levy direct general ad valorem taxes. The issue was used to effect a partial net cash refunding of the 2014 through 2020 maturities of the City's \$ 2,385,000 Taxable General Obligation Tax Increment Bonds, Series 2004B, dated October 1, 2004. The current refunding resulted in gross debt service savings of \$ 74,629 and net present value debt service savings of \$ 68,501.

**NOTE 6 LONG-TERM DEBT**

**POLLUTION REMEDIATION LIABILITY**

One of the City's goals for the New Brighton Exchange redevelopment project (formerly known as Northwest Quadrant Redevelopment), located at the northwest quadrant of Interstate Highways 694 and 35W, is to voluntarily clean up environmental contamination from former industries. Old Highway 8 runs north and south through the redevelopment area splitting it into two projects, the West Side and the East Side.

Contamination in the West Side was caused by land owners and operators of a refinery, industrial solvent recycling, and gas station with leaking underground storage tanks. Contaminated soils were removed down to the water table and taken to an approved landfill. Currently, only a portion of the northern point of the project area remains contaminated due to the refinery. Ashland Oil is the Responsible Party and is conducting the remediation under the oversight of the Minnesota Pollution Control Agency (MPCA). Ashland is responsible for the costs involved in the remediation of the site. The estimated liability related to this portion of the liability is not determinable.

On the East Side, a private dump operated on 20 acres. Low lying wetlands and depressions were filled in with construction and household debris. Organic material continues to decompose, emitting gases. The western edge of the dump material has been removed and consolidated. A special membrane has been laid over the dump materials to collect the gases. Venting has been installed along the perimeter of the new buildings to intercept residual gases; gas collection and venting systems will also be required beneath building structures.

The MPCA has already approved some of our detailed remediation plans and is in the process of approving others. An environmental consultant has been used to assist the City in the preparation of these plans and the various studies that support them. The future estimated costs for further remediation and monitoring, as prepared by the environmental consultant, include \$1,015,500 for continued monitoring and environmental cleanup on the West Side and \$1,906,500 for future dump closure monitoring on the East Side. These amounts are estimates and are subject to changes due to requirements of the MPCA, proposed development, technology and bidding climate. There are no estimated recoveries anticipated to reduce these liabilities.

**NOTE 7 PENSION PLANS**

**A. PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA)**

**PLAN DESCRIPTION**

All full-time and certain part-time employees of the City of New Brighton are covered by defined benefit plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Fund (GERF) and the Public Employees Police and Fire Fund (PEPFF) which are cost-sharing multiple-employer retirement plans. These Plans are established and administered in accordance with *Minnesota Statutes* Chapters 353 and 356.

GERF members belong to either the Coordinated or 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. All police officers, firefighters and peace officers who qualify for membership by statute are covered by the PEPFF.

PERA provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by *Minnesota Statutes*, and vest after three years of credited service. The defined retirement benefits are based on a member's highest average salary for any five successive years of allowable service, age and years of credit at termination of service.

**NOTE 7 PENSION PLANS**

**PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA) (CONTINUED)**

**PLAN DESCRIPTION**

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% of average salary for each of the first 10 years of service and 2.7% for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2% of average salary for each of the first 10 years and 1.7% for each remaining year. Under Method 2, the annuity accrual rate is 2.7% of average salary for Basic Plan members and 1.7% for Coordinated Plan members for each year of service. For PEPFF members, the annuity accrual rate is 3.0% for each year of service. For all PEPFF and GERF 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 55 for PEPFF and 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 yet receiving them, are bound by the provisions in effect at the time they last terminated their public service.

PERA also offers a Defined Contribution Plan (DCP) for elected public officials which is completely voluntary with no minimum salary requirement. It is a tax deferred retirement savings program in which participants determine how employee and employer contribution are to be invested through the purchase of shares in accounts of the Minnesota Supplemental Investment Fund. Total contributions plus investment performance determine the ultimate benefit, which is paid as a lump sum upon withdrawal. Elected officials participating in the plan may choose to discontinue participation at any time.

PERA issues a publicly available financial report that includes financial statements and required supplementary information for PERF and PEPFF. That report may be obtained on the internet 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. GERF Basic Plan and Coordinated Plan members were required to contribute 9.1% and 6.25%, respectively, of their annual covered salary in 2012. PEPFF members were required to contribute 9.6% of their annual covered salary in 2012. The DCP members were required to contribute 5.0% of their annual covered salary in 2012. The City is required to contribute the following percentages of annual covered payroll: 11.78% for Basic Plan members, 7.25% for Coordinated Plan PERF members, 14.4% for PEPFF members and 5.0% for DCP members.

**CITY OF NEW BRIGHTON, MINNESOTA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 7 PENSION PLANS**

**PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA) (CONTINUED)**

**FUNDING POLICY**

The City's contributions to PERF for the years ending December 31, 2012, 2011, and 2010 were \$ 287,726, \$ 267,922, and \$ 263,493 respectively. The City's contributions to PEPFF for the years ending December 31, 2012, 2011, and 2010 were \$ 334,963, \$ 326,024, and \$ 320,525 respectively. The City's contributions to the Defined Contribution Plan for the years ending December 31, 2012, 2011, and 2010 were \$ 350, \$350 and \$ 350 respectively. These amounts are equal to the contractually required contributions for each year as set by state statute.

**B. NEW BRIGHTON FIREFIGHTERS' RELIEF ASSOCIATION**

**PLAN DESCRIPTION**

The New Brighton Firefighters' Relief Association (the "Association") is the administrator of a single-employer Public Employee Retirement System (PERS) established to provide benefits for members of the New Brighton Fire Department. Nonemployer contributions include the City of New Brighton and the State of Minnesota.

The Association provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established in accordance with *Minnesota Statutes*, and vest after 10 years of credited service. The defined retirement benefits are based on a member's years of service. Benefit provisions can be amended by the Association within the parameters provided by *Minnesota Statutes*.

The Association issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing the City of New Brighton, 803 Old Highway 8 NW, New Brighton, Minnesota 55112.

**FUNDING POLICY**

*Minnesota Statutes* Chapter 69.773 specifies minimum support rates required on an annual basis. The minimum support rates from the municipality and from state aid are determined as the amount required to meet the normal cost plus amortizing any existing prior service costs over a 10 year period. The significant actuarial assumptions used to compute the municipal support are the same as those used to compute the accrued pension liability. The Association is comprised of volunteers; therefore, there are no payroll expenditures (i.e., there are no covered payroll percentage calculations).

Contributions totaling \$ 130,889 (\$ 46,200 City of New Brighton and \$ 84,689 State of Minnesota) were made in accordance with contribution requirements determined by an actuarial valuation of the Plan as of December 31, 2012. These contributions were entirely for normal service cost and are included as revenues and expenses in the City's financial statements.

**CITY OF NEW BRIGHTON, MINNESOTA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 7 PENSION PLANS**

**B. NEW BRIGHTON FIREFIGHTERS' RELIEF ASSOCIATION (CONTINUED)**

**FUNDING POLICY (CONTINUED)**

Additional information as of the latest actuarial valuation follows:

Valuation date	December 31, 2012
Actuarial cost method	Entry Age Normal
Amortization method	Level annual dollar closed
Remaining amortization period:	
Normal cost	20 years
Prior service cost	10 years
Asset valuation method	Market
Actuarial assumptions:	
Investment rate of return	5%
Projected salary increases	N/A
Includes inflation at	N/A
Cost of living adjustments	None
Age of service retirement	50
Post retirement benefit increases	None

<u>Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligations</u>
12/31/07	44,900	100%	-
12/31/08	46,200	100%	-
12/31/09	46,200	100%	-
12/31/10	46,200	100%	-
12/31/11	46,200	100%	-
12/31/12	46,200	100%	-

**CITY OF NEW BRIGHTON, MINNESOTA**  
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December 31, 2012

**NOTE 7 PENSION PLANS**

**B. NEW BRIGHTON FIREFIGHTERS' RELIEF ASSOCIATION (CONTINUED)**

**FUNDING POLICY (CONTINUED)**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Assets in Excess of/ (Unfunded) Accrued Liability</u>	<u>Funded Ratio</u>
12/31/07	\$ 2,555,316	\$ 2,379,012	\$ 176,304	107.4%
12/31/08	1,923,307	2,472,137	(548,830)	77.8%
12/31/09	2,460,679	2,630,241	(169,562)	93.6%
12/31/10	2,744,808	2,632,205	112,603	104.3%
12/31/11	2,848,076	2,811,406	36,670	101.3%
12/31/12	3,025,547	2,735,071	290,476	110.6%

Updates of the actuarial valuation are required every two years.

The Association is comprised of volunteers; therefore, there are no payroll expenditures (i.e., there are no covered payroll amounts or percentage calculations).

**NOTE 8 INTERFUND RECEIVABLES/PAYABLES, LOANS AND TRANSFERS**

The composition of interfund balances as of December 31, 2012 was as follows:

Interfund payables/receivables:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Community Reinvestment (Non Major)	Operating Grants (Non Major)	\$ 12,801
	Street Light System	28,892
	Golf Course	55,293
Total		<u>\$ 96,986</u>

Interfund receivables and payables are representative of lending/borrowing arrangements to cover deficit cash balances at the end of the fiscal year.

Interfund loans were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Community Reinvestment	Stormwater Improvement	<u>\$ 305,800</u>

This loan finances project 12-9, "Phase I Freedom Park Flood Mitigation Improvements". The loan will be repaid by increasing future stormwater utility rates. The loan carries an interest rate of 2% and will be repaid in annual installments of \$16,946. The

**CITY OF NEW BRIGHTON, MINNESOTA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2012

final payment of \$16,946 is scheduled for November 1, 2022.

**NOTE 8 INTERFUND RECEIVABLES/PAYABLES, LOANS AND TRANSFERS (CONTINUED)**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Municipal Development	TIF District No. 31	\$ 4,010,963
	TIF District No. 31A	948,436
	TIF District No. 32	2,717,387
	TIF District No. 32A	2,215,319
	Nonmajor governmental funds:	
	TIF District No. 23	80,670
	TIF District No. 25	897,794
	TIF District No. 27	229,993
	TIF District No. 29	121,811
	TIF District No. 30	1,188,623
	TIF District No. 33	319,256
		<u>319,256</u>
Total		<u>\$ 12,730,252</u>

Tax increment financing districts are established to finance many of the City's redevelopment projects. The loans from the Municipal Development Fund cover the cash deficits that often exist in the early stages of tax increment districts. The loans will be repaid with interest from available tax increments generated from the increase in tax capacity values of the redeveloped area.

Transfer Out:	<u>Transfers In</u>						Total <u>Transfers Out</u>
	<u>Water Treatment Plant No.1</u>	<u>Tax Increment District #31</u>	<u>Tax Increment District #32</u>	<u>Nonmajor Governmental</u>	<u>Internal Service</u>	<u>Municipal Golf Course</u>	
General Fund	\$ 1,350	\$ -	\$ -	\$ 951,600	\$ 172,000	\$ -	\$ 1,124,950
Water Treatment Plant No.1	-	-	-	4,442	653	-	5,095
Tax Increment District #31	-	-	-	1,497,045	-	-	1,497,045
Tax Increment District #32	-	-	-	123,627	-	-	123,627
Nonmajor Governmental	-	684,924	259,924	3,031,151	353,298	350,130	4,679,427
Internal Service	-	-	-	-	39,000	-	39,000
Water Utility	3,319	-	-	-	-	-	3,319
Sewer Utility	-	-	-	181,200	-	-	181,200
Stormwater Management	-	-	-	208,650	-	-	208,650
Total	<u>\$ 4,669</u>	<u>\$ 684,924</u>	<u>\$ 259,924</u>	<u>\$ 5,997,715</u>	<u>\$ 564,951</u>	<u>\$ 350,130</u>	<u>\$ 7,862,313</u>

Interfund transfers allow the City to allocate financial resources to the funds that receive benefit from services provided by another fund. Most of the City's interfund transfers fall into that category.

**CITY OF NEW BRIGHTON, MINNESOTA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 9 OPERATING LEASES**

The City receives revenue from agreements for the lease of space in the Community Center and for antennas placed on the City's water towers. For accounting purposes, the leases are considered operating leases. Terms of each lease are as follows:

<u>Location</u>	<u>Purpose</u>	<u>Lessee</u>	<u>Lease Amount</u>	<u>Year</u>
Community Center	Office space	Ramsey County WIC	\$ 8,868	2012
	Office space	Katherine Daniels	2,802	2012
	Office space	J Bruce/V Headrick	5,164	2012

The City entered into lease agreements with Ramsey County WIC and Katherine Daniels beginning May 1, 2010, for office space at the Community Center. The City also entered into a lease agreement with J Bruce/V Headrick beginning March 1, 2011, for office space at the Community Center.

The City leases space above its water towers to several communication companies. The space is used for antennas and other equipment necessary to provide radio communications. Lease terms are as follows:

<u>Location</u>	<u>Lessee</u>	<u>2012 Amount</u>	<u>Annual Lease Adjustment Factor*</u>	<u>Renewal Options</u>
600 5th Street SW	Sirius Satellite Radio	\$ 22,506	Greater of CPI or 4%	3 5-year terms
660 5th Street SW	Verizon (Airtouch)	29,379	3%	4 5-year terms
660 5th Street SW	Sprint/Nextel	20,605	Greater of CPI or 4%	3 5-year terms
660 5th Street SW	Nextel	19,048	Greater of CPI or 4%	Terminated 9/30/12
660 5th Street SW	TTM Operating Corp.	5,192	Greater of CPI or 4%	3 5-year terms
660 5th Street SW	Clearwire Communications	21,632	Greater of CPI or 4%	3 5-year terms
675 Forestdale Road	T-Mobile	20,860	Greater of CPI or 4%	3 5-year terms
700 Silver Lake Road	Nextel	19,810	Greater of CPI or 4%	3 5-year terms
700 Silver Lake Road	Verizon (US West)	22,552	Greater of CPI or 4%	3 5-year terms
700 Silver Lake Road	TTM Operating Corp.	5,192	Greater of CPI or 4%	3 5-year terms
2121 14th Street NW	Clearwire Communications	18,901	Greater of CPI or 4%	3 5-year terms
2400 Mississippi Street	T-Mobile	12,748	Greater of CPI or 4%	3 5-year terms
2400 Mississippi Street	Cingular Wireless PCS/AT&T	18,898	Greater of CPI or 4%	3 5-year terms

\* Amounts for future lease receipts are unavailable because they are based on the Consumer Price Index.

The City leases space at its garage to Williams Energy. Lease terms are as follows:

<u>Location</u>	<u>Purpose</u>	<u>Lessee</u>	<u>Lease Amount</u>	<u>Year</u>
Garage	Access to meter equipment	Magellan Partners	\$ 500	2012

In exchange for lease revenue of \$ 1,000 per year, the City provides access to advertising space at 2123 Old Highway 8 in accordance with an agreement with Fairview Sign Company. The agreement renews automatically.

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**NOTE 10 TAX INCREMENT DISTRICTS**

The City of New Brighton is the administrating authority for its Development District established under *Minnesota Statutes* 273.71 on December 22, 1981. The Development District includes the following Tax Increment Financing Projects:

Year Established	District	Retained Shared			By Authority	Estimated or Actual year of Decertification
		Tax Capacity Values				
		Original	Current	Captured		
1981	1	\$ -	\$ -	\$ -	\$ -	2001
1981	2	-	-	-	-	2008
1981	3	-	-	-	-	2001
1982	4	-	-	-	-	2005
1984	5	-	-	-	-	2011
1985	6	-	-	-	-	2011
1985	7	1,255	75,450	74,195	74,195	2013
1985	8	7,976	371,438	363,462	363,462	2012
1985	9	275	62,843	62,568	62,568	2012
1985	10	1,637	88,018	86,381	86,381	2013
1986	11	866	29,846	28,980	28,980	2013
1987	12	586	79,250	78,664	78,664	2014
1987	13	-	-	-	-	2004
1988	14	4,669	58,425	53,756	53,756	2014
1988	15	52,245	348,392	296,147	296,147	2014
1988	16	1,618	28,640	27,022	27,022	2015
1989	17	15,392	105,270	89,878	89,878	2016
1990	18	36,501	302,414	265,913	265,913	2018
1992	19	3,180	37,840	34,660	34,660	2012
1993	20	7,841	302,230	294,389	294,389	2020
1993	21	-	-	-	-	1996
1993	22	-	-	-	-	1996
1994	23	552	10,688	10,136	10,136	2021
1994	24	-	-	-	-	1998
1996	25	17,201	262,806	245,605	245,605	2023
1997	26	73,031	788,423	715,392	715,392	2024
1998	27	3,050	29,696	26,646	26,646	2026
1998	28	81,956	290,573	208,617	208,617	2024
1999	29	3,900	38,704	34,804	34,804	2027
2004	30	52,160	261,586	209,426	209,426	2031
2005	31	18,758	125,712	106,954	106,954	2036
2006	32	30,196	231,726	201,530	201,530	2036
2006	33	2,126	22,494	20,368	20,368	2033
Total		<u>\$ 416,971</u>	<u>\$ 3,952,464</u>	<u>\$ 3,535,493</u>	<u>\$ 3,535,493</u>	

- (1) Districts 21 and 22 were combined into District 25 in 1996.
- (2) District 24 became part of District 28 in 1998.
- (3) Districts 1 and 3 were decertified in 2001.
- (4) The current value for District No. 26 includes an adjustment of \$ 204,610 for parcels missed in prior years.
- (5) District 2 was decertified in 2008.
- (6) Districts 4 and 13 were decertified in 2004.
- (7) Districts 5 and 6 were decertified in 2011.
- (8) Districts 8, 9, and 19 were decertified in 2012.

**CITY OF NEW BRIGHTON, MINNESOTA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2012

**NOTE 11 DEFICIT FUND BALANCES**

The City has deficit fund balances at December 31, 2012 as follows:

<u>Fund</u>	<u>Amount</u>
TIF District No. 31	\$ 4,009,032
TIF District No. 31A	945,012
TIF District No. 32	2,720,481
TIF District No. 32A	2,212,437
Street Light System	46,897
Street Improvements	172,286
Stormwater Improvements	306,316
Nonmajor Capital Project Funds:	
TIF District No. 23	80,616
TIF District No. 25	891,827
TIF District No. 27	230,074
TIF District No. 29	121,976
TIF District No. 30	1,189,024
TIF District No. 33	<u>319,320</u>
Total	<u>\$ 13,245,298</u>

It is anticipated that future tax increments and the sale of assets held for resale will eliminate the deficits in the Tax Increment District funds. Future increases to the street light and storm water utility rates will address the deficit in the Street Light System and Storm Water Improvements Funds, respectively. Future Municipal State aid street fund revenues will reimburse the street improvements fund and eliminate its deficit.

**NOTE 12 CONTINGENCIES AND COMMITMENTS**

**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 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 has a \$ 1,000 deductible. The City's workers' compensation coverage 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.

Property and casualty insurance is provided through a pooled self-insurance program through the 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 the deductible portion of the insurance policies and for any exclusions from the insurance policies. These amounts are considered immaterial to the financial statements.

**NOTE 12 CONTINGENCIES AND COMMITMENTS**

**A. RISK MANAGEMENT (CONTINUED)**

The City continues to carry commercial insurance for all other risks of loss, including employee health and 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.

**B. LITIGATION**

City management 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, 2012.

**D. ARBITRAGE**

The City was required to calculate arbitrage rebate to the U.S. Treasury in connection with the \$2,020,000 of General Obligation Improvement Bonds, Series 2001A, that were issued on March 1<sup>st</sup>, 2001 with a final maturity of February 1<sup>st</sup>, 2012. The calculation showed a zero liability.

The City was required to calculate arbitrage rebate to the U.S. Treasury in connection with the \$6,935,000 of General Obligation Tax Increment Bonds, Series 2004A, that were issued on October 1<sup>st</sup>, 2004 and were refinanced on June 1<sup>st</sup>, 2012. The calculation showed a zero liability.

The City was also required to calculate arbitrage rebate to the U.S. Treasury in connection with the \$1,265,000 of General Obligation Improvement Bonds, Series 2004C, that were issued on October 1<sup>st</sup>, 2004 and were refinanced on June 1<sup>st</sup>, 2012. The calculation showed a liability of \$373.78 that was paid to the Internal Revenue Service on July 13<sup>th</sup>, 2012.

**E. 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.

**CITY OF NEW BRIGHTON, MINNESOTA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2012

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**NOTE 12 CONTINGENCIES AND COMMITMENTS**

**F. CONSTRUCTION COMMITMENTS**

At December 31, 2012, the City had construction project contracts in progress. The commitments related to the remaining contract balances are summarized as follows:

Project	Contract Amount	Expended To Date	Remaining Commitment
WTP #1 Piping and Chemical Systems	\$ 123,800	\$ -	\$ 123,800
WTP #1 Piping and Chemical Systems	14,800	-	14,800
WTP #1 Exterior Recoating Package	32,153	30,700	1,453
Total	\$ 170,753	\$ 30,700	\$ 140,053

**NOTE 13 DEFERRED AD VALOREM TAX LEVIES - BONDED DEBT**

General Obligation bond issues sold by the City are financed by ad valorem tax levies and special assessment 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 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, 2012.

**CITY OF NEW BRIGHTON, MINNESOTA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2012

**NOTE 14 FUND BALANCE**

A. CLASSIFICATIONS

At December 31, 2012, a summary of the governmental fund balance classifications are as follows:

	General Fund	Municipal Development	Tax Increment District # 31	Tax Increment District # 31A	Tax Increment District # 32	Tax Increment District # 32A	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:								
Prepaid Items	\$ 3,938	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,938
Total nonspendable	<u>3,938</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,938</u>
Restricted for:								
Tax Increment	-	-	-	-	-	-	3,301,334	3,301,334
Park Dedication	-	-	-	-	-	-	402,614	402,614
Public Safety	-	-	-	-	-	-	60,784	60,784
Debt service	-	-	-	-	-	-	2,548,175	2,548,175
Total restricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,312,907</u>	<u>6,312,907</u>
Committed to:								
Municipal Development	-	20,227,780	-	-	-	-	-	20,227,780
Debt Service	-	-	-	-	-	-	3,137,356	3,137,356
Public Safety	-	-	-	-	-	-	12,456	12,456
Total committed	<u>-</u>	<u>20,227,780</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,149,812</u>	<u>23,377,592</u>
Assigned to:								
Community Reinvestment	-	-	-	-	-	-	4,415,182	4,415,182
Water Improvements	-	-	-	-	-	-	477,256	477,256
Sewer Improvements	-	-	-	-	-	-	669,703	669,703
Park Improvements	-	-	-	-	-	-	81,471	81,471
Capital Projects	-	-	-	-	-	-	313,053	313,053
Total assigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,956,665</u>	<u>5,956,665</u>
Unassigned:	<u>6,031,782</u>	<u>-</u>	<u>(4,009,032)</u>	<u>(945,012)</u>	<u>(2,720,841)</u>	<u>(2,212,437)</u>	<u>(3,311,439)</u>	<u>(7,166,979)</u>
Total Fund Balance	<u>\$ 6,035,720</u>	<u>\$20,227,780</u>	<u>\$ (4,009,032)</u>	<u>\$ (945,012)</u>	<u>\$ (2,720,841)</u>	<u>\$ (2,212,437)</u>	<u>\$ 12,107,945</u>	<u>\$28,484,123</u>

B. MINIMUM FUND BALANCE POLICY

The City Council has formally adopted a fund balance policy for the General Fund. The policy establishes a year-end target fund balance amount for cash-flow timing needs (working capital) and contingencies.

At December 31, 2012, the targeted unassigned fund balance for the General Fund was as follows:

Working Capital	\$ 3,395,950
Contingencies	<u>1,183,650</u>
Total	<u>\$ 4,579,600</u>

**CITY OF NEW BRIGHTON, MINNESOTA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2012

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**NOTE 15 CHANGE IN ACCOUNTING PRINCIPLE**

For the year ended December 31, 2012, the City implemented GASB Statement No. 63. This action resulted in the establishment of categories outside of assets and liabilities titled deferred outflows and deferred inflows. The Statement also retitled Net Assets as Net Position.

**NOTE 16 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. Neither 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, 2012, the following series of Industrial Revenue Bonds were outstanding:

Donatelle	05/06/97	\$ 3,500,000	\$ 625,000	05/01/17
Golden Pond	07/18/02	3,120,000	3,120,000	07/15/32

**NOTE 17 JOINT VENTURES**

The City of New Brighton is a member of a joint powers hazardous materials response team serving north suburban Ramsey County. The City shares the costs of the specialized training and equipment necessary to respond to hazardous materials incidents with the cities of Falcon Heights, Vadnais Heights and the Lake Johanna Fire Department. The assets of the Haz Mat Program are accounted for in an agency fund of the City of New Brighton.

The City of New Brighton and 18 other member cities, school districts and special taxing authorities in Ramsey County participate in a joint powers effort to coordinate the development of a geographic information system (GIS) using data from the County's property records. The members of this GIS Users Group share the cost of software, equipment and professional services necessary to develop and maintain this system. The Group elects a Board of Directors annually. The Board appoints a fiscal agent. The treasurer for 2012 is the City of Maplewood.

The City of New Brighton approved a joint powers agreement with the State of Minnesota, acting through its Commissioner of Public Safety, Bureau of Criminal Apprehension, CriMNet, and Criminal Justice Information System Section to provide one Identification Based Information System Remote Data Terminals (IBIS RDT4). The IBIS RDT4 will allow police officers on patrol to remotely scan fingerprints of suspects to determine or verify their identity using existing fingerprint systems.

The City of New Brighton approved a joint powers agreement with 7 other metro cities in January 2011 to purchase firefighter personal protective equipment. The product offered through the joint powers agreement is less expensive and of better construction

The City of New Brighton approved a joint powers agreement with the cities of St. Anthony, Roseville, and North St. Paul and the University of Minnesota in February 2011 to participate in the East Metro Special Weapons and Tactics (SWAT) team.

**CITY OF NEW BRIGHTON, MINNESOTA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2012

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**NOTE 17 JOINT VENTURES**

The City of New Brighton approved a joint powers agreement with the State of Minnesota, Department of Public Safety, Bureau of Criminal Apprehension, in February 2011 to access numerous state and federal systems including driver and vehicle information, criminal history data, traffic accident reporting, and the National Crime Information Center.

The City of New Brighton approved a joint powers agreement with the State of Minnesota, Department of Public Safety, Bureau of Criminal Apprehension, for the use of the DataMaster DMT-G With Fuel Cell Option breath test instrument in February 2011. This new equipment will result in financial savings for the City because the analog telephone line can be disconnected.

The City of New Brighton approved a joint powers agreement with the City of St. Anthony in November 2011 for the purchase of unleaded gasoline beginning February 1, 2012. The primary purpose of this agreement is to enable the City's vehicles to fuel at the St. Anthony Public Works garage, which is closer than the Ramsey County fuel station currently used.

The City of New Brighton has a joint powers agreement with Ramsey County to bill the City's recycling fee as an assessment on the property owners' tax statements.

**NOTE 18 OTHER POST-EMPLOYMENT BENEFITS**

In 2008, the City of New Brighton implemented the requirement of a new accounting pronouncement, GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*. An actuarial valuation was calculated to determine the City's annual required contribution (ARC) liability. The City has only the implicit rate subsidy OPEB and, historically, retirees reaching the age of 65 do not stay on the plan. The ARC liability calculated was determined to be immaterial for 2012. Therefore, no liability for other post-employment benefits has been recorded in the financial statements.

**NOTE 19 SUBSEQUENT EVENTS**

The City has evaluated subsequent events through May 13, 2013, the date which the financial statements were available to be issued.

**NOTE 20 CHANGE IN ESTIMATE**

During the year, the City's Land Held for Resale's value was reduced by \$ 793,000. This reduction was due mainly to the determination that the land was unsellable.

**NOTE 21 PRIOR PERIOD ADJUSTMENT**

A prior period adjustment was completed to correct 2011 financial statements. The adjustment was made to defer revenues received from the State of Minnesota related to municipal construction aid since the time required of the aid had not yet been met. The total adjustment decreased fund balances in the Street Improvement Nonmajor Capital Project Fund by \$ 765,252.

**REQUIRED  
SUPPLEMENTARY  
INFORMATION**

CITY OF NEW BRIGHTON, MINNESOTA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
 For The Year Ended December 31, 2012  
 With Comparative Actual Amounts For The Year Ended December 31, 2011

Statement 10  
 Page 1 of 4

	Budgeted Amounts		2012 Actual	Variance with Final Budget	2011 Actual
	Original	Final		Over (Under)	
<b>Revenues:</b>					
General property taxes:					
Current	\$ 7,287,300	\$ 7,287,300	\$ 7,211,105	\$ (76,195)	\$ 7,017,700
Delinquent and adjustments	-	-	9,963	9,963	180,815
Mobile home	-	-	13,166	13,166	6,325
Tax increment excess	-	-	-	-	94,211
Total general property taxes	<u>7,287,300</u>	<u>7,287,300</u>	<u>7,234,234</u>	<u>(53,066)</u>	<u>7,299,051</u>
Licenses:					
Licenses - community development	44,200	44,200	49,355	5,155	48,118
Licenses - park and recreation	2,600	2,600	2,635	35	2,700
Licenses - public safety	72,200	72,200	75,830	3,630	70,573
Licenses - public works	3,500	3,500	5,817	2,317	2,430
Total licenses	<u>122,500</u>	<u>122,500</u>	<u>133,637</u>	<u>11,137</u>	<u>123,821</u>
Permits:					
Permits - community development	<u>368,500</u>	<u>368,500</u>	<u>348,952</u>	<u>(19,548)</u>	<u>567,579</u>
<b>Intergovernmental:</b>					
Federal grants:					
Section 8 - community development	3,500	3,500	3,614	114	4,810
Homeland Security, vest reimbursement - public safety	-	-	4,469	4,469	764
State:					
PERA aid - general government	16,900	16,900	16,906	6	16,906
Market value homestead credit	-	-	306	306	6,403
Mobile home homestead credit	6,500	6,500	-	(6,500)	153
Police aid - public safety	190,000	190,000	173,140	(16,860)	179,608
Fire aid - public safety	82,000	82,000	85,689	3,689	81,509
Road maintenance - public works	11,200	11,200	11,200	-	11,200
Other State aid - public safety	37,700	37,700	29,115	(8,585)	36,531
County:					
Recycling - community development	45,700	45,700	44,454	(1,246)	45,921
School District:					
School resource officer - public safety	228,000	228,000	222,416	(5,584)	214,632
Other:					
Misc grants/aid - general government	-	-	6,992	6,992	-
Misc grants/aid - park and recreation	-	-	250	250	-
Total intergovernmental	<u>621,500</u>	<u>621,500</u>	<u>598,551</u>	<u>(22,949)</u>	<u>598,437</u>
<b>Charges for services:</b>					
General government	11,300	11,300	10,393	(907)	30,246
Community development	-	-	-	-	-
Public safety	10,100	10,100	8,130	(1,970)	8,254
Public works	-	-	40	40	1,401
License bureau - general government	135,000	135,000	182,725	47,725	157,510
Recycling fee - community development	180,000	180,000	170,443	(9,557)	168,865
Engineering and administrative fees - general government	16,500	16,500	16,500	-	16,000
Engineering and administrative fees - community development	147,100	147,100	137,845	(9,255)	121,277
Engineering and administrative fees - public works	1,090,300	1,090,300	1,085,095	(5,205)	1,089,158
Park facilities	33,800	33,800	35,245	1,445	27,911
Recreation programs	286,400	286,400	312,745	26,345	277,795
Forestry - parks and recreation	5,500	5,500	7,789	2,289	3,792
Community Center - parks and recreation	847,100	847,100	940,662	93,562	858,011

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

CITY OF NEW BRIGHTON, MINNESOTA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
 For The Year Ended December 31, 2012

	Budgeted Amounts		2012 Actual	Variance with Final Budget Over (Under)	2011 Actual
	Original	Final			
Revenues (continued):					
Charges for services (continued):					
Fire inspection fees - public safety	\$ 17,500	\$ 17,500	\$ 15,780	\$ (1,720)	\$ 16,085
Alarm fees - public safety	15,000	15,000	16,015	1,015	9,360
Xcel franchise fee - public works	500,000	500,000	480,686	(19,314)	507,933
City utilities franchise fee - public works	110,800	110,800	110,800	-	107,600
Cable franchise fee - general government	224,000	224,000	241,397	17,397	233,177
Total charges for services	<u>3,630,400</u>	<u>3,630,400</u>	<u>3,772,290</u>	<u>141,890</u>	<u>3,634,375</u>
Fines and forfeits - public safety	<u>65,000</u>	<u>65,000</u>	<u>67,468</u>	<u>2,468</u>	<u>60,733</u>
Investment income:					
Interest on investments	80,000	80,000	45,050	(34,950)	79,262
Change in fair value of investments	-	-	(16,049)	(16,049)	9,629
Total investment income	<u>80,000</u>	<u>80,000</u>	<u>29,001</u>	<u>(50,999)</u>	<u>88,891</u>
Other:					
Rents - public safety	4,000	4,000	3,584	(416)	5,284
Rents - public works	238,800	238,800	257,053	18,253	211,675
Contributions and donations- general government	-	-	400	400	3,224
Contributions and donations- parks and recreation	-	-	1,351	1,351	830
Contributions and donations- public safety	3,500	3,500	3,700	200	3,300
Refunds and reimbursements- general government	-	-	545	545	737
Refunds and reimbursements- parks and recreation	1,600	1,600	3,413	1,813	2,887
Refunds and reimbursements- public safety	-	-	3,289	3,289	818
Refunds and reimbursements- public works	-	-	30,233	30,233	-
Total other	<u>247,900</u>	<u>247,900</u>	<u>303,568</u>	<u>55,668</u>	<u>228,755</u>
Total revenues	<u>12,423,100</u>	<u>12,423,100</u>	<u>12,487,701</u>	<u>64,601</u>	<u>12,601,642</u>
Expenditures:					
General government:					
Administration:					
Personnel services	450,900	450,900	432,965	(17,935)	434,774
Materials and supplies	2,500	2,500	1,490	(1,010)	5,238
Contractual services	221,200	221,200	234,823	13,623	219,518
Total administration	<u>674,600</u>	<u>674,600</u>	<u>669,278</u>	<u>(5,322)</u>	<u>659,530</u>
Legal:					
Contractual services	102,000	102,000	91,505	(10,495)	106,412
Central services:					
Current:					
Materials and supplies	25,500	25,500	39,642	14,142	35,827
Contractual services	121,300	121,300	125,830	4,530	116,904
Total central services	<u>146,800</u>	<u>146,800</u>	<u>165,472</u>	<u>18,672</u>	<u>152,731</u>
Finance:					
Personnel services	374,600	374,600	385,311	10,711	352,634
Materials and supplies	2,300	2,300	2,670	370	864
Contractual services	160,000	160,000	137,338	(22,662)	134,423
Total finance	<u>536,900</u>	<u>536,900</u>	<u>525,319</u>	<u>(11,581)</u>	<u>487,921</u>

CITY OF NEW BRIGHTON, MINNESOTA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
 For The Year Ended December 31, 2012

	Budgeted Amounts		2012 Actual	Variance with Final Budget Over (Under)	2011 Actual
	Original	Final			
Expenditures (continued):					
General government (continued):					
Elections:					
Personnel services	\$ 33,300	\$ 33,300	\$ 28,943	\$ (4,357)	\$ 13,084
Materials and supplies	400	400	407	7	-
Contractual services	15,900	15,900	11,673	(4,227)	12,599
Total elections	<u>49,600</u>	<u>49,600</u>	<u>41,023</u>	<u>(8,577)</u>	<u>25,683</u>
License bureau:					
Personnel services	106,200	106,200	108,508	2,308	103,922
Materials and supplies	300	300	-	(300)	144
Contractual services	27,100	27,100	10,833	(16,267)	11,655
Total license bureau	<u>133,600</u>	<u>133,600</u>	<u>119,341</u>	<u>(14,259)</u>	<u>115,721</u>
Total general government	<u>1,643,500</u>	<u>1,643,500</u>	<u>1,611,938</u>	<u>(31,562)</u>	<u>1,547,998</u>
Community development:					
Community development:					
Personnel services	560,600	560,600	560,729	129	514,186
Materials and supplies	5,300	5,300	902	(4,398)	2,808
Contractual services	115,600	115,600	91,375	(24,225)	82,420
Total community development	<u>681,500</u>	<u>681,500</u>	<u>653,006</u>	<u>(28,494)</u>	<u>599,414</u>
Recycling:					
Materials and supplies	1,000	1,000	-	(1,000)	60
Contractual services	206,400	206,400	209,604	3,204	214,082
Total recycling	<u>207,400</u>	<u>207,400</u>	<u>209,604</u>	<u>2,204</u>	<u>214,142</u>
Total community development	<u>888,900</u>	<u>888,900</u>	<u>862,610</u>	<u>(26,290)</u>	<u>813,556</u>
Parks and recreation:					
Parks:					
Personnel services	528,200	528,200	521,040	(7,160)	489,169
Materials and supplies	48,000	48,000	52,386	4,386	46,292
Contractual services	365,500	365,500	359,680	(5,820)	363,251
Total parks	<u>941,700</u>	<u>941,700</u>	<u>933,106</u>	<u>(8,594)</u>	<u>898,712</u>
Forestry:					
Personnel services	14,500	14,500	11,422	(3,078)	11,174
Materials and supplies	10,600	10,600	9,108	(1,492)	8,485
Contractual services	61,300	61,300	74,585	13,285	68,224
Total forestry	<u>86,400</u>	<u>86,400</u>	<u>95,115</u>	<u>8,715</u>	<u>87,883</u>
Recreational programs:					
Personnel services	461,800	461,800	444,059	(17,741)	429,664
Materials and supplies	18,600	18,600	11,928	(6,672)	12,461
Contractual services	116,800	116,800	91,011	(25,789)	89,940
Total recreational programs	<u>597,200</u>	<u>597,200</u>	<u>546,998</u>	<u>(50,202)</u>	<u>532,065</u>
Community Center:					
Personnel services	567,000	567,000	574,972	7,972	488,820
Materials and supplies	45,800	45,800	44,543	(1,257)	39,842
Contractual services	507,400	507,400	484,379	(23,021)	467,758
Total community center	<u>1,120,200</u>	<u>1,120,200</u>	<u>1,103,894</u>	<u>(16,306)</u>	<u>996,420</u>
Total parks and recreation	<u>2,745,500</u>	<u>2,745,500</u>	<u>2,679,113</u>	<u>(66,387)</u>	<u>2,515,080</u>

CITY OF NEW BRIGHTON, MINNESOTA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
 For The Year Ended December 31, 2012

	Budgeted Amounts		2012 Actual	Variance with Final Budget Over (Under)	2011 Actual
	Original	Final			
Public safety:					
Police:					
Personnel services	\$ 3,202,500	\$ 3,202,500	\$ 3,103,055	\$ (99,445)	\$ 3,046,369
Materials and supplies	59,300	59,300	58,034	(1,266)	60,174
Contractual services	710,000	710,000	696,253	(13,747)	740,631
Total police	<u>3,971,800</u>	<u>3,971,800</u>	<u>3,857,342</u>	<u>(114,458)</u>	<u>3,847,174</u>
Fire:					
Personnel services	470,200	470,200	447,606	(22,594)	455,947
Materials and supplies	45,100	45,100	41,342	(3,758)	36,042
Contractual services	311,700	311,700	324,906	13,206	322,867
Total fire	<u>827,000</u>	<u>827,000</u>	<u>813,854</u>	<u>(13,146)</u>	<u>814,856</u>
Total public safety	<u>4,798,800</u>	<u>4,798,800</u>	<u>4,671,196</u>	<u>(127,604)</u>	<u>4,662,030</u>
Public works:					
Engineering:					
Personnel services	357,800	357,800	355,540	(2,260)	338,083
Materials and supplies	1,700	1,700	1,909	209	8,405
Contractual services	27,700	27,700	26,774	(926)	27,221
Total engineering	<u>387,200</u>	<u>387,200</u>	<u>384,223</u>	<u>(2,977)</u>	<u>373,709</u>
Streets:					
Personnel services	171,600	171,600	175,130	3,530	154,533
Materials and supplies	68,200	68,200	65,730	(2,470)	69,322
Contractual services	43,900	43,900	47,711	3,811	54,891
Total streets	<u>283,700</u>	<u>283,700</u>	<u>288,571</u>	<u>4,871</u>	<u>278,746</u>
City Garage:					
Personnel services	149,100	149,100	148,531	(569)	146,874
Materials and supplies	277,200	277,200	276,253	(947)	272,344
Contractual services	125,600	160,600	158,662	(1,938)	152,809
Total city garage	<u>551,900</u>	<u>586,900</u>	<u>583,446</u>	<u>(3,454)</u>	<u>572,027</u>
Total public works	<u>1,222,800</u>	<u>1,257,800</u>	<u>1,256,240</u>	<u>(1,560)</u>	<u>1,224,482</u>
Total expenditures	<u>11,299,500</u>	<u>11,334,500</u>	<u>11,081,097</u>	<u>(253,403)</u>	<u>10,763,146</u>
Revenues over (under) expenditures	<u>\$ 1,123,600</u>	<u>\$ 1,088,600</u>	<u>\$ 1,406,604</u>	<u>\$ 318,004</u>	<u>\$ 1,838,496</u>
Other financing sources (uses):					
Transfer from Special Revenue Funds	-	-	-	-	13,465
Transfer to Internal Service Funds	(172,000)	(172,000)	(172,000)	-	-
Transfer to Special Revenue Fund	-	-	(1,350)	(1,350)	-
Transfer to Debt Service Funds	(951,600)	(951,600)	(951,600)	-	(951,600)
Total other financing sources (uses)	<u>(1,123,600)</u>	<u>(1,123,600)</u>	<u>(1,124,950)</u>	<u>(1,350)</u>	<u>(938,135)</u>
Net increase (decrease) in fund balance	<u>\$ -</u>	<u>\$ (35,000)</u>	281,654	<u>\$ 316,654</u>	900,361
Fund balance - January 1			5,754,066		4,853,705
Fund balance - December 31			<u>\$ 6,035,720</u>		<u>\$ 5,754,066</u>

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

**CITY OF NEW BRIGHTON, MINNESOTA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**NOTE TO RSI**  
December 31, 2012

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**Note A LEGAL COMPLIANCE - BUDGETS**

The General Fund budget is 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. The following is a listing of General Fund departments whose expenditures exceed budget appropriations.

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
General Fund:			
General government:			
Central Services	\$ 146,800	\$ 165,472	\$ 18,672
Community Development:			
Recycling	207,400	209,604	2,204
Parks and Recreation:			
Forestry	86,400	95,115	8,715
Public Works:			
Streets	283,700	288,571	4,871

**COMBINING AND INDIVIDUAL  
FUND FINANCIAL  
STATEMENTS AND SCHEDULES**

**CITY OF NEW BRIGHTON, MINNESOTA**  
**GENERAL FUND**  
**BALANCE SHEET**  
December 31, 2012  
With Comparative Amounts for December 31, 2011

**Statement 11**

	Total	
	2012	2011
<b>Assets:</b>		
Cash and investments	\$ 6,388,126	\$ 6,020,701
Due from other governmental units	9,330	22,399
Accounts receivable	262,145	246,403
Taxes receivable:		
Delinquent	174,912	178,834
Due from County	69,040	115,091
Special assessments receivable	2,705	2,233
Prepaid items	3,938	9,631
	<u>6,910,196</u>	<u>6,595,292</u>
Total assets	<u>\$ 6,910,196</u>	<u>\$ 6,595,292</u>
<b>Liabilities and fund balance:</b>		
<b>Liabilities:</b>		
Accounts payable	227,796	217,348
Salaries payable	170,593	140,286
Deposits payable	58,514	48,383
Due to other governmental units	6,962	7,127
Deferred revenue	410,611	428,082
	<u>874,476</u>	<u>841,226</u>
Total liabilities	<u>874,476</u>	<u>841,226</u>
<b>Fund balance:</b>		
Reserved for:		
Non-spendable	3,938	9,631
Unassigned	6,031,782	5,744,435
	<u>6,035,720</u>	<u>5,754,066</u>
Total fund balance	<u>6,035,720</u>	<u>5,754,066</u>
	<u>\$ 6,910,196</u>	<u>\$ 6,595,292</u>
Total liabilities and fund balance	<u>\$ 6,910,196</u>	<u>\$ 6,595,292</u>

**NONMAJOR  
GOVERNMENTAL FUNDS**



### **SPECIAL REVENUE FUNDS**

The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes.

### **DEBT SERVICE FUNDS**

The Debt Service Funds are used to account for principal, interest and related costs on general long-term debt.

### **CAPITAL PROJECT FUNDS**

The Capital Project Funds account for major capital improvements (other than those financed by Proprietary Funds and Trust Funds).

**CITY OF NEW BRIGHTON, MINNESOTA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
December 31, 2012  
With Comparative Totals For December 31, 2011

**Statement 12**

	Special Revenue	Debt Service	Capital Project	Total	
				Nonmajor Governmental Funds	
				2012	2011, restated
<b>Assets:</b>					
Cash and investments	\$ 169,739	\$ 1,502,608	\$ 12,345,785	\$ 14,018,132	\$ 14,783,391
Restricted cash and investments	-	1,047,362	-	1,047,362	-
Accrued interest receivable	-	2,534	29,390	31,924	41,071
Due from other governmental units	33,568	-	37,394	70,962	11,364
Accounts receivable	-	2,051	3,235	5,286	1,400
Interfund receivable	-	-	96,986	96,986	336,883
Taxes receivable:					
Delinquent	-	-	159,201	159,201	241,076
Due from County	-	-	11,351	11,351	13,304
Special assessments receivable	-	266,620	52,863	319,483	321,104
Interfund loan receivable	-	-	305,800	305,800	-
Prepaid items	-	-	-	-	300
Assets held for resale	-	-	-	-	793,000
<b>Total assets</b>	<b>\$ 203,307</b>	<b>\$ 2,821,175</b>	<b>\$ 13,042,005</b>	<b>\$ 16,066,487</b>	<b>\$ 16,542,893</b>
<b>Liabilities, equity and other credits:</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 27,606	\$ 8,980	\$ 24,398	\$ 60,984	\$ 87,856
Special assessments payable	-	-	9,932	9,932	-
Interfund payable	12,801	-	-	12,801	282,981
Due to other governmental units	-	-	13,248	13,248	4,747
Contracts payable	-	-	13,803	13,803	61,060
Interfund loan payable	-	-	3,143,947	3,143,947	3,113,133
Deferred revenue	-	264,020	439,807	703,827	2,115,522
<b>Total liabilities</b>	<b>40,407</b>	<b>273,000</b>	<b>3,645,135</b>	<b>3,958,542</b>	<b>5,665,299</b>
<b>Fund balance (deficit):</b>					
Nonspendable	-	-	-	-	300
Restricted	60,784	2,548,175	3,703,948	6,312,907	5,279,524
Committed	12,456	-	3,137,356	3,149,812	-
Assigned	89,660	-	5,867,005	5,956,665	9,786,637
Unassigned	-	-	(3,311,439)	(3,311,439)	(4,188,867)
<b>Total fund balance (deficit)</b>	<b>162,900</b>	<b>2,548,175</b>	<b>9,396,870</b>	<b>12,107,945</b>	<b>10,877,594</b>
<b>Total liabilities and fund balance</b>	<b>\$ 203,307</b>	<b>\$ 2,821,175</b>	<b>\$ 13,042,005</b>	<b>\$ 16,066,487</b>	<b>\$ 16,542,893</b>

**CITY OF NEW BRIGHTON, MINNESOTA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For The Year Ended December 31, 2012**  
**With Comparative Totals For The Year Ended December 31, 2011**

**Statement 13**

	Special Revenue	Debt Service	Capital Projects	Total	
				Nonmajor Governmental Funds	
				2012	2011, restated
<b>Revenues:</b>					
General property taxes	\$ -	\$ -	\$ 325,301	\$ 325,301	\$ 2,219
Tax increment	-	-	3,986,074	3,986,074	4,006,749
Intergovernmental	84,512	-	754,038	838,550	715,532
Charges for services	-	-	16,077	16,077	107,820
Special assessments	-	98,349	47,585	145,934	205,342
Fines and forfeits	28,330	-	-	28,330	37,407
<b>Investment income:</b>					
Interest on investments	902	2,952	103,242	107,096	251,482
Change in fair value of investments	(398)	(2,735)	(36,709)	(39,842)	25,899
Other interest	-	790	-	790	17
Refunds and reimbursements	1,815	-	-	1,815	-
In-house engineering and administrative charges	-	-	8,557	8,557	36,466
Contributions and donations	24,245	-	1,424	25,669	16,767
Park dedication charge	-	-	1,630	1,630	202,120
<b>Total revenues</b>	<b>139,406</b>	<b>99,356</b>	<b>5,207,219</b>	<b>5,445,981</b>	<b>5,607,820</b>
<b>Expenditures:</b>					
General government	-	13,389	15,688	29,077	15,833
Community development	-	-	216,547	216,547	306,129
Parks and recreation	-	-	7,967	7,967	6,129
Public safety	107,430	-	-	107,430	206,017
Public works	80,163	-	237,203	317,366	353,526
Interest on interfund loans	-	-	124,526	124,526	129,700
<b>Capital outlay:</b>					
Parks and recreation	-	-	3,946	3,946	34,233
Public safety	20,232	-	-	20,232	-
Public works	-	-	620,767	620,767	1,910,995
<b>Debt service:</b>					
Principal retirement	-	5,865,000	-	5,865,000	7,155,000
Interest and paying agent fees	-	2,011,060	-	2,011,060	2,190,988
<b>Total expenditures</b>	<b>207,825</b>	<b>7,889,449</b>	<b>1,226,644</b>	<b>9,323,918</b>	<b>12,308,550</b>
<b>Revenues over (under) expenditures</b>	<b>(68,419)</b>	<b>(7,790,093)</b>	<b>3,980,575</b>	<b>(3,877,937)</b>	<b>(6,700,730)</b>
<b>Other financing sources (uses):</b>					
G.O. refunding debt issued	-	485,183	-	485,183	788,973
G.O. improvement debt issued	-	-	444,817	444,817	606,027
Tax increment refunding debt issued	-	2,860,000	-	2,860,000	2,940,000
Transfers in	81,490	5,516,734	399,491	5,997,715	6,430,199
Transfers out	(1,327)	(147,232)	(4,530,868)	(4,679,427)	(6,082,038)
<b>Total other financing sources (uses)</b>	<b>80,163</b>	<b>8,714,685</b>	<b>(3,686,560)</b>	<b>5,108,288</b>	<b>4,683,161</b>
<b>Net increase (decrease) in fund balance</b>	<b>11,744</b>	<b>924,592</b>	<b>294,015</b>	<b>1,230,351</b>	<b>(2,017,569)</b>
<b>Fund balance (deficit) - January 1, restated</b>	<b>151,156</b>	<b>1,623,583</b>	<b>9,102,855</b>	<b>10,877,594</b>	<b>12,895,163</b>
<b>Fund balance - December 31</b>	<b>\$ 162,900</b>	<b>\$ 2,548,175</b>	<b>\$ 9,396,870</b>	<b>\$ 12,107,945</b>	<b>\$ 10,877,594</b>

## **NONMAJOR SPECIAL REVENUE FUNDS**

The City of New Brighton has the following Special Revenue Funds:

Operating Grants – Accounts for miscellaneous operating grant projects.

Special Revenue Projects - Accounts for miscellaneous improvements.

**CITY OF NEW BRIGHTON, MINNESOTA**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**SUBCOMBINING BALANCE SHEET**  
December 31, 2012  
With Comparative Totals For December 31, 2011

**Statement 14**

	Operating Grants	Special Revenue Projects	Total	
			Nonmajor Special Revenue Funds	
			2012	2011
<b>Assets</b>				
Cash	\$ -	\$ 169,739	\$ 169,739	\$ 177,506
Due from other governmental units	12,801	20,767	33,568	10,363
Prepaid items	-	-	-	300
Total assets	<u>\$ 12,801</u>	<u>\$ 190,506</u>	<u>\$ 203,307</u>	<u>\$ 188,169</u>
<b>Liabilities and fund balance:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 27,606	\$ 27,606	\$ 26,650
Interfund payable	12,801	-	12,801	10,363
Due to other governmental units	-	-	-	-
Contracts payable	-	-	-	-
Total liabilities	<u>12,801</u>	<u>27,606</u>	<u>40,407</u>	<u>37,013</u>
<b>Fund balance:</b>				
Nonspendable	-	-	-	300
Restricted	-	60,784	60,784	53,939
Committed	-	12,456	12,456	-
Assigned	-	89,660	89,660	96,917
Total fund balance (deficit)	<u>-</u>	<u>162,900</u>	<u>162,900</u>	<u>151,156</u>
Total liabilities and fund balance	<u>\$ 12,801</u>	<u>\$ 190,506</u>	<u>\$ 203,307</u>	<u>\$ 188,169</u>

**CITY OF NEW BRIGHTON, MINNESOTA**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**SUBCOMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
For The Year Ended December 31, 2012  
With Comparative Totals For The Year Ended December 31, 2011

**Statement 15**

	Operating Grants	Special Revenue Projects	Total	
			Nonmajor Special Revenue Funds	
			2012	2011
<b>Revenues:</b>				
Intergovernmental:				
Ramsey County reimbursements	\$ -	\$ 5,679	\$ 5,679	\$ 13,048
State:				
Safe and sober grant	34,475		34,475	44,786
Federal:				
Assistance to firefighters grant	18,905	-	18,905	64,035
HSEM citizen corps grant	-	3,737	3,737	-
Emergency management grant	-	2,067	2,067	-
Hurricane Sandy assistance	-	19,649	19,649	-
Fines and forfeits	-	28,330	28,330	37,407
Investment income:				
Interest on investments	-	902	902	2,126
Change in fair value of investments	-	(398)	(398)	264
Refunds and reimbursements	-	1,815	1,815	-
Contributions and donations	-	24,245	24,245	15,447
Total revenues	<u>53,380</u>	<u>86,026</u>	<u>139,406</u>	<u>177,113</u>
<b>Expenditures:</b>				
Public safety:				
Personnel services	34,475	31,132	65,607	51,776
Materials and supplies	-	41,823	41,823	154,241
Capital Outlay	20,232	-	20,232	-
Public works:				
Personnel services	-	21,677	21,677	-
Materials and supplies	-	58,486	58,486	-
Total expenditures	<u>54,707</u>	<u>153,118</u>	<u>207,825</u>	<u>206,017</u>
Revenues over (under) expenditures	<u>(1,327)</u>	<u>(67,092)</u>	<u>(68,419)</u>	<u>(28,904)</u>
<b>Other financing sources (uses):</b>				
Transfer from Special Revenue Fund	1,327	-	1,327	-
Transfer from Capital Projects Fund	-	80,163	80,163	49,816
Transfer to General Fund	-	-	-	(13,465)
Transfer to Special Revenue Fund	-	(1,327)	(1,327)	-
Total other financing sources (uses)	<u>1,327</u>	<u>78,836</u>	<u>80,163</u>	<u>36,351</u>
Net increase in fund balance	-	11,744	11,744	7,447
Fund balance - January 1	-	151,156	151,156	143,709
Fund balance - December 31	<u>\$ -</u>	<u>\$ 162,900</u>	<u>\$ 162,900</u>	<u>\$ 151,156</u>

## **NONMAJOR DEBT SERVICE FUNDS**

The City's Debt Service Funds account for two types of bonded indebtedness:

- Tax Increment Bonds
- Improvement Bonds

The Tax Increment Bonds are repaid from incremental taxes.

The Improvement Bonds are repaid primarily from special assessments.

**CITY OF NEW BRIGHTON, MINNESOTA**  
**NONMAJOR DEBT SERVICE FUNDS**  
**SUBCOMBINING BALANCE SHEET**  
December 31, 2012  
With Comparative Totals For December 31, 2011

	2004B Taxable Tax Increment Bonds	2012A Tax Increment Bonds	2012B Taxable Tax Increment Bonds	2007A Improvement Bonds	2009A Improvement Bonds
<b>Assets:</b>					
Cash and investments	\$ -	\$ -	\$ -	\$ 45,860	\$ 47,514
Restricted cash and investments	1,047,362	-	-	-	-
Accrued interest receivable	-	-	-	-	-
Accounts receivable	-	344	1,525	-	-
Special assessments receivable:					
Delinquent	-	-	-	206	90
Deferred	-	-	-	25,553	51,669
Due from City	-	-	-	-	-
Due from County	-	-	-	-	251
<b>Total assets</b>	<b>\$ 1,047,362</b>	<b>\$ 344</b>	<b>\$ 1,525</b>	<b>\$ 71,619</b>	<b>\$ 99,524</b>
<b>Liabilities and Fund Balance</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 7,144	\$ -	\$ -	\$ 439	\$ 246
Deferred revenue	-	-	-	25,759	51,759
<b>Total liabilities</b>	<b>7,144</b>	<b>-</b>	<b>-</b>	<b>26,198</b>	<b>52,005</b>
<b>Fund balance:</b>					
Restricted	1,040,218	344	1,525	45,421	47,519
Unassigned	-	-	-	-	-
<b>Total fund balance (deficit)</b>	<b>1,040,218</b>	<b>344</b>	<b>1,525</b>	<b>45,421</b>	<b>47,519</b>
<b>Total liabilities and fund balance</b>	<b>\$ 1,047,362</b>	<b>\$ 344</b>	<b>\$ 1,525</b>	<b>\$ 71,619</b>	<b>\$ 99,524</b>

Statement 16

2010A Improvement Bonds	2011A Improvement Bonds	2012A Improvement Bonds	Total	
			Nonmajor Debt Service Funds	
			2012	2011
\$ 798,638	\$ 429,383	\$ 181,213	\$ 1,502,608	\$ 1,617,614
-	-	-	1,047,362	-
1,734	-	800	2,534	3,076
-	-	182	2,051	-
-	11,618	1,011	12,925	3,037
-	76,305	87,636	241,163	251,768
-	-	9,932	9,932	-
-	365	1,984	2,600	4,910
<u>\$ 800,372</u>	<u>\$ 517,671</u>	<u>\$ 282,758</u>	<u>\$ 2,821,175</u>	<u>\$ 1,880,405</u>
\$ -	\$ 1,151	\$ -	\$ 8,980	\$ 2,017
-	87,923	98,579	264,020	254,805
-	89,074	98,579	273,000	256,822
800,372	428,597	184,179	2,548,175	1,623,798
-	-	-	-	(215)
<u>800,372</u>	<u>428,597</u>	<u>184,179</u>	<u>2,548,175</u>	<u>1,623,583</u>
<u>\$ 800,372</u>	<u>\$ 517,671</u>	<u>\$ 282,758</u>	<u>\$ 2,821,175</u>	<u>\$ 1,880,405</u>

CITY OF NEW BRIGHTON, MINNESOTA  
NONMAJOR DEBT SERVICE FUNDS  
SUBCOMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
For The Year Ended December 31, 2012  
With Comparative Totals For The Year Ended December 31, 2011

	2004A Tax Increment Bonds	2004B Taxable Tax Increment Bonds	2006A Tax Increment Bonds	2007B Tax Increment Bonds	2009A Tax Increment Bonds	2009B Taxable Tax Increment Bonds	2011A Tax Increment Bonds	2011B Taxable Tax Increment Bonds
<b>Revenues:</b>								
Special assessments:								
Current and delinquent	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Prepayments	-	-	-	-	-	-	-	-
Investment income:								
Interest on investments	-	-	-	-	-	-	-	-
Change in fair value of investments	-	-	-	-	-	-	-	-
Other interest	-	790	-	-	-	-	-	-
Total revenues	-	790	-	-	-	-	-	-
<b>Expenditures:</b>								
Current:								
General government:								
Professional services	-	75	-	3,195	-	-	-	-
Debt service:								
Principal retirement	2,540,000	195,000	-	-	145,000	345,000	180,000	515,000
Interest and paying agent fees	62,000	64,371	967,144	650,120	5,963	13,108	5,925	27,816
Total expenditures	2,602,000	259,446	967,144	653,315	150,963	358,108	185,925	542,816
Revenues over (under) expenditures	(2,602,000)	(258,656)	(967,144)	(653,315)	(150,963)	(358,108)	(185,925)	(542,816)
<b>Other financing sources (uses):</b>								
G.O. refunding debt issued	-	-	-	-	-	-	-	-
Tax increment refunding debt issued	1,729,405	1,064,743	-	-	-	-	-	-
Transfer from General Fund	-	-	-	-	-	-	-	-
Transfer from Debt Service Fund	-	-	-	-	-	-	-	-
Transfer from Capital Project Funds	872,595	234,131	967,347	653,324	150,963	358,111	185,925	542,816
Transfer to Debt Service Fund	-	-	-	-	-	-	-	-
Transfer to Capital Project Funds	-	-	-	-	-	-	-	-
Total other financing sources	2,602,000	1,298,874	967,347	653,324	150,963	358,111	185,925	542,816
Net increase (decrease) in fund balance	-	1,040,218	203	9	-	3	-	-
Fund balance - January 1	-	-	(203)	(9)	-	(3)	-	-
Fund balance - December 31	\$ -	\$ 1,040,218	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

2012A Tax Increment Bonds	2012B Taxable Tax Increment Bonds	2001A Improvement Bonds	2004C Improvement Bonds	2007A Improvement Bonds	2009A Improvement Bonds	2010A Improvement Bonds	2011A Improvement Bonds	2012A Improvement Bonds	Total Nonmajor Debt Service Funds	
									2012	2011
\$ -	\$ -	\$ -	\$ -	\$ 5,816	\$ 11,006	\$ -	\$ 39,152	\$ 16,589	\$ 72,563	\$ 85,199
-	-	-	-	-	808	-	5,437	19,541	25,786	53,284
-	-	172	604	65	166	821	965	159	2,952	16,712
-	-	-	-	(113)	(124)	(934)	(1,101)	(463)	(2,735)	1,797
-	-	-	-	-	-	-	-	-	790	-
-	-	172	604	5,768	11,856	(113)	44,453	35,826	99,356	156,992
3,075	-	1,000	3,849	2,195	-	-	-	-	13,389	10,903
-	-	205,000	610,000	40,000	35,000	745,000	310,000	-	5,865,000	7,155,000
-	28,736	4,459	16,233	12,900	10,675	75,125	18,447	48,038	2,011,060	2,190,988
3,075	28,736	210,459	630,082	55,095	45,675	820,125	328,447	48,038	7,889,449	9,356,891
(3,075)	(28,736)	(210,287)	(629,478)	(49,327)	(33,819)	(820,238)	(283,994)	(12,212)	(7,790,093)	(9,199,899)
-	-	-	470,478	-	-	-	-	14,705	485,183	788,973
-	30,257	-	-	-	-	-	-	35,595	2,860,000	2,940,000
-	-	2,100	147,500	45,900	27,900	393,000	335,200	-	951,600	951,600
3,419	4	-	-	2,429	-	439,517	8,462	145,284	145,284	250,984
-	-	-	(145,284)	-	-	-	-	807	4,419,850	3,751,836
-	-	(1,948)	-	-	-	-	-	-	(145,284)	(250,984)
3,419	30,261	152	472,694	48,329	27,900	832,517	343,662	196,391	(1,948)	-
344	1,525	(210,135)	(156,784)	(998)	(5,919)	12,279	59,668	184,179	8,714,685	8,432,409
-	-	210,135	156,784	46,419	53,438	788,093	368,929	-	924,592	(767,490)
-	-	-	-	-	-	-	-	-	1,623,583	2,391,073
\$ 344	\$ 1,525	\$ -	\$ -	\$ 45,421	\$ 47,519	\$ 800,372	\$ 428,597	\$ 184,179	\$ 2,548,175	\$ 1,623,583



## **NONMAJOR CAPITAL PROJECT FUNDS**

The City of New Brighton has the following Capital Project Funds:

Community Reinvestment - Accounts for funds which the City has dedicated to the community improvements.

Tax Increment Funds - Accounts for development projects which are financed with tax increments.

Closed Bond Fund - Accumulates the residual from bond issues which is used to pay debt.

Capital Projects - Accounts for construction which is financed by nonbond sources.

Street Improvements - Accounts for street improvement projects to be financed by a future bond issue.

Park Improvements - Accounts for capital projects in the municipal parks.

Water Improvements - Accounts for financial resources designated for future improvements to the City's water distribution system.

Sewer Improvements - Accounts for financial resources designated for future improvements to the City's sanitary sewer system.

Stormwater Improvements - Accounts for financial resources designated for future improvements to the City's stormwater system.

**CITY OF NEW BRIGHTON, MINNESOTA**  
**NONMAJOR CAPITAL PROJECT FUNDS**  
**SUBCOMBINING BALANCE SHEET**  
December 31, 2012  
With Comparative Totals For December 31, 2011

	Tax Increment Funds	Community Reinvestment	Closed Bond Fund	Capital Projects	Street Improvements
<b>Assets:</b>					
Cash and investments	\$ 3,299,716	\$ 4,006,254	\$ 3,139,275	\$ 240,176	\$ 22,136
Accrued interest receivable	4,675	18,108	6,447	-	-
Due from other governmental units	-	1,282	-	1,364	34,748
Accounts receivable	-	-	-	-	-
Interfund receivable	-	96,986	-	-	-
Taxes receivable:					
Delinquent	152,484	6,497	-	-	-
Due from County	9,831	-	1,520	-	-
Special assessments receivable:					
Delinquent	-	-	818	-	-
Deferred	-	-	51,999	-	-
Due from County	-	-	46	-	-
Interfund loan receivable	-	305,800	-	-	-
Assets held for resale	-	-	-	-	-
<b>Total assets</b>	<b>\$ 3,466,706</b>	<b>\$ 4,434,927</b>	<b>\$ 3,200,105</b>	<b>\$ 241,540</b>	<b>\$ 56,884</b>
<b>Liabilities and Fund Balance:</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 7,578	\$ -	\$ -	\$ 9,724	\$ 1,381
Special assessments payable	-	-	9,932	-	-
Interfund payable	-	-	-	-	-
Due to other governmental units	-	13,248	-	-	-
Contracts payable	-	-	-	8,423	-
Interfund loans payable	2,838,147	-	-	-	-
Deferred revenue	152,484	6,497	52,817	-	227,789
<b>Total liabilities</b>	<b>2,998,209</b>	<b>19,745</b>	<b>62,749</b>	<b>18,147</b>	<b>229,170</b>
<b>Fund balance (deficit):</b>					
Restricted	3,301,334	-	-	-	-
Committed	-	-	3,137,356	-	-
Assigned	-	4,415,182	-	223,393	-
Unassigned	(2,832,837)	-	-	-	(172,286)
<b>Total fund balance (deficit)</b>	<b>468,497</b>	<b>4,415,182</b>	<b>3,137,356</b>	<b>223,393</b>	<b>(172,286)</b>
<b>Total liabilities and fund balance</b>	<b>\$ 3,466,706</b>	<b>\$ 4,434,927</b>	<b>\$ 3,200,105</b>	<b>\$ 241,540</b>	<b>\$ 56,884</b>

Park Improvements	Water Improvements	Sewer Improvements	Stormwater Improvements	Total	
				Nonmajor Capital Project Funds	
				2012	2011, restated
\$ 483,925	\$ 477,551	\$ 668,603	\$ 8,149	\$ 12,345,785	\$ 12,988,271
160	-	-	-	29,390	37,995
-	-	-	-	37,394	1,001
-	-	3,235	-	3,235	1,400
-	-	-	-	96,986	336,883
-	-	-	220	159,201	241,076
-	-	-	-	11,351	13,304
-	-	-	-	818	63
-	-	-	-	51,999	61,326
-	-	-	-	46	-
-	-	-	-	305,800	-
-	-	-	-	-	793,000
<u>\$ 484,085</u>	<u>\$ 477,551</u>	<u>\$ 671,838</u>	<u>\$ 8,369</u>	<u>\$ 13,042,005</u>	<u>\$ 14,474,319</u>
\$ -	\$ 295	\$ 2,135	\$ 3,285	\$ 24,398	\$ 63,159
-	-	-	-	9,932	-
-	-	-	-	-	272,618
-	-	-	-	13,248	4,747
-	-	-	5,380	13,803	57,090
-	-	-	305,800	3,143,947	3,113,133
-	-	-	220	439,807	1,860,717
-	295	2,135	314,685	3,645,135	5,371,464
402,614	-	-	-	3,703,948	3,601,787
-	-	-	-	3,137,356	-
81,471	477,256	669,703	-	5,867,005	9,689,720
-	-	-	(306,316)	(3,311,439)	(4,188,652)
<u>484,085</u>	<u>477,256</u>	<u>669,703</u>	<u>(306,316)</u>	<u>9,396,870</u>	<u>9,102,855</u>
<u>\$ 484,085</u>	<u>\$ 477,551</u>	<u>\$ 671,838</u>	<u>\$ 8,369</u>	<u>\$ 13,042,005</u>	<u>\$ 14,474,319</u>

CITY OF NEW BRIGHTON, MINNESOTA  
NONMAJOR CAPITAL PROJECT FUNDS  
SUBCOMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
For The Year Ended December 31, 2012  
With Comparative Totals For The Year Ended December 31, 2011

	Tax Increment Funds	Community Reinvestment	Closed Bond Fund	Capital Projects	Street Improvements
<b>Revenues:</b>					
General property taxes:					
Current and delinquent	\$ -	\$ 323,094	\$ -	\$ -	\$ -
Tax increment:					
Current and delinquent	3,986,074	-	-	-	-
Intergovernmental:					
Ramsey County reimbursements	-	-	-	2,290	-
State:					
MSA	-	-	-	179,537	572,211
Market value homestead credit	-	-	-	-	-
Federal:					
Safe routes to school	-	-	-	-	-
Charges for services	-	-	-	574	-
Special assessments:					
Current and delinquent	-	-	11,446	-	-
Prepayments	-	-	984	-	23,800
Penalties and interest	-	-	11,355	-	-
Investment income:					
Interest on investments	19,510	38,721	28,249	2,813	(277)
Change in fair value of investments	(11,268)	(12,209)	(8,324)	(574)	(106)
Interest on interfund loan	-	-	-	-	-
Other:					
In-house engineering and administrative charges	8,557	-	-	-	-
Donations	-	-	-	-	-
Park dedication charge	-	-	-	-	-
Total revenues	<u>4,002,873</u>	<u>349,606</u>	<u>43,710</u>	<u>184,640</u>	<u>595,628</u>
<b>Expenditures:</b>					
Current:					
General government	-	-	15,688	-	-
Community development	215,475	1,072	-	-	-
Parks and recreation	-	-	-	-	-
Public works	-	-	-	2,826	128,133
Interest on interfund loans	124,526	-	-	-	-
Capital outlay:					
Parks and recreation	-	-	-	-	1,564
Public works	-	-	-	299,199	-
Total expenditures	<u>340,001</u>	<u>1,072</u>	<u>15,688</u>	<u>302,025</u>	<u>129,697</u>
Revenues over (under) expenditures	<u>3,662,872</u>	<u>348,534</u>	<u>28,022</u>	<u>(117,385)</u>	<u>465,931</u>
<b>Other financing sources (uses):</b>					
G.O. improvement debt issued	-	-	-	-	444,817
Transfer from Special Revenue Funds	-	-	-	-	-
Transfer from Debt Service Funds	-	-	1,948	-	-
Transfer from Capital Project Funds	-	-	-	-	3,251
Transfer from Enterprise Funds	-	-	-	-	-
Transfer to Special Revenue Funds	-	(80,163)	-	-	-
Transfer to Debt Service Funds	(2,347,963)	(439,517)	(361,828)	-	-
Transfer to Capital Project Funds	(944,848)	-	-	-	-
Transfer to Enterprise Funds	-	-	-	-	-
Transfer to Internal Service Funds	-	-	-	(150,000)	-
Total other financing sources (uses)	<u>(3,292,811)</u>	<u>(519,680)</u>	<u>(359,880)</u>	<u>(150,000)</u>	<u>448,068</u>
Net increase (decrease) in fund balance	370,061	(171,146)	(331,858)	(267,385)	913,999
Fund balance (deficit) - January 1, restated	<u>98,436</u>	<u>4,586,328</u>	<u>3,469,214</u>	<u>490,778</u>	<u>(1,086,285)</u>
Fund balance (deficit) - December 31	<u>\$ 468,497</u>	<u>\$ 4,415,182</u>	<u>\$ 3,137,356</u>	<u>\$ 223,393</u>	<u>\$ (172,286)</u>

Park Improvements	Water Improvements	Sewer Improvements	Stormwater Improvements	Total	
				Nonmajor Capital Project Funds	
				2012	2011, restated
\$ -	\$ -	\$ -	\$ 2,207	\$ 325,301	\$ 2,219
-	-	-	-	3,986,074	4,006,749
-	-	-	-	2,290	242,993
-	-	-	-	751,748	281,683
-	-	-	-	-	33,968
-	-	-	-	-	35,019
-	1,777	13,151	575	16,077	107,820
-	-	-	-	11,446	12,767
-	-	-	-	24,784	33,035
-	-	-	-	11,355	21,057
3,842	5,330	4,663	391	103,242	232,644
(1,219)	(1,195)	(1,738)	(76)	(36,709)	23,838
-	-	-	-	-	17
-	-	-	-	8,557	36,466
1,424	-	-	-	1,424	1,320
1,630	-	-	-	1,630	202,120
<u>5,677</u>	<u>5,912</u>	<u>16,076</u>	<u>3,097</u>	<u>5,207,219</u>	<u>5,273,715</u>
-	-	-	-	15,688	4,930
-	-	-	-	216,547	306,129
7,967	-	-	-	7,967	6,129
-	33,206	3,726	69,312	237,203	353,526
-	-	-	-	124,526	129,700
2,382	-	-	-	3,946	34,233
-	31,136	-	290,432	620,767	1,910,995
<u>10,349</u>	<u>64,342</u>	<u>3,726</u>	<u>359,744</u>	<u>1,226,644</u>	<u>2,745,642</u>
<u>(4,672)</u>	<u>(58,430)</u>	<u>12,350</u>	<u>(356,647)</u>	<u>3,980,575</u>	<u>2,528,073</u>
-	-	-	-	444,817	606,027
-	4,442	-	-	4,442	11,909
-	-	-	-	1,948	-
-	-	-	-	3,251	717,054
-	-	181,200	208,650	389,850	697,000
-	-	-	-	(80,163)	-
-	-	-	-	(3,149,308)	(2,831,109)
-	-	-	(3,251)	(948,099)	(2,621,208)
-	-	-	-	-	(57,900)
(7,504)	(4,249)	-	(191,545)	(353,298)	(307,372)
<u>(7,504)</u>	<u>193</u>	<u>181,200</u>	<u>13,854</u>	<u>(3,686,560)</u>	<u>(3,785,599)</u>
(12,176)	(58,237)	193,550	(342,793)	294,015	(1,257,526)
<u>496,261</u>	<u>535,493</u>	<u>476,153</u>	<u>36,477</u>	<u>9,102,855</u>	<u>10,360,381</u>
<u>\$ 484,085</u>	<u>\$ 477,256</u>	<u>\$ 669,703</u>	<u>\$ (306,316)</u>	<u>\$ 9,396,870</u>	<u>\$ 9,102,855</u>

**CITY OF NEW BRIGHTON, MINNESOTA**  
**NONMAJOR TAX INCREMENT FINANCING CAPITAL PROJECT FUNDS**  
**SUBCOMBINING BALANCE SHEET**  
December 31, 2012  
With Comparative Totals For December 31, 2011

	Tax Increment District 7	Tax Increment District 10	Tax Increment District 11	Tax Increment District 12
<b>Assets:</b>				
Cash and investments	\$ 151,279	\$ 192,791	\$ 233,632	\$ 392,132
Accrued interest receivable	-	-	-	3
Taxes receivable:				
Delinquent	-	-	-	-
Due from County	-	-	-	-
Assets held for resale	-	-	-	-
<b>Total assets</b>	<b><u>\$ 151,279</u></b>	<b><u>\$ 192,791</u></b>	<b><u>\$ 233,632</u></b>	<b><u>\$ 392,135</u></b>
<b>Liabilities and fund balance:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 34	\$ 274	\$ 48	\$ -
Due to other governmental units	-	-	-	-
Interfund loans payable	-	-	-	-
Deferred revenue	-	-	-	-
<b>Total liabilities</b>	<b><u>34</u></b>	<b><u>274</u></b>	<b><u>48</u></b>	<b><u>-</u></b>
<b>Fund balance (deficit):</b>				
Restricted	151,245	192,517	233,584	392,135
Unassigned	-	-	-	-
<b>Total fund balance (deficit)</b>	<b><u>151,245</u></b>	<b><u>192,517</u></b>	<b><u>233,584</u></b>	<b><u>392,135</u></b>
<b>Total liabilities and fund balance</b>	<b><u>\$ 151,279</u></b>	<b><u>\$ 192,791</u></b>	<b><u>\$ 233,632</u></b>	<b><u>\$ 392,135</u></b>

Tax Increment District 14	Tax Increment District 15	Tax Increment District 16	Tax Increment District 17	Tax Increment District 18	Tax Increment District 20
\$ 295,967 9	\$ 343,786 -	\$ 52,990 -	\$ 10,072 289	\$ 634,123 -	\$ 176,417 4,320
(1,000)	25,667	-	17,061	-	35,903
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 294,976</u>	<u>\$ 369,453</u>	<u>\$ 52,990</u>	<u>\$ 27,422</u>	<u>\$ 634,123</u>	<u>\$ 216,640</u>
\$ -	\$ 132	\$ 96	\$ -	\$ 2,658	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
(1,000)	25,667	-	17,061	-	35,903
<u>(1,000)</u>	<u>25,799</u>	<u>96</u>	<u>17,061</u>	<u>2,658</u>	<u>35,903</u>
295,976	343,654	52,894	10,361	631,465	180,737
-	-	-	-	-	-
<u>295,976</u>	<u>343,654</u>	<u>52,894</u>	<u>10,361</u>	<u>631,465</u>	<u>180,737</u>
<u>\$ 294,976</u>	<u>\$ 369,453</u>	<u>\$ 52,990</u>	<u>\$ 27,422</u>	<u>\$ 634,123</u>	<u>\$ 216,640</u>

**CITY OF NEW BRIGHTON, MINNESOTA**  
**NONMAJOR TAX INCREMENT FINANCING CAPITAL PROJECT FUNDS**  
**SUBCOMBINING BALANCE SHEET**  
December 31, 2012  
With Comparative Totals For December 31, 2011

	Tax Increment District 23	Tax Increment District 25	Tax Increment District 26	Tax Increment District 27
<b>Assets:</b>				
Cash and investments	\$ -	\$ -	\$ 620,713	\$ -
Accrued interest receivable	54	-	-	-
Taxes receivable:				
Delinquent	-	48,687	1,193	-
Due from County	-	6,086	3,745	-
Assets held for resale	-	-	-	-
<b>Total assets</b>	<b>\$ 54</b>	<b>\$ 54,773</b>	<b>\$ 625,651</b>	<b>\$ -</b>
<b>Liabilities and fund balance:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 119	\$ 2,222	\$ 81
Due to other governmental units	-	-	-	-
Interfund loans payable	80,670	897,794	-	229,993
Deferred revenue	-	48,687	1,193	-
<b>Total liabilities</b>	<b>80,670</b>	<b>946,600</b>	<b>3,415</b>	<b>230,074</b>
<b>Fund balance (deficit):</b>				
Restricted	-	-	622,236	-
Unassigned	(80,616)	(891,827)	-	(230,074)
<b>Total fund balance (deficit)</b>	<b>(80,616)</b>	<b>(891,827)</b>	<b>622,236</b>	<b>(230,074)</b>
<b>Total liabilities and fund balance</b>	<b>\$ 54</b>	<b>\$ 54,773</b>	<b>\$ 625,651</b>	<b>\$ -</b>

Tax Increment District 28	Tax Increment District 29	Tax Increment District 30	Tax Increment District 33	Total	
				Nonmajor TIF Capital Project Funds	
				2012	2011
\$ 195,814	\$ -	\$ -	\$ -	\$ 3,299,716	\$ 3,201,827
-	-	-	-	4,675	16,236
18,694	6,279	-	-	152,484	241,076
-	-	-	-	9,831	11,750
-	-	-	-	-	793,000
<u>\$ 214,508</u>	<u>\$ 6,279</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,466,706</u>	<u>\$ 4,263,889</u>
\$ 1,284	\$ 165	\$ 401	\$ 64	\$ 7,578	\$ 13,497
-	-	-	-	-	4,747
-	121,811	1,188,623	319,256	2,838,147	3,113,133
18,694	6,279	-	-	152,484	1,034,076
<u>19,978</u>	<u>128,255</u>	<u>1,189,024</u>	<u>319,320</u>	<u>2,998,209</u>	<u>4,165,453</u>
194,530	-	-	-	3,301,334	3,200,803
-	(121,976)	(1,189,024)	(319,320)	(2,832,837)	(3,102,367)
<u>194,530</u>	<u>(121,976)</u>	<u>(1,189,024)</u>	<u>(319,320)</u>	<u>468,497</u>	<u>98,436</u>
<u>\$ 214,508</u>	<u>\$ 6,279</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,466,706</u>	<u>\$ 4,263,889</u>

**CITY OF NEW BRIGHTON, MINNESOTA**  
**NONMAJOR TAX INCREMENT FINANCING CAPITAL PROJECT FUNDS**  
**SUBCOMBINING STATEMENT OF REVENUE, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
For The Year Ended December 31, 2012  
With Comparative Totals For The Year Ended December 31, 2011

	Tax Increment District 7	Tax Increment District 8	Tax Increment District 9	Tax Increment District 10
Revenue:				
Taxes:				
Tax increment	\$ 117,415	\$ 513,711	\$ 46,398	\$ 115,255
Delinquent tax increment	-	-	-	108,123
Intergovernmental:				
State:				
Market value homestead credit	-	-	-	-
Charges for services	-	-	-	-
Investment income:				
Interest on investments	953	900	20	701
Change in fair value of investments	(440)	(1,197)	(65)	(596)
In-house engineering and administrative charges	-	-	8,557	-
Total revenue	<u>117,928</u>	<u>513,414</u>	<u>54,910</u>	<u>223,483</u>
Expenditures:				
Interfund interest	-	-	1,257	-
Construction costs:				
Engineering and administrative	9,580	55,132	-	26,214
Other	-	-	-	-
Total expenditures	<u>9,580</u>	<u>55,132</u>	<u>1,257</u>	<u>26,214</u>
Revenue over (under) expenditures	<u>108,348</u>	<u>458,282</u>	<u>53,653</u>	<u>197,269</u>
Other financing sources (uses):				
Transfer from Capital Project Funds	-	-	-	-
Transfer to Debt Service Funds	(92,857)	(103,770)	-	(92,507)
Transfer to Capital Project Funds	-	(406,804)	(33,814)	-
Total other financing sources (uses)	<u>(92,857)</u>	<u>(510,574)</u>	<u>(33,814)</u>	<u>(92,507)</u>
Net increase (decrease) in fund balance	15,491	(52,292)	19,839	104,762
Fund balance (deficit) - January 1	<u>135,754</u>	<u>52,292</u>	<u>(19,839)</u>	<u>87,755</u>
Fund balance (deficit) - December 31	<u>\$ 151,245</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 192,517</u>

Tax Increment District 11	Tax Increment District 12	Tax Increment District 14	Tax Increment District 15	Tax Increment District 16	Tax Increment District 17	Tax Increment District 18	Tax Increment District 19
\$ 40,926	\$ 111,089	\$ 80,041	\$ 384,028	\$ 21,547	\$ 69,686	\$ 240,616	\$ 22,904
-	-	-	98,863	243	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,832	3,008	2,134	310	356	(74)	4,627	580
(657)	(1,074)	(755)	(1,001)	(136)	(16)	(1,650)	(215)
-	-	-	-	-	-	-	-
<u>42,101</u>	<u>113,023</u>	<u>81,420</u>	<u>482,200</u>	<u>22,010</u>	<u>69,596</u>	<u>243,593</u>	<u>23,269</u>
-	-	-	-	-	-	-	-
19,160	16,170	1,225	30,386	303	282	1,040	8,264
-	-	-	-	-	-	-	-
<u>19,160</u>	<u>16,170</u>	<u>1,225</u>	<u>30,386</u>	<u>303</u>	<u>282</u>	<u>1,040</u>	<u>8,264</u>
<u>22,941</u>	<u>96,853</u>	<u>80,195</u>	<u>451,814</u>	<u>21,707</u>	<u>69,314</u>	<u>242,553</u>	<u>15,005</u>
-	-	-	-	-	-	-	-
(30,660)	(107,662)	(85,937)	(316,638)	(20,849)	(93,909)	(346,212)	-
-	-	-	-	-	-	-	-
<u>(30,660)</u>	<u>(107,662)</u>	<u>(85,937)</u>	<u>(316,638)</u>	<u>(20,849)</u>	<u>(93,909)</u>	<u>(346,212)</u>	<u>(79,230)</u>
(7,719)	(10,809)	(5,742)	135,176	858	(24,595)	(103,659)	(64,225)
<u>241,303</u>	<u>402,944</u>	<u>301,718</u>	<u>208,478</u>	<u>52,036</u>	<u>34,956</u>	<u>735,124</u>	<u>64,225</u>
<u>\$ 233,584</u>	<u>\$ 392,135</u>	<u>\$ 295,976</u>	<u>\$ 343,654</u>	<u>\$ 52,894</u>	<u>\$ 10,361</u>	<u>\$ 631,465</u>	<u>\$ -</u>

**CITY OF NEW BRIGHTON, MINNESOTA**  
**NONMAJOR TAX INCREMENT FINANCING CAPITAL PROJECT FUNDS**  
**SUBCOMBINING SCHEDULE OF REVENUE, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
For The Year Ended December 31, 2012  
With Comparative Totals For The Year Ended December 31, 2011

	Tax Increment District 20	Tax Increment District 23	Tax Increment District 25	Tax Increment District 26
Revenue:				
Taxes:				
Tax increment	\$ 331,884	\$ 14,106	\$ 269,133	\$ 817,521
Delinquent tax increment	789	-	19,340	(13,977)
Intergovernmental:				
State:				
Market value homestead credit	-	-	-	-
Charges for services	-	-	-	-
Investment income:				
Interest on investments	1,230	13	(876)	2,807
Change in fair value of investments	(428)	(22)	(85)	(1,784)
In-house engineering and administrative charges	-	-	-	-
Total revenue	<u>333,475</u>	<u>14,097</u>	<u>287,512</u>	<u>804,567</u>
Expenditures:				
Interfund interest	-	3,633	37,117	-
Construction costs:				
Engineering and administrative	1,212	282	1,243	42,528
Other	-	-	-	-
Total expenditures	<u>1,212</u>	<u>3,915</u>	<u>38,360</u>	<u>42,528</u>
Revenue over (under) expenditures	<u>332,263</u>	<u>10,182</u>	<u>249,152</u>	<u>762,039</u>
Other financing sources (uses):				
Transfer from Capital Project Funds	-	-	-	-
Transfer to Debt Service Funds	(139,478)	-	(213,193)	(501,698)
Transfer to Capital Project Funds	(225,000)	-	-	(200,000)
Total other financing sources (uses)	<u>(364,478)</u>	<u>-</u>	<u>(213,193)</u>	<u>(701,698)</u>
Net increase (decrease) in fund balance	(32,215)	10,182	35,959	60,341
Fund balance (deficit) - January 1	<u>212,952</u>	<u>(90,798)</u>	<u>(927,786)</u>	<u>561,895</u>
Fund balance (deficit) - December 31	<u>\$ 180,737</u>	<u>\$ (80,616)</u>	<u>\$ (891,827)</u>	<u>\$ 622,236</u>

Tax Increment District 27	Tax Increment District 28	Tax Increment District 29	Tax Increment District 30	Tax Increment District 33	Total	
					Nonmajor TIF Capital Project Funds	
					2012	2011
\$ 27,190	\$ 241,483	\$ 38,190	\$ 242,699	\$ 22,156	\$ 3,767,978	\$ 4,209,517
-	5,844	(1,129)	-	-	218,096	(202,768)
-	-	-	-	-	-	33,968
-	-	-	-	-	-	-
135	443	(158)	489	80	19,510	45,647
(70)	(562)	1	(481)	(35)	(11,268)	6,497
-	-	-	-	-	8,557	36,466
<u>27,255</u>	<u>247,208</u>	<u>36,904</u>	<u>242,707</u>	<u>22,201</u>	<u>4,002,873</u>	<u>4,129,327</u>
9,732	-	4,666	54,999	13,122	124,526	129,700
282	407	303	1,180	282	215,475	281,017
-	-	-	-	-	-	25,112
<u>10,014</u>	<u>407</u>	<u>4,969</u>	<u>56,179</u>	<u>13,404</u>	<u>340,001</u>	<u>435,829</u>
<u>17,241</u>	<u>246,801</u>	<u>31,935</u>	<u>186,528</u>	<u>8,797</u>	<u>3,662,872</u>	<u>3,693,498</u>
-	-	-	-	-	-	113,367
(3,887)	(161,642)	(37,064)	-	-	(2,347,963)	(2,269,535)
-	-	-	-	-	(944,848)	(2,017,521)
<u>(3,887)</u>	<u>(161,642)</u>	<u>(37,064)</u>	<u>-</u>	<u>-</u>	<u>(3,292,811)</u>	<u>(4,173,689)</u>
13,354	85,159	(5,129)	186,528	8,797	370,061	(480,191)
<u>(243,428)</u>	<u>109,371</u>	<u>(116,847)</u>	<u>(1,375,552)</u>	<u>(328,117)</u>	<u>98,436</u>	<u>578,627</u>
<u>\$ (230,074)</u>	<u>\$ 194,530</u>	<u>\$ (121,976)</u>	<u>\$ (1,189,024)</u>	<u>\$ (319,320)</u>	<u>\$ 468,497</u>	<u>\$ 98,436</u>



## **INTERNAL SERVICE FUNDS**

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

Risk Management Fund - This fund is used to account for liability and workers' compensation insurance programs related to the ongoing operations.

Compensated Absences Fund - This fund is used to account for payment of unused vacation, severance and compensatory time, and allocation of such costs to respective departments.

Fleet Replacement Fund – This fund is used to account for the replacement of the City's fleet including all vehicles and heavy equipment that have a value of \$ 5,000 or more and a useful life of at least two years.

Non-Fleet Replacement Fund – This fund is used to account for the replacement of nonfleet capital items including miscellaneous equipment and furnishings that have a value of \$ 5,000 or more and a useful life of at least two years.

Information Technology Fund – This fund is used to account for the operations of the city-wide computer network system and the replacement of capital items such as computers, copiers, printers, and various technology related items that have a value of \$ 5,000 or more and a useful life of at least two years.

Payment Management Fund – This fund is used to account for the replacement of parking lots, trails and hard courts that have a value of \$ 5,000 or more and a useful life of at least two years.



CITY OF NEW BRIGHTON, MINNESOTA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET POSITION  
For The Year Ended December 31, 2012  
With Comparative Totals For The Year Ended December 31, 2011

Statement 22

	Risk Management	Compensated Absences	Fleet Replacement	Non-Fleet Replacement	Information Technology	Pavement Management	Total	
							Internal Service Funds	
							2012	2011
<b>Assets</b>								
Current assets:								
Cash and investments	\$ 1,342,609	\$ 938,720	\$ 5,720,030	\$ 3,780,766	\$ 1,449,237	\$ 480,987	\$ 13,712,349	\$ 12,932,904
Accrued interest receivable	1,459	-	-	-	-	-	1,459	1,027
Due from other governmental units	-	-	-	-	-	-	-	42,651
Accounts receivable	-	-	9,130	-	-	-	9,130	-
Prepaid items	2,750	-	-	-	-	-	2,750	-
Total current assets	<u>1,346,818</u>	<u>938,720</u>	<u>5,729,160</u>	<u>3,780,766</u>	<u>1,449,237</u>	<u>480,987</u>	<u>13,725,688</u>	<u>12,976,582</u>
Noncurrent assets:								
Capital assets:								
Buildings	-	-	-	576,325	-	-	576,325	576,325
Equipment	-	-	5,872,275	1,219,115	1,318,713	-	8,410,103	8,086,754
Other improvements	-	-	-	273,693	60,837	604,781	939,311	568,606
Construction in progress	-	-	-	30,992	4,855	-	35,847	30,672
Less: Allowance for depreciation	-	-	(3,193,941)	(785,244)	(1,027,804)	(9,043)	(5,016,032)	(4,637,065)
Total capital assets (net of accumulated depreciation)	<u>-</u>	<u>-</u>	<u>2,678,334</u>	<u>1,314,881</u>	<u>356,601</u>	<u>595,738</u>	<u>4,945,554</u>	<u>4,625,292</u>
Total assets	<u>\$ 1,346,818</u>	<u>\$ 938,720</u>	<u>\$ 8,407,494</u>	<u>\$ 5,095,647</u>	<u>\$ 1,805,838</u>	<u>\$ 1,076,725</u>	<u>\$ 18,671,242</u>	<u>\$ 17,601,874</u>
<b>Liabilities:</b>								
Current liabilities:								
Accounts payable	7,352	1,057	28,860	33,436	22,174	731	93,610	97,455
Salaries payable	281	-	-	-	2,546	-	2,827	2,233
Due to other governmental units	-	-	-	-	45	-	45	89
Contracts payable	-	-	-	-	-	6,893	6,893	11,232
Compensated absences - current	-	34,337	-	-	-	-	34,337	249
Total current liabilities	<u>7,633</u>	<u>35,394</u>	<u>28,860</u>	<u>33,436</u>	<u>24,765</u>	<u>7,624</u>	<u>137,712</u>	<u>111,258</u>
Noncurrent liabilities								
Compensated absences - noncurrent	-	847,319	-	-	-	-	847,319	837,861
Total noncurrent liabilities	<u>-</u>	<u>847,319</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>847,319</u>	<u>837,861</u>
Total liabilities	<u>7,633</u>	<u>882,713</u>	<u>28,860</u>	<u>33,436</u>	<u>24,765</u>	<u>7,624</u>	<u>985,031</u>	<u>949,119</u>
<b>Net position:</b>								
Net investment in capital assets	-	-	2,678,334	1,314,881	356,601	595,738	4,945,554	4,625,292
Unrestricted	1,339,185	56,007	5,700,300	3,747,330	1,424,472	473,363	12,740,657	12,027,463
Total net position	<u>\$ 1,339,185</u>	<u>\$ 56,007</u>	<u>\$ 8,378,634</u>	<u>\$ 5,062,211</u>	<u>\$ 1,781,073</u>	<u>\$ 1,069,101</u>	<u>\$ 17,686,211</u>	<u>\$ 16,652,755</u>

**CITY OF NEW BRIGHTON, MINNESOTA**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF REVENUE,**  
**EXPENSES AND CHANGES IN NET ASSETS**  
For The Year Ended December 31, 2012  
With Comparative Totals For The Year Ended December 31, 2011

	<u>Risk Management</u>	<u>Compensated Absences</u>	<u>Fleet Replacement</u>
Operating revenue:			
Customer charges	\$ 470,100	\$ 20,240	\$ 391,600
Total operating revenues	<u>470,100</u>	<u>20,240</u>	<u>391,600</u>
Operating expenses:			
Personnel services	15,271	43,795	-
Materials and supplies	-	-	-
Contractual services	407,424	-	-
Professional services	-	-	1,638
Depreciation	-	-	412,582
Total operating expenses	<u>422,695</u>	<u>43,795</u>	<u>414,220</u>
Operating income (loss)	<u>47,405</u>	<u>(23,555)</u>	<u>(22,620)</u>
Nonoperating revenues (expenses):			
Investment income:			
Interest on investments	9,528	7,448	46,428
Change in fair value of investments	(3,482)	(2,390)	(14,897)
In-house engineering and administrative charges	-	-	-
School District grant	-	-	9,000
Gain (loss) on disposal of capital assets	-	-	28,507
Refunds and reimbursements	116,362	-	-
Other	3,500	-	-
Total nonoperating revenues (expenses)	<u>125,908</u>	<u>5,058</u>	<u>69,038</u>
Income (loss) before contributions and operating transfers	<u>173,313</u>	<u>(18,497)</u>	<u>46,418</u>
Transfers:			
Transfers from:			
General Fund	-	-	165,639
Special Revenue Funds	-	-	-
Capital Project Funds	-	-	-
Enterprise Funds	-	-	-
Internal Service Funds	-	-	-
Transfers to:			
Internal Service Funds	-	-	-
Total transfers	<u>-</u>	<u>-</u>	<u>165,639</u>
Change in net assets	<u>173,313</u>	<u>(18,497)</u>	<u>212,057</u>
Net assets - January 1	<u>1,165,872</u>	<u>74,504</u>	<u>8,166,577</u>
Net assets - December 31	<u>\$ 1,339,185</u>	<u>\$ 56,007</u>	<u>\$ 8,378,634</u>

Statement 23

Non-Fleet Replacement	Information Technology	Pavement Management	Total	
			Internal Service Funds	
			2012	2011
\$ 365,100	\$ 508,000	\$ 96,000	\$ 1,851,040	\$ 1,825,033
<u>365,100</u>	<u>508,000</u>	<u>96,000</u>	<u>1,851,040</u>	<u>1,825,033</u>
-	140,263	-	199,329	241,897
-	26,092	-	26,092	30,013
-	236,144	62,940	706,508	610,791
-	-	-	1,638	18,934
112,470	115,861	9,043	649,956	590,680
<u>112,470</u>	<u>518,360</u>	<u>71,983</u>	<u>1,583,523</u>	<u>1,492,315</u>
<u>252,630</u>	<u>(10,360)</u>	<u>24,017</u>	<u>267,517</u>	<u>332,718</u>
30,158	11,577	4,400	109,539	208,850
(9,832)	(3,789)	(1,234)	(35,624)	21,260
-	-	-	-	405
-	1,500	-	10,500	10,500
-	-	-	28,507	13,091
-	6,000	755	123,117	119,490
-	-	449	3,949	570
<u>20,326</u>	<u>15,288</u>	<u>4,370</u>	<u>239,988</u>	<u>374,166</u>
<u>272,956</u>	<u>4,928</u>	<u>28,387</u>	<u>507,505</u>	<u>706,884</u>
6,361	-	-	172,000	-
-	653	-	653	-
7,504	-	345,794	353,298	307,372
-	-	-	-	4,321
-	39,000	-	39,000	-
(39,000)	-	-	(39,000)	-
<u>(25,135)</u>	<u>39,653</u>	<u>345,794</u>	<u>525,951</u>	<u>311,693</u>
<u>247,821</u>	<u>44,581</u>	<u>374,181</u>	<u>1,033,456</u>	<u>1,018,577</u>
<u>4,814,390</u>	<u>1,736,492</u>	<u>694,920</u>	<u>16,652,755</u>	<u>15,634,178</u>
<u>\$ 5,062,211</u>	<u>\$ 1,781,073</u>	<u>\$ 1,069,101</u>	<u>\$ 17,686,211</u>	<u>\$ 16,652,755</u>

**CITY OF NEW BRIGHTON, MINNESOTA**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
For The Year Ended December 31, 2012

	Risk Management	Compensated Absences
Cash flows from operating activities:		
Receipts from customers and users	\$ 470,100	\$ 20,240
Payments to employees	(15,218)	(249)
Payments to suppliers for goods and services	(410,697)	-
Net cash provided (used) by operating activities	<u>44,185</u>	<u>19,991</u>
Cash flows from noncapital financing activities:		
Refunds and reimbursements	116,362	-
Net cash provided (used) by noncapital and related financing activities	<u>116,362</u>	<u>-</u>
Cash flows from capital and related financing activities:		
Other	-	-
In-house engineering and administrative charges	-	-
Acquisition of capital assets	-	-
Transfer from (to) general fund	-	-
Transfer from (to) capital project funds	-	-
Transfer from (to) internal service funds	-	-
Proceeds from sale of capital assets	-	-
Contributions and donations	3,500	-
Net cash provided (used) by capital and related financing activities:	<u>3,500</u>	<u>-</u>
Cash flows from investing activities:		
Investment income:		
Interest on investments	9,097	7,161
Change in fair value of investments	(3,482)	(2,390)
Net cash provided (used) by investing activities	<u>5,615</u>	<u>4,771</u>
Net increase in cash and cash equivalents	169,662	24,762
Cash and cash equivalents - January 1	<u>1,172,947</u>	<u>913,958</u>
Cash and cash equivalents - December 31	<u>\$ 1,342,609</u>	<u>\$ 938,720</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ 47,405	\$ (23,555)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:		
Depreciation	-	-
Changes in assets and liabilities:		
Decrease (increase) in receivables	-	-
Decrease (increase) in prepaids	(2,750)	-
Increase (decrease) in payables	(470)	43,546
Total adjustments	<u>(3,220)</u>	<u>43,546</u>
Net cash provided (used) by operating activities	<u>\$ 44,185</u>	<u>\$ 19,991</u>

Fleet Replacement	Non-Fleet Replacement	Information Technology	Pavement Management	Total	
				Internal Service Funds	
				2012	2011
\$ 391,600	\$ 365,100	\$ 508,000	\$ 138,650	\$ 1,893,690	\$ 1,825,033
-	-	(139,724)	-	(155,191)	(164,135)
(1,638)	(32,926)	(255,207)	(67,279)	(767,747)	(649,815)
<u>389,962</u>	<u>332,174</u>	<u>113,069</u>	<u>71,371</u>	<u>970,752</u>	<u>1,011,083</u>
-	-	-	755	117,117	70,840
<u>-</u>	<u>-</u>	<u>-</u>	<u>755</u>	<u>117,117</u>	<u>70,840</u>
-	-	-	449	449	570
-	-	653	-	653	405
(357,897)	(191,028)	(36,767)	(357,919)	(943,611)	(957,175)
165,639	6,361	-	-	172,000	-
-	7,504	-	345,794	353,298	307,372
-	(39,000)	39,000	-	-	-
19,377	-	-	-	19,377	14,110
9,000	-	7,500	-	20,000	16,500
<u>(163,881)</u>	<u>(216,163)</u>	<u>10,386</u>	<u>(11,676)</u>	<u>(377,834)</u>	<u>(618,218)</u>
44,431	28,895	11,038	4,412	105,034	229,798
(14,897)	(9,832)	(3,789)	(1,234)	(35,624)	21,260
<u>29,534</u>	<u>19,063</u>	<u>7,249</u>	<u>3,178</u>	<u>69,410</u>	<u>251,058</u>
255,615	135,074	130,704	63,628	779,445	714,763
<u>5,464,415</u>	<u>3,645,692</u>	<u>1,318,533</u>	<u>417,359</u>	<u>12,932,904</u>	<u>12,218,141</u>
<u>\$ 5,720,030</u>	<u>\$ 3,780,766</u>	<u>\$ 1,449,237</u>	<u>\$ 480,987</u>	<u>\$ 13,712,349</u>	<u>\$ 12,932,904</u>
\$ (22,620)	\$ 252,630	\$ (10,360)	\$ 24,017	\$ 267,517	\$ 332,718
412,582	112,470	115,861	9,043	649,956	590,680
-	-	-	42,650	42,650	-
-	-	-	-	(2,750)	-
-	(32,926)	7,568	(4,339)	13,379	87,685
<u>412,582</u>	<u>79,544</u>	<u>123,429</u>	<u>47,354</u>	<u>703,235</u>	<u>678,365</u>
<u>\$ 389,962</u>	<u>\$ 332,174</u>	<u>\$ 113,069</u>	<u>\$ 71,371</u>	<u>\$ 970,752</u>	<u>\$ 1,011,083</u>



## **FIDUCIARY FUNDS**

Fiduciary Funds account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. The City of New Brighton has the following Agency Funds:

Hazardous Materials Program - Accounts for a joint powers hazardous materials response team. Members of the response team are the cities of New Brighton and Roseville and the Lake Johanna Fire Department.

**CITY OF NEW BRIGHTON, MINNESOTA**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FIDUCIARY FUNDS**  
For The Year Ended December 31, 2012

**Statement 25**

	Balance January 1, 2012	Additions	Deductions	Balance December 31, 2012
<b>Hazardous Materials Program Fund:</b>				
<b>Assets</b>				
Cash and investments with trust agent	\$ 14,954	\$ 31,309	\$ 21,554	\$ 24,709
Due from other governmental units	1,303	1,252	1,303	1,252
Total assets	<u>\$ 16,257</u>	<u>\$ 32,561</u>	<u>\$ 22,857</u>	<u>\$ 25,961</u>
<b>Liabilities</b>				
Accounts payable	\$ 4,379	\$ 10,873	\$ 994	\$ 14,258
Due to other governmental units	11,878	-	175	11,703
Total liabilities	<u>\$ 16,257</u>	<u>\$ 10,873</u>	<u>\$ 1,169</u>	<u>\$ 25,961</u>

**SUPPLEMENTARY  
FINANCIAL  
INFORMATION**

**CITY OF NEW BRIGHTON, MINNESOTA**  
**COMBINED SCHEDULE OF INDEBTEDNESS**  
December 31, 2012

	Interest Rates	Issue Date	Final Maturity Date	Earliest Redemption Date
General Obligation Bonds:				
G.O. Improvement Bonds:				
2001A Improvement Bonds	4.00-4.35%	3/1/2001	2/1/2012	2/1/2010
2004C Improvement Bonds	2.50-3.60%	10/1/2004	6/1/2012	2/1/2012
2007A Improvement Bonds	3.70-4.00%	6/1/2007	2/1/2019	2/1/2016
2009A Improvement Bonds	2.00-4.25%	6/17/2009	2/1/2020	2/1/2016
2010A Improvement Bonds	2.00-2.50%	3/18/2010	2/1/2016	N/A
2011A Improvement Bonds	0.50-3.30%	1/28/2011	2/1/2022	2/1/2019
2012A Improvement Bonds	0.35-2.35%	4/24/2012	2/1/2023	2/1/2020
Total G.O. Improvement Bonds				
Tax Increment Bonds:				
2004A Tax Increment Bonds	2.00-3.70%	10/1/2004	6/1/2012	2/1/2012
2004B Taxable Tax Increment Bonds	3.00-5.10%	10/1/2004	2/1/2013	2/1/2013
2006A Tax Increment Bonds	4.25-5.00%	7/15/2006	2/1/2032	2/1/2018
2007B Tax Increment Bonds	4.00-4.75%	6/1/2007	2/1/2033	2/1/2018
2009A Tax Increment Bonds	2.00-2.50%	6/17/2009	2/1/2013	N/A
2009B Taxable Tax Increment Bonds	1.50-2.50%	6/17/2009	2/1/2013	N/A
2011A Tax Increment Bonds	0.50-1.25%	1/28/2011	2/1/2015	N/A
2011B Taxable Tax Increment Bonds	0.65-2.40%	1/28/2011	2/1/2016	N/A
2012A Tax Increment Bonds	0.35-1.00%	4/24/2012	2/1/2017	N/A
2012B Taxable Tax Increment Bonds	0.70-2.35%	4/24/2012	2/1/2020	2/1/2017
Total Tax Increment Bonds				
Revenue Bonds:				
1999C Golf Course Revenue Bonds	4.75-6.00%	8/1/1999	11/1/2012	11/1/2005
Total Revenue Bonds				
Total indebtedness				

Exhibit 1

Prior Years		Payable 1/1/2012	2012		Payable 12/31/2012	Principal Due In 2013	Interest Due In 2013	Interest Payable to Maturity
Original Issue	Payments		Issued	Payments				
\$ 2,020,000	\$ 1,815,000	\$ 205,000	\$ -	\$ 205,000	\$ -	\$ -	\$ -	\$ -
1,265,000	655,000	610,000	-	610,000	-	-	-	-
455,000	120,000	335,000	-	40,000	295,000	40,000	10,940	42,420
375,000	35,000	340,000	-	35,000	305,000	35,000	9,800	46,606
4,760,000	855,000	3,905,000	-	745,000	3,160,000	765,000	59,625	142,263
1,395,000	-	1,395,000	-	310,000	1,085,000	370,000	16,143	90,528
930,000	-	-	930,000	-	930,000	160,000	11,466	57,362
<u>11,200,000</u>	<u>3,480,000</u>	<u>6,790,000</u>	<u>930,000</u>	<u>1,945,000</u>	<u>5,775,000</u>	<u>1,370,000</u>	<u>107,974</u>	<u>379,179</u>
6,935,000	4,395,000	2,540,000	-	2,540,000	-	-	-	-
2,385,000	975,000	1,410,000	-	195,000	1,215,000	1,215,000	29,865	29,865
20,450,000	-	20,450,000	-	-	20,450,000	235,000	961,750	11,698,584
14,985,000	-	14,985,000	-	-	14,985,000	125,000	647,220	8,590,634
570,000	275,000	295,000	-	145,000	150,000	150,000	1,875	1,875
1,350,000	645,000	705,000	-	345,000	360,000	360,000	4,500	4,500
735,000	-	735,000	-	180,000	555,000	180,000	4,718	9,159
2,205,000	-	2,205,000	-	515,000	1,690,000	515,000	23,068	49,026
1,765,000	-	-	1,765,000	-	1,765,000	595,000	11,409	26,161
1,095,000	-	-	1,095,000	-	1,095,000	40,000	17,800	65,877
<u>52,475,000</u>	<u>6,290,000</u>	<u>43,325,000</u>	<u>2,860,000</u>	<u>3,920,000</u>	<u>42,265,000</u>	<u>3,415,000</u>	<u>1,702,205</u>	<u>20,475,681</u>
645,000	305,000	340,000	-	340,000	-	-	-	-
645,000	305,000	340,000	-	340,000	-	-	-	-
<u>\$64,320,000</u>	<u>\$10,075,000</u>	<u>\$50,455,000</u>	<u>\$3,790,000</u>	<u>\$6,205,000</u>	<u>\$48,040,000</u>	<u>\$4,785,000</u>	<u>\$1,810,179</u>	<u>\$20,854,860</u>

**CITY OF NEW BRIGHTON, MINNESOTA**  
**DEBT SERVICE PAYMENTS TO MATURITY**  
**SPECIAL ASSESSMENT BONDS**  
December 31, 2012

**Exhibit 2**

	2007A Bonds	2009A Bonds	2010A Bonds	2011A Bonds	2012A Bonds	Totals
Bonds Payable	\$295,000	\$305,000	\$3,160,000	\$1,085,000	\$930,000	\$5,775,000
Future Interest Payable	42,420	46,606	142,263	90,528	57,362	379,179
<b>Totals</b>	<b>\$337,420</b>	<b>\$351,606</b>	<b>\$3,302,263</b>	<b>\$1,175,528</b>	<b>\$987,362</b>	<b>\$6,154,179</b>
Payments to Maturity:						
2013	\$50,940	\$44,800	\$824,625	\$386,143	\$171,466	\$1,477,974
2014	49,380	43,838	829,125	223,942	208,192	1,354,477
2015	47,800	42,787	823,325	67,601	212,077	1,193,590
2016	46,200	41,737	825,188	66,639	51,283	1,031,047
2017	49,500	45,562	-	75,289	50,877	221,228
2018	47,700	44,213	-	73,826	50,259	215,998
2019	45,900	42,713	-	72,185	49,471	210,269
2020	-	45,956	-	70,365	48,684	165,005
2021	-	-	-	68,383	47,761	116,144
2022	-	-	-	71,155	46,704	117,859
2023	-	-	-	-	50,588	50,588
<b>Totals</b>	<b>\$337,420</b>	<b>\$351,606</b>	<b>\$3,302,263</b>	<b>\$1,175,528</b>	<b>\$987,362</b>	<b>\$6,154,179</b>



**CITY OF NEW BRIGHTON, MINNESOTA**  
**DEBT SERVICE PAYMENTS TO MATURITY**  
**TAX INCREMENT BONDS**  
December 31, 2012

	2004B Taxable Tax Increment Bonds	2006A Tax Increment Bonds	2007B Tax Increment Bonds	2009A Tax Increment Bonds	2009B Taxable Tax Increment Bonds
Bonds payable	\$ 1,215,000	\$ 20,450,000	\$ 14,985,000	\$ 150,000	\$ 360,000
Future interest payable	29,865	11,698,584	8,590,634	1,875	4,500
Totals	<u>\$ 1,244,865</u>	<u>\$ 32,148,584</u>	<u>\$ 23,575,634</u>	<u>\$ 151,875</u>	<u>\$ 364,500</u>
Payments to maturity:					
2013	\$ 1,244,865	\$ 1,196,750	\$ 772,220	\$ 151,875	\$ 364,500
2014	-	1,519,538	693,720	-	-
2015	-	1,651,700	784,820	-	-
2016	-	1,649,825	1,166,120	-	-
2017	-	1,631,994	1,183,720	-	-
2018	-	1,647,781	1,170,320	-	-
2019	-	1,646,222	1,170,836	-	-
2020	-	1,642,612	1,169,951	-	-
2021	-	1,646,662	1,152,614	-	-
2022	-	1,656,650	1,143,904	-	-
2023	-	1,638,437	1,168,925	-	-
2024	-	1,638,325	1,167,475	-	-
2025	-	1,635,838	1,167,669	-	-
2026	-	1,634,375	1,183,838	-	-
2027	-	1,628,750	1,148,581	-	-
2028	-	1,620,375	1,149,481	-	-
2029	-	1,623,875	1,141,019	-	-
2030	-	1,619,000	1,174,703	-	-
2031	-	1,615,750	1,175,187	-	-
2032	-	1,604,125	1,188,375	-	-
2033	-	-	1,502,156	-	-
Totals	<u>\$ 1,244,865</u>	<u>\$ 32,148,584</u>	<u>\$ 23,575,634</u>	<u>\$ 151,875</u>	<u>\$ 364,500</u>

**Exhibit 3**

2011A Tax Increment Bonds	2011B Taxable Tax Increment Bonds	2012A Tax Increment Bonds	2012B Taxable Tax Increment Bonds	Totals
\$ 555,000	\$ 1,690,000	\$ 1,765,000	\$ 1,095,000	\$ 42,265,000
9,159	49,026	26,161	65,877	20,475,681
<u>\$ 564,159</u>	<u>\$ 1,739,026</u>	<u>\$ 1,791,161</u>	<u>\$ 1,160,877</u>	<u>\$ 62,740,681</u>
\$ 184,718	\$ 538,068	\$ 606,409	\$ 57,800	\$ 5,117,205
188,254	546,782	481,537	208,170	3,638,001
191,187	542,856	314,420	375,845	3,860,828
-	111,320	182,770	93,565	3,203,600
-	-	206,025	127,027	3,148,766
-	-	-	130,003	2,948,104
-	-	-	102,703	2,919,761
-	-	-	65,764	2,878,327
-	-	-	-	2,799,276
-	-	-	-	2,800,554
-	-	-	-	2,807,362
-	-	-	-	2,805,800
-	-	-	-	2,803,507
-	-	-	-	2,818,213
-	-	-	-	2,777,331
-	-	-	-	2,769,856
-	-	-	-	2,764,894
-	-	-	-	2,793,703
-	-	-	-	2,790,937
-	-	-	-	2,792,500
-	-	-	-	1,502,156
<u>\$ 564,159</u>	<u>\$ 1,739,026</u>	<u>\$ 1,791,161</u>	<u>\$ 1,160,877</u>	<u>\$ 62,740,681</u>

**CITY OF NEW BRIGHTON, MINNESOTA**  
**TAXABLE VALUATIONS, TAX LEVIES AND TAX RATES**  
December 31, 2012 and 2011

**Exhibit 4**

	<u>2012/13</u>	<u>2011/12</u>
Taxable valuations:		
Real estate	\$19,548,500	\$20,654,500
Personal property	300,900	285,800
Totals	<u>19,849,400</u>	<u>20,940,300</u>
Fiscal disparities:		
Contribution	(2,448,300)	(2,496,200)
Distribution	3,195,700	3,024,600
Tax increment	<u>(2,950,000)</u>	<u>(3,614,200)</u>
Totals	<u>\$17,646,800</u>	<u>\$17,854,500</u>
Taxes levied:		
General revenue	\$6,319,808	\$6,163,708
Bonded debt	<u>967,500</u>	<u>1,123,600</u>
Totals	<u>\$7,287,308</u>	<u>\$7,287,308</u>
Local tax rate:		
General Revenue	35.917	32.032
Debt Service	<u>5.499</u>	<u>5.839</u>
Totals	<u>41.416</u>	<u>37.871</u>

Note: Valuations are rounded to the nearest hundred.

Special Assessment Bonds

Year of Levy/ Collection	2007 Improvement Bonds	2009 Improvement Bonds	2010 Improvement Bonds	2011 Improvement Bonds	2012 Improvement Bonds	Totals
2012/2013	\$ 41,500	\$ 28,300	\$ 878,800	\$ 180,140	\$ 203,656	\$ 1,332,396
2013/2014	40,300	28,000	872,800	53,545	208,213	1,202,858
2014/2015	39,100	27,600	877,100	53,363	39,279	1,036,442
2015/2016	43,200	32,600	-	63,103	39,258	178,161
2016/2017	41,800	32,000	-	62,106	39,142	175,048
2017/2018	40,400	31,300	-	61,110	38,672	171,482
2018/2019	-	35,600	-	59,738	38,202	133,540
2019/2020	-	-	-	58,367	37,733	96,100
2020/2021	-	-	-	61,904	36,979	98,883
2021/2022	-	-	-	-	41,476	41,476
	<u>\$ 246,300</u>	<u>\$ 215,400</u>	<u>\$ 2,628,700</u>	<u>\$ 653,376</u>	<u>\$ 722,610</u>	<u>\$ 4,466,386</u>

Note: Amounts rounded to the nearest hundred.





**III. STATISTICAL  
SECTION  
(UNAUDITED)**



### III. Statistical Section (Unaudited)

This part of the City of New Brighton’s 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><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	141
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the City’s most significant local revenue source, the property tax.	146
<b>Debt Capacity</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.	150
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.	155
<b>Operating Information</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.	157

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.



**CITY OF NEW BRIGHTON, MINNESOTA**  
**Net Position**  
**Last Ten Fiscal Years**  
 (accrual basis of accounting)

Schedule 1

	Fiscal Year									
	2012	2011, restated	2010	2009	2008	2007, As Restated	2006	2005	2004	2003
<b>Governmental activities</b>										
Net Investment in capital assets	\$ 40,746,517	\$ 41,276,316	\$ 39,399,953	\$ 37,130,837	\$ 36,252,630	\$ 35,983,366	\$ (1,308,162)	\$ 16,449,848	\$ 14,654,768	\$ 21,684,651
Restricted	1,337,498	1,452,611	2,802,493	4,505,248	6,942,556	9,623,225	23,466,889	25,988,169	6,139,944	26,023,135
Unrestricted	18,074,024	15,851,796	14,083,779	10,417,177	483,829	(4,503,677)	28,563,054	18,586,677	45,147,050	18,484,956
Total governmental activities net position	\$ 60,158,039	\$ 58,580,723	\$ 56,286,225	\$ 52,053,262	\$ 43,679,015	\$ 41,102,914	\$ 30,721,781	\$ 61,024,694	\$ 65,941,762	\$ 66,192,742
<b>Business-type activities</b>										
Net Investment in capital assets	\$ 11,326,255	\$ 11,054,111	\$ 10,560,115	\$ 10,124,668	\$ 9,302,659	\$ 9,513,849	\$ 9,767,381	\$ 9,250,962	\$ 9,300,245	\$ 9,599,357
Restricted	-	58,940	58,940	58,940	58,940	58,940	58,940	58,940	-	-
Unrestricted	3,164,475	3,366,382	3,508,642	3,839,992	4,926,513	4,802,394	3,538,189	3,492,932	3,449,906	3,557,629
Total business-type activities net position	\$ 14,490,730	\$ 14,479,433	\$ 14,127,697	\$ 14,023,600	\$ 14,288,112	\$ 14,375,183	\$ 13,364,510	\$ 12,802,834	\$ 12,750,151	\$ 13,156,986
<b>Primary government</b>										
Net Investment in capital assets	\$ 52,072,772	\$ 52,330,427	\$ 49,960,068	\$ 47,255,505	\$ 45,555,289	\$ 45,497,215	\$ 8,459,219	\$ 25,700,810	\$ 23,955,013	\$ 31,284,008
Restricted	1,337,498	1,511,551	2,861,433	4,564,188	7,001,496	9,682,165	23,525,829	26,047,109	6,139,944	26,023,135
Unrestricted	21,238,499	19,218,178	17,592,421	14,257,169	5,410,342	298,717	32,101,243	22,079,609	48,596,956	22,042,585
Total primary government net position	\$ 74,648,769	\$ 73,060,156	\$ 70,413,922	\$ 66,076,862	\$ 57,967,127	\$ 55,478,097	\$ 64,086,291	\$ 73,827,528	\$ 78,691,913	\$ 79,349,728

**CITY OF NEW BRIGHTON, MINNESOTA**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
 (accrual basis of accounting)

Schedule 2

	Fiscal Year									
	2012	2011, restated	2010	2009	2008	2007	2006	2005	2004	2003
<b>Expenses</b>										
Governmental activities:										
General government	\$ 1,708,455	\$ 1,669,295	\$ 1,649,952	\$ 1,563,223	\$ 1,761,472	\$ 1,387,717	\$ 1,621,987	\$ 898,444	\$ 1,523,375	\$ 1,476,275
Community development	2,338,616	2,294,932	1,929,557	1,010,044	5,553,914	8,265,917	16,583,307	7,087,696	4,313,219	2,510,077
Public safety	5,074,784	5,131,153	5,180,599	5,125,263	4,924,853	4,637,656	4,499,574	4,687,187	4,303,569	5,350,963
Public works	5,620,482	4,939,938	5,202,189	5,115,047	5,003,738	5,132,600	4,334,246	6,011,310	4,885,746	3,549,613
Parks and recreation	2,787,129	1,958,747	2,547,634	2,547,584	2,794,698	2,721,099	2,569,548	3,102,466	2,394,749	2,071,321
Interest on long-term debt	1,966,395	2,085,176	2,277,117	2,653,080	2,848,149	3,262,742	1,956,610	1,758,376	1,479,943	1,619,408
Total governmental activities expenses	19,495,861	18,079,241	18,836,998	18,014,291	22,886,824	25,407,731	31,565,272	23,515,479	18,900,601	16,577,657
Business-type activities:										
Water	\$ 1,575,995	\$ 1,390,229	\$ 1,475,820	\$ 2,448,142	\$ 1,773,056	\$ 1,348,406	\$ 1,302,442	\$ 1,278,387	\$ 1,218,282	\$ 1,146,895
Sewer	2,402,868	2,354,110	2,377,676	2,365,701	2,310,703	2,127,942	2,075,864	2,120,194	2,002,225	1,924,452
Stormwater	577,794	584,133	499,466	547,197	487,139	440,236	412,708	464,777	449,779	470,133
Street lights	202,503	180,971	135,291	154,145	162,066	136,754	143,245	114,282	140,723	-
Golf course	334,621	321,992	381,813	326,760	333,179	326,205	330,781	301,700	397,752	349,331
Driving range	-	-	-	-	-	-	-	-	102,964	90,289
Total business-type activities expenses	5,093,781	4,831,435	4,870,066	5,841,945	5,066,143	4,379,543	4,265,040	4,279,340	4,311,725	3,981,100
Total primary government expenses	\$ 24,589,642	\$ 22,910,676	\$ 23,707,062	\$ 23,856,236	\$ 27,952,967	\$ 29,787,274	\$ 35,830,312	\$ 27,794,819	\$ 23,212,326	\$ 20,558,757
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 585,618	\$ 575,232	\$ 473,030	\$ 619,381	\$ 705,376	\$ 556,358	\$ 469,381	\$ 446,664	\$ 410,125	\$ 407,774
Community development	913,972	341,215	907,172	4,361,146	2,460,694	2,478,331	3,694,047	983,430	860,102	866,930
Public safety	190,095	171,107	205,459	184,173	174,948	260,361	291,643	94,815	182,545	251,079
Public works	4,444,908	4,030,699	3,923,552	3,451,319	3,190,634	2,403,579	1,541,892	1,488,568	2,667,809	2,783,711
Parks and recreation	1,302,489	300,830	1,151,129	1,399,049	1,454,712	1,347,426	1,311,123	1,529,661	1,329,326	1,402,150
Operating grants and contributions	1,336,617	16,581	865,658	1,108,118	3,426,066	2,026,319	655,103	783,038	841,054	719,424
Capital grants and contributions	342,903	2,627,411	2,804,804	3,100,371	205,136	137,023	469,710	2,330,459	697,180	927,761
Total governmental activities program revenues	9,116,602	8,063,075	10,330,804	14,223,557	11,617,566	9,209,397	8,432,899	7,656,635	6,988,141	7,358,829
Business-type activities:										
Charges for services:										
Water	1,565,125	1,483,494	1,395,182	1,476,476	1,460,811	1,454,951	1,489,953	1,503,409	1,481,950	1,263,184
Sewer	2,245,207	2,340,793	2,195,172	2,119,513	2,019,223	1,998,062	1,860,718	1,822,857	1,835,131	1,854,876
Stormwater	642,159	644,395	694,998	753,890	825,785	824,511	786,637	629,005	545,489	390,516
Street lights	181,562	176,641	164,902	170,113	149,436	144,681	129,903	102,245	113,932	-
Golf Course	257,495	246,508	303,604	317,075	311,314	286,737	282,033	244,982	270,876	245,431
Driving range	-	-	2,918	21,416	20,834	22,727	24,547	26,297	42,980	77,789
Operating grants and contributions	-	-	-	-	105,070	26,782	805,195	84,140	84,507	29,598
Capital grants and contributions	4,891,548	4,891,831	4,756,776	4,858,483	4,892,473	4,758,451	5,378,980	4,328,795	4,374,498	3,942,901
Total business-type activities program revenues	\$ 14,008,150	\$ 12,954,906	\$ 15,087,580	\$ 19,082,040	\$ 16,510,059	\$ 13,967,848	\$ 13,811,885	\$ 11,985,430	\$ 11,362,639	\$ 11,301,730
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (10,379,259)	\$ (10,016,166)	\$ (8,506,194)	\$ (3,790,734)	\$ (11,269,258)	\$ (16,198,334)	\$ (23,132,373)	\$ (15,858,844)	\$ (11,912,460)	\$ (9,218,828)
Business-type activities	(202,233)	60,396	(113,290)	(983,462)	(173,670)	378,908	1,113,946	49,455	62,773	(38,199)
Total primary government net (expense)	\$ (10,581,492)	\$ (9,955,770)	\$ (8,619,484)	\$ (4,774,196)	\$ (11,442,928)	\$ (15,819,426)	\$ (22,018,427)	\$ (15,809,389)	\$ (11,849,687)	\$ (9,257,027)

CITY OF NEW BRIGHTON, MINNESOTA

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

Schedule 2

	Fiscal Year									
	2012	2011, restated	2010	2009	2008	2007	2006	2005	2004	2003
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes:										
Property taxes	\$ 7,520,854	\$ 7,205,425	\$ 7,182,201	\$ 7,251,348	\$ 7,011,671	\$ 6,760,673	\$ 6,388,283	\$ 5,887,601	\$ 5,462,075	\$ 5,137,776
Tax increment	4,361,146	4,377,928	4,481,254	4,054,948	3,595,188	3,360,048	3,006,534	2,821,055	2,865,230	2,424,849
Unrestricted grants and contributions	-	33,968	56,987	203,872	-	277,110	306,390	381,184	361,452	715,435
Unrestricted investment earnings	259,280	925,189	1,104,505	1,091,817	2,485,044	3,818,651	2,357,892	1,789,083	2,064,798	1,256,484
Gain (loss) on sale of capital assets	14,394	13,091	74,993	20,113	678,001	5,664,244	1,051	-	357,106	(116,608)
Premium on debt issued	(199,099)	(244,937)	(160,783)	-	-	-	121,189	-	-	-
Transfers	11,956,575	12,310,664	12,739,157	(457,117)	75,455	940,630	648,121	62,853	550,819	(147,674)
Total governmental activities										
	\$ 12,170,105	\$ 12,602,004	\$ 12,956,544	\$ 12,697,990	\$ 13,931,958	\$ 20,026,956	\$ 12,277,190	\$ 10,945,004	\$ 11,191,872	\$ 9,430,258
Business-type activities:										
Taxes:										
Property taxes	2,207	2,219	4,158	4,186	6,173	-	3,211	3,160	-	-
Unrestricted investment earnings	12,224	44,184	52,446	71,706	155,881	146,230	92,640	62,921	81,211	32,322
Transfers	199,099	244,937	160,783	457,117	(75,455)	(940,630)	(648,121)	(62,853)	(550,819)	(147,674)
Total business-type activities	213,530	291,340	217,387	533,009	86,599	(794,400)	(552,270)	3,228	(469,608)	179,996
Total primary government										
	\$ 12,170,105	\$ 12,602,004	\$ 12,956,544	\$ 12,697,990	\$ 13,931,958	\$ 20,026,956	\$ 12,277,190	\$ 10,945,004	\$ 11,191,872	\$ 9,430,258
<b>Change in Net Position</b>										
Governmental activities	\$ 1,577,316	\$ 2,294,498	\$ 4,232,963	\$ 8,374,247	\$ 2,576,101	\$ 4,623,022	\$ (10,302,913)	\$ (4,917,068)	\$ (250,980)	\$ 51,434
Business-type activities	11,297	351,736	104,097	(450,453)	(87,071)	(415,492)	561,676	52,683	(406,835)	141,797
Total primary government	\$ 1,588,613	\$ 2,646,234	\$ 4,337,060	\$ 7,923,794	\$ 2,489,030	\$ 4,207,530	\$ (9,741,237)	\$ (4,864,385)	\$ (657,815)	\$ 193,231

CITY OF NEW BRIGHTON, MINNESOTA  
Fund Balances, Governmental Funds

Schedule 3

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Fund										
Reserved	\$ -	\$ -	\$ 8,032	\$ 6,628	\$ 11,859	\$ 7,168	\$ 7,932	\$ -	\$ 120	\$ 5,178
Unreserved	-	-	4,845,673	5,901,102	5,656,083	5,515,202	4,758,287	4,252,689	2,782,433	3,101,968
Nonspendable:										
Prepays	3,938	9,631	-	-	-	-	-	-	-	-
Unassigned	6,031,782	5,744,435	-	-	-	-	-	-	-	-
Total Reserved	-	-	8,032	6,628	11,859	7,168	7,932	-	120	5,178
Total Unreserved	-	-	4,845,673	5,901,102	5,656,083	5,515,202	4,758,287	4,252,689	2,782,433	3,101,968
Total General Fund Balance	6,035,720	5,754,066	4,853,705	5,907,730	5,667,942	5,522,370	4,766,219	4,252,689	2,782,553	3,107,146
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ 11,650,364	\$ 13,542,485	\$ 11,668,615	\$ 10,356,458	\$ 17,100,648	\$ 25,726,964	\$ 3,613,694	\$ 4,046,307
Unreserved, reported in:										
Debt service funds	-	-	2,391,073	4,273,491	6,365,347	7,956,366	-	-	-	-
Capital projects funds	-	-	9,421,952	7,180,581	11,245,580	17,062,279	15,109,514	(6,418,830)	28,729,927	24,720,764
Nonspendable:										
Prepays	-	429	-	-	-	-	-	-	-	-
Restricted	6,312,907	5,279,524	-	-	-	-	-	-	-	-
Committed	23,377,592	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Special revenue funds	89,660	96,917	-	-	-	-	-	-	-	-
Capital projects funds	5,867,005	29,402,857	-	-	-	-	-	-	-	-
Unassigned	(13,198,761)	(12,722,794)	-	-	-	-	-	-	-	-
Total Reserved	-	-	11,650,364	13,542,485	11,668,615	10,356,458	17,100,648	25,726,964	3,613,694	4,046,307
Total Unreserved	-	-	11,813,025	11,454,072	17,610,927	25,018,645	15,109,514	(6,418,830)	28,729,927	24,720,764
Total All Other Governmental Funds	22,448,403	22,056,933	23,463,389	24,996,557	29,279,542	35,375,103	32,210,162	19,308,134	32,343,621	28,767,071
Total All Governmental Funds	\$ 28,484,123	\$ 27,810,999	\$ 28,317,094	\$ 30,904,287	\$ 34,947,484	\$ 40,897,473	\$ 36,976,381	\$ 23,560,823	\$ 35,126,174	\$ 31,874,217

Note: GASB 54 was implemented in 2011.

**CITY OF NEW BRIGHTON, MINNESOTA**  
**Changes in Fund Balances, Governmental Funds**  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting)

Schedule 4

	Fiscal Year									
	2012	2011, restated	2010	2009	2008	2007	2006	2005	2004	2003
<b>Revenues</b>										
General property taxes	\$ 7,559,535	\$ 7,301,270	\$ 7,059,034	\$ 7,048,127	\$ 6,972,578	\$ 6,729,161	\$ 6,380,719	\$ 5,882,683	\$ 4,977,382	\$ 4,648,904
Tax increment	4,361,145	4,377,928	4,481,254	4,054,948	3,595,188	3,360,048	3,006,534	2,817,671	2,862,577	2,412,361
Licenses and permits	482,589	691,400	481,672	437,869	782,484	862,997	648,967	646,285	378,849	477,090
Intergovernmental	1,437,101	1,333,219	3,719,919	4,095,446	4,628,885	3,264,869	1,779,972	1,572,950	1,594,456	1,821,716
Charges for services	8,893,525	7,685,258	8,095,320	7,850,869	7,260,010	6,617,810	3,622,963	3,578,593	3,525,213	3,454,119
Notes receivable payments	-	-	-	-	9,427	18,854	18,854	18,854	18,854	18,854
Loan receivable payments	-	-	-	-	-	-	-	-	-	9,995
Special assessments	145,934	205,342	161,272	258,479	240,044	234,659	303,828	330,975	404,634	441,023
Fines and forfeits	95,798	98,140	59,827	65,897	63,621	57,784	66,659	60,211	63,604	60,445
Investment earnings	191,949	717,309	901,177	958,723	2,203,761	3,333,296	2,055,174	1,576,372	1,794,325	1,114,125
Interest on note receivable	-	-	-	-	-	-	-	9,000	23,424	39,517
Interest on interfund loans	-	-	-	-	-	-	-	5,300	-	-
Other Interest	464,602	465,892	531,654	455,275	405,125	329,352	469,255	5,300	-	-
Capital use fee	790	-	-	-	-	-	-	-	-	-
Rents	260,637	217,959	204,931	63,000	60,600	79,400	192,815	10,000	6,300	6,300
Refunds and reimbursements	39,295	11,942	208,253	208,253	250,289	216,919	192,815	227,052	150,603	1,348,906
In-house engineering and administrative charges	8,557	36,466	24,170	55,735	25,390	12,192	3,268,472	1,442,263	1,293,161	-
Contributions and donations	31,120	24,121	55,598	45,838	126,921	46,642	53,572	27,576	31,577	-
Park dedication charge	1,630	202,120	-	-	-	102,190	35,539	271,050	-	266,474
Other	-	-	-	-	8,167	-	-	-	-	-
<b>Total revenues</b>	<b>23,974,207</b>	<b>23,368,366</b>	<b>25,775,828</b>	<b>25,598,457</b>	<b>26,632,490</b>	<b>25,266,173</b>	<b>21,903,323</b>	<b>18,476,835</b>	<b>17,244,968</b>	<b>16,119,829</b>
<b>Expenditures</b>										
General government	1,641,015	1,563,831	1,579,475	1,579,060	1,741,393	1,594,251	1,562,324	1,466,849	1,436,545	1,440,881
Community development	1,265,774	1,349,740	1,617,739	2,149,606	3,045,866	3,252,155	23,228,341	12,513,813	7,962,327	4,404,516
Parks and recreation	2,687,080	2,521,209	2,665,955	2,514,504	2,582,137	2,461,861	2,405,097	3,056,577	2,137,882	2,109,373
Public safety	4,778,626	4,868,047	4,914,930	4,850,850	4,702,894	4,347,562	4,262,344	4,149,531	4,020,536	3,766,543
Public works	6,654,129	5,407,871	6,155,603	5,587,675	5,290,764	4,924,220	4,516,946	3,491,436	3,075,691	3,270,983
Interfund interest	464,602	465,875	531,323	453,342	401,598	329,644	450,373	259,910	138,339	33,897
Capital outlay	1,240,885	3,713,523	2,564,031	6,542,705	8,993,065	5,745,954	38,869	639,345	2,203,108	4,974,991
Debt service:										
Principal	5,865,000	3,515,000	3,680,000	3,945,000	3,860,000	3,765,000	3,609,404	3,056,622	2,992,469	2,514,268
Interest	2,011,060	2,190,988	2,490,903	2,764,390	3,009,469	2,793,666	1,575,817	1,661,834	1,505,993	1,692,868
Bond issuance costs	-	-	-	-	-	-	-	12,700	56,363	23,665
Other	-	-	-	3,745	4,548	-	-	-	-	-
<b>Total expenditures</b>	<b>26,608,171</b>	<b>25,596,084</b>	<b>26,199,959</b>	<b>30,390,877</b>	<b>33,631,734</b>	<b>29,214,313</b>	<b>41,649,815</b>	<b>30,308,617</b>	<b>25,529,253</b>	<b>24,231,985</b>
Excess of revenues over (under) expenditures	(2,633,964)	(2,227,718)	(424,131)	(4,792,420)	(6,999,244)	(3,948,140)	(19,746,192)	(11,831,782)	(8,284,285)	(8,112,156)
<b>Other Financing Sources (Uses)</b>										
Bond proceeds	3,790,000	4,335,000	4,760,000	2,295,000	-	15,440,000	32,401,940	-	10,585,000	2,860,000
Premium (discount) on debt issued	-	-	76,238	14,116	-	(199,241)	121,189	-	43,317	(9,944)
Refunded debt	-	(3,640,000)	(5,725,000)	(1,890,000)	-	(11,951,940)	-	-	-	-
Transfers in	6,947,232	8,349,567	8,422,604	6,235,149	11,893,296	10,396,641	8,103,833	264,496	550,819	55,496
Transfers out	(7,430,144)	(8,017,729)	(9,751,653)	(5,907,842)	(11,126,267)	(9,370,987)	(7,468,712)	-	-	(205,528)
Sale of land or capital assets	-	-	54,749	2,800	282,226	3,554,759	3,500	1,935	357,106	-
<b>Total other financing sources (uses)</b>	<b>3,307,088</b>	<b>1,026,838</b>	<b>(2,163,062)</b>	<b>749,223</b>	<b>1,049,255</b>	<b>7,869,232</b>	<b>33,161,750</b>	<b>266,431</b>	<b>11,536,242</b>	<b>2,700,024</b>
Special Item - sale of land	-	694,785	-	-	-	-	-	-	-	-
<b>Net change in fund balances</b>	<b>673,124</b>	<b>(506,095)</b>	<b>(2,587,193)</b>	<b>(4,043,197)</b>	<b>(5,949,989)</b>	<b>3,921,092</b>	<b>13,415,558</b>	<b>(11,565,351)</b>	<b>3,251,957</b>	<b>(5,412,132)</b>
Debt service as a percentage of noncapital expenditures	30.6%	25.0%	25.0%	23.3%	21.4%	22.9%	12.6%	16.2%	19.3%	17.8%

**CITY OF NEW BRIGHTON, MINNESOTA**  
**TAX CAPACITY AND ESTIMATED MARKET VALUE OF TAXABLE PROPERTY**  
 Last Ten Fiscal Years  
 (Unaudited)

**Schedule 5**

Year Taxes Payable	Tax Capacity Value					Net Taxable Value	Assessor's Estimated Market Value of Taxable Property	Total Direct Tax Rate
	Real Property	Personal Property	Total	Fiscal Disparities	Tax Increment			
2003	\$ 16,373,300	\$ 223,200	\$ 16,596,500	\$ 646,900	\$ (2,109,200)	\$ 15,134,200	\$ 1,389,352,100	1.42
2004	17,903,500	223,800	18,127,300	547,100	(2,586,500)	16,087,900	1,539,088,700	1.34
2005	20,014,100	236,700	20,250,800	566,700	(2,649,400)	18,168,100	1,732,531,300	1.20
2006	21,645,300	246,500	21,891,800	557,800	(2,776,700)	19,672,900	1,888,235,800	1.21
2007	23,336,100	257,300	23,593,400	613,400	(3,176,000)	21,030,800	2,026,064,400	1.14
2008	24,599,600	259,800	24,859,400	887,100	(3,657,800)	22,088,700	2,115,568,700	1.12
2009	24,615,700	260,600	24,876,300	996,700	(3,929,500)	21,943,500	2,091,744,100	1.20
2010	23,727,900	255,600	23,983,500	1,083,000	(4,103,900)	20,962,600	2,005,697,200	1.36
2011	22,461,200	270,700	22,731,900	862,500	(3,850,800)	19,743,600	1,910,547,900	1.35
2012	20,644,900	283,500	20,928,400	528,400	(3,602,300)	17,854,500	1,736,054,500	1.59

Source: Ramsey County Department of Property Records and Revenue.

Note: Amounts rounded to the nearest hundred.

**CITY OF NEW BRIGHTON, MINNESOTA**

## Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

(rate per \$1,000 of assessed value)

(Unaudited)

**Schedule 6**

Fiscal Year	City Direct Rates			Overlapping Rates			Total
	Basic Rate	General Obligation Debt Service	Total Direct	School (1)	County	Other (2)	
2003	1.06	0.36	1.42	0.87	2.16	0.26	4.71
2004	1.07	0.27	1.34	0.82	1.99	0.20	4.35
2005	0.95	0.25	1.20	0.79	1.76	0.21	3.96
2006	0.96	0.25	1.21	0.83	1.66	0.26	3.96
2007	0.91	0.23	1.14	0.80	1.55	0.27	3.76
2008	0.92	0.20	1.12	0.70	1.51	0.26	3.59
2009	1.05	0.15	1.20	0.81	1.65	0.27	3.93
2010	1.17	0.19	1.36	0.91	1.85	0.29	4.41
2011	1.18	0.17	1.35	0.98	2.09	0.32	4.74
2012	1.34	0.25	1.59	1.22	2.57	0.42	5.80

(1) The majority of New Brighton is served by School District 621 and Intermediate School District 916. Rates for these districts are used in the table.

(2) Other includes: Metropolitan Council, Metropolitan Airports Commission, and Metro Watershed

Source: Ramsey County Department of Taxation.

**CITY OF NEW BRIGHTON, MINNESOTA**  
 Principal Property Taxpayers  
 Current Year and Nine Years Ago  
 (Unaudited)

**Schedule 7**

Taxpayer	2012			2003		
	Net Tax Capacity for Taxes Payable	Rank	Percent of Total City Net Tax Capacity	Net Tax Capacity for Taxes Payable	Rank	Percent of Total City Net Tax Capacity
Industrial Equities Group LLC	\$ 464,754	1	2.60%	\$ 291,242	1	1.92%
Xcel Energy	234,608	2	1.31%	158,920	4	1.05%
HSNB LLC	223,690	3	1.25%	-		-
AX US LP	201,530	4	1.13%	-		-
New Brighton Business Center LLC	193,848	5	1.09%	142,404	5	0.94%
Engelsma Investment	189,870	6	1.06%	-		-
CU Mortgage Services Inc	189,005	7	1.06%	-		-
Spartacus Ventures LLC	153,610	8	0.86%	-		-
Individuals	153,150	9	0.86%	-		-
Remmele Engineering Inc.	137,674	10	0.77%	106,116	8	0.70%
Polynesian Village 1994 LP	-		-	176,773	2	1.17%
Brighton Village Apts. LLC	-		-	164,160	3	1.08%
LL900 Assoc. LP	-		-	119,250	6	0.79%
Business Data Records Services	-		-	118,704	7	0.78%
Brooks New Brighton LLC	-		-	102,020	9	0.67%
Meadowood Shores Senior Housing	-		-	95,400	10	0.63%
<b>Total</b>	<b>\$ 2,141,739</b>		<b>11.99%</b>	<b>\$ 1,474,989</b>		<b>9.73%</b>

Source: Ramsey County Department of Property Records and Revenue.

**CITY OF NEW BRIGHTON, MINNESOTA**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
 Last Ten Fiscal Years  
 (Unaudited)

**Schedule 8**

Fiscal Year Ended Dec 31,	Total Tax Levy	Current Tax Collections	Percent of Current Levy Collected	Delinquent Tax Collections in Subsequent Years	Total Tax Collections	Refunds, Adjustments and Abatements	Total Collections and Adjustments as a Percent of Levy	Outstanding Delinquent Taxes	Delinquent Taxes as a Percent of Current Levy
2003	\$ 5,487,800	\$ 5,433,600	99.01%	\$ 28,400	\$ 5,462,000	\$ (27,900)	99.02%	\$ 44,700	0.82%
2004	5,760,200	5,716,700	99.24%	40,300	5,757,000	(9,500)	99.78%	38,400	0.67%
2005	6,187,900	6,122,100	98.94%	23,800	6,145,900	(8,600)	99.18%	71,800	1.17%
2006	6,708,100	6,590,500	98.25%	6,400	6,596,900	(35,400)	97.81%	147,600	2.24%
2007	6,973,500	6,866,600	98.47%	60,400	6,927,000	(33,600)	98.85%	160,500	2.34%
2008	7,248,200	7,143,900	98.56%	44,800	7,188,700	(13,600)	98.99%	206,400	2.89%
2009	7,395,700	7,261,300	98.18%	30,000	7,291,300	(18,000)	98.34%	292,800	4.03%
2010	7,395,700	7,243,400	97.94%	-	7,243,400	(9,800)	97.81%	435,300	6.01%
2011	7,395,700	7,312,200	98.87%	180,800	7,493,000	(8,500)	101.20%	329,500	4.51%
2012	7,287,300	7,215,400	99.01%	10,000	7,225,400	(579)	99.14%	390,821	5.42%

Note: Does not include tax increment levies and collections.  
 Note: Amounts rounded to the nearest hundred.

**CITY OF NEW BRIGHTON, MINNESOTA**  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years  
(Unaudited)

**Schedule 9**

Fiscal Year	Governmental Activities					Business-Type Activities			Total Primary Government	Debt as a Percentage of Personal Income (1)	Debt Per Capita (1)
	Equipment Certificates	G.O. Improvement Bonds	Tax Incremental Bonds	EIDA Revenue Bonds	Notes Payable	Contract for Debt Payable	Revenue Bonds				
2003	\$ 1,360,000	\$ 8,890,000	\$ 10,665,000	\$ 12,070,000	\$ 495,500	\$ 186,700	\$ 1,400,000	\$ 35,067,200	5.73%	\$ 1,579	
2004	905,000	8,880,000	19,285,000	11,220,000	320,700	175,100	1,220,000	42,005,800	6.86%	1,892	
2005	455,000	7,510,000	18,545,000	10,340,000	238,900	159,800	1,030,000	38,278,700	6.25%	1,724	
2006	-	6,420,000	37,465,000	9,420,000	12,101,600	140,100	905,000	66,451,700	10.85%	2,993	
2007	-	5,775,000	50,745,000	8,460,000	52,100	122,700	770,000	65,924,800	9.33%	2,944	
2008	-	4,685,000	48,980,000	7,455,000	-	101,300	675,000	61,896,300	8.37%	2,764	
2009	-	4,010,000	47,165,000	6,405,000	-	80,700	580,000	58,240,700	8.38%	2,587	
2010	-	7,715,000	45,220,000	-	-	59,265	480,000	53,474,265	8.28%	2,492	
2011	-	6,790,000	43,325,000	-	-	38,855	340,000	50,493,855	7.29%	2,353	
2012	-	5,775,000	42,265,000	-	-	-	-	48,040,000	6.93%	2,235	

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.  
(1) See Schedule 14 for personal income and population data.

**CITY OF NEW BRIGHTON, MINNESOTA**  
Ratios of General Bonded Debt Outstanding  
Last Ten Fiscal Years  
(Unaudited)

**Schedule 10**

<u>Fiscal Year</u>	<u>Equipment Certificates</u>	<u>G.O. Improvement Bonds</u>	<u>Total</u>	<u>Percentage of Assessor's Estimated Market Value of Taxable Property (1)</u>	<u>Per Capita (2)</u>
2003	\$ 1,360,000	\$ 8,890,000	\$ 10,250,000	0.74%	\$ 462
2004	905,000	8,880,000	9,785,000	0.64%	441
2005	455,000	7,510,000	7,965,000	0.46%	359
2006	-	6,420,000	6,420,000	0.34%	289
2007	-	5,775,000	5,775,000	0.29%	258
2008	-	4,685,000	4,685,000	0.22%	209
2009	-	4,010,000	4,010,000	0.19%	178
2010	-	7,715,000	7,715,000	0.38%	360
2011	-	6,790,000	6,790,000	0.36%	316
2012	-	5,775,000	5,775,000	0.33%	269

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

(1) See Schedule 5 for property value data.

(2) See Schedule 14 for population data.

**CITY OF NEW BRIGHTON, MINNESOTA**  
 Direct and Overlapping Governmental Activities Debt  
 As of December 31, 2012  
 (Unaudited)

**Schedule 11**

<u>Governmental Unit:</u>	<u>Bonded Gross Debt Outstanding</u>	<u>Percentage Applicable In City*</u>	<u>Estimated City Share of Debt</u>
<u>Debt repaid with property taxes</u>			
Ramsey County	\$ 190,777,000	3.81%	\$ 7,277,838
Ramsey County Library	19,775,000	7.49%	1,481,478
Metro Watershed	1,732,957	-	-
School Districts:			
ISD No. 282	23,515,000	14.48%	3,405,072
ISD No. 621	183,433,495	20.45%	37,511,485
ISD No. 916	5,145,000	7.05%	362,590
Metro Council	1,469,848,995	0.58%	8,497,192
Metro Airports Commision	<u>9,240,000</u>	0.58%	<u>53,416</u>
Total Overlapping Debt	1,903,467,447		58,589,071
<u>Direct Debt:</u>			
City of New Brighton	<u>48,040,000</u>		<u>48,040,000</u>
Total Overlapping and Direct Debt	<u><u>\$ 1,951,507,447</u></u>		<u><u>\$ 106,629,071</u></u>
<u>Debt Ratios:</u>			
Ratio of debt per capita (21,496 population) - overlapping			\$ 2,726
Ratio of debt per capita (21,496 population) - direct			\$ 2,235
Ratio of debt per capita (21,496 population) - total			\$ 4,960
Ratio of debt to estimated market valuation of \$1,736,054,500			6.14%

\* Determined by ratio of net tax capacity (after fiscal disparities and tax increment adjustment) of property subject to taxation in overlapping unit to net tax capacity of property subject to taxation in City.

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 debt of those overlapping governments that is borne by the residents and businesses of the City of New Brighton. This process recognizes that, when considering the City'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.

Source: Ramsey County

**CITY OF NEW BRIGHTON, MINNESOTA**  
 Legal Debt Margin Information  
 Last Ten Fiscal Years  
 (Unaudited)

**Schedule 12**

	December 31, 2012	December 31, 2011	December 31, 2010	December 31, 2009	December 31, 2008	December 31, 2007	December 31, 2006	December 31, 2005	December 31, 2004	December 31, 2003
Market value	\$ 1,736,054,500	\$ 1,910,547,900	\$ 2,005,697,200	\$ 2,091,744,100	\$ 2,115,568,700	\$ 2,026,064,400	\$ 1,888,235,800	\$ 1,732,531,300	\$ 1,539,088,700	\$ 1,389,352,100
Applicable debt limit (percentage)	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Debt limit	\$ 52,081,635	\$ 57,316,437	\$ 60,170,916	\$ 62,752,323	\$ 63,467,061	\$ 60,781,932	\$ 56,647,074	\$ 51,975,939	\$ 46,172,661	\$ 41,680,563
Amount of debt applicable to debt limit:										
Total bonded debt	\$ 48,040,000	\$ 50,455,000	\$ 53,415,000	\$ 58,160,000	\$ 61,795,000	\$ 65,750,000	\$ 54,210,000	\$ 37,880,000	\$ 41,510,000	\$ 34,385,000
Less: Improvement, tax increment and revenue bonds	(48,040,000)	(50,455,000)	(53,415,000)	(51,755,000)	(54,340,000)	(57,290,000)	(45,930,000)	(28,570,000)	(31,195,000)	(23,075,000)
Less: Cash and investments in related debt service funds	-	-	-	(1,005,668)	(1,447,719)	(1,424,265)	(1,311,739)	(1,046,288)	(1,012,848)	(1,020,663)
Total debt applicable to debt limit	\$ 52,081,635	\$ 57,316,437	\$ 60,170,916	\$ 57,352,991	\$ 57,459,780	\$ 53,746,197	\$ 49,678,813	\$ 43,712,227	\$ 36,870,509	\$ 31,591,226
Legal debt margin	0.00%	0.00%	0.00%	8.60%	9.47%	11.58%	12.30%	15.90%	20.15%	24.69%
Total net debt applicable to the limit as a percentage of debt limit										

**CITY OF NEW BRIGHTON, MINNESOTA**

Pledged-Revenue Coverage

Last Ten Fiscal Years

(Unaudited)

**Schedule 13**

Fiscal Year	Special Assessment Collections	Debt Service Requirements			Coverage
		Principal	Interest and Paying Agent Fees	Total	
<b>Special Assessment:</b>					
2003	\$ 213,400	\$ 1,085,000	\$ 306,500	\$ 1,391,500	0.15
2004	222,600	1,275,000	334,400	1,609,400	0.14
2005	202,600	1,370,000	312,700	1,682,700	0.12
2006	183,000	1,090,000	270,600	1,360,600	0.13
2007	169,300	1,100,000	229,100	1,329,100	0.13
2008	147,300	1,090,000	206,200	1,296,200	0.11
2009	128,900	1,050,000	160,600	1,210,600	0.11
2010	115,000	1,055,000	131,800	1,186,800	0.10
2011	96,700	2,320,000	174,400	2,494,400	0.04
2012	84,010	1,945,000	137,800	2,082,800	0.04

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.  
Amounts rounded to the nearest hundred.

**CITY OF NEW BRIGHTON, MINNESOTA**  
 Demographic and Economic Statistics  
 Last Ten Calendar Years  
 (Unaudited)

**Schedule 14**

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (thousands of dollars) (2)</u>	<u>Per Capita Personal Income (2)</u>	<u>Unemployment Rate (3)</u>
2003	22,206	\$ 612,308	\$ 27,574	3.1%
2004	22,206	612,308	27,574	3.1%
2005	22,206	612,308	27,574	2.5%
2006	22,206	612,308	27,574	3.2%
2007	22,391	706,705	31,562	3.9%
2008	22,391	739,418	33,023	4.6%
2009	22,511	694,599	30,856	6.8%
2010	21,456	645,804	30,099	5.6%
2011	21,456	692,278	32,265	5.8%
2012	21,496	693,568	32,265	5.6%

- (1) Population provided by the federal census for 2003 through 2006 and 2010 through 2011.  
 Population provided by Metropolitan Council estimate for 2007 through 2009 and 2012.
- (2) Personal income and per capita personal income figures provided by American Community Survey compiled by Metropolitan Council.
- (3) Unemployment rate figures provided by Minnesota Dept of Employment and Economic Development based on an annual average.

**CITY OF NEW BRIGHTON, MINNESOTA**  
Principal Employers  
Current Year and Nine Years Ago  
(Unaudited)

**Schedule 15**

Employer	2012			2003		
	Number of Employees (1)	Rank	Percentage of Total City Employment	Number of Employees (2)	Rank	Percentage of Total City Employment
Medtox Laboratory Inc.	633	1	5.25%	450	2	4.26%
Independent School District No. 621 (3)	584	2	4.84%	1,961	1	18.58%
H. Brooks & Company	500	3	4.14%	-	-	-
Donnatelle	350	4	2.90%	350	3	-
City of New Brighton	294	5	2.44%	-	-	-
Hypro LLC	240	6	1.99%	235	5	2.23%
Mission Foods	220	7	1.82%	-	-	-
Lakeville Motor Express Inc.	200	8	1.66%	-	-	-
Health & Rehab of New Brighton	180	9	1.49%	-	-	-
Print Craft, Inc.	175	10	1.45%	175	7	1.66%
Next Day Gourmet	-	-	-	250	4	2.37%
Rehabicare Inc.	-	-	-	200	6	1.90%
Cub Foods	-	-	-	145	8	1.37%
Trevilla Nursing Home	-	-	-	140	9	1.33%
Sparta Foods/La Canasta	-	-	-	130	10	1.23%

(1) Source: Written and telephone survey (January/February 2012), Infogroup

(2) Source: Telephone survey of individual employers, October 2003

(3) Information for 2003 reflects total District employment. Information for 2012 reflects only the City's portion.

**CITY OF NEW BRIGHTON, MINNESOTA**

Full-time Equivalent City Employees by Function/Program

**Schedule 16**

Last Ten Fiscal Years

(Unaudited)

<b>Function/Program</b>	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>General Government</b>										
Administration (1)	5.4	4.8	5.3	5.4	5.5	5.3	5.3	4.0	4.3	4.3
Finance	5.5	5.5	5.5	5.3	5.3	5.2	5.3	5.3	5.3	5.3
Elections	0.5	0.8	0.8	0.7	0.7	1.0	0.4	0.8	1.0	1.0
License Bureau	1.4	1.4	1.4	1.6	1.6	1.6	1.6	1.6	1.6	1.6
Community Development	7.0	8.5	7.5	8.0	7.5	7.0	7.0	6.0	6.0	6.0
<b>Parks and Recreation</b>										
Parks	10.6	9.2	9.4	9.1	9.2	9.4	7.1	7.1	7.1	7.1
Forestry	1.9	1.7	1.8	1.8	1.8	1.8	1.4	0.6	0.6	0.6
Recreational Programs	11.3	11.4	11.4	11.4	10.6	11.5	13.2	10.6	8.8	8.8
Community Center	10.0	10.4	10.5	11.5	11.2	12.2	13.8	13.2	12.3	12.3
<b>Public Safety</b>										
Police	35.0	34.0	34.0	35.0	32.6	34.1	33.6	32.6	31.6	31.6
Fire (2)	-	-	-	-	2.4	2.4	2.4	2.4	2.4	2.4
<b>Public Works</b>										
Engineering	4.8	4.0	4.5	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Streets	14.0	14.8	15.6	15.6	15.1	15.0	14.8	14.8	14.8	14.8
City Garage	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Golf	4.9	4.6	4.5	4.5	4.9	4.9	4.9	4.7	4.9	4.9
Information Technology	1.0	1.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
<b>Totals</b>	<b>115.3</b>	<b>114.1</b>	<b>116.2</b>	<b>117.9</b>	<b>116.4</b>	<b>119.4</b>	<b>118.8</b>	<b>111.7</b>	<b>108.6</b>	<b>108.6</b>

(1) City Council members are paid salaries, but are not considered employees

(2) Firefighters are volunteers who are paid per call and per drill and are not considered employees

CITY OF NEW BRIGHTON, MINNESOTA  
 Operating Indicators by Function/Program  
 For the Fiscal Year Ending December 31, 2012

Schedule 17

Function/Program	Fiscal Year 2012	Fiscal Year 2011	Fiscal Year 2010	Fiscal Year 2009	Fiscal Year 2008	Fiscal Year 2007	Fiscal Year 2006
<b>Community development</b>							
Single family building permits	217	248	265	197	209	582	626
Multi-family building permits	16	11	18	12	11	24	10
All other building permits	65	60	80	49	64	81	70
<b>Public Safety</b>							
<b>Police</b>							
Criminal offenses (actual and attempts)	615	530	611	564	584	672	587
Traffic accidents	309	261	320	293	280	287	281
DWI's	84	87	134	121	119	119	122
Parking violations	447	456	660	653	528	626	635
Hazardous moving violations	1,855	1,226	1,289	1,259	1,225	1,371	1,348
Non-hazardous moving violations	742	598	769	824	1,107	970	739
<b>Fire</b>							
Fire incidents	90	83	94	102	84	90	61
Rescue and emergency medical service incidents	10	6	11	9	14	14	20
Hazardous conditions (no fire)	50	41	71	50	62	67	57
False alarms	125	118	120	116	108	119	119
<b>Public Works</b>							
Street sealcoating (miles)	4	4	4	4	5	9	9
Street mill and overlay (miles)	-	1	1	-	-	1	-
Street reconstruction (miles)	-	1	1	-	1	1	-
<b>Parks and Recreation</b>							
Daily youth wristbands (includes twilight)	48,247	52,738	44,847	42,234	40,907	36,961	39,212
Daily teen wristbands	-	-	84	276	266	318	577
Daily adult wristbands	3,224	2,935	2,910	4,818	5,055	5,282	5,876
Birthday parties	1,140	1,170	991	954	940	1,075	1,074
Softball teams	108	105	116	172	128	120	62
Aquatic registrants	827	754	741	896	890	1,042	1,162
Life-long recreation registrants	943	648	952	1,560	1,618	1,560	1,455
Sports camps and league registrants	1,341	838	1,047	1,234	1,366	1,550	1,666
Adaptive recreation registrants	63	69	73	111	129	131	145
Summer playground registrants	-	-	296	278	345	271	308
Dance registrants	154	117	93	104	151	160	193
<b>Water</b>							
Average daily consumption (thousands of gallons)	2,566	2,313	2,346	2,411	2,334	2,729	2,500
Peak daily consumption (thousands of gallons)	5,647	5,277	3,959	5,892	5,330	7,694	6,460
Water main breaks	17	20	20	26	35	21	25
<b>Sewer</b>							
Average daily sewage discharge (thousands of gallons)	1,737	1,974	1,737	1,686	1,978	1,750	2,440
<b>Golf course</b>							
Number of rounds played	21,632	20,877	25,124	25,658	25,426	25,999	23,918

**CITY OF NEW BRIGHTON, MINNESOTA**  
 Capital Asset Statistics by Function/Program  
 For the Fiscal Year Ending December 31, 2012

Schedule 18

<b>Function/Program</b>	<b><u>Fiscal Year 2012</u></b>	<b><u>Fiscal Year 2011</u></b>	<b><u>Fiscal Year 2010</u></b>	<b><u>Fiscal Year 2009</u></b>	<b><u>Fiscal Year 2008</u></b>	<b><u>Fiscal Year 2007</u></b>	<b><u>Fiscal Year 2006</u></b>
<b>General Government</b>							
<b>Elections</b>							
Date of last election	11/6/2012	11/8/2011	11/2/2010	11/3/2009	11/4/2008	11/6/2007	11/7/2006
Number of registered voters	15,074	13,324	14,439	13,748	16,564	13,860	15,243
Number of votes cast	13,004	5,352	10,729	2,876	13,060	3,122	10,189
Percentage of registered voters voting	86.3%	40.2%	74.3%	20.9%	78.8%	22.5%	66.8%
<b>Public Safety</b>							
<b>Police</b>							
Stations	1	1	1	1	1	1	1
<b>Fire</b>							
Stations	1	1	1	1	1	1	1
<b>Public Works</b>							
Streets (miles)	71	71	71	71	71	71	71
<b>Parks and Recreation</b>							
Neighborhood parks	12	12	12	12	12	12	12
Community parks	1	1	1	1	1	1	1
Ball fields	10	10	10	10	10	10	10
Acreage of parks	160	160	160	160	160	160	160
Tennis courts	6	6	6	6	6	5	5
<b>Water</b>							
Water mains (miles)	96	96	96	96	96	95	95
Wells	11	11	11	11	11	11	11
Fire hydrants	770	770	769	769	772	759	774
Water towers/tanks	4	4	4	4	4	4	4
Treatment plants	5	5	5	5	5	5	1
<b>Sewer</b>							
Sanitary sewers (miles)	74	74	74	74	74	78	78
Lift stations	5	5	5	5	5	5	5
<b>Stormwater</b>							
Storm sewers (miles)	42	42	42	42	42	40	40
<b>Street Lights</b>							
Number of streetlights	962	962	962	961	961	921	881
<b>Golf course</b>							
Number of holes	9	9	9	9	9	9	9
Acreage	31	31	31	31	31	31	31