



**COMPREHENSIVE
ANNUAL FINANCIAL
REPORT OF THE
CITY OF NEW BRIGHTON,
MINNESOTA
FOR THE YEAR ENDED
DECEMBER 31, 2011**

**Prepared by:
Finance Department**

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





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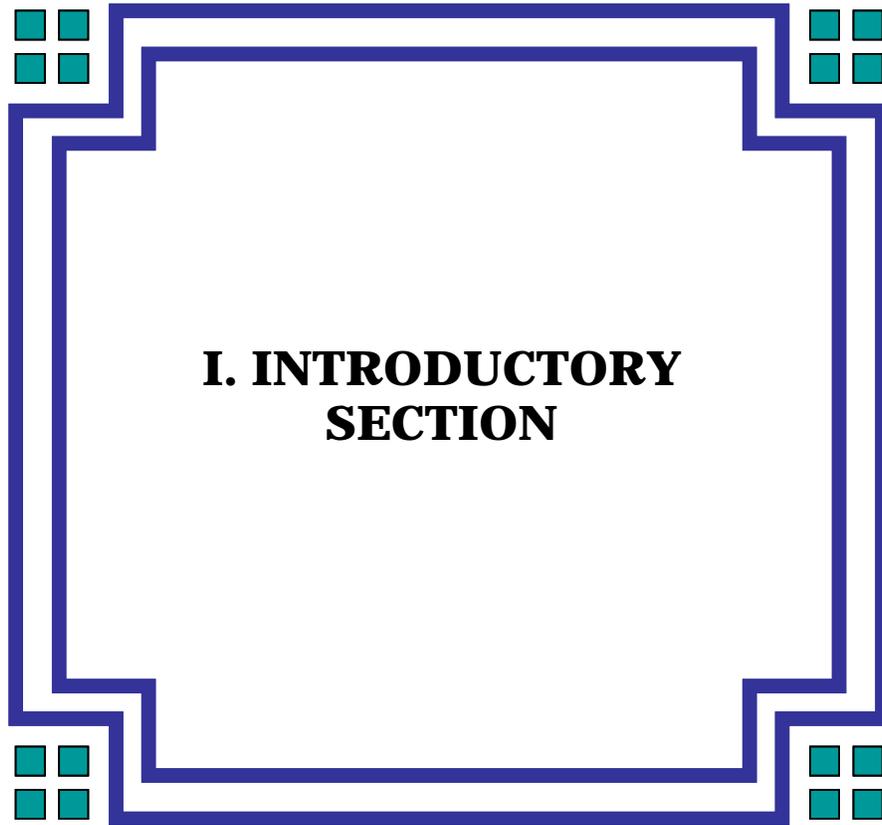
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May 5, 2012

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, 2011.

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, 2011. 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 21,456.

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 2011/2012 enrollment of 1,794 and ISD #621 (Mounds View), which has a 2011/2012 enrollment of 9,786. 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 and 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 in 2010 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 1.65% in 2011.

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 just below \$1,173,000. 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 of New Brighton executed a development agreement in 2011 with Stuart Development Company d/b/a The View at Long Lake, LLC under which the City sold approximately 4 acres of land in the Northwest Quadrant of the I-694 and I-35W interchange west of Old Highway 8 for the purpose of constructing a 124 unit apartment building.

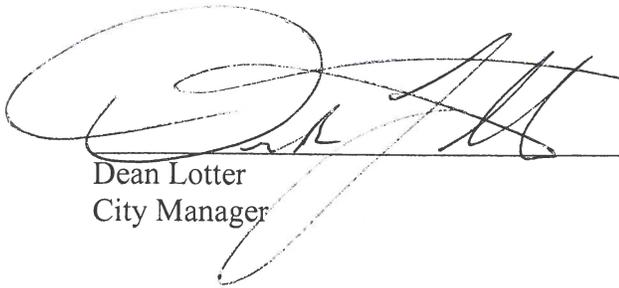
Awards and Acknowledgements

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, 2010. This was the twenty-first 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, 2010

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.



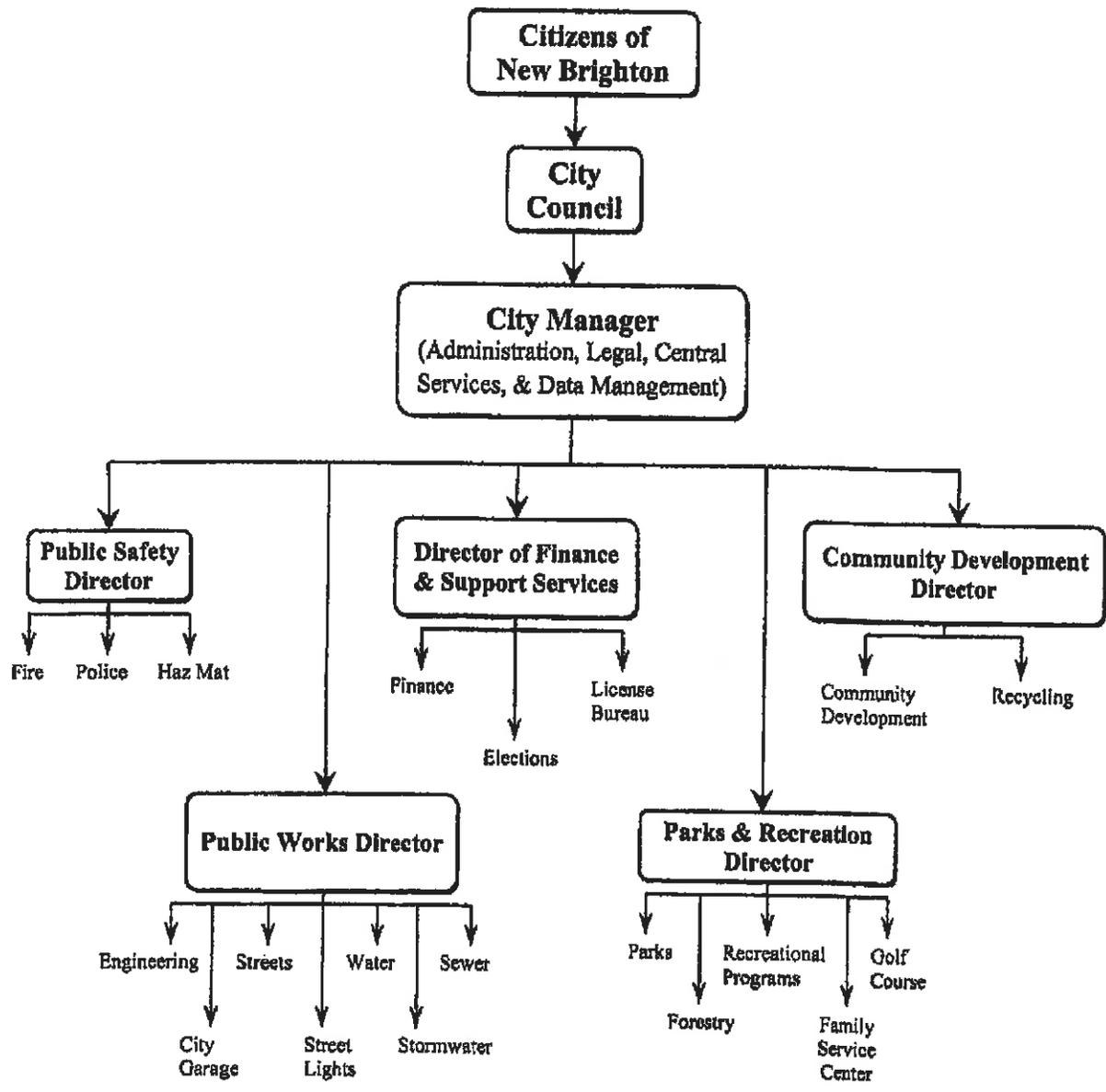
Linda C. Davison

President

Jeffrey R. Enos

Executive Director

City of New Brighton Organizational Chart





CITY OF NEW BRIGHTON, MINNESOTA
PRINCIPAL CITY OFFICIALS
December 31, 2011

Elected Officials

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

Appointed Personnel

| | <u>Position</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 |





**II. FINANCIAL
SECTION**





Expert advice. When you need it.SM

INDEPENDENT AUDITOR'S REPORT

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

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, 2011, which collectively comprise the City's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year partial comparative information has been derived from the City's 2010 financial statements and, in our report dated May 17, 2011, we 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.

We conducted our audit in accordance with U.S. generally accepted auditing standards 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of New Brighton, Minnesota, as of December 31, 2011, and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with U.S. generally accepted accounting principles.

The City has implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* for the year ended December 31, 2011.

The financial statements include partial prior year comparative information. Such information does not include all of the information required to constitute a presentation in conformity with U.S. generally accepted accounting principles. Accordingly, such information should be read in conjunction with the City's financial statements for the year ended December 31, 2010, from which such partial information was derived.



In accordance with *Government Auditing Standards*, we have also issued a report dated June 1, 2012, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

U.S. generally accepted accounting principles require that the Management's Discussion and Analysis and the budgetary comparative information, 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 GASB, 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 U.S. generally accepted auditing standards, 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The Combining and Individual Fund Statements, Schedule and Supplementary Financial Information identified in the Table of Contents are presented for purposes of additional analysis and are not a required part of the financial statements. The information is the responsibility of management and was derived from and relate directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated, in all material respects in relation to the financial statements as a whole.

The information identified in the Table of Contents as the Introductory and Statistical Sections is presented for purposes of additional analysis and is not a required part of the basic financial statements of the City. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Kern, DeWenter, Viere, Ltd.

KERN, DEWENTER, VIERE, LTD.
St. Cloud, Minnesota
June 1, 2012

CITY OF NEW BRIGHTON, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2011

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, 2011. 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 \$73,825,408 (*net assets*). Of this amount, \$19,983,430 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$3,411,486.
- As of the close of the current fiscal year, the City of New Brighton's governmental funds reported combined ending fund balances of \$28,576,251, an increase of \$259,157 in comparison with the prior year. Approximately 81.5% of this total amount, \$23,286,667, 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 \$5,744,435, or 53.4% of total General Fund expenditures.
- The City of New Brighton's total bonded debt decreased by \$2,960,000 (5.5%) during the current fiscal year due to principal payments of \$7,295,000 and the issuance of General Obligation Improvement Bonds, Series 2011A, \$2,130,000 and Taxable General Obligation Tax Increment Bonds, Series 2011B, \$2,205,000.

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 assets* presents information on all of the City of New Brighton's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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.

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.

CITY OF NEW BRIGHTON, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2011

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 58 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, Dedicated Treatment Plant #1 Financing, Municipal Development, Community Reinvestment, and Tax Increment District numbers 31, 31A, 32, and 32A, all of which are considered to be major funds. Data from the other 50 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.

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.

CITY OF NEW BRIGHTON, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2011

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 assets 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 \$73,825,408 at the close of the most recent fiscal year.

A portion of the City of New Brighton's net assets 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 increased by \$2,370,359 in 2011 to \$52,330,427. The primary reasons for this were due to depreciation of \$3,479,016 and paying off debt principal in the amount of \$7,295,000. 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.

CITY OF NEW BRIGHTON, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2011

City of New Brighton's Net Assets

| | <u>Governmental Activities</u> | | <u>Business-type Activities</u> | | <u>Total</u> | |
|----------------------------------------------------|--------------------------------|----------------------|---------------------------------|---------------------|----------------------|----------------------|
| | <u>2011</u> | <u>2010</u> | <u>2011</u> | <u>2010</u> | <u>2011</u> | <u>2010</u> |
| Current and other assets | \$77,391,114 | \$80,566,487 | \$3,721,630 | \$3,768,336 | \$81,112,744 | \$84,334,823 |
| Capital assets | <u>48,066,316</u> | <u>47,114,953</u> | <u>11,394,111</u> | <u>11,040,115</u> | <u>59,460,427</u> | <u>58,155,068</u> |
| Total assets | <u>\$125,457,430</u> | <u>\$127,681,440</u> | <u>\$15,115,741</u> | <u>\$14,808,451</u> | <u>\$140,573,171</u> | <u>\$142,489,891</u> |
| Long-term liabilities | | | | | | |
| outstanding | \$49,455,361 | \$49,248,503 | \$444,622 | \$471,034 | \$49,899,983 | \$49,719,537 |
| Other liabilities | <u>16,656,094</u> | <u>22,146,712</u> | <u>191,686</u> | <u>209,720</u> | <u>16,847,780</u> | <u>22,356,432</u> |
| Total liabilities | <u>\$66,111,455</u> | <u>\$71,395,215</u> | <u>\$636,308</u> | <u>\$680,754</u> | <u>\$66,747,763</u> | <u>\$72,075,969</u> |
| Net assets: | | | | | | |
| Invested in capital assets, net of related debt | \$41,276,316 | \$39,399,953 | \$11,054,111 | \$10,560,115 | \$52,330,427 | \$49,960,068 |
| Restricted | 1,452,611 | 2,802,493 | 58,940 | 58,940 | 1,511,592 | 2,861,433 |
| Unrestricted | <u>16,617,048</u> | <u>14,083,779</u> | <u>3,366,382</u> | <u>3,508,642</u> | <u>19,983,430</u> | <u>17,592,421</u> |
| Total net assets | <u>\$59,345,975</u> | <u>\$56,286,225</u> | <u>\$14,479,433</u> | <u>\$14,127,697</u> | <u>\$73,825,408</u> | <u>\$70,413,922</u> |

An additional portion of the City of New Brighton's net assets (\$1,511,592) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$19,983,430) 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 assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

The government's net assets increased by \$3,411,486 during the 2011 fiscal year. Key elements of this increase are as follows:

CITY OF NEW BRIGHTON, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2011

City of New Brighton's Changes in Net Assets

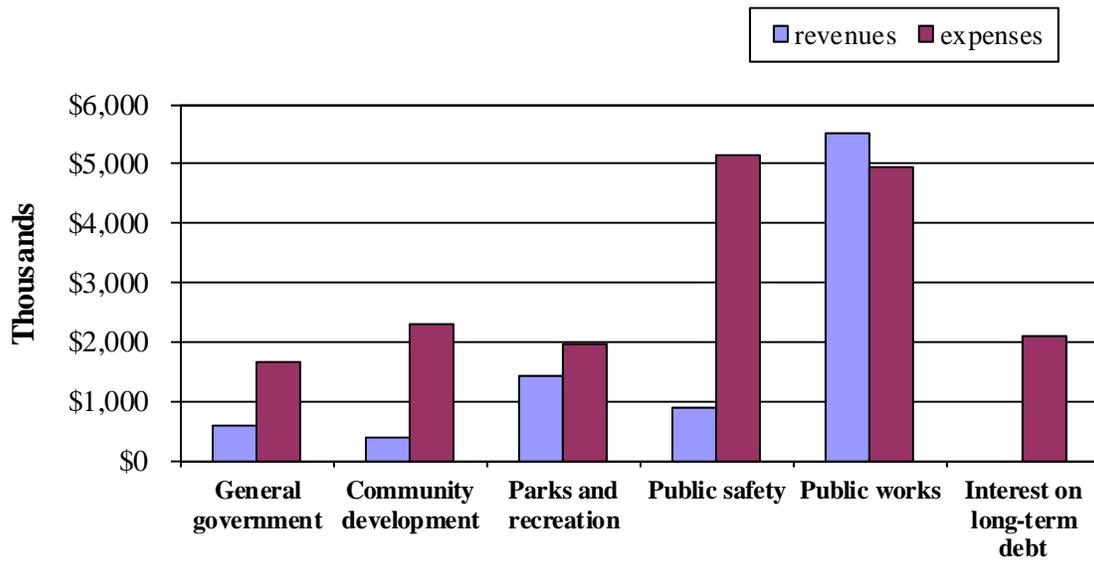
| | <u>Governmental Activities</u> | | <u>Business-type Activities</u> | | <u>Total</u> | |
|--------------------------------------------------------------|--------------------------------|---------------------|---------------------------------|---------------------|---------------------|---------------------|
| | <u>2011</u> | <u>2010</u> | <u>2011</u> | <u>2010</u> | <u>2011</u> | <u>2010</u> |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$5,419,083 | \$6,660,342 | \$4,891,831 | \$4,753,858 | \$10,310,914 | \$11,414,200 |
| Operating grants and contributions | 781,833 | 865,658 | - | 2,918 | 781,833 | 868,576 |
| Capital grants and contributions | 2,627,411 | 2,804,804 | - | - | 2,627,411 | 2,804,804 |
| General revenues: | | | | | | |
| Property taxes | 7,205,425 | 7,182,201 | 2,219 | 4,158 | 7,207,644 | 7,186,359 |
| Other taxes | 4,377,928 | 4,481,254 | - | - | 4,377,928 | 4,481,254 |
| Grants and contributions not restricted to specific programs | 33,968 | 56,987 | - | - | 33,968 | 56,987 |
| Unrestricted investment earnings | 925,189 | 1,104,505 | 44,184 | 52,446 | 969,373 | 1,156,951 |
| Gain on sale of capital assets | <u>13,091</u> | <u>74,993</u> | <u>-</u> | <u>-</u> | <u>13,091</u> | <u>74,993</u> |
| Total revenues | <u>21,383,928</u> | <u>23,230,744</u> | <u>4,938,234</u> | <u>4,813,380</u> | <u>26,322,162</u> | <u>28,044,124</u> |
| Expenses: | | | | | | |
| General government | 1,669,295 | 1,649,952 | - | - | 1,669,295 | 1,649,952 |
| Community development | 2,294,932 | 1,929,557 | - | - | 2,294,932 | 1,929,557 |
| Parks and recreation | 1,958,747 | 2,597,584 | - | - | 1,958,747 | 2,597,584 |
| Public safety | 5,131,153 | 5,180,599 | - | - | 5,131,153 | 5,180,599 |
| Public works | 4,939,938 | 5,202,189 | - | - | 4,939,938 | 5,202,189 |
| Interest on long-term debt | 2,085,176 | 2,277,117 | - | - | 2,085,176 | 2,277,117 |
| Water | - | - | 1,390,229 | 1,475,820 | 1,390,229 | 1,475,820 |
| Sewer | - | - | 2,354,110 | 2,377,676 | 2,354,110 | 2,377,676 |
| Stormwater | - | - | 584,133 | 499,466 | 584,133 | 499,466 |
| Street lights | - | - | 180,971 | 135,291 | 180,971 | 135,291 |
| Golf course | - | - | 321,922 | 381,813 | 321,992 | 381,813 |
| Total expenses | <u>18,079,241</u> | <u>18,836,998</u> | <u>4,831,435</u> | <u>4,870,066</u> | <u>22,910,676</u> | <u>23,707,064</u> |
| Increase (decrease) in net assets before transfers | 3,304,687 | 4,393,746 | 106,799 | (56,686) | 3,411,486 | 4,337,060 |
| Transfers | <u>(244,937)</u> | <u>(160,783)</u> | <u>244,937</u> | <u>160,783</u> | <u>-</u> | <u>-</u> |
| Increase (decrease) in net assets | 3,059,750 | 4,232,963 | 351,736 | 104,097 | 3,411,486 | 4,337,060 |
| Net assets – January 1 | <u>56,286,225</u> | <u>52,053,262</u> | <u>14,127,697</u> | <u>14,023,600</u> | <u>70,413,922</u> | <u>66,076,862</u> |
| Net assets – December 31 | <u>\$59,345,975</u> | <u>\$56,286,225</u> | <u>\$14,479,433</u> | <u>\$14,127,697</u> | <u>\$73,825,408</u> | <u>\$70,413,922</u> |

CITY OF NEW BRIGHTON, MINNESOTA
MANAGEMENT’S DISCUSSION AND ANALYSIS
 December 31, 2011

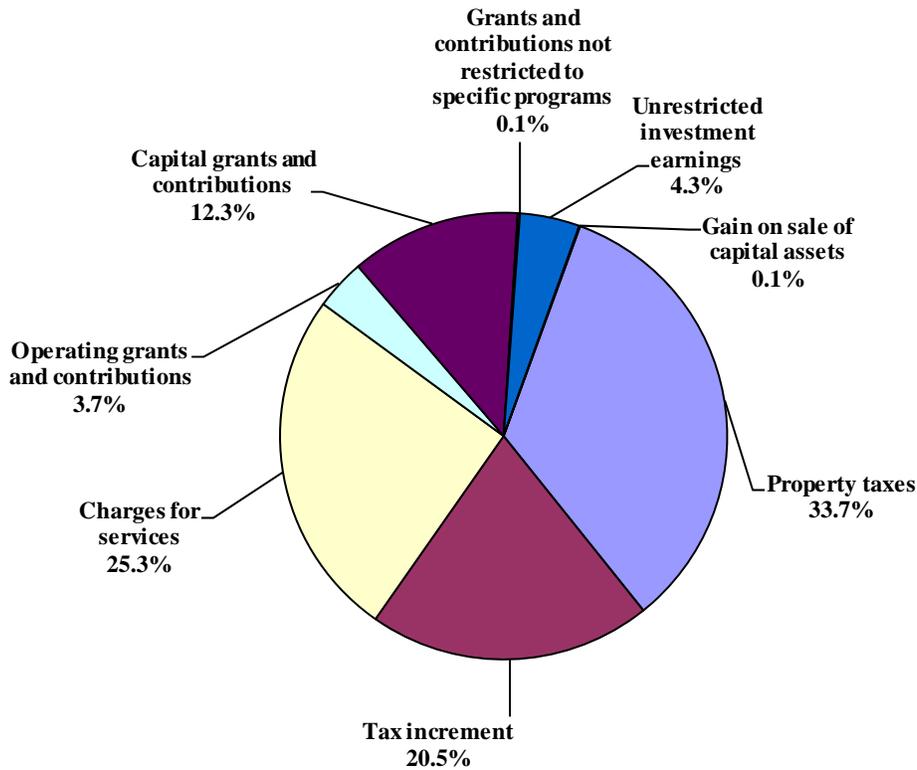
Governmental activities. Governmental activities increased the City of New Brighton’s net assets by \$3,059,750. Key elements of this increase are:

- The City’s General Fund increased by \$900,361.
- Internal service funds increased by \$1,018,577 as designed to accumulate resources to replace equipment and vehicles.
- Transfers out to business-type activities were \$244,937.
- Land sale proceeds from redevelopment efforts were \$694,785.

Expenses and Program Revenues - Governmental Activities



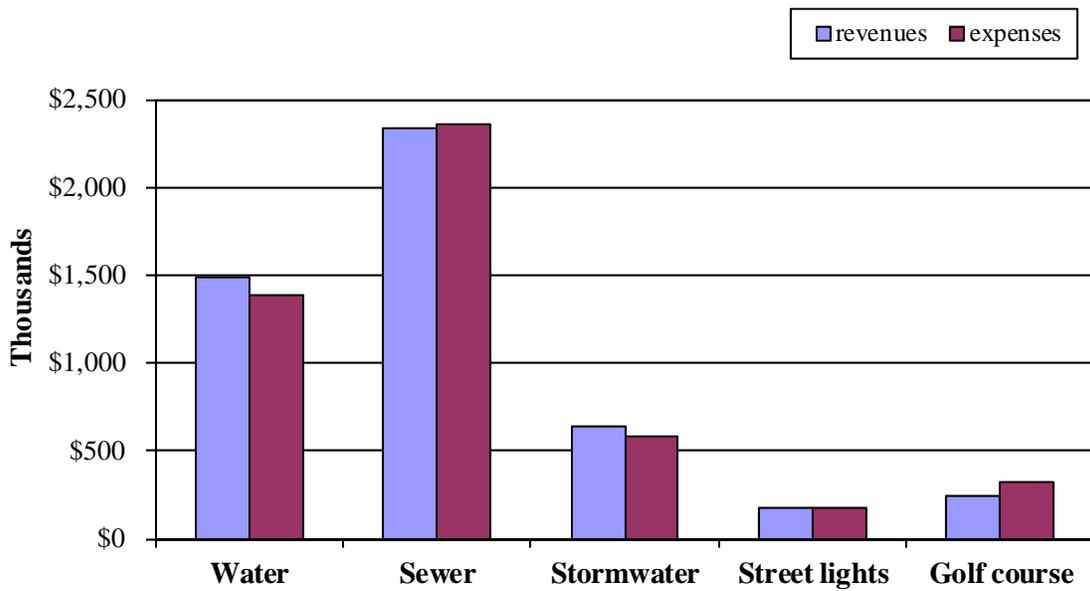
Revenues by Source - Governmental Activities



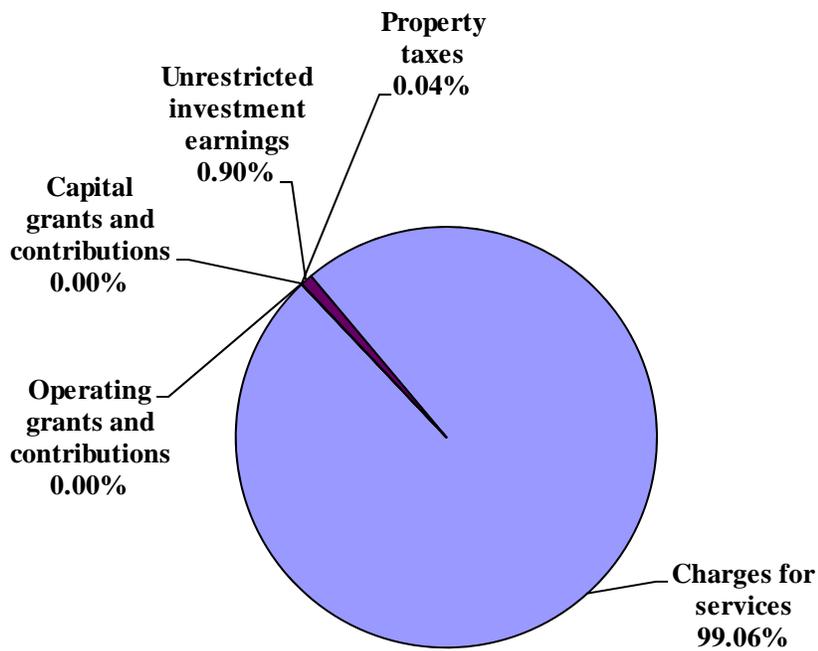
Business-type activities. Business-type activities increased the City of New Brighton's net assets by \$351,736. The key elements of this increase are as follows:

- The change in net assets of the Water, Sewer, Stormwater, Street Lights and Golf Course enterprise funds were \$160,063.
- Non-operating revenues included \$44,184 of investment earnings.
- Transfers from governmental funds were \$244,937.

Expenses and Program Revenues - Business-type Activities



Revenues by Source - Business-type Activities



CITY OF NEW BRIGHTON, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2011

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 \$28,576,251, an increase of \$259,157 in comparison with the prior year. Approximately 81.5% of this total amount (\$23,286,667) constitutes *spendable unrestricted, fund balance*, which is available for spending at the government's discretion. \$5,279,524 is restricted for 1) tax increment (\$3,200,803), 2) park dedication (\$400,984), 3) public safety (\$53,939) and 4) debt retirement (\$1,623,798). The remainder of fund balance is *nonspendable* to indicate that it is not available for spending because it is not in spendable form, 1) for prepaid items (\$10,060).

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 \$9,631; the unassigned fund balance was \$5,744,435 while total fund balance reached \$5,754,066. 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 53.4% of total General Fund expenditures and total fund balance represents 53.5% of that same amount.

The General Fund increased by \$900,361 during the current fiscal year. The final amended 2011 General Fund budget was a deficit of (\$10,000). The Municipal Development Fund increased by \$644,293, primarily because of interest on investments and interfund loans. The Community Reinvestment Fund decreased by \$416,902 from transfers out to debt service funds, consistent with the long-term plan. Nonmajor Debt Service Funds decreased by \$767,490 as planned by utilizing escrow deposits specifically established for bonds which were refunded during the year, and for the 2007B Tax Increment Bonds. The New Brighton Exchange redevelopment capital project (Tax Increment Districts 31, 31A, 32 and 32A) decreased by \$33,180 due to further redevelopment expenditures. The nonmajor tax increment capital project funds decreased by \$480,191 as districts, which are receiving more tax increment revenues than required to pay off their debts, have transferred \$1,650,000 to the New Brighton Exchange redevelopment capital project funds. Other non-major capital projects increased by \$404,819, mostly the result of bond proceeds received in the Street Improvements fund and the receipt of \$202,120 of park dedication revenues in the Park Improvements fund.

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 assets of the water, sewer, stormwater, street light system, and golf course operations at the end of the year amounted to \$2,079,499. The change in net assets for each fund was: Water Utility decreased \$65,693; Sewer Utility decreased \$178,007; Stormwater Management Utility increased \$451,274; Street Light System decreased \$6,334; and Municipal Golf Course decreased \$41,177. 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, 2011

General Fund Budgetary Highlights

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

- Property tax revenues were \$183,751 more than anticipated in the budget due to higher collections of delinquents and excess tax increment.
- Building permit revenues were \$257,579 more than anticipated due to one significant project in the New Brighton Exchange redevelopment.
- Community development fee revenues were below budget by \$123,223 due to less activity with redevelopment activities.
- The Community Center recognized more revenue than expected resulting in a favorable variance of \$133,311.
- Personnel expenditures were less than budgeted across every department in the General Fund by \$431,367. Reasons for this include non-union compensation increases budgeted were not implemented, temporary vacancies for various positions and re-hiring of vacant positions at a rate lower than budgeted.

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, 2011, amounts to \$59,460,427 (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 increase in the City of New Brighton's investment in capital assets for the current fiscal year was 2.25% (a 2.02% increase for governmental activities and a 3.21% increase for business-type activities).

Major capital asset events during the current fiscal year included the following: upgrading water system controls at Water Treatment Plant #1, purchasing land for new City parks, building a new library, reconstruction of City streets, 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>Total</u> | |
|------------------------------------------------------|--------------------------------|---------------------|---------------------------------|---------------------|---------------------|---------------------|
| | <u>2011</u> | <u>2010</u> | <u>2011</u> | <u>2010</u> | <u>2011</u> | <u>2010</u> |
| Land | \$6,080,734 | \$5,398,485 | \$847,400 | \$847,400 | \$6,928,134 | \$6,245,885 |
| Buildings and structures | 17,319,248 | 17,830,504 | 3,684,641 | 3,673,072 | 21,003,889 | 21,503,576 |
| Machinery and equipment | 4,880,444 | 4,565,850 | 30,428 | 43,235 | 4,910,872 | 4,609,085 |
| Infrastructure and improvements other than buildings | 18,896,243 | 18,152,949 | 6,394,577 | 5,924,444 | 25,290,820 | 24,077,393 |
| Construction in progress | <u>889,647</u> | <u>1,167,165</u> | <u>437,065</u> | <u>551,964</u> | <u>1,326,712</u> | <u>1,719,129</u> |
| Total | <u>\$48,066,316</u> | <u>\$47,114,953</u> | <u>\$11,394,111</u> | <u>\$11,040,115</u> | <u>\$59,460,427</u> | <u>\$58,155,068</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 \$50,455,000. Of this amount, \$43,325,000 comprises debt backed by the full faith and credit of the government and \$6,790,000 is G.O. improvement debt for which the government is liable in the event of default by the property owners subject to special assessment. The remainder of the City of New Brighton's debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

CITY OF NEW BRIGHTON, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
 December 31, 2011

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

| | <u>Governmental Activities</u> | | <u>Business-type Activities</u> | | <u>Total</u> | |
|--------------------------------------|--------------------------------|---------------------|---------------------------------|------------------|---------------------|---------------------|
| | <u>2011</u> | <u>2010</u> | <u>2011</u> | <u>2010</u> | <u>2011</u> | <u>2010</u> |
| General obligation bonds | \$43,325,000 | \$45,220,000 | \$ - | \$ - | \$43,325,000 | \$45,220,000 |
| General obligation improvement bonds | 6,790,000 | 7,715,000 | - | - | 6,790,000 | 7,715,000 |
| Revenue bonds | - | - | <u>340,000</u> | <u>480,000</u> | <u>340,000</u> | <u>480,000</u> |
| Total | <u>\$50,115,000</u> | <u>\$52,935,000</u> | <u>\$340,000</u> | <u>\$480,000</u> | <u>\$50,455,000</u> | <u>\$53,415,000</u> |

The City of New Brighton's total bonded debt decreased by a net amount of \$2,960,000 (5.5%) during 2011. The total increased by the issuance of General Obligation Improvement Bonds, Series 2011A, \$1,395,000, General Obligation Tax Increment Bonds, Series 2011A, \$735,000 and General Obligation Taxable Tax Increment Bonds, Series 2011B, \$2,205,000 and decreased by \$7,295,000 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 2% of its total market value. The current debt limitation for the City of New Brighton is \$38,210,958. The City of New Brighton has debt of \$0 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 March, 2012, was 5.5%; Ramsey County was 6.1%; the Minneapolis/St. Paul metropolitan area was 6.1%; and the State of Minnesota was 6.5%.
- 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.
- There 2012 total tax levy decreased \$108,400 from \$7,395,700 in 2011 to \$7,287,300.

These factors were considered in preparing the City of New Brighton's budget for the 2012 fiscal year.

Changes to the 2012 rates for water, sanitary sewer, stormwater and street lights will be considered later in the year.

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 ASSETS
 December 31, 2011

Statement 1

| | Primary Government | | Totals | |
|--------------------------------------------------|-----------------------|----------------------|-----------------------|-----------------------|
| | Governmental | Business-Type | 2011 | 2010 |
| | Activities | Activities | | |
| Assets: | | | | |
| Cash and investments | \$ 40,792,982 | \$ 2,227,200 | \$ 43,020,182 | \$ 41,565,650 |
| Restricted cash and investments | 10,976,409 | 58,940 | 11,035,349 | 13,480,226 |
| Accrued interest receivable | 162,135 | 7,447 | 169,582 | 251,272 |
| Due from other governmental units | 109,182 | 4,511 | 113,693 | 145,027 |
| Internal balances | (184,858) | 184,858 | - | - |
| Accounts receivable-net | 246,403 | 1,230,317 | 1,476,720 | 1,548,057 |
| Taxes receivable: | | | | |
| Delinquent | 419,910 | - | 419,910 | 513,536 |
| Due from County | 128,354 | 41 | 128,395 | 100,235 |
| Special assessments receivable | 323,337 | 8,316 | 331,653 | 362,694 |
| Prepaid items | 10,060 | - | 10,060 | 8,626 |
| Assets held for resale | 24,407,200 | - | 24,407,200 | 26,359,500 |
| Capital Assets (net of accumulated depreciation) | | | | |
| Land | 6,080,734 | 847,400 | 6,928,134 | 6,245,885 |
| Buildings and structures | 17,319,248 | 3,684,641 | 21,003,889 | 21,503,576 |
| Machinery and equipment | 4,880,444 | 30,428 | 4,910,872 | 4,609,085 |
| Infrastructure | 15,345,390 | 3,871,855 | 19,217,245 | 18,758,922 |
| Other improvements | 3,550,853 | 2,522,722 | 6,073,575 | 5,318,471 |
| Construction in progress | 889,647 | 437,065 | 1,326,712 | 1,719,129 |
| Total assets | <u>\$ 125,457,430</u> | <u>\$ 15,115,741</u> | <u>\$ 140,573,171</u> | <u>\$ 142,489,891</u> |
| Liabilities: | | | | |
| Accounts payable | \$ 508,403 | \$ 130,285 | \$ 638,688 | \$ 499,937 |
| Salaries payable | 142,519 | 14,768 | 157,287 | 157,765 |
| Deposits payable | 48,383 | - | 48,383 | 25,042 |
| Due to other governmental units | 12,176 | 955 | 13,131 | 106,701 |
| Contracts payable | 101,974 | 7,301 | 109,275 | 134,420 |
| Unearned Revenue | 11,279,414 | - | 11,279,414 | 13,117,442 |
| Accrued interest payable | 826,976 | 3,377 | 830,353 | 938,271 |
| Compensated absences: | | | | |
| Due within one year | 249 | - | 249 | 1,854 |
| Due in more than one year | 837,861 | 139,622 | 977,483 | 889,537 |
| Bonds payable: | | | | |
| Due within one year | 3,690,000 | 35,000 | 3,725,000 | 7,295,000 |
| Due in more than one year | 46,425,000 | 305,000 | 46,730,000 | 46,120,000 |
| Pollution remediation obligation | | | | |
| Due within one year | 46,000 | - | 46,000 | 80,000 |
| Due in more than one year | 2,192,500 | - | 2,192,500 | 2,710,000 |
| Total liabilities | <u>\$ 66,111,455</u> | <u>\$ 636,308</u> | <u>\$ 66,747,763</u> | <u>\$ 72,075,969</u> |
| Net Assets: | | | | |
| Invested in capital assets, net of related debt | \$ 41,276,316 | \$ 11,054,111 | \$ 52,330,427 | \$ 49,960,068 |
| Restricted for: | | | | |
| Debt service | 1,051,627 | 58,940 | 1,110,567 | 1,769,960 |
| Capital improvements | 400,984 | - | 400,984 | 1,091,473 |
| Unrestricted | 16,617,048 | 3,366,382 | 19,983,430 | 17,592,421 |
| Total net assets | <u>\$ 59,345,975</u> | <u>\$ 14,479,433</u> | <u>\$ 73,825,408</u> | <u>\$ 70,413,922</u> |

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

CITY OF NEW BRIGHTON, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2011
With Comparative Totals For December 31, 2010

| | General | Dedicated Treatment Plant #1 Financing | Municipal Development | Community Reinvestment | Tax Increment District #31 |
|-------------------------------------------|---------------------|-------------------------------------------------|--------------------------|---------------------------|----------------------------------|
| Assets: | | | | | |
| Cash and investments | \$ 6,020,701 | \$ - | \$ 8,040,854 | \$ 4,233,018 | \$ - |
| Restricted cash and investments | - | 10,976,409 | - | - | - |
| Accrued interest receivable | - | 53,757 | 57,253 | 16,427 | - |
| Due from other governmental units | 22,399 | - | - | - | 32,768 |
| Interfund receivable | - | - | - | 336,883 | - |
| Accounts receivable | 246,403 | - | - | - | - |
| Taxes receivable: | | | | | |
| Delinquent | 178,834 | - | - | - | - |
| Due from County | 115,091 | - | - | - | - |
| Special assessments receivable | 2,233 | - | - | - | - |
| Interfund loan receivable | - | - | 11,615,030 | - | - |
| Prepaid items | 9,631 | - | - | - | - |
| Assets held for resale | - | - | - | - | 10,110,300 |
| Total assets | \$ 6,595,292 | \$ 11,030,166 | \$ 19,713,137 | \$ 4,586,328 | \$ 10,143,068 |
| Liabilities and fund balance: | | | | | |
| Liabilities: | | | | | |
| Accounts payable | \$ 217,348 | \$ - | \$ - | \$ - | \$ 4,905 |
| Interfund payable | - | - | - | - | - |
| Salaries payable | 140,286 | - | - | - | - |
| Deposits payable | 48,383 | - | - | - | - |
| Due to other governmental units | 7,127 | - | - | - | - |
| Contracts payable | - | - | - | - | - |
| Interfund loan payable | - | - | - | - | 2,903,452 |
| Deferred revenue | 428,082 | 11,030,166 | - | - | 10,110,300 |
| Total liabilities | 841,226 | 11,030,166 | - | - | 13,018,657 |
| Fund balance (deficit): | | | | | |
| Reserved for: | | | | | |
| Non-spendable | 9,631 | - | - | - | - |
| Restricted | - | - | - | - | - |
| Assigned | - | - | 19,713,137 | 4,586,328 | - |
| Unassigned | 5,744,435 | - | - | - | (2,875,589) |
| Total fund balance (deficit) | 5,754,066 | - | 19,713,137 | 4,586,328 | (2,875,589) |
| Total liabilities and fund balance | \$ 6,595,292 | \$ 11,030,166 | \$ 19,713,137 | \$ 4,586,328 | \$ 10,143,068 |

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

| Tax Increment District #31A | Tax Increment District #32 | Tax Increment District #32A | Other Governmental Funds | Totals | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|-----------------------------------|--------------------------------|----------------------|----------------------|
| | | | | Governmental Funds | |
| | | | | 2011 | 2010 |
| \$ - | \$ - | \$ - | \$ 10,655,967 | \$ 28,950,540 | \$ 28,071,722 |
| - | - | - | - | 10,976,409 | 13,421,286 |
| 3,485 | 1,004 | 4,538 | 24,644 | 161,108 | 233,756 |
| - | - | - | 11,364 | 66,531 | 142,109 |
| - | - | - | - | 336,883 | 513,804 |
| - | - | - | 1,400 | 247,803 | 245,998 |
| - | - | - | 241,076 | 419,910 | 513,536 |
| - | - | - | 13,304 | 128,395 | 100,235 |
| - | - | - | 321,104 | 323,337 | 329,067 |
| - | - | - | - | 11,615,030 | 11,650,364 |
| - | 129 | - | 300 | 10,060 | 8,236 |
| - | 13,503,900 | - | 793,000 | 24,407,200 | 26,359,500 |
| <u>\$ 3,485</u> | <u>\$ 13,505,033</u> | <u>\$ 4,538</u> | <u>\$ 12,062,159</u> | <u>\$ 77,643,206</u> | <u>\$ 81,589,613</u> |
| \$ 8,904 | \$ 3,795 | \$ 19,238 | \$ 193,237 | \$ 447,427 | \$ 403,168 |
| - | - | - | 282,981 | 282,981 | 502,727 |
| - | - | - | - | 140,286 | 140,137 |
| - | - | - | - | 48,383 | 25,042 |
| - | - | - | 4,960 | 12,087 | 105,592 |
| - | 36,983 | - | 61,060 | 98,043 | 134,420 |
| 854,918 | 2,637,327 | 2,106,200 | 3,113,133 | 11,615,030 | 11,646,864 |
| - | 13,503,900 | - | 1,350,270 | 36,422,718 | 40,314,569 |
| <u>863,822</u> | <u>16,182,005</u> | <u>2,125,438</u> | <u>5,005,641</u> | <u>49,066,955</u> | <u>53,272,519</u> |
| - | 129 | - | 300 | 10,060 | 8,032 |
| - | - | - | 5,279,524 | 5,279,524 | 17,514,578 |
| - | - | - | 5,200,309 | 29,499,774 | 17,907,560 |
| (860,337) | (2,677,101) | (2,120,900) | (3,423,615) | (6,213,107) | (7,113,076) |
| <u>(860,337)</u> | <u>(2,676,972)</u> | <u>(2,120,900)</u> | <u>7,056,518</u> | <u>28,576,251</u> | <u>28,317,094</u> |
| <u>\$ 3,485</u> | <u>\$ 13,505,033</u> | <u>\$ 4,538</u> | <u>\$ 12,062,159</u> | <u>\$ 77,643,206</u> | <u>\$ 81,589,613</u> |
| Fund balance reported above | | | | \$ 28,576,251 | \$ 28,317,094 |
| Amounts reported for governmental activities in the statement of net assets are different because: | | | | | |
| Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds | | | | 43,441,024 | 42,890,824 |
| Other long-term assets are not available to pay for current-period expenditures and therefore, are deferred in the funds | | | | 25,143,304 | 27,197,127 |
| 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 assets | | | | 16,413,995 | 15,451,273 |
| Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore, are not reported in the funds | | | | (50,941,976) | (53,867,788) |
| Utility capital projects funds are included in the governmental funds but should be included with the business-type activities | | | | (1,048,123) | (912,305) |
| Pollution Remediation obligation is not due and payable in the current year and is not reported in the funds | | | | (2,238,500) | (2,790,000) |
| Net assets of governmental activities | | | | <u>\$ 59,345,975</u> | <u>\$ 56,286,225</u> |

The accompanying 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, 2011
With Comparative Totals For The Year Ended December 31, 2010

| | General | Dedicated Treatment Plant #1 Financing | Municipal Development | Community Reinvestment | Tax Increment District #31 |
|-------------------------------------------------|---------------------|----------------------------------------------|--------------------------|---------------------------|----------------------------------|
| Revenues: | | | | | |
| General property taxes | \$ 7,299,051 | \$ - | \$ - | \$ - | \$ - |
| Tax increment | - | - | - | - | 147,265 |
| Licenses and permits | 691,400 | - | - | - | - |
| Intergovernmental | 598,437 | - | - | - | 19,250 |
| Charges for services | 3,634,375 | 1,837,100 | 45,076 | - | - |
| Special assessments | - | - | - | - | - |
| Fines and forfeits | 60,733 | - | - | - | - |
| Investment income: | | | | | |
| Interest on investments | 79,262 | 205,348 | 121,279 | 85,353 | (2,879) |
| Change in fair value of investments | 9,629 | 18,439 | 12,063 | 8,546 | 337 |
| Interest on interfund loans | - | - | 465,875 | 17 | - |
| Rents | 216,959 | - | - | - | - |
| Refunds and reimbursements | 4,442 | - | - | - | 7,500 |
| In-house engineering and administrative charges | - | - | - | - | - |
| Contributions and donations | 7,354 | - | - | - | - |
| Park dedication charge | - | - | - | - | - |
| Total revenues | <u>12,601,642</u> | <u>2,060,887</u> | <u>644,293</u> | <u>93,916</u> | <u>171,473</u> |
| Expenditures: | | | | | |
| Current: | | | | | |
| General government | 1,547,998 | - | - | - | - |
| Community development | 813,556 | - | - | - | 25,680 |
| Parks and recreation | 2,515,080 | - | - | - | - |
| Public safety | 4,662,030 | - | - | - | - |
| Public works | 1,224,482 | 2,060,887 | - | - | - |
| Interest on interfund loans | - | - | - | - | 131,172 |
| Capital outlay: | | | | | |
| Community development | - | - | - | - | 1,252,909 |
| Parks and recreation | - | - | - | - | - |
| Public works | - | - | - | - | - |
| Debt service: | | | | | |
| Principal retirement | - | - | - | - | - |
| Interest and paying agent fees | - | - | - | - | - |
| Total expenditures | <u>10,763,146</u> | <u>2,060,887</u> | <u>-</u> | <u>-</u> | <u>1,409,761</u> |
| Revenues over (under) expenditures | <u>1,838,496</u> | <u>-</u> | <u>644,293</u> | <u>93,916</u> | <u>(1,238,288)</u> |
| Other financing sources (uses): | | | | | |
| G.O. refunding debt issued | - | - | - | - | - |
| G.O. improvement debt issued | - | - | - | - | - |
| Tax increment refunding debt issued | - | - | - | - | - |
| Premium (discount) on debt issued | - | - | - | - | - |
| Refunded debt | - | - | - | - | - |
| Transfers in | 13,465 | - | - | - | 1,904,155 |
| Transfers out | (951,600) | - | - | (510,818) | (931,686) |
| Sale of land or capital assets | - | - | - | - | - |
| Total other financing sources (uses) | <u>(938,135)</u> | <u>-</u> | <u>-</u> | <u>(510,818)</u> | <u>972,469</u> |
| Special Item - Sale of Land | - | - | - | - | 694,785 |
| Net increase (decrease) in fund balance | 900,361 | - | 644,293 | (416,902) | 428,966 |
| Fund balance - (deficit) - January 1 | <u>4,853,705</u> | <u>-</u> | <u>19,068,844</u> | <u>5,003,230</u> | <u>(3,304,555)</u> |
| Fund balance (deficit) - December 31 | <u>\$ 5,754,066</u> | <u>\$ -</u> | <u>\$ 19,713,137</u> | <u>\$ 4,586,328</u> | <u>\$ (2,875,589)</u> |

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 | |
| | | | | 2011 | 2010 |
| \$ - | \$ - | \$ - | \$ 2,219 | \$ 7,301,270 | \$ 7,059,034 |
| - | 190,364 | 33,550 | 4,006,749 | 4,377,928 | 4,481,254 |
| - | - | - | - | 691,400 | 481,672 |
| - | - | - | 1,480,784 | 2,098,471 | 3,719,919 |
| - | - | - | 2,168,707 | 7,685,258 | 8,095,320 |
| - | - | - | 205,342 | 205,342 | 161,272 |
| - | - | - | 37,407 | 98,140 | 59,827 |
| (215) | (2,106) | (714) | 166,129 | 651,457 | 844,489 |
| (100) | (321) | (94) | 17,353 | 65,852 | 56,688 |
| - | - | - | - | 465,892 | 531,654 |
| - | 1,000 | - | - | 217,959 | 204,931 |
| - | - | - | - | 11,942 | 24,170 |
| - | - | - | 36,466 | 36,466 | - |
| - | - | - | 16,767 | 24,121 | 55,598 |
| - | - | - | 202,120 | 202,120 | - |
| <u>(315)</u> | <u>188,937</u> | <u>32,742</u> | <u>8,340,043</u> | <u>24,133,618</u> | <u>25,775,828</u> |
| - | - | - | 15,833 | 1,563,831 | 1,579,475 |
| 66,756 | 47,919 | 89,700 | 306,129 | 1,349,740 | 1,617,739 |
| - | - | - | 6,129 | 2,521,209 | 2,665,955 |
| - | - | - | 206,017 | 4,868,047 | 4,914,930 |
| - | - | - | 2,122,502 | 5,407,871 | 6,155,603 |
| 30,621 | 95,415 | 78,967 | 129,700 | 465,875 | 531,323 |
| - | 235,274 | - | - | 1,488,183 | 559,263 |
| - | - | - | 34,233 | 34,233 | 336,282 |
| - | - | - | 2,191,107 | 2,191,107 | 1,668,486 |
| - | - | - | 3,515,000 | 3,515,000 | 3,680,000 |
| - | - | - | 2,190,988 | 2,190,988 | 2,490,903 |
| <u>97,377</u> | <u>378,608</u> | <u>168,667</u> | <u>10,717,638</u> | <u>25,596,084</u> | <u>26,199,959</u> |
| <u>(97,692)</u> | <u>(189,671)</u> | <u>(135,925)</u> | <u>(2,377,595)</u> | <u>(1,462,466)</u> | <u>(424,131)</u> |
| - | - | - | 788,973 | 788,973 | 4,760,000 |
| - | - | - | 606,027 | 606,027 | - |
| - | - | - | 2,940,000 | 2,940,000 | - |
| - | - | - | - | - | 76,238 |
| - | - | - | (3,640,000) | (3,640,000) | (5,725,000) |
| - | - | - | 6,431,947 | 8,349,567 | 8,422,604 |
| - | (38,858) | - | (5,584,767) | (8,017,729) | (9,751,653) |
| - | - | - | - | - | 54,749 |
| - | (38,858) | - | 1,542,180 | 1,026,838 | (2,163,062) |
| - | - | - | - | 694,785 | - |
| (97,692) | (228,529) | (135,925) | (835,415) | 259,157 | (2,587,193) |
| <u>(762,645)</u> | <u>(2,448,443)</u> | <u>(1,984,975)</u> | <u>7,891,933</u> | <u>28,317,094</u> | <u>30,904,287</u> |
| <u>\$ (860,337)</u> | <u>\$ (2,676,972)</u> | <u>\$ (2,120,900)</u> | <u>\$ 7,056,518</u> | <u>\$ 28,576,251</u> | <u>\$ 28,317,094</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, 2011

Statement 5

| | <u>2011</u> | <u>2010</u> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| Amounts reported for governmental activities in the statement of activities are different because: | | |
| Net changes in fund balances - total governmental funds (statement 4) | \$ 259,157 | \$ (2,587,193) |
| 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. | 550,200 | (934,569) |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | (2,053,823) | (50,907) |
| 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. This amount is the net effect of these differences in the treatment of long-term debt and related items. | 2,820,000 | 4,645,000 |
| 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. | 105,812 | 137,217 |
| 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. | 962,722 | 2,775,144 |
| Utility capital projects funds are included in the governmental funds but should be included with the business-type activities | (135,818) | 120,271 |
| 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>551,500</u> | <u>128,000</u> |
| Change in net assets of governmental activities (statement 2) | <u>\$ 3,059,750</u> | <u>\$ 4,232,963</u> |

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

CITY OF NEW BRIGHTON, MINNESOTA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
December 31, 2011
With Comparative Totals For December 31, 2010

| | Business-Type Activities - Enterprise Funds | | |
|----------------------------------------------------|---------------------------------------------|---------------------|--------------------------|
| | Water Utility | Sewer Utility | Stormwater Management |
| Assets | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 137,539 | \$ 389,954 | \$ 609,245 |
| Restricted cash and cash equivalents | - | - | - |
| Accrued interest receivable | 3,744 | 3,558 | - |
| Due from other governmental units | 4,511 | - | - |
| Accounts receivable: | | | |
| Customer - unbilled | 164,304 | 351,193 | 99,395 |
| Customer - billed | 120,972 | 221,376 | - |
| Customer - certified to County | - | 271,677 | - |
| Special assessments receivable: | | | |
| Due from County | - | 7,716 | 600 |
| Prepaid items | - | - | - |
| Total current assets | <u>431,070</u> | <u>1,245,474</u> | <u>709,240</u> |
| Noncurrent assets: | | | |
| Capital assets: | | | |
| Land | 365,800 | 600 | - |
| Buildings | 4,676,372 | 333,018 | - |
| Equipment | - | 6,997 | - |
| Distribution and collection systems | 7,395,131 | 8,759,016 | 3,532,014 |
| Other improvements | - | - | - |
| Construction in progress | 143,992 | 30,017 | 263,056 |
| Less accumulated depreciation | (6,492,689) | (7,674,446) | (1,009,291) |
| Net capital assets | <u>6,088,606</u> | <u>1,455,202</u> | <u>2,785,779</u> |
| Total noncurrent assets | <u>6,088,606</u> | <u>1,455,202</u> | <u>2,785,779</u> |
| Total assets | <u>6,519,676</u> | <u>2,700,676</u> | <u>3,495,019</u> |
| Liabilities | | | |
| Current liabilities: | | | |
| Accounts payable | 20,024 | 46,205 | 7,419 |
| Interfund payable | - | - | - |
| Salaries payable | 6,713 | 5,338 | 1,526 |
| Due to other governmental units | 918 | 2 | 35 |
| Contracts payable | - | - | - |
| Interfund loan payable | - | - | - |
| Accrued interest payable | - | - | - |
| Bonds payable - current | - | - | - |
| Compensated absences payable - current | - | - | - |
| Total current liabilities | <u>27,655</u> | <u>51,545</u> | <u>8,980</u> |
| Noncurrent liabilities: | | | |
| Bonds payable | - | - | - |
| Compensated absences payable | 89,691 | 37,840 | 9,759 |
| Total noncurrent liabilities | <u>89,691</u> | <u>37,840</u> | <u>9,759</u> |
| Total liabilities | <u>117,346</u> | <u>89,385</u> | <u>18,739</u> |
| Net Assets | | | |
| Invested in capital assets, net of related debt | 6,088,606 | 1,455,202 | 2,785,779 |
| Restricted for Debt Service | - | - | - |
| Unrestricted | 313,724 | 1,156,089 | 690,501 |
| Total net assets | <u>\$ 6,402,330</u> | <u>\$ 2,611,291</u> | <u>\$ 3,476,280</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 | |
| | | 2011 | 2010 | 2011 | 2010 |
| \$ - | \$ - | \$ 1,136,738 | \$ 1,275,787 | \$ 12,932,904 | \$ 12,218,141 |
| - | 58,940 | 58,940 | 58,940 | - | - |
| - | 145 | 7,447 | 8,563 | 1,027 | 8,953 |
| - | - | 4,511 | 2,918 | 42,651 | - |
| - | - | 614,892 | 600,010 | - | - |
| - | - | 342,348 | 352,603 | - | - |
| - | - | 271,677 | 349,446 | - | - |
| - | - | 8,316 | 33,627 | - | - |
| - | - | - | 390 | - | - |
| - | 59,085 | 2,444,869 | 2,682,284 | 12,976,582 | 12,227,094 |
| - | 481,000 | 847,400 | 847,400 | - | - |
| - | 728,936 | 5,738,326 | 5,645,326 | 576,325 | 576,325 |
| - | 106,320 | 113,317 | 181,861 | 8,086,754 | 7,858,968 |
| - | - | 19,686,161 | 18,905,234 | - | - |
| - | 187,137 | 187,137 | 187,137 | 568,606 | 266,040 |
| - | - | 437,065 | 551,964 | 30,672 | - |
| - | (438,869) | (15,615,295) | (15,278,807) | (4,637,065) | (4,477,204) |
| - | 1,064,524 | 11,394,111 | 11,040,115 | 4,625,292 | 4,224,129 |
| - | 1,064,524 | 11,394,111 | 11,040,115 | 4,625,292 | 4,224,129 |
| - | 1,123,609 | 13,838,980 | 13,722,399 | 17,601,874 | 16,451,223 |
| 16,121 | 4,037 | 93,806 | 42,366 | 97,455 | 54,403 |
| 7,933 | 45,969 | 53,902 | 11,077 | - | - |
| - | 1,191 | 14,768 | 15,403 | 2,233 | 2,225 |
| - | - | 955 | 1,049 | 89 | 60 |
| - | - | - | - | 11,232 | - |
| - | - | - | 3,500 | - | - |
| - | 3,377 | 3,377 | 5,483 | - | - |
| - | 35,000 | 35,000 | 140,000 | - | - |
| - | - | - | - | 249 | 1,854 |
| 24,054 | 89,574 | 201,808 | 218,878 | 111,258 | 58,542 |
| - | 305,000 | 305,000 | 340,000 | - | - |
| - | 2,332 | 139,622 | 131,034 | 837,861 | 758,503 |
| - | 307,332 | 444,622 | 471,034 | 837,861 | 758,503 |
| 24,054 | 396,906 | 646,430 | 689,912 | 949,119 | 817,045 |
| - | 724,524 | 11,054,111 | 10,560,115 | 4,625,292 | 4,224,129 |
| - | 58,940 | 58,940 | 58,940 | - | - |
| (24,054) | (56,761) | 2,079,499 | 2,413,432 | 12,027,463 | 11,410,049 |
| \$ (24,054) | \$ 726,703 | \$ 13,192,550 | \$ 13,032,487 | \$ 16,652,755 | \$ 15,634,178 |

Utility capital projects funds are included in the governmental funds but are included with the business-type activities. Adjustment to reflect the consolidation of internal service activities related to enterprise funds.

Net assets of business-type activities

| | |
|----------------------|----------------------|
| 1,048,123 | 912,305 |
| 238,760 | 182,905 |
| <u>\$ 14,479,433</u> | <u>\$ 14,127,697</u> |

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

CITY OF NEW BRIGHTON, MINNESOTA
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS - PROPRIETARY FUNDS
For The Year Ended December 31, 2011
With Comparative Totals For The Year Ended December 31, 2010

| | Business-Type Activities - Enterprise Funds | | |
|----------------------------------------------------|---------------------------------------------|---------------------|-------------------------------------|
| | Water Utility | Sewer Utility | Stormwater Management Utility |
| Operating revenues: | | | |
| Customer charges | \$ 1,164,336 | \$ 2,134,321 | \$ 595,386 |
| Late charges | 6,494 | 99,470 | - |
| Other charges | 24,276 | 4,110 | - |
| Total operating revenues | <u>1,195,106</u> | <u>2,237,901</u> | <u>595,386</u> |
| Operating expenses: | | | |
| Personnel services | 499,394 | 392,701 | 133,022 |
| Materials and supplies | 98,117 | 22,983 | 14,006 |
| Contractual services | 574,316 | 1,869,674 | 241,923 |
| Professional services | - | - | - |
| Depreciation | 208,932 | 55,389 | 114,324 |
| Total operating expenses | <u>1,380,759</u> | <u>2,340,747</u> | <u>503,275</u> |
| Operating income (loss) | <u>(185,653)</u> | <u>(102,846)</u> | <u>92,111</u> |
| Nonoperating revenues (expenses): | | | |
| Investment income: | | | |
| Interest on investments | 3,869 | 7,187 | 8,411 |
| Change in fair value of investments | 227 | 606 | 950 |
| Interest on assessments | - | - | 37 |
| Interest on interfund loan | - | - | (17) |
| In-house engineering and administrative charges | 181,398 | 85,198 | 48,798 |
| Credits and interest received from MCES | - | 17,694 | - |
| Other State aid | - | - | - |
| School District grant | - | - | - |
| Interest on bonds | (488) | - | - |
| Paying agent fees and bonding costs | - | - | - |
| Gain (loss) on disposal of capital assets | - | - | - |
| Refunds and reimbursements | - | - | 174 |
| Other - net | - | - | - |
| Total nonoperating revenues (expenses) | <u>185,006</u> | <u>110,685</u> | <u>58,353</u> |
| Income (loss) before contributions and transfers | <u>(647)</u> | <u>7,839</u> | <u>150,464</u> |
| Capital contributions | <u>322,264</u> | <u>16,954</u> | <u>407,810</u> |
| Transfers: | | | |
| Transfers from: | | | |
| General Fund | - | - | - |
| Special Revenue Funds | 1,638 | - | - |
| Capital Project Funds | - | - | - |
| Enterprise Funds | - | - | - |
| Transfers to: | | | |
| Special Revenue Funds | (1,748) | - | - |
| Capital Project Funds | (387,200) | (202,800) | (107,000) |
| Internal Service Funds | - | - | - |
| Total transfers | <u>(387,310)</u> | <u>(202,800)</u> | <u>(107,000)</u> |
| Change in net assets | (65,693) | (178,007) | 451,274 |
| Net assets - January 1 | <u>6,468,023</u> | <u>2,789,298</u> | <u>3,025,006</u> |
| Net assets - December 31 | <u>\$ 6,402,330</u> | <u>\$ 2,611,291</u> | <u>\$ 3,476,280</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 | |
| | | 2011 | 2010 | 2011 | 2010 |
| \$ 176,641 | \$ 246,508 | \$ 4,317,192 | \$ 4,203,842 | \$ 1,825,033 | \$ 2,340,823 |
| - | - | 105,964 | 97,358 | - | - |
| - | - | 28,386 | 44,727 | - | - |
| <u>176,641</u> | <u>246,508</u> | <u>4,451,542</u> | <u>4,345,927</u> | <u>1,825,033</u> | <u>2,340,823</u> |
| - | 163,779 | 1,188,896 | 1,297,333 | 241,897 | 318,648 |
| - | 19,910 | 155,016 | 117,979 | 30,013 | 20,846 |
| 182,801 | 114,063 | 2,982,777 | 3,031,219 | 610,791 | 673,837 |
| - | - | - | - | 18,934 | 3,990 |
| - | 22,065 | 400,710 | 394,866 | 590,680 | 616,915 |
| <u>182,801</u> | <u>319,817</u> | <u>4,727,399</u> | <u>4,841,397</u> | <u>1,492,315</u> | <u>1,634,236</u> |
| <u>(6,160)</u> | <u>(73,309)</u> | <u>(275,857)</u> | <u>(495,470)</u> | <u>332,718</u> | <u>706,587</u> |
| (162) | 852 | 20,157 | 27,166 | 208,850 | 210,172 |
| (12) | 26 | 1,797 | 1,899 | 21,260 | 16,537 |
| - | - | 37 | - | - | - |
| - | - | (17) | (1,233) | - | - |
| - | - | 315,394 | 358,646 | 405 | 520 |
| - | - | 17,694 | 16,818 | - | - |
| - | - | - | 2,918 | - | - |
| - | - | - | - | 10,500 | 10,500 |
| - | (21,894) | (22,382) | (27,705) | - | - |
| - | (431) | (431) | (431) | - | - |
| - | - | - | - | 13,091 | 20,244 |
| - | - | 174 | 6,321 | 119,490 | 81,184 |
| - | - | - | (321) | 570 | 5,800 |
| <u>(174)</u> | <u>(21,447)</u> | <u>332,423</u> | <u>384,078</u> | <u>374,166</u> | <u>344,957</u> |
| <u>(6,334)</u> | <u>(94,756)</u> | <u>56,566</u> | <u>(111,392)</u> | <u>706,884</u> | <u>1,051,544</u> |
| - | - | 747,028 | 730,311 | - | - |
| - | - | - | - | - | 1,258,000 |
| - | - | 1,638 | - | - | - |
| - | 57,900 | 57,900 | 279,953 | 307,372 | 551,171 |
| - | - | - | - | 4,321 | - |
| - | - | (1,748) | (1,993) | - | - |
| - | - | (697,000) | (752,282) | - | (5,800) |
| - | (4,321) | (4,321) | - | - | - |
| - | <u>53,579</u> | <u>(643,531)</u> | <u>(474,322)</u> | <u>311,693</u> | <u>1,803,371</u> |
| (6,334) | (41,177) | 160,063 | 144,597 | 1,018,577 | 2,854,915 |
| <u>(17,720)</u> | <u>767,880</u> | | | <u>15,634,178</u> | <u>12,779,263</u> |
| <u>\$ (24,054)</u> | <u>\$ 726,703</u> | | | <u>\$ 16,652,755</u> | <u>\$ 15,634,178</u> |

| | | |
|--------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| Utility capital projects funds are included in the governmental funds but should be included with the business-type activities | 135,818 | (120,271) |
| Transfers In of Capital Assets from Governmental Activities | 572,609 | - |
| Governmental Activities Contribution Revenue Reported Above | (572,609) | - |
| Adjustment to reflect the consolidation of internal service activities related to enterprise funds | 55,855 | 79,771 |
| Change in net assets of business-type activities | <u>\$ 351,736</u> | <u>\$ 104,097</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, 2011
With Comparative Totals For The Year Ended December 31, 2010

| | Business-Type Activities - Enterprise Funds | | | |
|--------------------------------------------------------------------------------------------|---------------------------------------------|-------------------|--------------------------|------------------------|
| | Water Utility | Sewer Utility | Stormwater Management | Street Light System |
| Cash flows - operating activities: | | | | |
| Receipts from customers and users | \$ 1,191,240 | \$ 2,331,766 | \$ 602,247 | \$ 176,641 |
| Receipts from interfund services provided | - | - | - | - |
| Payments to employees | (496,341) | (388,745) | (133,363) | - |
| Payments to suppliers for goods and services | (235,689) | (1,373,062) | (49,298) | (150,710) |
| Payments for interfund services used | <u>(442,000)</u> | <u>(481,100)</u> | <u>(201,300)</u> | <u>(22,600)</u> |
| Net cash flows - operating activities | <u>17,210</u> | <u>88,859</u> | <u>218,286</u> | <u>3,331</u> |
| Cash flows - noncapital financing activities: | | | | |
| Advances from (to) other funds | - | - | - | (3,144) |
| Transfer from (to) special revenue funds | 1,638 | - | - | - |
| Principal paid on bond/leases | (105,000) | - | - | - |
| Interest and paying agent fees paid on bonds/leases | (2,085) | - | - | - |
| Refunds and reimbursements | - | - | 174 | - |
| Net cash flows - noncapital and related financing activities | <u>(105,447)</u> | <u>-</u> | <u>174</u> | <u>(3,144)</u> |
| Cash flows - capital and related financing activities: | | | | |
| Other federal aid | - | - | - | - |
| Acquisition of capital assets | (12,000) | - | - | - |
| MCES current value credit | - | 17,694 | - | - |
| Other state aid | - | - | - | - |
| In-house engineering and administrative charges | 181,398 | 85,198 | 48,798 | - |
| Principal on assessments | - | - | - | - |
| Interest on assessments | - | - | 37 | - |
| Principal on interfund loan | - | - | (3,500) | - |
| Interest on interfund loan | - | - | (200) | - |
| Donations | - | - | - | - |
| Transfer from general fund | - | - | - | - |
| Transfer from capital project funds | - | - | - | - |
| Transfer to special revenue funds | (1,748) | - | - | - |
| Transfer to capital project funds | (387,200) | (202,800) | (107,000) | - |
| Proceeds from sale of capital assets | - | - | - | - |
| Net cash flows - capital and related financing activities | <u>(219,550)</u> | <u>(99,908)</u> | <u>(61,865)</u> | <u>-</u> |
| Cash flows - investing activities: | | | | |
| Investment income: | | | | |
| Interest on investments | 4,194 | 7,923 | 9,292 | (175) |
| Change in fair value of investments | 227 | 606 | 950 | (12) |
| Net cash flows - investing activities | <u>4,421</u> | <u>8,529</u> | <u>10,242</u> | <u>(187)</u> |
| Net change in cash and cash equivalents | (303,366) | (2,520) | 166,837 | - |
| Cash and cash equivalents - January 1 | 440,905 | 392,474 | 442,408 | - |
| Cash and cash equivalents - December 31 | <u>\$ 137,539</u> | <u>\$ 389,954</u> | <u>\$ 609,245</u> | <u>\$ -</u> |
| Reconciliation of operating income (loss) to net cash flows - operating activities: | | | | |
| Operating income (loss) | \$ (185,653) | \$ (102,846) | \$ 92,111 | \$ (6,160) |
| Adjustments to reconcile operating income (loss) to net cash flows - operating activities: | | | | |
| Depreciation | 208,932 | 55,389 | 114,324 | - |
| Changes in assets and liabilities: | | | | |
| Decrease (increase) in receivables | (3,866) | 93,865 | 6,861 | - |
| Inventory/prepays | - | - | 390 | - |
| Increase (decrease) in payables | (5,256) | 38,495 | 4,941 | 9,491 |
| Salaries and Compensated absences payable | 3,053 | 3,956 | (341) | - |
| Total adjustments | <u>202,863</u> | <u>191,705</u> | <u>126,175</u> | <u>9,491</u> |
| Net cash flows - operating activities | <u>\$ 17,210</u> | <u>\$ 88,859</u> | <u>\$ 218,286</u> | <u>\$ 3,331</u> |
| Noncash investing, capital and financing activities: | | | | |
| Capital Contributions | \$ 322,264 | \$ 16,954 | \$ 407,810 | \$ - |

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 | | |
| | 2011 | 2010 | 2011 | 2010 | |
| \$ 246,508 | \$ 4,548,402 | \$ 4,690,825 | \$ - | \$ - | |
| - | - | - | 1,825,033 | 2,340,823 | |
| (162,494) | (1,180,943) | (1,279,582) | (164,135) | (200,065) | |
| (74,967) | (1,883,726) | (1,976,984) | (649,815) | (714,024) | |
| (56,200) | (1,203,200) | (1,203,300) | - | - | |
| (47,153) | 280,533 | 230,959 | 1,011,083 | 1,426,734 | |
| 45,969 | 42,825 | (20,507) | - | - | |
| - | 1,638 | (1,993) | - | - | |
| (35,000) | (140,000) | (100,000) | - | - | |
| (22,650) | (24,735) | (29,679) | - | - | |
| - | 174 | 6,365 | 70,840 | 75,184 | |
| (11,681) | (120,098) | (145,814) | 70,840 | 75,184 | |
| - | - | - | 570 | 5,800 | |
| - | (12,000) | - | (957,175) | (1,197,778) | |
| - | 17,694 | 16,818 | - | - | |
| - | - | 2,918 | - | - | |
| - | 315,394 | 358,646 | 405 | 520 | |
| - | - | (34,500) | - | - | |
| - | 37 | (365) | - | - | |
| - | (3,500) | (255,950) | - | - | |
| - | (200) | (2,700) | - | - | |
| - | - | - | 16,500 | 16,500 | |
| - | - | - | - | 1,258,000 | |
| 57,900 | 57,900 | 279,953 | - | - | |
| - | (1,748) | - | - | - | |
| - | (697,000) | (752,282) | 307,372 | 545,371 | |
| - | - | - | 14,110 | 124,822 | |
| 57,900 | (323,423) | (387,462) | (618,218) | 753,235 | |
| 908 | 22,142 | 29,560 | 229,798 | 228,139 | |
| 26 | 1,797 | 1,898 | 21,260 | 16,537 | |
| 934 | 23,939 | 31,458 | 251,058 | 244,676 | |
| - | (139,049) | (270,859) | 714,763 | 2,499,829 | |
| 58,940 | 1,334,727 | 1,605,586 | 12,218,141 | 9,718,312 | |
| \$ 58,940 | \$ 1,195,678 | \$ 1,334,727 | \$ 12,932,904 | \$ 12,218,141 | |
| - | - | - | - | - | |
| \$ (73,309) | \$ (275,857) | \$ (495,470) | \$ 332,718 | \$ 706,587 | |
| 22,065 | 400,710 | 394,866 | 590,680 | 616,915 | |
| - | 96,860 | 344,899 | - | - | |
| - | 390 | (390) | - | 3,460 | |
| 2,806 | 50,477 | (30,696) | 87,685 | 99,772 | |
| 1,285 | 7,953 | 17,750 | - | - | |
| 26,156 | 556,390 | 726,429 | 678,365 | 720,147 | |
| \$ (47,153) | \$ 280,533 | \$ 230,959 | \$ 1,011,083 | \$ 1,426,734 | |
| \$ - | \$ 747,028 | \$ 730,311 | \$ - | \$ - | |

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

CITY OF NEW BRIGHTON, MINNESOTA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
December 31, 2011

Statement 9

| | <u>Hazardous Materials Program</u> | |
|-----------------------------------|------------------------------------|------------------|
| | <u>2011</u> | <u>2010</u> |
| Assets: | | |
| Cash and investments | \$ 14,954 | \$ 14,805 |
| Due from other governmental units | <u>1,303</u> | <u>2,108</u> |
| Total assets | <u>\$ 16,257</u> | <u>\$ 16,913</u> |
| Liabilities: | | |
| Accounts payable | \$ 4,379 | \$ 4,348 |
| Due to other governmental units | <u>11,878</u> | <u>12,565</u> |
| Total liabilities | <u>\$ 16,257</u> | <u>\$ 16,913</u> |

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

CITY OF NEW BRIGHTON, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

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 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 period are all considered to be susceptible to accrual and so have been recognized as revenues of the current period. Only the portion of special assessments receivable due within the current 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 *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.

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

The *Community Reinvestment Capital Projects Fund* accounts for funds which the City has dedicated to the community improvements.

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.

The *Tax Increment District No. 32 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 accounts 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.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of GASB. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

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 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

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, 2011, 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, 2011 are planned to be eliminated in 2012. 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 2011 and 2010 totaled \$ 1,273,053 and \$ 1,273,199 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. MARKET VALUE HOMESTEAD CREDIT

Property taxes on residential and agricultural homestead property (as defined by *Minnesota Statutes*) are partially reduced by Market Value Homestead Credit (MVHC). This credit is paid to the City by the State in lieu of taxes levied against homestead property. The State remits this credit through installments each year. The credit is recognized as revenue by the City at the time of collection.

K. 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.

CITY OF NEW BRIGHTON, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

L. 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, 2011, no interest was capitalized in connection with construction in progress.

The City implemented GASB Statement No. 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, 2011, 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

M. 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.

N. 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.

O. 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. These constraints are established by the City Council and/or management.

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.

P. 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Q. 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 Municipal Golf Course Fund are classified as restricted assets in the Balance Sheet, because their use is limited by the activity of the fund.

R. USE OF ESTIMATES

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

S. NET ASSETS

Net assets represent the difference between assets and liabilities in the government-wide financial statements. Net assets invested in capital assets, net of related debt 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 assets are 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.

T. 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 ASSETS

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

| | | |
|----------------------------------------------------------------------|-----------------|----------------------|
| Long-Term debt: | | |
| Bonds payable | \$ (50,115,000) | |
| Accrued interest payable | (826,976) | |
| Change in net assets | | \$ (50,941,976) |
| Capital assets (net of depreciation) | | 43,441,024 |
| Addition of deferred revenues | | 25,143,304 |
| Internal service funds | | 16,413,995 |
| Utility capital project funds included with business-type activities | | (1,048,123) |
| Pollution Remediation | | (2,238,500) |
| Net change in net assets - governmental activities | | <u>\$ 30,769,724</u> |

CITY OF NEW BRIGHTON, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

T. 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

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 assets of governmental activities as reported in the government-wide Statement of Activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.”

The details of this \$ 550,200 difference is as follows:

| | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| Capital Outlay | \$ 2,728,566 |
| Assets Contributed from County | 893,400 |
| Assets Transferred to Enterprise Funds | (572,609) |
| Disposal of Assets | (11,530) |
| Depreciation Expense | <u>(2,487,627)</u> |
| Net adjustment to increase/(decrease) net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities | <u>\$ 550,200</u> |

Another element of that reconciliation states that “Revenues on the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.” The details of this \$ (2,053,823) difference are as follows:

| | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| General property taxes deferred revenue: | |
| At December 31, 2010 | \$ (513,536) |
| At December 31, 2011 | 419,910 |
| Special assessments deferred revenue: | |
| At December 31, 2010 | (324,091) |
| At December 31, 2011 | 316,194 |
| Assets held for resale deferred revenue: | |
| At December 31, 2010 | (26,359,500) |
| At December 31, 2011 | <u>24,407,200</u> |
| Net adjustment to increase/(decrease) net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities | <u>\$ (2,053,823)</u> |

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

T. 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 \$ 2,820,000 difference are as follows:

| | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| Principal issuance and repayments: | |
| Improvement bonds | \$ 925,000 |
| Tax increment bonds | <u>1,895,000</u> |
| Net adjustment to increase/(decrease) net change in fund balances - total governmental funds to arrive at changes in net assets of governmental activities | <u>\$ 2,820,000</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 \$ 105,812 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 \$ (135,818) in the Statement of Activities.

Another element of that reconciliation is the effect of a new GASB, Pollution remediation. The effect of this adjustment is to increase the amounts reported for governmental activities by \$ 551,500 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 \$ 2,775,144 difference are as follows:

| | |
|----------------------------------------------------------------------------------------------------------------------|-------------------|
| Internal service funds change in net assets | \$ 1,018,577 |
| Net revenue/(expense) attributable to business-type activities | <u>(55,855)</u> |
| Net adjustment to increase fund balance - total governmental funds to arrive at net assets - governmental activities | <u>\$ 962,722</u> |

CITY OF NEW BRIGHTON, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

U. 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: Some City securities held by the City's broker-dealers are not registered to the City, but are held in an insured account. The account is insured up to \$ 500,000 through SIPC insurance and the broker-dealers provide 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.

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 | \$ 17,190,118 | \$ 14,691,959 | \$ 2,498,159 | \$ - | \$ - |
| Federal Farm Credit | 506,340 | - | - | - | 506,340 |
| Federal Home Loan Banks | 523,950 | - | 523,950 | - | - |
| Federal Home Loan Mortgage Corp | 6,591,158 | - | - | 500,420 | 6,090,738 |
| Federal National Mortgage Assn | 5,272,329 | - | 416,572 | 1,505,650 | 3,350,107 |
| 4M Fund | 24,056,811 | 24,056,811 | - | - | - |
| Total | \$ 54,140,706 | \$ 38,748,770 | \$ 3,438,681 | \$ 2,006,070 | \$ 9,947,185 |

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, 2011

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. The federal agency securities, money market funds, federal treasury notes and guaranteed investment contracts are rated AAA by both Moody's and 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 Mortgage Corporation | Federal agency security | \$ 6,591,158 | 12% |
| Federal National Mortgage Association | Federal agency security | 5,272,329 | 10% |

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 the policy is applicable to the City's portfolio.

Summary of cash deposits and investments as of December 31, 2011:

| | |
|-------------|----------------------|
| Petty cash | \$ 3,274 |
| Deposits | (73,495) |
| Investments | <u>54,140,706</u> |
| Total | <u>\$ 54,070,485</u> |

CITY OF NEW BRIGHTON, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

NOTE 2 DEPOSITS AND INVESTMENTS

Deposits and investments are presented in the December 31, 2011 basic financial statements as follows:

| | |
|------------------------------------|-----------------------------|
| Statement of net assets: | |
| Cash and investments | \$ 43,020,182 |
| Restricted cash | 11,035,349 |
| Statement of fiduciary net assets: | |
| Cash and investments | <u>14,954</u> |
| Total deposits and investments | <u><u>\$ 54,070,485</u></u> |

NOTE 3 RECEIVABLES

Significant receivable balances not expected to be collected within one year of December 31, 2011 are as follows:

| | <u>Major Funds</u> | | | <u>Total</u> |
|--------------------------------|--------------------|----------------------------------|---------------------------|----------------------|
| | <u>General</u> | <u>Municipal Development</u> | <u>Nonmajor Funds</u> | |
| Special assessments receivable | \$ 2,233 | \$ - | \$ 321,104 | \$ 323,337 |
| Delinquent property taxes | 178,834 | - | 241,076 | 419,910 |
| Interfund loan receivable | - | 11,615,030 | - | 11,615,030 |
| Total | <u>\$ 181,067</u> | <u>\$ 11,615,030</u> | <u>\$ 562,180</u> | <u>\$ 12,358,277</u> |

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 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) | \$ 178,834 | \$ - |
| Delinquent property taxes receivable (nonmajor funds) | 241,076 | - |
| Special assessments not yet due (nonmajor funds) | 316,194 | - |
| Land held for resale (Tax Increment No. 31 Fund) | 10,110,300 | - |
| Land held for resale (Tax Increment No. 32 Fund) | 13,503,900 | - |
| Land held for resale (nonmajor funds) | 793,000 | - |
| Recreation fees received but unearned (General Fund) | - | 95,409 |
| Contributions contingent on eligible expenses: | | |
| (Dedicated Treatment Plant #1 Financing Fund) | - | 11,030,166 |
| Antenna leases received but unearned (General Fund) | - | <u>153,839</u> |
| Total deferred/unearned revenue for governmental funds | <u>\$ 25,143,304</u> | <u>\$ 11,279,414</u> |

CITY OF NEW BRIGHTON, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

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.

NOTE 5 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2011 was as follows:

CITY OF NEW BRIGHTON, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

NOTE 5 CAPITAL ASSETS

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balance</u> |
|------------------------------------------------|------------------------------|---------------------|---------------------|---------------------------|
| Governmental Activities: | | | | |
| Capital Assets not being Depreciated: | | | | |
| Land | \$ 5,398,485 | \$ 682,249 | \$ - | \$ 6,080,734 |
| Construction in Progress | 1,167,165 | 889,647 | 1,167,165 | 889,647 |
| Total Capital Assets not being Depreciated | <u>6,565,650</u> | <u>1,571,896</u> | <u>1,167,165</u> | <u>6,970,381</u> |
| Capital Assets being Depreciated: | | | | |
| Infrastructure | 27,246,445 | 1,089,645 | 82,372 | 28,253,718 |
| Buildings | 35,778,949 | 893,400 | - | 36,672,349 |
| Improvements | 4,907,582 | 687,658 | 43,698 | 5,551,542 |
| Machinery and Equipment | 9,715,185 | 973,017 | 445,090 | 10,243,112 |
| Total Capital Assets being Depreciated | <u>77,648,161</u> | <u>3,643,720</u> | <u>571,160</u> | <u>80,720,721</u> |
| Less Accumulated Depreciation for: | | | | |
| Infrastructure | 12,158,866 | 831,834 | 82,372 | 12,908,328 |
| Buildings | 17,948,445 | 1,404,656 | - | 19,353,101 |
| Improvements | 1,842,212 | 189,628 | 31,151 | 2,000,689 |
| Machinery and Equipment | 5,149,335 | 652,188 | 438,855 | 5,362,668 |
| Total Accumulated Depreciation | <u>37,098,858</u> | <u>3,078,306</u> | <u>552,378</u> | <u>39,624,786</u> |
| Total Capital Assets being Depreciated, Net | <u>40,549,303</u> | <u>565,414</u> | <u>18,782</u> | <u>41,095,935</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 47,114,953</u> | <u>\$ 2,137,310</u> | <u>\$ 1,185,947</u> | <u>\$ 48,066,316</u> |

CITY OF NEW BRIGHTON, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

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 | 551,964 | 437,065 | 551,964 | 437,065 |
| Total Capital Assets not being Depreciated | <u>1,399,364</u> | <u>437,065</u> | <u>551,964</u> | <u>1,284,465</u> |
| Capital Assets being Depreciated: | | | | |
| Buildings and structures | 5,645,326 | 93,000 | - | 5,738,326 |
| Machinery and equipment | 181,861 | - | 68,544 | 113,317 |
| Water/sewer lines and other | 19,092,371 | 780,927 | - | 19,873,298 |
| Total Capital Assets being Depreciated | <u>24,919,558</u> | <u>873,927</u> | <u>68,544</u> | <u>25,724,941</u> |
| Less Accumulated Depreciation for: | | | | |
| Buildings and structures | 1,972,255 | 81,430 | - | 2,053,685 |
| Machinery and equipment | 138,626 | 8,485 | 64,222 | 82,889 |
| Water/sewer lines and other | 13,167,926 | 310,795 | - | 13,478,721 |
| Total Accumulated Depreciation | <u>15,278,807</u> | <u>400,710</u> | <u>64,222</u> | <u>15,615,295</u> |
| Total Capital Assets being Depreciated, Net | <u>9,640,751</u> | <u>473,217</u> | <u>4,322</u> | <u>10,109,646</u> |
| Business-Type Activities Capital Assets, Net | <u>\$ 11,040,115</u> | <u>\$ 910,282</u> | <u>\$ 556,286</u> | <u>\$ 11,394,111</u> |

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

| | |
|-------------------------------------------------------|--------------------|
| General government | \$149,023 |
| Community development | 3,471 |
| Parks & recreation | 382,447 |
| Public safety | 537,466 |
| Public works | 2,005,899 |
| Total depreciation expense - governmental activities | <u>\$3,078,306</u> |
| Business Activities: | |
| Water | \$208,932 |
| Sewer | 55,389 |
| Stormwater | 114,324 |
| Golf course | 22,065 |
| Total depreciation expense - business-type activities | <u>\$400,710</u> |

CITY OF NEW BRIGHTON, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

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, 2011 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: | | | | | | |
| 2001A Improvement Bonds | 4.00%-4.35% | 03/01/01 | 02/01/12 | \$ 2,020,000 | \$ 205,000 | \$ 205,000 |
| 2004C Improvement Bonds | 2.50%-3.60% | 10/01/04 | 02/01/15 | 1,265,000 | 610,000 | 145,000 |
| 2007A Improvement Bonds | 3.70%-4.00% | 06/01/07 | 02/01/19 | 455,000 | 335,000 | 40,000 |
| 2009A Improvement Bonds | 2.00%-4.25% | 06/17/09 | 02/01/20 | 375,000 | 340,000 | 35,000 |
| 2010A Improvement Bonds | 2.00%-2.50% | 03/18/10 | 02/01/16 | 4,760,000 | 3,905,000 | 745,000 |
| 2011A Improvement Bonds | .50%-3.30% | 01/28/11 | 02/01/22 | 1,395,000 | 1,395,000 | 310,000 |
| Total G.O. Improvement Bonds | | | | <u>10,270,000</u> | <u>6,790,000</u> | <u>1,480,000</u> |
| G.O. Tax Increment Bonds: | | | | | | |
| 2004A Tax Increment Bonds | 2.00%-3.70% | 10/01/04 | 02/01/17 | 6,935,000 | 2,540,000 | 830,000 |
| 2004B Taxable Tax Increment Bonds | 3.00%-5.10% | 10/01/04 | 02/01/20 | 2,385,000 | 1,410,000 | 195,000 |
| 2006A Tax Increment Bonds | 4.25%-5.00% | 07/15/06 | 02/01/32 | 20,450,000 | 20,450,000 | - |
| 2007B Tax Increment Bonds | 4.00%-4.75% | 06/01/07 | 02/01/33 | 14,985,000 | 14,985,000 | - |
| 2009A Tax Increment Bonds | 2.00%-2.50% | 06/17/09 | 02/01/13 | 570,000 | 295,000 | 145,000 |
| 2009B Taxable Tax Increment Bonds | 1.50%-2.50% | 06/17/09 | 02/01/13 | 1,350,000 | 705,000 | 345,000 |
| 2011A Tax Increment Bonds | .50%-1.25% | 01/28/11 | 02/01/15 | 735,000 | 735,000 | 180,000 |
| 2011B Taxable Tax Increment Bonds | .65%-2.40% | 01/28/11 | 02/01/16 | 2,205,000 | 2,205,000 | 515,000 |
| Total Tax Increment Bonds | | | | <u>49,615,000</u> | <u>43,325,000</u> | <u>2,210,000</u> |
| Total - General Obligation Bonds | | | | <u>\$ 59,885,000</u> | <u>\$ 50,115,000</u> | <u>\$ 3,690,000</u> |

CITY OF NEW BRIGHTON, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

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 |
| 2012 | \$ 1,480,000 | \$ 139,451 | \$ 1,619,451 | \$ 2,210,000 | \$ 1,803,477 | \$ 4,013,477 |
| 2013 | 1,360,000 | 110,318 | 1,470,318 | 2,325,000 | 1,747,425 | 4,072,425 |
| 2014 | 1,225,000 | 84,758 | 1,309,758 | 1,965,000 | 1,687,280 | 3,652,280 |
| 2015 | 1,085,000 | 59,393 | 1,144,393 | 2,255,000 | 1,619,004 | 3,874,004 |
| 2016 | 945,000 | 34,764 | 979,764 | 1,675,000 | 1,546,580 | 3,221,580 |
| 2017 | 150,000 | 20,351 | 170,351 | 1,685,000 | 1,478,029 | 3,163,029 |
| 2018 | 150,000 | 15,739 | 165,739 | 1,545,000 | 1,410,468 | 2,955,468 |
| 2019 | 150,000 | 10,798 | 160,798 | 1,585,000 | 1,343,561 | 2,928,561 |
| 2020 | 110,000 | 6,321 | 116,321 | 1,615,000 | 1,274,476 | 2,889,476 |
| 2021 | 65,000 | 3,383 | 68,383 | 1,595,000 | 1,204,277 | 2,799,277 |
| 2022 | 70,000 | 1,155 | 71,155 | 1,670,000 | 1,130,554 | 2,800,554 |
| 2023 | - | - | - | 1,755,000 | 1,052,363 | 2,807,363 |
| 2024 | - | - | - | 1,835,000 | 970,801 | 2,805,801 |
| 2025 | - | - | - | 1,920,000 | 882,507 | 2,802,507 |
| 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 | 250,938 | 2,790,938 |
| 2032 | - | - | - | 2,665,000 | 127,500 | 2,792,500 |
| 2033 | - | - | - | 1,470,000 | 32,156 | 1,502,156 |
| Total | <u>\$ 6,790,000</u> | <u>\$ 486,431</u> | <u>\$ 7,276,431</u> | <u>\$ 43,325,000</u> | <u>\$ 22,470,393</u> | <u>\$ 65,795,393</u> |

REVENUE BONDS

The City also issues bonds in which the income derived from the acquired or constructed asset is pledged to pay debt service. Such bonds have been issued to construct a new club house for the municipal golf course and to expand or upgrade water, sewer and stormwater facilities.

CITY OF NEW BRIGHTON, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

NOTE 6 LONG-TERM DEBT

REVENUE BONDS (CONTINUED)

Revenue bonds are also backed by the full faith and credit of the City. Outstanding revenue bonds as of December 31, 2010 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> |
|--------------------------------|--------------------------|-----------------------|------------------------------------|--------------------------------------|----------------------------------|--------------------------------|
| Business-Type Activities: | | | | | | |
| Revenue Bonds: | | | | | | |
| 1999 Golf Course Revenue Bonds | 4.75%-6.00% | 08/01/99 | 11/01/19 | \$ 645,000 | \$ 340,000 | \$ 35,000 |
| Total Revenue Bonds | | | | <u>\$ 645,000</u> | <u>\$ 340,000</u> | <u>\$ 35,000</u> |

Revenue bond debt service requirements to maturity are as follows:

| <u>Year Ending December 31,</u> | <u>Business-Type Activities</u> | | |
|-------------------------------------|---------------------------------|------------------|-------------------|
| | <u>Revenue Bonds</u> | | |
| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 2012 | \$ 35,000 | \$ 20,260 | \$ 55,260 |
| 2013 | 35,000 | 18,300 | 53,300 |
| 2014 | 40,000 | 16,200 | 56,200 |
| 2015 | 40,000 | 13,800 | 53,800 |
| 2016 | 45,000 | 11,400 | 56,400 |
| 2017 | 45,000 | 8,700 | 53,700 |
| 2018 | 50,000 | 6,000 | 56,000 |
| 2019 | 50,000 | 3,000 | 53,000 |
| Total | <u>\$ 340,000</u> | <u>\$ 97,660</u> | <u>\$ 437,660</u> |

CITY OF NEW BRIGHTON, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

NOTE 6 LONG-TERM DEBT

CHANGE IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended December 31, 2011 was as follows:

| | Balance 01/01/11 | Additions | Deletions | Balance 12/31/11 | Due Within One Year |
|-------------------------------------------------------|----------------------|---------------------|---------------------|----------------------|------------------------|
| Governmental activities: | | | | | |
| Bonded Debt: | | | | | |
| G.O. Improvement bonds | \$ 7,715,000 | \$ 1,395,000 | \$ 2,320,000 | \$ 6,790,000 | \$ 1,480,000 |
| Tax increment bonds | <u>45,220,000</u> | <u>2,940,000</u> | <u>4,835,000</u> | <u>43,325,000</u> | <u>2,210,000</u> |
| Total bonds payable | 52,935,000 | 4,335,000 | 7,155,000 | 50,115,000 | 3,690,000 |
| Compensated Absences | \$ 760,357 | \$ 93,407 | \$ 15,654 | \$ 838,110 | \$ 249 |
| Pollution remediation obligation | <u>2,790,000</u> | <u>-</u> | <u>551,500</u> | <u>2,238,500</u> | <u>46,000</u> |
| Total government activity long-term liabilities | <u>\$ 56,485,357</u> | <u>\$ 4,428,407</u> | <u>\$ 7,722,154</u> | <u>\$ 53,191,610</u> | <u>\$ 3,736,249</u> |
| Business-type activities: | | | | | |
| Revenue bonds | \$ 480,000 | \$ - | \$ 140,000 | \$ 340,000 | \$ 35,000 |
| Compensated absences | <u>131,034</u> | <u>8,588</u> | <u>-</u> | <u>139,622</u> | <u>-</u> |
| Total business-type activity long-term liabilities | <u>\$ 611,034</u> | <u>\$ 8,588</u> | <u>\$ 140,000</u> | <u>\$ 479,622</u> | <u>\$ 35,000</u> |

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities totaling \$ 838,110 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 2011. It is estimated that there will be no compensated absences (retirements or separations) paid from the business-type activities in 2012.

On January 28, 2011, the City issued \$ 2,130,000 of General Obligation Bonds, Series 2011A, with a true interest rate of 1.95%. 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 street improvement projects and to effect a current refunding of the 2012 through 2015 maturities of the City's \$ 1,825,000 General Obligation Tax Increment Bonds, Series 2001B, dated March 1, 2001 and the improvement bond portion of the 2012 through 2014 maturities of the \$ 3,170,000 General Obligation Improvement and Water Revenue Bonds, Series 2003A, dated February 1, 2003. The current refunding resulted in gross debt service savings of \$ 79,921 and net present value debt service savings of \$ 77,304.

On January 28, 2011, the City issued \$ 2,205,000 of General Obligation Tax Increment Refunding Bonds, Series 2011B, with a true interest rate of 1.68%. 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 payment of the 2011 maturity and current refunding of the 2012 through 2015 maturities of the City's \$ 5,160,000 Taxable General Obligation Tax Increment Bonds, Series 2001C, dated March 1, 2001. The current refunding resulted in gross debt service savings of \$ 195,593 and net present value debt service savings of \$ 197,934.

CITY OF NEW BRIGHTON, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

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 \$ 333,000 for continued monitoring on the West Side and \$ 1,905,500 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

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

PLAN DESCRIPTION (CONTINUED)

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 PERF 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, by writing to PERA at 60 Empire Drive, Suite 200, St. Paul, Minnesota 55103-2088 or by calling (651) 296-7460 or (800) 652-9026.

FUNDING POLICY

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. These Statutes are established and amended by the state legislature. The City makes annual contributions to the pension plans equal to the amount required by State Statutes. GERS Basic Plan and Coordinated Plan members were required to contribute 9.1% and 6.25%, respectively, of their annual covered salary in 2011. PEPFF members were required to contribute 9.6% of their annual covered salary in 2011. The DCP members were required to contribute 5.0% of their annual covered salary in 2011. 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
December 31, 2011

NOTE 7 PENSION PLANS

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

FUNDING POLICY (CONTINUED)

The City's contributions to PERF for the years ending December 31, 2011, 2010 and 2009 were \$ 267,922, \$ 263,493 and \$ 276,463 respectively. The City's contributions to PEPFF for the years ending December 31, 2011, 2010 and 2009 were \$ 326,024, \$ 320,525 and \$ 322,283 respectively. The City's contributions to the Defined Contribution Plan for the years ending December 31, 2011, 2010, and 2009 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 \$ 127,709 (\$ 46,200 City of New Brighton and \$ 81,509 State of Minnesota) were made in accordance with contribution requirements determined by an actuarial valuation of the Plan as of December 31, 2011. 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
December 31, 2011

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, 2011 |
| 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 |

| <u>Year Ended</u> | <u>Annual Pension Cost (APC)</u> | <u>Percentage of APC Contributed</u> | <u>Net Pension Obligations</u> | |
|---------------------------------|----------------------------------|--------------------------------------|---------------------------------------------------------|---------------------|
| 12/31/06 | 44,000 | 100% | - | |
| 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% | - | |
| | | | | |
| <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> |
| 12/31/06 | 2,435,572 | 2,261,412 | 174,160 | 107.7% |
| 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% |

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).

CITY OF NEW BRIGHTON, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

NOTE 8 INTERFUND RECEIVABLES/PAYABLES, LOANS AND TRANSFERS

The composition of interfund balances as of December 31, 2011 was as follows:

Interfund payables/receivables:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|------------------------|---------------------------------|-------------------|
| Community Reinvestment | Operating Grants (Non Major) | \$ 10,363 |
| | Street Improvements (Non Major) | 272,618 |
| | Street Light System | 7,933 |
| | Golf Course | <u>45,969</u> |
| Total | | <u>\$ 336,883</u> |

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

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|------------------------|------------------------------|----------------|
| Municipal Development | TIF District No. 31 | \$ 2,903,452 |
| | TIF District No. 31A | 854,918 |
| | TIF District No. 32 | 2,637,327 |
| | TIF District No. 32A | 2,106,200 |
| | Nonmajor governmental funds: | |
| | TIF District No. 9 | 31,423 |
| | TIF District No. 23 | 90,815 |
| | TIF District No. 25 | 927,916 |
| | TIF District No. 27 | 243,301 |
| | TIF District No. 29 | 116,660 |
| | TIF District No. 30 | 1,374,977 |
| | TIF District No. 33 | <u>328,041</u> |
| | Total | |

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.

CITY OF NEW BRIGHTON, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

NOTE 8 INTERFUND RECEIVABLES/PAYABLES, LOANS AND TRANSFERS

| | Transfer In | | | | | | Total Transfers Out |
|----------------------------|------------------|-------------------------------|--------------------------|---------------------|------------------|--------------------------|------------------------|
| | General Fund | Tax Increment District #31 | Nonmajor Governmental | Internal Service | Water Utility | Municipal Golf Course | |
| Transfer Out: | | | | | | | |
| General Fund | \$ - | \$ - | \$ 951,600 | \$ - | \$ - | \$ - | \$ 951,600 |
| Community Reinvestment | - | - | 510,818 | - | - | - | 510,818 |
| Tax Increment District #31 | - | - | 931,686 | - | - | - | 931,686 |
| Tax Increment District #32 | - | - | 38,858 | - | - | - | 38,858 |
| Nonmajor governmental | 13,465 | 1,904,155 | 3,300,237 | 307,372 | 1,638 | 57,900 | 5,584,767 |
| Water Utility | - | - | 388,948 | - | - | - | 388,948 |
| Sewer Utility | - | - | 202,800 | - | - | - | 202,800 |
| Stormwater Management | - | - | 107,000 | - | - | - | 107,000 |
| Municipal Golf Course | - | - | - | 4,321 | - | - | 4,321 |
| Total | <u>\$ 13,465</u> | <u>\$ 1,904,155</u> | <u>\$ 6,431,947</u> | <u>\$ 311,693</u> | <u>\$ 1,638</u> | <u>\$ 57,900</u> | <u>\$ 8,720,798</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.

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 | \$ 8,694 | 2011 |
| | Office space | Katherine Daniels | 2,802 | 2011 |
| | Office space | J Bruce/V Headrick | 4,303 | 2011 |

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 on the following page.

CITY OF NEW BRIGHTON, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

NOTE 9 OPERATING LEASES

| <u>Location</u> | <u>Lesee</u> | <u>2011 Amount</u> | <u>Annual Lease Adjustment Factor*</u> | <u>Renewal Options</u> |
|-------------------------|----------------------------|------------------------|--------------------------------------------|----------------------------|
| 600 5th Street SW | Sirius Satellite Radio | \$ 21,316 | Greater of CPI or 4% | 3 5-year terms |
| 660 5th Street SW | Verizon (Airtouch) | 28,523 | 3% | 4 5-year terms |
| 660 5th Street SW | Sprint/Nextel | 19,813 | Greater of CPI or 4% | 3 5-year terms |
| 660 5th Street SW | Nextel | 18,316 | Greater of CPI or 4% | 3 5-year terms |
| 660 5th Street SW | TTM Operating Corp. | 4,992 | Greater of CPI or 4% | 3 5-year terms |
| 660 5th Street SW | Clearwire Communications | 20,800 | Greater of CPI or 4% | 3 5-year terms |
| 675 Forestdale Road | T-Mobile | 19,472 | Greater of CPI or 4% | 3 5-year terms |
| 700 Silver Lake Road | Nextel | 19,048 | Greater of CPI or 4% | 3 5-year terms |
| 700 Silver Lake Road | Verizon (US West) | 21,685 | Greater of CPI or 4% | 3 5-year terms |
| 700 Silver Lake Road | TTM Operating Corp. | 4,992 | Greater of CPI or 4% | 3 5-year terms |
| 2400 Mississippi Street | T-Mobile | 12,844 | Greater of CPI or 4% | 3 5-year terms |
| 2400 Mississippi Street | Cingular Wireless PCS/AT&T | 18,171 | 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 | 2011 |

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.

CITY OF NEW BRIGHTON, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

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 | With Other Districts | Estimated Year of Decertification |
|---------------------|-------------------|---------------------|------------------------|---------------------|---------------------|-------------------------|-----------------------------------------|
| | | Tax Capacity Values | | | | | |
| | | Original | Current ⁽¹⁾ | Captured | | | |
| 1981 | 1 ⁽²⁾ | \$ - | \$ - | \$ - | \$ - | \$ - | 2001 |
| 1981 | 2 ⁽⁶⁾ | - | - | - | - | - | 2008 |
| 1981 | 3 ⁽²⁾ | - | - | - | - | - | 2001 |
| 1982 | 4 ⁽⁷⁾ | - | - | - | - | - | 2005 |
| 1984 | 5 ⁽⁸⁾ | 7,316 | 130,930 | 123,614 | 123,614 | - | 2011 |
| 1985 | 6 ⁽⁸⁾ | 12,022 | 243,922 | 231,900 | 231,900 | - | 2011 |
| 1985 | 7 | 1,255 | 83,790 | 82,535 | 82,535 | - | 2013 |
| 1985 | 8 | 7,976 | 194,340 | 186,364 | 186,364 | - | 2012 |
| 1985 | 9 | 275 | 66,150 | 65,875 | 65,875 | - | 2012 |
| 1985 | 10 | 1,637 | 97,880 | 96,243 | 96,243 | - | 2013 |
| 1986 | 11 | 866 | 33,246 | 32,380 | 32,380 | - | 2013 |
| 1987 | 12 | 586 | 97,568 | 96,982 | 96,982 | - | 2014 |
| 1987 | 13 ⁽⁷⁾ | - | - | - | - | - | 2005 |
| 1988 | 14 | 4,669 | 61,500 | 56,831 | 56,831 | - | 2014 |
| 1988 | 15 | 52,245 | 390,112 | 337,867 | 337,867 | - | 2015 |
| 1988 | 16 | 1,618 | 33,960 | 32,342 | 32,342 | - | 2015 |
| 1989 | 17 | 15,392 | 117,050 | 101,658 | 101,658 | - | 2015 |
| 1990 | 18 | 36,501 | 324,326 | 287,825 | 287,825 | - | 2016 |
| 1992 | 19 | 3,180 | 42,128 | 38,948 | 38,948 | - | 2018 |
| 1993 | 20 | 7,841 | 336,060 | 328,219 | 328,219 | - | 2019 |
| 1993 | 21 ⁽³⁾ | - | - | - | - | - | 1996 |
| 1993 | 22 ⁽³⁾ | - | - | - | - | - | 1996 |
| 1994 | 23 | 552 | 11,250 | 10,698 | 10,698 | - | 2021 |
| 1994 | 24 ⁽⁴⁾ | - | - | - | - | - | 1998 |
| 1996 | 25 | 17,520 | 290,693 | 273,173 | 273,173 | - | 2023 |
| 1997 | 26 ⁽⁵⁾ | 73,031 | 827,182 | 754,151 | 754,151 | - | 2023 |
| 1998 | 27 | 3,050 | 33,078 | 30,028 | 30,028 | - | 2024 |
| 1998 | 28 | 81,956 | 328,384 | 246,428 | 246,428 | - | 2024 |
| 1999 | 29 | 3,900 | 41,646 | 37,746 | 37,746 | - | 2025 |
| 2004 | 30 | 52,160 | 289,604 | 237,444 | 237,444 | - | 2030 |
| 2005 | 31 | 18,758 | 151,244 | 132,486 | 132,486 | - | 2031 |
| 2006 | 32 | 30,196 | 289,446 | 259,250 | 259,250 | - | 2032 |
| 2006 | 33 | 2,126 | 25,076 | 22,950 | 22,950 | - | 2033 |
| Total | | <u>\$ 436,628</u> | <u>\$ 4,540,565</u> | <u>\$ 4,103,937</u> | <u>\$ 4,103,937</u> | <u>\$ -</u> | |

(1) Values for taxes payable in 2007.

(2) Districts 1 and 3 were decertified in 2001.

(3) Districts 21 and 22 were combined into District 25 January 1, 1996.

(4) District 24 became part of District 28 in 1998.

(5) The current value for District No. 26 includes an adjustment of \$ 204,610 for parcels missed in prior years.

(6) District 2 was decertified in 2008.

(7) Districts 4 and 13 were decertified in 2004.

(8) Districts 5 and 6 were decertified in 2011.

CITY OF NEW BRIGHTON, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

NOTE 11 DEFICIT FUND BALANCES

The City has deficit fund balances at December 31, 2011 as follows:

| <u>Fund</u> | <u>Amount</u> |
|-----------------------------------|----------------------|
| TIF District No. 31 | \$ 2,875,589 |
| TIF District No. 31A | 860,337 |
| TIF District No. 32 | 2,676,972 |
| TIF District No. 32A | 2,120,900 |
| Street Light System | 24,054 |
| Nonmajor Debt Service Funds: | |
| 2006A Tax Increment Bonds | 203 |
| 2007B Tax Increment Bonds | 9 |
| 2009B Taxable Tax Increment Bonds | 3 |
| Nonmajor Capital Project Funds: | |
| Street Improvements | 321,033 |
| TIF District No. 9 | 19,839 |
| TIF District No. 23 | 90,798 |
| TIF District No. 25 | 927,786 |
| TIF District No. 27 | 243,428 |
| TIF District No. 29 | 116,847 |
| TIF District No. 30 | 1,375,552 |
| TIF District No. 33 | <u>328,117</u> |
| Total | <u>\$ 11,981,467</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. Increases to the street light utility rates will address the deficit in the Street Light Fund. Bond proceeds from the General Obligation Bonds, Series 2012A, received in April, 2012, 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.

NOTE 12 CONTINGENCIES AND COMMITMENTS

A. RISK MANAGEMENT (CONTINUED)

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.

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, 2010.

D. ARBITRAGE

The City was required to calculate arbitrage rebate to the U.S. Treasury in connection with the \$ 1,825,000 of General Obligation Tax Increment Bonds, Series 2001B, that were issued on March 1st, 2001 and were refinanced on February 24th, 2011. The calculation showed a zero liability.

The City was also required to calculate arbitrage rebate to the U.S. Treasury in connection with the \$ 2,860,000 of General Obligation Improvement Bonds, Series 2003A, that were issued on February 1st, 2003 and were refinanced on February 24th, 2011. The calculation showed a liability of \$ 703.53 that was paid to the Internal Revenue Service on April 20th, 2011.

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, 2011

NOTE 12 CONTINGENCIES AND COMMITMENTS

F. CONSTRUCTION COMMITMENTS

At December 31, 2011, the City had construction project contracts in progress. The commitments related to the remaining contract balances are summarized as follows:

| <u>Project</u> | <u>Contract Amount</u> | <u>Expended To Date</u> | <u>Remaining Commitment</u> |
|----------------------------------|----------------------------|-----------------------------|---------------------------------|
| Granular Activated Carbon WTP #1 | \$ 1,470,000 | \$ 909,173 | \$ 560,827 |

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, 2011.

CITY OF NEW BRIGHTON, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

NOTE 14 FUND BALANCE

A. CLASSIFICATIONS

At December 31, 2011, a summary of the governmental fund balance classifications are as follows:

| | <u>General Fund</u> | <u>Municipal Development</u> | <u>Community Reinvestment</u> | <u>Tax Increment District #31</u> |
|-------------------------|-------------------------|----------------------------------|-----------------------------------|-------------------------------------------|
| Nonspendable: | | | | |
| Prepaid Items | \$ 9,631 | \$ - | \$ - | \$ - |
| Total nonspendable | <u>9,631</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Restricted for: | | | | |
| Tax Increment | - | - | - | - |
| Park Dedication | - | - | - | - |
| Public Safety | - | - | - | - |
| Debt service | - | - | - | - |
| Total restricted | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Assigned to: | | | | |
| Community Reinvestment | - | - | 4,586,328 | - |
| Water Improvements | - | - | - | - |
| Sewer Improvements | - | - | - | - |
| Park Improvements | - | - | - | - |
| Stormwater Improvements | - | - | - | - |
| Capital Projects | - | 19,713,137 | - | - |
| Public Safety | - | - | - | - |
| Debt Service | - | - | - | - |
| Total assigned | <u>-</u> | <u>19,713,137</u> | <u>4,586,328</u> | <u>-</u> |
| Unassigned: | <u>5,744,435</u> | <u>-</u> | <u>-</u> | <u>(2,875,589)</u> |
| Total Fund Balance | <u>\$ 5,754,066</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (2,875,589)</u> |

CITY OF NEW BRIGHTON, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

NOTE 14 FUND BALANCE

A. CLASSIFICATIONS (CONTINUED)

| | Tax Increment District #31A | Tax Increment District #32 | Tax Increment District #32A | Other Governmental Funds | Total |
|-------------------------|-----------------------------------|----------------------------------|-----------------------------------|--------------------------------|----------------------|
| Nonspendable: | | | | | |
| Prepaid Items | \$ - | \$ 129 | \$ - | \$ 300 | \$ 10,060 |
| Total nonspendable | - | 129 | - | 300 | 10,060 |
| Restricted for: | | | | | |
| Tax Increment | - | - | - | 3,200,803 | 3,200,803 |
| Park Dedication | - | - | - | 400,984 | 400,984 |
| Public Safety | - | - | - | 53,939 | 53,939 |
| Debt service | - | - | - | 1,623,798 | 1,623,798 |
| Total restricted | - | - | - | 5,279,524 | 5,279,524 |
| Assigned to: | | | | | |
| Community Reinvestment | - | - | - | - | 4,586,328 |
| Water Improvements | - | - | - | 535,493 | 535,493 |
| Sewer Improvements | - | - | - | 476,153 | 476,153 |
| Park Improvements | - | - | - | 95,277 | 95,277 |
| Stormwater Improvements | - | - | - | 36,477 | 36,477 |
| Capital Projects | - | - | - | 571,653 | 20,284,790 |
| Public Safety | - | - | - | 16,042 | 16,042 |
| Debt Service | - | - | - | 3,469,214 | 3,469,214 |
| Total assigned | - | - | - | 5,200,309 | 29,499,774 |
| Unassigned: | (860,337) | (2,677,101) | (2,120,900) | (3,423,615) | (6,213,107) |
| Total Fund Balance | <u>\$ (860,337)</u> | <u>\$ (2,676,972)</u> | <u>\$ (2,120,900)</u> | <u>\$ 7,056,518</u> | <u>\$ 28,576,251</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, 2011, the targeted unassigned fund balance for the General Fund was as follows:

| | |
|-----------------|--------------------|
| Working capital | \$3,317,900 |
| Contingencies | <u>1,147,150</u> |
| Total | <u>\$4,465,050</u> |

NOTE 15 CHANGE IN ACCOUNTING PRINCIPLE

GASB recently approved Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. It has been implemented for these financial statements. The objective of this statement is to improve the usefulness, including the understandability, of government fund balance information. It also clarifies the existing governmental fund type definitions to improve the comparability of governmental fund financial statements and help financial statement users to better understand the purposes for which governments have chosen to use particular funds for financial reporting.

The implementation of GASB Statement No. 54 resulted in the reclassification of fund balances in the governmental fund statement to correspond with the new fund naming structure required. The Capital Improvements fund, previously reported as a Capital Project fund, has been restated as a Special Revenue fund and renamed as the Special Revenue Projects fund.

CITY OF NEW BRIGHTON, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

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, 2011, the following series of Industrial Revenue Bonds were outstanding:

| <u>Project Name</u> | <u>Bonds Issued</u> | <u>Original Principal</u> | <u>12/31/11 Principal</u> | <u>Maturity Date</u> |
|---------------------|---------------------|---------------------------|---------------------------|----------------------|
| Donatelle | 05/06/97 | \$ 3,500,000 | \$ 975,000 | 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.

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.

CITY OF NEW BRIGHTON, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

NOTE 17 JOINT VENTURES

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 2011. Therefore, no liability for other post-employment benefits has been recorded in the financial statements.

NOTE 19 SUBSEQUENT EVENTS

On April 24th, 2012, the City of New Brighton issued \$ 2,695,000 General Obligation Bonds, Series 2012A. The proceeds were for the purpose of financing street improvement projects and effecting a current refunding of the 2013 through 2017 maturities of the \$ 6,935,000 General Obligation Tax Increment Bonds, Series 2004A dated October 1, 2004 and the 2013 through 2015 maturities of the \$ 1,265,000 General Obligation Improvement Bonds, Series 2004C, dated October 1, 2004.

On April 24th, 2012, the City of New Brighton issued \$ 1,095,000 Taxable General Obligation Tax Increment Refunding Bonds, Series 2012B. The proceeds were for the purpose of affecting an advance refunding of the 2014 through 2020 maturities of the \$ 2,385,000 Taxable General Obligation Tax Increment Bonds, Series 2004B, dated October 1, 2004.

NOTE 20 SPECIAL ITEM

On May 26, 2011, the City sold approximately 4 acres of land in the Northwest Quadrant of the I-694 and I-35W interchange west of Old Highway 8 to Stuart Development Company for \$ 694,875. The purpose of the land purchase was for constructing a 124 unit apartment building called "The View".



**REQUIRED
SUPPLEMENTARY
INFORMATION**

CITY OF NEW BRIGHTON, MINNESOTA
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
 For The Year Ended December 31, 2011
 With Comparative Actual Amounts For The Year Ended December 31, 2010

Statement 10
 Page 1 of 4

| | Budgeted Amounts | | 2011 Actual | Variance with | 2010 Actual |
|-------------------------------------------------------------|------------------|------------------|------------------|---------------------------------|------------------|
| | Original | Final | | Final Budget Over (Under) | |
| Revenues: | | | | | |
| General property taxes: | | | | | |
| Current | \$ 7,115,300 | \$ 7,115,300 | \$ 7,017,700 | \$ (97,600) | \$ 6,996,270 |
| Delinquent and adjustments | - | - | 180,815 | 180,815 | (3,744) |
| Mobile home | - | - | 6,325 | 6,325 | 14,113 |
| Tax increment excess | - | - | 94,211 | 94,211 | 48,237 |
| Total general property taxes | <u>7,115,300</u> | <u>7,115,300</u> | <u>7,299,051</u> | <u>183,751</u> | <u>7,054,876</u> |
| Licenses: | | | | | |
| Licenses - community development | 43,300 | 43,300 | 48,118 | 4,818 | 51,658 |
| Licenses - park and recreation | 2,200 | 2,200 | 2,700 | 500 | 2,380 |
| Licenses - public safety | 63,100 | 63,100 | 70,573 | 7,473 | 62,751 |
| Licenses - public works | 3,500 | 3,500 | 2,430 | (1,070) | 1,190 |
| Total licenses | <u>112,100</u> | <u>112,100</u> | <u>123,821</u> | <u>11,721</u> | <u>117,979</u> |
| Permits: | | | | | |
| Permits - community development | <u>310,000</u> | <u>310,000</u> | <u>567,579</u> | <u>257,579</u> | <u>363,693</u> |
| Intergovernmental: | | | | | |
| Federal grants: | | | | | |
| Section 8 - community development | 3,500 | 3,500 | 4,810 | 1,310 | 4,560 |
| Homeland Security, vest reimbursement - public safety | 2,000 | 2,000 | 764 | (1,236) | 38,128 |
| State: | | | | | |
| PERA aid - general government | 16,900 | 16,900 | 16,906 | 6 | 16,906 |
| Market value homestead credit | 7,000 | 7,000 | 6,403 | (597) | 2,819 |
| Mobile home homestead credit | - | - | 153 | 153 | 6,485 |
| Police aid - public safety | 190,000 | 190,000 | 179,608 | (10,392) | 183,659 |
| Fire aid - public safety | 82,000 | 82,000 | 81,509 | (491) | 84,146 |
| Road maintenance - public works | 11,200 | 11,200 | 11,200 | - | 171,826 |
| Other State aid - public works | - | - | - | - | 412 |
| Other State aid - public safety | 58,500 | 58,500 | 36,531 | (21,969) | 66,471 |
| County: | | | | | |
| Recycling - community development | 45,700 | 45,700 | 45,921 | 221 | 46,275 |
| School District: | | | | | |
| School resource officer - public safety | <u>223,300</u> | <u>223,300</u> | <u>214,632</u> | <u>(8,668)</u> | <u>214,584</u> |
| Total intergovernmental | <u>640,100</u> | <u>640,100</u> | <u>598,437</u> | <u>(41,663)</u> | <u>836,271</u> |
| Charges for services: | | | | | |
| General government | 23,900 | 23,900 | 30,246 | 6,346 | 11,993 |
| Community development | - | - | - | - | 1,349 |
| Public safety | 10,400 | 10,400 | 8,254 | (2,146) | 13,279 |
| Public works | - | - | 1,401 | 1,401 | 1,040 |
| License bureau - general government | 133,000 | 133,000 | 157,510 | 24,510 | 134,508 |
| Recycling fee - community development | 180,000 | 180,000 | 168,865 | (11,135) | 185,408 |
| Engineering and administrative fees - general government | 16,000 | 16,000 | 16,000 | - | 15,500 |
| Engineering and administrative fees - community development | 244,500 | 244,500 | 121,277 | (123,223) | 190,277 |
| Engineering and administrative fees - public works | 1,080,200 | 1,080,200 | 1,089,158 | 8,958 | 1,112,136 |
| Park facilities | 33,000 | 33,000 | 27,911 | (5,089) | 41,756 |
| Recreation programs | 293,700 | 293,700 | 277,795 | (15,905) | 343,576 |
| Forestry - parks and recreation | 8,000 | 8,000 | 3,792 | (4,208) | 2,248 |
| Community Center - parks and recreation | 724,700 | 724,700 | 858,011 | 133,311 | 760,852 |

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, 2011

| | Budgeted Amounts | | 2011 Actual | Variance with Final Budget Over (Under) | 2010 Actual |
|---------------------------------------------------|-------------------|-------------------|-------------------|--------------------------------------------------|-------------------|
| | Original | Final | | | |
| Revenues (continued): | | | | | |
| Charges for services (continued): | | | | | |
| Fire inspection fees - public safety | \$ 17,500 | \$ 17,500 | \$ 16,085 | \$ (1,415) | \$ 15,395 |
| Alarm fees - public safety | 15,000 | 15,000 | 9,360 | (5,640) | 16,920 |
| Xcel franchise fee - public works | 500,000 | 500,000 | 507,933 | 7,933 | 503,065 |
| City utilities franchise fee - general government | 107,600 | 107,600 | 107,600 | - | 104,500 |
| Cable franchise fee - general government | 220,000 | 220,000 | 233,177 | 13,177 | 224,034 |
| Total charges for services | <u>3,607,500</u> | <u>3,607,500</u> | <u>3,634,375</u> | <u>26,875</u> | <u>3,677,836</u> |
| Fines and forfeits - public safety | <u>65,000</u> | <u>65,000</u> | <u>60,733</u> | <u>(4,267)</u> | <u>59,827</u> |
| Investment income: | | | | | |
| Interest on investments | 96,000 | 96,000 | 79,262 | (16,738) | 95,581 |
| Change in fair value of investments | - | - | 9,629 | 9,629 | 7,130 |
| Total investment income | <u>96,000</u> | <u>96,000</u> | <u>88,891</u> | <u>(7,109)</u> | <u>102,711</u> |
| Other: | | | | | |
| Rents - public safety | 5,000 | 5,000 | 5,284 | 284 | 13,450 |
| Rents - public works | 228,700 | 228,700 | 211,675 | (17,025) | 190,481 |
| Contributions and donations- general government | - | - | 3,224 | 3,224 | 2,000 |
| Contributions and donations- parks and recreation | - | - | 830 | 830 | - |
| Contributions and donations- public safety | 3,500 | 3,500 | 3,300 | (200) | 3,000 |
| Refunds and reimbursements- general government | - | - | 737 | 737 | 27 |
| Refunds and reimbursements- parks and recreation | 1,800 | 1,800 | 2,887 | 1,087 | - |
| Refunds and reimbursements- public safety | - | - | 818 | 818 | 3,610 |
| Total other | <u>239,000</u> | <u>239,000</u> | <u>228,755</u> | <u>(10,245)</u> | <u>212,568</u> |
| Total revenues | <u>12,185,000</u> | <u>12,185,000</u> | <u>12,601,642</u> | <u>416,642</u> | <u>12,425,761</u> |
| Expenditures: | | | | | |
| General government: | | | | | |
| Administration: | | | | | |
| Personnel services | 436,300 | 436,300 | 434,774 | (1,526) | 435,064 |
| Materials and supplies | 2,300 | 2,300 | 5,238 | 2,938 | 2,341 |
| Contractual services | 229,600 | 229,600 | 219,518 | (10,082) | 245,298 |
| Total administration | <u>668,200</u> | <u>668,200</u> | <u>659,530</u> | <u>(8,670)</u> | <u>682,703</u> |
| Legal: | | | | | |
| Contractual services | 99,500 | 99,500 | 106,412 | 6,912 | 106,719 |
| Central services: | | | | | |
| Current: | | | | | |
| Materials and supplies | 25,500 | 25,500 | 35,827 | 10,327 | 28,200 |
| Contractual services | 123,200 | 123,200 | 116,904 | (6,296) | 105,254 |
| Total central services | <u>148,700</u> | <u>148,700</u> | <u>152,731</u> | <u>4,031</u> | <u>133,454</u> |
| Finance: | | | | | |
| Personnel services | 373,000 | 373,000 | 352,634 | (20,366) | 363,522 |
| Materials and supplies | 2,400 | 2,400 | 864 | (1,536) | 888 |
| Contractual services | 152,200 | 152,200 | 134,423 | (17,777) | 119,579 |
| Total finance | <u>527,600</u> | <u>527,600</u> | <u>487,921</u> | <u>(39,679)</u> | <u>483,989</u> |

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, 2011

| | Budgeted Amounts | | 2011 Actual | Variance with Final Budget Over (Under) | 2010 Actual |
|---------------------------------|------------------|------------------|------------------|--------------------------------------------------|------------------|
| | Original | Final | | | |
| Expenditures (continued): | | | | | |
| General government (continued): | | | | | |
| Elections: | | | | | |
| Personnel services | \$ 18,900 | \$ 18,900 | \$ 13,084 | \$ (5,816) | \$ 20,544 |
| Materials and supplies | 500 | 500 | - | (500) | 126 |
| Contractual services | 15,100 | 15,100 | 12,599 | (2,501) | 16,008 |
| Total elections | <u>34,500</u> | <u>34,500</u> | <u>25,683</u> | <u>(8,817)</u> | <u>36,678</u> |
| License bureau: | | | | | |
| Personnel services | 105,700 | 105,700 | 103,922 | (1,778) | 103,864 |
| Materials and supplies | 200 | 200 | 144 | (56) | - |
| Contractual services | 27,200 | 27,200 | 11,655 | (15,545) | 14,876 |
| Total license bureau | <u>133,100</u> | <u>133,100</u> | <u>115,721</u> | <u>(17,379)</u> | <u>118,740</u> |
| Total general government | <u>1,611,600</u> | <u>1,611,600</u> | <u>1,547,998</u> | <u>(63,602)</u> | <u>1,562,283</u> |
| Community development: | | | | | |
| Community development: | | | | | |
| Personnel services | 549,900 | 549,900 | 514,186 | (35,714) | 564,508 |
| Materials and supplies | 8,600 | 8,600 | 2,808 | (5,792) | 413 |
| Contractual services | 115,000 | 115,000 | 82,420 | (32,580) | 91,526 |
| Total community development | <u>673,500</u> | <u>673,500</u> | <u>599,414</u> | <u>(74,086)</u> | <u>656,447</u> |
| Recycling: | | | | | |
| Materials and supplies | 1,800 | 1,800 | 60 | (1,740) | - |
| Contractual services | 205,700 | 205,700 | 214,082 | 8,382 | 163,105 |
| Total recycling | <u>207,500</u> | <u>207,500</u> | <u>214,142</u> | <u>6,642</u> | <u>163,105</u> |
| Total community development | <u>881,000</u> | <u>881,000</u> | <u>813,556</u> | <u>(67,444)</u> | <u>819,552</u> |
| Parks and recreation: | | | | | |
| Parks: | | | | | |
| Personnel services | 528,400 | 528,400 | 489,169 | (39,231) | 506,540 |
| Materials and supplies | 48,000 | 48,000 | 46,292 | (1,708) | 37,519 |
| Contractual services | 369,300 | 369,300 | 363,251 | (6,049) | 267,754 |
| Total parks | <u>945,700</u> | <u>945,700</u> | <u>898,712</u> | <u>(46,988)</u> | <u>811,813</u> |
| Forestry: | | | | | |
| Personnel services | 15,000 | 15,000 | 11,174 | (3,826) | 12,053 |
| Materials and supplies | 10,400 | 10,400 | 8,485 | (1,915) | 6,593 |
| Contractual services | 62,000 | 72,000 | 68,224 | (3,776) | 33,005 |
| Total forestry | <u>87,400</u> | <u>97,400</u> | <u>87,883</u> | <u>(9,517)</u> | <u>51,651</u> |
| Recreational programs: | | | | | |
| Personnel services | 503,800 | 503,800 | 429,664 | (74,136) | 380,524 |
| Materials and supplies | 27,800 | 27,800 | 12,461 | (15,339) | 20,470 |
| Contractual services | 107,200 | 107,200 | 89,940 | (17,260) | 98,513 |
| Total recreational programs | <u>638,800</u> | <u>638,800</u> | <u>532,065</u> | <u>(106,735)</u> | <u>499,507</u> |
| Community Center: | | | | | |
| Personnel services | 540,900 | 540,900 | 488,820 | (52,080) | 541,495 |
| Materials and supplies | 43,100 | 43,100 | 39,842 | (3,258) | 41,965 |
| Contractual services | 488,700 | 488,700 | 467,758 | (20,942) | 608,969 |
| Total family service center | <u>1,072,700</u> | <u>1,072,700</u> | <u>996,420</u> | <u>(76,280)</u> | <u>1,192,429</u> |
| Total parks and recreation | <u>2,744,600</u> | <u>2,754,600</u> | <u>2,515,080</u> | <u>(239,520)</u> | <u>2,555,400</u> |

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, 2011

| | Budgeted Amounts | | 2011 Actual | Variance with Final Budget Over (Under) | 2010 Actual |
|-----------------------------------------|-------------------|--------------------|---------------------|--------------------------------------------------|---------------------|
| | Original | Final | | | |
| Public safety: | | | | | |
| Police: | | | | | |
| Personnel services | \$ 3,197,300 | \$ 3,197,300 | \$ 3,046,369 | \$ (150,931) | \$ 3,096,488 |
| Materials and supplies | 61,300 | 61,300 | 60,174 | (1,126) | 73,026 |
| Contractual services | 699,800 | 699,800 | 740,631 | 40,831 | 828,840 |
| Total police | <u>3,958,400</u> | <u>3,958,400</u> | <u>3,847,174</u> | <u>(111,226)</u> | <u>3,998,354</u> |
| Fire: | | | | | |
| Personnel services | 464,600 | 464,600 | 455,947 | (8,653) | 415,127 |
| Materials and supplies | 45,100 | 45,100 | 36,042 | (9,058) | 49,075 |
| Contractual services | 312,900 | 312,900 | 322,867 | 9,967 | 404,906 |
| Total fire | <u>822,600</u> | <u>822,600</u> | <u>814,856</u> | <u>(7,744)</u> | <u>869,108</u> |
| Total public safety | <u>4,781,000</u> | <u>4,781,000</u> | <u>4,662,030</u> | <u>(118,970)</u> | <u>4,867,462</u> |
| Public works: | | | | | |
| Engineering: | | | | | |
| Personnel services | 359,600 | 359,600 | 338,083 | (21,517) | 331,728 |
| Materials and supplies | 2,700 | 2,700 | 8,405 | 5,705 | 538 |
| Contractual services | 27,900 | 27,900 | 27,221 | (679) | 27,915 |
| Total engineering | <u>390,200</u> | <u>390,200</u> | <u>373,709</u> | <u>(16,491)</u> | <u>360,181</u> |
| Streets: | | | | | |
| Personnel services | 170,300 | 170,300 | 154,533 | (15,767) | 181,037 |
| Materials and supplies | 63,200 | 63,200 | 69,322 | 6,122 | 72,794 |
| Contractual services | 53,100 | 53,100 | 54,891 | 1,791 | 56,277 |
| Total streets | <u>286,600</u> | <u>286,600</u> | <u>278,746</u> | <u>(7,854)</u> | <u>310,108</u> |
| City Garage: | | | | | |
| Personnel services | 146,900 | 146,900 | 146,874 | (26) | 150,511 |
| Materials and supplies | 264,700 | 264,700 | 272,344 | 7,644 | 264,064 |
| Contractual services | 127,500 | 127,500 | 152,809 | 25,309 | 142,999 |
| Total city garage | <u>539,100</u> | <u>539,100</u> | <u>572,027</u> | <u>32,927</u> | <u>557,574</u> |
| Total public works | <u>1,215,900</u> | <u>1,215,900</u> | <u>1,224,482</u> | <u>8,582</u> | <u>1,227,863</u> |
| Total expenditures | <u>11,234,100</u> | <u>11,244,100</u> | <u>10,763,146</u> | <u>(480,954)</u> | <u>11,032,560</u> |
| Revenues over (under) expenditures | <u>\$ 950,900</u> | <u>\$ 940,900</u> | <u>\$ 1,838,496</u> | <u>\$ 897,596</u> | <u>\$ 1,393,201</u> |
| Other financing sources (uses): | | | | | |
| Sale of City property - public safety | 700 | 700 | - | (700) | - |
| Transfer from Special Revenue Funds | - | - | 13,465 | 13,465 | - |
| Transfer to Internal Service Funds | - | - | - | - | (1,258,000) |
| Transfer to Capital Project Funds | - | - | - | - | (160,626) |
| Transfer to Debt Service Funds | (951,600) | (951,600) | (951,600) | - | (1,028,600) |
| Total other financing sources (uses) | <u>(950,900)</u> | <u>(950,900)</u> | <u>(938,135)</u> | <u>12,765</u> | <u>(2,447,226)</u> |
| Net increase (decrease) in fund balance | <u>\$ -</u> | <u>\$ (10,000)</u> | <u>900,361</u> | <u>\$ 910,361</u> | <u>(1,054,025)</u> |
| Fund balance - January 1 | | | <u>4,853,705</u> | | <u>5,907,730</u> |
| Fund balance - December 31 | | | <u>\$ 5,754,066</u> | | <u>\$ 4,853,705</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, 2011

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</u> <u>Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---------------------|-------------------------------|---------------|-----------------|
| General Fund: | | | |
| General government: | | | |
| Legal | \$ 99,500 | \$ 106,412 | \$ 6,912 |
| Central Services | 148,700 | 152,731 | 4,031 |
| Public works: | | | |
| City Garage | 539,100 | 572,027 | 32,927 |

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

CITY OF NEW BRIGHTON, MINNESOTA
GENERAL FUND
BALANCE SHEET
December 31, 2011
With Comparative Amounts for December 31, 2010

Statement 11

| | Total | |
|-------------------------------------------|---------------------|---------------------|
| | 2011 | 2010 |
| Assets: | | |
| Cash and investments | \$ 6,020,701 | \$ 5,095,164 |
| Accrued interest receivable | - | 6,955 |
| Due from other governmental units | 22,399 | 15,616 |
| Accounts receivable | 246,403 | 241,550 |
| Taxes receivable: | | |
| Delinquent | 178,834 | 255,903 |
| Due from County | 115,091 | 90,464 |
| Special assessments receivable | 2,233 | 2,443 |
| Prepaid items | 9,631 | 8,032 |
| Total assets | \$ 6,595,292 | \$ 5,716,127 |
| Liabilities and fund balance: | | |
| Liabilities: | | |
| Accounts payable | 217,348 | 185,674 |
| Salaries payable | 140,286 | 140,137 |
| Deposits payable | 48,383 | 25,042 |
| Due to other governmental units | 7,127 | 5,490 |
| Deferred revenue | 428,082 | 506,079 |
| Total liabilities | 841,226 | 862,422 |
| Fund balance: | | |
| Reserved for: | | |
| Non-spendable | 9,631 | 8,032 |
| Unassigned | 5,744,435 | 4,845,673 |
| Total fund balance | 5,754,066 | 4,853,705 |
| Total liabilities and fund balance | \$ 6,595,292 | \$ 5,716,127 |

**NONMAJOR
GOVERNMENTAL FUNDS**



CITY OF NEW BRIGHTON, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2011
With Comparative Totals For December 31, 2010

Statement 12

| | Special Revenue | Debt Service | Capital Project | Total | |
|-----------------------------------------------|--------------------|---------------------|---------------------|----------------------|----------------------|
| | | | | Nonmajor | |
| | | | | Governmental Funds | |
| | | | | 2011 | 2010 |
| Assets: | | | | | |
| Cash and investments | \$ 283,100 | \$ 1,617,614 | \$ 8,755,253 | \$ 10,655,967 | \$ 11,163,022 |
| Restricted cash and investments | - | - | - | - | 627,270 |
| Accrued interest receivable | - | 3,076 | 21,568 | 24,644 | 50,554 |
| Due from other governmental units | 10,363 | - | 1,001 | 11,364 | 126,493 |
| Accounts receivable | - | - | 1,400 | 1,400 | 4,448 |
| Taxes receivable: | | | | | |
| Delinquent | - | - | 241,076 | 241,076 | 257,633 |
| Due from County | - | - | 13,304 | 13,304 | 9,771 |
| Special assessments receivable | - | 259,715 | 61,389 | 321,104 | 326,624 |
| Prepaid items | 300 | - | - | 300 | - |
| Assets held for resale | - | - | 793,000 | 793,000 | 793,000 |
| Total assets | \$ 293,763 | \$ 1,880,405 | \$ 9,887,991 | \$ 12,062,159 | \$ 13,358,815 |
| Liabilities, equity and other credits: | | | | | |
| Liabilities: | | | | | |
| Accounts payable | \$ 132,031 | \$ 2,017 | \$ 59,189 | \$ 193,237 | \$ 171,676 |
| Interfund payable | 10,363 | - | 272,618 | 282,981 | 502,727 |
| Due to other governmental units | 213 | - | 4,747 | 4,960 | 100,102 |
| Contracts payable | - | - | 61,060 | 61,060 | 75,155 |
| Interfund loan payable | - | - | 3,113,133 | 3,113,133 | 3,242,498 |
| Deferred revenue | - | 254,805 | 1,095,465 | 1,350,270 | 1,374,724 |
| Total liabilities | 142,607 | 256,822 | 4,606,212 | 5,005,641 | 5,466,882 |
| Fund balance (deficit): | | | | | |
| Nonspendable | 300 | - | - | 300 | - |
| Restricted | 53,939 | 1,623,798 | 3,601,787 | 5,279,524 | 5,864,214 |
| Assigned | 96,917 | - | 5,103,392 | 5,200,309 | 5,486,056 |
| Unassigned | - | (215) | (3,423,400) | (3,423,615) | (3,458,337) |
| Total fund balance (deficit) | 151,156 | 1,623,583 | 5,281,779 | 7,056,518 | 7,891,933 |
| Total liabilities and fund balance | \$ 293,763 | \$ 1,880,405 | \$ 9,887,991 | \$ 12,062,159 | \$ 13,358,815 |

CITY OF NEW BRIGHTON, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For The Year Ended December 31, 2011
With Comparative Totals For The Year Ended December 31, 2010

Statement 13

| | Special Revenue | Debt Service | Capital Projects | Total | |
|------------------------------------------------------|--------------------|---------------------|---------------------|--------------------------------|---------------------|
| | | | | Nonmajor Governmental Funds | |
| | | | | 2011 | 2010 |
| Revenues: | | | | | |
| General property taxes | \$ - | \$ - | \$ 2,219 | \$ 2,219 | \$ 4,158 |
| Tax increment | - | - | 4,006,749 | 4,006,749 | 4,036,982 |
| Intergovernmental | 121,869 | - | 1,358,915 | 1,480,784 | 1,445,642 |
| Charges for services | 2,060,887 | - | 107,820 | 2,168,707 | 2,364,952 |
| Special assessments | - | 138,483 | 66,859 | 205,342 | 161,272 |
| Fines and forfeits | 37,407 | - | - | 37,407 | - |
| Investment income: | | | | | |
| Interest on investments | 2,126 | 16,712 | 147,291 | 166,129 | 213,590 |
| Change in fair value of investments | 264 | 1,797 | 15,292 | 17,353 | 13,463 |
| Refunds and reimbursements | - | - | - | - | 20,526 |
| In-house engineering and administrative charges | - | - | 36,466 | 36,466 | - |
| Contributions and donations | 15,447 | - | 1,320 | 16,767 | 50,598 |
| Park dedication charge | - | - | 202,120 | 202,120 | - |
| Total revenues | 2,238,000 | 156,992 | 5,945,051 | 8,340,043 | 8,311,183 |
| Expenditures: | | | | | |
| General government | - | 10,903 | 4,930 | 15,833 | 17,192 |
| Community development | - | - | 306,129 | 306,129 | 67,792 |
| Parks and recreation | - | - | 6,129 | 6,129 | 110,555 |
| Public safety | 206,017 | - | - | 206,017 | 47,468 |
| Public works | 1,768,976 | - | 353,526 | 2,122,502 | 2,619,152 |
| Interest on interfund loans | - | - | 129,700 | 129,700 | 129,599 |
| Capital outlay: | | | | | |
| Parks and recreation | - | - | 34,233 | 34,233 | 336,282 |
| Public works | 280,112 | - | 1,910,995 | 2,191,107 | 1,668,486 |
| Debt service: | | | | | |
| Principal retirement | - | 3,515,000 | - | 3,515,000 | 3,680,000 |
| Interest and paying agent fees | - | 2,190,988 | - | 2,190,988 | 2,490,903 |
| Total expenditures | 2,255,105 | 5,716,891 | 2,745,642 | 10,717,638 | 11,167,429 |
| Revenues over (under) expenditures | (17,105) | (5,559,899) | 3,199,409 | (2,377,595) | (2,856,246) |
| Other financing sources (uses): | | | | | |
| G.O. refunding debt issued | - | 788,973 | - | 788,973 | 4,760,000 |
| G.O. improvement debt issued | - | - | 606,027 | 606,027 | - |
| Tax increment refunding debt issued | - | 2,940,000 | - | 2,940,000 | - |
| Premium (discount) on debt issued | - | - | - | - | 76,238 |
| Refunded debt | - | (3,640,000) | - | (3,640,000) | (5,725,000) |
| Transfers in | 51,564 | 4,954,420 | 1,425,963 | 6,431,947 | 6,976,646 |
| Transfers out | (27,012) | (250,984) | (5,306,771) | (5,584,767) | (4,620,690) |
| Total other financing sources (uses) | 24,552 | 4,792,409 | (3,274,781) | 1,542,180 | 1,467,194 |
| Net increase (decrease) in fund balance | 7,447 | (767,490) | (75,372) | (835,415) | (1,389,052) |
| Fund balance (deficit) - January 1 - restated | 143,709 | 2,391,073 | 5,357,151 | 7,891,933 | 9,280,985 |
| Fund balance - December 31 | \$ 151,156 | \$ 1,623,583 | \$ 5,281,779 | \$ 7,056,518 | \$ 7,891,933 |

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
NONMAJOR SPECIAL REVENUE FUNDS
SUBCOMBINING BALANCE SHEET
December 31, 2011
With Comparative Totals For December 31, 2010

Statement 14

| | Water Treatment Plant No. 1 | Operating Grants | Special Revenue Projects | Total | |
|-------------------------------------------|-----------------------------------|---------------------|--------------------------------|-----------------------------------|-------------------|
| | | | | Nonmajor Special Revenue Funds | |
| | | | | 2011 | 2010 (Restated) |
| Assets | | | | | |
| Cash | \$ 105,594 | \$ - | \$ 177,506 | \$ 283,100 | \$ 295,375 |
| Due from other governmental units | - | 10,363 | - | 10,363 | - |
| Prepaid items | - | - | 300 | 300 | - |
| Total assets | \$ 105,594 | \$ 10,363 | \$ 177,806 | \$ 293,763 | \$ 295,375 |
| Liabilities and fund balance: | | | | | |
| Liabilities: | | | | | |
| Accounts payable | \$ 105,381 | \$ - | \$ 26,650 | \$ 132,031 | \$ 151,666 |
| Interfund payable | - | 10,363 | - | 10,363 | - |
| Due to other governmental units | 213 | - | - | 213 | - |
| Total liabilities | 105,594 | 10,363 | 26,650 | 142,607 | 151,666 |
| Fund balance: | | | | | |
| Nonspendable | - | - | 300 | 300 | - |
| Restricted | - | - | 53,939 | 53,939 | - |
| Assigned | - | - | 96,917 | 96,917 | 143,709 |
| Total fund balance (deficit) | - | - | 151,156 | 151,156 | 143,709 |
| Total liabilities and fund balance | \$ 105,594 | \$ 10,363 | \$ 177,806 | \$ 293,763 | \$ 295,375 |

NONMAJOR SPECIAL REVENUE FUNDS

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

Water Treatment Plant No. 1 - Accounts for water treatment which is funded through reimbursements from the United States Army pursuant to a litigation settlement.

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 STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For The Year Ended December 31, 2011
With Comparative Totals For The Year Ended December 31, 2010

Statement 15

| | Water Treatment Plant No. 1 | Operating Grants | Special Revenue Projects | Total | |
|-----------------------------------------------|-----------------------------------|---------------------|--------------------------------|-----------------------------------|-------------------|
| | | | | Nonmajor Special Revenue Funds | |
| | | | | 2011 | 2010 |
| Revenues: | | | | | |
| Intergovernmental: | | | | | |
| Ramsey County reimbursements | \$ - | \$ 9,998 | \$ 3,050 | \$ 13,048 | \$ - |
| State: | | | | | |
| Safe and sober grant | - | 44,786 | - | 44,786 | - |
| Federal: | | | | | |
| Assistance to firefighters grant | - | 64,035 | - | 64,035 | - |
| Charges for services | 2,060,887 | - | - | 2,060,887 | 2,308,588 |
| Fines and forfeits | - | - | 37,407 | 37,407 | - |
| Investment income: | | | | | |
| Interest on investments | - | - | 2,126 | 2,126 | - |
| Change in fair value of investments | - | - | 264 | 264 | - |
| Contributions and donations | - | - | 15,447 | 15,447 | - |
| Total revenues | <u>2,060,887</u> | <u>118,819</u> | <u>58,294</u> | <u>2,238,000</u> | <u>2,308,588</u> |
| Expenditures: | | | | | |
| Public safety: | | | | | |
| Personnel services | - | 32,974 | 18,802 | 51,776 | - |
| Materials and supplies | - | 72,380 | 81,861 | 154,241 | - |
| Public works: | | | | | |
| Materials and supplies | 78,573 | - | - | 78,573 | 105,274 |
| Contractual services | 1,690,403 | - | - | 1,690,403 | 2,171,172 |
| Capital Outlay | 280,112 | - | - | 280,112 | - |
| Total expenditures | <u>2,049,088</u> | <u>105,354</u> | <u>100,663</u> | <u>2,255,105</u> | <u>2,276,446</u> |
| Revenues over (under) expenditures | <u>11,799</u> | <u>13,465</u> | <u>(42,369)</u> | <u>(17,105)</u> | <u>32,142</u> |
| Other financing sources (uses): | | | | | |
| Transfer from Enterprise Fund | 1,748 | - | - | 1,748 | 1,993 |
| Transfer from Capital Projects Fund | - | - | 49,816 | 49,816 | - |
| Transfer to General Fund | - | (13,465) | - | (13,465) | - |
| Transfer to Capital Projects Fund | (11,909) | - | - | (11,909) | (34,135) |
| Transfer to Enterprise Fund | (1,638) | - | - | (1,638) | - |
| Total other financing sources (uses) | <u>(11,799)</u> | <u>(13,465)</u> | <u>49,816</u> | <u>24,552</u> | <u>(32,142)</u> |
| Net increase in fund balance | - | - | 7,447 | 7,447 | - |
| Fund balance - January 1 | - | - | 143,709 | 143,709 | - |
| Change in accounting principle | - | - | - | - | 143,709 |
| Fund balance (deficit) - January 1 - restated | <u>-</u> | <u>-</u> | <u>143,709</u> | <u>143,709</u> | <u>143,709</u> |
| Fund balance - December 31 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 151,156</u> | <u>\$ 151,156</u> | <u>\$ 143,709</u> |

NONMAJOR DEBT SERVICE FUNDS

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

- General Debt Bonds
- Tax Increment Bonds
- Improvement Bonds
- Economic Development Authority Bonds

The General Debt Bonds are repaid primarily from general property taxes.

The Tax Increment Bonds are repaid from incremental taxes.

The Improvement Bonds are repaid primarily from special assessments.

The Economic Development Authority Bonds are repaid through lease purchase agreements paid by the City.

CITY OF NEW BRIGHTON, MINNESOTA
NONMAJOR DEBT SERVICE FUNDS
SUBCOMBINING BALANCE SHEET
December 31, 2011
With Comparative Totals For December 31, 2010

| | 2006A Tax Increment Bonds | 2007B Tax Increment Bonds | 2009B Taxable Tax Increment Bonds | 2001A Improvement Bonds | 2004C Improvement Bonds |
|-------------------------------------------|------------------------------------|------------------------------------|-----------------------------------------------|-------------------------------|-------------------------------|
| Assets: | | | | | |
| Cash and investments | \$ - | \$ - | \$ - | \$ 209,459 | \$ 155,755 |
| Restricted cash and investments | - | - | - | - | - |
| Accrued interest receivable | - | - | - | 341 | 730 |
| Special assessments receivable: | | | | | |
| Delinquent | - | - | - | 544 | 1,372 |
| Deferred | - | - | - | - | 46,938 |
| Due from County | - | - | - | 335 | 299 |
| Total assets | \$ - | \$ - | \$ - | \$ 210,679 | \$ 205,094 |
| Liabilities and Fund Balance | | | | | |
| Liabilities: | | | | | |
| Accounts payable | \$ 203 | \$ 9 | \$ 3 | \$ - | \$ - |
| Deferred revenue | - | - | - | 544 | 48,310 |
| Total liabilities | 203 | 9 | 3 | 544 | 48,310 |
| Fund balance: | | | | | |
| Restricted | - | - | - | 210,135 | 156,784 |
| Unassigned | (203) | (9) | (3) | - | - |
| Total fund balance (deficit) | (203) | (9) | (3) | 210,135 | 156,784 |
| Total liabilities and fund balance | \$ - | \$ - | \$ - | \$ 210,679 | \$ 205,094 |

Statement 16

| 2007A Improvement Bonds | 2009A Improvement Bonds | 2010A Improvement Bonds | 2011A Improvement Bonds | Total | |
|-------------------------------|-------------------------------|-------------------------------|-------------------------------|--------------------------------|---------------------|
| | | | | Nonmajor Debt Service Funds | |
| | | | | 2011 | 2010 |
| \$ 46,640 | \$ 53,305 | \$ 786,088 | \$ 366,367 | \$ 1,617,614 | \$ 1,747,056 |
| - | - | - | - | - | 627,270 |
| - | - | 2,005 | - | 3,076 | 15,933 |
| 79 | 2 | - | 1,040 | 3,037 | 3,725 |
| 29,812 | 59,972 | - | 115,046 | 251,768 | 249,010 |
| 208 | 374 | - | 3,694 | 4,910 | 2,394 |
| <u>\$ 76,739</u> | <u>\$ 113,653</u> | <u>\$ 788,093</u> | <u>\$ 486,147</u> | <u>\$ 1,880,405</u> | <u>\$ 2,645,388</u> |
| | | | | | |
| \$ 429 | \$ 241 | \$ - | \$ 1,132 | \$ 2,017 | \$ 1,580 |
| 29,891 | 59,974 | - | 116,086 | 254,805 | 252,735 |
| <u>30,320</u> | <u>60,215</u> | <u>-</u> | <u>117,218</u> | <u>256,822</u> | <u>254,315</u> |
| | | | | | |
| 46,419 | 53,438 | 788,093 | 368,929 | 1,623,798 | 2,391,279 |
| - | - | - | - | (215) | (206) |
| <u>46,419</u> | <u>53,438</u> | <u>788,093</u> | <u>368,929</u> | <u>1,623,583</u> | <u>2,391,073</u> |
| | | | | | |
| <u>\$ 76,739</u> | <u>\$ 113,653</u> | <u>\$ 788,093</u> | <u>\$ 486,147</u> | <u>\$ 1,880,405</u> | <u>\$ 2,645,388</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, 2011
With Comparative Totals For The Year Ended December 31, 2010

| | 2001B Tax Increment Bonds | 2001C Taxable Tax Increment Bonds | 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 |
|-----------------------------------------|------------------------------------|-----------------------------------------------|------------------------------------|-----------------------------------------------|------------------------------------|------------------------------------|------------------------------------|-----------------------------------------------|------------------------------------|
| Revenues: | | | | | | | | | |
| Special assessments: | | | | | | | | | |
| Current and delinquent | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Prepayments | - | - | - | - | - | - | - | - | - |
| Investment income: | | | | | | | | | |
| Interest on investments | - | - | - | - | - | 10,049 | - | - | - |
| Change in fair value of investments | - | - | - | - | - | - | - | - | - |
| Total revenues | - | - | - | - | - | 10,049 | - | - | - |
| Expenditures: | | | | | | | | | |
| Current: | | | | | | | | | |
| General government: | | | | | | | | | |
| Professional services | - | - | - | - | 3,000 | - | - | - | - |
| Debt service: | | | | | | | | | |
| Principal retirement | 160,000 | 320,000 | 800,000 | 185,000 | - | - | 145,000 | 345,000 | - |
| Interest and paying agent fees | 34,896 | 121,559 | 98,590 | 72,451 | 967,144 | 650,120 | 9,225 | 19,923 | 3,153 |
| Total expenditures | 194,896 | 441,559 | 898,590 | 257,451 | 970,144 | 650,120 | 154,225 | 364,923 | 3,153 |
| Revenues over (under) expenditures | (194,896) | (441,559) | (898,590) | (257,451) | (970,144) | (640,071) | (154,225) | (364,923) | (3,153) |
| Other financing sources (uses): | | | | | | | | | |
| G.O. refunding debt issued | - | - | - | - | - | - | - | - | - |
| Tax increment refunding debt issued | 735,000 | 2,205,000 | - | - | - | - | - | - | - |
| Premium (discount) on debt issued | - | - | - | - | - | - | - | - | - |
| Refunded debt payment | (720,000) | (2,160,000) | - | - | - | - | - | - | - |
| Transfer from General Fund | - | - | - | - | - | - | - | - | - |
| Transfer from Debt Service Fund | - | - | - | - | - | - | - | - | - |
| Transfer from Capital Project Funds | 179,896 | 396,559 | 898,590 | 257,451 | 970,144 | 400 | 154,225 | 364,923 | 3,153 |
| Transfer to Debt Service Fund | - | - | - | - | - | - | - | - | - |
| Total other financing sources | 194,896 | 441,559 | 898,590 | 257,451 | 970,144 | 400 | 154,225 | 364,923 | 3,153 |
| Net increase (decrease) in fund balance | - | - | - | - | - | (639,671) | - | - | - |
| Fund balance - January 1 | - | - | - | - | (203) | 639,662 | - | (3) | - |
| Fund balance - December 31 | \$ - | \$ - | \$ - | \$ - | \$ (203) | \$ (9) | \$ - | \$ (3) | \$ - |

| 2011B Taxable Increment Bonds | 2001A Improvement Bonds | 2003A Improvement Bonds | 2004C Improvement Bonds | 2007A Improvement Bonds | 2009A Improvement Bonds | 2010A Improvement Bonds | 2011A Improvement Bonds | Total | |
|----------------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|--------------------------------|--------------|
| | | | | | | | | Nonmajor Debt Service Funds | |
| | | | | | | | | 2011 | 2010 |
| \$ - | \$ 19,176 | \$ 30,361 | \$ 17,171 | \$ 6,273 | \$ 12,218 | \$ - | \$ - | \$ 85,199 | \$ 125,599 |
| - | - | 215 | 673 | - | 2,768 | - | 49,628 | 53,284 | 2,882 |
| - | 594 | 1,691 | 449 | 589 | 849 | 2,193 | 298 | 16,712 | 63,913 |
| - | 328 | 412 | 223 | 73 | 88 | 584 | 89 | 1,797 | 950 |
| - | 20,098 | 32,679 | 18,516 | 6,935 | 15,923 | 2,777 | 50,015 | 156,992 | 193,344 |
| - | 3,500 | 4,403 | - | - | - | - | - | 10,903 | 13,282 |
| - | 200,000 | 290,000 | 145,000 | 35,000 | 35,000 | 855,000 | - | 3,515,000 | 3,680,000 |
| 14,737 | 13,593 | 34,794 | 24,266 | 14,345 | 11,462 | 91,125 | 9,605 | 2,190,988 | 2,490,903 |
| 14,737 | 217,093 | 329,197 | 169,266 | 49,345 | 46,462 | 946,125 | 9,605 | 5,716,891 | 6,184,185 |
| (14,737) | (196,995) | (296,518) | (150,750) | (42,410) | (30,539) | (943,348) | 40,410 | (5,559,899) | (5,990,841) |
| - | - | 775,000 | - | - | - | - | 13,973 | 788,973 | 4,760,000 |
| - | - | - | - | - | - | - | - | 2,940,000 | - |
| - | - | - | - | - | - | - | - | - | 76,238 |
| - | - | (760,000) | - | - | - | - | - | (3,640,000) | (5,725,000) |
| - | 187,500 | 227,300 | 128,700 | 15,100 | - | 393,000 | - | 951,600 | 1,028,600 |
| 14,737 | 10,356 | - | 17,086 | 2,058 | - | 418,696 | 250,984 | 250,984 | 20,601 |
| 14,737 | 197,856 | (250,984) | 145,786 | 17,158 | - | 811,696 | 328,519 | 4,792,409 | 4,108,423 |
| - | 861 | (305,202) | (4,964) | (25,252) | (30,539) | (131,652) | 368,929 | (767,490) | (1,882,418) |
| - | 209,274 | 305,202 | 161,748 | 71,671 | 83,977 | 919,745 | - | 2,391,073 | 4,273,491 |
| \$ - | \$ 210,135 | \$ - | \$ 156,784 | \$ 46,419 | \$ 53,438 | \$ 788,093 | \$ 368,929 | \$ 1,623,583 | \$ 2,391,073 |



NONMAJOR CAPITAL PROJECT FUNDS

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

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.

Unbonded 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, 2011
With Comparative Totals For December 31, 2010

| | Tax Increment Funds | Closed Bond Fund | Capital Projects | Street Improvements |
|-------------------------------------------|---------------------------|------------------------|---------------------|------------------------|
| Assets: | | | | |
| Cash and investments | \$ 3,201,827 | \$ 3,462,399 | \$ 504,334 | \$ - |
| Accrued interest receivable | 16,236 | 5,302 | - | - |
| Due from other governmental units | - | - | 1,001 | - |
| Accounts receivable | - | - | - | - |
| Taxes receivable: | | | | |
| Delinquent | 241,076 | - | - | - |
| Due from County | 11,750 | 1,513 | - | - |
| Special assessments receivable: | | | | |
| Delinquent | - | 63 | - | - |
| Deferred | - | 61,326 | - | - |
| Due from County | - | - | - | - |
| Assets held for resale | 793,000 | - | - | - |
| Total assets | \$ 4,263,889 | \$ 3,530,603 | \$ 505,335 | \$ - |
| Liabilities and Fund Balance: | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 13,497 | \$ - | \$ 6,463 | \$ 2,750 |
| Interfund payable | - | - | - | 272,618 |
| Due to other governmental units | 4,747 | - | - | - |
| Contracts payable | - | - | 8,094 | 45,665 |
| Interfund loans payable | 3,113,133 | - | - | - |
| Deferred revenue | 1,034,076 | 61,389 | - | - |
| Total liabilities | 4,165,453 | 61,389 | 14,557 | 321,033 |
| Fund balance (deficit): | | | | |
| Restricted | 3,200,803 | - | - | - |
| Assigned | - | 3,469,214 | 490,778 | - |
| Unassigned | (3,102,367) | - | - | (321,033) |
| Total fund balance (deficit) | 98,436 | 3,469,214 | 490,778 | (321,033) |
| Total liabilities and fund balance | \$ 4,263,889 | \$ 3,530,603 | \$ 505,335 | \$ - |

| Park Improvements | Water Improvements | Sewer Improvements | Stormwater Improvements | Total Nonmajor Capital Project Funds | |
|----------------------|-----------------------|-----------------------|----------------------------|--------------------------------------------|----------------------|
| | | | | 2011 | 2010 (Restated) |
| \$ 496,231 | \$ 540,013 | \$ 479,307 | \$ 71,142 | \$ 8,755,253 | \$ 9,120,591 |
| 30 | - | - | - | 21,568 | 34,621 |
| - | - | - | - | 1,001 | 126,493 |
| - | - | 1,400 | - | 1,400 | 4,448 |
| - | - | - | - | 241,076 | 257,633 |
| - | - | - | 41 | 13,304 | 9,771 |
| - | - | - | - | 63 | 324 |
| - | - | - | - | 61,326 | 71,032 |
| - | - | - | - | - | 139 |
| - | - | - | - | 793,000 | 793,000 |
| <u>\$ 496,261</u> | <u>\$ 540,013</u> | <u>\$ 480,707</u> | <u>\$ 71,183</u> | <u>\$ 9,887,991</u> | <u>\$ 10,418,052</u> |
| \$ - | \$ 550 | \$ 4,554 | \$ 31,375 | \$ 59,189 | \$ 18,430 |
| - | - | - | - | 272,618 | 502,727 |
| - | - | - | - | 4,747 | 100,102 |
| - | 3,970 | - | 3,331 | 61,060 | 75,155 |
| - | - | - | - | 3,113,133 | 3,242,498 |
| - | - | - | - | 1,095,465 | 1,121,989 |
| - | 4,520 | 4,554 | 34,706 | 4,606,212 | 5,060,901 |
| 400,984 | - | - | - | 3,601,787 | 3,472,935 |
| 95,277 | 535,493 | 476,153 | 36,477 | 5,103,392 | 5,342,347 |
| - | - | - | - | (3,423,400) | (3,458,131) |
| <u>496,261</u> | <u>535,493</u> | <u>476,153</u> | <u>36,477</u> | <u>5,281,779</u> | <u>5,357,151</u> |
| <u>\$ 496,261</u> | <u>\$ 540,013</u> | <u>\$ 480,707</u> | <u>\$ 71,183</u> | <u>\$ 9,887,991</u> | <u>\$ 10,418,052</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, 2011
With Comparative Totals For The Year Ended December 31, 2010

| | Tax Increment Funds | Closed Bond Fund | Capital Projects | Street Improvements |
|-------------------------------------------------|---------------------------|------------------------|---------------------|------------------------|
| Revenues: | | | | |
| General property taxes: | | | | |
| Current and delinquent | \$ - | \$ - | \$ - | \$ - |
| Tax increment: | | | | |
| Current and delinquent | 4,006,749 | - | - | - |
| Intergovernmental: | | | | |
| Ramsay County reimbursements | - | - | 242,993 | - |
| State: | | | | |
| MSA | - | - | 322,535 | 724,400 |
| Market value homestead credit | 33,968 | - | - | - |
| DNR local trail connection | - | - | - | - |
| Federal: | | | | |
| Safe routes to school | - | - | - | - |
| Charges for services | - | - | 200 | 630 |
| Special assessments: | | | | |
| Current and delinquent | - | 12,767 | - | - |
| Prepayments | - | 1,135 | - | 31,900 |
| Penalties and interest | - | 21,057 | - | - |
| Investment income: | | | | |
| Interest on investments | 45,647 | 59,701 | 12,998 | 2,498 |
| Change in fair value of investments | 6,497 | 5,862 | 798 | (413) |
| Refunds and reimbursements | - | - | - | - |
| Other: | | | | |
| In-house engineering and administrative charges | 36,466 | - | - | - |
| Police forfeitures | - | - | - | - |
| Donations | - | - | - | - |
| Park dedication charge | - | - | - | - |
| Total revenues | <u>4,129,327</u> | <u>100,522</u> | <u>579,524</u> | <u>759,015</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | - | 4,930 | - | - |
| Community development | 306,129 | - | - | - |
| Parks and recreation | - | - | - | - |
| Public safety | - | - | - | - |
| Public works | - | - | 8,518 | 179,692 |
| Interest on interfund loans | 129,700 | - | - | - |
| Capital outlay: | | | | |
| Parks and recreation | - | - | - | - |
| Public works | - | - | 433,667 | 1,331,164 |
| Total expenditures | <u>435,829</u> | <u>4,930</u> | <u>442,185</u> | <u>1,510,856</u> |
| Revenues over (under) expenditures | <u>3,693,498</u> | <u>95,592</u> | <u>137,339</u> | <u>(751,841)</u> |
| Other financing sources (uses): | | | | |
| G.O. improvement debt issued | - | - | - | 606,027 |
| Transfer from General Fund | - | - | - | - |
| Transfer from Special Revenue Funds | - | - | - | - |
| Transfer from Capital Project Funds | 113,367 | - | 2,941 | 484,457 |
| Transfer from Enterprise Funds | - | - | - | - |
| Transfer from Internal Service Funds | - | - | - | - |
| Transfer to Debt Service Funds | (2,269,535) | (50,756) | - | - |
| Transfer to Capital Project Funds | (2,017,521) | - | (126,303) | (95,853) |
| Transfer to Enterprise Funds | - | (57,900) | - | - |
| Transfer to Internal Service Funds | - | - | (200,000) | - |
| Total other financing sources (uses) | <u>(4,173,689)</u> | <u>(108,656)</u> | <u>(323,362)</u> | <u>994,631</u> |
| Net increase (decrease) in fund balance | (480,191) | (13,064) | (186,023) | 242,790 |
| Fund balance (deficit) - January 1 | 578,627 | 3,482,278 | 676,801 | (563,823) |
| Change in accounting principle | - | - | - | - |
| Fund balance (deficit) - January 1 - restated | <u>578,627</u> | <u>3,482,278</u> | <u>676,801</u> | <u>(563,823)</u> |
| Fund balance (deficit) - December 31 | <u>\$ 98,436</u> | <u>\$ 3,469,214</u> | <u>\$ 490,778</u> | <u>\$ (321,033)</u> |

| Park Improvements | Water Improvements | Sewer Improvements | Stormwater Improvements | Total Nonmajor Capital Project Funds | |
|----------------------|-----------------------|-----------------------|----------------------------|--------------------------------------------|---------------------|
| | | | | 2011 | 2010 |
| | | | | \$ - | \$ - |
| - | - | - | - | 4,006,749 | 4,036,982 |
| - | - | - | - | 242,993 | 3,039 |
| - | - | - | - | 1,046,935 | 1,225,306 |
| - | - | - | - | 33,968 | 30,777 |
| - | - | - | - | - | 51,477 |
| 35,019 | - | - | - | 35,019 | 135,043 |
| - | 71,095 | 35,895 | - | 107,820 | 56,364 |
| - | - | - | - | - | - |
| - | - | - | - | 12,767 | 26,369 |
| - | - | - | - | 33,035 | 2,724 |
| - | - | - | - | 21,057 | 3,698 |
| 5,975 | 9,018 | 5,766 | 5,688 | 147,291 | 149,677 |
| 790 | 859 | 788 | 111 | 15,292 | 12,513 |
| - | - | - | - | - | 20,526 |
| - | - | - | - | 36,466 | - |
| - | - | - | - | - | 34,667 |
| 1,320 | - | - | - | 1,320 | 15,931 |
| 202,120 | - | - | - | 202,120 | - |
| <u>245,224</u> | <u>80,972</u> | <u>42,449</u> | <u>8,018</u> | <u>5,945,051</u> | <u>5,809,251</u> |
| - | - | - | - | 4,930 | 3,910 |
| - | - | - | - | 306,129 | 67,792 |
| 6,129 | - | - | - | 6,129 | 110,555 |
| - | - | - | - | - | 47,468 |
| - | 35,434 | 27,475 | 102,407 | 353,526 | 342,706 |
| - | - | - | - | 129,700 | 129,599 |
| 34,233 | - | - | - | 34,233 | 336,282 |
| - | 79,400 | - | 66,764 | 1,910,995 | 1,668,486 |
| <u>40,362</u> | <u>114,834</u> | <u>27,475</u> | <u>169,171</u> | <u>2,745,642</u> | <u>2,706,798</u> |
| <u>204,862</u> | <u>(33,862)</u> | <u>14,974</u> | <u>(161,153)</u> | <u>3,199,409</u> | <u>3,102,453</u> |
| - | - | - | - | 606,027 | - |
| - | - | - | - | - | 160,626 |
| - | 11,909 | - | - | 11,909 | 34,135 |
| 20,436 | - | 50,523 | 45,330 | 717,054 | 1,004,024 |
| - | 387,200 | 202,800 | 107,000 | 697,000 | 752,282 |
| - | - | - | - | - | 5,800 |
| - | - | - | - | (2,320,291) | (2,500,833) |
| - | (185,031) | (34,545) | (161,955) | (2,621,208) | (1,233,997) |
| - | - | - | - | (57,900) | (279,953) |
| - | - | - | (107,372) | (307,372) | (551,171) |
| <u>20,436</u> | <u>214,078</u> | <u>218,778</u> | <u>(116,997)</u> | <u>(3,274,781)</u> | <u>(2,609,087)</u> |
| 225,298 | 180,216 | 233,752 | (278,150) | (75,372) | 493,366 |
| 270,963 | 355,277 | 242,401 | 314,627 | 5,357,151 | 5,007,494 |
| - | - | - | - | - | (143,709) |
| <u>270,963</u> | <u>355,277</u> | <u>242,401</u> | <u>314,627</u> | <u>5,357,151</u> | <u>4,863,785</u> |
| <u>\$ 496,261</u> | <u>\$ 535,493</u> | <u>\$ 476,153</u> | <u>\$ 36,477</u> | <u>\$ 5,281,779</u> | <u>\$ 5,357,151</u> |

CITY OF NEW BRIGHTON, MINNESOTA
NONMAJOR TAX INCREMENT FINANCING CAPITAL PROJECT FUNDS
SUBCOMBINING BALANCE SHEET
 December 31, 2011
 With Comparative Totals For December 31, 2010

| | Tax Increment District 7 | Tax Increment District 8 | Tax Increment District 9 | Tax Increment District 10 | Tax Increment District 11 |
|-------------------------------------------|--------------------------------|--------------------------------|--------------------------------|---------------------------------|---------------------------------|
| Assets: | | | | | |
| Cash and investments | \$ 136,716 | \$ 52,233 | \$ - | \$ 89,006 | \$ 242,276 |
| Accrued interest receivable | - | 59 | 11,584 | - | - |
| Taxes receivable: | | | | | |
| Delinquent | - | - | - | - | - |
| Due from County | - | - | - | - | - |
| Assets held for resale | - | - | - | - | - |
| Total assets | <u>\$ 136,716</u> | <u>\$ 52,292</u> | <u>\$ 11,584</u> | <u>\$ 89,006</u> | <u>\$ 242,276</u> |
| Liabilities and fund balance: | | | | | |
| Liabilities: | | | | | |
| Accounts payable | \$ 962 | \$ - | \$ - | \$ 1,251 | \$ 973 |
| Due to other governmental units | - | - | - | - | - |
| Interfund loans payable | - | - | 31,423 | - | - |
| Deferred revenue | - | - | - | - | - |
| Total liabilities | <u>962</u> | <u>-</u> | <u>31,423</u> | <u>1,251</u> | <u>973</u> |
| Fund balance (deficit): | | | | | |
| Restricted | 135,754 | 52,292 | - | 87,755 | 241,303 |
| Unassigned | - | - | (19,839) | - | - |
| Total fund balance (deficit) | <u>135,754</u> | <u>52,292</u> | <u>(19,839)</u> | <u>87,755</u> | <u>241,303</u> |
| Total liabilities and fund balance | <u>\$ 136,716</u> | <u>\$ 52,292</u> | <u>\$ 11,584</u> | <u>\$ 89,006</u> | <u>\$ 242,276</u> |

| Tax Increment District 12 | Tax Increment District 14 | Tax Increment District 15 | Tax Increment District 16 | Tax Increment District 17 | Tax Increment District 18 |
|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| \$ 403,941 | \$ 301,841 | \$ 208,713 | \$ 45,752 | \$ 34,708 | \$ 736,767 |
| - | - | - | - | 278 | - |
| - | - | 146,860 | 244 | 9,303 | - |
| - | - | - | 6,432 | - | 1,242 |
| - | - | - | - | - | - |
| <u>\$ 403,941</u> | <u>\$ 301,841</u> | <u>\$ 355,573</u> | <u>\$ 52,428</u> | <u>\$ 44,289</u> | <u>\$ 738,009</u> |
| | | | | | |
| \$ 997 | \$ 123 | \$ 235 | \$ 148 | \$ 30 | \$ 2,885 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | 146,860 | 244 | 9,303 | - |
| <u>997</u> | <u>123</u> | <u>147,095</u> | <u>392</u> | <u>9,333</u> | <u>2,885</u> |
| | | | | | |
| 402,944 | 301,718 | 208,478 | 52,036 | 34,956 | 735,124 |
| - | - | - | - | - | - |
| <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>\$ 403,941</u> | <u>\$ 301,841</u> | <u>\$ 355,573</u> | <u>\$ 52,428</u> | <u>\$ 44,289</u> | <u>\$ 738,009</u> |

CITY OF NEW BRIGHTON, MINNESOTA
NONMAJOR TAX INCREMENT FINANCING CAPITAL PROJECT FUNDS
SUBCOMBINING BALANCE SHEET
December 31, 2011
With Comparative Totals For December 31, 2010

| | Tax Increment District 19 | Tax Increment District 20 | Tax Increment District 23 | Tax Increment District 25 | Tax Increment District 26 |
|-------------------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Assets: | | | | | |
| Cash and investments | \$ 64,197 | \$ 208,874 | \$ - | \$ - | \$ 561,300 |
| Accrued interest receivable | 58 | 4,210 | 47 | - | - |
| Taxes receivable: | | | | | |
| Delinquent | - | 15,393 | - | 40,627 | - |
| Due from County | - | 691 | - | 292 | 3,093 |
| Assets held for resale | - | - | - | - | 793,000 |
| Total assets | \$ 64,255 | \$ 229,168 | \$ 47 | \$ 40,919 | \$ 1,357,393 |
| Liabilities and fund balance: | | | | | |
| Liabilities: | | | | | |
| Accounts payable | \$ 30 | \$ 823 | \$ 30 | \$ 162 | \$ 2,498 |
| Due to other governmental units | - | - | - | - | - |
| Interfund loans payable | - | - | 90,815 | 927,916 | - |
| Deferred revenue | - | 15,393 | - | 40,627 | 793,000 |
| Total liabilities | 30 | 16,216 | 90,845 | 968,705 | 795,498 |
| Fund balance (deficit): | | | | | |
| Restricted | 64,225 | 212,952 | - | - | 561,895 |
| Unassigned | - | - | (90,798) | (927,786) | - |
| Total fund balance (deficit) | 64,225 | 212,952 | (90,798) | (927,786) | 561,895 |
| Total liabilities and fund balance | \$ 64,255 | \$ 229,168 | \$ 47 | \$ 40,919 | \$ 1,357,393 |

| 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 2011 | 2010 |
| \$ - | \$ 115,503 | \$ - | \$ - | \$ - | \$ 3,201,827 | \$ 3,896,124 |
| - | - | - | - | - | 16,236 | 22,214 |
| - | 21,976 | 6,673 | - | - | 241,076 | 257,633 |
| - | - | - | - | - | 11,750 | 8,330 |
| - | - | - | - | - | 793,000 | 793,000 |
| <u>\$ -</u> | <u>\$ 137,479</u> | <u>\$ 6,673</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 4,263,889</u> | <u>\$ 4,977,301</u> |
| \$ 127 | \$ 1,385 | \$ 187 | \$ 575 | \$ 76 | \$ 13,497 | \$ 5,441 |
| - | 4,747 | - | - | - | 4,747 | 100,102 |
| 243,301 | - | 116,660 | 1,374,977 | 328,041 | 3,113,133 | 3,242,498 |
| - | 21,976 | 6,673 | - | - | 1,034,076 | 1,050,633 |
| <u>243,428</u> | <u>28,108</u> | <u>123,520</u> | <u>1,375,552</u> | <u>328,117</u> | <u>4,165,453</u> | <u>4,398,674</u> |
| - | 109,371 | - | - | - | 3,200,803 | 3,472,935 |
| (243,428) | - | (116,847) | (1,375,552) | (328,117) | (3,102,367) | (2,894,308) |
| <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>\$ -</u> | <u>\$ 137,479</u> | <u>\$ 6,673</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 4,263,889</u> | <u>\$ 4,977,301</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, 2011
With Comparative Totals For The Year Ended December 31, 2010

| | Tax Increment District 5 | Tax Increment District 6 | Tax Increment District 7 | Tax Increment District 8 | Tax Increment District 9 |
|-------------------------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Revenue: | | | | | |
| Taxes: | | | | | |
| Tax increment | \$ 134,194 | \$ 260,979 | \$ 93,502 | \$ 458,040 | \$ 78,850 |
| Delinquent tax increment | 6,594 | (5,606) | - | - | - |
| Intergovernmental: | | | | | |
| State: | | | | | |
| Market value homestead credit | - | 2,245 | - | - | - |
| Charges for services | - | - | - | - | - |
| Investment income: | | | | | |
| Interest on investments | (1,503) | 3,291 | 1,479 | 32 | 365 |
| Change in fair value of investments | (78) | 537 | 241 | 478 | 136 |
| In-house engineering and administrative charges | - | - | - | - | - |
| Total revenue | <u>139,207</u> | <u>261,446</u> | <u>95,222</u> | <u>458,550</u> | <u>79,351</u> |
| Expenditures: | | | | | |
| Interfund interest | 1,699 | - | - | 6,885 | - |
| Construction costs: | | | | | |
| Engineering and administrative | 46,272 | 23,046 | 3,950 | 56,154 | 132,275 |
| Other | - | - | - | - | - |
| Total expenditures | <u>47,971</u> | <u>23,046</u> | <u>3,950</u> | <u>63,039</u> | <u>132,275</u> |
| Revenue over (under) expenditures | <u>91,236</u> | <u>238,400</u> | <u>91,272</u> | <u>395,511</u> | <u>(52,924)</u> |
| Other financing sources (uses): | | | | | |
| Transfer from Capital Project Funds | 113,367 | - | - | - | - |
| Transfer to Debt Service Funds | (121,298) | (262,928) | (95,250) | (171,372) | - |
| Transfer to Capital Project Funds | - | (367,521) | - | - | - |
| Total other financing sources (uses) | <u>(7,931)</u> | <u>(630,449)</u> | <u>(95,250)</u> | <u>(171,372)</u> | <u>-</u> |
| Net increase (decrease) in fund balance | 83,305 | (392,049) | (3,978) | 224,139 | (52,924) |
| Fund balance (deficit) - January 1 | <u>(83,305)</u> | <u>392,049</u> | <u>139,732</u> | <u>(171,847)</u> | <u>33,085</u> |
| Fund balance (deficit) - December 31 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 135,754</u> | <u>\$ 52,292</u> | <u>\$ (19,839)</u> |

| Tax Increment District 10 | 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 |
|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| \$ 108,858 (113,492) | \$ 36,521 - | \$ 99,133 - | \$ 67,745 - | \$ 343,220 (3,257) | \$ 24,490 - | \$ 82,268 (14,431) | \$ 256,598 1,222 |
| - | - | - | - | - | - | - | 13,423 |
| - | - | - | - | - | - | - | - |
| 2,302 164 - | 3,655 400 - | 5,739 674 - | 4,206 487 - | 284 360 - | 591 74 - | 151 51 - | 8,749 1,213 36,466 |
| <u>(2,168)</u> | <u>40,576</u> | <u>105,546</u> | <u>72,438</u> | <u>340,607</u> | <u>25,155</u> | <u>68,039</u> | <u>317,671</u> |
| - | - | - | - | - | - | - | - |
| 1,970 - | 1,153 - | 1,981 - | 506 - | 374 - | 1,168 - | 1,146 - | 1,122 - |
| <u>1,970</u> | <u>1,153</u> | <u>1,981</u> | <u>506</u> | <u>374</u> | <u>1,168</u> | <u>1,146</u> | <u>1,122</u> |
| <u>(4,138)</u> | <u>39,423</u> | <u>103,565</u> | <u>71,932</u> | <u>340,233</u> | <u>23,987</u> | <u>66,893</u> | <u>316,549</u> |
| - | - | - | - | - | - | - | - |
| (94,891) - | (31,451) - | (80,873) - | (64,609) - | (331,485) - | (21,386) - | (202,252) - | (39,252) - |
| <u>(94,891)</u> | <u>(31,451)</u> | <u>(80,873)</u> | <u>(64,609)</u> | <u>(331,485)</u> | <u>(21,386)</u> | <u>(202,252)</u> | <u>(39,252)</u> |
| (99,029) | 7,972 | 22,692 | 7,323 | 8,748 | 2,601 | (135,359) | 277,297 |
| <u>186,784</u> | <u>233,331</u> | <u>380,252</u> | <u>294,395</u> | <u>199,730</u> | <u>49,435</u> | <u>170,315</u> | <u>457,827</u> |
| <u>\$ 87,755</u> | <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> |

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, 2011
With Comparative Totals For The Year Ended December 31, 2010

| | Tax Increment District 19 | Tax Increment District 20 | Tax Increment District 23 | Tax Increment District 25 | Tax Increment District 26 |
|-------------------------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Revenue: | | | | | |
| Taxes: | | | | | |
| Tax increment | \$ 43,678 | \$ 371,684 | \$ 12,774 | \$ 303,540 | \$ 850,660 |
| Delinquent tax increment | - | (17,513) | - | (24,837) | (36,031) |
| Intergovernmental: | | | | | |
| State: | | | | | |
| Market value homestead credit | - | - | - | 203 | 18,097 |
| Charges for services | - | - | - | - | - |
| Investment income: | | | | | |
| Interest on investments | 775 | 1,872 | (5) | (1,583) | 5,273 |
| Change in fair value of investments | 103 | 324 | (24) | (67) | 963 |
| In-house engineering and administrative charges | - | - | - | - | - |
| Total revenue | <u>44,556</u> | <u>356,367</u> | <u>12,745</u> | <u>277,256</u> | <u>838,962</u> |
| Expenditures: | | | | | |
| Interfund interest | - | - | 3,010 | 34,022 | - |
| Construction costs: | | | | | |
| Engineering and administrative | 297 | 943 | 330 | 1,130 | 2,611 |
| Other | 25,112 | - | - | - | - |
| Total expenditures | <u>25,409</u> | <u>943</u> | <u>3,340</u> | <u>35,152</u> | <u>2,611</u> |
| Revenue over (under) expenditures | <u>19,147</u> | <u>355,424</u> | <u>9,405</u> | <u>242,104</u> | <u>836,351</u> |
| Other financing sources (uses): | | | | | |
| Transfer from Capital Project Funds | - | - | - | - | - |
| Transfer to Debt Service Funds | (3,785) | (144,187) | - | (219,998) | (315,832) |
| Transfer to Capital Project Funds | - | (175,000) | (25,000) | (160,071) | (275,000) |
| Total other financing sources (uses) | <u>(3,785)</u> | <u>(319,187)</u> | <u>(25,000)</u> | <u>(380,069)</u> | <u>(590,832)</u> |
| Net increase (decrease) in fund balance | 15,362 | 36,237 | (15,595) | (137,965) | 245,519 |
| Fund balance (deficit) - January 1 | <u>48,863</u> | <u>176,715</u> | <u>(75,203)</u> | <u>(789,821)</u> | <u>316,376</u> |
| Fund balance (deficit) - December 31 | <u>\$ 64,225</u> | <u>\$ 212,952</u> | <u>\$ (90,798)</u> | <u>\$ (927,786)</u> | <u>\$ 561,895</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 | |
|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|------------------------------------------------|--------------------|
| | | | | | 2011 | 2010 |
| \$ 32,635 | \$ 242,772 | \$ 42,521 | \$ 242,699 | \$ 22,156 | \$ 4,209,517 | \$ 4,024,482 |
| - | 4,583 | - | - | - | (202,768) | 12,500 |
| - | - | - | - | - | 33,968 | 30,777 |
| - | - | - | - | - | - | 28,722 |
| 582 | 5,431 | (157) | 3,539 | 579 | 45,647 | 32,477 |
| 59 | 223 | 13 | 80 | 86 | 6,497 | 5,636 |
| - | - | - | - | - | 36,466 | - |
| <u>33,276</u> | <u>253,009</u> | <u>42,377</u> | <u>246,318</u> | <u>22,821</u> | <u>4,129,327</u> | <u>4,134,594</u> |
| 10,217 | - | 4,613 | 54,817 | 14,437 | 129,700 | 129,599 |
| 1,076 | 1,206 | 1,098 | 1,098 | 111 | 281,017 | 67,792 |
| - | - | - | - | - | 25,112 | - |
| <u>11,293</u> | <u>1,206</u> | <u>5,711</u> | <u>55,915</u> | <u>14,548</u> | <u>435,829</u> | <u>197,391</u> |
| <u>21,983</u> | <u>251,803</u> | <u>36,666</u> | <u>190,403</u> | <u>8,273</u> | <u>3,693,498</u> | <u>3,937,203</u> |
| - | - | - | - | - | 113,367 | - |
| (4,274) | (26,384) | (38,028) | - | - | (2,269,535) | (2,407,191) |
| <u>(35,293)</u> | <u>(510,094)</u> | <u>-</u> | <u>(469,542)</u> | <u>-</u> | <u>(2,017,521)</u> | <u>(320,000)</u> |
| <u>(39,567)</u> | <u>(536,478)</u> | <u>(38,028)</u> | <u>(469,542)</u> | <u>-</u> | <u>(4,173,689)</u> | <u>(2,727,191)</u> |
| (17,584) | (284,675) | (1,362) | (279,139) | 8,273 | (480,191) | 1,210,012 |
| <u>(225,844)</u> | <u>394,046</u> | <u>(115,485)</u> | <u>(1,096,413)</u> | <u>(336,390)</u> | <u>578,627</u> | <u>(631,385)</u> |
| <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> |



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 ASSETS
For The Year Ended December 31, 2011
With Comparative Totals For The Year Ended December 31, 2010

Statement 22

| | Risk Management | Compensated Absences | Fleet Replacement | Non-Fleet Replacement | Information Technology | Pavement Management | Total | |
|--------------------------------------------------------|---------------------|-------------------------|----------------------|--------------------------|---------------------------|------------------------|------------------------|----------------------|
| | | | | | | | Internal Service Funds | |
| | | | | | | | 2011 | 2010 |
| Assets | | | | | | | | |
| Current assets: | | | | | | | | |
| Cash and investments | \$ 1,172,947 | \$ 913,958 | \$ 5,464,415 | \$ 3,645,692 | \$ 1,318,533 | \$ 417,359 | \$ 12,932,904 | \$ 12,218,141 |
| Accrued interest receivable | 1,027 | - | - | - | - | - | 1,027 | 8,953 |
| Due from other governmental units | - | - | - | - | - | 42,651 | 42,651 | - |
| Total current assets | <u>1,173,974</u> | <u>913,958</u> | <u>5,464,415</u> | <u>3,645,692</u> | <u>1,318,533</u> | <u>460,010</u> | <u>12,976,582</u> | <u>12,227,094</u> |
| Noncurrent assets: | | | | | | | | |
| Capital assets: | | | | | | | | |
| Buildings | - | - | - | 576,325 | - | - | 576,325 | 576,325 |
| Equipment | - | - | 5,693,999 | 1,105,955 | 1,286,800 | - | 8,086,754 | 7,858,968 |
| Other improvements | - | - | - | 260,907 | 60,837 | 246,862 | 568,606 | 266,040 |
| Construction in progress | - | - | 30,672 | - | - | - | 30,672 | - |
| Less: Allowance for depreciation | - | - | (3,018,258) | (706,863) | (911,944) | - | (4,637,065) | (4,477,204) |
| Total capital assets (net of accumulated depreciation) | <u>-</u> | <u>-</u> | <u>2,706,413</u> | <u>1,236,324</u> | <u>435,693</u> | <u>246,862</u> | <u>4,625,292</u> | <u>4,224,129</u> |
| Total assets | <u>\$ 1,173,974</u> | <u>\$ 913,958</u> | <u>\$ 8,170,828</u> | <u>\$ 4,882,016</u> | <u>\$ 1,754,226</u> | <u>\$ 706,872</u> | <u>\$ 17,601,874</u> | <u>\$ 16,451,223</u> |
| Liabilities: | | | | | | | | |
| Current liabilities: | | | | | | | | |
| Accounts payable | 7,875 | 1,344 | 4,251 | 67,626 | 15,639 | 720 | 97,455 | 54,403 |
| Salaries payable | 227 | - | - | - | 2,006 | - | 2,233 | 2,225 |
| Due to other governmental units | - | - | - | - | 89 | - | 89 | 60 |
| Contracts payable | - | - | - | - | - | 11,232 | 11,232 | - |
| Compensated absences - current | - | 249 | - | - | - | - | 249 | 1,854 |
| Total current liabilities | <u>8,102</u> | <u>1,593</u> | <u>4,251</u> | <u>67,626</u> | <u>17,734</u> | <u>11,952</u> | <u>111,258</u> | <u>58,542</u> |
| Noncurrent liabilities | | | | | | | | |
| Compensated absences - noncurrent | - | 837,861 | - | - | - | - | 837,861 | 758,503 |
| Total noncurrent liabilities | <u>-</u> | <u>837,861</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>837,861</u> | <u>758,503</u> |
| Total liabilities | <u>8,102</u> | <u>839,454</u> | <u>4,251</u> | <u>67,626</u> | <u>17,734</u> | <u>11,952</u> | <u>949,119</u> | <u>817,045</u> |
| Net assets: | | | | | | | | |
| Invested in capital assets, net of related debt | - | - | 2,706,413 | 1,236,324 | 435,693 | 246,862 | 4,625,292 | 4,224,129 |
| Unrestricted | 1,165,872 | 74,504 | 5,460,164 | 3,578,066 | 1,300,799 | 448,058 | 12,027,463 | 11,410,049 |
| Total net assets | <u>\$ 1,165,872</u> | <u>\$ 74,504</u> | <u>\$ 8,166,577</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> |

CITY OF NEW BRIGHTON, MINNESOTA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUE,
EXPENSES AND CHANGES IN NET ASSETS
For The Year Ended December 31, 2011
With Comparative Totals For The Year Ended December 31, 2010

| | <u>Risk Management</u> | <u>Compensated Absences</u> | <u>Fleet Replacement</u> |
|------------------------------------------------------------|----------------------------|---------------------------------|------------------------------|
| Operating revenue: | | | |
| Customer charges | \$ 469,600 | \$ 16,533 | \$ 379,300 |
| Total operating revenues | <u>469,600</u> | <u>16,533</u> | <u>379,300</u> |
| Operating expenses: | | | |
| Personnel services | 14,578 | 93,407 | - |
| Materials and supplies | 278 | - | - |
| Contractual services | 402,322 | - | - |
| Professional services | - | - | 2,354 |
| Depreciation | - | - | 381,370 |
| Total operating expenses | <u>417,178</u> | <u>93,407</u> | <u>383,724</u> |
| Operating income (loss) | <u>52,422</u> | <u>(76,874)</u> | <u>(4,424)</u> |
| Nonoperating revenues (expenses): | | | |
| Investment income: | | | |
| Interest on investments | 17,001 | 15,031 | 90,755 |
| Change in fair value of investments | 1,922 | 1,477 | 8,999 |
| In-house engineering and administrative charges | - | - | - |
| School District grant | - | - | 9,000 |
| Gain (loss) on disposal of capital assets | - | - | 14,110 |
| Refunds and reimbursements | 70,840 | - | - |
| Other | - | - | - |
| Total nonoperating revenues (expenses) | <u>89,763</u> | <u>16,508</u> | <u>122,864</u> |
| Income (loss) before contributions and operating transfers | <u>142,185</u> | <u>(60,366)</u> | <u>118,440</u> |
| Transfers: | | | |
| Transfers from: | | | |
| General Fund | - | - | - |
| Capital Project Funds | - | - | - |
| Enterprise Funds | - | - | 4,321 |
| Transfers to: | | | |
| Capital Project Funds | - | - | - |
| Total transfers | <u>-</u> | <u>-</u> | <u>4,321</u> |
| Change in net assets | <u>142,185</u> | <u>(60,366)</u> | <u>122,761</u> |
| Net assets - January 1 | <u>1,023,687</u> | <u>134,870</u> | <u>8,043,816</u> |
| Net assets - December 31 | <u>\$ 1,165,872</u> | <u>\$ 74,504</u> | <u>\$ 8,166,577</u> |

Statement 23

| Non-Fleet Replacement | Information Technology | Pavement Management | Total | |
|--------------------------|---------------------------|------------------------|------------------------|----------------------|
| | | | Internal Service Funds | |
| | | | 2011 | 2010 |
| \$ 340,200 | \$ 527,000 | \$ 92,400 | \$ 1,825,033 | \$ 2,340,823 |
| <u>340,200</u> | <u>527,000</u> | <u>92,400</u> | <u>1,825,033</u> | <u>2,340,823</u> |
| - | 133,912 | - | 241,897 | 318,648 |
| 1,944 | 27,791 | - | 30,013 | 20,846 |
| - | 201,831 | 6,638 | 610,791 | 673,837 |
| 16,580 | - | - | 18,934 | 3,990 |
| 101,725 | 107,585 | - | 590,680 | 616,915 |
| <u>120,249</u> | <u>471,119</u> | <u>6,638</u> | <u>1,492,315</u> | <u>1,634,236</u> |
| <u>219,951</u> | <u>55,881</u> | <u>85,762</u> | <u>332,718</u> | <u>706,587</u> |
| 59,018 | 21,364 | 5,681 | 208,850 | 210,172 |
| 5,995 | 2,181 | 686 | 21,260 | 16,537 |
| - | 405 | - | 405 | 520 |
| - | 1,500 | - | 10,500 | 10,500 |
| (1,019) | - | - | 13,091 | 20,244 |
| - | 6,000 | 42,650 | 119,490 | 81,184 |
| - | - | 570 | 570 | 5,800 |
| <u>63,994</u> | <u>31,450</u> | <u>49,587</u> | <u>374,166</u> | <u>344,957</u> |
| <u>283,945</u> | <u>87,331</u> | <u>135,349</u> | <u>706,884</u> | <u>1,051,544</u> |
| - | - | - | - | 1,258,000 |
| - | - | 307,372 | 307,372 | 551,171 |
| - | - | - | 4,321 | - |
| - | - | - | - | (5,800) |
| <u>-</u> | <u>-</u> | <u>307,372</u> | <u>311,693</u> | <u>1,803,371</u> |
| 283,945 | 87,331 | 442,721 | 1,018,577 | 2,854,915 |
| 4,530,445 | 1,649,161 | 252,199 | 15,634,178 | 12,779,263 |
| <u>\$ 4,814,390</u> | <u>\$ 1,736,492</u> | <u>\$ 694,920</u> | <u>\$ 16,652,755</u> | <u>\$ 15,634,178</u> |

CITY OF NEW BRIGHTON, MINNESOTA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For The Year Ended December 31, 2011

| | Risk Management | Compensated Absences | Fleet Replacement |
|-------------------------------------------------------------------------------------------------------|---------------------|-------------------------|----------------------|
| Cash flows from operating activities: | | | |
| Receipts from customers and users | \$ 469,600 | \$ 16,533 | \$ 379,300 |
| Payments to employees | (14,578) | (15,654) | - |
| Payments to suppliers for goods and services | (399,492) | - | (2,354) |
| Net cash provided (used) by operating activities | <u>55,530</u> | <u>879</u> | <u>376,946</u> |
| Cash flows from noncapital financing activities: | | | |
| Refunds and reimbursements | 70,840 | - | - |
| Net cash provided (used) by noncapital and related financing activities | <u>70,840</u> | <u>-</u> | <u>-</u> |
| Cash flows from capital and related financing activities: | | | |
| Other | - | - | - |
| In-house engineering and administrative charges | - | - | - |
| Acquisition of capital assets | - | - | (506,323) |
| Transfer from (to) general fund | - | - | - |
| Transfer from (to) capital project funds | - | - | - |
| Proceeds from sale of capital assets | - | - | 14,110 |
| Contributions and donations | - | - | 9,000 |
| Net cash provided (used) by capital and related financing activities: | <u>-</u> | <u>-</u> | <u>(483,213)</u> |
| Proceeds from capital debt | | | |
| Cash flows from investing activities: | | | |
| Investment income: | | | |
| Interest on investments | 18,739 | 16,517 | 99,749 |
| Change in fair value of investments | 1,922 | 1,477 | 8,999 |
| Net cash provided (used) by investing activities | <u>20,661</u> | <u>17,994</u> | <u>108,748</u> |
| Net increase in cash and cash equivalents | 147,031 | 18,873 | 2,481 |
| Cash and cash equivalents - January 1 | <u>1,025,916</u> | <u>895,085</u> | <u>5,461,934</u> |
| Cash and cash equivalents - December 31 | <u>\$ 1,172,947</u> | <u>\$ 913,958</u> | <u>\$ 5,464,415</u> |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | | |
| Operating income (loss) | \$ 52,422 | \$ (76,874) | \$ (4,424) |
| Adjustments to reconcile operating income (loss) to net cash flows from operating activities: | | | |
| Depreciation | - | - | 381,370 |
| Changes in assets and liabilities: | | | |
| Decrease (increase) in receivables | - | - | - |
| Decrease (increase) in prepaids | - | - | - |
| Increase (decrease) in payables | 3,108 | 77,753 | - |
| Total adjustments | <u>3,108</u> | <u>77,753</u> | <u>381,370</u> |
| Net cash provided (used) by operating activities | <u>\$ 55,530</u> | <u>\$ 879</u> | <u>\$ 376,946</u> |

| Non-Fleet Replacement | Information Technology | Pavement Management | Total | |
|--------------------------|---------------------------|------------------------|------------------------|----------------------|
| | | | Internal Service Funds | |
| | | | 2011 | 2010 |
| \$ 340,200 | \$ 527,000 | \$ 92,400 | \$ 1,825,033 | \$ 2,340,823 |
| - | (133,903) | - | (164,135) | (200,065) |
| (3,551) | (237,780) | (6,638) | (649,815) | (714,024) |
| <u>336,649</u> | <u>155,317</u> | <u>85,762</u> | <u>1,011,083</u> | <u>1,426,734</u> |
| - | - | - | 70,840 | 75,184 |
| - | - | - | <u>70,840</u> | <u>75,184</u> |
| - | - | 570 | 570 | 5,800 |
| - | 405 | - | 405 | 520 |
| (143,106) | (72,115) | (235,631) | (957,175) | (1,197,778) |
| - | - | - | - | 1,258,000 |
| - | - | 307,372 | 307,372 | 545,371 |
| - | - | - | 14,110 | 124,822 |
| - | 7,500 | - | 16,500 | 16,500 |
| <u>(143,106)</u> | <u>(64,210)</u> | <u>72,311</u> | <u>(618,218)</u> | <u>753,235</u> |
| 64,946 | 23,507 | 6,340 | 229,798 | 228,139 |
| 5,995 | 2,181 | 686 | 21,260 | 16,537 |
| <u>70,941</u> | <u>25,688</u> | <u>7,026</u> | <u>251,058</u> | <u>244,676</u> |
| 264,484 | 116,795 | 165,099 | 714,763 | 2,499,829 |
| <u>3,381,208</u> | <u>1,201,738</u> | <u>252,260</u> | <u>12,218,141</u> | <u>9,718,312</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> |
| \$ 219,951 | \$ 55,881 | \$ 85,762 | \$ 332,718 | \$ 706,587 |
| 101,725 | 107,585 | - | 590,680 | 616,915 |
| - | - | - | - | - |
| - | - | - | - | 3,460 |
| 14,973 | (8,149) | - | 87,685 | 99,772 |
| <u>116,698</u> | <u>99,436</u> | <u>-</u> | <u>678,365</u> | <u>720,147</u> |
| <u>\$ 336,649</u> | <u>\$ 155,317</u> | <u>\$ 85,762</u> | <u>\$ 1,011,083</u> | <u>\$ 1,426,734</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
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUNDS
For The Year Ended December 31, 2011

Statement 25

| | Balance January 1, 2011 | Additions | Deductions | Balance December 31, 2011 |
|------------------------------------------|-------------------------------|------------------|------------------|---------------------------------|
| Hazardous Materials Program Fund: | | | | |
| Assets | | | | |
| Cash and investments with trust agent | \$ 14,805 | \$ 52,125 | \$ 51,976 | \$ 14,954 |
| Due from other governmental units | 2,108 | 683 | 1,488 | 1,303 |
| Total assets | <u>\$ 16,913</u> | <u>\$ 52,808</u> | <u>\$ 53,464</u> | <u>\$ 16,257</u> |
| Liabilities | | | | |
| Accounts payable | \$ 4,348 | \$ 260 | \$ 229 | \$ 4,379 |
| Due to other governmental units | 12,565 | 50,313 | 51,000 | 11,878 |
| Total liabilities | <u>\$ 16,913</u> | <u>\$ 50,573</u> | <u>\$ 51,229</u> | <u>\$ 16,257</u> |

**SUPPLEMENTARY
FINANCIAL
INFORMATION**

CITY OF NEW BRIGHTON, MINNESOTA
COMBINED SCHEDULE OF INDEBTEDNESS
December 31, 2011

| | 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 |
| 2003A Improvement Bonds | 1.20-3.95% | 2/1/2003 | 2/24/2011 | 2/1/2011 |
| 2004C Improvement Bonds | 2.50-3.60% | 10/1/2004 | 2/1/2015 | 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 | 2/1/2018 |
| Total G.O. Improvement Bonds | | | | |
| Tax Increment Bonds: | | | | |
| 2001B Tax Increment Bonds | 4.00-4.70% | 3/1/2001 | 2/24/2011 | 2/1/2011 |
| 2001C Taxable Tax Increment Bonds | 6.00-6.25% | 3/1/2001 | 2/24/2011 | 2/1/2011 |
| 2004A Tax Increment Bonds | 2.00-3.70% | 10/1/2004 | 2/1/2017 | 2/1/2012 |
| 2004B Taxable Tax Increment Bonds | 3.00-5.10% | 10/1/2004 | 2/1/2020 | 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 | 2/1/2019 |
| 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 |
| Total Tax Increment Bonds | | | | |
| Revenue Bonds: | | | | |
| 1999C Golf Course Revenue Bonds | 4.75-6.00% | 8/1/1999 | 11/1/2019 | 11/1/2005 |
| 2003A Utility Revenue Bonds | 1.20-3.95% | 2/1/2003 | 2/24/2011 | 2/1/2011 |
| Total Revenue Bonds | | | | |
| Total indebtedness | | | | |

Exhibit 1

| Prior Years | | Payable 1/1/2011 | 2011 | | Payable 12/31/2011 | Principal Due In 2012 | Interest Due In 2012 | Interest Payable to Maturity |
|---------------------|---------------------|---------------------|--------------------|--------------------|-----------------------|-----------------------------|----------------------------|------------------------------------|
| Original Issue | Payments | | Issued | Payments | | | | |
| \$ 2,020,000 | \$ 1,615,000 | \$ 405,000 | \$ - | \$ 200,000 | \$ 205,000 | \$ 205,000 | \$ 4,459 | \$ 4,459 |
| 2,860,000 | 1,810,000 | 1,050,000 | - | 1,050,000 | - | - | - | - |
| 1,265,000 | 510,000 | 755,000 | - | 145,000 | 610,000 | 145,000 | 18,972 | 44,135 |
| 455,000 | 85,000 | 370,000 | - | 35,000 | 335,000 | 40,000 | 12,500 | 54,920 |
| 375,000 | - | 375,000 | - | 35,000 | 340,000 | 35,000 | 10,675 | 57,281 |
| 4,760,000 | - | 4,760,000 | - | 855,000 | 3,905,000 | 745,000 | 74,725 | 216,988 |
| 1,395,000 | - | - | 1,395,000 | - | 1,395,000 | 310,000 | 18,120 | 108,648 |
| <u>13,130,000</u> | <u>4,020,000</u> | <u>7,715,000</u> | <u>1,395,000</u> | <u>2,320,000</u> | <u>6,790,000</u> | <u>1,480,000</u> | <u>139,451</u> | <u>486,431</u> |
| 1,825,000 | 945,000 | 880,000 | - | 880,000 | - | - | - | - |
| 5,160,000 | 2,680,000 | 2,480,000 | - | 2,480,000 | - | - | - | - |
| 6,935,000 | 3,595,000 | 3,340,000 | - | 800,000 | 2,540,000 | 830,000 | 71,702 | 187,617 |
| 2,385,000 | 790,000 | 1,595,000 | - | 185,000 | 1,410,000 | 195,000 | 63,971 | 262,191 |
| 20,450,000 | - | 20,450,000 | - | - | 20,450,000 | - | 966,744 | 12,664,330 |
| 14,985,000 | - | 14,985,000 | - | - | 14,985,000 | - | 649,720 | 9,240,355 |
| 570,000 | 130,000 | 440,000 | - | 145,000 | 295,000 | 145,000 | 5,562 | 7,437 |
| 1,350,000 | 300,000 | 1,050,000 | - | 345,000 | 705,000 | 345,000 | 12,709 | 17,209 |
| 735,000 | - | - | 735,000 | - | 735,000 | 180,000 | 5,753 | 14,911 |
| 2,205,000 | - | - | 2,205,000 | - | 2,205,000 | 515,000 | 27,316 | 76,343 |
| <u>56,600,000</u> | <u>8,440,000</u> | <u>45,220,000</u> | <u>2,940,000</u> | <u>4,835,000</u> | <u>43,325,000</u> | <u>2,210,000</u> | <u>1,803,477</u> | <u>22,470,393</u> |
| 645,000 | 270,000 | 375,000 | - | 35,000 | 340,000 | 35,000 | 20,260 | 97,660 |
| 310,000 | 205,000 | 105,000 | - | 105,000 | - | - | - | - |
| <u>955,000</u> | <u>475,000</u> | <u>480,000</u> | <u>-</u> | <u>140,000</u> | <u>340,000</u> | <u>35,000</u> | <u>20,260</u> | <u>97,660</u> |
| <u>\$70,685,000</u> | <u>\$12,935,000</u> | <u>\$53,415,000</u> | <u>\$4,335,000</u> | <u>\$7,295,000</u> | <u>\$50,455,000</u> | <u>\$3,725,000</u> | <u>\$1,963,188</u> | <u>\$23,054,484</u> |

CITY OF NEW BRIGHTON, MINNESOTA
DEBT SERVICE PAYMENTS TO MATURITY
SPECIAL ASSESSMENT BONDS
December 31, 2011

Exhibit 2

| | 2001A Bonds | 2004C Bonds | 2007A Bonds | 2009A Bonds | 2010A Bonds | 2011A Bonds | Totals |
|------------------------------|-------------------|-------------------|-------------------|-------------------|---------------------|---------------------|---------------------|
| Bonds Payable | \$ 205,000 | \$ 610,000 | \$ 335,000 | \$ 340,000 | \$ 3,905,000 | \$ 1,395,000 | \$ 6,790,000 |
| Future Interest Payable | 4,459 | 44,135 | 54,920 | 57,281 | 216,988 | 108,648 | 486,431 |
| Totals | \$ 209,459 | \$ 654,135 | \$ 389,920 | \$ 397,281 | \$ 4,121,988 | \$ 1,503,648 | \$ 7,276,431 |
| Payments to Maturity: | | | | | | | |
| 2012 | \$ 209,459 | \$ 163,972 | \$ 52,500 | \$ 45,675 | \$ 819,725 | \$ 328,120 | \$ 1,619,451 |
| 2013 | - | 163,810 | 50,940 | 44,800 | 824,625 | 386,143 | 1,470,318 |
| 2014 | - | 163,473 | 49,380 | 43,838 | 829,125 | 223,942 | 1,309,758 |
| 2015 | - | 162,880 | 47,800 | 42,787 | 823,325 | 67,601 | 1,144,393 |
| 2016 | - | - | 46,200 | 41,737 | 825,188 | 66,639 | 979,764 |
| 2017 | - | - | 49,500 | 45,562 | - | 75,289 | 170,351 |
| 2018 | - | - | 47,700 | 44,213 | - | 73,826 | 165,739 |
| 2019 | - | - | 45,900 | 42,713 | - | 72,185 | 160,798 |
| 2020 | - | - | - | 45,956 | - | 70,365 | 116,321 |
| 2021 | - | - | - | - | - | 68,383 | 68,383 |
| 2022 | - | - | - | - | - | 71,155 | 71,155 |
| Totals | \$ 209,459 | \$ 654,135 | \$ 389,920 | \$ 397,281 | \$ 4,121,988 | \$ 1,503,648 | \$ 7,276,431 |

CITY OF NEW BRIGHTON, MINNESOTA
DEBT SERVICE PAYMENTS TO MATURITY
TAX INCREMENT BONDS
December 31, 2011

Exhibit 3

| | 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 | Totals |
|-------------------------|------------------------------------|--------------------------------------------|------------------------------------|------------------------------------|------------------------------------|--------------------------------------------|------------------------------------|--------------------------------------------|----------------------|
| Bonds payable | \$ 2,540,000 | \$ 1,410,000 | \$ 20,450,000 | \$ 14,985,000 | \$ 295,000 | \$ 705,000 | \$ 735,000 | \$ 2,205,000 | \$ 43,325,000 |
| Future interest payable | 187,617 | 262,191 | 12,664,330 | 9,240,355 | 7,437 | 17,209 | 14,911 | 76,343 | 22,470,393 |
| Totals | <u>\$ 2,727,617</u> | <u>\$ 1,672,191</u> | <u>\$ 33,114,330</u> | <u>\$ 24,225,355</u> | <u>\$ 302,437</u> | <u>\$ 722,209</u> | <u>\$ 749,911</u> | <u>\$ 2,281,343</u> | <u>\$ 65,795,393</u> |
| Payments to maturity: | | | | | | | | | |
| 2012 | \$ 901,702 | \$ 258,971 | \$ 966,744 | \$ 649,720 | \$ 150,562 | \$ 357,709 | \$ 185,753 | \$ 542,316 | \$ 4,013,477 |
| 2013 | 609,115 | 255,180 | 1,196,750 | 772,220 | 151,875 | 364,500 | 184,717 | 538,068 | 4,072,425 |
| 2014 | 487,394 | 216,592 | 1,519,537 | 693,720 | - | - | 188,254 | 546,783 | 3,652,280 |
| 2015 | 324,511 | 378,930 | 1,651,700 | 784,820 | - | - | 191,187 | 542,856 | 3,874,004 |
| 2016 | 191,010 | 103,305 | 1,649,825 | 1,166,120 | - | - | - | 111,320 | 3,221,580 |
| 2017 | 213,885 | 133,430 | 1,631,994 | 1,183,720 | - | - | - | - | 3,163,029 |
| 2018 | - | 137,367 | 1,647,781 | 1,170,320 | - | - | - | - | 2,955,468 |
| 2019 | - | 111,503 | 1,646,222 | 1,170,836 | - | - | - | - | 2,928,561 |
| 2020 | - | 76,913 | 1,642,612 | 1,169,951 | - | - | - | - | 2,889,476 |
| 2021 | - | - | 1,646,663 | 1,152,614 | - | - | - | - | 2,799,277 |
| 2022 | - | - | 1,656,650 | 1,143,904 | - | - | - | - | 2,800,554 |
| 2023 | - | - | 1,638,438 | 1,168,925 | - | - | - | - | 2,807,363 |
| 2024 | - | - | 1,638,326 | 1,167,475 | - | - | - | - | 2,805,801 |
| 2025 | - | - | 1,634,838 | 1,167,669 | - | - | - | - | 2,802,507 |
| 2026 | - | - | 1,634,375 | 1,183,838 | - | - | - | - | 2,818,213 |
| 2027 | - | - | 1,628,750 | 1,148,581 | - | - | - | - | 2,777,331 |
| 2028 | - | - | 1,620,375 | 1,149,481 | - | - | - | - | 2,769,856 |
| 2029 | - | - | 1,623,875 | 1,141,019 | - | - | - | - | 2,764,894 |
| 2030 | - | - | 1,619,000 | 1,174,703 | - | - | - | - | 2,793,703 |
| 2031 | - | - | 1,615,750 | 1,175,188 | - | - | - | - | 2,790,938 |
| 2032 | - | - | 1,604,125 | 1,188,375 | - | - | - | - | 2,792,500 |
| 2033 | - | - | - | 1,502,156 | - | - | - | - | 1,502,156 |
| Totals | <u>\$ 2,727,617</u> | <u>\$ 1,672,191</u> | <u>\$ 33,114,330</u> | <u>\$ 24,225,355</u> | <u>\$ 302,437</u> | <u>\$ 722,209</u> | <u>\$ 749,911</u> | <u>\$ 2,281,343</u> | <u>\$ 65,795,393</u> |

CITY OF NEW BRIGHTON, MINNESOTA
DEBT SERVICE PAYMENTS TO MATURITY
REVENUE BONDS
December 31, 2011

Exhibit 4

| | 1999C Golf Course Revenue Bonds |
|-------------------------|------------------------------------------|
| Bonds payable | \$ 340,000 |
| Future interest payable | <u>97,660</u> |
| Totals | <u>\$ 437,660</u> |
| Payments to maturity: | |
| 2012 | \$ 55,260 |
| 2013 | 53,300 |
| 2014 | 56,200 |
| 2015 | 53,800 |
| 2016 | 56,400 |
| 2017 | 53,700 |
| 2018 | 56,000 |
| 2019 | <u>53,000</u> |
| Totals | <u>\$ 437,660</u> |

CITY OF NEW BRIGHTON, MINNESOTA
TAXABLE VALUATIONS, TAX LEVIES AND TAX RATES
December 31, 2011 and 2010

Exhibit 5

| | <u>2011/12</u> | <u>2010/11</u> |
|---------------------|----------------------|----------------------|
| Taxable valuations: | | |
| Real estate | \$ 20,654,500 | \$ 22,461,200 |
| Personal property | 285,800 | 270,700 |
| Totals | <u>20,940,300</u> | <u>22,731,900</u> |
| Fiscal disparities: | | |
| Contribution | (2,496,200) | (2,714,800) |
| Distribution | 3,024,600 | 3,577,300 |
| Tax increment | <u>(3,614,200)</u> | <u>(3,850,800)</u> |
| Totals | <u>\$ 17,854,500</u> | <u>\$ 19,743,600</u> |
| Taxes levied: | | |
| General revenue | \$ 6,163,708 | \$ 6,444,100 |
| Bonded debt | <u>1,123,600</u> | <u>951,600</u> |
| Totals | <u>\$ 7,287,308</u> | <u>\$ 7,395,700</u> |
| Local tax rate: | | |
| General Revenue | 32.032 | 31.007 |
| Debt Service | <u>5.839</u> | <u>4.579</u> |
| Totals | <u>37.871</u> | <u>35.586</u> |

Note: Valuations are rounded to the nearest hundred.

CITY OF NEW BRIGHTON, MINNESOTA
SCHEDULE OF DEFERRED TAX LEVIES
 December 31, 2011

Exhibit 6

| Year of Levy/ Collection | Special Assessment Bonds | | | | | Totals |
|-----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|---------------------|
| | 2004 Improvement Bonds | 2007 Improvement Bonds | 2009 Improvement Bonds | 2010 Improvement Bonds | 2011 Improvement Bonds | |
| 2011/2012 | \$ 146,900 | \$ 42,600 | \$ 28,400 | \$ 873,900 | \$ 315,971 | \$ 1,407,771 |
| 2012/2013 | 147,900 | 41,500 | 28,300 | 878,800 | 180,140 | 1,276,640 |
| 2013/2014 | 148,800 | 40,300 | 28,000 | 872,800 | 53,545 | 1,143,445 |
| 2014/2015 | - | 39,100 | 27,600 | 877,100 | 53,363 | 997,163 |
| 2015/2016 | - | 43,200 | 32,600 | - | 63,103 | 138,903 |
| 2016/2017 | - | 41,800 | 32,000 | - | 62,106 | 135,906 |
| 2017/2018 | - | 40,400 | 31,300 | - | 61,110 | 132,810 |
| 2018/2019 | - | - | 35,600 | - | 59,738 | 95,338 |
| 2019/2020 | - | - | - | - | 58,367 | 58,367 |
| 2020/2021 | - | - | - | - | 61,904 | 61,904 |
| | <u>\$ 443,600</u> | <u>\$ 288,900</u> | <u>\$ 243,800</u> | <u>\$ 3,502,600</u> | <u>\$ 969,347</u> | <u>\$ 5,448,247</u> |



**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.

| <u>Contents</u> | <u>Page</u> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| Financial Trends These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time. | 139 |
| Revenue Capacity These schedules contain information to help the reader assess the City’s most significant local revenue source, the property tax. | 144 |
| Debt Capacity 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. | 148 |
| Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place. | 154 |
| Operating Information 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. | 156 |

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 Assets
Last Nine Fiscal Years
(accrual basis of accounting)

Schedule 1

| | Fiscal Year | | | | | | | | |
|--------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2011 | 2010 | 2009 | 2008 | 2007, As Restated | 2006 | 2005 | 2004 | 2003 |
| Governmental activities | | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 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 | 1,452,611 | 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 | 16,617,048 | 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 assets | \$ 59,345,975 | \$ 56,286,225 | \$ 52,053,262 | \$ 43,679,015 | \$ 41,102,914 | \$ 50,721,781 | \$ 61,024,694 | \$ 65,941,762 | \$ 66,192,742 |
| Business-type activities | | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 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 | 3,366,382 | 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 assets | \$ 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 |
| Primary government | | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 49,960,068 | \$ 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 | 1,511,551 | 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 | 19,983,430 | 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 assets | \$ 73,825,408 | \$ 70,413,922 | \$ 66,076,862 | \$ 57,967,127 | \$ 55,478,097 | \$ 64,086,291 | \$ 73,827,528 | \$ 78,691,913 | \$ 79,349,728 |

*Government-wide net assets are not available prior to 2003

CITY OF NEW BRIGHTON, MINNESOTA
Changes in Net Assets
Last Nine Fiscal Years
(accrual basis of accounting)

Schedule 2

| | Fiscal Year | | | | | | | | |
|-------------------------------------------------|-----------------------|-----------------------|-----------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-----------------------|
| | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 |
| Expenses | | | | | | | | | |
| Governmental activities: | | | | | | | | | |
| General government | \$ 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 | 2,294,932 | 1,929,557 | 1,010,044 | 5,553,914 | 8,265,917 | 16,583,307 | 7,057,696 | 4,313,219 | 2,510,077 |
| Public safety | 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 | 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 | 1,958,747 | 2,597,584 | 2,547,634 | 2,794,698 | 2,721,099 | 2,569,548 | 3,102,466 | 2,394,749 | 2,071,321 |
| Interest on long-term debt | 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 | <u>18,079,241</u> | <u>18,836,998</u> | <u>18,014,291</u> | <u>22,886,824</u> | <u>25,407,731</u> | <u>31,565,272</u> | <u>23,515,479</u> | <u>18,900,601</u> | <u>16,577,657</u> |
| Business-type activities: | | | | | | | | | |
| Water | \$ 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 | 2,354,110 | 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 | 584,133 | 499,466 | 547,197 | 487,139 | 440,236 | 412,708 | 464,777 | 449,779 | 470,133 |
| Street lights | 180,971 | 135,291 | 154,145 | 162,066 | 136,754 | 143,245 | 114,282 | 140,723 | - |
| Golf course | 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 | <u>4,831,435</u> | <u>4,870,066</u> | <u>5,841,945</u> | <u>5,066,143</u> | <u>4,379,543</u> | <u>4,265,040</u> | <u>4,279,340</u> | <u>4,311,725</u> | <u>3,981,100</u> |
| Total primary government expenses | <u>\$ 22,910,676</u> | <u>\$ 23,707,064</u> | <u>\$ 23,856,236</u> | <u>\$ 27,952,967</u> | <u>\$ 29,787,274</u> | <u>\$ 35,830,312</u> | <u>\$ 27,794,819</u> | <u>\$ 23,212,326</u> | <u>\$ 20,558,757</u> |
| Program Revenues | | | | | | | | | |
| Governmental activities: | | | | | | | | | |
| Charges for services: | | | | | | | | | |
| General government | \$ 575,232 | \$ 473,030 | \$ 619,381 | \$ 705,376 | \$ 556,358 | \$ 469,381 | \$ 446,664 | \$ 410,125 | \$ 407,774 |
| Community development | 341,215 | 907,172 | 4,361,146 | 2,460,694 | 2,478,331 | 3,694,047 | 983,430 | 860,102 | 866,930 |
| Public safety | 171,107 | 205,459 | 184,173 | 174,948 | 260,361 | 291,643 | 94,815 | 182,545 | 251,079 |
| Public works | 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 | 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 | 781,833 | 865,658 | 1,108,118 | 3,426,066 | 2,026,319 | 655,103 | 783,038 | 841,054 | 719,424 |
| Capital grants and contributions | 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 | <u>8,828,327</u> | <u>10,330,804</u> | <u>14,223,557</u> | <u>11,617,566</u> | <u>9,209,397</u> | <u>8,432,899</u> | <u>7,656,635</u> | <u>6,988,141</u> | <u>7,358,829</u> |
| Business-type activities: | | | | | | | | | |
| Charges for services: | | | | | | | | | |
| Water | 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 | 2,340,793 | 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 | 644,395 | 694,998 | 753,890 | 825,785 | 824,511 | 786,637 | 629,005 | 545,489 | 390,516 |
| Street lights | 176,641 | 164,902 | 170,113 | 149,436 | 144,681 | 129,903 | 102,245 | 113,932 | - |
| Golf Course | 246,508 | 303,604 | 317,075 | 311,314 | 286,737 | 282,033 | 244,982 | 270,876 | 245,431 |
| Driving range | - | - | - | - | - | - | - | - | 77,789 |
| Operating grants and contributions | - | 2,918 | 21,416 | 20,834 | 22,727 | 24,547 | 26,297 | 42,980 | 29,598 |
| Capital grants and contributions | - | - | - | 105,070 | 26,782 | 805,195 | - | 84,140 | 81,507 |
| Total business-type activities program revenues | <u>4,891,831</u> | <u>4,756,776</u> | <u>4,858,483</u> | <u>4,892,473</u> | <u>4,758,451</u> | <u>5,378,986</u> | <u>4,328,795</u> | <u>4,374,498</u> | <u>3,942,901</u> |
| Total primary government program revenues | <u>\$ 13,720,158</u> | <u>\$ 15,087,580</u> | <u>\$ 19,082,040</u> | <u>\$ 16,510,039</u> | <u>\$ 13,967,848</u> | <u>\$ 13,811,885</u> | <u>\$ 11,985,430</u> | <u>\$ 11,362,639</u> | <u>\$ 11,301,730</u> |
| Net (Expense)/Revenue | | | | | | | | | |
| Governmental activities | \$ (9,250,914) | \$ (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 | 60,396 | (113,290) | (983,462) | (173,670) | 378,908 | 1,113,946 | 49,455 | 62,773 | (38,199) |
| Total primary government net (expense) | <u>\$ (9,190,518)</u> | <u>\$ (8,619,484)</u> | <u>\$ (4,774,196)</u> | <u>\$ (11,442,928)</u> | <u>\$ (15,819,426)</u> | <u>\$ (22,018,427)</u> | <u>\$ (15,809,389)</u> | <u>\$ (11,849,687)</u> | <u>\$ (9,257,027)</u> |

CITY OF NEW BRIGHTON, MINNESOTA
Changes in Net Assets
Last Nine Fiscal Years
(accrual basis of accounting)

Schedule 2

| | Fiscal Year | | | | | | | | |
|---------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|-----------------------|----------------------|---------------------|
| | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 |
| General Revenues and Other Changes in Net Assets | | | | | | | | | |
| Governmental activities: | | | | | | | | | |
| Taxes: | | | | | | | | | |
| Property taxes | \$ 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 | 4,377,928 | 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 | 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 | 13,091 | 74,993 | 20,113 | 678,001 | 5,664,244 | 1,051 | - | 357,106 | (116,608) |
| Premium on debt issued | - | - | - | - | - | 121,189 | - | - | - |
| Transfers | (244,937) | (160,783) | (457,117) | 75,455 | 940,630 | 648,121 | 62,853 | 550,819 | (147,674) |
| Total governmental activities | <u>12,310,664</u> | <u>12,739,157</u> | <u>12,164,981</u> | <u>13,845,359</u> | <u>20,821,356</u> | <u>12,829,460</u> | <u>10,941,776</u> | <u>11,661,480</u> | <u>9,270,262</u> |
| Business-type activities: | | | | | | | | | |
| Taxes: | | | | | | | | | |
| Property taxes | 2,219 | 4,158 | 4,186 | 6,173 | - | 3,211 | 3,160 | - | - |
| Unrestricted investment earnings | 44,184 | 52,446 | 71,706 | 155,881 | 146,230 | 92,640 | 62,921 | 81,211 | 32,322 |
| Transfers | 244,937 | 160,783 | 457,117 | (75,455) | (940,630) | (648,121) | (62,853) | (550,819) | 147,674 |
| Total business-type activities | <u>291,340</u> | <u>217,387</u> | <u>533,009</u> | <u>86,599</u> | <u>(794,400)</u> | <u>(552,270)</u> | <u>3,228</u> | <u>(469,608)</u> | <u>179,996</u> |
| Total primary government | <u>\$ 12,602,004</u> | <u>\$ 12,956,544</u> | <u>\$ 12,697,990</u> | <u>\$ 13,931,958</u> | <u>\$ 20,026,956</u> | <u>\$ 12,277,190</u> | <u>\$ 10,945,004</u> | <u>\$ 11,191,872</u> | <u>\$ 9,450,258</u> |
| Change in Net Assets | | | | | | | | | |
| Governmental activities | \$ 3,059,750 | \$ 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 | 351,736 | 104,097 | (450,453) | (87,071) | (415,492) | 561,676 | 52,683 | (406,835) | 141,797 |
| Total primary government | <u>\$ 3,411,486</u> | <u>\$ 4,337,060</u> | <u>\$ 7,923,794</u> | <u>\$ 2,489,030</u> | <u>\$ 4,207,530</u> | <u>\$ (9,741,237)</u> | <u>\$ (4,864,385)</u> | <u>\$ (657,815)</u> | <u>\$ 193,231</u> |

*Government-wide net assets are not available prior to 2003

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

Schedule 4

| | Fiscal Year | | | | | | | | |
|---------------------------------------------------------|-------------------|-----------------------|-----------------------|-----------------------|---------------------|---------------------|------------------------|---------------------|-----------------------|
| | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 |
| Revenues | | | | | | | | | |
| General property taxes | \$ 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 | 4,377,928 | 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 | 691,400 | 481,672 | 437,869 | 782,484 | 862,997 | 648,967 | 646,285 | 378,849 | 477,090 |
| Intergovernmental | 2,098,471 | 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 | 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 | - | - | - | - | - | - | - | 114,109 | 9,995 |
| Special assessments | 205,342 | 161,272 | 258,479 | 240,044 | 234,659 | 303,828 | 330,975 | 404,634 | 441,023 |
| Fines and forfeits | 98,140 | 59,827 | 65,897 | 63,621 | 57,784 | 66,659 | 60,211 | 63,604 | 60,445 |
| Investment earnings | 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 | 465,892 | 531,654 | 455,275 | 405,125 | 329,352 | 469,255 | 5,300 | 5,300 | - |
| Capital use fee | - | - | 63,000 | 60,600 | 79,400 | - | 10,000 | 6,900 | 6,300 |
| Rents | 217,959 | 204,931 | 208,253 | 250,289 | 216,919 | 192,815 | 227,052 | 150,603 | - |
| Refunds and reimbursements | 11,942 | 24,170 | 55,733 | 25,390 | 12,192 | 3,268,472 | 1,442,263 | 1,293,161 | 1,348,906 |
| In-house engineering and administrative charges | 36,466 | - | - | - | - | - | - | - | - |
| Contributions and donations | 24,121 | 55,598 | 45,838 | 126,921 | 46,642 | 53,572 | 27,576 | 31,577 | - |
| Park dedication charge | 202,120 | - | - | - | - | - | - | - | - |
| Other | - | - | - | 8,167 | 102,190 | 35,539 | 271,050 | - | 266,474 |
| Total revenues | 24,133,618 | 25,775,828 | 25,598,457 | 26,632,490 | 25,266,173 | 21,903,323 | 18,476,835 | 17,244,968 | 16,119,829 |
| Expenditures | | | | | | | | | |
| General government | 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 | 1,349,740 | 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 | 2,521,209 | 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 | 4,868,047 | 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 | 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 | 465,875 | 531,323 | 453,342 | 401,598 | 329,644 | 450,373 | 259,910 | 138,339 | 33,897 |
| Capital outlay | 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 | 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 | 2,190,988 | 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 | - | - | - | - | - |
| Total expenditures | 25,596,084 | 26,199,959 | 30,390,877 | 33,631,734 | 29,214,313 | 41,649,515 | 30,308,617 | 25,529,253 | 24,231,985 |
| Excess of revenues over (under) expenditures | (1,462,466) | (424,131) | (4,792,420) | (6,999,244) | (3,948,140) | (19,746,192) | (11,831,782) | (8,284,285) | (8,112,156) |
| Other Financing Sources (Uses) | | | | | | | | | |
| Bond proceeds | 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 | 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 | (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 | - |
| Total other financing sources (uses) | 1,026,838 | (2,163,062) | 749,223 | 1,049,255 | 7,869,232 | 33,161,750 | 266,431 | 11,536,242 | 2,700,024 |
| Special Item - sale of land | 694,785 | - | - | - | - | - | - | - | - |
| Net change in fund balances | \$ 259,157 | \$ (2,587,193) | \$ (4,043,197) | \$ (5,949,989) | \$ 3,921,092 | \$13,415,558 | \$ (11,565,351) | \$ 3,251,957 | \$ (5,412,132) |
| Debt service as a percentage of noncapital expenditures | 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 | | | |
| 2002 (1) | 14,575,900 | 202,000 | 14,777,900 | 650,900 | (1,950,200) | 13,478,600 | 1,231,720,900 | 1.63 |
| 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 |

(1) Legislative changes significantly decreased property class rates for all types of property. These rates determine the percentage of a property's value that is taxable.

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 | | | | |
|-------------|-------------------|---------------------------------|--------------|-------------------|--------|-----------|-------|------|
| | Basic Rate | General Obligation Debt Service | Total Direct | School (1) | County | Other (2) | Total | |
| 2002 | (3) | 1.24 | 0.39 | 1.63 | 1.07 | 2.32 | 0.21 | 5.23 |
| 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 |

- (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
- (3) The increases in City and County and the reduction of school tax rates for taxes payable after 2001 resulted from legislative changes which included the State takeover of part of the school levy and elimination or reduction of State aids.

Source: Ramsey County Department of Taxation.

CITY OF NEW BRIGHTON, MINNESOTA

Principal Property Taxpayers
 Current Year and Nine Years Ago
 (Unaudited)

Schedule 7

| <u>Taxpayer</u> | 2011 | | | 2002 | | |
|----------------------------------|-------------------------------------------|-------------|-----------------------------------------------|-------------------------------------------|-------------|-----------------------------------------------|
| | <u>Net Tax Capacity for Taxes Payable</u> | <u>Rank</u> | <u>Percent of Total City Net Tax Capacity</u> | <u>Net Tax Capacity for Taxes Payable</u> | <u>Rank</u> | <u>Percent of Total City Net Tax Capacity</u> |
| Industrial Equities Group LLC | \$ 464,754 | 1 | 2.35% | \$ 291,242 | 1 | 2.16% |
| Xcel Energy | 234,608 | 2 | 1.19% | 158,920 | 4 | 1.18% |
| HSNB LLC | 223,690 | 3 | 1.13% | - | - | - |
| AX US LP | 201,530 | 4 | 1.02% | - | - | - |
| New Brighton Business Center LLC | 193,848 | 5 | 0.98% | 142,404 | 5 | 1.06% |
| Engelsma Investment | 189,870 | 6 | 0.96% | - | - | - |
| CU Mortgage Services Inc | 189,005 | 7 | 0.96% | - | - | - |
| Spartacus Ventures LLC | 153,610 | 8 | 0.78% | - | - | - |
| Individuals | 153,150 | 9 | 0.78% | - | - | - |
| Remmele Engineering Inc. | 137,674 | 10 | 0.70% | 106,116 | 8 | 0.79% |
| Polynesian Village 1994 LP | - | - | - | 176,773 | 2 | 1.31% |
| Brighton Village Apts. LLC | - | - | - | 164,160 | 3 | 1.22% |
| LL900 Assoc. LP | - | - | - | 119,250 | 6 | 0.88% |
| Business Data Records Services | - | - | - | 118,704 | 7 | 0.88% |
| Brooks New Brighton LLC | - | - | - | 102,020 | 9 | 0.76% |
| Meadowood Shores Senior Housing | - | - | - | 95,400 | 10 | 0.71% |
| Total | <u>\$ 2,141,739</u> | | <u>10.85%</u> | <u>\$1,474,989</u> | | <u>10.95%</u> |

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 | 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 |
|---------------------------|----------------|-------------------------|-----------------------------------|----------------------------|-----------------------|-------------------------------------|--------------------------------------------------------|------------------------------|-----------------------------------------------|
| 2002 | 5,165,300 | 5,120,900 | 99.14% | 37,600 | 5,158,500 | (9,400) | 99.69% | 46,800 | 0.91% |
| 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% |

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 | Percentage of Personal Income (1) | Per Capita (1) |
|-------------|-------------------------|------------------------|---------------------|-------------------|---------------|---------------------------|--------------------------|--------------------------|-----------------------------------|----------------|
| | Equipment Certificates | G.O. Improvement Bonds | Tax Increment Bonds | EDA Revenue Bonds | Notes Payable | Contract for Deed Payable | Revenue Bonds | | | |
| 2002 | - | 7,115,000 | 11,095,000 | 13,005,000 | 564,100 | 197,500 | 1,235,000 | 33,211,600 | 6.95% | 1,496 |
| 2003 | 1,360,000 | 8,890,000 | 10,665,000 | 12,070,000 | 495,500 | 186,700 | 1,400,000 | 35,067,200 | 7.34% | 1,579 |
| 2004 | 905,000 | 8,880,000 | 19,285,000 | 11,220,000 | 320,700 | 175,100 | 1,220,000 | 42,005,800 | 8.79% | 1,892 |
| 2005 | 455,000 | 7,510,000 | 18,545,000 | 10,340,000 | 238,900 | 159,800 | 1,030,000 | 38,278,700 | 7.19% | 1,724 |
| 2006 | - | 6,420,000 | 37,465,000 | 9,420,000 | 12,101,600 | 140,100 | 905,000 | 66,451,700 | 12.49% | 2,993 |
| 2007 | - | 5,775,000 | 50,745,000 | 8,460,000 | 52,100 | 122,700 | 770,000 | 65,924,800 | 12.29% | 2,944 |
| 2008 | - | 4,685,000 | 48,980,000 | 7,455,000 | - | 101,300 | 675,000 | 61,896,300 | 11.54% | 2,764 |
| 2009 | - | 4,010,000 | 47,165,000 | 6,405,000 | - | 80,700 | 580,000 | 58,240,700 | 10.48% | 2,587 |
| 2010 | - | 7,715,000 | 45,220,000 | - | - | 59,265 | 480,000 | 53,474,265 | 10.09% | 2,492 |
| 2011 | - | 6,790,000 | 43,325,000 | - | - | 38,855 | 340,000 | 50,493,855 | 7.82% | 2,353 |

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> |
|--------------------|-------------------------------|-------------------------------|--------------|--------------------------------------------------------------------------------|-----------------------|
| 2002 | - | 7,115,000 | 7,115,000 | 0.58% | 320 |
| 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 |

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, 2011
 (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 | \$ 218,673,044 | 3.85% | \$ 8,407,981 |
| Ramsey County Library | 20,770,000 | 7.53% | 1,564,764 |
| Metro Watershed | 697,615 | 0.00% | - |
| <u>School Districts:</u> | | | |
| ISD No. 282 | 24,680,000 | 15.57% | 3,842,892 |
| ISD No. 621 | 188,348,495 | 20.80% | 39,169,804 |
| ISD No. 916 | 6,285,000 | 7.05% | 443,361 |
| Metro Council | 1,346,882,846 | 0.60% | 8,027,482 |
| Metro Airports Commision | <u>12,205,000</u> | 0.60% | <u>72,742</u> |
| Total Overlapping Debt | 1,818,542,000 | | 61,529,026 |
| <u>Direct Debt:</u> | | | |
| City of New Brighton | <u>-</u> | | <u>-</u> |
| Total Overlapping and Direct Debt | <u><u>\$1,818,542,000</u></u> | | <u><u>\$ 61,529,026</u></u> |
| <u>Debt Ratios:</u> | | | |
| Ratio of debt per capita (21,456 population) - overlapping | | | \$ 2,868 |
| Ratio of debt per capita (21,456 population) - direct | | | \$ - |
| Ratio of debt per capita (21,456 population) - total | | | \$ 2,868 |
| Ratio of debt to estimated market valuation of \$1,910,547,900 | | | 3.22% |

* 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, 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 | December 31, 2002 |
|----------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Market value | \$ 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 | \$ 1,231,720,900 |
| Applicable debt limit (percentage) | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 2% | 2% |
| Debt limit | \$ 38,210,958 | \$ 40,113,944 | \$ 41,834,882 | \$ 42,311,374 | \$ 40,521,288 | \$ 37,764,716 | \$ 34,650,626 | \$ 30,781,774 | \$ 27,787,042 | \$ 24,634,418 |
| Amount of debt applicable to debt limit: | | | | | | | | | | |
| Total bonded debt | \$ 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 | \$ 32,450,000 |
| Less: Improvement, tax increment and revenue bonds | (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) | (21,860,000) |
| 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) | (1,456,887) |
| Total debt applicable to debt limit | - | - | 5,399,332 | 6,007,281 | 7,035,735 | 6,968,261 | 8,263,712 | 9,302,152 | 10,289,337 | 9,133,113 |
| Legal debt margin | \$ 38,210,958 | \$ 40,113,944 | \$ 36,435,550 | \$ 36,304,093 | \$ 33,485,553 | \$ 30,796,455 | \$ 26,386,914 | \$ 21,479,622 | \$ 17,497,705 | \$ 15,501,305 |
| Total net debt applicable to the limit as a percentage of debt limit | 0.00% | 0.00% | 12.91% | 14.20% | 17.36% | 18.45% | 23.85% | 30.22% | 37.03% | 37.07% |

| Fiscal Year | Gross Revenue (1) | Operating Expenses (2) | Net Revenue Available for Debt Service | Debt Service Requirements | | | Coverage |
|---------------------|-------------------|------------------------|----------------------------------------|---------------------------|--------------------------------|--------|----------|
| | | | | Principal | Interest and Paying Agent Fees | Total | |
| Golf Course: | | | | | | | |
| 2002 | 229,000 | 292,800 | (63,800) | 20,000 | 35,000 | 55,000 | (1.16) |
| 2003 | 238,500 | 284,200 | (45,700) | 25,000 | 34,300 | 59,300 | (0.77) |
| 2004 | 269,000 | 294,300 | (25,300) | 25,000 | 32,800 | 57,800 | (0.44) |
| 2005 | 246,500 | 236,200 | 10,300 | 25,000 | 31,600 | 56,600 | 0.18 |
| 2006 | 285,200 | 264,400 | 20,800 | 25,000 | 30,400 | 55,400 | 0.38 |
| 2007 | 290,800 | 260,500 | 30,300 | 30,000 | 29,100 | 59,100 | 0.51 |
| 2008 | 314,700 | 263,400 | 51,300 | 30,000 | 27,400 | 57,400 | 0.89 |
| 2009 | 318,700 | 259,100 | 59,600 | 30,000 | 25,700 | 55,700 | 1.07 |
| 2010 | 307,100 | 366,300 | (59,200) | 30,000 | 24,000 | 54,000 | (1.10) |
| 2011 | 247,400 | 297,800 | (50,400) | 35,000 | 22,300 | 57,300 | (0.88) |

| Fiscal Year | Special Assessment Collections | Debt Service Requirements | | | Coverage |
|----------------------------|--------------------------------|---------------------------|--------------------------------|-----------|----------|
| | | Principal | Interest and Paying Agent Fees | Total | |
| Special Assessment: | | | | | |
| 2002 | 223,600 | 1,340,000 | 382,800 | 1,722,800 | 0.13 |
| 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 |

- (1) Includes operating revenue, interest revenue and in-house charges.
(2) Excludes interest and depreciation expenses.

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> |
|-------------|-----------------------|---------------------------------------------------------------|-----------------------------------------------|----------------------------------|
| 2002 | 22,206 | 477,873 | 21,520 | 3.1% |
| 2003 | 22,206 | 477,873 | 21,520 | 3.1% |
| 2004 | 22,206 | 477,873 | 21,520 | 3.1% |
| 2005 | 22,206 | 532,100 | 23,962 | 2.5% |
| 2006 | 22,206 | 532,100 | 23,962 | 3.2% |
| 2007 | 22,391 | 536,533 | 23,962 | 3.9% |
| 2008 | 22,391 | 536,533 | 23,962 | 4.6% |
| 2009 | 22,511 | 555,549 | 24,679 | 6.8% |
| 2010 | 21,456 | 530,178 | 24,710 | 5.6% |
| 2011 | 21,456 | 645,804 | 30,099 | 5.8% |

- (1) Population provided by the federal census for 2002 through 2006 and 2010 through 2011.
Population provided by Metropolitan Council Estimate on 4/1/07 for 2007 and 2008
Population provided by Metropolitan Council Estimate on 4/1/08 for 2009
- (2) Personal income figures provided by American Community Survey, 2005 - 2008, U.S. Census Bureau, compiled by Metropolitan Council Research for 2002 - 2010. Per Capita Personal Income provided by Metropolitan Council for 2011.
- (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 | 2011 | | | 2002 | | |
|-----------------------------------------|-------------------------|------|-------------------------------------|-------------------------|------|-------------------------------------|
| | 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% | - | | - |
| Independent School District No. 621 (3) | 584 | 2 | 4.84% | 1,568 | 1 | 14.86% |
| H. Brooks & Company | 500 | 3 | 4.14% | - | | - |
| Donnatelle | 350 | 4 | 2.90% | - | | - |
| City of New Brighton | 294 | 5 | 2.44% | - | | - |
| Hypro LLC | 240 | 6 | 1.99% | 210 | 7 | 1.99% |
| 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% | 169 | 8 | 1.60% |
| Medtox Laboratory Inc. | - | | - | 400 | 2 | 3.79% |
| Alliant Ammunition Systems | - | | - | 300 | 3 | 2.84% |
| Twin City Oxygen | - | | - | 275 | 4 | 2.61% |
| Wheelabrator Engineered System | - | | - | 238 | 5 | 2.26% |
| Trussbilt, Inc. | - | | - | 220 | 6 | 2.08% |
| Trevilla Nursing Home | - | | - | 168 | 9 | 1.59% |
| TNT Holland Motor Express | - | | - | 166 | 10 | 1.57% |

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

(2) Source: Minnesota Department of Trade and Economic Development, 2001 edition; and telephone survey, March 2002.

(3) Information for 2002 reflects total District employment. Information for 2011 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)

| Function/Program | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| General Government | | | | | | | | | | |
| Administration (1) | 5.6 | 5.4 | 4.8 | 5.3 | 5.4 | 5.5 | 5.3 | 5.3 | 4.0 | 4.3 |
| Finance | 6.0 | 5.5 | 5.5 | 5.5 | 5.3 | 5.3 | 5.2 | 5.3 | 5.3 | 5.3 |
| Elections | 0.5 | 0.5 | 0.8 | 0.8 | 0.7 | 0.7 | 1.0 | 0.4 | 0.8 | 1.0 |
| License Bureau | 1.0 | 1.4 | 1.4 | 1.4 | 1.6 | 1.6 | 1.6 | 1.6 | 1.6 | 1.6 |
| Community Development | 7.0 | 7.0 | 8.5 | 7.5 | 8.0 | 7.5 | 7.0 | 7.0 | 6.0 | 6.0 |
| Parks and Recreation | | | | | | | | | | |
| Parks | 13.0 | 10.6 | 9.2 | 9.4 | 9.1 | 9.2 | 9.4 | 7.1 | 7.1 | 7.1 |
| Forestry | 2.1 | 1.9 | 1.7 | 1.8 | 1.8 | 1.8 | 1.8 | 1.4 | 0.6 | 0.6 |
| Recreational Programs | 11.0 | 11.3 | 11.4 | 11.4 | 11.4 | 10.6 | 11.5 | 13.2 | 10.6 | 8.8 |
| Community Center | 10.0 | 10.0 | 10.4 | 10.5 | 11.5 | 11.2 | 12.2 | 13.8 | 13.2 | 12.3 |
| Public Safety | | | | | | | | | | |
| Police | 35.0 | 35.0 | 34.0 | 34.0 | 35.0 | 32.6 | 34.1 | 33.6 | 32.6 | 31.6 |
| Fire (2) | - | - | - | - | - | 2.4 | 2.4 | 2.4 | 2.4 | 2.4 |
| Public Works | | | | | | | | | | |
| Engineering | 5.0 | 4.8 | 4.0 | 4.5 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 |
| Streets | 14.0 | 14.0 | 14.8 | 15.6 | 15.6 | 15.1 | 15.0 | 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 | 4.8 | 4.9 | 4.6 | 4.5 | 4.5 | 4.9 | 4.9 | 4.9 | 4.7 | 4.9 |
| Information Technology | 1.0 | 1.0 | 1.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| Totals | 118.0 | 115.3 | 114.1 | 116.2 | 117.9 | 116.4 | 119.4 | 118.8 | 111.7 | 108.6 |

(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, 2011

Schedule 17

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

Schedule 18

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