



**COMPREHENSIVE
ANNUAL FINANCIAL
REPORT OF THE
CITY OF NEW BRIGHTON,
MINNESOTA
FOR THE YEAR ENDED
DECEMBER 31, 2013**

**Prepared by:
Finance Department**

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





CITY OF NEW BRIGHTON, MINNESOTA
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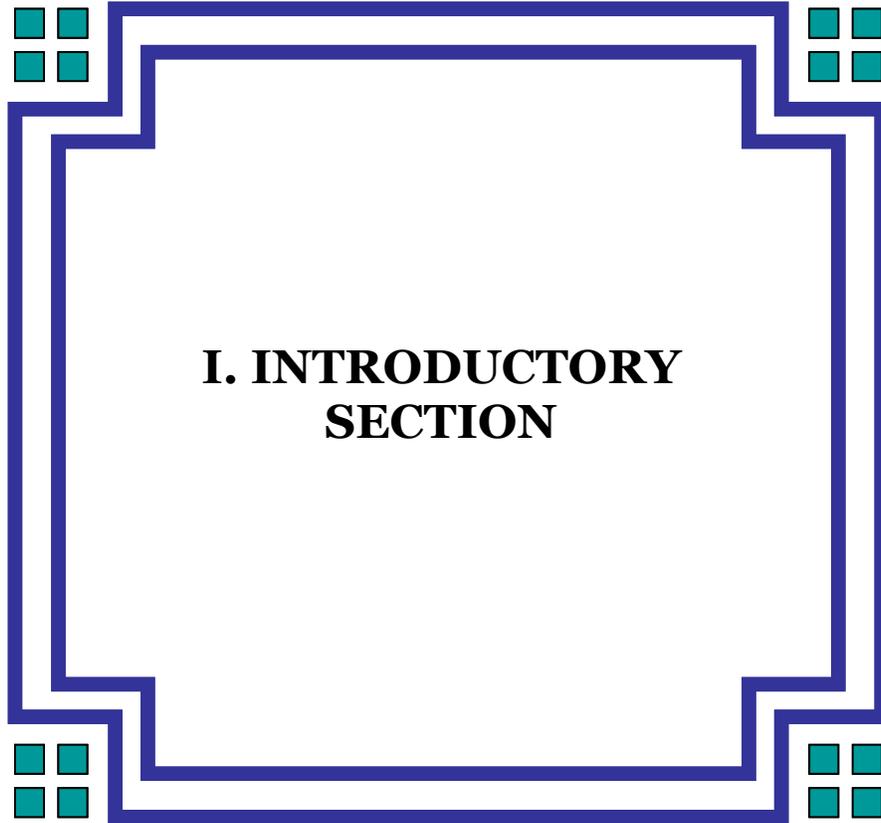
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May 13, 2014

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, 2013.

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 unmodified opinion on the City of New Brighton's financial statements for the year ended December 31, 2013. The independent auditor's report is located at the front of the financial section of this report.

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 21,996 (per 2012 Met Council estimate).

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

The City is served by two school districts: Independent School District (ISD) #282 (St. Anthony), which has a 2013/2014 estimated enrollment of 1,769 and ISD #621 (Mounds View), which has a 2013/2014 enrollment of 10,236. 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; construction, reconstruction and maintenance of streets and other infrastructure; water distribution, sanitary sewer collection, and stormwater systems; parks and forestry maintenance; recycling; and recreational activities, including the New Brighton Community Center and Brightwood Hills Golf Course.

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

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

The appropriated budget is prepared for the General Fund by function (e.g., public safety), and department (e.g., police). Department heads may make transfers of appropriations within a department with the approval of the City Manager. Transfers of appropriations between departments, however, require the approval of the City Council. Budget-to-actual comparisons are provided on Statement 10 as required supplementary information to the basic financial statements for the governmental funds.

Factors Affecting Financial Condition

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

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

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

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

The City's Investment Policy states that the foremost investment objective is to preserve capital. Secondary considerations are liquidity and lastly yield. Accordingly, deposits are either insured by federal depository insurance or collateralized. All temporary cash surpluses during the year are invested in various securities permitted by Minnesota Statutes. The City's policy is to invest all available monies at competitive interest rates in accordance with the City's over-all fiscal plan coordinated with operating needs and programs projected over the ensuing 12 months. The yield on the City's investments was 0.99% in 2013.

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 this 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 cash reserves of \$ 1,353,334. 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. Progress continues on the City's New Brighton Exchange redevelopment project. In 2013, more milestones were either accomplished or underway. Discussions have occurred with Pulte Homes regarding their proposed 121 unit residential development (89 single-family homes and 32 townhomes) on a 26 acre tract of land. In 2013, they entered into a development agreement with the City and received land use and planning approvals. It is planned that the project will break ground in 2014. Negotiations continue with APi Group about a potential office expansion to their existing location. The company is interested in more than doubling its office space within the next 3 to 4 years. If the parties can finalize a deal in 2014, the company would break ground for its first phase (45,000 square foot building) in 2014. A third development proposal is being discussed for an 11 acre site on the east side. Colliers and Ryan Company continue to market vacant sites on the eastern side of the New Brighton Exchange to prospective users.

The City experienced a significant rainfall in 2011 which approached or exceeded the regional 100-year, 24-hour event. Local rainfall gauges indicate that approximately five inches of rain fell during a 2.5-hour period. This led to flooding in the City and other neighboring communities. The City conducted a review of its existing drainage systems, along with an investigation of potential improvements to reduce future flooding in those areas. A number of the higher priority improvements were made during 2012 and 2013. More improvements are planned for 2014 and future years as recommended by

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

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of New Brighton for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2012. This was the twenty-third 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. 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



Kevin Mannerter
Interim Finance Director



Government Finance Officers Association

**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, 2012

Executive Director/CEO



CITY OF NEW BRIGHTON, MINNESOTA
PRINCIPAL CITY OFFICIALS
December 31, 2013

Elected Officials

	<u>Term Expires</u>
Mayor:	
Dave Jacobsen	2015
Council Members:	
Mary Burg	2015
Paul Jacobsen	2015
Gina Bauman	2017
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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of New Brighton, Minnesota, as of and for the year ended December 31, 2013, and the related Notes to the Financial Statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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



Opinions

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

Implementation of GASB 65

As discussed in Note 14 to the financial statements, the City has adopted the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of New Brighton's basic financial statements. The introductory section, combining and individual fund statements and schedules, supplementary financial information and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.



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

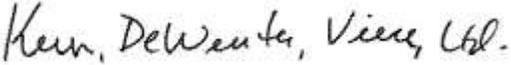
The Introductory Section and Statistical Section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Report on Summarized Comparative Information

We have previously audited the City's 2012 financial statements, and our report, dated May 13, 2013, expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2012, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 5, 2014 on our consideration of the City of New Brighton's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and results of that testing, and not to provide an opinion on internal control over financial control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of New Brighton's internal control over financial reporting and compliance.


KERN, DEWENTER, VIERE, LTD.
St. Cloud, Minnesota
May 5, 2014

CITY OF NEW BRIGHTON, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2013

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, 2013. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found 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 \$ 67,694,137 (*net position*). Of this amount, \$ 14,298,565 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position decreased by \$ 6,954,632.
- As of the close of the current fiscal year, the City of New Brighton's governmental funds reported combined ending fund balances of \$ 43,345,185, an increase of \$ 14,861,062 in comparison with the prior year. Approximately 64.4% of this total amount, \$ 27,926,917, is *available for spending* at the government's discretion.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$ 6,071,022, or 53.6% of total General Fund expenditures.
- The City of New Brighton's total bonded debt decreased by \$ 4,785,000 (10.0%) during the current fiscal year due to principal payments.

Overview of the Financial Statements

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

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

The *statement of net position* presents information on all of the City of New Brighton's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of New Brighton is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the City of New Brighton that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of New Brighton include general government, community development, parks and recreation, public safety, and public works. The business-type activities of the City of New Brighton include the operation of water, sewer and stormwater utilities, street light system, and the golf course. The government-wide financial statements include not only the City of New Brighton itself (known as the *primary government*), but also a legally separate New Brighton Economic Development Authority (EDA) for which the City of New Brighton is financially accountable. The EDA functions for all practical purposes as a department of the City of New Brighton, and therefore has been included as an integral part of the primary government.

The government-wide financial statements can be found on Statements 1 and 2 of this report.

CITY OF NEW BRIGHTON, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2013

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 49 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Water Treatment Plant No.1, Municipal Development, and Tax Increment District numbers 31, 31A, 32, and 32A, all of which are considered to be major funds. Data from the other 42 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.

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.

CITY OF NEW BRIGHTON, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2013

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

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

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information on budgetary comparisons. Combining and individual fund statements and schedules can be found on Statements 11 through 25 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of New Brighton, assets exceeded liabilities by \$ 67,694,137 at the close of the most recent fiscal year.

A portion of the City of New Brighton's net position reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. This increased by \$ 115,021 in 2013 to \$ 52,187,793. The primary reasons for this were due to depreciation of \$ 3,414,036 and paying off debt principal in the amount of \$ 4,785,000. The City of New Brighton uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of New Brighton's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of New Brighton's net position (\$ 1,207,779) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$ 14,298,565) may be used to meet the government's ongoing obligations to citizens and creditors.

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

City of New Brighton's Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Current and other assets	\$ 63,790,797	\$ 76,188,472	\$ 2,801,287	\$ 3,405,543	\$ 66,592,084	\$ 79,594,015
Capital assets	45,081,120	46,521,517	11,511,673	11,326,255	56,592,793	57,847,772
Total assets	<u>\$ 108,871,917</u>	<u>\$ 122,709,989</u>	<u>\$ 14,312,960</u>	<u>\$ 14,731,798</u>	<u>\$ 123,184,877</u>	<u>\$ 137,441,787</u>
Long-term liabilities						
outstanding	\$ 43,366,780	\$ 46,894,319	\$ 158,971	\$ 149,326	\$ 43,525,751	\$ 47,043,645
Other liabilities	11,872,774	15,657,631	92,215	91,742	11,964,989	15,749,373
Total liabilities	<u>\$ 55,239,554</u>	<u>\$ 62,551,950</u>	<u>\$ 251,186</u>	<u>\$ 241,068</u>	<u>\$ 55,490,740</u>	<u>\$ 62,793,018</u>
Net position:						
Invested in capital assets,						
net of related debt	\$ 40,676,120	\$ 40,746,517	\$ 11,511,673	\$ 11,326,255	\$ 52,187,793	\$ 52,072,772
Restricted	1,207,779	1,337,498	-	-	1,207,779	1,337,498
Unrestricted	11,748,464	18,074,024	2,550,101	3,164,475	14,298,565	21,238,499
Total net position	<u>\$ 53,632,363</u>	<u>\$ 60,158,039</u>	<u>\$ 14,061,774</u>	<u>\$ 14,490,730</u>	<u>\$ 67,694,137</u>	<u>\$ 74,648,769</u>

CITY OF NEW BRIGHTON, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2013

The government's net position decreased by \$ 6,954,632 during the 2013 fiscal year. Key elements of this increase are as follows:

City of New Brighton's Changes in Net Position

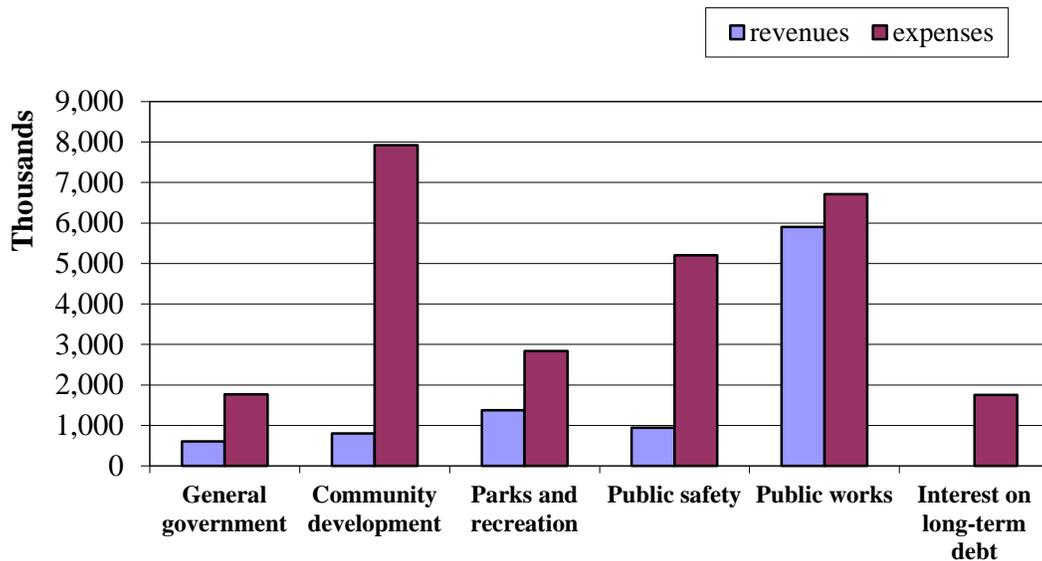
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Revenues:						
Program revenues:						
Charges for services	\$ 8,004,071	\$ 7,437,082	\$ 5,066,081	\$ 4,891,548	\$13,070,152	\$ 12,328,630
Operating grants and contributions	1,218,959	1,336,617	-	-	1,218,959	1,336,617
Capital grants and contributions	407,943	342,903	-	-	407,943	342,903
General revenues:						
Property taxes	7,570,367	7,520,855	4,268	2,207	7,574,635	7,523,062
Other taxes	3,588,394	4,361,145	-	-	3,588,394	4,361,145
Grants and contributions not restricted to specific programs	-	-	-	-	-	-
Unrestricted investment earnings	(1,376,544)	259,280	(60,143)	12,224	(1,436,687)	271,504
Gain on sale of capital assets	12,731	14,394	-	-	12,731	14,394
Total revenues	19,425,921	21,272,276	5,010,206	4,905,979	24,436,127	26,178,255
Expenses:						
General government	1,768,059	1,708,455	-	-	1,768,059	1,708,455
Community development	7,921,259	2,338,616	-	-	7,921,259	2,338,616
Parks and recreation	2,839,949	2,787,129	-	-	2,839,949	2,787,129
Public safety	5,201,983	5,074,784	-	-	5,201,983	5,074,784
Public works	6,710,073	5,620,482	-	-	6,710,073	5,620,482
Interest on long-term debt	1,751,388	1,966,395	-	-	1,751,388	1,966,395
Water	-	-	1,574,048	1,575,995	1,574,048	1,575,995
Sewer	-	-	2,548,167	2,402,868	2,548,167	2,402,868
Stormwater	-	-	577,036	577,794	577,036	577,794
Street lights	-	-	181,004	202,503	181,004	202,503
Golf course	-	-	317,793	334,621	317,793	334,621
Total expenses	26,192,711	19,495,861	5,198,048	5,093,781	31,390,759	24,589,642
Increase (decrease) in net position before transfers	(6,766,790)	1,776,415	(187,842)	(187,802)	(6,954,632)	1,588,613
Transfers	241,114	(199,099)	(241,114)	199,099	-	-
Increase (decrease) in net position	(6,525,676)	1,577,316	(428,956)	11,297	(6,954,632)	1,588,613
Net position – January 1	60,158,039	58,580,723	14,490,730	14,479,433	74,648,769	73,060,156
Net position – December 31	<u>\$53,632,363</u>	<u>\$60,158,039</u>	<u>\$ 14,061,774</u>	<u>\$ 14,490,730</u>	<u>\$67,694,137</u>	<u>\$ 74,648,769</u>

CITY OF NEW BRIGHTON, MINNESOTA
MANAGEMENT’S DISCUSSION AND ANALYSIS
 December 31, 2013

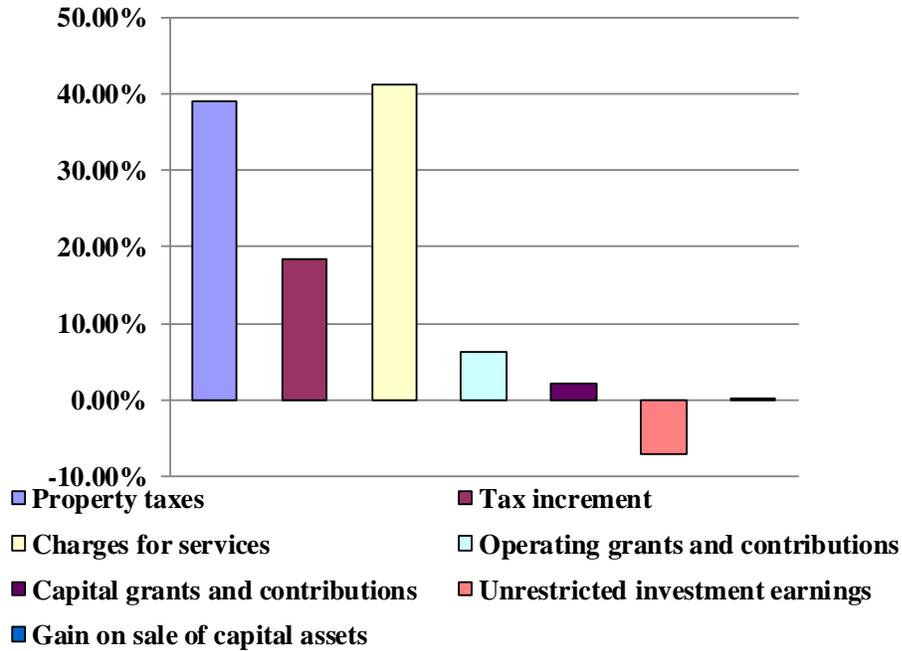
Governmental activities. Governmental activities decreased the City of New Brighton’s net position by \$ 6,525,676. Key elements of this increase are:

- The Assets held for resale in Tax Increment District #31 decreased by \$ 2,511,800 due to a decrease in market value.
- The Assets held for resale in Tax Increment District #32 decreased by \$ 3,417,900 due to a decrease in market value.
- Internal service funds increased by \$ 231,316 as designed to accumulate resources to replace equipment and vehicles.

Program Revenues and Expenses - Governmental Activities



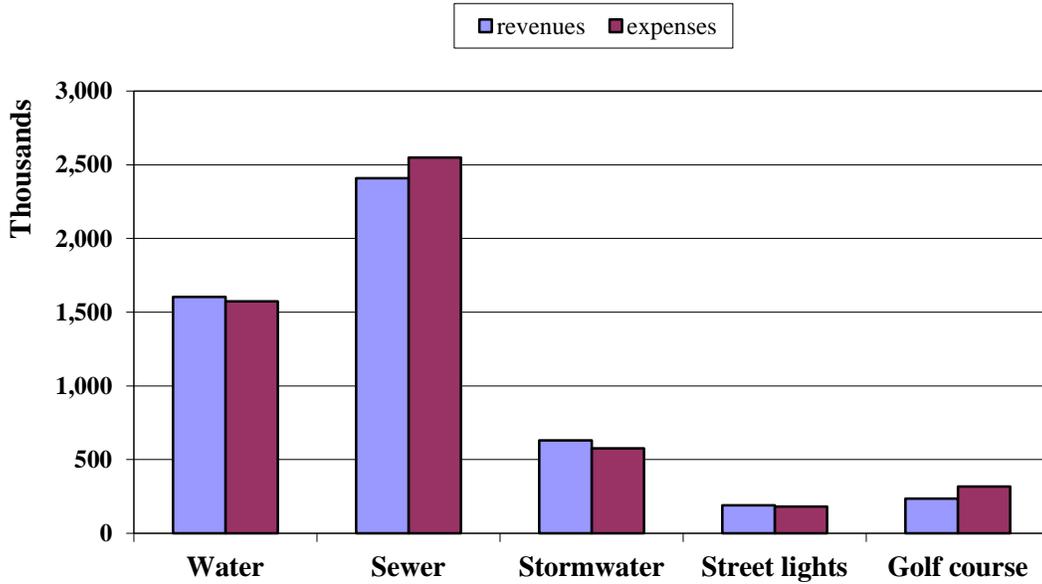
Revenues by Source - Governmental Activities



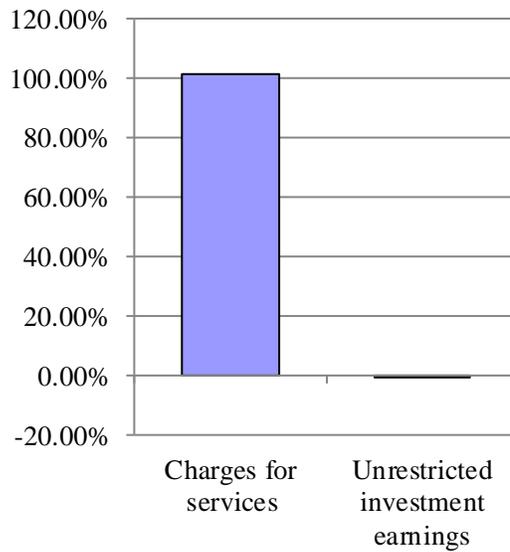
Business-type activities. Business-type activities decreased the City of New Brighton's net position by \$ 428,956. The key elements of this increase are as follows:

- The change in net position of the Water, Sewer, Stormwater, Street Lights and Golf Course enterprise funds increased by \$ 56,383 due to increased utility rates in 2013.
- The net position of the Water improvements, Sewer improvements, and Stormwater improvements capital projects funds decreased by \$ 516,761, primarily due to transfers out to finance a portion of the 2013 street reconstruction project.
- The consolidation of internal service activities related to enterprise funds increased net position \$ 31,422.

Program Revenues and Expenses- Business-type Activities



Revenues by Source - Business-type Activities



CITY OF NEW BRIGHTON, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2013

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 \$ 43,345,185, an increase of \$ 14,861,062 in comparison with the prior year. Approximately 64.4% of this total amount (\$ 27,926,917) constitutes *spendable unrestricted, fund balance*, which is available for spending at the government's discretion. The amount of \$ 15,410,209 is restricted for 1) tax increment (\$ 13,602,828), 2) park dedication (\$ 401,761), 3) public safety (\$ 80,135) and 4) debt retirement (\$1,325,485). The remainder of fund balance is *nonspendable* to indicate that it is not available for spending because it is not in spendable form, (prepaid items totaling \$ 8,059).

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 \$ 8,059; the unassigned fund balance was \$ 6,071,022 for a total fund balance of \$ 6,079,081. 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 53.6% of total General Fund expenditures and total fund balance represents 53.7% of that same amount.

The General Fund increased by \$ 43,361 during the current fiscal year. The final amended 2013 General Fund budget was a deficit of \$ 293,300. The Municipal Development Fund increased by \$ 275,823, primarily because of interest on investments and interfund loans. The New Brighton Exchange redevelopment capital projects (Tax Increment Districts 31, 31A, 32 and 32A major funds) decreased by \$ 7,342,839 due to a decrease in the market value of Assets held for resale, further redevelopment expenditures, interest on interfund loans and transfers out to debt service funds. Nonmajor Debt Service Funds decreased by \$ 1,222,690 as a result of principal and interest debt service payments on existing debt. The nonmajor tax increment capital project funds decreased by \$ 147,416 as districts, which were closed and decertified as of December 31, 2013, have transferred \$ 644,999 to the New Brighton Exchange redevelopment capital project funds. The Street Improvements Fund decreased by \$ 354,321, due to costs incurred for the 2013 street reconstruction improvement project. The Community Reinvestment Fund decreased by \$ 526,580 due to transfers out to debt service funds, consistent with long-term financial plans. Other non-major capital projects decreased by \$ 491,444. This was mostly the result of the Water Improvement Fund transfer out of \$ 403,093 to the 2013 street reconstruction improvement project.

CITY OF NEW BRIGHTON, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2013

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

Unrestricted net position of the water, sewer, stormwater, street light system, and golf course operations at the end of the year amounted to \$ 1,922,119. The change in net position for each fund was: Water Utility increased \$ 1,280, Sewer Utility increased \$ 5,364; Stormwater Management Utility increased \$ 2,897; Street Light System increased \$ 10,751, and Municipal Golf Course increased \$ 36,091. 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.

General Fund Budgetary Highlights

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

- Property tax revenues were \$ 144,404 more than anticipated in the budget due to higher collection of previous years' delinquent taxes.
- Revenue from building permits was \$ 62,493 less than anticipated. New building construction activity did not materialize as projected.
- Recreation program revenues were \$ 56,122 more than budgeted due to more recreation program participants, especially the aquatics program which exceeded expectations by \$ 26,331.
- The Community Center's revenues were \$ 60,517 higher than expected due to more facility rentals and an increase in the Silver Sneakers program.
- Investment income was less than budgeted by \$ 234,956. Interest income (\$ 50,736) exceeded the amount budgeted (\$ 30,000). However, as of December 31, 2013, the market interest rate increased causing a negative adjustment to the fair value of the investment portfolio of \$ 255,692.
- Expenditures for Community Development were less than budgeted by \$ 91,920. Two positions were temporarily vacant during the year. Following a resignation, the Building Official position was vacant for a time period while recruiting took place. The Building Official position was filled by the employee in the Building Inspector position causing a second temporary vacancy while that position was being filled. Both positions were compensated at a lower rate than their predecessor which was budgeted.
- Personnel expenditures for Police were less than budgeted by \$ 155,486 due to personnel shortages. Two positions were temporarily vacant after the departure of two officers. There were many absences due to injuries on duty. Also, an officer was deployed for military leave during the year.
- Personnel expenses for Parks and Recreation were \$ 92,861 below budgeted amounts due to less seasonal staff hired than planned for Parks and Forestry, and temporary vacancies in Recreation Programs and the Community Center.

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, 2013, amounts to \$ 56,592,793 (net of accumulated depreciation). This investment in capital assets includes land, buildings and structures, improvements, machinery and equipment, park facilities, roads, highways, and infrastructure. The total decrease in the City of New Brighton's investment in capital assets for the current fiscal year was 2.2% (a 3.1% decrease for governmental activities and a 1.6% increase for business-type activities).

Major capital asset events during 2013 included the following: reconstruction of City streets, replacement of machinery and equipment, and replacement of portions of the water distribution, sanitary sewer collection and stormwater systems.

CITY OF NEW BRIGHTON, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2013

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Land	\$ 6,081,134	\$ 6,081,134	\$ 853,776	\$ 847,400	\$ 6,934,910	\$ 6,928,534
Buildings and structures	15,012,942	16,158,689	3,540,237	3,600,789	18,553,179	19,759,478
Machinery and equipment	4,814,740	4,823,964	18,899	24,103	4,833,639	4,848,067
Infrastructure	14,884,994	15,493,018	3,651,279	3,843,251	18,536,273	19,336,269
Other improvements	3,521,243	3,757,334	2,879,922	2,704,420	6,401,165	6,461,754
Construction in progress	<u>766,067</u>	<u>207,378</u>	<u>567,560</u>	<u>306,292</u>	<u>1,333,627</u>	<u>513,670</u>
Net capital assets	<u>\$ 45,081,120</u>	<u>\$ 46,521,517</u>	<u>\$11,511,673</u>	<u>\$11,326,255</u>	<u>\$ 56,592,793</u>	<u>\$ 57,847,772</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 \$ 43,255,000. Of this amount, \$ 38,850,000 comprises debt backed by the full faith and credit of the government and \$ 4,405,000 is G.O. improvement debt for which the government is liable in the event of default by the property owners subject to special assessment.

City of New Brighton's Outstanding Debt

General Obligation and Revenue Bonds

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
General obligation bonds:						
G.O. improvement	\$ 4,405,000	\$ 5,775,000	\$ -	\$ -	\$ 4,405,000	\$ 5,775,000
Tax increment	<u>38,850,000</u>	<u>42,265,000</u>	<u>-</u>	<u>-</u>	<u>38,850,000</u>	<u>42,265,000</u>
Total bonded debt	<u>\$ 43,255,000</u>	<u>\$ 48,040,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,255,000</u>	<u>\$ 48,040,000</u>

The City of New Brighton's total bonded debt decreased by a net amount of \$ 4,785,000 (10.0%) during 2013. The total decreased due to scheduled principal payments.

The City of New Brighton maintains an "AA" rating from Standard & Poor's for general obligation debt. State statutes limit the amount of general obligation debt the City may issue to 3% of its total market value. The current debt limitation for the City of New Brighton is \$ 52,388,883. The City of New Brighton has no debt applicable to the debt limit.

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

Economic Factors and Next Year's Budgets and Rates

- According to the Minnesota Department of Employment and Economic Development, the City of New Brighton's unemployment rate as of December, 2013, was 3.9%; Ramsey County was 4.3%; the Minneapolis/St. Paul metropolitan area was 4.3%; and the State of Minnesota was 4.6%.

CITY OF NEW BRIGHTON, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2013

- 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 in the City's capital assets.
- The 2014 total tax levy is \$ 6,794,308, a reduction of \$ 493,000 from 2013.

These factors were considered in preparing the City of New Brighton's budget for the 2014 fiscal year. The utility rates for 2014 were increased. The increases were 9.9% for water, 9.9% for sanitary sewer, 5.1% for stormwater and 5.0% for street lights.

Requests for Information

This financial report is designed to provide a general overview of the City of New Brighton's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, City of New Brighton, 803 Old Highway 8 NW, New Brighton, Minnesota, 55112-2792.

**BASIC FINANCIAL
STATEMENTS**

CITY OF NEW BRIGHTON, MINNESOTA
STATEMENT OF NET POSITION
December 31, 2013

Statement 1

	Primary Government		Totals	
	Governmental	Business-Type	2013	2012
	Activities	Activities		
Assets:				
Cash and investments	\$ 38,113,298	\$ 1,571,483	\$ 39,684,781	\$ 42,933,480
Restricted cash and investments	5,614,181	-	5,614,181	9,517,003
Accrued interest receivable	143,641	7,008	150,649	173,511
Due from other governmental units	60,605	3,963	64,568	84,792
Internal balances	115,658	(115,658)	-	-
Accounts receivable-net	247,987	1,320,284	1,568,271	1,512,873
Taxes receivable:				
Delinquent	345,121	302	345,423	383,437
Due from County	260,412	-	260,412	80,391
Special assessments receivable	242,435	13,905	256,340	332,740
Prepaid items	8,059	-	8,059	6,688
Assets held for resale	18,639,400	-	18,639,400	24,569,100
Capital Assets (net of accumulated depreciation)				
Land	6,081,134	853,776	6,934,910	6,928,534
Buildings and structures	15,012,942	3,540,237	18,553,179	19,759,478
Machinery and equipment	4,814,740	18,899	4,833,639	4,848,067
Infrastructure	14,884,994	3,651,279	18,536,273	19,336,269
Other improvements	3,521,243	2,879,922	6,401,165	6,461,754
Construction in progress	766,067	567,560	1,333,627	513,670
Total assets	<u>\$ 108,871,917</u>	<u>\$ 14,312,960</u>	<u>\$ 123,184,877</u>	<u>\$ 137,441,787</u>
Liabilities:				
Accounts payable	\$ 637,691	\$ 60,566	\$ 698,257	\$ 722,833
Special assessments payable	8,939	-	8,939	9,932
Salaries payable	205,940	22,972	228,912	192,632
Deposits payable	39,211	-	39,211	58,514
Due to other governmental units	127,000	8,375	135,375	21,225
Contracts payable	83,525	-	83,525	24,349
Unearned Revenue	5,748,784	302	5,749,086	8,988,240
Accrued interest payable	726,170	-	726,170	782,311
Compensated absences:				
Due within one year	19,014	-	19,014	34,337
Due in more than one year	834,280	158,971	993,251	996,645
Bonds payable:				
Due within one year	3,280,000	-	3,280,000	4,785,000
Due in more than one year	39,975,000	-	39,975,000	43,255,000
Pollution remediation obligation				
Due within one year	996,500	-	996,500	130,000
Due in more than one year	2,557,500	-	2,557,500	2,792,000
Total liabilities	<u>\$ 55,239,554</u>	<u>\$ 251,186</u>	<u>\$ 55,490,740</u>	<u>\$ 62,793,018</u>
Net Position:				
Net investment in capital assets	\$ 40,676,120	\$ 11,511,673	\$ 52,187,793	\$ 52,072,772
Restricted for:				
Debt service	806,018	-	806,018	934,884
Capital improvements	401,761	-	401,761	402,614
Unrestricted	11,748,464	2,550,101	14,298,565	21,238,499
Total net position	<u>\$ 53,632,363</u>	<u>\$ 14,061,774</u>	<u>\$ 67,694,137</u>	<u>\$ 74,648,769</u>

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

CITY OF NEW BRIGHTON, MINNESOTA
STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2013

Statement 2

Functions/Programs	Net (Expense) Revenues and Changes in Net Position			
	Program Revenues		Primary Government	
	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities
Government activities:	Expenses	Capital Grants and Contributions	Totals	
General government	\$ 1,768,059	\$ 11,241	\$ (1,160,295)	\$ (1,160,295)
Community development	7,921,259	-	(7,117,046)	(7,117,046)
Parks and recreation	2,839,949	-	(1,467,695)	(1,467,695)
Public safety	5,201,983	8,625	(4,259,047)	(4,259,047)
Public works	6,710,073	388,077	(806,267)	(806,267)
Interest on long-term debt	1,751,388	-	(1,751,388)	(1,751,388)
Total government activities	26,192,711	407,943	(16,561,738)	(16,561,738)
Business-type activities:				
Water	1,574,048	-	-	29,320
Sewer	2,548,167	-	-	(140,494)
Stormwater	577,036	-	-	52,422
Street lights	181,004	-	-	8,841
Golf course	317,793	-	-	(82,056)
Total business-type activities	5,198,048	-	-	(131,967)
Total primary government	\$ 31,390,759	\$ 407,943	(16,561,738)	(16,693,705)
General revenues:				
Property taxes			7,570,367	7,574,635
Tax increment			3,588,394	3,588,394
Unrestricted investment earnings			(1,376,544)	(60,143)
Gain on sale of capital assets			12,731	-
Transfers			241,114	(241,114)
Total general revenues, and transfers			10,036,062	(296,989)
Change in net position			(6,525,676)	(428,956)
Net position - beginning			60,158,039	14,490,730
Net position - ending			\$ 53,632,363	\$ 14,061,774
				\$ 74,648,769

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

CITY OF NEW BRIGHTON, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2013
With Comparative Totals For December 31, 2012

	General	Water Treatment Plant No. 1	Municipal Development	Tax Increment District #31
Assets:				
Cash and investments	\$ 6,470,083	\$ -	\$ 6,478,488	\$ -
Restricted cash and investments	-	5,614,181	-	-
Accrued interest receivable	-	47,785	53,007	9,346
Due from other governmental units	33,087	-	-	-
Accounts receivable	224,497	-	-	23,490
Interfund receivable	-	-	-	-
Taxes receivable:				
Delinquent	168,996	-	-	-
Due from County	142,236	-	-	-
Special assessments receivable	3,309	-	-	-
Interfund loan receivable	-	-	13,972,108	-
Prepaid items	8,059	-	-	-
Assets held for resale	-	-	-	7,598,500
Total assets	<u>7,050,267</u>	<u>5,661,966</u>	<u>20,503,603</u>	<u>7,631,336</u>
Deferred outflows of resources:				
Repayment of delinquent taxes	-	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 7,050,267</u>	<u>\$ 5,661,966</u>	<u>\$ 20,503,603</u>	<u>\$ 7,631,336</u>
Liabilities:				
Accounts payable	\$ 207,053	\$ 265,956	\$ -	\$ 5,951
Special assessments payable	-	-	-	-
Interfund payable	-	-	-	-
Salaries payable	202,525	-	-	-
Deposits payable	39,211	-	-	-
Due to other governmental units	6,075	2,988	-	-
Contracts payable	-	-	-	-
Interfund loan payable	-	-	-	4,971,376
Unearned revenue	347,326	5,393,022	-	-
Total liabilities	<u>802,190</u>	<u>5,661,966</u>	<u>-</u>	<u>4,977,327</u>
Deferred inflows of resources:				
Unavailable revenue - delinquent taxes	168,996	-	-	-
Unavailable revenue - special assessments not yet due	-	-	-	-
Total deferred inflows of resources	<u>168,996</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit):				
Non-spendable	8,059	-	-	-
Restricted	-	-	-	2,654,009
Committed	-	-	20,503,603	-
Assigned	-	-	-	-
Unassigned	6,071,022	-	-	-
Total fund balance (deficit)	<u>6,079,081</u>	<u>-</u>	<u>20,503,603</u>	<u>2,654,009</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 7,050,267</u>	<u>\$ 5,661,966</u>	<u>\$ 20,503,603</u>	<u>\$ 7,631,336</u>

The accompany 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	
				2013	2012
\$ -	\$ -	\$ -	\$ 12,057,486	\$ 25,006,057	\$ 28,114,738
-	-	-	-	5,614,181	9,517,003
3,431	837	4,524	24,418	143,348	164,717
-	-	-	27,518	60,605	80,292
-	-	-	2,952	250,939	267,431
-	-	-	507,957	507,957	96,986
-	-	-	176,427	345,423	383,437
-	-	-	118,176	260,412	80,391
-	-	-	239,126	242,435	322,188
-	-	-	392,885	14,364,993	13,036,052
-	-	-	-	8,059	3,938
-	11,040,900	-	-	18,639,400	24,569,100
<u>3,431</u>	<u>11,041,737</u>	<u>4,524</u>	<u>13,546,945</u>	<u>65,443,809</u>	<u>76,636,273</u>
-	-	-	75,719	75,719	-
-	-	-	75,719	75,719	-
<u>\$ 3,431</u>	<u>\$ 11,041,737</u>	<u>\$ 4,524</u>	<u>\$ 13,622,664</u>	<u>\$ 65,519,528</u>	<u>\$ 76,636,273</u>
\$ 5,831	\$ 4,195	\$ 9,260	\$ 38,485	\$ 536,731	\$ 568,909
-	-	-	8,939	8,939	9,932
-	-	-	481,084	481,084	12,801
-	-	-	-	202,525	170,593
-	-	-	-	39,211	58,514
-	-	-	117,937	127,000	20,279
-	-	-	83,525	83,525	17,456
1,012,855	2,982,950	2,349,671	3,048,141	14,364,993	13,036,052
-	-	-	8,436	5,748,784	8,988,240
<u>1,018,686</u>	<u>2,987,145</u>	<u>2,358,931</u>	<u>3,786,547</u>	<u>21,592,792</u>	<u>22,882,776</u>
-	-	-	176,427	345,423	383,437
-	-	-	236,128	236,128	316,837
-	-	-	412,555	581,551	700,274
-	-	-	-	8,059	3,938
-	8,054,592	-	4,701,608	15,410,209	24,152,134
-	-	-	3,374,786	23,878,389	23,377,592
-	-	-	4,765,443	4,765,443	5,956,665
(1,015,255)	-	(2,354,407)	(3,418,275)	(716,915)	(437,106)
<u>(1,015,255)</u>	<u>8,054,592</u>	<u>(2,354,407)</u>	<u>9,423,562</u>	<u>43,345,185</u>	<u>53,053,223</u>
<u>\$ 3,431</u>	<u>\$ 11,041,737</u>	<u>\$ 4,524</u>	<u>\$ 13,622,664</u>	<u>\$ 65,519,528</u>	<u>\$ 76,636,273</u>
Fund balance reported above				\$ 43,345,185	\$ 53,053,223
Amounts reported for governmental activities in the statement of net position are different because:					
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds				40,027,273	41,575,963
Other long-term assets are not available to pay for current-period expenditures and therefore, are deferred in the funds				505,530	25,269,374
Internal service funds are used by management to charge the costs of insurance, capital asset management and management information systems to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position				17,613,427	17,413,533
Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore, are not reported in the funds				(43,981,170)	(48,822,311)
Utility capital projects funds are included in the governmental funds but should be included with the business-type activities				(323,882)	(840,643)
Pollution Remediation obligation is not due and payable in the current year and is not reported in the funds				(3,554,000)	(2,922,000)
Net position of governmental activities				<u>\$ 53,632,363</u>	<u>\$ 84,727,139</u>

The accompany notes are an integral part of these financial statements

CITY OF NEW BRIGHTON, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
For The Year Ended December 31, 2013
With Comparative Totals For The Year Ended December 31, 2012

	General	Water Treatment Plant No. 1	Municipal Development	Tax Increment District #31
Revenues:				
General property taxes	\$ 7,431,704	\$ -	\$ -	\$ -
Tax increment	-	-	-	165,958
Licenses and permits	516,160	-	-	-
Intergovernmental	643,731	1,254	-	-
Charges for services	3,906,107	3,143,586	7,732	23,490
Special assessments	-	-	-	-
Fines and forfeits	58,880	-	-	-
Investment income:				
Interest on investments	50,736	66,743	66,600	(12,552)
Change in fair value of investments	(255,692)	(235,000)	(307,719)	68,138
Interest on interfund loans	-	-	509,210	-
Other interest	-	-	-	-
Rents	238,722	-	-	-
Refunds and reimbursements	23,788	-	-	3,041
In-house engineering and administrative charges	-	-	-	-
Contributions and donations	7,016	-	-	-
Park dedication charge	-	-	-	-
Total revenues	<u>12,621,152</u>	<u>2,976,583</u>	<u>275,823</u>	<u>248,075</u>
Expenditures:				
Current:				
General government	1,624,280	-	-	-
Community development	832,263	-	-	2,618,033
Parks and recreation	2,823,360	-	-	-
Public safety	4,748,948	-	-	-
Public works	1,294,684	2,341,583	-	-
Interest on interfund loans	-	-	-	160,438
Capital outlay:				
Community development	-	-	-	-
Parks and recreation	-	-	-	-
Public safety	-	-	-	-
Public works	-	637,184	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and paying agent fees	-	-	-	-
Total expenditures	<u>11,323,535</u>	<u>2,978,767</u>	<u>-</u>	<u>2,778,471</u>
Revenues over (under) expenditures	<u>1,297,617</u>	<u>(2,184)</u>	<u>275,823</u>	<u>(2,530,396)</u>
Other financing sources (uses):				
G.O. refunding debt issued	-	-	-	-
G.O. improvement debt issued	-	-	-	-
Tax increment refunding debt issued	-	-	-	-
Refunded debt	-	-	-	-
Transfers in	-	2,418	-	904,999
Transfers out	(1,258,405)	(234)	-	(1,821,862)
Sale of land	4,149	-	-	-
Total other financing sources (uses)	<u>(1,254,256)</u>	<u>2,184</u>	<u>-</u>	<u>(916,863)</u>
Net increase (decrease) in fund balance	<u>43,361</u>	<u>-</u>	<u>275,823</u>	<u>(3,447,259)</u>
Fund balance - (deficit) - January 1	6,035,720	-	20,227,780	(4,009,032)
Change in accounting principle - see note 14	-	-	-	10,110,300
Fund balance - (deficit) - January 1 (restated)	<u>6,035,720</u>	<u>-</u>	<u>20,227,780</u>	<u>6,101,268</u>
Fund balance (deficit) - December 31	<u>\$ 6,079,081</u>	<u>\$ -</u>	<u>\$ 20,503,603</u>	<u>\$ 2,654,009</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	
				2013	2012
\$ -	\$ -	\$ -	\$ 256,966	\$ 7,688,670	\$ 7,559,535
-	179,126	33,550	3,209,760	3,588,394	4,361,145
-	-	-	-	516,160	482,589
-	-	-	790,045	1,435,030	1,437,101
-	-	-	16,269	7,097,184	8,893,525
-	-	-	95,327	95,327	145,934
-	-	-	59,795	118,675	95,798
(112)	(1,496)	(350)	112,472	282,041	287,465
2,371	10,441	5,764	(549,791)	(1,261,488)	(95,516)
-	-	-	6,699	515,909	464,602
-	-	-	97	97	790
-	-	-	-	238,722	260,637
-	-	-	3,350	30,179	39,295
-	-	-	-	-	8,557
-	-	-	57,559	64,575	31,120
-	-	-	-	-	1,630
<u>2,259</u>	<u>188,071</u>	<u>38,964</u>	<u>4,058,548</u>	<u>20,409,475</u>	<u>23,974,207</u>
-	-	-	61,147	1,685,427	1,641,015
34,564	3,439,570	92,321	91,284	7,108,035	1,265,774
-	-	-	852	2,824,212	2,687,080
-	-	-	98,535	4,847,483	4,778,626
-	-	-	287,131	3,923,398	6,654,129
37,938	108,696	88,613	120,224	515,909	464,602
-	174,806	-	-	174,806	548,511
-	-	-	-	-	3,946
-	-	-	19,818	19,818	20,232
-	-	-	1,961,625	2,598,809	668,196
-	-	-	3,770,000	3,770,000	5,865,000
-	-	-	1,814,228	1,814,228	2,011,060
<u>72,502</u>	<u>3,723,072</u>	<u>180,934</u>	<u>8,224,844</u>	<u>29,282,125</u>	<u>26,608,171</u>
<u>(70,243)</u>	<u>(3,535,001)</u>	<u>(141,970)</u>	<u>(4,166,296)</u>	<u>(8,872,650)</u>	<u>(2,633,964)</u>
-	-	-	-	-	485,183
-	-	-	-	-	444,817
-	-	-	-	-	2,860,000
-	-	-	(1,015,000)	(1,015,000)	-
-	-	-	7,035,829	7,943,246	6,947,232
-	(148,366)	-	(4,538,916)	(7,767,783)	(7,430,144)
-	-	-	-	4,149	-
-	<u>(148,366)</u>	<u>-</u>	<u>1,481,913</u>	<u>(835,388)</u>	<u>3,307,088</u>
<u>(70,243)</u>	<u>(3,683,367)</u>	<u>(141,970)</u>	<u>(2,684,383)</u>	<u>(9,708,038)</u>	<u>673,124</u>
(945,012)	(2,720,841)	(2,212,437)	12,107,945	28,484,123	27,810,999
-	14,458,800	-	-	24,569,100	-
<u>(945,012)</u>	<u>11,737,959</u>	<u>(2,212,437)</u>	<u>12,107,945</u>	<u>53,053,223</u>	<u>27,810,999</u>
<u>\$ (1,015,255)</u>	<u>\$ 8,054,592</u>	<u>\$ (2,354,407)</u>	<u>\$ 9,423,562</u>	<u>\$ 43,345,185</u>	<u>\$ 28,484,123</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, 2013

Statement 5

	<u>2013</u>	<u>2012</u>
Amounts reported for governmental activities in the statement of activities are different because:		
Net changes in fund balances - total governmental funds (statement 4)	\$ (9,708,038)	\$ 673,124
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	(1,548,690)	(1,865,061)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	56,141	44,665
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.	4,785,000	2,075,000
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.	(194,744)	126,070
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.	199,894	999,538
Utility capital projects funds are included in the governmental funds but should be included with the business-type activities	516,761	207,480
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>(632,000)</u>	<u>(683,500)</u>
Change in net position of governmental activities (statement 2)	<u>\$ (6,525,676)</u>	<u>\$ 1,577,316</u>

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

CITY OF NEW BRIGHTON, MINNESOTA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2013
With Comparative Totals For December 31, 2012

	Business-Type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Stormwater Management
Assets			
Current assets:			
Cash and cash equivalents	\$ 158,971	\$ 93,048	\$ 593,156
Restricted cash and cash equivalents	-	-	-
Accrued interest receivable	3,407	3,409	-
Due from other governmental units	3,963	-	-
Accounts receivable:			
Customer - unbilled	209,649	369,565	108,095
Customer - billed	155,437	266,149	-
Customer - certified to County	-	208,437	-
Other	-	-	-
Special assessments receivable:			
Due from County	-	13,605	300
Prepaid items	-	-	-
Total current assets	531,427	954,213	701,551
Noncurrent assets:			
Capital assets:			
Land	365,800	600	6,376
Buildings	4,699,672	333,018	-
Equipment	-	6,997	-
Distribution and collection systems	7,562,529	8,791,910	4,155,383
Other improvements	-	-	-
Construction in progress	352,076	58,639	156,845
Less accumulated depreciation	(6,931,001)	(7,797,544)	(1,275,461)
Net capital assets	6,049,076	1,393,620	3,043,143
Total noncurrent assets	6,049,076	1,393,620	3,043,143
Total assets	6,580,503	2,347,833	3,744,694
Liabilities			
Current liabilities:			
Accounts payable	23,419	10,305	4,217
Interfund payable	-	-	-
Salaries payable	10,465	8,221	2,445
Due to other governmental units	1,068	7,307	-
Contracts payable	-	-	-
Compensated absences payable - current	-	-	-
Total current liabilities	34,952	25,833	6,662
Noncurrent liabilities:			
Compensated absences payable	98,507	40,717	12,919
Total noncurrent liabilities	98,507	40,717	12,919
Total liabilities	133,459	66,550	19,581
Net position:			
Net investment in capital assets	6,049,076	1,393,620	3,043,143
Unrestricted	397,968	887,663	681,970
Total net position	\$ 6,447,044	\$ 2,281,283	\$ 3,725,113

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	
		2013	2012	2013	2012
\$ -	\$ 1,000	\$ 846,175	\$ 1,106,393	\$ 13,832,549	\$ 13,712,349
-	-	-	-	-	-
-	192	7,008	7,335	293	1,459
-	-	3,963	4,500	-	-
-	-	687,309	609,890	-	-
-	-	421,586	384,684	-	-
-	-	208,437	239,177	-	-
-	-	-	2,561	-	9,130
-	-	13,905	10,552	-	-
-	-	-	-	-	2,750
-	1,192	2,188,383	2,365,092	13,832,842	13,725,688
-	481,000	853,776	847,400	-	-
-	728,936	5,761,626	5,738,326	576,325	576,325
-	99,755	106,752	106,752	8,918,396	8,410,103
-	-	20,509,822	20,186,202	-	-
-	165,790	165,790	165,790	956,347	939,311
-	-	567,560	306,292	83,229	35,847
-	(449,647)	(16,453,653)	(16,024,507)	(5,480,450)	(5,016,032)
-	1,025,834	11,511,673	11,326,255	5,053,847	4,945,554
-	1,025,834	11,511,673	11,326,255	5,053,847	4,945,554
-	1,027,026	13,700,056	13,691,347	18,886,689	18,671,242
9,273	1,859	49,073	60,314	112,453	93,610
26,873	-	26,873	84,185	-	-
-	1,841	22,972	19,212	3,415	2,827
-	-	8,375	901	-	45
-	-	-	-	-	6,893
-	-	-	-	19,014	34,337
36,146	3,700	107,293	164,612	134,882	137,712
-	6,828	158,971	149,326	834,280	847,319
-	6,828	158,971	149,326	834,280	847,319
36,146	10,528	266,264	313,938	969,162	985,031
-	1,025,834	11,511,673	11,326,255	5,053,847	4,945,554
(36,146)	(9,336)	1,922,119	2,051,154	12,863,680	12,740,657
\$ (36,146)	\$ 1,016,498	13,433,792	13,377,409	\$ 17,917,527	\$ 17,686,211
Utility capital projects funds are included in the governmental funds but are included with the business-type activities		323,882	840,643		
Adjustment to reflect the consolidation of internal service activities related to enterprise funds		304,100	272,678		
Net position of business-type activities		\$ 14,061,774	\$ 14,490,730		

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

CITY OF NEW BRIGHTON, MINNESOTA
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - PROPRIETARY FUNDS
For The Year Ended December 31, 2013
With Comparative Totals For The Year Ended December 31, 2012

	Business-Type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Stormwater Management Utility
Operating revenues:			
Customer charges	\$ 1,350,118	\$ 2,234,306	\$ 579,637
Late charges	21,586	67,902	-
Other charges	20,350	3,672	-
Total operating revenues	<u>1,392,054</u>	<u>2,305,880</u>	<u>579,637</u>
Operating expenses:			
Personnel services	560,839	434,816	151,914
Materials and supplies	104,709	18,560	7,897
Contractual services	652,924	2,014,051	266,317
Professional services	-	-	-
Depreciation	212,079	59,770	138,513
Total operating expenses	<u>1,530,551</u>	<u>2,527,197</u>	<u>564,641</u>
Operating income (loss)	<u>(138,497)</u>	<u>(221,317)</u>	<u>14,996</u>
Nonoperating revenues (expenses):			
Investment income:			
Interest on investments	2,528	894	5,685
Change in fair value of investments	(7,783)	(1,745)	(22,999)
Interest on assessments	-	13,520	22
In-house engineering and administrative charges	189,755	88,273	49,274
Credits and interest received from MCES	-	-	-
Other State aid	-	-	-
School District grant	-	-	-
Interest on bonds	-	-	-
Gain (loss) on disposal of capital assets	-	-	-
Refunds and reimbursements	6,191	-	525
Other - net	-	-	-
Total nonoperating revenues (expenses)	<u>190,691</u>	<u>100,942</u>	<u>32,507</u>
Income (loss) before contributions and transfers	<u>52,194</u>	<u>(120,375)</u>	<u>47,503</u>
Capital contributions	<u>361,681</u>	<u>58,639</u>	<u>170,944</u>
Transfers:			
Transfers from:			
General Fund	-	-	-
Special Revenue Funds	218	-	-
Capital Project Funds	-	125,000	-
Internal Service Funds	-	-	-
Transfers to:			
Special Revenue Funds	(1,913)	-	-
Capital Project Funds	(410,900)	(57,900)	(215,550)
Internal Service Funds	-	-	-
Total transfers	<u>(412,595)</u>	<u>67,100</u>	<u>(215,550)</u>
Change in net position	1,280	5,364	2,897
Net position - January 1	<u>6,445,764</u>	<u>2,275,919</u>	<u>3,722,216</u>
Net position - December 31	<u>\$ 6,447,044</u>	<u>\$ 2,281,283</u>	<u>\$ 3,725,113</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	
		2013	2012	2013	2012
\$ 189,245	\$ 235,737	\$ 4,589,043	\$ 4,428,621	\$ 1,877,987	\$ 1,851,040
-	-	89,488	81,784	-	-
-	-	24,022	25,084	-	-
<u>189,245</u>	<u>235,737</u>	<u>4,702,553</u>	<u>4,535,489</u>	<u>1,877,987</u>	<u>1,851,040</u>
-	179,001	1,326,570	1,291,269	184,865	199,329
2,661	16,457	150,284	179,061	36,147	26,092
177,275	119,568	3,230,135	3,097,928	680,239	706,508
-	-	-	-	38,683	1,638
-	18,784	429,146	437,124	663,176	649,956
<u>179,936</u>	<u>333,810</u>	<u>5,136,135</u>	<u>5,005,382</u>	<u>1,603,110</u>	<u>1,583,523</u>
9,309	(98,073)	(433,582)	(469,893)	274,877	267,517
(246)	(702)	8,159	7,389	128,165	109,539
1,088	5,191	(26,248)	(2,540)	(567,413)	(35,624)
-	-	13,542	29	-	-
-	-	327,302	312,524	-	-
-	-	-	15,429	-	-
-	-	-	1,520	-	-
-	-	-	-	8,625	10,500
-	-	-	(16,883)	-	-
-	-	-	-	8,583	28,507
600	-	7,316	11,054	88,597	123,117
-	-	-	-	33,975	3,949
<u>1,442</u>	<u>4,489</u>	<u>330,071</u>	<u>328,522</u>	<u>(299,468)</u>	<u>239,988</u>
10,751	(93,584)	(103,511)	(141,371)	(24,591)	507,505
-	-	591,264	369,269	-	-
-	-	-	-	172,000	172,000
-	-	218	-	-	653
-	129,675	254,675	350,130	100,000	353,298
-	-	-	-	-	39,000
-	-	(1,913)	(3,319)	-	-
-	-	(684,350)	(389,850)	(16,093)	-
-	-	-	-	-	(39,000)
-	<u>129,675</u>	<u>(431,370)</u>	<u>(43,039)</u>	<u>255,907</u>	<u>525,951</u>
10,751	36,091	56,383	184,859	231,316	1,033,456
(46,897)	980,407			17,686,211	16,652,755
<u>\$ (36,146)</u>	<u>\$ 1,016,498</u>			<u>\$ 17,917,527</u>	<u>\$ 17,686,211</u>

Utility capital projects funds are included in the governmental funds but should be included with the business-type activities	(516,761)	(207,480)
Transfers In of Capital Assets from Governmental Activities	237,046	46,891
Governmental Activities Contribution Revenue Reported Above	(237,046)	(46,891)
Adjustment to reflect the consolidation of internal service activities related to enterprise funds	31,422	33,918
Change in net position of business-type activities	<u>\$ (428,956)</u>	<u>\$ 11,297</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, 2013
With Comparative Totals For The Year Ended December 31, 2012

	Business-Type Activities - Enterprise Funds		
	Water Utility	Sewer Utility	Stormwater Management
Cash flows - operating activities:			
Receipts from customers and users	\$ 1,363,480	\$ 2,257,816	\$ 572,439
Receipts from interfund services provided	-	-	-
Payments to employees	(556,023)	(431,572)	(149,768)
Payments to suppliers for goods and services	(286,650)	(1,513,543)	(66,998)
Payments for interfund services used	<u>(468,400)</u>	<u>(509,000)</u>	<u>(213,800)</u>
Net cash flows - operating activities	<u>52,407</u>	<u>(196,299)</u>	<u>141,873</u>
Cash flows - noncapital financing activities:			
Refunds and reimbursements	<u>6,191</u>	<u>-</u>	<u>525</u>
Net cash flows - noncapital and related financing activities	<u>6,191</u>	<u>-</u>	<u>525</u>
Cash flows - capital and related financing activities:			
Other federal aid	-	-	-
Acquisition of capital assets	(23,300)	-	-
MCES current value credit	-	-	-
Other state aid	-	-	-
In-house engineering and administrative charges	189,755	88,273	49,274
Interest on assessments	-	13,520	22
Principal on interfund loan	-	-	-
Interest on interfund loan	-	-	-
Principal paid on bond/leases	-	-	-
Donations	-	-	-
Interest and paying agent fees paid on bonds/leases	-	-	-
Transfer from general fund	-	-	-
Transfer from special revenue funds	218	-	-
Transfer from capital project funds	-	125,000	-
Transfer to special revenue funds	(1,913)	-	-
Transfer to capital project funds	(410,900)	(57,900)	(215,550)
Proceeds from sale of capital assets	-	-	-
Net cash flows - capital and related financing activities	<u>(246,140)</u>	<u>168,893</u>	<u>(166,254)</u>
Cash flows - investing activities:			
Investment income:			
Interest on investments	2,887	953	6,273
Change in fair value of investments	<u>(7,783)</u>	<u>(1,745)</u>	<u>(22,999)</u>
Net cash flows - investing activities	<u>(4,896)</u>	<u>(792)</u>	<u>(16,726)</u>
Net change in cash and cash equivalents	(192,438)	(28,198)	(40,582)
Cash and cash equivalents - January 1	<u>351,409</u>	<u>121,246</u>	<u>633,738</u>
Cash and cash equivalents - December 31	<u>\$ 158,971</u>	<u>\$ 93,048</u>	<u>\$ 593,156</u>
Reconciliation of operating income (loss) to net cash flows - operating activities:			
Operating income (loss)	\$ (138,497)	\$ (221,317)	\$ 14,996
Adjustments to reconcile operating income (loss) to net cash flows - operating activities:			
Depreciation	212,079	59,770	138,513
Changes in assets and liabilities:			
Decrease (increase) in receivables	(28,575)	(48,064)	(7,198)
Inventory/prepays	-	-	-
Increase (decrease) in payables	2,582	10,068	(6,584)
Salaries and Compensated absences payable	<u>4,818</u>	<u>3,244</u>	<u>2,146</u>
Total adjustments	<u>190,904</u>	<u>25,018</u>	<u>126,877</u>
Net cash flows - operating activities	<u>\$ 52,407</u>	<u>\$ (196,299)</u>	<u>\$ 141,873</u>
Noncash investing, capital and financing activities:			
Capital Contributions	\$ 361,681	\$ 58,639	\$ 170,944

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	
		2013	2012	2013	2012
\$ 189,245	\$ 235,737	\$ 4,618,717	\$ 4,525,869	\$ -	\$ -
-	-	-	-	1,887,117	1,893,690
-	(175,803)	(1,313,166)	(1,277,123)	(212,639)	(155,191)
(163,545)	(75,314)	(2,106,050)	(2,062,765)	(796,415)	(767,747)
(25,100)	(62,400)	(1,278,700)	(1,247,600)	-	-
600	(77,780)	(79,199)	(61,619)	878,063	970,752
600	-	7,316	11,054	76,867	117,117
600	-	7,316	11,054	76,867	117,117
-	-	-	-	-	449
-	-	(23,300)	-	(716,104)	(943,611)
-	-	-	15,429	-	-
-	-	-	1,520	-	-
-	-	327,302	312,524	-	653
-	-	13,542	29	-	-
(2,019)	74,383	72,364	30,285	-	-
-	-	-	(3,377)	-	-
-	-	-	(340,000)	-	-
-	-	-	-	22,355	20,000
-	-	-	(16,883)	-	-
-	-	-	-	172,000	172,000
-	-	218	-	-	-
-	-	125,000	350,130	83,907	353,298
-	-	(1,913)	-	-	-
-	-	(684,350)	(393,169)	-	-
-	-	-	-	29,320	19,377
(2,019)	74,383	(171,137)	(43,512)	(408,522)	(377,834)
(269)	(794)	9,050	7,332	141,205	105,034
1,088	5,191	(26,248)	(2,540)	(567,413)	(35,624)
819	4,397	(17,198)	4,792	(426,208)	69,410
-	1,000	(260,218)	(89,285)	120,200	779,445
-	-	1,106,393	1,195,678	13,712,349	12,932,904
\$ -	\$ 1,000	\$ 846,175	\$ 1,106,393	\$ 13,832,549	\$ 13,712,349
-	-	-	-	-	-
\$ 9,309	\$ (98,073)	\$ (433,582)	\$ (469,893)	\$ 274,877	\$ 267,517
-	18,784	429,146	437,124	663,176	649,956
-	-	(83,837)	(9,621)	9,130	42,650
-	-	-	-	2,750	(2,750)
(8,709)	(1,689)	(4,332)	(33,376)	(71,870)	13,379
-	3,198	13,406	14,147	-	-
(8,709)	20,293	354,383	408,274	603,186	703,235
\$ 600	\$ (77,780)	\$ (79,199)	\$ (61,619)	\$ 878,063	\$ 970,752
\$ -	\$ -	\$ 591,264	\$ 369,269	\$ -	\$ -

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

CITY OF NEW BRIGHTON, MINNESOTA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2013

Statement 9

	Hazardous Materials Program	
	2013	2012
Assets:		
Cash and investments	\$ -	\$ 24,709
Due from other governmental units	22,428	1,252
Total assets	<u>\$ 22,428</u>	<u>\$ 25,961</u>
Liabilities:		
Accounts payable	\$ 1,282	\$ 14,258
Due to other governmental units	21,146	11,703
Total liabilities	<u>\$ 22,428</u>	<u>\$ 25,961</u>

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

CITY OF NEW BRIGHTON, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

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 accounting principles generally accepted in the United States of America 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 accounting principles generally accepted in the United States of America, 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 Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these Statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type* activities, which rely to a significant extent on fees and charges to external parties for support.

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The City's only fiduciary fund is an agency fund. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

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

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

The government reports the following major governmental funds:

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

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

The government reports the following major proprietary funds:

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

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

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

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

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

Additionally, the government reports the following fund types:

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

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

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

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 accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the General Fund. Budgeted expenditure appropriations lapse at year-end.

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

E. LEGAL COMPLIANCE - BUDGETS

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

1. The City Manager submits to the City Council, a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. The City Council reviews the proposed budget and makes appropriate changes.
3. Public hearings are conducted to obtain taxpayer comments.
4. The budget is legally enacted through passage of a resolution on a departmental basis and can be expended by each department based upon detailed budget estimates for individual expenditure accounts.
5. The City Manager is authorized to transfer appropriations within any department budget. Additional interdepartmental or interfund appropriations and deletions are or may be authorized by the City Council with fund (contingency) reserves or additional revenues.
6. Formal budgetary integration is employed as a management control device during the year for the General Fund. The General Fund is the only fund with a legally adopted annual budget.
7. Legal debt obligation indentures determine the appropriation level and debt service tax levies for the debt service funds. Supplementary budgets are adopted for the proprietary funds to determine and calculate user charges. These debt service and budget amounts represent general obligation bond indenture provisions and net income for operation and capital maintenance and are not reflected in the financial statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

E. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

8. A capital improvement program is reviewed annually by the City Council for the Capital Project Funds. However, appropriations for major projects are not adopted until the actual bid award of the improvement. The appropriations are not reflected in the financial statements.
9. Expenditures may not legally exceed budgeted appropriations at the total fund level. Monitoring of budgets for the General Fund is maintained at the expenditure category level (i.e., salaries, wages and benefits; materials and supplies; contractual services and capital outlay) within each activity.
10. The City Council may authorize transfer of budgeted amounts between City funds.

F. DEPOSITS AND INVESTMENTS

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

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

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

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

Minnesota Statutes authorize the City to invest in the following:

- a) Direct obligations or obligations guaranteed by the United States or its agencies, its instrumentalities, or organizations created by an act of congress, excluding mortgage-backed securities defined as high risk.
- b) Shares of investment companies registered under the Federal Investment Company Act of 1940 and whose only investments are in securities described in (a) above, general obligation tax-exempt securities or repurchase or reverse repurchase agreements.
- c) General obligations of the State of Minnesota or any of its municipalities.
- d) Bankers acceptance of United States banks eligible for purchase by the Federal Reserve System.
- e) Commercial paper issued by United States corporations or their Canadian subsidiaries, of the highest quality, and maturing in 270 days or less.
- f) Repurchase or reverse repurchase agreements with banks that are members of the Federal Reserve System with capitalization exceeding \$ 10,000,000; a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York; certain Minnesota securities broker-dealers or a bank qualified as a depositor.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

F. DEPOSITS AND INVESTMENTS (CONTINUED)

Investments for the government are reported at fair value. The City participates in an external investment pool sponsored by the League of Minnesota Cities. The pool is established in accordance with *Minnesota Statutes*, Section 471.59. Only municipalities as defined by statute are permitted to open accounts and become participants in the fund. As of December 31, 2013, 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, 2013 are planned to be eliminated in 2014. 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 inflows of resources because they are not available to finance current expenditures.

The City's property tax revenue includes payments from the Metropolitan Revenue Distribution (Fiscal Disparities Formula) per *Minnesota 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 2013 and 2012 totaled \$ 1,323,934 and \$ 1,145,784 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 inflows of resources.

J. INVENTORIES AND PREPAID ITEMS

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

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

CITY OF NEW BRIGHTON, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

K. CAPITAL ASSETS

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), and intangible assets such as easements and computer software, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$ 5,000 (amount not rounded) (except for easements which is \$ 50,000) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

The City implemented GASB 51, *Accounting and Financial Reporting for Intangible Assets* effective January 1, 2010, which required the City to capitalize and amortize intangible assets. Pursuant to GASB Statement 51, in the case of initial capitalization of intangible assets, the City chose to capitalize intangible assets retroactively to 1980. The City has already accounted for computer software at historical cost and therefore retroactive reporting was not necessary. The City determined that it did not have any intangible assets which met the capitalization threshold of \$ 50,000 to be reported retroactively to 1980. The City did not acquire any intangible assets during the year ending December 31, 2013, which met the capitalization threshold.

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

L. COMPENSATED ABSENCES

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

M. LONG-TERM OBLIGATIONS

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are immaterial and are expensed in the year of bond issuance.

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

N. FUND BALANCE CLASSIFICATIONS

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

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

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

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

Assigned – consists of internally imposed constraints. These constraints reflect the specific purpose for which it is the City's intended use. The City Council has adopted a fund balance policy that authorizes the Finance Director to determine the assigned fund balances.

Unassigned – is the residual classification for the General Fund and also reflects negative residual amounts in other funds.

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

O. INTERFUND TRANSACTIONS

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

P. RESTRICTED ASSETS

Assets of the Water 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.

Q. USE OF ESTIMATES

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

R. NET POSITION

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

S. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

Long-Term debt:		
Bonds payable	\$ (43,255,000)	
Accrued interest payable	<u>(726,170)</u>	
Change in net position		\$ (43,981,170)
Capital assets (net of depreciation)		40,027,273
Net Deferred outflows/inflows		505,530
Internal service funds		17,613,427
Utility capital project funds included with business-type activities		(323,882)
Pollution Remediation		<u>(3,554,000)</u>
Net change in net position- governmental activities		<u><u>\$ 10,287,178</u></u>

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

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

The details of this \$ (1,548,690) difference is as follows:

Capital Outlay	\$ 1,375,529
Assets Transferred to Enterprise Funds	(591,264)
Disposal of Assets	(11,241)
Depreciation Expense	<u>(2,321,714)</u>
Net adjustment to increase/(decrease) net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u><u>\$ (1,548,690)</u></u>

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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 \$(194,744) difference are as follows:

General property taxes unavailable revenue:		
At December 31, 2013	\$ 269,402	
At December 31, 2012	<u>(383,437)</u>	
Net change in general property taxes unavailable revenue		(114,035)
Special assessments unavailable revenue:		
At December 31, 2013	236,128	
At December 31, 2012	<u>(316,837)</u>	
Net change in special assessments unavailable revenue		<u>(80,709)</u>
Net adjustment to increase/(decrease) net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities		<u>\$ (194,744)</u>

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 position.” The details of this \$ 4,785,000 difference are as follows:

Principal repayments:		
Improvement bonds	\$ 1,370,000	
Tax increment bonds	<u>3,415,000</u>	
Net adjustment to increase/(decrease) net change in fund balances - total governmental funds to arrive at changes in net position of governmental activities		<u>\$ 4,785,000</u>

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Another element of that reconciliation states “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 \$ 56,141 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 \$ 516,761 in the Statement of Activities.

Another element of that reconciliation is the effect of GASB 49, Pollution remediation. The effect of this adjustment is to decrease the amounts reported for governmental activities by \$ 632,000 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 \$ 199,894 difference are as follows:

Internal service funds change in net position	\$ 231,316
Net revenue/(expense) attributable to business-type activities	<u>(31,422)</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$ 199,894</u>

T. COMPARATIVE DATE/RECLASSIFICATION

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

CITY OF NEW BRIGHTON, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

U. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The City only has one item that qualifies for reporting in this category. It is for the repayment of delinquent taxes.

In addition to liabilities, the statement of financial position and fund financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two of these items, which arises only under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the items are reported only in the governmental funds balance sheet as unavailable revenue. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

NOTE 2 DEPOSITS AND INVESTMENTS

DEPOSITS

Custodial credit risk – deposits: Custodial credit risk is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. Minnesota statutes require that all City deposits be protected by insurance, surety bond, or collateral. As of December 31, 2013, the City was not exposed to custodial credit risk because the bank balance of the City’s deposits was covered by federal depository insurance or covered by collateral pledged and held in the City’s name.

INVESTMENTS

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

Investment Type	Total	Remaining Maturity			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More than 60 Months
Brokered certificates of deposit	\$ 9,412,356	\$ 7,184,374	\$ 1,486,076	\$ 741,906	\$ -
Federal Home Loan Banks	30,951,881	-	-	493,670	30,458,211
Federal National Mortgage Assn	3,393,485	-	-	-	3,393,485
4M Fund	1,426,015	1,426,015	-	-	-
Total	\$ 45,183,737	\$ 8,610,389	\$ 1,486,076	\$ 1,235,576	\$ 33,851,696

CITY OF NEW BRIGHTON, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE 2 DEPOSITS AND INVESTMENTS

INVESTMENTS (CONTINUED)

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.

Credit Risk: The City's investment policy limits investment in commercial paper and guaranteed investment contracts to issuers that have been rated at the highest classification by at least two nationally recognized rating agencies. At December 31, 2013, the City held no investments in commercial paper or guaranteed investment contracts. The federal agency securities, money market funds, federal treasury notes, and guaranteed investment contracts are rated AA+ by Moody's and Aaa by Standard and Poor's rating agencies.

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

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

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

<u>Issuer</u>	<u>Investment Type</u>	<u>Amount Reported</u>	<u>% of Portfolio</u>
Federal Home Loan Bank	Federal agency security	\$ 30,951,881	69%
Federal National Mortgage Association	Federal agency security	3,393,485	8%

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

Summary of cash deposits and investments as of December 31, 2013:

Petty cash	\$ 4,574
Deposits	110,651
Investments	<u>45,183,737</u>
Total	<u>\$ 45,298,962</u>

CITY OF NEW BRIGHTON, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE 2 DEPOSITS AND INVESTMENTS

Deposits and investments are presented in the December 31, 2013 basic financial statements as follows:

Statement of net position:	
Cash and investments	\$ 39,684,781
Restricted cash	<u>5,614,181</u>
 Total deposits and investments	 <u><u>\$ 45,298,962</u></u>

NOTE 3 RECEIVABLES

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

	<u>Major Funds</u>			<u>Total</u>
	<u>General</u>	<u>Municipal Development</u>	<u>Nonmajor Funds</u>	
Special assessments receivable	\$ 3,309	\$ -	\$ 239,126	\$ 242,435
Delinquent property taxes	168,996	-	176,427	345,423
Interfund loan receivable	<u>-</u>	<u>13,972,108</u>	<u>392,885</u>	<u>14,364,993</u>
 Total	 <u><u>\$ 172,305</u></u>	 <u><u>\$ 13,972,108</u></u>	 <u><u>\$ 808,438</u></u>	 <u><u>\$ 14,952,851</u></u>

Governmental funds defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenue reported in the governmental funds were as follows:

	<u>Unearned</u>
Recreation fees received but unearned (General Fund)	\$ 87,526
Contributions contingent on eligible expenses:	
(Dedicated Treatment Plant #1 Financing Fund)	5,393,022
Municipal State Aid (nonmajor funds)	8,436
Antenna leases received but unearned (General Fund)	<u>259,800</u>
 Total unearned revenue for governmental funds	 <u><u>\$ 5,748,784</u></u>

CITY OF NEW BRIGHTON, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE 4 CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets not being Depreciated:				
Land	\$ 6,081,134	\$ -	\$ -	\$ 6,081,134
Construction in Progress	207,378	766,067	207,378	766,067
Total Capital Assets not being Depreciated	<u>6,288,512</u>	<u>766,067</u>	<u>207,378</u>	<u>6,847,201</u>
Capital Assets being Depreciated:				
Infrastructure	28,998,267	232,972	-	29,231,239
Buildings	36,628,924	-	-	36,628,924
Improvements	5,969,273	17,036	-	5,986,309
Machinery and Equipment	10,652,096	803,085	316,814	11,138,367
Total Capital Assets being Depreciated	<u>82,248,560</u>	<u>1,053,093</u>	<u>316,814</u>	<u>82,984,839</u>
Less Accumulated Depreciation for:				
Infrastructure	13,505,249	840,996	-	14,346,245
Buildings	20,470,235	1,145,747	-	21,615,982
Improvements	2,211,939	253,127	-	2,465,066
Machinery and Equipment	5,828,131	745,020	249,524	6,323,627
Total Accumulated Depreciation	<u>42,015,554</u>	<u>2,984,890</u>	<u>249,524</u>	<u>44,750,920</u>
Total Capital Assets being Depreciated, Net	<u>40,233,006</u>	<u>(1,931,797)</u>	<u>67,290</u>	<u>38,233,919</u>
Governmental Activities Capital Assets, Net	<u>\$ 46,521,518</u>	<u>\$ (1,165,730)</u>	<u>\$ 274,668</u>	<u>\$ 45,081,120</u>

CITY OF NEW BRIGHTON, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE 4 CAPITAL ASSETS

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Business-Type Activities:				
Capital Assets not being Depreciated:				
Land	\$ 847,400	\$ 6,376	\$ -	\$ 853,776
Construction in Progress	306,292	567,560	306,292	567,560
Total Capital Assets not being Depreciated	<u>1,153,692</u>	<u>573,936</u>	<u>306,292</u>	<u>1,421,336</u>
Capital Assets being Depreciated:				
Buildings and structures	5,738,326	23,300	-	5,761,626
Machinery and equipment	106,752	-	-	106,752
Water/sewer lines and other	20,351,992	323,620	-	20,675,612
Total Capital Assets being Depreciated	<u>26,197,070</u>	<u>346,920</u>	<u>-</u>	<u>26,543,990</u>
Less Accumulated Depreciation for:				
Buildings and structures	2,137,537	83,852	-	2,221,389
Machinery and equipment	82,649	5,204	-	87,853
Water/sewer lines and other	13,804,321	340,090	-	14,144,411
Total Accumulated Depreciation	<u>16,024,507</u>	<u>429,146</u>	<u>-</u>	<u>16,453,653</u>
Total Capital Assets being Depreciated, Net	<u>10,172,563</u>	<u>(82,226)</u>	<u>-</u>	<u>10,090,337</u>
Business-Type Activities Capital Assets, Net	<u>\$ 11,326,255</u>	<u>\$ 491,710</u>	<u>\$ 306,292</u>	<u>\$ 11,511,673</u>

CITY OF NEW BRIGHTON, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE 4 CAPITAL ASSETS

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

General government	\$ 157,951
Community development	523
Parks & recreation	443,026
Public safety	554,346
Public works	<u>1,829,044</u>
Total depreciation expense - governmental activities	<u>\$ 2,984,890</u>
Business Activities:	
Water	\$ 212,079
Sewer	59,770
Stormwater	138,513
Golf course	<u>18,784</u>
Total depreciation expense - business-type activities	<u>\$ 429,146</u>

NOTE 5 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, 2013 are as follows:

	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Authorized and Issued</u>	<u>Principal Outstanding</u>	<u>Due Within One Year</u>
Governmental Activities:						
G.O. Improvement Bonds:						
2007A Improvement Bonds	3.70%-4.00%	06/01/07	02/01/19	\$ 455,000	\$ 255,000	\$ 40,000
2009A Improvement Bonds	2.00%-4.25%	06/17/09	02/01/20	375,000	270,000	35,000
2010A Improvement Bonds	2.00%-2.50%	03/18/10	02/01/16	4,760,000	2,395,000	785,000
2011A Improvement Bonds	.50%-3.30%	01/28/11	02/01/22	1,395,000	715,000	210,000
2012A Improvement Bonds	.35%-2.35%	04/24/12	02/01/23	<u>930,000</u>	<u>770,000</u>	<u>200,000</u>
Total G.O. Improvement Bonds				<u>7,915,000</u>	<u>4,405,000</u>	<u>1,270,000</u>
G.O. Tax Increment Bonds:						
2006A Tax Increment Bonds	4.25%-5.00%	07/15/06	02/01/32	20,450,000	20,215,000	575,000
2007B Tax Increment Bonds	4.00%-4.75%	06/01/07	02/01/33	14,985,000	14,860,000	50,000
2011A Tax Increment Bonds	.50%-1.25%	01/28/11	02/01/15	735,000	375,000	185,000
2011B Taxable Tax Increment Bonds	.65%-2.40%	01/28/11	02/01/16	2,205,000	1,175,000	530,000
2012A Tax Increment Bonds	.35%-1.00%	04/24/12	02/01/17	1,765,000	1,170,000	475,000
2012B Taxable Tax Increment Bonds	.70%-2.35%	04/24/12	02/01/20	<u>1,095,000</u>	<u>1,055,000</u>	<u>195,000</u>
Total Tax Increment Bonds				<u>41,235,000</u>	<u>38,850,000</u>	<u>2,010,000</u>
Total - General Obligation Bonds				<u>\$ 49,150,000</u>	<u>\$ 43,255,000</u>	<u>\$ 3,280,000</u>

CITY OF NEW BRIGHTON, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE 5 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
2014	\$ 1,270,000	\$ 84,477	\$ 1,354,477	\$ 2,010,000	\$ 1,628,002	\$ 3,638,002
2015	1,130,000	63,590	1,193,590	2,280,000	1,580,828	3,860,828
2016	990,000	41,047	1,031,047	1,680,000	1,523,600	3,203,600
2017	195,000	26,228	221,228	1,685,000	1,463,766	3,148,766
2018	195,000	20,998	215,998	1,545,000	1,403,103	2,948,103
2019	195,000	15,269	210,269	1,580,000	1,339,761	2,919,761
2020	155,000	10,005	165,005	1,605,000	1,273,327	2,878,327
2021	110,000	6,144	116,144	1,595,000	1,204,276	2,799,276
2022	115,000	2,859	117,859	1,670,000	1,130,554	2,800,554
2023	50,000	588	50,588	1,755,000	1,052,362	2,807,362
2024	-	-	-	1,835,000	970,800	2,805,800
2025	-	-	-	1,920,000	883,507	2,803,507
2026	-	-	-	2,030,000	788,213	2,818,213
2027	-	-	-	2,090,000	687,331	2,777,331
2028	-	-	-	2,185,000	584,856	2,769,856
2029	-	-	-	2,285,000	479,894	2,764,894
2030	-	-	-	2,425,000	368,703	2,793,703
2031	-	-	-	2,540,000	250,937	2,790,937
2032	-	-	-	2,665,000	127,500	2,792,500
2033	-	-	-	1,470,000	32,156	1,502,156
Total	<u>\$ 4,405,000</u>	<u>\$ 271,205</u>	<u>\$ 4,676,205</u>	<u>\$ 38,850,000</u>	<u>\$ 18,773,476</u>	<u>\$ 57,623,476</u>

CITY OF NEW BRIGHTON, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE 5 LONG-TERM DEBT

CHANGE IN LONG-TERM LIABILITIES

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

	Balance 01/01/13	Additions	Deletions	Balance 12/31/13	Due Within One Year
Governmental activities:					
Bonded Debt:					
G.O. Improvement bonds	\$ 5,775,000	\$ -	\$ 1,370,000	\$ 4,405,000	\$ 1,270,000
Tax increment bonds	42,265,000	-	3,415,000	38,850,000	2,010,000
Total bonds payable	<u>48,040,000</u>	-	<u>4,785,000</u>	<u>43,255,000</u>	<u>3,280,000</u>
Compensated Absences	\$ 881,656	\$ 40,735	\$ 69,097	\$ 853,294	\$ 19,014
Pollution remediation obligation	<u>2,922,000</u>	<u>885,436</u>	<u>253,436</u>	<u>3,554,000</u>	<u>996,500</u>
Total government activity long-term liabilities	<u>\$ 51,843,656</u>	<u>\$ 926,171</u>	<u>\$ 5,107,533</u>	<u>\$ 47,662,294</u>	<u>\$ 4,295,514</u>
Business-type activities:					
Compensated absences	<u>\$ 149,326</u>	<u>\$ 9,645</u>	<u>\$ -</u>	<u>\$ 158,971</u>	<u>\$ -</u>
Total business-type activity long-term liabilities	<u>\$ 149,326</u>	<u>\$ 9,645</u>	<u>\$ -</u>	<u>\$ 158,971</u>	<u>\$ -</u>

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities totaling \$ 853,294 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 2013. It is estimated that there will be no compensated absences (retirements or separations) paid from the business-type activities in 2014.

On April 24, 2012, the City issued \$ 1,095,000 of General Obligation Taxable Tax Increment Refunding Bonds, Series 2012B, with a true interest rate of 1.71%. The bonds are general obligations of the City for which the City will pledge its full faith and credit and power to levy direct general ad valorem taxes. The issue was used to effect a partial net cash refunding of the 2014 through 2020 maturities of the City's \$ 2,385,000 Taxable General Obligation Tax Increment Bonds, Series 2004B, dated October 1, 2004, which were called on February 1, 2013. The current refunding resulted in gross debt service savings of \$ 74,629 and net present value debt service savings of \$ 68,501.

CITY OF NEW BRIGHTON, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE 5 LONG-TERM DEBT

POLLUTION REMEDIATION LIABILITY

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

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

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

The MPCA has already approved some of our detailed remediation plans and is in the process of approving others. An environmental consultant has been used to assist the City in the preparation of these plans and the various studies that support them. The future estimated costs for further remediation and monitoring, as prepared by the environmental consultant, include \$ 1,440,000 for continued monitoring and environmental cleanup on the West Side and \$ 2,114,000 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 6 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 five years of credited service. The defined retirement benefits are based on a member's highest average salary for any five successive years of allowable service, age and years of credit at termination of service.

NOTE 6 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 GERF members hired prior to July 1, 1989, whose annuity is calculated using Method 1, a full annuity is available when age plus years of service equal 90. Normal retirement age is 55 for PEPFF and 65 for Basic and Coordinated Plan members hired prior to July 1, 1989. Normal retirement age is the age for unreduced social security benefits capped at 66 for Coordinated Plan members hired on or after July 1, 1989. A reduced retirement annuity is also available to eligible members seeking early retirement.

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

The benefit provisions stated in the previous paragraphs of this section are current provisions and apply to active Plan participants. Vested, terminated employees who are entitled to benefits but are not yet receiving them, are bound by the provisions in effect at the time they last terminated their public service.

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

PERA issues a publicly available financial report that includes financial statements and required supplementary information for GERF 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. GERF Basic Plan and Coordinated Plan members were required to contribute 9.1% and 6.25%, respectively, of their annual covered salary in 2013. PEPFF members were required to contribute 9.6% of their annual covered salary in 2013. The DCP members were required to contribute 5.0% of their annual covered salary in 2013. In 2013, the City was 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, 2013

NOTE 6 PENSION PLANS

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

FUNDING POLICY (CONTINUED)

The City's contributions to PERF for the years ending December 31, 2013, 2012, and 2011 were \$ 293,638, \$ 287,726, and \$ 267,922 respectively. The City's contributions to PEPFF for the years ending December 31, 2013, 2012, and 2011 were \$ 334,729, \$ 334,963, and \$ 326,024 respectively. The City's contributions to the Defined Contribution Plan for the years ending December 31, 2013, 2012, and 2011 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 \$ 140,488 (\$ 23,100 City of New Brighton and \$ 117,388 State of Minnesota) were made in accordance with contribution requirements determined by an actuarial valuation of the Plan as of December 31, 2013. 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, 2013

NOTE 6 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, 2013
Actuarial cost method	Entry Age Normal
Amortization method	Level annual dollar closed
Remaining amortization period:	
Normal cost	20 years
Prior service cost	10 years
Asset valuation method	Market
Actuarial assumptions:	
Investment rate of return	5%
Projected salary increases	N/A
Includes inflation at	N/A
Cost of living adjustments	None
Age of service retirement	50
Post retirement benefit increases	None

<u>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>
12/31/08	\$ 1,923,307	\$ 2,472,137	\$ (548,830)	77.8%
12/31/09	2,460,679	2,630,241	(169,562)	93.6%
12/31/10	2,744,808	2,632,205	112,603	104.3%
12/31/11	2,848,076	2,811,406	36,670	101.3%
12/31/12	3,025,547	2,735,071	290,476	110.6%
12/31/13	3,827,671	2,941,847	885,824	130.1%

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, 2013

NOTE 7 INTERFUND RECEIVABLES/PAYABLES, LOANS AND TRANSFERS

The composition of interfund balances as of December 31, 2013 was as follows:

Interfund payables/receivables:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Community Reinvestment (Non Major)	Operating Grants (Non Major)	\$ 12,096
	Street Improvements (Non Major)	468,988
	Street Light System	<u>26,873</u>
Total		<u>\$ 507,957</u>

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

Interfund loans were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Community Reinvestment	Stormwater Improvement	\$ 277,885
Community Reinvestment	Stormwater Improvement	<u>115,000</u>
Total		<u>\$ 392,885</u>

The first loan was issued for \$ 305,800 on November 1, 2012, to finance project 12-9, “Phase I Freedom Park Flood Mitigation Improvements”. The loan will be repaid by increasing future stormwater utility rates. The loan carries an interest rate of 2% and will be repaid in semi-annual installments of \$ 16,946. The final payment of \$ 16,946 is scheduled for November 1, 2022.

The second loan was issued for \$ 115,000 on November 1, 2013, to finance 2011 – 2013 stormwater mitigation project costs. This loan will also be repaid by increasing future stormwater utility rates. The loan carries an interest rate of 2.7% and will be repaid in semi-annual installments of \$ 6,600. The final payment of \$ 6,600 is scheduled for November 1, 2023.

CITY OF NEW BRIGHTON, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE 7 INTERFUND RECEIVABLES/PAYABLES, LOANS AND TRANSFERS (CONTINUED)

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Municipal Development	TIF District No. 31	\$ 4,971,376
	TIF District No. 31A	1,012,855
	TIF District No. 32	2,982,950
	TIF District No. 32A	2,349,671
	Nonmajor governmental funds:	
	TIF District No. 23	69,723
	TIF District No. 25	838,140
	TIF District No. 27	219,107
	TIF District No. 29	125,244
	TIF District No. 30	1,091,177
	TIF District No. 33	311,865
		<u>13,972,108</u>
Total		<u>\$ 13,972,108</u>

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

Transfer Out:	Transfers In							Total Transfers Out
	Water Treatment Plant No.1	Tax Increment District #31	Nonmajor Governmental	Internal Service	Water Utility	Sewer Utility	Municipal Golf Course	
General Fund	\$ 505	\$ -	\$ 1,085,900	\$ 172,000	\$ -	\$ -	\$ -	\$ 1,258,405
Water Treatment Plant No.1	-	-	16	-	218	-	-	234
Tax Increment District #31	-	-	1,821,862	-	-	-	-	1,821,862
Tax Increment District #32	-	-	148,366	-	-	-	-	148,366
Nonmajor Governmental	-	904,999	3,279,242	100,000	-	125,000	129,675	4,538,916
Internal Service	-	-	16,093	-	-	-	-	16,093
Water Utility	1,913	-	410,900	-	-	-	-	412,813
Sewer Utility	-	-	57,900	-	-	-	-	57,900
Stormwater Management	-	-	215,550	-	-	-	-	215,550
Totals	<u>\$ 2,418</u>	<u>\$ 904,999</u>	<u>\$ 7,035,829</u>	<u>\$ 272,000</u>	<u>\$ 218</u>	<u>\$ 125,000</u>	<u>\$ 129,675</u>	<u>\$ 8,470,139</u>

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

CITY OF NEW BRIGHTON, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE 8 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	\$ 9,045	2013
	Office space	Katherine Daniels	934	2013
	Office space	J Bruce/V Headrick	5,164	2013
	Office space	Subway	4,874	2013

The City entered into a fifteen-year lease agreement with Ramsey County WIC beginning May 1, 2010 and ending April 30, 2025. The lease amount increases 2% annually. The City entered into a three-year lease agreement with Katherine Daniels beginning May 1, 2010 and ending April 30, 2013. The City entered into a lease agreement with J Bruce/V Headrick beginning March 1, 2011 and ending October 31, 2013. A new two-year lease agreement for J Bruce only was entered into beginning November 1, 2013 and ending October 15, 2015. The City entered into a three-year lease agreement with Subway beginning June 1, 2013 and ending May 31, 2016.

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

<u>Location</u>	<u>Lessee</u>	<u>2013 Amount</u>	<u>Annual Lease Adjustment Factor*</u>	<u>Renewal Options</u>
600 5th Street SW	Sirius Satellite Radio	\$ 23,169	Greater of CPI or 4%	3 5-year terms
660 5th Street SW	New Cingular Wireless	9,333	Greater of CPI or 4%	3 5-year terms
660 5th Street SW	Verizon (Airtouch)	30,261	3%	4 5-year terms
660 5th Street SW	Sprint/Nextel	21,492	Greater of CPI or 4%	3 5-year terms
660 5th Street SW	TTM Operating Corp.	5,400	Greater of CPI or 4%	3 5-year terms
660 5th Street SW	Clearwire Communications	22,497	Greater of CPI or 4%	3 5-year terms
675 Forestdale Road	T-Mobile	21,695	Greater of CPI or 4%	3 5-year terms
700 Silver Lake Road	Nextel	20,603	Greater of CPI or 4%	3 5-year terms
700 Silver Lake Road	Verizon (US West)	23,455	Greater of CPI or 4%	3 5-year terms
700 Silver Lake Road	TTM Operating Corp.	5,400	Greater of CPI or 4%	3 5-year terms
2121 14th Street NW	Clearwire Communications	19,657	Greater of CPI or 4%	3 5-year terms
2400 Mississippi Street	Crown Castle	13,258	Greater of CPI or 4%	3 5-year terms
2400 Mississippi Street	New Cingular Wireless	19,654	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 Magellan Pipeline Co. 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	2013

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, 2013

NOTE 9 TAX INCREMENT DISTRICTS

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

Year Established	District	Retained Shared			By Authority	Estimated or Actual year of Decertification
		Tax Capacity Values				
		Original	Current	Captured		
1985	7	\$ 1,255	\$ 84,398	\$ 83,143	\$ 83,143	2013
1985	10	1,637	83,250	81,613	81,613	2013
1986	11	866	29,846	28,980	28,980	2013
1987	12	586	79,250	78,664	78,664	2014
1988	14	4,669	61,346	56,677	56,677	2014
1988	15	52,245	334,460	282,215	282,215	2014
1988	16	1,618	25,158	23,540	23,540	2015
1989	17	15,392	99,970	84,578	84,578	2016
1990	18	36,501	273,472	236,971	236,971	2018
1993	20	7,841	275,010	267,169	267,169	2020
1994	23	552	11,222	10,670	10,670	2021
1996	25	20,232	250,237	230,005	230,005	2023
1997	26	73,031	740,211	667,180	667,180	2024
1998	27	3,050	25,250	22,200	22,200	2026
1998	28	81,956	281,227	199,271	199,271	2024
1999	29	3,900	37,380	33,480	33,480	2027
2004	30	52,160	261,586	209,426	209,426	2031
2005	31	32,219	139,173	106,954	106,954	2036
2006	32	30,196	231,726	201,530	201,530	2036
2006	33	2,126	22,494	20,368	20,368	2033
Total		<u>\$ 422,032</u>	<u>\$ 3,346,666</u>	<u>\$ 2,924,634</u>	<u>\$ 2,924,634</u>	

- (1) Districts 21 and 22 were combined into District 25 in 1996.
- (2) District 24 became part of District 28 in 1998.
- (3) Districts 1 and 3 were decertified in 2001.
- (4) The current value for District No. 26 includes an adjustment of \$ 204,610 for parcels missed in prior years.
- (5) District 2 was decertified in 2008.
- (6) Districts 4 and 13 were decertified in 2004.
- (7) Districts 5 and 6 were decertified in 2011.
- (8) Districts 8, 9, and 19 were decertified in 2012.
- (9) Districts 7, 10, and 11 were decertified in 2013.

CITY OF NEW BRIGHTON, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE 10 DEFICIT FUND BALANCES

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

TIF District No. 31A	\$ 1,015,255
TIF District No. 32A	2,354,407
Street Light System	36,146
Nonmajor Capital Project Funds:	
Street Improvements	526,607
Stormwater Improvements	318,522
TIF District No. 23	69,669
TIF District No. 25	838,202
TIF District No. 27	219,204
TIF District No. 29	125,419
TIF District No. 30	1,008,718
TIF District No. 33	<u>311,934</u>
Total	<u>\$ 6,824,083</u>

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

NOTE 11 CONTINGENCIES AND COMMITMENTS

A. RISK MANAGEMENT

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

Workers' compensation coverage is provided through a pooled self-insurance program through the League of Minnesota Cities Insurance Trust (LMCIT). The City pays an annual premium to LMCIT. The City is subject to supplemental assessments if deemed necessary by the LMCIT. The LMCIT reinsures through Workers' Compensation Reinsurance Association (WCRA) as required by law. For workers' compensation, the City has a \$ 1,000 deductible. The City's workers' compensation coverage is retrospectively rated. With this type of coverage, final premiums are determined after loss experience is known. The amount of premium adjustment, if any, is considered immaterial and not recorded until received or paid.

Property and casualty insurance is provided through a pooled self-insurance program through the LMCIT. The City pays an annual premium to the LMCIT. The City is subject to supplemental assessments if deemed necessary by the LMCIT. The LMCIT reinsures through commercial companies for claims in excess of various amounts. The City retains risk for the deductible portion of the insurance policies and for any exclusions from the insurance policies. These amounts are considered immaterial to the financial statements.

CITY OF NEW BRIGHTON, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE 11 CONTINGENCIES AND COMMITMENTS

A. RISK MANAGEMENT (CONTINUED)

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

There were no significant reductions in insurance from the previous year or settlements in excess of insurance coverage for any of the past three fiscal years.

B. LITIGATION

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

C. FEDERAL AND STATE FUNDS

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

D. TAX INCREMENT DISTRICTS

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

E. CONSTRUCTION COMMITMENTS

At December 31, 2013, the City had construction project contract in progress. The commitment related to the remaining contract balance is summarized as follows:

Project	Contract Amount	Expended To Date	Remaining Commitment
2013 Street Reconstruction	<u>\$ 1,131,074</u>	<u>\$ 1,077,513</u>	<u>\$ 59,862</u>

CITY OF NEW BRIGHTON, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE 12 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, 2013.

NOTE 13 FUND BALANCE

A. CLASSIFICATIONS

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

	General Fund	Municipal Development	Increment District # 31	Increment District # 31A	Increment District # 32	Increment District # 32A	Governmental Funds	Governmental Funds
Nonspendable:								
Prepaid Items	\$ 8,059	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,059
Total nonspendable	8,059	-	-	-	-	-	-	8,059
Restricted for:								
Tax Increment	-	-	2,654,009	-	8,054,592	-	2,894,227	13,602,828
Park Dedication	-	-	-	-	-	-	401,761	401,761
Public Safety	-	-	-	-	-	-	80,135	80,135
Debt service	-	-	-	-	-	-	1,325,485	1,325,485
Total restricted	-	-	2,654,009	-	8,054,592	-	4,701,608	15,410,209
Committed to:								
Municipal Development	-	20,503,603	-	-	-	-	10,000	20,513,603
Debt Service	-	-	-	-	-	-	3,329,765	3,329,765
Public Safety	-	-	-	-	-	-	35,021	35,021
Total committed	-	20,503,603	-	-	-	-	3,374,786	23,878,389
Assigned to:								
Community Reinvestment	-	-	-	-	-	-	3,888,602	3,888,602
Water Improvements	-	-	-	-	-	-	108,884	108,884
Sewer Improvements	-	-	-	-	-	-	533,520	533,520
Park Improvements	-	-	-	-	-	-	68,756	68,756
Public Safety	-	-	-	-	-	-	20,000	20,000
Capital Projects	-	-	-	-	-	-	145,681	145,681
Total assigned	-	-	-	-	-	-	4,765,443	4,765,443
Unassigned:								
	6,071,022	-	-	(1,015,255)	-	(2,354,407)	(3,418,275)	(716,915)
Total Fund Balance	\$ 6,079,081	\$ 20,503,603	\$ 2,654,009	\$ (1,015,255)	\$ 8,054,592	\$ (2,354,407)	\$ 9,423,562	\$ 43,345,185

CITY OF NEW BRIGHTON, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
 December 31, 2013

NOTE 13 FUND BALANCE

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, 2013, the targeted unassigned fund balance for the General Fund was as follows:

Working Capital	\$3,389,600
Contingencies	<u>1,218,710</u>
Total	<u>\$4,608,310</u>

NOTE 14 CHANGE IN ACCOUNTING PRINCIPLE

For the year ended December 31, 2013, the City implemented GASB Statement No. 65. This action resulted in an adjustment to the beginning fund balance on the Statement of revenues, expenditures, and changes in fund balances – governmental funds of \$ 24,569,100 to reclassify land held for resale that was previously reported as deferred revenue.

NOTE 15 CONDUIT DEBT OBLIGATIONS

From time-to-time, the City has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. 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, 2013, the following series of Industrial Revenue Bonds were outstanding:

<u>Project Name</u>	<u>Bonds Issued</u>	<u>Original Principal</u>	<u>12/31/13 Principal</u>	<u>Maturity Date</u>
Donatelle	05/06/97	\$ 3,500,000	\$ 450,000	05/01/17
Golden Pond	07/18/02	3,120,000	3,120,000	07/15/32

NOTE 16 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.

CITY OF NEW BRIGHTON, MINNESOTA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2013

NOTE 17 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 2013. Therefore, no liability for other post-employment benefits has been recorded in the financial statements.

NOTE 18 GASB STATEMENTS ISSUED BUT NOT YET IMPLEMENTED

GASB Statement No. 68 replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers* and Statement No. 50, *Pension Disclosures*, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. Statement No. 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits.

NOTE 19 SUBSEQUENT EVENTS

On January 28, 2014, the City council approved a bid and awarded a contract in the amount of \$ 649,960 for City Project #14-4, Iron/Manganese Removal System Filter Rehabilitation – WTP #1.

On March 11, 2014, the City Council approved a bid and awarded a contract in the amount of \$ 194,313 for City Project #14-5, Old Miller Dump Vertical Landfill Gas Vents.

**REQUIRED
SUPPLEMENTARY
INFORMATION**

CITY OF NEW BRIGHTON, MINNESOTA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For The Year Ended December 31, 2013
With Comparative Actual Amounts For The Year Ended December 31, 2012

Statement 10
Page 1 of 4

	Budgeted Amounts		2013 Actual	Variance with	2012 Actual
	Original	Final		Final Budget Over (Under)	
Revenues:					
General property taxes:					
Current	\$ 7,287,300	\$ 7,287,300	\$ 7,331,853	\$ 44,553	\$ 7,211,105
Delinquent and adjustments	-	-	88,000	88,000	9,963
Mobile home	-	-	11,851	11,851	13,166
Total general property taxes	<u>7,287,300</u>	<u>7,287,300</u>	<u>7,431,704</u>	<u>144,404</u>	<u>7,234,234</u>
Licenses:					
Licenses - community development	46,400	46,400	51,520	5,120	49,355
Licenses - park and recreation	2,600	2,600	3,100	500	2,635
Licenses - public safety	72,800	72,800	70,633	(2,167)	75,830
Licenses - public works	2,500	2,500	2,500	-	5,817
Total licenses	<u>124,300</u>	<u>124,300</u>	<u>127,753</u>	<u>3,453</u>	<u>133,637</u>
Permits:					
Permits - community development	<u>450,900</u>	<u>450,900</u>	<u>388,407</u>	<u>(62,493)</u>	<u>348,952</u>
Intergovernmental:					
Federal grants:					
Section 8 - community development	4,500	4,500	5,252	752	3,614
Homeland Security, vest reimbursement - public safety	-	-	1,926	1,926	4,469
State:					
PERA aid - general government	16,900	16,900	16,906	6	16,906
Market value homestead credit	-	-	-	-	306
Mobile home homestead credit	6,500	6,500	-	(6,500)	-
Police aid - public safety	190,000	190,000	196,644	6,644	173,140
Fire aid - public safety	82,000	82,000	117,388	35,388	85,689
Road maintenance - public works	11,200	11,200	11,200	-	11,200
Other State aid - public safety	38,900	38,900	45,497	6,597	29,115
County:					
Recycling - community development	45,700	45,700	44,353	(1,347)	44,454
VCET - public safety	-	-	20,000	20,000	-
School District:					
School resource officer - public safety	150,000	150,000	184,565	34,565	222,416
Other:					
Misc grants/aid - general government	-	-	-	-	6,992
Misc grants/aid - park and recreation	-	-	-	-	250
Total intergovernmental	<u>545,700</u>	<u>545,700</u>	<u>643,731</u>	<u>98,031</u>	<u>598,551</u>
Charges for services:					
General government	41,100	41,100	25,518	(15,582)	10,393
Public safety	10,100	10,100	7,305	(2,795)	8,130
Public works	-	-	120	120	40
License bureau - general government	165,000	165,000	187,718	22,718	182,725
Recycling fee - community development	192,000	192,000	182,694	(9,306)	170,443
Engineering and administrative fees - general government	20,800	20,800	20,800	-	16,500
Engineering and administrative fees - community development	147,800	147,800	95,929	(51,871)	137,845
Engineering and administrative fees - public works	1,115,900	1,115,900	1,105,259	(10,641)	1,085,095
Park facilities	30,600	30,600	42,018	11,418	35,245
Recreation programs	280,100	280,100	336,222	56,122	312,745
Forestry - parks and recreation	5,500	5,500	6,636	1,136	7,789
Community Center - parks and recreation	916,600	916,600	977,117	60,517	940,662

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, 2013

	Budgeted Amounts		2013 Actual	Variance with Final Budget Over (Under)	2012 Actual
	Original	Final			
Revenues (continued):					
Charges for services (continued):					
Fire inspection fees - public safety	\$ 17,500	\$ 17,500	\$ 15,510	\$ (1,990)	\$ 15,780
Alarm fees - public safety	14,000	14,000	15,120	1,120	16,015
Xcel franchise fee - public works	500,000	500,000	523,629	23,629	480,686
City utilities franchise fee - public works	113,000	113,000	113,000	-	110,800
Cable franchise fee - general government	235,000	235,000	251,512	16,512	241,397
Total charges for services	<u>3,805,000</u>	<u>3,805,000</u>	<u>3,906,107</u>	<u>101,107</u>	<u>3,772,290</u>
Fines and forfeits - public safety	<u>65,000</u>	<u>65,000</u>	<u>58,880</u>	<u>(6,120)</u>	<u>67,468</u>
Investment income:					
Interest on investments	30,000	30,000	50,736	20,736	45,050
Change in fair value of investments	-	-	(255,692)	(255,692)	(16,049)
Total investment income	<u>30,000</u>	<u>30,000</u>	<u>(204,956)</u>	<u>(234,956)</u>	<u>29,001</u>
Other:					
Rents - public safety	1,800	1,800	1,350	(450)	3,584
Rents - public works	228,200	228,200	237,372	9,172	257,053
Contributions and donations- general government	-	-	-	-	400
Contributions and donations- parks and recreation	-	-	2,816	2,816	1,351
Contributions and donations- public safety	3,500	3,500	4,200	700	3,700
Refunds and reimbursements- general government	-	-	3,101	3,101	545
Refunds and reimbursements- parks and recreation	2,000	2,000	3,609	1,609	3,413
Refunds and reimbursements- public safety	-	-	16,707	16,707	3,289
Refunds and reimbursements- public works	-	-	371	371	30,233
Total other	<u>235,500</u>	<u>235,500</u>	<u>269,526</u>	<u>34,026</u>	<u>303,568</u>
Total revenues	<u>12,543,700</u>	<u>12,543,700</u>	<u>12,621,152</u>	<u>77,452</u>	<u>12,487,701</u>
Expenditures:					
General government:					
Administration:					
Personnel services	452,800	452,800	453,009	209	432,965
Materials and supplies	4,000	4,000	2,484	(1,516)	1,490
Contractual services	224,600	224,600	261,120	36,520	234,823
Total administration	<u>681,400</u>	<u>681,400</u>	<u>716,613</u>	<u>35,213</u>	<u>669,278</u>
Legal:					
Contractual services	<u>105,000</u>	<u>105,000</u>	<u>85,949</u>	<u>(19,051)</u>	<u>91,505</u>
Central services:					
Current:					
Materials and supplies	26,700	26,700	42,066	15,366	39,642
Contractual services	<u>118,500</u>	<u>118,500</u>	<u>121,604</u>	<u>3,104</u>	<u>125,830</u>
Total central services	<u>145,200</u>	<u>145,200</u>	<u>163,670</u>	<u>18,470</u>	<u>165,472</u>
Finance:					
Personnel services	381,800	381,800	375,041	(6,759)	385,311
Materials and supplies	2,000	2,000	321	(1,679)	2,670
Contractual services	<u>150,700</u>	<u>150,700</u>	<u>134,024</u>	<u>(16,676)</u>	<u>137,338</u>
Total finance	<u>534,500</u>	<u>534,500</u>	<u>509,386</u>	<u>(25,114)</u>	<u>525,319</u>

CITY OF NEW BRIGHTON, MINNESOTA
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
 For The Year Ended December 31, 2013

	Budgeted Amounts		2013 Actual	Variance with Final Budget Over (Under)	2012 Actual
	Original	Final			
Expenditures (continued):					
General government (continued):					
Elections:					
Personnel services	\$ 22,500	\$ 22,500	\$ 14,219	\$ (8,281)	\$ 28,943
Materials and supplies	400	400	8	(392)	407
Contractual services	16,300	16,300	12,734	(3,566)	11,673
Total elections	<u>39,200</u>	<u>39,200</u>	<u>26,961</u>	<u>(12,239)</u>	<u>41,023</u>
License bureau:					
Personnel services	108,800	108,800	110,452	1,652	108,508
Materials and supplies	400	400	331	(69)	-
Contractual services	16,900	16,900	10,918	(5,982)	10,833
Total license bureau	<u>126,100</u>	<u>126,100</u>	<u>121,701</u>	<u>(4,399)</u>	<u>119,341</u>
Total general government	<u>1,631,400</u>	<u>1,631,400</u>	<u>1,624,280</u>	<u>(7,120)</u>	<u>1,611,938</u>
Community development:					
Community development:					
Personnel services	578,500	578,500	524,660	(53,840)	560,729
Materials and supplies	5,300	5,300	367	(4,933)	902
Contractual services	122,100	122,100	88,953	(33,147)	91,375
Total community development	<u>705,900</u>	<u>705,900</u>	<u>613,980</u>	<u>(91,920)</u>	<u>653,006</u>
Recycling:					
Materials and supplies	300	300	220	(80)	-
Contractual services	216,400	216,400	218,063	1,663	209,604
Total recycling	<u>216,700</u>	<u>216,700</u>	<u>218,283</u>	<u>1,583</u>	<u>209,604</u>
Total community development	<u>922,600</u>	<u>922,600</u>	<u>832,263</u>	<u>(90,337)</u>	<u>862,610</u>
Parks and recreation:					
Parks:					
Personnel services	545,400	545,400	514,841	(30,559)	521,040
Materials and supplies	49,100	49,100	52,507	3,407	52,386
Contractual services	427,900	427,900	394,664	(33,236)	359,680
Total parks	<u>1,022,400</u>	<u>1,022,400</u>	<u>962,012</u>	<u>(60,388)</u>	<u>933,106</u>
Forestry:					
Personnel services	43,000	43,000	31,949	(11,051)	11,422
Materials and supplies	35,500	35,500	33,172	(2,328)	9,108
Contractual services	61,500	61,500	48,945	(12,555)	74,585
Total forestry	<u>140,000</u>	<u>140,000</u>	<u>114,066</u>	<u>(25,934)</u>	<u>95,115</u>
Recreational programs:					
Personnel services	486,200	486,200	465,741	(20,459)	444,059
Materials and supplies	15,600	15,600	11,813	(3,787)	11,928
Contractual services	102,400	102,400	109,469	7,069	91,011
Total recreational programs	<u>604,200</u>	<u>604,200</u>	<u>587,023</u>	<u>(17,177)</u>	<u>546,998</u>
Community Center:					
Personnel services	629,900	629,900	599,108	(30,792)	574,972
Materials and supplies	48,200	48,200	47,026	(1,174)	44,543
Contractual services	518,400	518,400	514,125	(4,275)	484,379
Total community center	<u>1,196,500</u>	<u>1,196,500</u>	<u>1,160,259</u>	<u>(36,241)</u>	<u>1,103,894</u>
Total parks and recreation	<u>2,963,100</u>	<u>2,963,100</u>	<u>2,823,360</u>	<u>(139,740)</u>	<u>2,679,113</u>

CITY OF NEW BRIGHTON, MINNESOTA
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
 For The Year Ended December 31, 2013

	Budgeted Amounts		2013 Actual	Variance with Final Budget Over (Under)	2012 Actual
	Original	Final			
Public safety:					
Police:					
Personnel services	\$ 3,282,100	\$ 3,282,100	\$ 3,126,614	\$ (155,486)	\$ 3,103,055
Materials and supplies	59,300	59,300	54,214	(5,086)	58,034
Contractual services	722,500	722,500	755,212	32,712	696,253
Total police	<u>4,063,900</u>	<u>4,063,900</u>	<u>3,936,040</u>	<u>(127,860)</u>	<u>3,857,342</u>
Fire:					
Personnel services	478,600	478,600	434,705	(43,895)	447,606
Materials and supplies	45,100	45,100	34,773	(10,327)	41,342
Contractual services	321,300	298,200	343,430	45,230	324,906
Total fire	<u>845,000</u>	<u>821,900</u>	<u>812,908</u>	<u>(8,992)</u>	<u>813,854</u>
Total public safety	<u>4,908,900</u>	<u>4,885,800</u>	<u>4,748,948</u>	<u>(136,852)</u>	<u>4,671,196</u>
Public works:					
Engineering:					
Personnel services	366,700	366,700	382,513	15,813	355,540
Materials and supplies	1,700	1,700	989	(711)	1,909
Contractual services	28,500	28,500	28,347	(153)	26,774
Total engineering	<u>396,900</u>	<u>396,900</u>	<u>411,849</u>	<u>14,949</u>	<u>384,223</u>
Streets:					
Personnel services	172,800	172,800	165,091	(7,709)	175,130
Materials and supplies	69,700	69,700	68,616	(1,084)	65,730
Contractual services	47,400	47,400	54,698	7,298	47,711
Total streets	<u>289,900</u>	<u>289,900</u>	<u>288,405</u>	<u>(1,495)</u>	<u>288,571</u>
City Garage:					
Personnel services	152,200	152,200	155,489	3,289	148,531
Materials and supplies	280,900	280,900	268,709	(12,191)	276,253
Contractual services	118,600	144,600	170,232	25,632	158,662
Total city garage	<u>551,700</u>	<u>577,700</u>	<u>594,430</u>	<u>16,730</u>	<u>583,446</u>
Total public works	<u>1,238,500</u>	<u>1,264,500</u>	<u>1,294,684</u>	<u>30,184</u>	<u>1,256,240</u>
Total expenditures	<u>11,664,500</u>	<u>11,667,400</u>	<u>11,323,535</u>	<u>(343,865)</u>	<u>11,081,097</u>
Revenues over (under) expenditures	<u>\$ 879,200</u>	<u>\$ 876,300</u>	<u>\$ 1,297,617</u>	<u>\$ 421,317</u>	<u>\$ 1,406,604</u>
Other financing sources (uses):					
Sale of City property - public works	-	-	4,149	4,149	-
Transfer from Capital Project Funds	88,300	88,300	-	(88,300)	-
Transfer to Capital Project Funds	-	(290,400)	(290,400)	-	-
Transfer to Internal Service Funds	(172,000)	(172,000)	(172,000)	-	(172,000)
Transfer to Special Revenue Fund	-	-	(505)	(505)	(1,350)
Transfer to Debt Service Funds	(795,500)	(795,500)	(795,500)	-	(951,600)
Total other financing sources (uses)	<u>(879,200)</u>	<u>(1,169,600)</u>	<u>(1,254,256)</u>	<u>(84,656)</u>	<u>(1,124,950)</u>
Net increase (decrease) in fund balance	<u>\$ -</u>	<u>\$ (293,300)</u>	43,361	<u>\$ 336,661</u>	281,654
Fund balance - January 1			6,035,720		5,754,066
Fund balance - December 31			<u>\$ 6,079,081</u>		<u>\$ 6,035,720</u>

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

CITY OF NEW BRIGHTON, MINNESOTA
GENERAL FUND
BALANCE SHEET
December 31, 2013
With Comparative Amounts for December 31, 2012

Statement 11

	Total	
	2013	2012
Assets:		
Cash and investments	\$ 6,470,083	\$ 6,388,126
Due from other governmental units	33,087	9,330
Accounts receivable	224,497	262,145
Taxes receivable:		
Delinquent	168,996	174,912
Due from County	142,236	69,040
Special assessments receivable	3,309	2,705
Prepaid items	8,059	3,938
Total assets	\$ 7,050,267	\$ 6,910,196
Liabilities, deferred inflows of resources and fund balance:		
Liabilities:		
Accounts payable	\$ 207,053	\$ 227,796
Salaries payable	202,525	170,593
Deposits payable	39,211	58,514
Due to other governmental units	6,075	6,962
Deferred revenue	347,326	235,699
Total liabilities	802,190	699,564
Deferred inflows of resources:		
Unavailable revenue - delinquent taxes	168,996	174,912
Total deferred inflows of resources	168,996	174,912
Fund balance:		
Non-spendable	8,059	3,938
Unassigned	6,071,022	6,031,782
Total fund balance	6,079,081	6,035,720
Total liabilities, deferred inflows of resources and fund balance	\$ 7,050,267	\$ 6,910,196

**NONMAJOR
GOVERNMENTAL FUNDS**



SPECIAL REVENUE FUNDS

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

DEBT SERVICE FUNDS

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

CAPITAL PROJECT FUNDS

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

CITY OF NEW BRIGHTON, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2013
With Comparative Totals For December 31, 2012

Statement 12

	Special Revenue	Debt Service	Capital Project	Total	
				Nonmajor Governmental Funds	
				2013	2012
Assets:					
Cash and investments	\$ 222,019	\$ 1,324,835	\$ 10,510,632	\$ 12,057,486	\$ 14,018,132
Restricted cash and investments	-	-	-	-	1,047,362
Accrued interest receivable	-	2,145	22,273	24,418	31,924
Due from other governmental units	12,096	-	15,422	27,518	70,962
Accounts receivable	-	-	2,952	2,952	5,286
Interfund receivable	-	-	507,957	507,957	96,986
Taxes receivable:					
Delinquent	-	-	176,427	176,427	159,201
Due from County	-	-	118,176	118,176	11,351
Special assessments receivable	-	208,144	30,982	239,126	319,483
Interfund loan receivable	-	-	392,885	392,885	305,800
Total assets	234,115	1,535,124	11,777,706	13,546,945	16,066,487
Deferred outflows of resources:					
Repayment of delinquent taxes	-	-	75,719	75,719	-
Total deferred outflows of resources	-	-	75,719	75,719	-
Total assets and deferred outflows of resources	\$ 234,115	\$ 1,535,124	\$ 11,853,425	\$ 13,622,664	\$ 16,066,487
Liabilities:					
Accounts payable	\$ 1,051	\$ 2,936	\$ 34,498	\$ 38,485	\$ 60,984
Special assessments payable	-	-	8,939	8,939	9,932
Interfund payable	12,096	-	468,988	481,084	12,801
Due to other governmental units	-	-	117,937	117,937	13,248
Contracts payable	-	-	83,525	83,525	13,803
Interfund loan payable	-	-	3,048,141	3,048,141	3,143,947
Unearned revenue	-	-	8,436	8,436	-
Total liabilities	13,147	2,936	3,770,464	3,786,547	3,254,715
Deferred inflows of resources:					
Unavailable revenue - delinquent taxes	-	-	176,427	176,427	159,201
Unavailable revenue - special assessments not yet due	-	206,703	29,425	236,128	544,626
Total deferred inflows of resources	-	206,703	205,852	412,555	703,827
Fund balance (deficit):					
Restricted	80,135	1,325,485	3,295,988	4,701,608	6,312,907
Committed	45,021	-	3,329,765	3,374,786	3,149,812
Assigned	95,812	-	4,669,631	4,765,443	5,956,665
Unassigned	-	-	(3,418,275)	(3,418,275)	(3,311,439)
Total fund balance (deficit)	220,968	1,325,485	7,877,109	9,423,562	12,107,945
Total liabilities, deferred inflows of resources and fund balances	\$ 234,115	\$ 1,535,124	\$ 11,853,425	\$ 13,622,664	\$ 16,066,487

CITY OF NEW BRIGHTON, MINNESOTA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2013
 With Comparative Totals For The Year Ended December 31, 2012

Statement 13

	Special Revenue	Debt Service	Capital Projects	Total	
				Nonmajor Governmental Funds	
				2013	2012
Revenues:					
General property taxes	\$ -	\$ -	\$ 256,966	\$ 256,966	\$ 325,301
Tax increment	-	-	3,209,760	3,209,760	3,986,074
Intergovernmental	69,688	-	720,357	790,045	838,550
Charges for services	-	-	16,269	16,269	16,077
Special assessments	-	69,138	26,189	95,327	145,934
Fines and forfeits	59,795	-	-	59,795	28,330
Investment income:					
Interest on investments	1,321	2,554	108,597	112,472	107,096
Change in fair value of investments	(8,408)	(34,418)	(506,965)	(549,791)	(39,842)
Interest on interfund loans	-	-	6,699	6,699	-
Other interest	-	97	-	97	790
Refunds and reimbursements	3,350	-	-	3,350	1,815
In-house engineering and administrative charges	-	-	-	-	8,557
Contributions and donations	55,929	-	1,630	57,559	25,669
Park dedication charge	-	-	-	-	1,630
Total revenues	181,675	37,371	3,839,502	4,058,548	5,445,981
Expenditures:					
General government	49,411	9,155	2,581	61,147	29,077
Community development	-	-	91,284	91,284	216,547
Parks and recreation	-	-	852	852	7,967
Public safety	98,535	-	-	98,535	107,430
Public works	21,936	-	265,195	287,131	317,366
Interest on interfund loans	-	-	120,224	120,224	124,526
Capital outlay:					
Parks and recreation	-	-	-	-	3,946
Public safety	19,818	-	-	19,818	20,232
Public works	-	-	1,961,625	1,961,625	620,767
Debt service:					
Principal retirement	-	3,770,000	-	3,770,000	5,865,000
Interest and paying agent fees	-	1,814,228	-	1,814,228	2,011,060
Total expenditures	189,700	5,593,383	2,441,761	8,224,844	9,323,918
Revenues over (under) expenditures	(8,025)	(5,556,012)	1,397,741	(4,166,296)	(3,877,937)
Other financing sources (uses):					
G.O. refunding debt issued	-	-	-	-	485,183
G.O. improvement debt issued	-	-	-	-	444,817
Tax increment refunding debt issued	-	-	-	-	2,860,000
Refunded debt	-	(1,015,000)	-	(1,015,000)	-
Transfers in	66,093	5,348,322	1,621,414	7,035,829	5,997,715
Transfers out	-	-	(4,538,916)	(4,538,916)	(4,679,427)
Total other financing sources (uses)	66,093	4,333,322	(2,917,502)	1,481,913	5,108,288
Net increase (decrease) in fund balance	58,068	(1,222,690)	(1,519,761)	(2,684,383)	1,230,351
Fund balance - January 1	162,900	2,548,175	9,396,870	12,107,945	10,877,594
Fund balance - December 31	\$ 220,968	\$ 1,325,485	\$ 7,877,109	\$ 9,423,562	\$ 12,107,945

NONMAJOR SPECIAL REVENUE FUNDS

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

Operating Grants – Accounts for miscellaneous operating grant projects.

Special Revenue Projects - Accounts for miscellaneous improvements.

CITY OF NEW BRIGHTON, MINNESOTA
NONMAJOR SPECIAL REVENUE FUNDS
SUBCOMBINING BALANCE SHEET
December 31, 2013
With Comparative Totals For December 31, 2012

Statement 14

	Operating Grants	Special Revenue Projects	Total Nonmajor Special Revenue Funds	
			2013	2012
Assets				
Cash	\$ -	\$ 222,019	\$ 222,019	\$ 169,739
Due from other governmental units	12,096	-	12,096	33,568
Total assets	<u>\$ 12,096</u>	<u>\$ 222,019</u>	<u>\$ 234,115</u>	<u>\$ 203,307</u>
Liabilities and fund balance:				
Liabilities:				
Accounts payable	\$ -	\$ 1,051	\$ 1,051	\$ 27,606
Interfund payable	12,096	-	12,096	12,801
Total liabilities	<u>12,096</u>	<u>1,051</u>	<u>13,147</u>	<u>40,407</u>
Fund balance:				
Restricted	-	80,135	80,135	60,784
Committed	-	45,021	45,021	12,456
Assigned	-	95,812	95,812	89,660
Total fund balance (deficit)	<u>-</u>	<u>220,968</u>	<u>220,968</u>	<u>162,900</u>
Total liabilities and fund balance	<u>\$ 12,096</u>	<u>\$ 222,019</u>	<u>\$ 234,115</u>	<u>\$ 203,307</u>

CITY OF NEW BRIGHTON, MINNESOTA
NONMAJOR SPECIAL REVENUE FUNDS
SUBCOMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For The Year Ended December 31, 2013
With Comparative Totals For The Year Ended December 31, 2012

Statement 15

	Operating Grants	Special Revenue Projects	Total	
			Nonmajor Special Revenue Funds	
			2013	2012
Revenues:				
Intergovernmental:				
Ramsey County reimbursements	\$ 21,410	\$ 2,201	\$ 23,611	\$ 5,679
State:				
Safe and sober grant	41,413		41,413	34,475
Federal:				
Assistance to firefighters grant	3,913	-	3,913	18,905
HSEM citizen corps grant	-	751	751	3,737
Emergency management grant	-	-	-	2,067
Hurricane Sandy assistance	-	-	-	19,649
Fines and forfeits	-	59,795	59,795	28,330
Investment income:				
Interest on investments	-	1,321	1,321	902
Change in fair value of investments	-	(8,408)	(8,408)	(398)
Refunds and reimbursements	1,668	1,682	3,350	1,815
Contributions and donations	-	55,929	55,929	24,245
Total revenues	<u>68,404</u>	<u>113,271</u>	<u>181,675</u>	<u>139,406</u>
Expenditures:				
General Government:				
Personnel services	-	15,485	15,485	-
Materials and supplies	-	33,926	33,926	-
Public safety:				
Personnel services	48,586	2,157	50,743	65,607
Materials and supplies	-	47,792	47,792	41,823
Capital Outlay	19,818	-	19,818	20,232
Public works:				
Personnel services	-	-	-	21,677
Materials and supplies	-	21,936	21,936	58,486
Total expenditures	<u>68,404</u>	<u>121,296</u>	<u>189,700</u>	<u>207,825</u>
Revenues over (under) expenditures	<u>-</u>	<u>(8,025)</u>	<u>(8,025)</u>	<u>(68,419)</u>
Other financing sources (uses):				
Transfer from Special Revenue Fund	-	-	-	1,327
Transfer from Capital Projects Fund	-	66,093	66,093	80,163
Transfer to Special Revenue Fund	-	-	-	(1,327)
Total other financing sources (uses)	<u>-</u>	<u>66,093</u>	<u>66,093</u>	<u>80,163</u>
Net increase in fund balance	-	58,068	58,068	11,744
Fund balance - January 1	<u>-</u>	<u>162,900</u>	<u>162,900</u>	<u>151,156</u>
Fund balance - December 31	<u>\$ -</u>	<u>\$ 220,968</u>	<u>\$ 220,968</u>	<u>\$ 162,900</u>

NONMAJOR DEBT SERVICE FUNDS

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

- Tax Increment Bonds
- Improvement Bonds

The Tax Increment Bonds are repaid from incremental taxes.

The Improvement Bonds are repaid primarily from special assessments.



CITY OF NEW BRIGHTON, MINNESOTA
NONMAJOR DEBT SERVICE FUNDS
SUBCOMBINING BALANCE SHEET
December 31, 2013
With Comparative Totals For December 31, 2012

Statement 16

	2007A Improvement Bonds	2009A Improvement Bonds	2010A Improvement Bonds	2011A Improvement Bonds	2012A Improvement Bonds	Total Nonmajor Debt Service Funds	
						2013	2012
Assets:							
Cash and investments	\$ 43,315	\$ 37,972	\$ 809,556	\$ 214,727	\$ 219,265	\$ 1,324,835	\$ 1,502,608
Restricted cash and investments	-	-	-	-	-	-	1,047,362
Accrued interest receivable	-	-	1,441	-	704	2,145	2,534
Accounts receivable	-	-	-	-	-	-	2,051
Special assessments receivable:							
Delinquent	-	-	-	11,420	491	11,911	12,925
Deferred	21,295	44,287	-	56,749	63,522	185,853	241,163
Due from City	-	-	-	-	8,939	8,939	9,932
Due from County	130	249	-	534	528	1,441	2,600
Total assets	\$ 64,740	\$ 82,508	\$ 810,997	\$ 283,430	\$ 293,449	\$ 1,535,124	\$ 2,821,175
Liabilities, Deferred Inflows of Resources and Fund Balance							
Liabilities:							
Accounts payable	\$ 715	\$ 371	\$ 255	\$ 1,506	\$ 89	\$ 2,936	\$ 8,980
Total liabilities	715	371	255	1,506	89	2,936	8,980
Deferred Inflows of Resources							
Unavailable Revenue - Special assessments not yet due	21,295	44,287	-	68,169	72,952	206,703	264,020
Total deferred inflows of resources	21,295	44,287	-	68,169	72,952	206,703	264,020
Fund balance:							
Restricted	42,730	37,850	810,742	213,755	220,408	1,325,485	2,548,175
Total fund balance (deficit)	42,730	37,850	810,742	213,755	220,408	1,325,485	2,548,175
Total liabilities, deferred inflows of resources and fund balance	\$ 64,740	\$ 82,508	\$ 810,997	\$ 283,430	\$ 293,449	\$ 1,535,124	\$ 2,821,175

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, 2013
With Comparative Totals For The Year Ended December 31, 2012

	2004B Taxable Tax Increment Bonds	2006A Tax Increment Bonds	2007B Tax Increment Bonds	2009A Tax Increment Bonds	2009B Taxable Tax Increment Bonds	2011A Tax Increment Bonds	2011B Taxable Tax Increment Bonds
Revenues:							
Special assessments:							
Current and delinquent	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Prepayments	-	-	-	-	-	-	-
Investment income:							
Interest on investments	-	-	-	-	-	-	-
Change in fair value of investments	-	-	-	-	-	-	-
Other interest	97	-	-	-	-	-	-
Total revenues	<u>97</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:							
Current:							
General government:							
Professional services	-	229	229	2,538	229	79	229
Debt service:							
Principal retirement	200,000	235,000	125,000	150,000	360,000	180,000	515,000
Interest and paying agent fees	29,865	962,150	647,620	1,875	4,500	4,890	23,568
Total expenditures	<u>229,865</u>	<u>1,197,379</u>	<u>772,849</u>	<u>154,413</u>	<u>364,729</u>	<u>184,969</u>	<u>538,797</u>
Revenues over (under) expenditures	<u>(229,768)</u>	<u>(1,197,379)</u>	<u>(772,849)</u>	<u>(154,413)</u>	<u>(364,729)</u>	<u>(184,969)</u>	<u>(538,797)</u>
Other financing sources (uses):							
G.O. refunding debt issued	-	-	-	-	-	-	-
Tax increment refunding debt issued	-	-	-	-	-	-	-
Refunded debt payment	(1,015,000)	-	-	-	-	-	-
Transfer from General Fund	-	-	-	-	-	-	-
Transfer from Debt Service Fund	-	-	-	-	-	-	-
Transfer from Capital Project Funds	204,550	1,197,379	772,849	154,413	364,729	184,969	538,797
Transfer to Debt Service Fund	-	-	-	-	-	-	-
Transfer to Capital Project Funds	-	-	-	-	-	-	-
Total other financing sources	<u>(810,450)</u>	<u>1,197,379</u>	<u>772,849</u>	<u>154,413</u>	<u>364,729</u>	<u>184,969</u>	<u>538,797</u>
Net increase (decrease) in fund balance	(1,040,218)	-	-	-	-	-	-
Fund balance - January 1	<u>1,040,218</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

2012A Tax Increment Bonds	2012B Taxable Tax Increment Bonds	2007A Improvement Bonds	2009A Improvement Bonds	2010A Improvement Bonds	2011A Improvement Bonds	2012A Improvement Bonds	Total	
							Nonmajor Debt Service Funds	
							2013	2012
\$ -	\$ -	\$ 5,909	\$ 10,572	\$ -	\$ 21,057	\$ 24,592	\$ 62,130	\$ 72,563
-	-	-	-	-	1,843	5,165	7,008	25,786
-	-	72	128	886	992	476	2,554	2,952
-	-	(1,757)	(1,505)	(13,891)	(8,817)	(8,448)	(34,418)	(2,735)
-	-	-	-	-	-	-	97	790
-	-	4,224	9,195	(13,005)	15,075	21,785	37,371	99,356
150	229	484	1,792	2,483	317	167	9,155	13,389
595,000	40,000	40,000	35,000	765,000	370,000	160,000	3,770,000	5,865,000
11,753	18,325	11,340	10,200	60,025	16,470	11,647	1,814,228	2,011,060
606,903	58,554	51,824	46,992	827,508	386,787	171,814	5,593,383	7,889,449
(606,903)	(58,554)	(47,600)	(37,797)	(840,513)	(371,712)	(150,029)	(5,556,012)	(7,790,093)
-	-	-	-	-	-	-	-	485,183
-	-	-	-	-	-	-	-	2,860,000
-	-	-	-	-	-	-	(1,015,000)	-
-	-	44,500	26,700	393,000	155,400	175,900	795,500	951,600
-	-	-	-	-	-	-	-	145,284
606,559	57,029	409	1,428	457,883	1,470	10,358	4,552,822	4,419,850
-	-	-	-	-	-	-	-	(145,284)
-	-	-	-	-	-	-	-	(1,948)
606,559	57,029	44,909	28,128	850,883	156,870	186,258	4,333,322	8,714,685
(344)	(1,525)	(2,691)	(9,669)	10,370	(214,842)	36,229	(1,222,690)	924,592
344	1,525	45,421	47,519	800,372	428,597	184,179	2,548,175	1,623,583
\$ -	\$ -	\$ 42,730	\$ 37,850	\$ 810,742	\$ 213,755	\$ 220,408	\$ 1,325,485	\$ 2,548,175



NONMAJOR CAPITAL PROJECT FUNDS

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

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

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

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

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

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

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

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

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

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

CITY OF NEW BRIGHTON, MINNESOTA
NONMAJOR CAPITAL PROJECT FUNDS
SUBCOMBINING BALANCE SHEET
December 31, 2013
With Comparative Totals For December 31, 2012

	Tax Increment Funds	Community Reinvestment	Closed Bond Fund	Capital Projects	Street Improvements
Assets:					
Cash and investments	\$ 2,875,646	\$ 3,000,159	\$ 3,330,009	\$ 108,716	\$ -
Accrued interest receivable	4,600	14,248	3,425	-	-
Due from other governmental units	-	6,986	-	8,436	-
Accounts receivable	-	-	-	-	-
Interfund receivable	-	507,957	-	-	-
Taxes receivable:					
Delinquent	169,395	6,730	-	-	-
Due from County	105,878	8,585	3,713	-	-
Special assessments receivable:					
Delinquent	-	-	-	-	-
Deferred	-	-	29,425	-	-
Due from County	-	-	1,557	-	-
Interfund loan receivable	-	392,885	-	-	-
Total assets	3,155,519	3,937,550	3,368,129	117,152	-
Deferred outflows of resources:					
Repayment of delinquent taxes	75,719	-	-	-	-
Total deferred outflows of resources	75,719	-	-	-	-
Total assets and deferred outflows of resources	\$ 3,231,238	\$ 3,937,550	\$ 3,368,129	\$ 117,152	\$ -
Liabilities:					
Accounts payable	\$ 9,787	\$ -	\$ -	\$ 8,883	\$ 4,058
Special assessments payable	-	-	8,939	-	-
Interfund payable	-	-	-	-	468,988
Due to other governmental units	75,719	42,218	-	-	-
Contracts payable	-	-	-	29,964	53,561
Interfund loans payable	2,655,256	-	-	-	-
Unearned revenue	-	-	-	8,436	-
Total liabilities	2,740,762	42,218	8,939	47,283	526,607
Deferred inflows of resources:					
Unavailable revenue - delinquent taxes	169,395	6,730	-	-	-
Unavailable revenue - special assessments not yet due	-	-	29,425	-	-
Total deferred inflows of resources	169,395	6,730	29,425	-	-
Fund balance (deficit):					
Restricted	2,894,227	-	-	-	-
Committed	-	-	3,329,765	-	-
Assigned	-	3,888,602	-	69,869	-
Unassigned	(2,573,146)	-	-	-	(526,607)
Total fund balance (deficit)	321,081	3,888,602	3,329,765	69,869	(526,607)
Total liabilities, deferred inflows of resources and fund balances	\$ 3,231,238	\$ 3,937,550	\$ 3,368,129	\$ 117,152	\$ -

Park Improvements	Water Improvements	Sewer Improvements	Stormwater Improvements	Total	
				Nonmajor Capital Project Funds	
				2013	2012
\$ 470,794	\$ 109,635	\$ 534,772	\$ 80,901	\$ 10,510,632	\$ 12,345,785
-	-	-	-	22,273	29,390
-	-	-	-	15,422	37,394
-	-	2,952	-	2,952	3,235
-	-	-	-	507,957	96,986
-	-	-	302	176,427	159,201
-	-	-	-	118,176	11,351
-	-	-	-	-	818
-	-	-	-	29,425	51,999
-	-	-	-	1,557	46
-	-	-	-	392,885	305,800
<u>470,794</u>	<u>109,635</u>	<u>537,724</u>	<u>81,203</u>	<u>11,777,706</u>	<u>13,042,005</u>
-	-	-	-	75,719	-
-	-	-	-	75,719	-
<u>\$ 470,794</u>	<u>\$ 109,635</u>	<u>\$ 537,724</u>	<u>\$ 81,203</u>	<u>\$ 11,853,425</u>	<u>\$ 13,042,005</u>
\$ 277	\$ 751	\$ 4,204	\$ 6,538	\$ 34,498	\$ 24,398
-	-	-	-	8,939	9,932
-	-	-	-	468,988	-
-	-	-	-	117,937	13,248
-	-	-	-	83,525	13,803
-	-	-	392,885	3,048,141	3,143,947
-	-	-	-	8,436	-
<u>277</u>	<u>751</u>	<u>4,204</u>	<u>399,423</u>	<u>3,770,464</u>	<u>3,205,328</u>
-	-	-	302	176,427	159,201
-	-	-	-	29,425	280,606
-	-	-	302	205,852	439,807
401,761	-	-	-	3,295,988	3,703,948
-	-	-	-	3,329,765	3,137,356
68,756	108,884	533,520	-	4,669,631	5,867,005
-	-	-	(318,522)	(3,418,275)	(3,311,439)
<u>470,517</u>	<u>108,884</u>	<u>533,520</u>	<u>(318,522)</u>	<u>7,877,109</u>	<u>9,396,870</u>
<u>\$ 470,794</u>	<u>\$ 109,635</u>	<u>\$ 537,724</u>	<u>\$ 81,203</u>	<u>\$ 11,853,425</u>	<u>\$ 13,042,005</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, 2013
With Comparative Totals For The Year Ended December 31, 2012

	Tax Increment Funds	Community Reinvestment	Closed Bond Fund	Capital Projects	Street Improvements
Revenues:					
General property taxes:					
Current and delinquent	\$ -	\$ 252,698	\$ -	\$ -	\$ -
Tax increment:					
Current and delinquent	3,209,760	-	-	-	-
Intergovernmental:					
Ramsey County reimbursements	-	-	-	1,057	-
State:					
MSA	-	-	-	526,259	193,041
Charges for services	-	-	-	243	658
Special assessments:					
Current and delinquent	-	-	11,633	-	-
Prepayments	-	-	-	-	-
Penalties and interest	-	-	14,556	-	-
Investment income:					
Interest on investments	21,862	38,768	31,021	2,955	(1,901)
Change in fair value of investments	(158,184)	(171,093)	(138,956)	(5,626)	39,186
Interest on interfund loan	-	6,699	-	-	-
Other:					
In-house engineering and administrative charges	-	-	-	-	-
Donations	-	-	-	-	-
Park dedication charge	-	-	-	-	-
Total revenues	<u>3,073,438</u>	<u>127,072</u>	<u>(81,746)</u>	<u>524,888</u>	<u>230,984</u>
Expenditures:					
Current:					
General government	-	-	2,581	-	-
Community development	91,284	-	-	-	-
Parks and recreation	-	-	-	-	-
Public works	-	-	-	44,892	133,667
Interest on interfund loans	113,525	-	-	-	-
Capital outlay:					
Parks and recreation	-	-	-	-	-
Public works	-	-	-	525,214	1,082,193
Total expenditures	<u>204,809</u>	<u>-</u>	<u>2,581</u>	<u>570,106</u>	<u>1,215,860</u>
Revenues over (under) expenditures	<u>2,868,629</u>	<u>127,072</u>	<u>(84,327)</u>	<u>(45,218)</u>	<u>(984,876)</u>
Other financing sources (uses):					
G.O. improvement debt issued	-	-	-	-	-
Transfer from General Fund	-	-	290,400	-	-
Transfer from Special Revenue Funds	-	-	-	-	-
Transfer from Debt Service Funds	-	-	-	-	-
Transfer from Capital Project Funds	-	-	-	-	630,555
Transfer from Enterprise Funds	-	-	-	-	-
Transfer from Internal Service Funds	-	-	-	16,093	-
Transfer to Special Revenue Funds	-	-	-	-	-
Transfer to Debt Service Funds	(2,111,046)	(457,883)	(13,664)	-	-
Transfer to Capital Project Funds	(904,999)	(66,094)	-	(24,399)	-
Transfer to Enterprise Funds	-	(129,675)	-	-	-
Transfer to Internal Service Funds	-	-	-	(100,000)	-
Total other financing sources (uses)	<u>(3,016,045)</u>	<u>(653,652)</u>	<u>276,736</u>	<u>(108,306)</u>	<u>630,555</u>
Net increase (decrease) in fund balance	(147,416)	(526,580)	192,409	(153,524)	(354,321)
Fund balance (deficit) - January 1	468,497	4,415,182	3,137,356	223,393	(172,286)
Fund balance (deficit) - December 31	<u>\$ 321,081</u>	<u>\$ 3,888,602</u>	<u>\$ 3,329,765</u>	<u>\$ 69,869</u>	<u>\$ (526,607)</u>

Park Improvements	Water Improvements	Sewer Improvements	Stormwater Improvements	Total	
				Nonmajor Capital Project Funds	
				2013	2012
\$ -	\$ -	\$ -	\$ 4,268	\$ 256,966	\$ 325,301
-	-	-	-	3,209,760	3,986,074
-	-	-	-	1,057	2,290
-	-	-	-	719,300	751,748
-	5,435	9,933	-	16,269	16,077
-	-	-	-	11,633	11,446
-	-	-	-	-	24,784
-	-	-	-	14,556	11,355
4,296	4,642	6,013	941	108,597	103,242
(18,642)	(20,253)	(22,862)	(10,535)	(506,965)	(36,709)
-	-	-	-	6,699	-
-	-	-	-	-	8,557
1,630	-	-	-	1,630	1,424
-	-	-	-	-	1,630
<u>(12,716)</u>	<u>(10,176)</u>	<u>(6,916)</u>	<u>(5,326)</u>	<u>3,839,502</u>	<u>5,207,219</u>
-	-	-	-	2,581	15,688
-	-	-	-	91,284	216,547
852	-	-	-	852	7,967
-	49,454	26,231	10,951	265,195	237,203
-	-	-	6,699	120,224	124,526
-	-	-	-	-	3,946
-	316,565	12,445	25,208	1,961,625	620,767
<u>852</u>	<u>366,019</u>	<u>38,676</u>	<u>42,858</u>	<u>2,441,761</u>	<u>1,226,644</u>
<u>(13,568)</u>	<u>(376,195)</u>	<u>(45,592)</u>	<u>(48,184)</u>	<u>1,397,741</u>	<u>3,980,575</u>
-	-	-	-	-	444,817
-	-	-	-	290,400	-
-	16	-	-	16	4,442
-	-	-	-	-	1,948
-	-	-	-	630,555	3,251
-	410,900	57,900	215,550	684,350	389,850
-	-	-	-	16,093	-
-	-	-	-	-	(80,163)
-	-	-	-	(2,582,593)	(3,149,308)
-	(403,093)	(23,491)	(179,572)	(1,601,648)	(948,099)
-	-	(125,000)	-	(254,675)	-
-	-	-	-	(100,000)	(353,298)
-	<u>7,823</u>	<u>(90,591)</u>	<u>35,978</u>	<u>(2,917,502)</u>	<u>(3,686,560)</u>
(13,568)	(368,372)	(136,183)	(12,206)	(1,519,761)	294,015
484,085	477,256	669,703	(306,316)	9,396,870	9,102,855
<u>\$ 470,517</u>	<u>\$ 108,884</u>	<u>\$ 533,520</u>	<u>\$ (318,522)</u>	<u>\$ 7,877,109</u>	<u>\$ 9,396,870</u>

CITY OF NEW BRIGHTON, MINNESOTA
NONMAJOR TAX INCREMENT FINANCING CAPITAL PROJECT FUNDS
SUBCOMBINING BALANCE SHEET
December 31, 2013
With Comparative Totals For December 31, 2012

	Tax Increment District 12	Tax Increment District 14	Tax Increment District 15	Tax Increment District 16
Assets:				
Cash and investments	\$ 407,409	\$ 296,731	\$ 392,667	\$ 51,483
Accrued interest receivable	-	-	-	-
Taxes receivable:				
Delinquent	-	-	29,302	-
Due from County	-	-	5,313	-
Assets held for resale	-	-	-	-
Total assets	<u>407,409</u>	<u>296,731</u>	<u>427,282</u>	<u>51,483</u>
Deferred outflows of resources:				
Repayment of delinquent taxes	-	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 407,409</u>	<u>\$ 296,731</u>	<u>\$ 427,282</u>	<u>\$ 51,483</u>
Liabilities:				
Accounts payable	\$ 366	\$ 257	\$ 403	\$ 144
Due to other governmental units	-	-	-	-
Interfund loans payable	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	<u>366</u>	<u>257</u>	<u>403</u>	<u>144</u>
Deferred inflows of resources:				
Unavailable revenue - delinquent taxes	-	-	29,302	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>29,302</u>	<u>-</u>
Fund balance (deficit):				
Restricted	407,043	296,474	397,577	51,339
Unassigned	-	-	-	-
Total fund balance (deficit)	<u>407,043</u>	<u>296,474</u>	<u>397,577</u>	<u>51,339</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 407,409</u>	<u>\$ 296,731</u>	<u>\$ 427,282</u>	<u>\$ 51,483</u>

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Tax Increment District 17	Tax Increment District 18	Tax Increment District 20	Tax Increment District 23	Tax Increment District 25
\$ 36,982	\$ 538,980	\$ 208,922	\$ -	\$ -
310	-	4,236	54	-
17,061	-	43,216	-	57,541
-	-	-	-	-
-	-	-	-	-
<u>54,353</u>	<u>538,980</u>	<u>256,374</u>	<u>54</u>	<u>57,541</u>
-	-	-	-	-
-	-	-	-	-
<u>\$ 54,353</u>	<u>\$ 538,980</u>	<u>\$ 256,374</u>	<u>\$ 54</u>	<u>\$ 57,541</u>
\$ 29	\$ 3,228	\$ 143	\$ -	\$ 62
-	-	-	-	-
-	-	-	69,723	838,140
-	-	-	-	-
<u>29</u>	<u>3,228</u>	<u>143</u>	<u>69,723</u>	<u>838,202</u>
17,061	-	43,216	-	57,541
<u>17,061</u>	<u>-</u>	<u>43,216</u>	<u>-</u>	<u>57,541</u>
37,263	535,752	213,015	-	-
-	-	-	(69,669)	(838,202)
<u>37,263</u>	<u>535,752</u>	<u>213,015</u>	<u>(69,669)</u>	<u>(838,202)</u>
<u>\$ 54,353</u>	<u>\$ 538,980</u>	<u>\$ 256,374</u>	<u>\$ 54</u>	<u>\$ 57,541</u>

CITY OF NEW BRIGHTON, MINNESOTA
NONMAJOR TAX INCREMENT FINANCING CAPITAL PROJECT FUNDS
SUBCOMBINING BALANCE SHEET
December 31, 2013
With Comparative Totals For December 31, 2012

	Tax Increment District 26	Tax Increment District 27	Tax Increment District 28	Tax Increment District 29
Assets:				
Cash and investments	\$ 696,323	\$ -	\$ 246,149	\$ -
Accrued interest receivable	-	-	-	-
Taxes receivable:				
Delinquent	732	-	21,543	-
Due from County	1,861	-	15,834	-
Assets held for resale	-	-	-	-
Total assets	<u>698,916</u>	<u>-</u>	<u>283,526</u>	<u>-</u>
Deferred outflows of resources:				
Repayment of delinquent taxes	-	-	-	75,719
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,719</u>
Total assets and deferred outflows of resources	<u>\$ 698,916</u>	<u>\$ -</u>	<u>\$ 283,526</u>	<u>\$ 75,719</u>
Liabilities:				
Accounts payable	\$ 2,879	\$ 97	\$ 1,524	\$ 175
Due to other governmental units	-	-	-	75,719
Interfund loans payable	-	219,107	-	125,244
Unearned revenue	-	-	-	-
Total liabilities	<u>2,879</u>	<u>219,204</u>	<u>1,524</u>	<u>201,138</u>
Deferred inflows of resources:				
Unavailable revenue - delinquent taxes	732	-	21,543	-
Total liabilities	<u>732</u>	<u>-</u>	<u>21,543</u>	<u>-</u>
Fund balance (deficit):				
Restricted	695,305	-	260,459	-
Unassigned	-	(219,204)	-	(125,419)
Total fund balance (deficit)	<u>695,305</u>	<u>(219,204)</u>	<u>260,459</u>	<u>(125,419)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 698,916</u>	<u>\$ -</u>	<u>\$ 283,526</u>	<u>\$ 75,719</u>

Statement 20
Page 2 of 2

Tax Increment District 30	Tax Increment District 33	Total	
		Nonmajor TIF Capital Project Funds	
		2013	2012
\$ -	\$ -	\$ 2,875,646	\$ 3,299,716
-	-	4,600	4,675
-	-	169,395	152,484
82,870	-	105,878	9,831
-	-	-	-
<u>82,870</u>	<u>-</u>	<u>3,155,519</u>	<u>3,466,706</u>
-	-	75,719	-
-	-	75,719	-
<u>\$ 82,870</u>	<u>\$ -</u>	<u>\$ 3,231,238</u>	<u>\$ 3,466,706</u>
\$ 411	\$ 69	\$ 9,787	\$ 7,578
-	-	75,719	-
1,091,177	311,865	2,655,256	2,838,147
-	-	-	152,484
<u>1,091,588</u>	<u>311,934</u>	<u>2,740,762</u>	<u>2,998,209</u>
-	-	169,395	-
-	-	169,395	-
-	-	2,894,227	3,301,334
<u>(1,008,718)</u>	<u>(311,934)</u>	<u>(2,573,146)</u>	<u>(2,832,837)</u>
<u>(1,008,718)</u>	<u>(311,934)</u>	<u>321,081</u>	<u>468,497</u>
<u>\$ 82,870</u>	<u>\$ -</u>	<u>\$ 3,231,238</u>	<u>\$ 3,466,706</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, 2013
With Comparative Totals For The Year Ended December 31, 2012

	Tax Increment District 7	Tax Increment District 10	Tax Increment District 11	Tax Increment District 12
Revenue:				
Taxes:				
Tax increment	\$ 121,658	\$ 119,418	\$ 38,606	\$ 124,205
Investment income:				
Interest on investments	1,248	1,633	1,997	3,344
Change in fair value of investments	(8,523)	(10,160)	(9,919)	(17,736)
In-house engineering and administrative charges	-	-	-	-
Total revenue	<u>114,383</u>	<u>110,891</u>	<u>30,684</u>	<u>109,813</u>
Expenditures:				
Interfund interest	-	-	-	-
Construction costs:				
Engineering and administrative	8,355	27,146	3,226	20,359
Total expenditures	<u>8,355</u>	<u>27,146</u>	<u>3,226</u>	<u>20,359</u>
Revenue over expenditures	<u>106,028</u>	<u>83,745</u>	<u>27,458</u>	<u>89,454</u>
Other financing uses:				
Transfer to Debt Service Funds	(64,295)	(64,053)	(21,230)	(74,546)
Transfer to Capital Project Funds	(192,978)	(212,209)	(239,812)	-
Total other financing uses	<u>(257,273)</u>	<u>(276,262)</u>	<u>(261,042)</u>	<u>(74,546)</u>
Net increase (decrease) in fund balance	(151,245)	(192,517)	(233,584)	14,908
Fund balance (deficit) - January 1	<u>151,245</u>	<u>192,517</u>	<u>233,584</u>	<u>392,135</u>
Fund balance (deficit) - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 407,043</u>

Tax Increment District 14	Tax Increment District 15	Tax Increment District 16	Tax Increment District 17	Tax Increment District 18	Tax Increment District 20
\$ 85,489	\$ 412,038	\$ 14,907	\$ 93,872	\$ 200,199	\$ 344,498
2,386 (12,532)	1,557 (16,934)	408 (2,081)	(242) (1,353)	4,148 (22,057)	1,086 (8,064)
-	-	-	-	-	-
<u>75,343</u>	<u>396,661</u>	<u>13,234</u>	<u>92,277</u>	<u>182,290</u>	<u>337,520</u>
-	-	-	-	-	-
<u>15,342</u>	<u>10,047</u>	<u>353</u>	<u>352</u>	<u>559</u>	<u>525</u>
<u>15,342</u>	<u>10,047</u>	<u>353</u>	<u>352</u>	<u>559</u>	<u>525</u>
<u>60,001</u>	<u>386,614</u>	<u>12,881</u>	<u>91,925</u>	<u>181,731</u>	<u>336,995</u>
(59,503)	(332,691)	(14,436)	(65,023)	(277,444)	(144,717)
-	-	-	-	-	(160,000)
<u>(59,503)</u>	<u>(332,691)</u>	<u>(14,436)</u>	<u>(65,023)</u>	<u>(277,444)</u>	<u>(304,717)</u>
498	53,923	(1,555)	26,902	(95,713)	32,278
<u>295,976</u>	<u>343,654</u>	<u>52,894</u>	<u>10,361</u>	<u>631,465</u>	<u>180,737</u>
<u>\$ 296,474</u>	<u>\$ 397,577</u>	<u>\$ 51,339</u>	<u>\$ 37,263</u>	<u>\$ 535,752</u>	<u>\$ 213,015</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, 2013
With Comparative Totals For The Year Ended December 31, 2012

	Tax Increment District 23	Tax Increment District 25	Tax Increment District 26	Tax Increment District 27
Revenue:				
Taxes:				
Tax increment	\$ 14,849	\$ 313,961	\$ 769,359	\$ 25,597
Investment income:				
Interest on investments	16	(948)	3,467	145
Change in fair value of investments	(368)	(2,554)	(29,515)	(995)
In-house engineering and administrative charges	-	-	-	-
Total revenue	<u>14,497</u>	<u>310,459</u>	<u>743,311</u>	<u>24,747</u>
Expenditures:				
Interfund interest	3,227	35,912	-	9,199
Construction costs:				
Engineering and administrative	323	419	2,330	336
Total expenditures	<u>3,550</u>	<u>36,331</u>	<u>2,330</u>	<u>9,535</u>
Revenue over expenditures	<u>10,947</u>	<u>274,128</u>	<u>740,981</u>	<u>15,212</u>
Other financing uses:				
Transfer to Debt Service Funds	-	(220,503)	(567,912)	(4,342)
Transfer to Capital Project Funds	-	-	(100,000)	-
Total other financing uses	<u>-</u>	<u>(220,503)</u>	<u>(667,912)</u>	<u>(4,342)</u>
Net increase (decrease) in fund balance	10,947	53,625	73,069	10,870
Fund balance (deficit) - January 1	<u>(80,616)</u>	<u>(891,827)</u>	<u>622,236</u>	<u>(230,074)</u>
Fund balance (deficit) - December 31	<u>\$ (69,669)</u>	<u>\$ (838,202)</u>	<u>\$ 695,305</u>	<u>\$ (219,204)</u>

Tax Increment District 28	Tax Increment District 29	Tax Increment District 30	Tax Increment District 33	Total Nonmajor TIF Capital Project Funds	
				2013	2012
\$ 239,192	\$ 39,368	\$ 231,653	\$ 20,891	\$ 3,209,760	\$ 3,986,074
1,218	(164)	476	87	21,862	19,510
(10,908)	(54)	(3,932)	(499)	(158,184)	(11,268)
-	-	-	-	-	8,557
<u>229,502</u>	<u>39,150</u>	<u>228,197</u>	<u>20,479</u>	<u>3,073,438</u>	<u>4,002,873</u>
-	4,872	47,545	12,770	113,525	124,526
572	371	346	323	91,284	215,475
<u>572</u>	<u>5,243</u>	<u>47,891</u>	<u>13,093</u>	<u>204,809</u>	<u>340,001</u>
<u>228,930</u>	<u>33,907</u>	<u>180,306</u>	<u>7,386</u>	<u>2,868,629</u>	<u>3,662,872</u>
(163,001)	(37,350)	-	-	(2,111,046)	(2,347,963)
-	-	-	-	(904,999)	(944,848)
<u>(163,001)</u>	<u>(37,350)</u>	<u>-</u>	<u>-</u>	<u>(3,016,045)</u>	<u>(3,292,811)</u>
65,929	(3,443)	180,306	7,386	(147,416)	370,061
<u>194,530</u>	<u>(121,976)</u>	<u>(1,189,024)</u>	<u>(319,320)</u>	<u>468,497</u>	<u>98,436</u>
<u>\$ 260,459</u>	<u>\$ (125,419)</u>	<u>\$ (1,008,718)</u>	<u>\$ (311,934)</u>	<u>\$ 321,081</u>	<u>\$ 468,497</u>



INTERNAL SERVICE FUNDS

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

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

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

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

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

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

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



CITY OF NEW BRIGHTON, MINNESOTA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
For The Year Ended December 31, 2013
With Comparative Totals For The Year Ended December 31, 2012

Statement 22

	Risk Management	Compensated Absences	Fleet Replacement	Non-Fleet Replacement	Information Technology	Pavement Management	Total	
							Internal Service Funds	
							2013	2012
Assets								
Current assets:								
Cash and investments	\$ 1,353,334	\$ 850,266	\$ 5,662,556	\$ 3,901,463	\$ 1,427,285	\$ 637,645	\$ 13,832,549	\$ 13,712,349
Accrued interest receivable	293	-	-	-	-	-	293	1,459
Accounts receivable	-	-	-	-	-	-	-	9,130
Prepaid items	-	-	-	-	-	-	-	2,750
Total current assets	<u>1,353,627</u>	<u>850,266</u>	<u>5,662,556</u>	<u>3,901,463</u>	<u>1,427,285</u>	<u>637,645</u>	<u>13,832,842</u>	<u>13,725,688</u>
Noncurrent assets:								
Capital assets:								
Buildings	-	-	-	576,325	-	-	576,325	576,325
Equipment	-	-	6,167,942	1,381,720	1,368,734	-	8,918,396	8,410,103
Other improvements	-	-	-	282,443	69,123	604,781	956,347	939,311
Construction in progress	-	-	-	-	83,229	-	83,229	35,847
Less: Allowance for depreciation	-	-	(3,371,953)	(944,052)	(1,134,972)	(29,473)	(5,480,450)	(5,016,032)
Total capital assets (net of accumulated depreciation)	<u>-</u>	<u>-</u>	<u>2,795,989</u>	<u>1,296,436</u>	<u>386,114</u>	<u>575,308</u>	<u>5,053,847</u>	<u>4,945,554</u>
Total assets	<u>\$ 1,353,627</u>	<u>\$ 850,266</u>	<u>\$ 8,458,545</u>	<u>\$ 5,197,899</u>	<u>\$ 1,813,399</u>	<u>\$ 1,212,953</u>	<u>\$ 18,886,689</u>	<u>\$ 18,671,242</u>
Liabilities:								
Current liabilities:								
Accounts payable	6,609	1,909	78,461	10,084	14,109	1,281	112,453	93,610
Salaries payable	329	-	-	-	3,086	-	3,415	2,827
Due to other governmental units	-	-	-	-	-	-	-	45
Contracts payable	-	-	-	-	-	-	-	6,893
Compensated absences - current	-	19,014	-	-	-	-	19,014	34,337
Total current liabilities	<u>6,938</u>	<u>20,923</u>	<u>78,461</u>	<u>10,084</u>	<u>17,195</u>	<u>1,281</u>	<u>134,882</u>	<u>137,712</u>
Noncurrent liabilities								
Compensated absences - noncurrent	-	834,280	-	-	-	-	834,280	847,319
Total noncurrent liabilities	<u>-</u>	<u>834,280</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>834,280</u>	<u>847,319</u>
Total liabilities	<u>6,938</u>	<u>855,203</u>	<u>78,461</u>	<u>10,084</u>	<u>17,195</u>	<u>1,281</u>	<u>969,162</u>	<u>985,031</u>
Net position:								
Net investment in capital assets	-	-	2,795,989	1,296,436	386,114	575,308	5,053,847	4,945,554
Unrestricted	1,346,689	(4,937)	5,584,095	3,891,379	1,410,090	636,364	12,863,680	12,740,657
Total net position	<u>\$ 1,346,689</u>	<u>\$ (4,937)</u>	<u>\$ 8,380,084</u>	<u>\$ 5,187,815</u>	<u>\$ 1,796,204</u>	<u>\$ 1,211,672</u>	<u>\$ 17,917,527</u>	<u>\$ 17,686,211</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, 2013
With Comparative Totals For The Year Ended December 31, 2012

	Risk Management	Compensated Absences	Fleet Replacement
Operating revenue:			
Customer charges	\$ 479,500	\$ 6,187	\$ 404,400
Total operating revenues	<u>479,500</u>	<u>6,187</u>	<u>404,400</u>
Operating expenses:			
Personnel services	15,387	40,735	-
Materials and supplies	433	-	-
Contractual services	491,211	-	-
Professional services	-	-	2,794
Depreciation	-	-	402,999
Total operating expenses	<u>507,031</u>	<u>40,735</u>	<u>405,793</u>
Operating income (loss)	<u>(27,531)</u>	<u>(34,548)</u>	<u>(1,393)</u>
Nonoperating revenues (expenses):			
Investment income:			
Interest on investments	11,431	8,184	53,344
Change in fair value of investments	(55,263)	(34,580)	(232,223)
School District grant	-	-	7,500
Gain (loss) on disposal of capital assets	-	-	8,583
Refunds and reimbursements	76,867	-	-
Other	2,000	-	-
Total nonoperating revenues (expenses)	<u>35,035</u>	<u>(26,396)</u>	<u>(162,796)</u>
Income (loss) before operating transfers	<u>7,504</u>	<u>(60,944)</u>	<u>(164,189)</u>
Transfers:			
Transfers from:			
General Fund	-	-	165,639
Special Revenue Funds	-	-	-
Capital Project Funds	-	-	-
Internal Service Funds	-	-	-
Transfers to:			
Capital Project Funds	-	-	-
Internal Service Funds	-	-	-
Total transfers	<u>-</u>	<u>-</u>	<u>165,639</u>
Change in net position	<u>7,504</u>	<u>(60,944)</u>	<u>1,450</u>
Net position - January 1	<u>1,339,185</u>	<u>56,007</u>	<u>8,378,634</u>
Net position - December 31	<u>\$ 1,346,689</u>	<u>\$ (4,937)</u>	<u>\$ 8,380,084</u>

Statement 23

Non-Fleet Replacement	Information Technology	Pavement Management	Total	
			Internal Service Funds	
			2013	2012
\$ 369,500	\$ 518,200	\$ 100,200	\$ 1,877,987	\$ 1,851,040
<u>369,500</u>	<u>518,200</u>	<u>100,200</u>	<u>1,877,987</u>	<u>1,851,040</u>
-	128,743	-	184,865	199,329
4,136	31,578	-	36,147	26,092
-	189,028	-	680,239	706,508
819	35,070	-	38,683	1,638
132,580	107,167	20,430	663,176	649,956
<u>137,535</u>	<u>491,586</u>	<u>20,430</u>	<u>1,603,110</u>	<u>1,583,523</u>
<u>231,965</u>	<u>26,614</u>	<u>79,770</u>	<u>274,877</u>	<u>267,517</u>
35,797	13,737	5,672	128,165	109,539
(159,760)	(58,809)	(26,778)	(567,413)	(35,624)
-	1,125	-	8,625	10,500
-	-	-	8,583	28,507
-	11,730	-	88,597	123,117
11,241	20,734	-	33,975	3,949
<u>(112,722)</u>	<u>(11,483)</u>	<u>(21,106)</u>	<u>(299,468)</u>	<u>239,988</u>
<u>119,243</u>	<u>15,131</u>	<u>58,664</u>	<u>(24,591)</u>	<u>507,505</u>
6,361	-	-	172,000	172,000
-	-	-	-	653
-	-	100,000	100,000	353,298
-	-	-	-	39,000
-	-	(16,093)	(16,093)	-
-	-	-	-	(39,000)
<u>6,361</u>	<u>-</u>	<u>83,907</u>	<u>255,907</u>	<u>525,951</u>
125,604	15,131	142,571	231,316	1,033,456
5,062,211	1,781,073	1,069,101	17,686,211	16,652,755
<u>\$ 5,187,815</u>	<u>\$ 1,796,204</u>	<u>\$ 1,211,672</u>	<u>\$ 17,917,527</u>	<u>\$ 17,686,211</u>

CITY OF NEW BRIGHTON, MINNESOTA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For The Year Ended December 31, 2013

	Risk Management	Compensated Absences	Fleet Replacement
Cash flows from operating activities:			
Receipts from customers and users	\$ 479,500	\$ 6,187	\$ 413,530
Payments to employees	(15,339)	(69,097)	-
Payments to suppliers for goods and services	(489,638)	-	(2,794)
Net cash provided (used) by operating activities	<u>(25,477)</u>	<u>(62,910)</u>	<u>410,736</u>
Cash flows from noncapital financing activities:			
Refunds and reimbursements	<u>76,867</u>	-	-
Net cash provided (used) by noncapital and related financing activities	<u>76,867</u>	-	-
Cash flows from capital and related financing activities:			
Other	-	-	-
In-house engineering and administrative charges	-	-	-
Acquisition of capital assets	-	-	(497,264)
Transfer from (to) general fund	-	-	165,639
Transfer from (to) capital project funds	-	-	-
Proceeds from sale of capital assets	-	-	29,320
Contributions and donations	<u>2,000</u>	-	<u>7,500</u>
Net cash provided (used) by capital and related financing activities	<u>2,000</u>	-	<u>(294,805)</u>
Cash flows from investing activities:			
Investment income:			
Interest on investments	12,598	9,036	58,818
Change in fair value of investments	<u>(55,263)</u>	<u>(34,580)</u>	<u>(232,223)</u>
Net cash provided (used) by investing activities	<u>(42,665)</u>	<u>(25,544)</u>	<u>(173,405)</u>
Net increase in cash and cash equivalents	10,725	(88,454)	(57,474)
Cash and cash equivalents - January 1	<u>1,342,609</u>	<u>938,720</u>	<u>5,720,030</u>
Cash and cash equivalents - December 31	<u>\$ 1,353,334</u>	<u>\$ 850,266</u>	<u>\$ 5,662,556</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (27,531)	\$ (34,548)	\$ (1,393)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
Depreciation	-	-	402,999
Changes in assets and liabilities:			
Decrease (increase) in receivables	-	-	9,130
Decrease (increase) in prepaids	2,750	-	-
Increase (decrease) in payables	<u>(696)</u>	<u>(28,362)</u>	<u>-</u>
Total adjustments	<u>2,054</u>	<u>(28,362)</u>	<u>412,129</u>
Net cash provided (used) by operating activities	<u>\$ (25,477)</u>	<u>\$ (62,910)</u>	<u>\$ 410,736</u>

Non-Fleet Replacement	Information Technology	Pavement Management	Total	
			Internal Service Funds	
			2013	2012
\$ 369,500	\$ 518,200	\$ 100,200	\$ 1,887,117	\$ 1,893,690
-	(128,203)	-	(212,639)	(155,191)
(31,915)	(265,174)	(6,894)	(796,415)	(767,747)
<u>337,585</u>	<u>124,823</u>	<u>93,306</u>	<u>878,063</u>	<u>970,752</u>
-	-	-	76,867	117,117
-	-	-	<u>76,867</u>	<u>117,117</u>
-	-	-	-	449
-	-	-	-	653
(102,894)	(115,946)	-	(716,104)	(943,611)
6,361	-	-	172,000	172,000
-	-	83,907	83,907	353,298
-	-	-	29,320	19,377
-	12,855	-	22,355	20,000
<u>(96,533)</u>	<u>(103,091)</u>	<u>83,907</u>	<u>(408,522)</u>	<u>(377,834)</u>
39,405	15,125	6,223	141,205	105,034
(159,760)	(58,809)	(26,778)	(567,413)	(35,624)
<u>(120,355)</u>	<u>(43,684)</u>	<u>(20,555)</u>	<u>(426,208)</u>	<u>69,410</u>
120,697	(21,952)	156,658	120,200	779,445
<u>3,780,766</u>	<u>1,449,237</u>	<u>480,987</u>	<u>13,712,349</u>	<u>12,932,904</u>
<u>\$ 3,901,463</u>	<u>\$ 1,427,285</u>	<u>\$ 637,645</u>	<u>\$ 13,832,549</u>	<u>\$ 13,712,349</u>
\$ 231,965	\$ 26,614	\$ 79,770	\$ 274,877	\$ 267,517
132,580	107,167	20,430	663,176	649,956
-	-	-	9,130	42,650
-	-	-	2,750	(2,750)
(26,960)	(8,958)	(6,894)	(71,870)	13,379
<u>105,620</u>	<u>98,209</u>	<u>13,536</u>	<u>603,186</u>	<u>703,235</u>
<u>\$ 337,585</u>	<u>\$ 124,823</u>	<u>\$ 93,306</u>	<u>\$ 878,063</u>	<u>\$ 970,752</u>



FIDUCIARY FUNDS

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

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

CITY OF NEW BRIGHTON, MINNESOTA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUNDS
For The Year Ended December 31, 2013

Statement 25

	Balance January 1, 2013	Additions	Deductions	Balance December 31, 2013
Hazardous Materials Program Fund:				
Assets				
Cash and investments with trust agent	\$ 24,709	\$ 17,495	\$ 42,204	\$ -
Due from other governmental units	1,252	22,991	1,815	22,428
Total assets	\$ 25,961	\$ 40,486	\$ 44,019	\$ 22,428
Liabilities				
Accounts payable	\$ 14,258	\$ 8,938	\$ 21,914	\$ 1,282
Due to other governmental units	11,703	10,526	1,083	21,146
Total liabilities	\$ 25,961	\$ 19,464	\$ 22,997	\$ 22,428

**SUPPLEMENTARY
FINANCIAL
INFORMATION**

CITY OF NEW BRIGHTON, MINNESOTA
COMBINED SCHEDULE OF INDEBTEDNESS
December 31, 2013

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

Exhibit 1

Prior Years		Payable 1/1/2013	2013		Payable 12/31/2013	Principal Due In 2014	Interest Due In 2014	Interest Payable to Maturity
Original Issue	Payments		Issued	Payments				
\$ 455,000	\$ 160,000	\$ 295,000	\$ -	\$ 40,000	\$ 255,000	\$ 40,000	\$ 9,380	\$ 31,480
375,000	70,000	305,000	-	35,000	270,000	35,000	8,838	36,806
4,760,000	1,600,000	3,160,000	-	765,000	2,395,000	785,000	44,125	82,638
1,395,000	310,000	1,085,000	-	370,000	715,000	210,000	13,942	74,385
930,000	-	930,000	-	160,000	770,000	200,000	8,192	45,896
<u>7,915,000</u>	<u>2,140,000</u>	<u>5,775,000</u>	<u>-</u>	<u>1,370,000</u>	<u>4,405,000</u>	<u>1,270,000</u>	<u>84,477</u>	<u>271,205</u>
2,385,000	1,170,000	1,215,000	-	1,215,000	-	-	-	-
20,450,000	-	20,450,000	-	235,000	20,215,000	575,000	944,538	10,736,834
14,985,000	-	14,985,000	-	125,000	14,860,000	50,000	643,720	7,943,414
570,000	420,000	150,000	-	150,000	-	-	-	-
1,350,000	990,000	360,000	-	360,000	-	-	-	-
735,000	180,000	555,000	-	180,000	375,000	185,000	3,254	4,441
2,205,000	515,000	1,690,000	-	515,000	1,175,000	530,000	16,783	25,959
1,765,000	-	1,765,000	-	595,000	1,170,000	475,000	6,537	14,752
1,095,000	-	1,095,000	-	40,000	1,055,000	195,000	13,170	48,076
<u>45,540,000</u>	<u>3,275,000</u>	<u>42,265,000</u>	<u>-</u>	<u>3,415,000</u>	<u>38,850,000</u>	<u>2,010,000</u>	<u>1,628,002</u>	<u>18,773,476</u>
<u>\$ 53,455,000</u>	<u>\$ 5,415,000</u>	<u>\$ 48,040,000</u>	<u>\$ -</u>	<u>\$ 4,785,000</u>	<u>\$ 43,255,000</u>	<u>\$ 3,280,000</u>	<u>\$ 1,712,479</u>	<u>\$ 19,044,681</u>

CITY OF NEW BRIGHTON, MINNESOTA
DEBT SERVICE PAYMENTS TO MATURITY
SPECIAL ASSESSMENT BONDS
December 31, 2013

Exhibit 2

	2007A Bonds	2009A Bonds	2010A Bonds	2011A Bonds	2012A Bonds	Totals
Bonds Payable	\$255,000	\$270,000	\$2,395,000	\$715,000	\$770,000	\$4,405,000
Future Interest Payable	31,480	36,806	82,638	74,385	45,896	271,205
Totals	\$286,480	\$306,806	\$2,477,638	\$789,385	\$815,896	\$4,676,205
Payments to Maturity:						
2014	\$49,380	\$43,838	\$829,125	\$223,942	\$208,192	\$1,354,477
2015	47,800	42,787	823,325	67,601	212,077	1,193,590
2016	46,200	41,737	825,188	66,639	51,283	1,031,047
2017	49,500	45,562	-	75,289	50,877	221,228
2018	47,700	44,213	-	73,826	50,259	215,998
2019	45,900	42,713	-	72,185	49,471	210,269
2020	-	45,956	-	70,365	48,684	165,005
2021	-	-	-	68,383	47,761	116,144
2022	-	-	-	71,155	46,704	117,859
2023	-	-	-	-	50,588	50,588
Totals	\$286,480	\$306,806	\$2,477,638	\$789,385	\$815,896	\$4,676,205

CITY OF NEW BRIGHTON, MINNESOTA
DEBT SERVICE PAYMENTS TO MATURITY
TAX INCREMENT BONDS
December 31, 2013

Exhibit 3

	2006A Tax Increment Bonds	2007B Tax Increment Bonds	2011A Tax Increment Bonds	2011B Taxable Tax Increment Bonds	2012A Tax Increment Bonds	2012B Taxable Tax Increment Bonds	Totals
Bonds payable	\$ 20,215,000	\$ 14,860,000	\$ 375,000	\$ 1,175,000	\$ 1,170,000	\$ 1,055,000	\$ 38,850,000
Future interest payable	10,736,834	7,943,414	4,441	25,959	14,752	48,076	18,773,476
Totals	<u>\$ 30,951,834</u>	<u>\$ 22,803,414</u>	<u>\$ 379,441</u>	<u>\$ 1,200,959</u>	<u>\$ 1,184,752</u>	<u>\$ 1,103,076</u>	<u>\$ 57,623,476</u>
Payments to maturity:							
2014	\$ 1,519,538	\$ 693,720	\$ 188,254	\$ 546,783	\$ 481,537	\$ 208,170	\$ 3,638,002
2015	1,651,700	784,820	191,187	542,856	314,420	375,845	3,860,828
2016	1,649,825	1,166,120	-	111,320	182,770	93,565	3,203,600
2017	1,631,994	1,183,720	-	-	206,025	127,027	3,148,766
2018	1,647,781	1,170,320	-	-	-	130,002	2,948,103
2019	1,646,222	1,170,836	-	-	-	102,703	2,919,761
2020	1,642,612	1,169,951	-	-	-	65,764	2,878,327
2021	1,646,662	1,152,614	-	-	-	-	2,799,276
2022	1,656,650	1,143,904	-	-	-	-	2,800,554
2023	1,638,437	1,168,925	-	-	-	-	2,807,362
2024	1,638,325	1,167,475	-	-	-	-	2,805,800
2025	1,635,838	1,167,669	-	-	-	-	2,803,507
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	1,175,187	-	-	-	-	2,790,937
2032	1,604,125	1,188,375	-	-	-	-	2,792,500
2033	-	1,502,156	-	-	-	-	1,502,156
Totals	<u>\$ 30,951,834</u>	<u>\$ 22,803,414</u>	<u>\$ 379,441</u>	<u>\$ 1,200,959</u>	<u>\$ 1,184,752</u>	<u>\$ 1,103,076</u>	<u>\$ 57,623,476</u>

CITY OF NEW BRIGHTON, MINNESOTA
TAXABLE VALUATIONS, TAX LEVIES AND TAX RATES
December 31, 2013 and 2012

Exhibit 4

	<u>2013/14</u>	<u>2012/13</u>
Taxable valuations:		
Real estate	\$ 19,537,600	\$ 19,548,500
Personal property	302,400	300,900
Totals	<u>19,840,000</u>	<u>19,849,400</u>
Fiscal disparities:		
Contribution	(2,441,300)	(2,448,300)
Distribution	2,917,000	3,195,700
Tax increment	<u>(2,875,600)</u>	<u>(2,950,000)</u>
Totals	<u>\$ 17,440,100</u>	<u>\$ 17,646,800</u>
Taxes levied:		
General revenue	\$ 5,986,008	\$ 6,319,808
Bonded debt	<u>808,300</u>	<u>967,500</u>
Totals	<u>\$ 6,794,308</u>	<u>\$ 7,287,308</u>
Local tax rate:		
General Revenue	36.975	35.917
Debt Service	<u>4.993</u>	<u>5.499</u>
Totals	<u>41.968</u>	<u>41.416</u>

Note: Valuations are rounded to the nearest hundred.

CITY OF NEW BRIGHTON, MINNESOTA
SCHEDULE OF DEFERRED TAX LEVIES
 December 31, 2013

Exhibit 5

Special Assessment Bonds

Year of Levy/ Collection	2007 Improvement Bonds	2009 Improvement Bonds	2010 Improvement Bonds	2011 Improvement Bonds	2012 Improvement Bonds	Totals
2013/2014	\$ 40,300	\$ 28,000	\$ 872,800	\$ 53,545	\$ 208,213	\$ 1,202,858
2014/2015	39,100	27,600	877,100	53,363	39,279	1,036,442
2015/2016	43,200	32,600	-	63,103	39,258	178,161
2016/2017	41,800	32,000	-	62,106	39,142	175,048
2017/2018	40,400	31,300	-	61,110	38,672	171,482
2018/2019	-	35,600	-	59,738	38,202	133,540
2019/2020	-	-	-	58,367	37,733	96,100
2020/2021	-	-	-	61,904	36,979	98,883
2021/2022	-	-	-	-	41,476	41,476
	<u>\$ 204,800</u>	<u>\$ 187,100</u>	<u>\$ 1,749,900</u>	<u>\$ 473,236</u>	<u>\$ 518,954</u>	<u>\$ 3,133,990</u>

Note: Amounts rounded to the nearest hundred.





**III. STATISTICAL
SECTION
(UNAUDITED)**



III. Statistical Section (Unaudited)

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

<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.	137
Revenue Capacity These schedules contain information to help the reader assess the City’s most significant local revenue source, the property tax.	142
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.	146
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.	151
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.	153

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



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

Schedule 1

	Fiscal Year									
	2013	2012	2011, restated	2010	2009	2008	2007, As Restated	2006	2005	2004
Governmental activities										
Net Investment in capital assets	\$ 40,676,120	\$ 40,746,517	\$ 41,276,316	\$ 39,399,953	\$ 37,130,837	\$ 36,252,630	\$ 35,983,366	\$ (1,308,162)	\$ 16,449,848	\$ 14,654,768
Restricted	1,207,779	1,337,498	1,452,611	2,802,493	4,505,248	6,942,556	9,623,225	23,466,889	25,988,169	6,139,944
Unrestricted	11,748,464	18,074,024	15,851,796	14,083,779	10,417,177	483,829	(4,503,677)	28,563,054	18,586,677	45,147,050
Total governmental activities net position	\$ 53,632,363	\$ 60,158,039	\$ 58,580,723	\$ 56,286,225	\$ 52,053,262	\$ 43,679,015	\$ 41,102,914	\$ 50,721,781	\$ 61,024,694	\$ 65,941,762
Business-type activities										
Net Investment in capital assets	\$ 11,511,673	\$ 11,326,255	\$ 11,054,111	\$ 10,560,115	\$ 10,124,668	\$ 9,302,659	\$ 9,513,849	\$ 9,767,381	\$ 9,250,962	\$ 9,300,245
Restricted	-	-	58,940	58,940	58,940	58,940	58,940	58,940	58,940	-
Unrestricted	2,550,101	3,164,475	3,366,382	3,508,642	3,839,992	4,926,513	4,802,394	3,538,189	3,492,932	3,449,906
Total business-type activities net position	\$ 14,061,774	\$ 14,490,730	\$ 14,479,433	\$ 14,127,697	\$ 14,023,600	\$ 14,288,112	\$ 14,375,183	\$ 13,364,510	\$ 12,802,834	\$ 12,750,151
Primary government										
Net Investment in capital assets	\$ 52,187,793	\$ 52,072,772	\$ 52,330,427	\$ 49,960,068	\$ 47,255,505	\$ 45,555,289	\$ 45,497,215	\$ 8,459,219	\$ 25,700,810	\$ 23,955,013
Restricted	1,207,779	1,337,498	1,511,551	2,861,433	4,564,188	7,001,496	9,682,165	23,525,829	26,047,109	6,139,944
Unrestricted	14,298,565	21,238,499	19,218,178	17,592,421	14,257,169	5,410,342	298,717	32,101,243	22,079,609	48,596,956
Total primary government net position	\$ 67,694,137	\$ 74,648,769	\$ 73,060,156	\$ 70,413,922	\$ 66,076,862	\$ 57,967,127	\$ 55,478,097	\$ 64,086,291	\$ 73,827,528	\$ 78,691,913

CITY OF NEW BRIGHTON, MINNESOTA

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

Schedule 2

	Fiscal Year									
	2013	2012	2011, restated	2010	2009	2008	2007	2006	2005	2004
Expenses										
Governmental activities:										
General government	\$ 1,768,059	\$ 1,708,455	\$ 1,669,295	\$ 1,649,952	\$ 1,563,223	\$ 1,761,472	\$ 1,387,717	\$ 1,621,987	\$ 898,444	\$ 1,523,375
Community development	7,921,259	2,338,616	2,294,932	1,929,557	1,010,044	5,553,914	8,265,917	16,583,307	7,057,696	4,313,219
Public safety	5,201,983	5,074,784	5,131,153	5,180,599	5,125,263	4,924,853	4,637,656	4,499,574	4,687,187	4,303,569
Public works	6,710,073	5,620,482	4,939,938	5,202,189	5,115,047	5,003,738	5,132,600	4,334,246	6,011,310	4,885,746
Parks and recreation	2,839,949	2,787,129	1,958,747	2,597,584	2,547,634	2,794,698	2,721,099	2,569,548	3,102,466	2,394,749
Interest on long-term debt	1,751,388	1,966,395	2,085,176	2,277,117	2,653,080	2,848,149	3,262,742	1,956,610	1,758,376	1,479,943
Total governmental activities expenses	26,192,711	19,495,861	18,079,241	18,836,998	18,014,291	22,886,824	25,407,731	31,565,272	23,515,479	18,900,601
Business-type activities:										
Water	\$ 1,574,048	\$ 1,575,995	\$ 1,390,229	\$ 1,475,820	\$ 2,448,142	\$ 1,773,056	\$ 1,348,406	\$ 1,302,442	\$ 1,278,387	\$ 1,218,282
Sewer	2,548,167	2,402,868	2,354,110	2,377,676	2,365,701	2,310,703	2,127,942	2,075,864	2,120,194	2,002,225
Stormwater	577,036	577,794	584,133	499,466	487,139	440,236	440,236	412,708	464,777	449,779
Street lights	181,004	202,503	180,971	135,291	154,145	162,066	136,754	143,245	114,282	140,723
Golf course	317,793	334,621	321,992	381,813	326,760	333,179	326,205	330,781	301,700	397,752
Driving range	-	-	-	-	-	-	-	-	-	102,964
Total business-type activities expenses	5,198,048	5,093,781	4,831,435	4,870,066	5,841,945	5,066,143	4,379,543	4,265,040	4,279,340	4,311,725
Total primary government expenses	\$ 31,390,759	\$ 24,589,642	\$ 22,910,676	\$ 23,707,064	\$ 23,856,236	\$ 27,952,967	\$ 29,787,274	\$ 35,830,312	\$ 27,794,819	\$ 23,212,326
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 579,246	\$ 585,618	\$ 575,232	\$ 473,030	\$ 619,381	\$ 705,376	\$ 556,358	\$ 469,381	\$ 446,664	\$ 410,125
Community development	754,608	913,972	341,215	907,172	4,361,146	2,460,694	2,478,331	3,694,047	983,430	860,102
Public safety	187,172	190,095	171,107	205,459	184,173	174,948	260,361	291,643	94,815	182,545
Public works	5,115,235	4,444,908	4,030,699	3,923,552	3,451,319	3,190,634	2,403,579	1,541,892	1,488,568	2,667,809
Parks and recreation	1,367,810	1,302,489	300,830	1,151,129	1,399,049	1,454,712	1,347,426	1,311,123	1,529,661	1,329,326
Operating grants and contributions	1,218,959	1,336,617	1,108,118	865,658	1,108,118	3,426,066	2,026,319	655,103	783,038	841,054
Capital grants and contributions	407,943	342,903	2,627,411	2,804,804	3,100,371	205,136	137,023	469,710	2,330,459	697,180
Total governmental activities program revenues	9,630,973	9,116,602	8,063,075	10,330,804	14,223,557	11,617,567	9,209,397	8,432,899	7,656,635	6,988,141
Business-type activities:										
Charges for services:										
Water	1,603,368	1,565,125	1,483,494	1,395,182	1,476,476	1,460,811	1,454,951	1,489,953	1,503,409	1,481,950
Sewer	2,407,673	2,245,207	2,340,793	2,195,172	2,119,513	2,019,223	1,998,062	1,860,718	1,822,857	1,835,131
Stormwater	629,458	642,159	644,395	694,998	753,890	825,785	824,511	786,637	629,005	545,489
Street lights	189,845	181,562	176,641	164,902	170,113	149,436	144,681	129,903	102,245	113,932
Golf Course	235,737	257,495	246,508	303,604	317,075	311,314	286,737	282,033	244,982	270,876
Driving range	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	-	-	-	2,918	21,416	20,834	22,727	24,547	26,297	42,980
Capital grants and contributions	-	-	-	-	105,070	105,070	26,782	805,195	-	84,140
Total business-type activities program revenues	5,066,081	4,891,548	4,891,831	4,756,776	4,858,483	4,892,473	4,758,451	5,378,986	4,328,795	4,374,498
Total primary government program revenues	\$ 14,697,054	\$ 14,008,150	\$ 12,954,906	\$ 15,087,580	\$ 19,082,040	\$ 16,510,039	\$ 13,967,848	\$ 13,811,885	\$ 11,985,430	\$ 11,362,639
Net (Expense)/Revenue										
Governmental activities	\$ (16,561,738)	\$ (10,379,259)	\$ (10,016,166)	\$ (8,506,194)	\$ (3,790,734)	\$ (11,269,258)	\$ (16,198,334)	\$ (23,132,373)	\$ (15,858,844)	\$ (11,912,460)
Business-type activities	(131,967)	(202,233)	60,396	(113,290)	(983,462)	(173,670)	378,908	1,113,946	49,455	62,773
Total primary government net (expense)	\$ (16,693,705)	\$ (10,581,492)	\$ (9,955,770)	\$ (8,619,484)	\$ (4,774,196)	\$ (11,442,928)	\$ (15,819,426)	\$ (22,018,427)	\$ (15,809,389)	\$ (11,849,687)

CITY OF NEW BRIGHTON, MINNESOTA

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

Schedule 2

	Fiscal Year									
	2013	2012	2011, restated	2010	2009	2008	2007	2006	2005	2004
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	\$ 7,570,367	\$ 7,520,854	\$ 7,205,425	\$ 7,182,201	\$ 7,251,348	\$ 7,011,671	\$ 6,760,673	\$ 6,388,283	\$ 5,887,601	\$ 5,462,075
Tax increment	3,588,394	4,361,146	4,377,928	4,481,254	4,054,948	3,595,188	3,360,048	3,006,534	2,821,055	2,865,230
Unrestricted grants and contributions	-	-	33,968	56,987	203,872	-	277,110	306,390	381,184	361,452
Unrestricted investment earnings	(1,376,544)	259,280	925,189	1,104,505	1,091,817	2,485,044	3,818,651	2,357,892	1,789,083	2,064,798
Gain (loss) on sale of capital assets	12,731	14,394	13,091	74,993	20,113	678,001	5,664,244	1,051	-	357,106
Premium on debt issued	-	(199,099)	-	-	-	-	-	121,189	-	-
Transfers	241,114	(199,099)	(244,937)	(160,783)	(457,117)	75,455	940,630	648,121	62,853	550,819
Total governmental activities	10,036,062	11,956,575	12,310,664	12,739,157	12,164,981	13,845,359	20,821,356	12,829,460	10,941,776	11,661,480
Business-type activities:										
Taxes:										
Property taxes	4,268	2,207	2,219	4,158	4,186	6,173	-	3,211	3,160	-
Unrestricted investment earnings	(60,143)	12,224	44,184	52,446	71,706	155,881	146,230	92,640	62,921	81,211
Transfers	(241,114)	199,099	244,937	160,783	457,117	(75,455)	(940,630)	(648,121)	(62,853)	(550,819)
Total business-type activities	(9,739,073)	12,170,105	12,602,004	12,956,544	12,697,990	13,931,958	(794,400)	(552,270)	3,228	(469,608)
Total primary government	\$ 9,739,073	\$ 12,170,105	\$ 12,602,004	\$ 12,956,544	\$ 12,697,990	\$ 13,931,958	\$ 20,026,956	\$ 12,277,190	\$ 10,945,004	\$ 11,191,872
Change in Net Position										
Governmental activities	\$ (6,525,676)	\$ 1,577,316	\$ 2,294,498	\$ 4,232,963	\$ 8,374,247	\$ 2,576,101	\$ 4,623,022	\$ (10,302,913)	\$ (4,917,068)	\$ (250,980)
Business-type activities	(428,956)	11,297	351,736	104,097	(450,453)	(87,071)	(415,492)	561,676	52,683	(406,835)
Total primary government	\$ (6,954,632)	\$ 1,588,613	\$ 2,646,234	\$ 4,337,060	\$ 7,923,794	\$ 2,489,030	\$ 4,207,530	\$ (9,741,237)	\$ (4,864,385)	\$ (657,815)

CITY OF NEW BRIGHTON, MINNESOTA
Fund Balances, Governmental Funds

Schedule 3

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ 8,032	\$ 6,628	\$ 11,859	\$ 7,168	\$ 7,932	\$ -	\$ 120
Unreserved	-	-	-	4,845,673	5,901,102	5,656,083	5,515,202	4,758,287	4,252,689	2,782,433
Nonspendable:										
Prepays	8,059	3,938	9,631	-	-	-	-	-	-	-
Unassigned	6,071,022	6,031,782	5,744,435	-	6,628	11,859	7,168	7,932	-	120
Total Reserved	-	-	-	8,032	6,628	11,859	7,168	7,932	-	120
Total Unreserved	-	-	-	4,845,673	5,901,102	5,656,083	5,515,202	4,758,287	4,252,689	2,782,433
Total General Fund Balance	6,079,081	6,035,720	5,754,066	4,853,705	5,907,730	5,667,942	5,522,370	4,766,219	4,252,689	2,782,553
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ 11,650,364	\$ 13,542,485	\$ 11,668,615	\$ 10,356,458	\$ 17,100,648	\$ 25,726,964	\$ 3,613,694
Unreserved, reported in:										
Debt service funds	-	-	-	2,391,073	4,273,491	6,365,347	7,956,366	-	-	-
Capital projects funds	-	-	-	9,421,952	7,180,581	11,245,580	17,062,279	15,109,514	(6,418,830)	28,729,927
Nonspendable:										
Prepays	-	-	429	-	-	-	-	-	-	-
Restricted	15,410,209	6,312,907	5,279,524	-	-	-	-	-	-	-
Committed	23,878,389	23,377,592	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Special revenue funds	95,812	89,660	96,917	-	-	-	-	-	-	-
Capital projects funds	4,669,631	5,867,005	29,402,857	-	-	-	-	-	-	-
Unassigned	(6,787,937)	(13,198,761)	(12,722,794)	-	-	-	-	-	-	-
Total Reserved	-	-	-	11,650,364	13,542,485	11,668,615	10,356,458	17,100,648	25,726,964	3,613,694
Total Unreserved	-	-	-	11,813,025	11,454,072	17,610,927	25,018,645	15,109,514	(6,418,830)	28,729,927
Total All Other Governmental Funds	37,266,104	22,448,403	22,056,933	23,463,389	24,996,557	29,279,542	35,375,103	32,210,162	19,308,134	32,343,621
Total All Governmental Funds	\$ 43,345,185	\$ 28,484,123	\$ 27,810,999	\$ 28,317,094	\$ 30,904,287	\$ 34,947,484	\$ 40,897,473	\$ 36,976,381	\$ 23,560,823	\$ 35,126,174

Note: GASB 54 was implemented in 2011.

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

Schedule 4

	Fiscal Year									
	2013	2012	2011, restated	2010	2009	2008	2007	2006	2005	2004
Revenues										
General property taxes	\$ 7,688,670	\$ 7,559,535	\$ 7,301,270	\$ 7,059,034	\$ 7,048,127	\$ 6,972,578	\$ 6,729,161	\$ 6,380,719	\$ 5,882,683	\$ 4,977,382
Tax increment	3,588,594	4,361,145	4,377,928	4,481,254	4,054,948	3,595,188	3,360,048	3,006,534	2,817,671	2,862,577
Licenses and permits	516,160	482,589	691,400	481,672	437,869	782,484	862,997	648,967	646,285	378,849
Intergovernmental	1,435,030	1,437,101	1,333,219	3,719,919	4,095,446	4,628,885	3,264,869	1,779,972	1,572,950	1,594,456
Charges for services	7,097,184	8,893,525	7,685,258	8,095,320	7,850,869	7,260,010	6,617,810	3,622,963	3,578,593	3,525,213
Notes receivable payments	-	-	-	-	-	9,427	18,854	18,854	18,854	18,854
Loan receivable payments	-	-	-	-	-	-	-	-	-	114,109
Special assessments	95,327	145,934	205,342	161,272	258,479	240,044	234,659	303,828	330,975	404,634
Fines and forfeits	118,675	95,798	98,140	59,827	65,897	63,621	57,784	66,659	60,211	63,604
Investment earnings	(979,447)	191,949	717,309	901,177	958,723	2,203,761	3,333,296	2,055,174	1,576,372	1,794,325
Interest on note receivable	-	-	-	-	-	-	-	-	-	9,000
Interest on interfund loans	-	-	-	-	-	-	-	-	-	5,300
Other Interest	515,909	464,602	465,892	531,654	455,275	405,125	329,352	469,255	5,300	-
Capital use fee	97	790	-	-	-	-	-	-	-	-
Rents	238,722	260,637	217,959	204,931	63,000	60,600	79,400	-	10,000	6,900
Refunds and reimbursements	30,179	39,295	11,942	24,170	208,289	25,390	216,919	192,815	227,052	150,603
In-house engineering and administrative charges	-	8,557	36,466	-	-	-	-	-	-	-
Contributions and donations	64,575	31,120	24,121	55,598	45,838	126,921	46,642	53,572	27,576	31,577
Park dedication charge	-	1,630	202,120	-	-	-	-	35,539	-	-
Other	-	-	-	-	-	8,167	102,190	-	-	-
Total revenues	20,409,475	23,974,207	23,368,366	25,775,828	25,598,457	26,632,490	25,266,173	21,903,323	18,476,835	17,244,968
Expenditures										
General government	1,685,427	1,641,015	1,563,831	1,579,475	1,579,060	1,741,393	1,594,251	1,562,324	1,466,849	1,436,545
Community development	7,108,035	1,265,774	1,349,740	1,617,739	2,149,606	3,045,866	3,252,155	23,228,341	12,513,813	7,962,327
Parks and recreation	2,824,212	2,687,080	2,521,209	2,665,955	2,514,504	2,582,137	2,461,861	2,405,097	3,056,577	2,137,882
Public safety	4,847,483	4,778,626	4,868,047	4,914,930	4,850,850	4,702,894	4,347,562	4,262,344	4,149,531	4,020,536
Public works	3,923,398	6,654,129	5,407,871	6,155,603	5,290,764	5,290,764	4,924,220	4,516,946	3,491,436	3,075,691
Interfund interest	515,909	464,602	465,875	531,323	453,342	401,598	329,644	450,373	259,910	138,339
Capital outlay	2,793,433	1,240,885	3,713,523	2,564,031	6,542,705	8,993,065	5,745,954	38,869	639,345	2,203,108
Debt service:										
Principal	3,770,000	5,865,000	3,515,000	3,680,000	3,945,000	3,860,000	3,765,000	3,609,404	3,056,622	2,992,469
Interest	1,814,228	2,011,060	2,190,988	2,490,903	2,764,390	3,009,469	2,793,666	1,575,817	1,661,834	1,505,993
Bond issuance costs	-	-	-	-	-	-	-	-	12,700	56,363
Other	-	-	-	-	3,745	4,548	-	-	-	-
Total expenditures	29,282,125	26,608,171	25,596,084	26,199,959	30,390,877	33,631,734	29,214,313	41,649,515	30,308,617	25,529,253
Excess of revenues over (under) expenditures	(8,872,650)	(2,633,964)	(2,227,718)	(424,131)	(4,792,420)	(6,999,244)	(3,948,140)	(19,746,192)	(11,831,782)	(8,284,285)
Other Financing Sources (Uses)										
Bond proceeds	-	3,790,000	4,335,000	4,760,000	2,295,000	-	15,440,000	32,401,940	-	10,585,000
Premium (discount) on debt issued	-	-	-	76,238	14,116	-	(199,241)	121,189	-	45,317
Refunded debt	(1,015,000)	-	(3,640,000)	(5,725,000)	(1,890,000)	-	(11,951,940)	-	-	-
Transfers in	7,943,246	6,947,232	8,349,567	8,422,604	6,235,149	11,893,296	10,396,641	8,103,833	264,496	550,819
Transfers out	(7,767,783)	(7,430,144)	(8,017,729)	(9,751,653)	(5,907,842)	(11,126,267)	(9,370,987)	(7,468,712)	-	-
Sale of land or capital assets	4,149	-	-	54,749	2,800	282,226	3,554,759	3,500	1,935	357,106
Total other financing sources (uses)	(835,388)	3,307,088	1,026,838	(2,163,062)	749,223	1,049,255	7,869,232	33,161,750	266,431	11,536,242
Special Item - sale of land	-	-	694,785	-	-	-	-	-	-	-
Net change in fund balances	(9,708,038)	673,124	(506,095)	(2,587,193)	(4,043,197)	(5,949,989)	3,921,092	13,415,558	(11,565,351)	3,251,957
Debt service as a percentage of noncapital expenditures	20.0%	30.6%	25.0%	25.0%	23.3%	21.4%	22.9%	12.6%	16.2%	19.3%

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			
2004	17,903,500	223,800	18,127,300	547,100	(2,586,500)	16,087,900	1,539,088,700	1.34
2005	20,014,100	236,700	20,250,800	566,700	(2,649,400)	18,168,100	1,732,531,300	1.20
2006	21,645,300	246,500	21,891,800	557,800	(2,776,700)	19,672,900	1,888,235,800	1.21
2007	23,336,100	257,300	23,593,400	613,400	(3,176,000)	21,030,800	2,026,064,400	1.14
2008	24,599,600	259,800	24,859,400	887,100	(3,657,800)	22,088,700	2,115,568,700	1.12
2009	24,615,700	260,600	24,876,300	996,700	(3,929,500)	21,943,500	2,091,744,100	1.20
2010	23,727,900	255,600	23,983,500	1,083,000	(4,103,900)	20,962,600	2,005,697,200	1.36
2011	22,461,200	270,700	22,731,900	862,500	(3,850,800)	19,743,600	1,910,547,900	1.35
2012	20,644,900	283,500	20,928,400	528,400	(3,602,300)	17,854,500	1,736,054,500	1.59
2013	19,548,500	300,900	19,849,400	747,400	(2,950,000)	17,646,800	1,746,296,100	1.61

Source: Ramsey County Department of Property Records and Revenue.

Note: Amounts rounded to the nearest hundred.

CITY OF NEW BRIGHTON, MINNESOTA
 Direct and Overlapping Property Tax Rates
 Last Ten Fiscal Years
 (rate per \$1,000 of assessed value)
 (Unaudited)

Schedule 6

Fiscal Year	City Direct Rates			Overlapping Rates			Total
	Basic Rate	General Obligation Debt Service	Total Direct	School (1)	County	Other (2)	
2004	1.07	0.27	1.34	0.82	1.99	0.20	4.35
2005	0.95	0.25	1.20	0.79	1.76	0.21	3.96
2006	0.96	0.25	1.21	0.83	1.66	0.26	3.96
2007	0.91	0.23	1.14	0.80	1.55	0.27	3.76
2008	0.92	0.20	1.12	0.70	1.51	0.26	3.59
2009	1.05	0.15	1.20	0.81	1.65	0.27	3.93
2010	1.17	0.19	1.36	0.91	1.85	0.29	4.41
2011	1.18	0.17	1.35	0.98	2.09	0.32	4.74
2012	1.34	0.25	1.59	1.22	2.57	0.42	5.80
2013	1.40	0.21	1.61	1.15	2.54	0.40	5.69

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

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

Source: Ramsey County Department of Taxation.

CITY OF NEW BRIGHTON, MINNESOTA

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

Schedule 7

Taxpayer	2013			2004		
	Net Tax Capacity for Taxes Payable	Rank	Percent of Total City Net Tax Capacity	Net Tax Capacity for Taxes Payable	Rank	Percent of Total City Net Tax Capacity
Industrial Equities Group LLC	\$ 625,140	1	3.15%	\$ 377,826	1	2.35%
Xcel Energy	263,696	2	1.33%	207,110	3	1.29%
HSNB LLC	223,890	3	1.13%	-	-	-
AX US LP	191,416	4	0.96%	-	-	-
Engelsma Investment	180,338	5	0.91%	-	-	-
New Brighton Business Center LLC	179,352	6	0.90%	193,816	4	1.20%
CU Mortgage Services Inc	170,250	7	0.86%	126,500	6	0.79%
Spartacus Ventures LLC	153,610	8	0.77%	-	-	-
Remmele Engineering Inc.	140,222	9	0.71%	107,250	10	0.67%
Individuals	139,250	10	0.70%	-	-	-
Polynesian Village 1994 LP	-	-	-	211,390	2	1.31%
Brighton Village Apts LLC	-	-	-	157,320	5	0.98%
Business Data Records Services	-	-	-	121,594	7	0.76%
LL900 Assoc. LP	-	-	-	119,250	8	0.74%
Donnatelle	-	-	-	119,224	9	0.74%
Total	<u>\$ 2,267,164</u>		<u>11.42%</u>	<u>\$ 1,741,280</u>		<u>10.83%</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

<u>Fiscal Year Ended Dec 31,</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Current Levy Collected</u>	<u>Delinquent Tax Collections in Subsequent Years</u>	<u>Total Tax Collections</u>	<u>Total Collections and Adjustments as a Percent of Levy</u>
2004	\$ 5,760,200	\$ 5,716,700	99.24%	\$ 22,300	\$ 5,739,000	99.63%
2005	6,187,900	6,122,100	98.94%	16,600	6,138,700	99.20%
2006	6,708,100	6,590,500	98.25%	56,800	6,647,300	99.09%
2007	6,973,500	6,866,600	98.47%	41,800	6,908,400	99.07%
2008	7,248,200	7,143,900	98.56%	47,700	7,191,600	99.22%
2009	7,395,700	7,261,300	98.18%	52,500	7,313,800	98.89%
2010	7,395,700	7,243,400	97.94%	74,600	7,318,000	98.95%
2011	7,395,700	7,312,200	98.87%	40,900	7,353,100	99.42%
2012	7,287,300	7,215,400	99.01%	46,300	7,261,700	99.65%
2013	7,388,300	7,330,800	99.22%	-	7,330,800	99.22%

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						Contract for Debt Payable	Business-Type Activities Revenue Bonds	Total Primary Government	Debt as a Percentage of Personal Income (1)	
	Equipment Certificates	G.O. Improvement Bonds	Tax Incremental Bonds	EDA Revenue Bonds	Notes Payable	Debt Per Capita (1)				Percentage of Personal Income (1)	
2004	\$ 905,000	\$ 8,880,000	\$ 19,285,000	\$ 11,220,000	\$ 320,700	\$ 175,100	\$ 1,220,000	\$ 42,005,800	6.86%	\$ 1,892	
2005	455,000	7,510,000	18,545,000	10,340,000	238,900	159,800	1,030,000	38,278,700	6.25%	1,724	
2006	-	6,420,000	37,465,000	9,420,000	12,101,600	140,100	905,000	66,451,700	10.85%	2,993	
2007	-	5,775,000	50,745,000	8,460,000	52,100	122,700	770,000	65,924,800	9.33%	2,944	
2008	-	4,685,000	48,980,000	7,455,000	-	101,300	675,000	61,896,300	8.37%	2,764	
2009	-	4,010,000	47,165,000	6,405,000	-	80,700	580,000	58,240,700	8.38%	2,587	
2010	-	7,715,000	45,220,000	-	-	59,265	480,000	53,474,265	8.28%	2,492	
2011	-	6,790,000	43,325,000	-	-	38,855	340,000	50,493,855	7.29%	2,353	
2012	-	5,775,000	42,265,000	-	-	-	-	48,040,000	6.93%	2,235	
2013	-	4,405,000	38,850,000	-	-	-	-	43,255,000	6.10%	1,966	

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>
2004	\$ 905,000	\$ 8,880,000	\$ 9,785,000	0.64%	\$ 441
2005	455,000	7,510,000	7,965,000	0.46%	359
2006	-	6,420,000	6,420,000	0.34%	289
2007	-	5,775,000	5,775,000	0.29%	258
2008	-	4,685,000	4,685,000	0.22%	209
2009	-	4,010,000	4,010,000	0.19%	178
2010	-	7,715,000	7,715,000	0.38%	360
2011	-	6,790,000	6,790,000	0.36%	316
2012	-	5,775,000	5,775,000	0.33%	269
2013	-	4,405,000	4,405,000	0.25%	200

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, 2013
 (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	\$ 191,022,000	3.98%	\$ 7,598,176
Ramsey County Library	18,750,000	7.77%	1,456,198
Metro Watershed	1,552,038	-	-
School Districts:			
ISD No. 282	22,270,000	14.70%	3,274,418
ISD No. 621	157,788,495	21.05%	33,217,549
ISD No. 916	3,950,000	3.63%	143,513
Metro Council	1,396,829,257	0.60%	8,313,800
Metro Airports Commision	<u>6,075,000</u>	0.60%	<u>36,158</u>
Total Overlapping Debt	1,798,236,790		54,039,812
<u>Direct Debt:</u>			
City of New Brighton	<u>43,255,000</u>		<u>43,255,000</u>
Total Overlapping and Direct Debt	<u><u>\$ 1,841,491,790</u></u>		<u><u>\$ 97,294,812</u></u>
<u>Debt Ratios:</u>			
Ratio of debt per capita (21,996 population) - overlapping			\$ 2,457
Ratio of debt per capita (21,996 population) - direct			\$ 1,966
Ratio of debt per capita (21,996 population) - total			\$ 4,423
Ratio of debt to estimated market valuation of \$1,746,296,100			5.57%

* 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

	December 31, 2013	December 31, 2012	December 31, 2011	December 31, 2010	December 31, 2009	December 31, 2008	December 31, 2007	December 31, 2006	December 31, 2005	December 31, 2004
Market value	\$ 1,746,296,100	\$ 1,736,054,500	\$ 1,910,547,900	\$ 2,005,697,200	\$ 2,091,744,100	\$ 2,115,568,700	\$ 2,026,064,400	\$ 1,888,235,800	\$ 1,732,531,300	\$ 1,539,088,700
Applicable debt limit (percentage)	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Debt limit	\$ 52,388,883	\$ 52,081,635	\$ 57,316,437	\$ 60,170,916	\$ 62,752,323	\$ 63,467,061	\$ 60,781,932	\$ 56,647,074	\$ 51,975,939	\$ 46,172,661
Amount of debt applicable to debt limit:										
Total bonded debt	\$ 43,255,000	\$ 48,040,000	\$ 50,455,000	\$ 53,415,000	\$ 58,160,000	\$ 61,795,000	\$ 65,750,000	\$ 54,210,000	\$ 37,880,000	\$ 41,510,000
Less: Improvement, tax increment and revenue bonds	(43,255,000)	(48,040,000)	(50,455,000)	(53,415,000)	(51,755,000)	(54,340,000)	(57,290,000)	(45,930,000)	(28,570,000)	(31,195,000)
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)
Total debt applicable to debt limit	-	-	-	-	5,399,332	6,007,281	7,035,735	6,968,261	8,263,712	9,302,152
Legal debt margin	\$ 52,388,883	\$ 52,081,635	\$ 57,316,437	\$ 60,170,916	\$ 57,352,991	\$ 57,459,780	\$ 53,746,197	\$ 49,678,813	\$ 43,712,227	\$ 36,870,509
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	8.60%	9.47%	11.58%	12.30%	15.90%	20.15%

CITY OF NEW BRIGHTON, MINNESOTA

Pledged-Revenue Coverage

Last Ten Fiscal Years

(Unaudited)

Schedule 13

Fiscal Year	Special Assessment Collections	Debt Service Requirements			Coverage
		Principal	Interest and Paying Agent Fees	Total	
Special Assessment:					
2004	\$ 222,600	\$ 1,275,000	\$ 334,400	\$ 1,609,400	0.14
2005	202,600	1,370,000	312,700	1,682,700	0.12
2006	183,000	1,090,000	270,600	1,360,600	0.13
2007	169,300	1,100,000	229,100	1,329,100	0.13
2008	147,300	1,090,000	206,200	1,296,200	0.11
2009	128,900	1,050,000	160,600	1,210,600	0.11
2010	115,000	1,055,000	131,800	1,186,800	0.10
2011	96,700	2,320,000	174,400	2,494,400	0.04
2012	84,000	1,945,000	137,800	2,082,800	0.04
2013	73,800	1,370,000	109,700	1,479,700	0.05

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>
2004	22,206	\$ 612,308	\$ 27,574	3.1%
2005	22,206	612,308	27,574	2.5%
2006	22,206	612,308	27,574	3.2%
2007	22,391	706,705	31,562	3.9%
2008	22,391	739,418	33,023	4.5%
2009	22,511	694,599	30,856	6.9%
2010	21,456	645,804	30,099	7.2%
2011	21,456	692,278	32,265	6.2%
2012	21,496	693,568	32,265	5.1%
2013	21,996	709,459	32,254	4.8%

- (1) Population provided by the federal census for 2004 through 2006 and 2010 through 2011.
 Population provided by Metropolitan Council estimate for 2007 through 2009 and 2012 through 2013.
- (2) Personal income and per capita personal income figures provided by American Community Survey compiled by Metropolitan Council.
- (3) Unemployment rate figures provided by Minnesota Dept of Employment and Economic Development based on an annual average.

CITY OF NEW BRIGHTON, MINNESOTA

Principal Employers
 Current Year and Nine Years Ago
 (Unaudited)

Schedule 15

Employer	2013			2004		
	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	7.06%	400	2	3.63%
Independent School District No. 621 (3)	584	2	6.51%	1,961	1	17.82%
H. Brooks & Company	500	3	5.57%	-	-	-
Donnatelle	350	4	3.90%	400	3	3.63%
City of New Brighton	268	5	2.99%	-	-	-
Hypro LLC	240	6	2.68%	225	5	2.04%
Mission Foods	220	7	2.45%	-	-	-
Lakeville Motor Express Inc.	200	8	2.23%	-	-	-
Health & Rehab of New Brighton	180	9	2.01%	-	-	-
Print Craft, Inc.	175	10	1.95%	200	6	1.82%
Next Day Gourmet	-	-	-	260	4	2.36%
Remmele Engineering	-	-	-	180	7	1.64%
Corporate Express	-	-	-	160	8	1.45%
Cub Foods	-	-	-	145	9	1.32%
Trevilla Nursing Home	-	-	-	140	10	1.27%

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

(2) Source: Telephone survey of individual employers, August 2004

(3) Information for 2004 reflects total District employment. Information for 2013 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	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Government										
Administration (1)	4.33	4.33	4.30	4.00	5.30	5.30	5.50	5.40	5.30	4.80
Finance	5.25	5.25	5.25	5.30	5.30	5.20	5.30	5.30	5.50	5.50
Elections	0.65	1.04	1.00	0.80	0.40	1.00	0.70	0.70	0.80	0.80
License Bureau	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.40	1.40
Community Development	6.00	6.00	6.00	6.00	7.00	7.00	7.50	8.00	7.50	8.50
Parks and Recreation										
Parks	7.12	7.07	7.07	7.10	7.10	9.40	9.20	9.10	9.40	9.20
Forestry	1.40	0.60	0.60	0.60	1.40	1.80	1.80	1.80	1.80	1.70
Recreational Programs	8.41	8.76	8.80	10.60	13.20	11.50	10.60	11.40	11.40	11.40
Community Center	13.23	12.31	12.30	13.20	13.80	12.20	11.20	11.50	10.50	10.40
Public Safety										
Police	31.60	31.60	31.60	32.60	33.60	34.10	32.60	35.00	34.00	34.00
Fire (2)	2.40	2.40	2.40	2.40	2.40	2.40	2.40	0.00	0.00	0.00
Public Works										
Engineering	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.50	4.00
Streets	15.02	14.77	14.77	14.80	14.80	15.00	15.10	15.60	15.60	14.80
City Garage	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Golf	4.90	4.90	4.90	4.70	4.90	4.90	4.90	4.50	4.50	4.62
Information Technology	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.00
Totals	109.91	108.63	108.59	111.70	118.80	119.40	116.40	117.90	116.20	114.12

(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

Function/Program	Fiscal Year 2013	Fiscal Year 2012	Fiscal Year 2011	Fiscal Year 2010	Fiscal Year 2009	Fiscal Year 2008	Fiscal Year 2007	Fiscal Year 2006
Community development								
Single family building permits	204	217	248	265	197	209	582	626
Multi-family building permits	4	16	11	18	12	11	24	10
All other building permits	37	65	60	80	49	64	81	70
Public Safety								
Police								
Criminal offenses (actual and attempts)	566	602	530	611	564	584	672	587
Traffic accidents	349	309	261	320	293	280	287	281
DWI's	62	84	87	134	121	119	119	122
Parking violations	496	447	456	660	653	528	626	635
Hazardous moving violations	1,346	1,855	1,226	1,289	1,259	1,225	1,371	1,348
Non-hazardous moving violations	564	742	598	769	824	1,107	970	739
Fire								
Fire incidents	79	90	83	94	102	84	90	61
Rescue and emergency medical service incidents	18	10	6	11	9	14	14	20
Hazardous conditions (no fire)	52	50	41	71	50	62	67	57
False alarms	108	125	118	120	116	108	119	119
Public Works								
Street sealcoating (miles)	2	4	4	4	4	5	9	9
Street mill and overlay (miles)	4	-	1	1	-	-	1	-
Street reconstruction (miles)	1	-	1	1	-	1	1	-
Parks and Recreation								
Daily youth wristbands (includes twilight)	52,659	48,247	52,738	44,847	42,234	40,907	36,961	39,212
Daily teen wristbands	-	-	-	84	276	266	318	577
Daily adult wristbands	5,108	3,224	2,935	2,910	4,818	5,055	5,282	5,876
Birthday parties	995	1,140	1,170	991	954	940	1,075	1,074
Softball teams	91	108	105	116	124	128	120	62
Aquatic registrants	918	827	754	741	896	890	1,042	1,162
Life-long recreation registrants	998	943	648	952	1,560	1,618	1,560	1,455
Sports camps and league registrants	1,284	1,341	838	1,047	1,234	1,366	1,550	1,666
Adaptive recreation registrants	60	63	69	73	111	129	131	145
Summer playground registrants	-	-	-	296	278	345	271	308
Dance registrants	148	154	117	93	104	151	160	193
Water								
Average daily consumption (thousands of gallons)	2,282	2,566	2,313	2,346	2,411	2,334	2,729	2,500
Peak daily consumption (thousands of gallons)	5,477	5,647	5,277	3,959	5,892	5,330	7,694	6,460
Water main breaks	22	17	20	20	26	35	21	25
Sewer								
Average daily sewage discharge (thousands of gallons)	1,780	1,737	1,974	1,737	1,686	1,978	1,750	2,440
Golf course								
Number of rounds played	19,795	21,632	20,877	25,124	25,658	25,426	25,999	23,918

Function/Program	Fiscal Year 2013	Fiscal Year 2012	Fiscal Year 2011	Fiscal Year 2010	Fiscal Year 2009	Fiscal Year 2008	Fiscal Year 2007	Fiscal Year 2006
General Government								
Elections								
Date of last election	11/5/2013	11/6/2012	11/8/2011	11/2/2010	11/3/2009	11/4/2008	11/6/2007	11/7/2006
Number of registered voters	13,497	15,074	13,324	14,439	13,748	16,564	13,860	15,243
Number of votes cast	3,831	13,004	3,011	10,729	2,876	13,060	3,122	10,189
Percentage of registered voters voting	28.4%	86.3%	22.6%	74.3%	20.9%	78.8%	22.5%	66.8%
Public Safety								
Police								
Stations	1	1	1	1	1	1	1	1
Fire								
Stations	1	1	1	1	1	1	1	1
Public Works								
Streets (miles)	71	71	71	71	71	71	71	71
Parks and Recreation								
Neighborhood parks	12	12	12	12	12	12	12	12
Community parks	1	1	1	1	1	1	1	1
Ball fields (softball)	9	9	9	9	9	9	9	9
Acreage of parks	172	172	172	172	170	170	170	170
Tennis courts	6	6	6	6	6	6	5	5
Water								
Water mains (miles)	96	96	96	96	96	96	95	95
Wells	11	11	11	11	11	11	11	11
Fire hydrants	771	770	770	769	769	772	759	774
Water towers/tanks	4	4	4	4	4	4	4	4
Treatment plants	5	5	5	5	5	5	5	1
Sewer								
Sanitary sewers (miles)	74	74	74	74	74	74	78	78
Lift stations	5	5	5	5	5	5	5	5
Stormwater								
Storm sewers (miles)	42	42	42	42	42	42	40	40
Street Lights								
Number of streetlights	962	962	962	962	961	961	921	881
Golf course								
Number of holes	9	9	9	9	9	9	9	9
Acreage	31	31	31	31	31	31	31	31