



# City of Shoreview Minnesota

## Comprehensive Annual Financial Report



For the  
Fiscal Year Ended  
December 31, 2014



**CITY OF SHOREVIEW, MINNESOTA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2014**

DEPARTMENT OF FINANCE

Debbie Maloney, Assistant Finance Director

Fred W. Espe, Finance Director

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# CITY OF SHOREVIEW, MINNESOTA

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## **INTRODUCTORY SECTION**



## **I. INTRODUCTORY SECTION**

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May 20, 2015

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

State law requires that every general-purpose local government publish, within six months of the close of each fiscal year, a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended December 31, 2014.

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

Malloy, Montague, Karnowski, Radosevich & Co., P.A., Certified Public Accountants, have issued an unmodified (“clean”) opinion on the City of Shoreview, Minnesota’s (the City) financial statements for the year ended December 31, 2014. The independent auditor’s report is located at the front of the financial section of this report.

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

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

The City, incorporated in 1957, is a northern suburb of the Minneapolis/St. Paul metropolitan area, situated in Ramsey County. The City occupies 12.2 square miles and serves a population of 25,630. The City is empowered to levy a property tax on both real and personal property located within its boundaries.

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

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

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

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

### ***Local Economy***

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

Because of its location in a region with a varied economic base, unemployment is relatively stable. During the past 10 years, the unemployment rate has fluctuated from a low of 3.1 percent in 2005 and 2006 to a high of 6.5 percent in 2010; the current rate is 3.2 percent. Unemployment is expected to remain at or below the regional average.

During the past 10 years, general property taxes have increased in amount and have decreased slightly as a percentage of total governmental fund revenues, from 42.3 percent in 2005 to 41.5 percent in the current fiscal year (a 10-year decrease of .8 percent). Intergovernmental revenues have increased from 6.3 percent in 2005 to 10.7 percent of total revenues in the current fiscal year (a 10-year increase of 4.4 percent).

During the past 10-year period, governmental fund expenditures related to community development have increased in amount and as a percentage of total current governmental fund expenditures from 7.4 percent (\$898,564) in 2005 to 9.7 percent (\$1,581,136) in the current fiscal year (a 10-year increase of 2.3 percent). The increase reflects growth in developer assistance. In addition, the City has diversified its revenue sources through the addition of a utility franchise tax and billboard fees, and the expansion of cellular antenna

rental fees. During the past 10 years, franchise taxes and billboard and antenna rental fees have increased in amount and have increased as a percentage of total governmental fund revenues, from 2.4 percent (\$369,909) in 2005 to 6.4 percent (\$1,471,918) in the current fiscal year (a 10-year increase of 4.0 percent).

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

Total General Fund balance (48.5 percent of total General Fund expenditures) is consistent with policy guidelines set by the City Council for budgetary and planning purposes. The total General Fund balance is made up of a working capital allocation equal to 50 percent of taxes and state aid for 2015 (to accommodate cash flows and the timing for receipt of tax and state aid receipts), and an allocation of 10 percent of 2015 budgeted expenditures for unanticipated events.

The City's 5-year operating plan and capital improvement program along with the comprehensive infrastructure replacement plan (covering 50 years) serve as the foundation for the City's long-term financial planning. To ensure the timely replacement of infrastructure, the City prepares long-term cost projections for the replacement of all city assets. Funding needs for capital replacements are reflected in tax levies for the street renewal and general fixed asset funds, and are reflected in user fees established for water, sewer, surface water, and street light funds. The five-year operating plan covering all operating funds, establishes specific goals for each fund. During 2010 Standard & Poor's raised the City's debt rating one notch from 'AA+' to 'AAA'. This was the first time that a 'AAA' rating had been assigned to the City. On October 30, 2014 Standard & Poor's reaffirmed the 'AAA' rating on the City's GO debt.

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

- Very strong economy, which benefits from participation in the broad and diverse economy of Minneapolis-St. Paul (the Twin Cities);
- Very strong budgetary flexibility, with 2013 audited available reserves at 103% of General Fund expenditures;
- Strong budgetary performance, which takes into account the use of reserves for the total governmental funds in 2013.
- Very strong liquidity, providing very strong cash levels to cover both debt service and expenditures;
- Very strong management with strong financial policies reflective in consistent ability to maintain balanced budgets; and
- Strong debt and contingent liabilities position, driven mostly by the City's low overall net direct debt as a percent of total governmental funds revenue and rapid amortization.

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

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

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

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

### ***Major Initiatives***

During 2014 significant economic development occurred within the City. In late 2012 and 2013 a new retail center opened that included a major retailer, several new restaurant options and a new bank branch, construction is being completed on the last of the three-phased commercial development, which includes a credit union branch. Construction was completed on an upscale 104 unit apartment project that will create new higher end market rental housing options within the community. Construction began on a new 25-lot single family subdivision within the City. Construction began in September of 2014 on a 77-unit senior housing cooperative; the project is scheduled for completion in 2015. PaR Systems completed construction of a new 48,000 square foot expansion of their facilities. TSI Incorporated completed construction of a 58,000 square foot expansion of their facility. The City and Economic Development Authority has worked closely with these companies in meeting their expansion goals. These efforts were recognized in 2013 by the Economic Development Association of Minnesota when they honored the City of Shoreview with the Business Retention Project of the Year Award for the successful expansions of PaR Systems and TSI Incorporated.

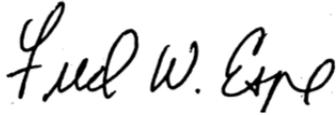
### ***Awards and Acknowledgements***

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2013. This was the twenty-ninth consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

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

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

Respectfully submitted,



Fred W. Espe  
Finance Director/Treasurer



Deborah Maloney  
Assistant Finance Director

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Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Shoreview  
Minnesota**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2013**

Executive Director/CEO

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**CITY OF SHOREVIEW, MINNESOTA**

Principal City Officials

December 31, 2014

**City Council**

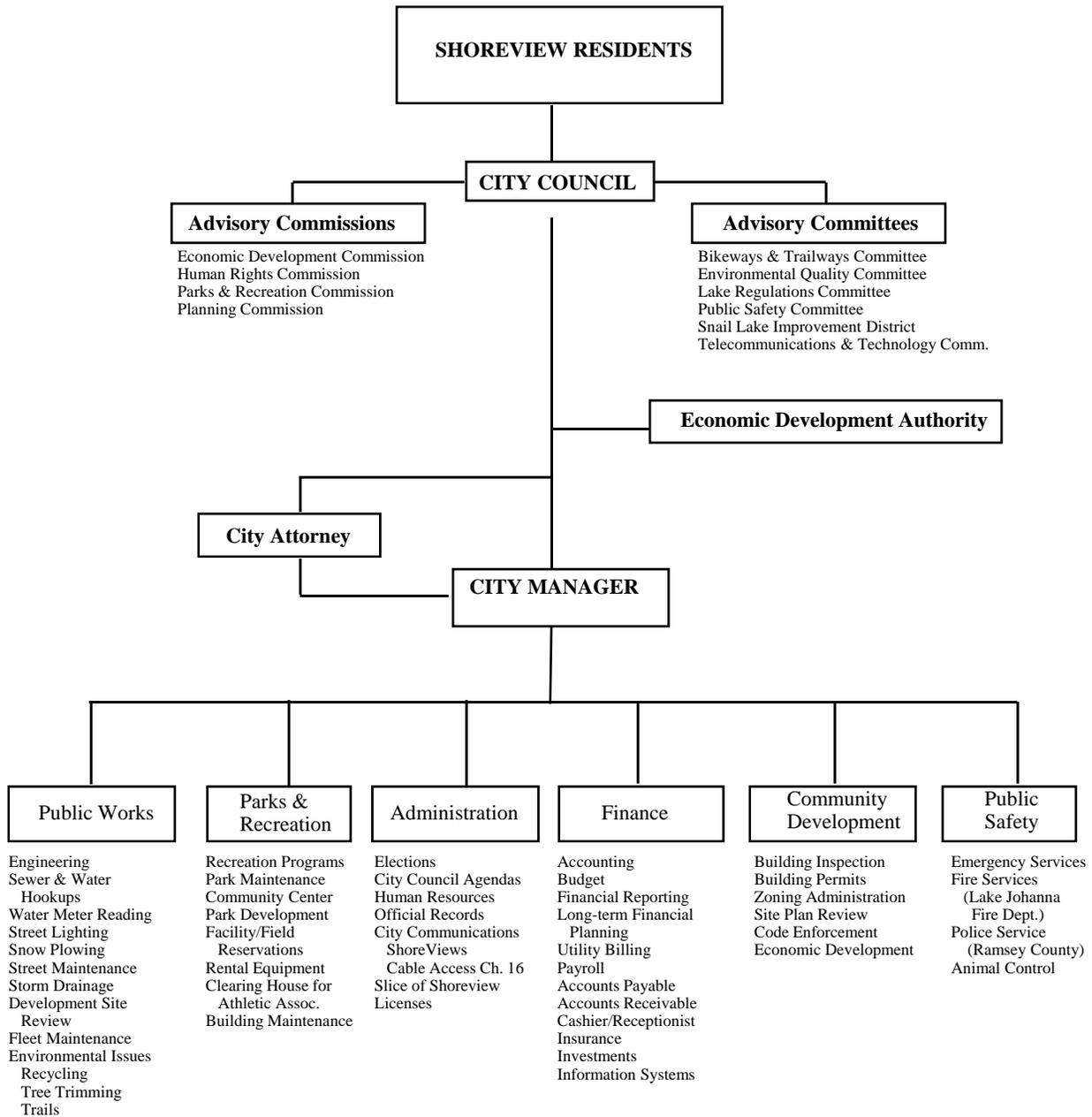
	<u>Term Expires</u>
Mayor Sandy Martin	December 31, 2016
Councilmembers Emy Johnson	December 31, 2016
Terry Quigley	December 31, 2018
Ady Wickstrom	December 31, 2016
Ben Withhart	December 31, 2014

**Administrative Staff**

	<u>Date of Hire</u>
City Manager Terry Schwerm	June 16, 1993
Assistant City Manager/Community Development Director Thomas C. Simonson	February 19, 1985
Finance Director/Treasurer Fred Espe	February 1, 2014
Public Works Director Mark J. Maloney	September 6, 1994

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*City Of Shoreview*  
**Organizational Chart**  
 December 31, 2014



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



## **II. FINANCIAL SECTION**

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PRINCIPALS

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

INDEPENDENT AUDITOR'S REPORT

To the City Council and Management  
City of Shoreview, Minnesota

**REPORT ON THE FINANCIAL STATEMENTS**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Shoreview, Minnesota (the City) as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

**AUDITOR'S RESPONSIBILITY**

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

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

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

(continued)

## **OPINIONS**

In our opinion, the financial statements referred to on the previous page present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

## **OTHER MATTERS**

### **Required Supplementary Information**

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

### **Other Information**

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

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

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

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

Minneapolis, Minnesota  
May 20, 2015

## Management's Discussion and Analysis

As management of the City of Shoreview, Minnesota (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages iii–vii of this report.

### Financial Highlights

- The assets of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$93,262,596 (net position). Of this amount, \$22,046,186 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$6,478,880 as a result of a \$5,390,719 increase in net position for governmental activities and a \$1,088,161 increase in net position for business-type activities.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$19,775,799, an increase of \$3,434,399 in comparison with the prior year. Approximately 17.6 percent of this amount (\$3,475,514) is considered unassigned and available for spending at the City's discretion.
- The unassigned fund balance for the General Fund was \$4,383,445 or 47.8 percent of the total General Fund expenditures. Fund balance in the General Fund increased \$143,792 during the year.
- The City's total governmental activity bonded and certificate of participation debt increased by \$2,400,000 (excluding premiums) from the prior year. During 2013 the City issued \$1,380,000 of general obligation street refunding bonds in order to take advantage of lower interest rates to reduce future interest costs. Due to the structure of the refunding issue the City is required to report both the principal of the new refunding issue and old refunded bonds (\$1,385,000) on its financial statements until the refunded (old) bonds are called for redemption on February 1, 2015. The City has placed \$1,397,098 in escrow for the payment of principal on the refunded (old) bonds and interest on the refunding bonds on the call date. During 2014 the City issued \$4,770,000 of general obligation refunding bonds in order to take advantage of lower interest rates to reduce future interest costs and to eliminate the risk that the federal government will further reduce or eliminate the federal direct pay tax credits on the refunded bonds. The refunded bonds will be called for redemption on February 1, 2015, due to the structure of the refunding the City is required to report both the principal of the new refunding issue and old refunded bonds (\$5,145,000) on its financial statements until the call date.
- During 2014 the City's business-type activity bonded debt increased \$260,000 (excluding premiums) from the prior year. During 2014 the City issued \$1,910,000 of general obligation refunding bonds in order to take advantage of lower interest rates to reduce future interest costs and to eliminate the risk that the federal government will further reduce or eliminate the federal direct pay tax credits on the refunded bonds. The refunded bonds will be called for redemption on February 1, 2015, due to the structure of the refunding the City is required to report both the principal of the new refunding issue and old refunded bonds (\$2,125,000) on its financial statements until the call date.

- The City's capital assets decreased \$1,887,742, or 2.9% for governmental activities, and increased \$575,942 or 1.8% for business type activities.

## **Overview of the Financial Statements**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Other information.** The City adopts an annual appropriated budget for its General Fund and special revenue funds. Budgetary comparison schedules have been provided for these funds to demonstrate compliance with their respective budgets. For the General Fund and major special revenue funds these schedules are presented as required supplementary information following the Notes to Financial Statements, while budgetary schedules for nonmajor special revenue funds are included within the Combining and Individual Nonmajor Funds Statements and Schedules section of this report. The combining statements referred to earlier in connection with nonmajor governmental funds, internal service funds, and fiduciary funds are presented immediately following the required supplementary information on budgeted comparisons. Combining and individual fund statements and schedules can be found on pages 82-116 of this report.

## Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities and deferred inflows of resources by \$93,262,596 at the close of the most recent fiscal year.

By far the largest portion of the City's net position (\$63,738,325 or 68 percent) reflects its investment in capital assets (e.g. infrastructure, land, buildings, and machinery and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Shoreview's Net Position

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 31,204,693	\$ 20,827,005	\$ 10,927,324	\$ 9,951,672	\$ 42,132,017	\$ 30,778,677
Capital assets	63,137,320	65,025,062	32,335,619	31,759,677	95,472,939	96,784,739
Total assets	\$ 94,342,013	\$ 85,852,067	\$ 43,262,943	\$ 41,711,349	\$ 137,604,956	\$ 127,563,416
Long-term liabilities outstanding	\$ 21,153,699	\$ 23,992,607	\$ 8,719,250	\$ 9,669,699	\$ 29,872,949	\$ 33,662,306
Other liabilities	9,410,553	4,590,582	3,348,797	1,934,915	12,759,350	6,525,497
Total liabilities	\$ 30,564,252	\$ 28,583,189	\$ 12,068,047	\$ 11,604,614	\$ 42,632,299	\$ 40,187,803
Deferred inflows of resources	\$ 1,710,061	\$ 591,897	\$ -	\$ -	\$ 1,710,061	\$ 591,897
Net position						
Net investment in capital assets	\$ 40,908,853	\$ 41,391,324	\$ 22,829,472	\$ 21,332,825	\$ 63,738,325	\$ 62,724,149
Restricted	7,253,717	4,646,335	224,368	217,442	7,478,085	4,863,777
Unrestricted	13,905,130	10,639,322	8,141,056	8,556,468	22,046,186	19,195,790
Total net position	\$ 62,067,700	\$ 56,676,981	\$ 31,194,896	\$ 30,106,735	\$ 93,262,596	\$ 86,783,716

An additional portion of the City's net position (\$7,478,085 or 8 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$22,046,186 or 24 percent) may be used to meet the City's ongoing obligations to citizens and creditors.

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

The net position of the City as a whole increased \$6,478,880 (7.5 percent) from \$86,783,716 at December 31, 2013 to \$93,262,596 at December 31, 2014. Governmental activities increased \$5,390,719 (9.5 percent) from the prior year while the business-type activities increased \$1,088,161 (3.6 percent) during the same period.

**Governmental activities.** Governmental activities increased the City's net position by \$5,390,719. Key elements of this increase are as follows:

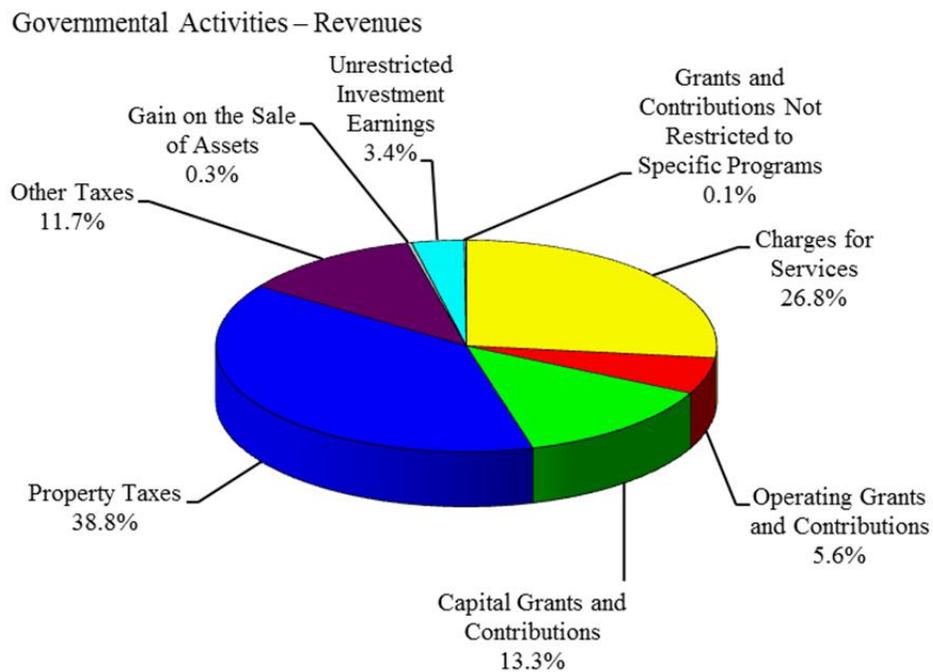
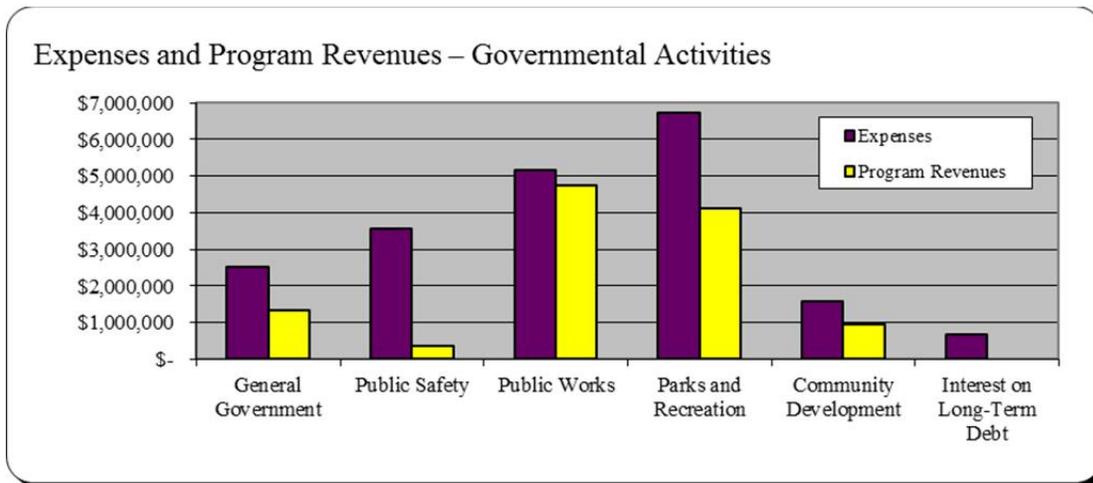
	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 6,755,464	\$ 6,881,592	\$ 8,207,503	\$ 8,168,230	\$ 14,962,967	\$ 15,049,822
Operating grants and contributions	1,401,114	1,345,155	–	–	1,401,114	1,345,155
Capital grants and contributions	3,360,726	911,375	173,961	76,008	3,534,687	987,383
General revenues						
Property taxes	9,776,446	9,666,218	–	–	9,776,446	9,666,218
Tax increment collections	1,816,702	1,882,775	–	–	1,816,702	1,882,775
Franchise tax	1,120,948	456,242	–	–	1,120,948	456,242
Grants and contributions not restricted to specific programs	33,218	33,500	–	–	33,218	33,500
Unrestricted investment earnings	849,339	(553,422)	328,537	(235,147)	1,177,876	(788,569)
Gain on disposal of capital assets	78,143	56,763	–	–	78,143	56,763
Total revenues	<u>25,192,100</u>	<u>20,680,198</u>	<u>8,710,001</u>	<u>8,009,091</u>	<u>33,902,101</u>	<u>28,689,289</u>
<b>Expenses</b>						
General government	2,529,960	2,582,399	–	–	2,529,960	2,582,399
Public safety	3,568,459	3,543,388	–	–	3,568,459	3,543,388
Public works	5,178,104	6,798,886	–	–	5,178,104	6,798,886
Parks and recreation	6,726,335	6,123,840	–	–	6,726,335	6,123,840
Community development	1,580,709	2,210,253	–	–	1,580,709	2,210,253
Interest on long-term debt	680,281	730,200	–	–	680,281	730,200
Water	–	–	2,251,547	2,238,481	2,251,547	2,238,481
Sewer	–	–	3,569,836	3,498,374	3,569,836	3,498,374
Surface water management	–	–	1,032,375	954,828	1,032,375	954,828
Street lights	–	–	305,615	295,949	305,615	295,949
Total expenses	<u>20,263,848</u>	<u>21,988,966</u>	<u>7,159,373</u>	<u>6,987,632</u>	<u>27,423,221</u>	<u>28,976,598</u>
Increase (decrease) in net position before transfers	4,928,252	(1,308,768)	1,550,628	1,021,459	6,478,880	(287,309)
Transfers	462,467	(130,957)	(462,467)	130,957	–	–
Increase (decrease) in net position	5,390,719	(1,439,725)	1,088,161	1,152,416	6,478,880	(287,309)
Net position – January 1	<u>56,676,981</u>	<u>58,116,706</u>	<u>30,106,735</u>	<u>28,954,319</u>	<u>86,783,716</u>	<u>87,071,025</u>
Net position – December 31	<u>\$ 62,067,700</u>	<u>\$ 56,676,981</u>	<u>\$ 31,194,896</u>	<u>\$ 30,106,735</u>	<u>\$ 93,262,596</u>	<u>\$ 86,783,716</u>

- Charges for services for governmental activities decreased \$126,128 (1.8 percent) during the year. Significant changes from 2013 to 2014 include a \$118,360 (8.4 percent) decrease in general government charges, an \$85,367 (9.3 percent) decrease in public works charges, and a \$93,009 (2.5 percent) increase in parks and recreation charges. The general government and public works decreases are due mainly to decreases in administrative and engineering charges to capital project funds as a result of decreased City construction activity in 2014, (\$157,589) and (\$119,334) for general government and public works respectively. Increases in park and recreation charges are a result of increased recreation program fees (\$33,925) and community center daily admissions and membership fees (\$31,309). Revenues for public safety and community development are consistent with prior years in both amounts and types of revenue.
- Operating grants and contributions increased \$55,959 (4.2 percent) during the year. Significant changes from 2013 to 2014 included a \$114,102 increase in public safety, a \$255,269 decrease in public works and a \$202,450 increase in community development. The public safety increase is a result of increases in a state fire aid grant. The public works decrease is primarily the result of decreases in operating grants from other local governments for reimbursement of their allocated share of costs of the County Road D and Owasso Street Reconstruction projects. The community development increase is a result of a Metropolitan Council Livable Communities Act housing grant for the Lakeview Terrace apartment project.
- Capital grants and contributions increased \$2,449,351 (268.8 percent) during the year. Significant increases from 2013 to 2014 included a \$2,209,679 increase in public works and a \$239,672 increase in parks and recreation. The public works increase is primarily the result of the adoption of new assessment rolls (\$1,657,644), other governmental grants (\$452,550) for the construction of infrastructure assets and the contribution of street assets from a developer (\$131,000). The parks and recreation increase is mainly due to park dedication fees.
- Property taxes for governmental activities increased by \$110,228 (1.1 percent) during the year, primarily due to levy increases for the General Fund, Debt Service, Street Renewal, General Fixed Asset Replacement, Information Technology and Special Revenue funds.
- Tax increment collections for governmental activities decreased by \$66,073 (3.5 percent). This decrease is primarily due to a scheduled decertification of TIF District #5 on December 31, 2013, and the addition of collections from TIF Districts #7 and #9 during 2014.
- Franchise tax collections increased by \$664,706 due to 2014 having a full year of collection of the utility franchise tax which was first collected in the fourth quarter of 2013.
- Investment earnings increased by \$1,402,761 (253.5 percent) during the year due in part to year-end adjustments to fair market value (\$613,492).
- Public safety expenses increased by \$25,071 (.7 percent) during the year. The police and fire operating contracts increased by \$144,947. Contributions to the fire department for the City's share of fire department capital costs decreased by \$232,501. The payment of state fire aid to the fire department increased \$114,102.
- Public works expenses decreased by \$1,620,782 (23.8 percent) during the year. The decrease is primarily due to reductions in 2014 of infrastructure assets constructed for other governmental entities for the Red Fox Road, County Road D and Owasso Street Realignment projects (\$2,425,279). Costs associated with these projects were recovered through operating grants and contributions, assessments and future tax increment payments. Increases in expenses include the deletion of infrastructure assets (\$860,600).
- Parks and recreation expenses increased \$602,495 (9.8 percent) during the year. The increase is due to increases in personal services, supplies and contractual services in the

parks maintenance department (\$81,905). Increases in repairs and maintenance to the community center (\$564,092) and decreases to repairs and maintenance to park facilities (\$104,128).

- Community development expenses decreased by \$629,544 (28.5 percent) during the year. A significant portion of the decrease is the result of decreased developer assistance payments. The City makes pay as you go tax increment financing note payments to various properties within the City; note payments increased \$183,347 in 2014 due to the addition of notes in TIF Districts #7 and #9.

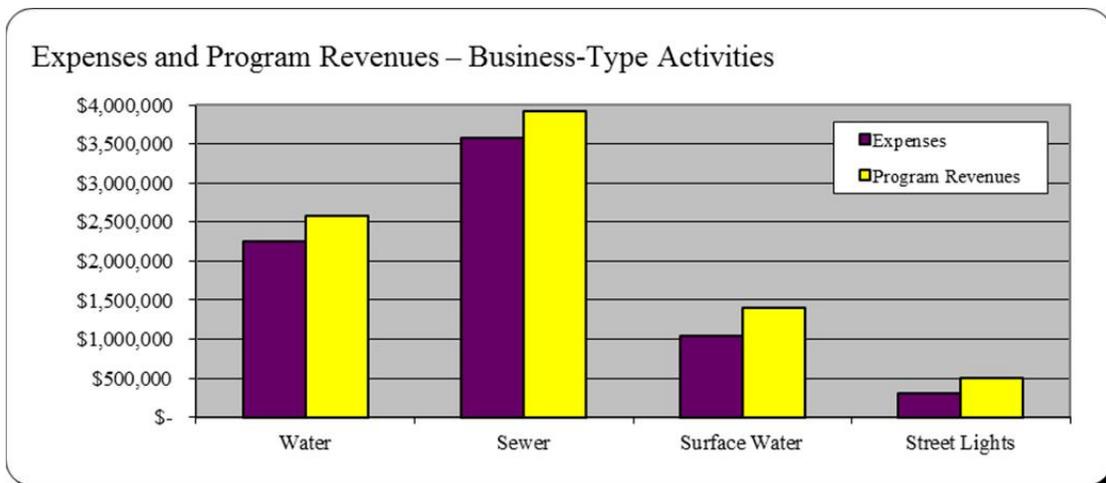
The following two graphs provide comparisons of the governmental activities revenues and expenses.



**Business-type activities.** Business-type activities increased the City’s net position by \$1,088,161. Key elements of this increase are as follows:

- Charges for services for business-type activities increased \$39,273 (.5 percent). Water operations decreased \$213,628 (7.9 percent), this decrease was due to a water rate increase of 4.2 percent for the average residential customer, and a 12.6 percent decrease in the gallons of water sold during the year. Sewer operations increased \$82,287 (2.2 percent), rates increased 3.0% and winter residential water consumption decreased .9 percent, which provides the basis for residential sewer charges. Surface Water operations had an increase of \$150,119 (12.3 percent), due to a 10 percent rate increase, which resulted in a quarterly increase of \$1.93 per residential unit. Street Light operations had an increase of \$20,495 (4.3 percent), due to the impact of a street light rate increase of 4 percent, which resulted in a quarterly increase of \$0.38 per residential unit.
- Capital grants and contributions during the year produced \$173,961 in revenue for business-type activities. This consists of intergovernmental capital grants (\$72,914), and contributions from property owners (\$101,047).
- Expenses for business-type activities increased \$171,741 (2.5 percent). The Sewer fund accounts for \$71,462 of the increase due to an increase in sewage treatment costs (\$75,273). The Surface Water fund accounts for \$77,547 of the increase due to increases in contractual services related to Snail Lake augmentation (\$46,989).

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



### Financial Analysis of the Government’s Funds

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

*Governmental funds.* The focus of the City’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in

assessing the City's financing requirements. In particular, unrestricted fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$19,775,799, an increase of \$3,434,399 in comparison with the prior year. Approximately 18 percent of this amount (\$3,475,514) constitutes unassigned fund balance which is available for spending at the government's discretion. The remainder of fund balance is classified as non-spendable in the form of prepaid items, restricted, committed or assigned for specific activities and projects. These amounts are not available for new spending because they are restricted by externally imposed constraints or committed and assigned through internally imposed constraints.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$4,383,445. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned General Fund balance represents 47.8 percent of total General Fund expenditures, while total fund balance represents 48.5 percent of that same amount.

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

- The unassigned fund balance for working capital needs is equal to 50 percent of the ensuing years General Fund tax levy and levy-based state aids, because taxes and state aids are received in June and December of each year. The working capital allocation is reduced by the balance of nonspendable items at year-end. Budgeted taxes in 2015 are \$186,181 more than in 2014; consequently, the unassigned General Fund balance for working capital increases \$93,091 at the end of the current period. As of year-end the City has met its minimum unassigned working capital balance.
- The maximum unassigned fund balance for unanticipated expenditures at year-end is equal to 10 percent of budgeted ensuing year's expenditures. Ensuing year budgeted expenditures are \$9,607,304 which results in an unassigned fund balance for unanticipated expenditures of \$960,730. As of year-end the City has met its maximum unassigned unanticipated expenditure fund balance.
- The maximum unassigned fund balance is equal to the combined unassigned working capital and unanticipated expenditure fund balances less any nonspendable items. The total for the current fiscal year is \$4,383,445 as compared to \$4,220,635 for the previous year, an increase of \$162,810.

The Community Center Operation Fund balance increased \$145,003. Revenue and transfers increased by \$184,431. Daily admissions and annual membership revenue increased \$31,309, transfers increased \$27,000 and earnings on investments increased \$108,759. Expenditures increased by \$98,631, as a result of increases in materials and supplies (\$49,909) and contractual services (\$46,241).

The Recreation Programs Fund balance increased \$210,047. Program revenue increased \$33,925; the majority of the increase (\$32,814) was a result of a preschool program. Expenditures decreased \$12,290 primarily as a result of decreases in contractual services.

The G.O. Improvement Bond of 2013 fund was established to provide financing for the 2013 Improvement Bonds. Revenue sources are from special assessments and property taxes. The fund balance increased \$161,477.

Fund balances for the Municipal State Aid, Street Renewal, General Fixed Asset Replacement and Community Investment Funds are designed to fluctuate between years depending on the type of operating repairs and capital costs in any given year. Revenues of the Street Renewal and General Fixed Asset Replacement Funds are designed to change gradually from one year to the next, providing a stable revenue stream to support repair and replacement costs that vary due to type, size, and scope. The fund balance of the Municipal State Aid Fund increased \$633,837 due to state aid, special assessments and earnings on investments exceeding planned transfers out for the Red Fox Road, County Road D, and 2013 Street Rehabilitation street construction costs for the current year. The fund balance of the Street Renewal Fund decreased \$62,450. Expenditures in the Street Renewal Fund consisted primarily of public works seal coating repairs. Transfers out in the Street Renewal Fund represent the fund's share of costs for the Cottage Place, Hanson/Oakridge/Nottingham and Red Fox Road street rehabilitation projects. Fund balance increased \$193,737 in the General Fixed Asset Replacement Fund. Significant expenditures in 2014 included the City's capital contribution in the amount of \$156,680 to the Lake Johanna Fire Department, various community center and park and recreation repairs and supplies in the amount of \$614,528, public works trail capital expenditures in the amount of \$125,675. Transfers out in the General Fixed Asset Replacement Fund represent the fund's share of costs for the 2011 Refunding Certificates of Participation (\$180,000), and computer acquisitions (\$83,649). Revenues for the Municipal State Aid, Street Renewal and General Fixed Asset Replacement Funds were consistent with prior years.

The Community Investment Fund was established in 2013 to account for resources dedicated for the acquisition of capital assets which have community wide benefit. Significant revenue sources include utility franchise fees, wireless telecommunication and billboard lease receipts and park dedication fees. The fund balance of the Community Investment fund increased \$1,012,937. Significant expenditures include operating costs in the amount of \$15,224 for park improvements and capital expenditures for trail improvements (\$245,503) and community center improvements (\$21,370). Transfers out represent the fund's share of debt service costs for the 2011 Refunding Certificates of Participation (\$175,000).

The Owasso Street Realignment fund is a temporary capital project fund used to account for infrastructure related costs. This project is scheduled to be completed in 2015.

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

Unrestricted net position in the respective proprietary funds include \$3,930,684 for water, \$3,021,978 for sewer, \$877,305 for surface water management, and \$267,389 for street lights. Water Fund net position increased \$264,795; primarily due to a rate increase and capital contributions. Sewer Fund net position increased \$329,796; primarily due to a rate increase and capital contributions. Surface Water Fund net position increased \$314,727; primarily due to a rate increase and capital contributions. The Street Lights Fund net position increased \$199,323; primarily as a result of a rate increase and capital contributions.

**General Fund Budgetary Highlights**

Total General Fund revenues were \$751,097 more than estimated in the budget. Property taxes were under budget by \$139,117. Licenses and permits surpassed anticipated levels by \$303,533 primarily due to building permits, intergovernmental revenues exceeded budget due to the receipt of unbudgeted State Fire Aid (\$320,917), and charges for services surpassed anticipated levels by \$48,946, primarily as a result of plan check fees.

Total General Fund expenditures were over budget by \$73,759, primarily due to an unbudgeted expenditure to the Lake Johanna Fire Department (Public Safety) associated with the unbudgeted state Fire Aid (\$320,917). Within the general government department, information systems current expenditures were under budget by \$61,494, and capital outlay was over budget by \$48,768, due to a reclassification of wages from current to capital outlay for internally developed software and finance and accounting was under budget due to an open staff position during the year. Within the public works department, streets expenditures were under budget primarily due to staff positions being open during the year. The community development department building inspection current expenditures were over budget as a result of electrical inspection contractual fees. The unbudgeted transfer to the Closed Bonds Fund (\$533,749) was made in accordance with the City’s fund balance policy regarding excess fund balance in the General Fund.

**Capital Assets and Debt Administration**

**Capital assets.** The City’s investment in capital assets for its governmental and business-type activities as of December 31, 2014 amounts to \$95,472,939 (net of accumulated depreciation). This investment in capital assets includes land, buildings and structures, machinery and equipment, distribution and collection systems, park facilities, roads, trails and sidewalks, and pedestrian tunnels and bridges. The total decrease in the City’s investment in capital assets for the current fiscal year was 1.4 percent (a 2.9 percent decrease for governmental activities and a 1.8 percent increase for business-type activities).

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

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 7,724,345	\$ 7,724,345	\$ 325,202	\$ 304,202	\$ 8,049,547	\$ 8,028,547
Buildings and structures	24,026,905	24,852,687	4,800,231	4,993,596	28,827,136	29,846,283
Machinery and equipment	4,083,736	4,082,501	1,968,640	2,069,545	6,052,376	6,152,046
Distribution and collection systems	-	-	23,437,089	22,279,179	23,437,089	22,279,179
Infrastructure	24,995,021	22,731,042	-	-	24,995,021	22,731,042
Construction in progress	2,307,313	5,634,487	1,804,457	2,113,155	4,111,770	7,747,642
<b>Total</b>	<b>\$ 63,137,320</b>	<b>\$ 65,025,062</b>	<b>\$ 32,335,619</b>	<b>\$ 31,759,677</b>	<b>\$ 95,472,939</b>	<b>\$ 96,784,739</b>

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

- A variety of capital assets for governmental activities were completed at a cumulative cost of \$5,437,820. Construction in progress at year-end for governmental activities is \$2,307,313.
- Various capital assets for business-type activities were completed at a cumulative cost of \$2,144,707. Construction in progress for business-type activities as of the end of the current fiscal year is \$1,804,457.

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

**Long-term debt.** At the end of the current fiscal year, the City had total bonded debt outstanding of \$29,990,000 (excluding unamortized premiums), an increase of \$3,010,000 from 2013. The entire bonded debt amount is backed by the full faith and credit of the City. An additional \$3,635,000 of outstanding certificates of participation financed building improvements and a \$6,000,000 loan payable financed land acquisition. Unamortized premium on City debt totaled \$632,915. The remaining liability is for compensated absences totaling \$365,672.

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

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
General obligation improvement bonds	\$ 2,697,021	\$ 2,857,200	\$ -	\$ -	\$ 2,697,021	\$ 2,857,200
General obligation tax increment bonds	350,000	690,000	-	-	350,000	690,000
General obligation bonds	15,993,291	12,584,469	-	-	15,993,291	12,584,469
General obligation revenue bonds	-	-	11,582,603	11,251,758	11,582,603	11,251,758
Certificates of participation	3,635,000	3,985,000	-	-	3,635,000	3,985,000
Loans payable	6,000,000	6,000,000	-	-	6,000,000	6,000,000
Compensated absences	286,288	270,837	79,384	74,814	365,672	345,651
<b>Total</b>	<b>\$ 28,961,600</b>	<b>\$ 26,387,506</b>	<b>\$ 11,661,987</b>	<b>\$ 11,326,572</b>	<b>\$ 40,623,587</b>	<b>\$ 37,714,078</b>

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

State statutes limit the amount of general obligation debt a Minnesota city may issue to 3 percent of total estimated market value. The current debt limitation for the City is \$72,386,496. The City's net debt applicable to this limit totals \$16,872,663.

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

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

- The annual average unemployment rate (not seasonally adjusted) for the City is currently 3.2 percent, which compares favorably to 4.1 percent unemployment for the state of Minnesota, and 6.2 percent unemployment nationally.
- The current property tax collection rate for the current period is 99.1 percent.
- Building permit activity in the current period resulted in permit valuation equal to \$40.3 million. New residential and commercial construction accounted for 66 percent of building permit values. Reinvestment in homes through improvements to property by homeowners accounted for 21 percent of building permit values, and commercial property accounted for the remaining 13 percent of building permit values.
- The 2015 adopted levy supports the 2015 budget.

All of these factors were considered in preparing the City's budget for the 2015 fiscal year.

Water, sewer, surface water management, and street light rates were increased for the 2015 budget year. The increase for the average customer was 7.0 percent for water, 3.0 percent for sewer, 10.0 percent for surface water management, and 4.0 percent for street lights. The total impact on the average residential customer is estimated to be 5.1 percent. These rate increases were necessary to support operating costs, capital costs, and debt repayment.

### **Requests for Information**

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

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**FINANCIAL SECTION –  
BASIC FINANCIAL STATEMENTS**



## **BASIC FINANCIAL STATEMENTS**

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**CITY OF SHOREVIEW, MINNESOTA**

Statement of Net Position

December 31, 2014

**Statement 1**

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
<b>Assets</b>			
Cash and investments	\$ 26,764,952	\$ 8,665,385	\$ 35,430,337
Restricted cash with escrow agent	1,397,098	–	1,397,098
Accrued interest receivable	55,319	21,245	76,564
Accounts receivable	355,290	2,022,358	2,377,648
Loan receivable	150,663	–	150,663
Taxes receivable	122,715	–	122,715
Special assessments receivable	2,019,630	58,237	2,077,867
Internal balances	(43,700)	43,700	–
Due from other governmental units	51,394	114,274	165,668
Prepaid items	67,954	2,125	70,079
Property held for resale	263,378	–	263,378
Capital assets			
Nondepreciable	10,031,658	2,129,659	12,161,317
Depreciable (net of accumulated depreciation)	53,105,662	30,205,960	83,311,622
Total assets	<u>94,342,013</u>	<u>43,262,943</u>	<u>137,604,956</u>
<b>Liabilities</b>			
Accounts payable	303,576	190,277	493,853
Salaries payable	152,749	34,035	186,784
Contracts payable	209,155	–	209,155
Accrued bond interest payable	255,519	134,494	390,013
Deposits payable	527,884	8,308	536,192
Due to other governmental units	34,231	38,946	73,177
Unearned revenue	119,538	–	119,538
Compensated absences payable			
Due within one year	27,901	7,737	35,638
Due in more than one year	258,387	71,647	330,034
Loan payable			
Due in more than one year	6,000,000	–	6,000,000
Certificates of participation payable			
Due within one year	360,000	–	360,000
Due in more than one year	3,275,000	–	3,275,000
Bonds payable			
Due within one year	7,420,000	2,935,000	10,355,000
Due in more than one year	11,620,312	8,647,603	20,267,915
Total liabilities	<u>30,564,252</u>	<u>12,068,047</u>	<u>42,632,299</u>
Deferred inflows of resources			
State Aid received for subsequent years	1,710,061	–	1,710,061
<b>Net position</b>			
Net investment in capital assets	40,908,853	22,829,472	63,738,325
Restricted for			
Business loan program	165,777	–	165,777
Cable television	31,037	–	31,037
Debt service	3,202,634	–	3,202,634
Economic development	41,917	–	41,917
Housing and redevelopment	85,343	–	85,343
Recycling	266,654	–	266,654
Trunk facility	–	224,368	224,368
Tax increment purposes	3,460,355	–	3,460,355
Unrestricted	13,905,130	8,141,056	22,046,186
Total net position	<u>\$ 62,067,700</u>	<u>\$ 31,194,896</u>	<u>\$ 93,262,596</u>

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

**CITY OF SHOREVIEW, MINNESOTA**

## Statement of Activities

For The Year Ended December 31, 2014

	<u>Expenses</u>	<u>Charges For Services</u>
Functions/programs		
Primary government		
Governmental activities		
General government	\$ 2,529,960	\$ 1,286,854
Public safety	3,568,459	52,034
Public works	5,178,104	833,176
Parks and recreation	6,726,335	3,837,325
Community development	1,580,709	746,075
Interest on long-term debt	680,281	-
Total governmental activities	<u>20,263,848</u>	<u>6,755,464</u>
Business-type activities		
Water	2,251,547	2,481,331
Sewer	3,569,836	3,859,639
Surface water	1,032,375	1,371,166
Street lights	305,615	495,367
Total business-type activities	<u>7,159,373</u>	<u>8,207,503</u>
Total primary government	<u>\$ 27,423,221</u>	<u>\$ 14,962,967</u>

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

**Statement 2**

Program Revenues		Net (Expense) Revenue and Changes in Net Position		
Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
		Governmental Activities	Business-Type Activities	Total
\$ 37,196	\$ –	\$ (1,205,910)	\$ –	\$ (1,205,910)
320,917	–	(3,195,508)	–	(3,195,508)
827,709	3,081,464	(435,755)	–	(435,755)
12,842	279,262	(2,596,906)	–	(2,596,906)
202,450	–	(632,184)	–	(632,184)
–	–	(680,281)	–	(680,281)
<u>1,401,114</u>	<u>3,360,726</u>	<u>(8,746,544)</u>	<u>–</u>	<u>(8,746,544)</u>
–	91,746	–	321,530	321,530
–	57,821	–	347,624	347,624
–	24,394	–	363,185	363,185
–	–	–	189,752	189,752
–	173,961	–	1,222,091	1,222,091
<u>\$ 1,401,114</u>	<u>\$ 3,534,687</u>	<u>(8,746,544)</u>	<u>1,222,091</u>	<u>(7,524,453)</u>
General revenues				
Property taxes		9,776,446	–	9,776,446
Tax increment collections		1,816,702	–	1,816,702
Franchise tax		1,120,948	–	1,120,948
Grants and contributions not restricted to specific programs		33,218	–	33,218
Unrestricted investment earnings		849,339	328,537	1,177,876
Gain on disposal of capital assets		78,143	–	78,143
Transfers		462,467	(462,467)	–
Total general revenues and transfers		<u>14,137,263</u>	<u>(133,930)</u>	<u>14,003,333</u>
Change in net position		5,390,719	1,088,161	6,478,880
Net position – beginning		56,676,981	30,106,735	86,783,716
Net position – ending		<u>\$ 62,067,700</u>	<u>\$ 31,194,896</u>	<u>\$ 93,262,596</u>

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

**CITY OF SHOREVIEW, MINNESOTA**

Balance Sheet

Governmental Funds

December 31, 2014

	General	Community Center Operation	Recreation Programs	G.O. Improvement Bonds of 2013	Municipal State Aid
<b>Assets</b>					
Cash and investments	\$ 4,913,291	\$ 1,407,573	\$ 987,690	\$ 229,263	\$ 2,539,182
Restricted cash with escrow agent	-	-	-	-	-
Accrued interest receivable	12,768	4,263	2,882	314	4,633
Accounts receivable (net of allowance for uncollectibles)	45,780	1,664	-	-	-
Loan receivable	-	-	-	-	-
Taxes receivable	52,514	-	-	-	-
Special assessments receivable	-	-	-	1,577,963	8
Interfund receivable	-	-	-	-	-
Due from other governmental units	12,799	-	-	-	-
Prepaid items	63,953	1,722	88	-	-
Property held for resale	-	-	-	-	-
<b>Total assets</b>	<b>\$ 5,101,105</b>	<b>\$ 1,415,222</b>	<b>\$ 990,660</b>	<b>\$ 1,807,540</b>	<b>\$ 2,543,823</b>
<b>Liabilities</b>					
Accounts payable	\$ 53,647	\$ 71,565	\$ 6,707	\$ 343	\$ -
Salaries payable	89,910	42,066	11,515	-	-
Contracts payable	-	-	-	-	-
Deposits payable	439,145	88,739	-	-	-
Interfund payable	-	-	-	-	-
Due to other governmental units	13,941	19,310	656	-	-
Unearned revenue	2,950	-	-	-	-
<b>Total liabilities</b>	<b>599,593</b>	<b>221,680</b>	<b>18,878</b>	<b>343</b>	<b>-</b>
<b>Deferred inflows of resources</b>					
Unavailable revenue – property taxes	44,053	-	-	-	-
Unavailable revenue – special assessments	-	-	-	1,577,963	8
State aid received for subsequent years	10,061	-	-	-	1,700,000
<b>Total deferred inflows of resources</b>	<b>54,114</b>	<b>-</b>	<b>-</b>	<b>1,577,963</b>	<b>1,700,008</b>
<b>Fund balances (deficits)</b>					
Nonspendable	63,953	1,722	88	-	-
Restricted	-	-	-	229,234	-
Committed	-	1,191,820	971,694	-	-
Assigned	-	-	-	-	843,815
Unassigned	4,383,445	-	-	-	-
<b>Total fund balances (deficits)</b>	<b>4,447,398</b>	<b>1,193,542</b>	<b>971,782</b>	<b>229,234</b>	<b>843,815</b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b>\$ 5,101,105</b>	<b>\$ 1,415,222</b>	<b>\$ 990,660</b>	<b>\$ 1,807,540</b>	<b>\$ 2,543,823</b>

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

Statement 3

Street Renewal	General Fixed Asset Replacement	Community Investment	Owasso Street Realignment	Other Governmental Funds	Intra- Activity Eliminations	Total Governmental Funds
\$ 2,511,404	\$ 797,714	\$ 1,215,369	\$ -	\$ 5,875,905	\$ -	\$ 20,477,391
-	-	-	-	1,397,098	-	1,397,098
8,130	1,733	3,361	-	13,265	-	51,349
-	2,467	210,869	3,187	82,708	-	346,675
-	-	-	-	150,663	-	150,663
7,243	10,958	(945)	-	51,552	-	121,322
80,732	-	-	-	360,927	-	2,019,630
-	-	-	-	863,738	(863,738)	-
-	-	-	-	6,529	-	19,328
-	-	-	-	540	-	66,303
-	-	263,378	-	-	-	263,378
<u>\$ 2,607,509</u>	<u>\$ 812,872</u>	<u>\$ 1,692,032</u>	<u>\$ 3,187</u>	<u>\$ 8,802,925</u>	<u>\$ (863,738)</u>	<u>\$ 24,913,137</u>
\$ -	\$ 90,348	\$ 563	\$ 6,374	\$ 40,761	\$ -	\$ 270,308
-	-	-	-	3,265	-	146,756
125,220	38,637	4,292	41,006	-	-	209,155
-	-	-	-	-	-	527,884
-	-	-	863,738	-	(863,738)	-
-	-	-	-	-	-	33,907
-	-	116,588	-	-	-	119,538
<u>125,220</u>	<u>128,985</u>	<u>121,443</u>	<u>911,118</u>	<u>44,026</u>	<u>(863,738)</u>	<u>1,307,548</u>
5,735	8,585	181	-	49,698	-	108,252
76,420	-	-	-	357,086	-	2,011,477
-	-	-	-	-	-	1,710,061
<u>82,155</u>	<u>8,585</u>	<u>181</u>	<u>-</u>	<u>406,784</u>	<u>-</u>	<u>3,829,790</u>
-	-	-	-	540	-	66,303
-	-	-	-	6,867,877	-	7,097,111
2,400,134	675,302	1,570,408	-	236,963	-	7,046,321
-	-	-	-	1,246,735	-	2,090,550
-	-	-	(907,931)	-	-	3,475,514
<u>2,400,134</u>	<u>675,302</u>	<u>1,570,408</u>	<u>(907,931)</u>	<u>8,352,115</u>	<u>-</u>	<u>19,775,799</u>
<u>\$ 2,607,509</u>	<u>\$ 812,872</u>	<u>\$ 1,692,032</u>	<u>\$ 3,187</u>	<u>\$ 8,802,925</u>	<u>\$ (863,738)</u>	<u>\$ 24,913,137</u>

Fund balance reported above	\$ 19,775,799
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.	54,878,699
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	2,119,729
Internal service funds are used by management to charge costs to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.	4,520,896
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(19,227,423)
Net position of governmental activities	<u>\$ 62,067,700</u>

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

**CITY OF SHOREVIEW, MINNESOTA**

Statement of Revenues, Expenditures,

and Changes in Fund Balances

Governmental Funds

For The Year Ended December 31, 2014

	General	Community Center Operation	Recreation Programs	G.O. Improvement Bonds of 2013	Municipal State Aid
<b>Revenues</b>					
Taxes					
General property taxes	\$ 6,698,037	\$ –	\$ –	\$ –	\$ –
Tax increments	–	–	–	–	–
Franchise tax	–	–	–	–	–
Special assessments	–	–	–	160,182	925
Licenses and permits	628,033	–	–	–	–
Intergovernmental	574,419	–	–	–	652,354
Charges for services	1,352,056	2,401,381	1,419,065	–	–
Fines and forfeits	49,430	–	–	–	–
Earnings on investments	197,442	65,924	44,575	4,853	71,646
Billboard fees	–	–	–	–	–
Antenna fees	–	–	–	–	–
Park dedication fees	–	–	–	–	–
Other	28,974	13,529	48	–	–
Total revenues	<u>9,528,391</u>	<u>2,480,834</u>	<u>1,463,688</u>	<u>165,035</u>	<u>724,925</u>
<b>Expenditures</b>					
Current					
General government	2,036,384	–	–	–	–
Public safety	3,326,747	–	–	–	–
Public works	1,473,395	–	–	–	–
Parks and recreation	1,690,438	2,674,831	1,223,641	–	–
Community development	598,321	–	–	–	–
Capital outlay					
General government	48,768	–	–	–	–
Public works	–	–	–	–	–
Parks and recreation	–	–	–	–	–
Debt service					
Principal	–	–	–	–	–
Interest	–	–	–	38,881	–
Fiscal charges	–	–	–	343	–
Total expenditures	<u>9,174,053</u>	<u>2,674,831</u>	<u>1,223,641</u>	<u>39,224</u>	<u>–</u>
Revenues over (under) expenditures	<u>354,338</u>	<u>(193,997)</u>	<u>240,047</u>	<u>125,811</u>	<u>724,925</u>
<b>Other financing sources (uses)</b>					
Issuance of refunding debt	–	–	–	–	–
Premium on debt issuance	–	–	–	–	–
Payment to refunded bond escrow agent	–	–	–	–	–
Sale of capital assets	203	–	–	–	–
Transfers in	692,000	339,000	70,000	35,666	–
Transfers out	(902,749)	–	(100,000)	–	(91,088)
Total other financing sources (uses)	<u>(210,546)</u>	<u>339,000</u>	<u>(30,000)</u>	<u>35,666</u>	<u>(91,088)</u>
Net change in fund balances	143,792	145,003	210,047	161,477	633,837
Fund balances (deficits) – January 1	4,303,606	1,048,539	761,735	67,757	209,978
Fund balances (deficits) – December 31	<u>\$ 4,447,398</u>	<u>\$ 1,193,542</u>	<u>\$ 971,782</u>	<u>\$ 229,234</u>	<u>\$ 843,815</u>

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

Statement 4

Street Renewal	General Fixed Asset Replacement	Community Investment	Owasso Street Realignment	Other Governmental Funds	Intra- Activity Eliminations	Total Governmental Funds
\$ 879,726	\$ 1,319,766	\$ (1,813)	\$ –	\$ 722,108	\$ –	\$ 9,617,824
–	–	–	–	1,811,837	–	1,811,837
–	–	789,645	–	331,303	–	1,120,948
17,653	–	–	–	83,553	–	262,313
–	–	–	–	–	–	628,033
–	–	–	1,038,761	208,622	–	2,474,156
–	–	–	–	526,361	–	5,698,863
–	–	–	–	–	–	49,430
125,734	26,792	51,970	–	198,829	–	787,765
–	–	50,300	–	–	–	50,300
–	–	300,670	–	–	–	300,670
–	–	279,262	–	–	–	279,262
–	–	–	3,187	40,766	–	86,504
<u>1,023,113</u>	<u>1,346,558</u>	<u>1,470,034</u>	<u>1,041,948</u>	<u>3,923,379</u>	<u>–</u>	<u>23,167,905</u>
–	–	–	–	316,408	–	2,352,792
–	156,680	–	–	–	–	3,483,427
291,699	–	–	178,460	670,894	–	2,614,448
–	614,528	15,224	–	–	–	6,218,662
–	–	–	202,450	780,365	–	1,581,136
–	–	–	–	33,025	–	81,793
–	125,675	245,503	274,618	851,214	–	1,497,010
–	–	21,370	–	–	–	21,370
–	–	–	–	1,265,000	–	1,265,000
–	–	–	–	369,330	–	408,211
–	–	–	–	4,911	–	5,254
<u>291,699</u>	<u>896,883</u>	<u>282,097</u>	<u>655,528</u>	<u>4,291,147</u>	<u>–</u>	<u>19,529,103</u>
<u>731,414</u>	<u>449,675</u>	<u>1,187,937</u>	<u>386,420</u>	<u>(367,768)</u>	<u>–</u>	<u>3,638,802</u>
–	–	–	–	100,000	–	100,000
–	–	–	–	5,822	–	5,822
–	–	–	–	(860,000)	–	(860,000)
–	7,711	–	–	–	–	7,914
–	–	–	–	2,362,810	(2,957,615)	541,861
<u>(793,864)</u>	<u>(263,649)</u>	<u>(175,000)</u>	<u>–</u>	<u>(631,265)</u>	<u>2,957,615</u>	<u>–</u>
<u>(793,864)</u>	<u>(255,938)</u>	<u>(175,000)</u>	<u>–</u>	<u>977,367</u>	<u>–</u>	<u>(204,403)</u>
<u>(62,450)</u>	<u>193,737</u>	<u>1,012,937</u>	<u>386,420</u>	<u>609,599</u>	<u>–</u>	<u>3,434,399</u>
<u>2,462,584</u>	<u>481,565</u>	<u>557,471</u>	<u>(1,294,351)</u>	<u>7,742,516</u>	<u>–</u>	<u>16,341,400</u>
<u>\$ 2,400,134</u>	<u>\$ 675,302</u>	<u>\$ 1,570,408</u>	<u>\$ (907,931)</u>	<u>\$ 8,352,115</u>	<u>\$ –</u>	<u>\$19,775,799</u>

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

**CITY OF SHOREVIEW, MINNESOTA**

Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For The Year Ended December 31, 2014

**Statement 5**

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

Net changes in fund balances – total governmental funds.	\$ 3,434,399
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the difference between depreciation and capital additions in the current period.	(686,608)
The Statement of Activities reports gains and losses arising from the trade-in or disposal of existing assets to acquire new capital assets. Conversely, governmental funds simply report proceeds on sale of capital assets.	(860,600)
Revenues in the Statement of Activities that do not provide current financial resources and are not reported as revenues in the funds.	1,489,052
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas material amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	2,045,376
The transfer out of governmental capital assets contributed to enterprise funds.	(154,574)
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.	11,678
Internal service funds are used by management to charge costs to individual funds. This amount is the portion of net revenue attributable to and reported with governmental activities.	111,996
Change in net position of governmental activities.	<u>\$ 5,390,719</u>

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

**CITY OF SHOREVIEW, MINNESOTA**

Statement of Net Position

Proprietary Funds

December 31, 2014

**Statement 6**

	Business-Type Activities – Enterprise Funds				Totals Current Year	Governmental Activities – Internal Service Funds
	Water	Sewer	Surface Water	Street Lights		
<b>Assets</b>						
<b>Current assets</b>						
Cash and investments	\$ 4,507,826	\$ 3,096,944	\$ 867,975	\$ 192,640	\$ 8,665,385	\$ 6,287,561
Accrued interest receivable	11,324	6,762	2,373	786	21,245	3,970
Accounts receivable						
Customers	535,322	880,168	336,069	77,322	1,828,881	8,615
Customer accounts certified to county	60,352	95,536	25,798	11,791	193,477	–
Taxes receivable	–	–	–	–	–	1,393
Due from other governmental units	98,347	6,068	9,553	306	114,274	32,066
Prepaid items	394	1,573	142	16	2,125	1,651
Total current assets	<u>5,213,565</u>	<u>4,087,051</u>	<u>1,241,910</u>	<u>282,861</u>	<u>10,825,387</u>	<u>6,335,256</u>
<b>Noncurrent assets</b>						
Special assessments receivable	26,388	25,718	5,677	454	58,237	–
<b>Capital assets</b>						
Land	27,577	11,459	286,166	–	325,202	36,293
Buildings and structures	6,733,215	1,667,009	–	–	8,400,224	6,929,379
Machinery and equipment	2,471,025	40,327	8,538	723	2,520,613	5,393,870
Distribution and collection systems	16,739,474	11,845,366	12,137,731	2,026,971	42,749,542	–
Construction in progress	934,745	235,292	533,000	101,420	1,804,457	–
Total capital assets	<u>26,906,036</u>	<u>13,799,453</u>	<u>12,965,435</u>	<u>2,129,114</u>	<u>55,800,038</u>	<u>12,359,542</u>
Less accumulated depreciation	<u>(12,267,602)</u>	<u>(7,559,666)</u>	<u>(2,603,767)</u>	<u>(1,033,384)</u>	<u>(23,464,419)</u>	<u>(4,100,921)</u>
Total capital assets (net of accumulated depreciation)	<u>14,638,434</u>	<u>6,239,787</u>	<u>10,361,668</u>	<u>1,095,730</u>	<u>32,335,619</u>	<u>8,258,621</u>
Total noncurrent assets	<u>14,664,822</u>	<u>6,265,505</u>	<u>10,367,345</u>	<u>1,096,184</u>	<u>32,393,856</u>	<u>8,258,621</u>
Total assets	<u>19,878,387</u>	<u>10,352,556</u>	<u>11,609,255</u>	<u>1,379,045</u>	<u>43,219,243</u>	<u>14,593,877</u>
<b>Liabilities</b>						
<b>Current liabilities</b>						
Accounts payable	150,353	12,788	12,369	14,767	190,277	33,268
Salaries payable	14,683	12,666	6,323	363	34,035	5,993
Accrued bond interest payable	71,848	26,020	36,626	–	134,494	109,211
Customer deposits payable	8,308	–	–	–	8,308	–
Due to other governmental units	16,746	20,373	1,827	–	38,946	324
Compensated absences payable	3,478	2,994	1,187	78	7,737	631
Bonds payable	1,410,000	915,000	610,000	–	2,935,000	5,025,000
Total current liabilities	<u>1,675,416</u>	<u>989,841</u>	<u>668,332</u>	<u>15,208</u>	<u>3,348,797</u>	<u>5,174,427</u>
<b>Noncurrent liabilities</b>						
Compensated absences payable (net of current portion)	32,211	27,714	11,004	718	71,647	5,835
Bonds payable (net of current portion)	4,578,100	1,527,006	2,542,497	–	8,647,603	4,849,019
Total noncurrent liabilities	<u>4,610,311</u>	<u>1,554,720</u>	<u>2,553,501</u>	<u>718</u>	<u>8,719,250</u>	<u>4,854,854</u>
Total liabilities	<u>6,285,727</u>	<u>2,544,561</u>	<u>3,221,833</u>	<u>15,926</u>	<u>12,068,047</u>	<u>10,029,281</u>
<b>Net position</b>						
Net investment in capital assets	9,661,976	4,561,649	7,510,117	1,095,730	22,829,472	3,233,621
Restricted for trunk facility	–	224,368	–	–	224,368	–
Unrestricted	3,930,684	3,021,978	877,305	267,389	8,097,356	1,330,975
Total net position	<u>\$13,592,660</u>	<u>\$ 7,807,995</u>	<u>\$ 8,387,422</u>	<u>\$ 1,363,119</u>	<u>31,151,196</u>	<u>\$ 4,564,596</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.					43,700	
Net position of business-type activities					<u>\$ 31,194,896</u>	

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

**CITY OF SHOREVIEW, MINNESOTA**

Statement of Revenues, Expenses, and

Changes in Fund Net Position

Proprietary Funds

For The Year Ended December 31, 2014

**Statement 7**

	Business-Type Activities – Enterprise Funds				Totals Current Year	Governmental Activities – Internal Service Funds
	Water	Sewer	Surface Water	Street Lights		
Operating revenues						
Customer billings	\$ 2,447,518	\$ 3,853,688	\$ 1,355,313	\$ 494,945	\$ 8,151,464	\$ 1,248,367
Water meter sales	12,507	–	–	–	12,507	–
Other	21,306	5,951	15,853	422	43,532	–
Total operating revenues	<u>2,481,331</u>	<u>3,859,639</u>	<u>1,371,166</u>	<u>495,367</u>	<u>8,207,503</u>	<u>1,248,367</u>
Operating expenses						
MCES sewer service charges	–	1,811,427	–	–	1,811,427	–
Administrative charges	201,040	343,040	103,720	35,220	683,020	–
Personal services	642,178	555,470	268,836	16,438	1,482,922	214,066
Materials and supplies	65,447	23,308	14,625	551	103,931	301,741
Water meters	9,805	–	–	–	9,805	–
Contractual services	387,776	399,362	305,033	36,919	1,129,090	228,174
Utilities	120,531	8,308	1,274	163,220	293,333	25,839
Insurance	5,675	22,314	2,060	244	30,293	23,326
Depreciation	634,561	329,430	243,125	51,959	1,259,075	654,540
Total operating expenses	<u>2,067,013</u>	<u>3,492,659</u>	<u>938,673</u>	<u>304,551</u>	<u>6,802,896</u>	<u>1,447,686</u>
Operating income (loss)	<u>414,318</u>	<u>366,980</u>	<u>432,493</u>	<u>190,816</u>	<u>1,404,607</u>	<u>(199,319)</u>
Nonoperating revenues (expenses)						
General property taxes	–	–	–	–	–	179,245
Earnings on investments	175,102	104,576	36,711	12,148	328,537	61,574
Gain on sale of capital assets	114	210	52	–	376	78,143
Loss on disposal of capital assets	–	–	–	(992)	(992)	(17,184)
Other	–	–	–	–	–	155,763
Interest	(163,432)	(58,703)	(80,992)	–	(303,127)	(247,018)
Fiscal charges	(15,300)	(11,540)	(5,414)	–	(32,254)	(71,974)
Total nonoperating revenues (expenses)	<u>(3,516)</u>	<u>34,543</u>	<u>(49,643)</u>	<u>11,156</u>	<u>(7,460)</u>	<u>138,549</u>
Income (loss) before contributions and transfers	<u>410,802</u>	<u>401,523</u>	<u>382,850</u>	<u>201,972</u>	<u>1,397,147</u>	<u>(60,770)</u>
Capital contributions	<u>157,129</u>	<u>74,778</u>	<u>78,877</u>	<u>17,751</u>	<u>328,535</u>	<u>77,106</u>
Transfers						
Transfers in	–	34,631	–	–	34,631	119,400
Transfers out	(303,136)	(181,136)	(147,000)	(20,400)	(651,672)	(44,220)
Total transfers	<u>(303,136)</u>	<u>(146,505)</u>	<u>(147,000)</u>	<u>(20,400)</u>	<u>(617,041)</u>	<u>75,180</u>
Change in net position	<u>264,795</u>	<u>329,796</u>	<u>314,727</u>	<u>199,323</u>	<u>1,108,641</u>	<u>91,516</u>
Net position – January 1	<u>13,327,865</u>	<u>7,478,199</u>	<u>8,072,695</u>	<u>1,163,796</u>	<u>30,042,555</u>	<u>4,473,080</u>
Net position – December 31	<u>\$ 13,592,660</u>	<u>\$ 7,807,995</u>	<u>\$ 8,387,422</u>	<u>\$ 1,363,119</u>	<u>\$ 31,151,196</u>	<u>\$ 4,564,596</u>

Net changes in net position reported above

\$ 1,108,641

Amounts reported for business-type activities in the Statement of Activities are different because:

Transfer in of capital assets from governmental activities.

154,574

Governmental activities contribution revenue reported above

(154,574)

Internal service funds are used by management to charge the cost of equipment maintenance and insurance to individual funds. This amount is the portion of net revenue attributable to and reported with business-type activities.

(20,480)

Change in net position of business-type activities

\$ 1,088,161

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

**CITY OF SHOREVIEW, MINNESOTA**

Statement of Cash Flows

Proprietary Funds

For The Year Ended December 31, 2014

**Statement 8**

	Business-Type Activities – Enterprise Funds				Totals Current Year	Governmental
	Water	Sewer	Surface Water	Street Lights		Activities – Internal Service Funds
<b>Cash flows from operating activities</b>						
Receipts from customers and users	\$ 2,423,361	\$ 3,836,167	\$ 1,316,342	\$ 489,886	\$ 8,065,756	\$ –
Receipts from interfund services provided	–	–	–	–	–	1,248,367
Payments to suppliers	(582,745)	(2,239,058)	(319,228)	(193,413)	(3,334,444)	(620,193)
Payments to employees	(640,829)	(553,927)	(267,136)	(16,404)	(1,478,296)	(211,230)
Payments for interfund services used	(201,040)	(343,040)	(103,720)	(35,220)	(683,020)	–
Miscellaneous revenue	–	–	–	–	–	148,623
Net cash flows from operating activities	<u>998,747</u>	<u>700,142</u>	<u>626,258</u>	<u>244,849</u>	<u>2,569,996</u>	<u>565,567</u>
<b>Cash flows from noncapital financing activities</b>						
Transfer to other funds	<u>(303,136)</u>	<u>(181,136)</u>	<u>(147,000)</u>	<u>(20,400)</u>	<u>(651,672)</u>	<u>(9,589)</u>
<b>Cash flows from capital and related financing activities</b>						
Proceeds from sales of capital assets	114	210	52	–	376	126,427
Proceeds from the sale of bonds	957,603	764,122	277,752	–	1,999,477	4,850,008
Acquisition and construction of capital assets	(629,212)	(288,194)	(392,146)	(234,182)	(1,543,734)	(529,055)
Receipts from taxpayers	–	–	–	–	–	183,232
Transfers from other funds	–	34,631	–	–	34,631	119,400
Transfers to other funds	–	–	–	–	–	(34,631)
Capital contributions	91,878	57,926	3,428	–	153,232	77,837
Principal paid on capital debt	(965,000)	(325,000)	(360,000)	–	(1,650,000)	(245,000)
Interest and paying agent fees on capital debt	(202,737)	(75,405)	(102,561)	–	(380,703)	(311,748)
Net cash flows from capital and related financing activities	<u>(747,354)</u>	<u>168,290</u>	<u>(573,475)</u>	<u>(234,182)</u>	<u>(1,386,721)</u>	<u>4,236,470</u>
<b>Cash flows from investing activities</b>						
Earnings on investments	<u>173,813</u>	<u>103,314</u>	<u>37,151</u>	<u>12,036</u>	<u>326,314</u>	<u>61,052</u>
Net change in cash and cash equivalents	122,070	790,610	(57,066)	2,303	857,917	4,853,500
Cash and cash equivalents – January 1	4,385,756	2,306,334	925,041	190,337	7,807,468	1,434,061
Cash and cash equivalents – December 31	<u>\$ 4,507,826</u>	<u>\$ 3,096,944</u>	<u>\$ 867,975</u>	<u>\$ 192,640</u>	<u>\$ 8,665,385</u>	<u>\$ 6,287,561</u>
<b>Reconciliation of operating income (loss) to net cash flows from operating activities</b>						
Operating income (loss)	\$ 414,318	\$ 366,980	\$ 432,493	\$ 190,816	\$ 1,404,607	\$ (199,319)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities						
Miscellaneous revenue	–	–	–	–	–	155,763
Depreciation	634,561	329,430	243,125	51,959	1,259,075	654,540
Decrease (increase) in receivables	(57,970)	(23,472)	(54,824)	(5,481)	(141,747)	2,634
Decrease (increase) in prepaid items	2,222	1,767	1,445	49	5,483	811
Increase (decrease) in payables	5,616	25,437	4,019	7,506	42,578	(48,862)
Total adjustments	<u>584,429</u>	<u>333,162</u>	<u>193,765</u>	<u>54,033</u>	<u>1,165,389</u>	<u>764,886</u>
Net cash flows from operating activities	<u>\$ 998,747</u>	<u>\$ 700,142</u>	<u>\$ 626,258</u>	<u>\$ 244,849</u>	<u>\$ 2,569,996</u>	<u>\$ 565,567</u>
<b>Noncash investing, capital, and financing activities</b>						
Contributions of capital assets –						
Governmental funds	\$ 65,383	\$ 16,957	\$ 54,484	\$ 17,751	\$ 154,575	\$ –
External	–	–	21,000	–	21,000	–
Capital asset purchase on account –						
Accounts payable	110,875	5,825	–	–	116,700	4,992
Due from other governmental units –						
Capital contribution	(132)	(105)	(35)	–	(272)	(731)
Taxes receivable	–	–	–	–	–	(3,987)

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

**CITY OF SHOREVIEW, MINNESOTA**

Statement of Assets and Liabilities

Agency Fund

December 31, 2014

**Statement 9**

Assets	
Cash and investments	\$ 402,934
Accrued interest receivable	45
Total assets	<u>\$ 402,979</u>
Liabilities	
Deposits payable	<u>\$ 402,979</u>

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

## **CITY OF SHOREVIEW**

Notes to Financial Statements

December 31, 2014

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

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

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

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

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

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

#### **Blended Component Unit**

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

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

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

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

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

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

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

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

**CITY OF SHOREVIEW**

Notes to Financial Statements

December 31, 2014

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

The government reports the following major governmental funds:

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

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

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

The *G.O. Improvement Bonds of 2013 Fund* (Debt Service Fund type) accounts for resources collected for the repayment of the 2013 improvement bonds.

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

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

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

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

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

The government reports the following major proprietary funds:

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

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

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

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

Additionally, the government reports the following fund types:

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

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

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

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

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

#### **D. BUDGETS**

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

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

**E. LEGAL COMPLIANCE – BUDGETS**

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

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

**CITY OF SHOREVIEW**  
Notes to Financial Statements  
December 31, 2014

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

	Original and Final Budget	Actual	Over Budget
Nonmajor funds			
Special revenue fund			
Cable TV	\$ 149,587	\$ 163,751	\$ 14,164
Economic Development Authority	71,007	73,360	2,353

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

**F. CASH AND INVESTMENTS**

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

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

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

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

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

**G. RECEIVABLES AND PAYABLES**

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

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

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

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

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

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

#### GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

The City's property tax revenue includes payments from the Metropolitan Revenue Distribution (Fiscal Disparities Formula) per Minnesota Statute § 473F. This statute provides a means of spreading a portion of the taxable valuation of commercial/industrial real property to various taxing authorities within the defined metropolitan area. The valuation "shared" is a portion of commercial/industrial property valuation growth since 1971. Property taxes paid to the City through this formula for 2014 totaled \$927,839. Receipt of property taxes from this "fiscal disparities pool" does not increase or decrease total tax revenue.

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

Special assessments are levied against benefited properties for the cost or a portion of the cost of special assessment improvement projects in accordance with state statutes. These assessments are collectible by the City over a term of years usually consistent with the term of the related bond issue. Collection of annual installments (including interest) is handled by the County Auditor in the same manner as property

taxes. Property owners are allowed to (and often do) prepay future installments without interest or prepayment penalties.

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

#### GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

#### GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

#### **J. INVENTORIES**

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

#### **K. PREPAID ITEMS**

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

#### **L. PROPERTY HELD FOR RESALE**

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

**M. CAPITAL ASSETS**

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

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

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

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. For the year ended December 31, 2014, no interest was capitalized in connection with construction in progress.

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

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

**N. COMPENSATED ABSENCES**

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

**O. LONG-TERM OBLIGATIONS**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## **R. INTERFUND TRANSACTIONS**

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

## **S. USE OF ESTIMATES**

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

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

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

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

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

The governmental fund Balance Sheet includes a reconciliation between *fund balances – total governmental funds* and *net position – governmental activities* as reported in the government-wide Statement of Net Position. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this (\$19,227,423) difference are as follows:

Long-term debt payable	\$ (18,555,000)
Issuance premium	(246,293)
Accrued interest payable	(146,308)
Compensated absences	<u>(279,822)</u>
 Net adjustment to reduce fund balances – total governmental funds to arrive at net position – governmental activities	   <u><u>\$ (19,227,423)</u></u>

Another element of that reconciliation explains that “internal service funds are used by management to charge the costs of fleet management, short-term disability insurance, and liability claims to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.” The details of this \$4,520,896 difference are as follows:

Net position of the internal service funds	\$ 4,564,596
Add: Internal payable representing charges in excess of costs to business-type activities – prior years	(64,180)
Add: Internal receivable representing costs in excess of charges to business-type activities – current year	<u>20,480</u>
 Net adjustment to increase fund balances – total governmental funds to arrive at net position – governmental activities	   <u><u>\$ 4,520,896</u></u>

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

The governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide Statement of Activities. One element of that reconciliation explains that “governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this (\$686,608) difference are as follows:

Capital outlay	\$ 1,600,173
Developer contributions	131,000
Depreciation expense	<u>(2,417,781)</u>
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (686,608)</u>

Another element of that reconciliation states that “revenues on the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.” The details of this \$1,489,052 difference are as follows:

General property taxes deferred inflow of resources	
At December 31, 2013	\$ (124,010)
At December 31, 2014	108,252
Special assessments deferred inflow of resources	
At December 31, 2013	(506,667)
At December 31, 2014	<u>2,011,477</u>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 1,489,052</u>

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Another element of that reconciliation states that “the issuance of long-term debt (e.g. bonds and leases) provides current financial resources to governmental funds, while the repayment of the long-term debt consumes the current financial resources of governmental funds.” Neither transaction, however, has any effect on net position. The details of this \$2,045,376 difference are as follows:

Debt issued or incurred	
General obligation refunding bonds of 2014	\$ (100,000)
Principal repayments	
General obligation improvement bonds	260,000
General obligation tax increment bonds	340,000
General obligation capital improvement plan bonds	870,000
General obligation street reconstruction bonds	305,000
Certificates of participation	350,000
Premium/discount on debt issuance	<u>20,376</u>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 2,045,376</u>

Another element of that reconciliation states that “some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.” The details of this \$11,678 difference are as follows:

Compensated absences	\$ (14,300)
Accrued interest	<u>25,978</u>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 11,678</u>

**Note 3 DEPOSITS AND INVESTMENTS**

**A. DEPOSITS**

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

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

Custodial Credit Risk – In the case of deposits, this is the risk that in the event of a failure, the City’s deposits may be lost. Minnesota Statutes require that all city deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged must equal 110 percent of the deposits not covered by insurance or bonds.

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Minnesota Statutes require that securities pledged as collateral be held in safekeeping by the city treasurer or in a restricted account at the Federal Reserve Bank or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral. Authorized collateral includes the following:

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

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

At year-end, the carrying amount of the City's deposits was \$91,381 and the bank balance was \$174,027. The entire bank balance was covered by federal depository insurance.

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**B. INVESTMENTS**

As of December 31, 2014, the City had the following cash and investments:

Investment Type	Concentration	Interest Risk – Maturity Duration in Years				Carrying Amount at Fair Value
	Risk Over 5% of Portfolio	Less than 1 Year	1 to 5 Years	6 to 10 Years	More than 10 Years	
Federal National Mortgage Association	14.4%	\$ 1,699,357	\$ –	\$ –	\$ 3,645,932	\$ 5,345,289
Federal Home Loan Bank	14.7%	1,894,477	494,124	2,582,060	487,695	5,458,356
Federal Home Loan Mortgage Corporation	2.5%	–	946,108	–	–	946,108
Municipal bonds	**	–	2,382,226	841,944	–	3,224,170
Marketable certificates of deposit	N/A	399,119	3,058,165	727,127	465,535	4,649,946
Money market funds						
Minnesota Municipal Money Market	N/A	17,478,334	–	–	–	17,478,334
MSILF Government Cash Management Fund	N/A	15,374	–	–	–	15,374
Wells Fargo Advantage Government Money Market Fund	N/A	8,441	–	–	–	8,441
Total investments		<u>\$ 21,495,102</u>	<u>\$ 6,880,623</u>	<u>\$ 4,151,131</u>	<u>\$ 4,599,162</u>	<u>37,126,018</u>
Deposits						91,381
Petty cash						12,970
Totals						<u>\$ 37,230,369</u>
Government-Wide Statement of Net Position						
Cash and investments						\$ 35,430,337
Restricted cash with escrow agent						1,397,098
Statement of Assets and Liabilities - Agency Fund						
Cash and investments						402,934
Totals						<u>\$ 37,230,369</u>

\*\* – Individual bonds less than 5%  
N/A – Not Applicable

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

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

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

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

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

The City’s investment policy does not further address credit risk. As of December 31, 2014, the City’s investment in obligations of U.S. government agencies that are only implicitly guaranteed by the U.S. government (e.g., securities issued by the Federal National Mortgage Association, the Federal Home Loan Bank, and the Federal Home Loan Mortgage Corporation), the MSILF Government Cash Management Fund shares, and Wells Fargo Advantage Government Money Market Fund received Aaa credit ratings from Moody’s Investors Service, Inc. and AA+ from Standard & Poor’s Corporation. The City’s investments in Municipal bonds were rated Aaa, Aa and A by Moody’s Investors Service, Inc. and AA by Standard & Poor’s Ratings Services in the amount of \$489,385, \$490,570, \$732,642, and \$1,511,573, respectively.

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

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

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

Significant receivable balances not expected to be collected within one year of December 31, 2014 are as follows:

	Accounts Receivable	Certified Utility Accounts Receivable	Utility Customer Accounts Receivable	Delinquent Property Taxes	Special Assessment Receivable	Total
Major funds						
General	\$ 10,523	\$ –	\$ –	\$ 24,141	\$ –	\$ 34,664
G.O. Improvement Bonds of 2013	–	–	–	–	1,520,448	1,520,448
Municipal State Aid	–	–	–	–	3	3
Street Renewal	–	–	–	3,143	65,991	69,134
General Fixed Asset Replacement	–	–	–	4,705	–	4,705
Community Investment	–	–	–	99	–	99
Water	–	12,827	43,738	–	22,215	78,780
Sewer	–	20,305	77,597	–	20,038	117,940
Surface Water	–	5,483	27,337	–	4,366	37,186
Street Lights	–	2,506	10,346	–	–	12,852
Nonmajor governmental funds	–	–	–	3,163	309,390	312,553
	<u>\$ 10,523</u>	<u>\$ 41,121</u>	<u>\$ 159,018</u>	<u>\$ 35,251</u>	<u>\$ 1,942,451</u>	<u>\$ 2,188,364</u>

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

	Major Funds							Total
	2013			General				
General Fund	Improvement Bonds	Municipal State Aid	Street Renewal	Fixed Asset Replacement	Community Investment	Nonmajor Funds		
Unearned								
Grant revenue received, but not yet earned	\$ 2,950	\$ –	\$ –	\$ –	\$ –	\$ –	\$ 2,950	
Antenna rental fees received, but not yet earned	–	–	–	–	113,155	–	113,155	
Billboard rental fees received, but not yet earned	–	–	–	–	3,433	–	3,433	
Total unearned revenue	<u>\$ 2,950</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 116,588</u>	<u>\$ –</u>	<u>\$ 119,538</u>	
Deferred inflows of resources:								
Unavailable revenue - property taxes	\$ 44,053	\$ –	\$ –	\$ 5,735	\$ 8,585	\$ 181	\$ 49,698	
Unavailable revenue - assessments	–	1,577,963	8	76,420	–	–	357,086	
State aid received for subsequent years	10,061	–	1,700,000	–	–	–	1,710,061	
Total deferred inflows of resources	<u>\$ 54,114</u>	<u>\$ 1,577,963</u>	<u>\$ 1,700,008</u>	<u>\$ 82,155</u>	<u>\$ 8,585</u>	<u>\$ 181</u>	<u>\$ 406,784</u>	

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**Note 5 CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2014 was as follows:

	Beginning Balance	Increases	Decreases	Adjustments	Ending Balance
Primary government					
Governmental activities					
Capital assets, not being depreciated					
Land	\$ 7,724,345	\$ -	\$ -	\$ -	\$ 7,724,345
Construction in progress	5,634,487	1,396,909	-	(4,724,083)	2,307,313
Total capital assets, not being depreciated	<u>13,358,832</u>	<u>1,396,909</u>	<u>-</u>	<u>(4,724,083)</u>	<u>10,031,658</u>
Capital assets, being depreciated					
Building and structures	34,929,415	15,709	-	-	34,945,124
Machinery and equipment	8,102,394	567,028	360,260	56,966	8,366,128
Infrastructure	58,543,640	131,000	4,429,664	4,667,117	58,912,093
Total capital assets, being depreciated	<u>101,575,449</u>	<u>713,737</u>	<u>4,789,924</u>	<u>4,724,083</u>	<u>102,223,345</u>
Less accumulated depreciation for					
Building and structures	10,076,728	841,491	-	-	10,918,219
Machinery and equipment	4,019,893	552,341	289,842	-	4,282,392
Infrastructure	35,812,598	1,678,489	3,574,015	-	33,917,072
Total accumulated depreciation	<u>49,909,219</u>	<u>3,072,321</u>	<u>3,863,857</u>	<u>-</u>	<u>49,117,683</u>
Total capital assets being depreciated – net	<u>51,666,230</u>	<u>(2,358,584)</u>	<u>926,067</u>	<u>4,724,083</u>	<u>53,105,662</u>
Governmental activities capital assets – net	<u>\$ 65,025,062</u>	<u>\$ (961,675)</u>	<u>\$ 926,067</u>	<u>\$ -</u>	<u>\$ 63,137,320</u>
	Beginning Balance	Increases	Decreases	Adjustments	Ending Balance
Primary government					
Business-type activities					
Capital assets, not being depreciated					
Land	\$ 304,202	\$ 21,000	\$ -	\$ -	\$ 325,202
Construction in progress	2,113,155	1,815,009	-	(2,123,707)	1,804,457
Total capital assets, not being depreciated	<u>2,417,357</u>	<u>1,836,009</u>	<u>-</u>	<u>(2,123,707)</u>	<u>2,129,659</u>
Capital assets, being depreciated					
Building and structures	8,341,333	-	-	58,891	8,400,224
Machinery and equipment	2,532,106	-	11,493	-	2,520,613
Distribution and collection system	40,724,180	-	39,454	2,064,816	42,749,542
Total capital assets, being depreciated	<u>51,597,619</u>	<u>-</u>	<u>50,947</u>	<u>2,123,707</u>	<u>53,670,379</u>
Less accumulated depreciation for					
Building and structures	3,347,737	252,256	-	-	3,599,993
Machinery and equipment	462,561	100,905	11,493	-	551,973
Distribution and collection system	18,445,001	905,914	38,462	-	19,312,453
Total accumulated depreciation	<u>22,255,299</u>	<u>1,259,075</u>	<u>49,955</u>	<u>-</u>	<u>23,464,419</u>
Total capital assets being depreciated – net	<u>29,342,320</u>	<u>(1,259,075)</u>	<u>992</u>	<u>2,123,707</u>	<u>30,205,960</u>
Business-type activities capital assets – net	<u>\$ 31,759,677</u>	<u>\$ 576,934</u>	<u>\$ 992</u>	<u>\$ -</u>	<u>\$ 32,335,619</u>

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

Governmental activities	
General government	\$ 163,123
Public safety	85,033
Public works	1,677,328
Parks and recreation	492,297
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets	<u>654,540</u>
Total depreciation expense – governmental activities	<u><u>\$ 3,072,321</u></u>
Business-type activities	
Water	\$ 634,561
Sewer	329,430
Surface water	243,125
Street lights	<u>51,959</u>
Total depreciation expense – business-type activities	<u><u>\$ 1,259,075</u></u>

**COMMITMENTS**

At December 31, 2014, the City had construction project contracts in progress. The commitments related to the remaining contract balances are summarized as follows:

<u>Project</u>	<u>Amount</u>
Community Center Gym Roof Replacement	\$ 750
2014 Trail Construction/Rehabilitation	4,326
Owasso Street Realignment	11,695
Hanson/Oakridge/Nottingham Reconstruction	<u>92,320</u>
Total construction commitments	<u><u>\$ 109,091</u></u>

**CITY OF SHOREVIEW**  
Notes to Financial Statements  
December 31, 2014

**Note 6 LONG-TERM DEBT**

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

**GOVERNMENTAL ACTIVITIES**

As of December 31, 2014, the governmental activities long-term debt of the City consisted of the following:

	Issue Date	Final Maturity Date	Interest Rate	Authorized and Issued	Outstanding 12/31/2014
G.O. improvement bonds					
2008 Improvement Bonds	11/15/2008	02/01/2025	3.50-4.375	\$ 330,000	\$ 260,000
2009 Improvement Bonds	11/15/2009	02/01/2021	3.00-4.00	235,000	175,000
2010 Improvement Bonds	12/16/2010	02/01/2015	1.00-4.00	140,000	120,000
2013 Refunding Improvement Bonds	03/06/2013	02/01/2022	2.00	235,000	190,000
2013 Improvement Bonds	12/05/2013	02/01/2035	3.00-4.00	1,775,000	1,775,000
2014 Refunding Improvement Bonds	12/04/2014	02/01/2022	2.00-3.00	100,000	100,000
Total G.O. improvement bonds				<u>2,815,000</u>	<u>2,620,000</u>
G.O. tax increment bonds					
G.O. Tax Increment Refunding of 2007	11/01/2007	12/01/2015	4.00	1,090,000	350,000
Other G.O. improvement bonds					
G.O. Street Reconstruction Bonds of 2006	06/01/2006	02/01/2015	4.00-4.20	2,500,000	1,550,000
G.O. Capital Improvement Plan Bonds of 2010	03/10/2010	02/01/2015	1.20-5.85	5,615,000	5,025,000
G.O. Refunding Capital Improvement Plan Bonds of 2013	03/06/2013	02/01/2020	2.00	750,000	750,000
G.O. Refunding Street Reconstruction Bonds of 2013	03/06/2013	02/01/2022	2.00	1,380,000	1,380,000
G.O. Street Reconstruction Bonds of 2013	03/06/2013	02/01/2028	2.00-2.375	2,415,000	2,270,000
G.O. Capital Improvement Plan Refunding Bonds of 2014	12/04/2014	02/01/2030	2.00-3.00	4,670,000	4,670,000
Total other G.O. improvement bonds				<u>17,330,000</u>	<u>15,645,000</u>
Unamortized premium	N/A	N/A	N/A	N/A	425,312
Loan payable					
Metropolitan Right-of-Way Acquisition Loan Fund	09/26/2006	N/A	-	6,000,000	6,000,000
Certificates of participation					
Refunding Certificates of Participation 2011	04/01/2011	08/01/2023	2.00-3.75	4,620,000	3,635,000
Compensated absences					
	N/A	N/A	N/A	N/A	286,288
Total city indebtedness – governmental activities				<u>\$ 31,855,000</u>	<u>\$ 28,961,600</u>

N/A – Not Applicable

**CITY OF SHOREVIEW**  
Notes to Financial Statements  
December 31, 2014

**BUSINESS-TYPE ACTIVITIES**

As of December 31, 2014, the business-type activities long-term debt of the City consisted of the following:

	Issue Date	Final Maturity Date	Interest Rate	Authorized and Issued	Outstanding 12/31/2014
G.O. revenue bonds					
Water Revenue Bonds of 2007	11/01/2007	02/01/2023	3.50–4.15	\$ 845,000	\$ 570,000
Sewer Revenue Bonds of 2007	11/01/2007	02/01/2023	3.50–4.15	260,000	175,000
Surface Water Revenue Bonds of 2007	11/01/2007	02/01/2023	3.50–4.15	600,000	405,000
Water Revenue Bonds of 2008	11/15/2008	02/01/2025	3.5–4.375	2,365,000	1,795,000
Sewer Revenue Bonds of 2008	11/15/2008	02/01/2025	3.5–4.375	580,000	440,000
Surface Water Revenue Bonds of 2008	11/15/2008	02/01/2025	3.5–4.375	230,000	180,000
Surface Water Revenue Bonds of 2009	11/15/2009	02/01/2021	3.00–4.00	1,180,000	790,000
Water Revenue Bonds of 2010	12/16/2010	02/01/2015	0.75–4.60	1,240,000	1,020,000
Sewer Revenue Bonds of 2010	12/16/2010	02/01/2015	0.75–4.60	985,000	810,000
Surface Water Revenue Bonds of 2010	12/16/2010	02/01/2015	0.75–4.60	355,000	295,000
Water Refunding Revenue Bonds of 2013	03/06/2013	02/01/2022	2.00	610,000	570,000
Water Revenue Bonds of 2013A	03/06/2013	02/01/2023	2.00	775,000	705,000
Water Revenue Bonds of 2013C	12/05/2013	02/01/2024	3.00	305,000	305,000
Sewer Refunding Revenue Bonds of 2013	03/06/2013	02/01/2022	2.00	285,000	245,000
Surface Water Refunding Revenue Bonds of 2013	03/06/2013	02/01/2016	2.00	155,000	100,000
Surface Water Revenue Bonds of 2013A	03/06/2013	02/01/2023	2.00	960,000	870,000
Surface Water Revenue Bonds of 2013C	12/05/2013	02/01/2024	3.00	190,000	190,000
Water Refunding Revenue Bonds of 2014	12/04/2014	02/01/2026	2.00–3.00	915,000	915,000
Sewer Refunding Revenue Bonds of 2014	12/04/2014	02/01/2026	2.00–3.00	730,000	730,000
Surface Water Refunding Revenue Bonds of 2014	12/04/2014	02/01/2026	2.00–3.00	265,000	265,000
Total G.O. revenue bonds				<u>13,830,000</u>	<u>11,375,000</u>
Unamortized premium	N/A	N/A	N/A	<u>N/A</u>	<u>207,603</u>
Compensated absences payable	N/A	N/A	N/A	<u>N/A</u>	<u>79,384</u>
Total city indebtedness – business-type activities				<u>\$ 13,830,000</u>	<u>\$ 11,661,987</u>

N/A – Not Applicable

**CITY OF SHOREVIEW**  
Notes to Financial Statements  
December 31, 2014

GOVERNMENTAL ACTIVITIES

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

Year Ending December 31,	G.O. Improvement Bonds		G.O. Tax Increment Bonds		Other G.O. Improvement Bonds		Certificates of Participation	
	Governmental Activities		Governmental Activities		Governmental Activities		Governmental Activities	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 235,000	\$ 81,988	\$ 350,000	\$ 14,000	\$ 6,835,000	\$ 321,333	\$ 360,000	\$ 110,315
2016	200,000	76,847	—	—	685,000	204,731	365,000	102,935
2017	165,000	71,666	—	—	720,000	190,682	375,000	94,540
2018	155,000	66,873	—	—	740,000	176,080	390,000	84,978
2019	145,000	62,197	—	—	760,000	159,682	400,000	74,058
2020	160,000	57,267	—	—	765,000	141,606	415,000	62,057
2021	165,000	51,954	—	—	660,000	124,432	430,000	48,155
2022	145,000	46,979	—	—	685,000	107,930	440,000	33,750
2023	120,000	42,741	—	—	485,000	94,282	460,000	17,250
2024	125,000	38,704	—	—	495,000	83,462	—	—
2025	135,000	34,391	—	—	505,000	71,800	—	—
2026	80,000	30,880	—	—	515,000	58,638	—	—
2027	80,000	28,320	—	—	525,000	44,256	—	—
2028	85,000	25,680	—	—	540,000	29,422	—	—
2029	85,000	22,960	—	—	360,000	16,500	—	—
2030	90,000	19,800	—	—	370,000	5,550	—	—
2031	85,000	16,300	—	—	—	—	—	—
2032	85,000	12,900	—	—	—	—	—	—
2033	90,000	9,400	—	—	—	—	—	—
2034	95,000	5,700	—	—	—	—	—	—
2035	95,000	1,900	—	—	—	—	—	—
Total	<u>\$ 2,620,000</u>	<u>\$ 805,447</u>	<u>\$ 350,000</u>	<u>\$ 14,000</u>	<u>\$ 15,645,000</u>	<u>\$ 1,830,386</u>	<u>\$ 3,635,000</u>	<u>\$ 628,038</u>

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

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

**CITY OF SHOREVIEW**  
Notes to Financial Statements  
December 31, 2014

BUSINESS-TYPE ACTIVITIES

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

Year Ending December 31,	G.O. Revenue Bonds	
	Business-Type Activities	
	Principal	Interest
2015	\$ 2,935,000	\$ 296,167
2016	960,000	250,574
2017	880,000	224,694
2018	900,000	198,795
2019	930,000	171,031
2020	950,000	141,040
2021	975,000	109,676
2022	875,000	79,758
2023	815,000	52,750
2024	495,000	31,168
2025	465,000	14,241
2026	195,000	2,925
Total	<u>\$ 11,375,000</u>	<u>\$ 1,572,819</u>

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

**CITY OF SHOREVIEW**  
Notes to Financial Statements  
December 31, 2014

**CHANGE IN LONG-TERM LIABILITIES**

Long-term liability activity for the year ended December 31, 2014, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
<b>Governmental activities</b>					
Bonds payable					
G.O. improvement bonds	\$ 2,780,000	\$ 100,000	\$ 260,000	\$ 2,620,000	\$ 235,000
G.O. tax increment bonds	690,000	-	340,000	350,000	350,000
Other G.O. improvement bonds	12,395,000	4,670,000	1,420,000	15,645,000	6,835,000
Premium	266,669	184,841	26,198	425,312	-
Total bonds payable	<u>16,131,669</u>	<u>4,954,841</u>	<u>2,046,198</u>	<u>19,040,312</u>	<u>7,420,000</u>
Loans payable	6,000,000	-	-	6,000,000	-
Certificates of participation	3,985,000	-	350,000	3,635,000	360,000
Compensated absences	270,837	353,200	337,749	286,288	27,901
Total governmental activity long-term liabilities	<u>\$ 26,387,506</u>	<u>\$ 5,308,041</u>	<u>\$ 2,733,947</u>	<u>\$ 28,961,600</u>	<u>\$ 7,807,901</u>
<b>Business-type activities</b>					
G.O. revenue bonds	\$ 11,115,000	\$ 1,910,000	\$ 1,650,000	\$ 11,375,000	\$ 2,935,000
Premium	136,758	90,466	19,621	207,603	-
Total bonds payable	<u>11,251,758</u>	<u>2,000,466</u>	<u>1,669,621</u>	<u>11,582,603</u>	<u>2,935,000</u>
Compensated absences	74,814	98,228	93,658	79,384	7,737
Total business-type activity long-term liabilities	<u>\$ 11,326,572</u>	<u>\$ 2,098,694</u>	<u>\$ 1,763,279</u>	<u>\$ 11,661,987</u>	<u>\$ 2,942,737</u>

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

Financing of the certificates of participation will be provided from the General Fund, General Fixed Asset Replacement Fund, Community Investment Fund and Closed Bond Fund.

All general obligation indebtedness outstanding at December 31, 2014 is backed by the full faith and credit of the City, including improvement, tax increment, other improvement, and revenue bonds. Delinquent assessments receivable at December 31, 2014 totaled \$2,920.

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

**BOND REFUNDING**

On March 6, 2013 the City issued the \$2,910,000 General Obligation Refunding Bonds, Series 2013B, with an average interest rate of 2%, and refunded \$760,000 of the 2004 General Obligation Capital Improvement Plan Bonds with an average interest rate of 3.17%, \$100,000 of the 2006 General Obligation Improvement Bonds with an

## **CITY OF SHOREVIEW**

Notes to Financial Statements

December 31, 2014

average interest rate of 3.86%, \$520,000 of the 2006 General Obligation Water Revenue Bonds with an average interest rate of 3.89%, \$165,000 of the 2006 General Obligation Sewer Revenue Bonds with an average interest rate of 3.89% and \$1,385,000 of the 2006 General Obligation Street Reconstruction Bonds with an average interest rate of 2.84%. The refunding resulted in a gross debt service savings of \$65,598, \$7,995, \$53,835, \$14,400, \$132,035 over the next nine years and an economic gain of \$62,985, \$7,521, \$50,899, \$13,850, \$124,482 for the 2004 General Obligation Capital Improvement Plan, 2006 General Obligation Improvement, 2006 General Obligation Water Revenue, 2006 General Obligation Sewer Revenue, and 2006 General Obligation Street Reconstruction Bonds, respectively. The 2004 General Obligation Capital Improvement Plan, 2006 General Obligation Improvement, 2006 General Obligation Water Revenue, and 2006 General Obligation Sewer Revenue Bonds were called for redemption on February 1, 2014. The 2006 General Obligation Street Reconstruction Bonds will be called for redemption on February 1, 2015. Both the refunding and refunded debt will be reported in the City's financial statements until the call date of the refunded debt.

On December 4, 2014 the City issued the \$6,680,000 General Obligation Refunding Bonds, Series 2014A, with an average interest rate of 2.34%, and refunded \$105,000 of the Taxable General Obligation Improvement Bonds, Series 2010B with an average interest rate of 2.50%, \$945,000 of the Taxable General Obligation Water Improvement Bonds, Series 2010B with an average interest rate of 2.50%, \$750,000 of the Taxable General Obligation Sewer Improvement Bonds, Series 2010B with an average interest rate of 2.50%, \$275,000 of the Taxable General Obligation Surface Water Improvement Bonds, Series 2010B with an average interest rate of 2.50% and \$4,775,000 of the Taxable General Obligation Capital Improvement Plan Bonds, Series 2010A with an average interest rate of 3.30%. The refunding resulted in a gross debt service savings of \$2,078, \$30,127, \$26,934, \$7,949, \$369,041 over the next sixteen years and an economic gain of \$1,687, \$24,879, \$20,642, \$7,052, \$309,777 for the Taxable General Obligation Improvement Bonds, Series 2010B, Taxable General Obligation Water Improvement Bonds, Series 2010B, Taxable General Obligation Sewer Improvement Bonds, Series 2010B, Taxable General Obligation Surface Water Improvement Bonds, Series 2010B and Taxable General Obligation Capital Improvement Plan Bonds, Series 2010A respectively. The 2010 refunded bonds will be called for redemption on February 1, 2015. Both the refunding and refunded debt will be reported in the City's financial statements until the call date of the refunded debt.

### **Note 7 PENSION PLANS**

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

##### **PLAN DESCRIPTION**

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

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

PERA provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by state statutes, and vest after five years of credited

## **CITY OF SHOREVIEW**

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December 31, 2014

service. The defined retirement benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service.

Two methods are used to compute benefits for PERA's Coordinated and Basic Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2 percent of average salary for each of the first 10 years of service and 2.7 percent for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2 percent of average salary for each of the first 10 years and 1.7 percent for each remaining year. Under Method 2, the annuity accrual rate is 2.7 percent of average salary for Basic Plan members and 1.7 percent for Coordinated Plan members for each year of service. For all GERS members hired prior to July 1, 1989 whose annuity is calculated using Method 1, a full annuity is available when age plus years of service equal 90. Normal retirement age is 65 for Basic and Coordinated Plan members hired prior to July 1, 1989. Normal retirement age is the age for unreduced Social Security benefits capped at 66 for Coordinated Plan members hired on or after July 1, 1989. A reduced retirement annuity is also available to eligible members seeking early retirement.

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

The benefit provisions stated in the previous paragraphs of this section are current provisions and apply to active plan participants.

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

### **FUNDING POLICY**

Minnesota Statutes, Chapter 353 sets the rates for employer and employee contributions. These statutes are established and amended by the State Legislature. The City makes annual contributions to the pension plans equal to the amount required by state statutes. GERS Basic Plan members and Coordinated Plan members were required to contribute 9.1 percent and 6.25 percent, respectively, of their annual covered salary in 2014. In 2014, the City was required to contribute the following percentages of annual covered payroll: 11.78 percent for Basic Plan members and 7.25 percent for Coordinated Plan members. The City's contributions for the years 2014, 2013, and 2012 were \$398,328, \$395,304 and \$387,654, respectively. The City's contributions were equal to the contractually required contributions for each year as set by state statutes. Contribution rates will increase on January 1, 2015 in the Coordinated Plan (6.5% for members and 7.5% for employers).

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

Four councilmembers and the mayor of the City are covered by the Public Employees Defined Contribution Plan (PEDCP), a multiple-employer deferred compensation plan administered by PERA. The PEDCP is a

**CITY OF SHOREVIEW**  
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tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. The plan provisions are established and administered in accordance with Minnesota Statutes, Chapter 353D.03, which may be amended by the State Legislature and specifies the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes 5 percent of salary which is matched by the elected official's employer. For ambulance service personnel, employer contributions are determined by the employer, and for salaried employees must be a fixed percentage of salary. Employer contributions for volunteer personnel may be a unit value for each call or period of alert duty. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2 percent of employer contributions and twenty-five hundredths of one percent of the assets in each member's account annually.

Total contributions made by the City during fiscal year 2014 were:

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

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

Interfund receivable and payable balances at December 31, 2014 are as follows:

Fund	Receivable	Payable
Major funds		
Owasso Street Realignment	\$ -	\$ 863,738
Nonmajor governmental funds	863,738	-
Total	\$ 863,738	\$ 863,738

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

**CITY OF SHOREVIEW**  
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December 31, 2014

Interfund transfers:

Transfers out	Transfer In							Total
	General Fund	Community Center Operation Fund	Recreation Programs Fund	G.O. Improvement Bonds of 2013	Nonmajor Governmental Funds	Sewer Fund	Internal Service Funds	
General Fund	\$ -	\$ 239,000	\$ 70,000	\$ -	\$ 593,749	\$ -	\$ -	\$ 902,749
Recreation Programs Fund	-	100,000	-	-	-	-	-	100,000
Municipal State Aid Fund	-	-	-	-	91,088	-	-	91,088
Street Renewal Fund	-	-	-	-	793,864	-	-	793,864
General Fixed Asset Replacement Fund	-	-	-	-	263,649	-	-	263,649
Community Investment	-	-	-	-	175,000	-	-	175,000
Nonmajor governmental funds	160,000	-	-	35,666	435,599	-	-	631,265
Water Fund	260,000	-	-	-	136	-	43,000	303,136
Sewer Fund	138,000	-	-	-	136	-	43,000	181,136
Surface Water Fund	116,000	-	-	-	-	-	31,000	147,000
Street Lights Fund	18,000	-	-	-	-	-	2,400	20,400
Internal Service Funds	-	-	-	-	9,589	34,631	-	44,220
Total transfers out	\$ 692,000	\$ 339,000	\$ 70,000	\$ 35,666	\$ 2,362,810	\$ 34,631	\$ 119,400	\$ 3,653,507

Interfund transfers allow the City to allocate financial resources to the funds that receive benefits from services provided by another fund. All of the City's interfund transfers fall under that category. All of the 2014 transfers are considered routine and consistent with previous practices.

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

In 2011, the City issued refunding certificates of participation for the lease of the community center expansion area. The lease is paid in semi-annual installments, and final payment is due August 1, 2023. Depreciation in the amount of \$75,598 has been recorded as depreciation expense during 2014.

The net book value of assets under capital lease at December 31, 2014 is as follows:

	December 31, 2014
	<hr/>
Building and structures	\$ 5,359,094
Accumulated depreciation	<hr/> 869,374
Net	<hr/> <hr/> \$ 4,489,720

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

Year	Community Center Expansion
	<hr/>
2015	\$ 470,315
2016	467,935
2017	469,540
2018	474,978
2019	474,058
2020	477,057
2021	478,155
2022	473,750
2023	<hr/> 477,250
Total	4,263,038
Less amount representing interest	<hr/> (628,038)
Present value of minimum lease payments	<hr/> <hr/> \$ 3,635,000

**Note 10 OPERATING LEASE PAYABLE**

During 2014 the City leased three copier machines under one lease agreement the leases expires in August 2018, and calls for monthly lease payments of \$1,947. During 2014 the City leased eight treadmills, eight elliptical machines, and four adaptive motion trainers under three separate lease agreements for the community center. One lease expires in February of 2015 and two in September of 2016; and call for monthly lease payments of \$1,089, \$1,484 and \$1,320, respectively. Lease expenditures for the year ended December 31, 2014 amounted to \$70,081.

Future minimum annual lease payments at December 31, 2014 are as follows:

<u>Year Ended</u> <u>December 31,</u>	<u>Copiers</u>	<u>Exercise</u> <u>Equipment</u>	<u>Total</u>
2015	\$ 23,364	\$ 34,738	\$ 58,102
2016	23,364	26,557	49,921
2017	23,364	-	23,364
2018	15,576	-	15,576
Total	<u>\$ 85,668</u>	<u>\$ 61,295</u>	<u>\$ 146,963</u>

**Note 11 COMMITMENTS AND CONTINGENCIES**

**A. RISK MANAGEMENT**

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

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

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

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

## **CITY OF SHOREVIEW**

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

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

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

### **B. LITIGATION**

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

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

The City receives financial assistance from federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with the terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the applicable fund. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2014.

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

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

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

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

**CITY OF SHOREVIEW**  
Notes to Financial Statements  
December 31, 2014

not shown as assets in the accompanying financial statements at December 31, 2014. Future scheduled tax levies for all bonds outstanding at December 31, 2014 totaled \$11,047,606.

**Note 13 FUND BALANCES**

**A. CLASSIFICATIONS**

At December 31, 2014, a summary of the governmental fund balance classifications are as follows:

	General Fund	Major Special Revenue Funds	Major Debt Service Funds	Major Capital Project Funds	Other Funds	Total
Nonspendable						
Prepaid items	\$ 63,953	\$ 1,810	\$ –	\$ –	\$ 540	\$ 66,303
Restricted for						
Business loan program	–	–	–	–	165,777	165,777
Cable Television	–	–	–	–	31,037	31,037
Debt service	–	–	229,234	–	2,857,874	3,087,108
Economic development	–	–	–	–	43,399	43,399
Housing and redevelopment	–	–	–	–	87,943	87,943
Recycling	–	–	–	–	266,624	266,624
Tax increment purposes	–	–	–	–	3,415,223	3,415,223
Total restricted	–	–	229,234	–	6,867,877	7,097,111
Committed to						
Community Center operations	–	1,191,820	–	–	–	1,191,820
Recreation programs	–	971,694	–	–	–	971,694
Street improvements	–	–	–	2,400,134	–	2,400,134
Fixed asset replacements	–	–	–	675,302	–	675,302
Community projects	–	–	–	1,570,408	–	1,570,408
Cable TV	–	–	–	–	160,612	160,612
Slice of Shoreview event	–	–	–	–	76,351	76,351
Total committed	–	2,163,514	–	4,645,844	236,963	7,046,321
Assigned to						
Debt service	–	–	–	–	1,210,639	1,210,639
Street improvements	–	–	–	843,815	–	843,815
Computer systems	–	–	–	–	36,096	36,096
Total assigned	–	–	–	843,815	1,246,735	2,090,550
Unassigned	4,383,445	–	–	(907,931)	–	3,475,514
Total	\$ 4,447,398	\$ 2,165,324	\$ 229,234	\$ 4,581,728	\$ 8,352,115	\$ 19,775,799

**B. MINIMUM UNASSIGNED FUND BALANCE POLICY**

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

The policy establishes a year-end targeted unassigned fund balance for working capital needs at fifty percent of the ensuing years’ General Fund tax levy, and levy-based state aids. The working capital allocation shall be reduced by the balance of any prepaid items at year-end. The unassigned unanticipated event fund balance is established at ten percent of the ensuing years’ budgeted General Fund expenditures. At December 31, 2014, the unassigned working capital fund balance was fifty percent of the ensuing years’ General Fund tax levy, and levy based aids. The unassigned unanticipated event fund balance was ten percent of the ensuing years’ budgeted General Fund expenditures.

**C. DEFICIT FUND BALANCES**

The City had deficit fund balances at December 31, 2014 as follows:

	<u>Amount</u>
Major Funds	
Capital Project	
Owasso Street Realignment	\$ 907,931

The Owasso Street Realignment deficit will be eliminated through future tax increment revenue.

**Note 14 HOME ENERGY IMPROVEMENT LOAN RECEIVABLE**

In 2010, the Economic Development Authority (EDA) started a home energy improvement loan program. As of December 31, 2014 the EDA issued fifteen loans with interest rates of 5.25%. The terms range from 96 to 120 months and call for monthly payments.

Future minimum loan receipts at December 31, 2014 are as follows:

<u>Year</u>	<u>Home Energy Improvement Loan Program</u>
2015	\$ 25,529
2016	25,529
2017	25,529
2018	25,431
2019	24,368
2020	23,972
2021	16,149
2022	10,202
2023	<u>5,729</u>
Total	182,438
Less amount representing interest	<u>(31,775)</u>
Total loan receivable	<u><u>\$ 150,663</u></u>

**Note 15 CONDUIT DEBT OBLIGATIONS**

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

As of December 31, 2014, there were three series of industrial revenue bonds outstanding, with an aggregate principal amount payable of \$10,032,569.

**Note 16 CONTINGENT NOTE PAYABLE**

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

## **CITY OF SHOREVIEW**

Notes to Financial Statements  
December 31, 2014

### TIF District #4

Within TIF District #4, there is a pay-as-you-go agreement. As of December 31, 2014, future tax increment flow will be used to pay Tax Increment Agreement (Series 1996) up to a maximum amount of \$634,333.

### TIF District #6

Within TIF District #6, there are two pay-as-you-go agreements. As of December 31, 2014, future tax increment flow will be used to pay Tax Increment Agreement #1 (Series 2001) up to a maximum amount of \$1,354,977, and to pay Tax Increment Agreement #2 (Series 2001) up to a maximum amount of \$527,000.

### TIF District #7

Within TIF District #7, there is a pay-as-you-go agreement. As of December 31, 2014, future tax increment flow will be used to pay Tax Increment Agreement (Series 2014) up to a maximum amount of \$672,266.

### TIF District #9

Within TIF District #9, there is a pay-as-you-go agreement. As of December 31, 2014, future tax increment flow will be used to pay Tax Increment Agreement (Series 2014) up to a maximum amount of \$494,944.

## **Note 17 PLEDGED REVENUE**

The City has issued Certificates of Participation, Tax Increment, Capital Improvement, and Utility Improvement bonds for the construction of buildings, public works infrastructure, and park and recreation facilities. Specific revenues are pledged for the payments of interest and future retirement of the obligations. As of December 31, 2014 the following pledges were in place:

### G.O. Refunding Tax Increment Bonds of 2007

The City pledged \$368,231 of tax increment collections and interest earnings to meet the debt service commitment on the bonds. The debt was originally issued in 2007 to refund the 1999C Tax Increment Bonds, which financed park and recreation building and structures and public works infrastructure and it has a final maturity date of December 1, 2015. The pledged revenues represent 100 percent of the revenue stream, and \$364,000 of the pledge commitment remains outstanding.

### G.O. Capital Improvement Plan Bonds of 2010/Refunding of 2014

The City pledged \$1,023,231 of Central Garage charges, property tax collections, earnings on investments, Federal Build America Bond credit, capital contributions and transfers from utility funds to meet the debt service commitment on the bonds. The debt was originally issued in 2010 to finance the Central Garage building renovation, Refunding bonds were issued in 2014 and the 2010 bonds will be called for redemption in 2015. The 2014 Refunding Bonds have a final maturity date of February 1, 2030. The pledged revenues represent 61 percent of the revenue stream, and \$10,958,480 of the pledge commitment remains outstanding.

### G.O. Water Revenue Bonds

The City pledged \$1,012,591 of operating revenue, earnings on investments and Federal Build America Bond credits to meet the debt service commitment on the bonds. The debt was originally issued in years 2002 - 2014 to

**CITY OF SHOREVIEW**  
Notes to Financial Statements  
December 31, 2014

finance water system infrastructure improvements and it has a final maturity date of years 2015 - 2026. The pledged revenues represent 37 percent of the revenue stream, and \$6,768,665 of the pledge commitment remains outstanding.

G.O. Sewer Revenue Bonds

The City pledged \$677,671 of operating revenue, earnings on investments and Federal Build America Bond credits to meet the debt service commitment on the bonds. The debt was originally issued in years 2006 - 2014 to finance sewer system infrastructure improvements and it has a final maturity date of years 2015 - 2026. The pledged revenues represent 17 percent of the revenue stream, and \$2,693,998 of the pledge commitment remains outstanding.

G.O. Surface Water Revenue Bonds

The City pledged \$568,722 of operating revenue, earnings on investments, capital contributions and Federal Build America Bond credits to meet the debt service commitment on the bonds. The debt was originally issued in years 2002 - 2014 to finance surface water system infrastructure improvements and it has a final maturity date of years 2015 - 2026. The pledged revenues represent 40 percent of the revenue stream, and \$3,485,156 of the pledge commitment remains outstanding.

Refunding Certificates of Participation of 2011

The City pledged \$485,760 of earnings on investments, other revenue and transfers from other funds to meet the debt service commitment on the certificates. The certificates were issued in 2011 to refund the Certificates of Participation of 2002 which financed the community center expansion and it has a final maturity date of August 1, 2023. The pledged revenues represent 100 percent of the revenue stream, and \$4,263,038 of the pledge commitment remains outstanding.

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

Bond Issue	Gross Revenue	Direct Operating Expenses	Available Net Revenue	Debt Service Requirements		
				Principal	Interest and Paying Agent Fees	Total
G.O. Refunding Tax Increment Bonds of 2007	\$ 368,231	\$ -	\$ 368,231	\$ 340,000	\$ 28,050	\$ 368,050
G.O. Capital Improvement Plan Bonds of 2010/Refunding 2014	1,666,362	643,131 *	1,023,231	245,000	318,992	563,992
G.O. Water Revenue Bonds	2,748,179	1,735,588 *	1,012,591	965,000	178,732	1,143,732
G.O. Sewer Revenue Bonds	4,022,036	3,344,365 *	677,671	325,000	70,243	395,243
G.O. Surface Water Revenue Bonds	1,411,270	842,548 *	568,722	360,000	86,406	446,406
Refunding Certificates of Participation of 2011	485,760	-	485,760	350,000	119,315	469,315
	<u>\$ 10,701,838</u>	<u>\$ 6,565,632</u>	<u>\$ 4,136,206</u>	<u>\$ 2,585,000</u>	<u>\$ 801,738</u>	<u>\$ 3,386,738</u>

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



**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF SHOREVIEW, MINNESOTA**

Required Supplementary Information  
 Budgetary Comparison Schedule – General Fund  
 For The Year Ended December 31, 2014

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

	Original and Final Budget	Actual Amounts	Variance With Final Budget
<b>Revenues</b>			
General property taxes			
Current	\$ 6,837,154	\$ 6,692,354	\$ (144,800)
Other	–	5,683	5,683
Total general property taxes	<u>6,837,154</u>	<u>6,698,037</u>	<u>(139,117)</u>
Licenses and permits			
Business	36,300	38,135	1,835
Non-business	288,200	589,898	301,698
Total licenses and permits	<u>324,500</u>	<u>628,033</u>	<u>303,533</u>
Intergovernmental			
State			
Road maintenance	168,000	217,451	49,451
Market value homestead credit	–	61	61
PERA aid	20,122	20,122	–
State fire aid	–	320,917	320,917
Other	–	15,868	15,868
Local			
Aggregate gravel tax	500	–	(500)
Total intergovernmental	<u>188,622</u>	<u>574,419</u>	<u>385,797</u>
Charges for services			
General government	600	4,530	3,930
Public works	370,000	330,465	(39,535)
Parks and recreation	7,500	10,524	3,024
Community development	58,000	155,667	97,667
Administrative charges			
Special revenue funds	93,990	93,990	–
Capital project funds	90,000	73,860	(16,140)
Enterprise funds	683,020	683,020	–
Total charges for services	<u>1,303,110</u>	<u>1,352,056</u>	<u>48,946</u>
Fines and forfeits	52,800	49,430	(3,370)
Earnings on investments	45,000	197,442	152,442
Other	26,108	28,974	2,866
Total revenues	<u>8,777,294</u>	<u>9,528,391</u>	<u>751,097</u>
<b>Expenditures</b>			
General government			
Current			
Council and Commissions	145,385	138,565	6,820
Administration	539,688	508,845	30,843
Human resources	278,161	245,355	32,806
Elections	39,559	34,332	5,227
Communications	209,370	195,445	13,925
Finance and accounting	559,990	512,388	47,602
Information systems	334,900	273,406	61,494
Legal	120,000	128,048	(8,048)
Capital outlay			
Information systems	–	48,768	(48,768)
Total general government	<u>2,227,053</u>	<u>2,085,152</u>	<u>141,901</u>

**CITY OF SHOREVIEW, MINNESOTA**  
 Required Supplementary Information  
 Budgetary Comparison Schedule – General Fund  
 For The Year Ended December 31, 2014

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

	Original and Final Budget	Actual Amounts	Variance With Final Budget
Expenditures (continued)			
Public safety			
Current			
Police	1,969,030	1,979,639	(10,609)
Fire	1,023,220	1,344,162	(320,942)
Emergency services	7,973	2,946	5,027
Total public safety	<u>3,000,223</u>	<u>3,326,747</u>	<u>(326,524)</u>
Public works			
Current			
Public works administration and engineering	460,442	456,455	3,987
Streets	837,694	774,139	63,555
Trail management	126,347	117,487	8,860
Forestry	132,243	125,314	6,929
Total public works	<u>1,556,726</u>	<u>1,473,395</u>	<u>83,331</u>
Parks and recreation			
Current			
Parks and recreation administration	397,368	366,627	30,741
Municipal buildings	127,775	138,254	(10,479)
Park and sports area maintenance	1,200,912	1,185,557	15,355
Total parks and recreation	<u>1,726,055</u>	<u>1,690,438</u>	<u>35,617</u>
Community development			
Current			
Planning and zoning administration	434,522	424,971	9,551
Building inspection	155,715	173,350	(17,635)
Total community development	<u>590,237</u>	<u>598,321</u>	<u>(8,084)</u>
Total expenditures	<u>9,100,294</u>	<u>9,174,053</u>	<u>(73,759)</u>
Revenues over (under) expenditures	<u>(323,000)</u>	<u>354,338</u>	<u>677,338</u>
Other financing sources (uses)			
Sale of capital assets	–	203	203
Transfers in	692,000	692,000	–
Transfers out	(369,000)	(902,749)	(533,749)
Total other financing sources (uses)	<u>323,000</u>	<u>(210,546)</u>	<u>(533,546)</u>
Net change in fund balance	<u>\$ –</u>	<u>143,792</u>	<u>\$ 143,792</u>
Fund balance – January 1		4,303,606	
Fund balance – December 31		<u>\$ 4,447,398</u>	

**CITY OF SHOREVIEW, MINNESOTA**

Required Supplementary Information

**Statement 11**

Budgetary Comparison Schedule – Community Center Operations Fund

For The Year Ended December 31, 2014

	Original and Final Budget	Actual Amounts	Variance With Final Budget
<b>Revenues</b>			
Charges for services	\$ 2,431,850	\$ 2,401,381	\$ (30,469)
Earnings on investments	8,000	65,924	57,924
Other	13,000	13,529	529
Total revenues	<u>2,452,850</u>	<u>2,480,834</u>	<u>27,984</u>
<b>Expenditures</b>			
Parks and recreation			
Current			
Personal services	1,570,841	1,475,984	94,857
Materials and supplies	499,815	528,353	(28,538)
Contractual services	597,020	670,494	(73,474)
Total expenditures	<u>2,667,676</u>	<u>2,674,831</u>	<u>(7,155)</u>
Revenues over (under) expenditures	<u>(214,826)</u>	<u>(193,997)</u>	<u>20,829</u>
<b>Other financing sources (uses)</b>			
Transfers in	339,000	339,000	-
Net change in fund balance	<u>\$ 124,174</u>	<u>145,003</u>	<u>\$ 20,829</u>
Fund balance – January 1		1,048,539	
Fund balance – December 31		<u>\$ 1,193,542</u>	

**CITY OF SHOREVIEW, MINNESOTA**

Required Supplementary Information

**Statement 12**

Budgetary Comparison Schedule – Recreation Programs Fund

For The Year Ended December 31, 2014

	Original and Final Budget	Actual Amounts	Variance With Final Budget
<b>Revenues</b>			
Charges for services	\$ 1,460,213	\$ 1,419,065	\$ (41,148)
Earnings on investments	4,200	44,575	40,375
Other	–	48	48
Total revenues	<u>1,464,413</u>	<u>1,463,688</u>	<u>(725)</u>
<b>Expenditures</b>			
Parks and recreation			
Current			
Personal services	1,060,229	940,734	119,495
Materials and supplies	83,766	68,853	14,913
Contractual services	221,758	214,054	7,704
Total expenditures	<u>1,365,753</u>	<u>1,223,641</u>	<u>142,112</u>
Revenues over (under) expenditures	<u>98,660</u>	<u>240,047</u>	<u>141,387</u>
<b>Other financing sources (uses)</b>			
Transfers in	70,000	70,000	–
Transfers out	(100,000)	(100,000)	–
Total other financing sources (uses)	<u>(30,000)</u>	<u>(30,000)</u>	<u>–</u>
Net change in fund balance	<u>\$ 68,660</u>	<u>210,047</u>	<u>\$ 141,387</u>
Fund balance – January 1		<u>761,735</u>	
Fund balance – December 31		<u>\$ 971,782</u>	

**CITY OF SHOREVIEW, MINNESOTA**  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 Note to RSI  
 December 31, 2014

**Note A LEGAL COMPLIANCE – BUDGETS**

The General Fund, Community Center Operations Fund, and Recreation Programs Fund budgets are legally adopted on a basis consistent with accounting principles generally accepted in the United States of America. The legal level of budgetary control is at the department level (general government, public safety, public works, parks and recreation, community development, and miscellaneous) for all funds. For the year ended December 31, 2014, the following is a list of funds whose departments exceeded budgeted appropriations:

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Over Budget</u>
Major funds			
General Fund			
Public Safety	\$ 3,000,223	\$ 3,326,747	\$ 326,524
Community Development	590,237	598,321	8,084
Community Center Operations Fund	2,667,676	2,674,831	7,155

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

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



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

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**NONMAJOR GOVERNMENTAL FUNDS**

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### SPECIAL REVENUE FUNDS

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

### DEBT SERVICE FUNDS

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

### CAPITAL PROJECT FUNDS

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

**CITY OF SHOREVIEW, MINNESOTA**

Combining Balance Sheet

Nonmajor Governmental Funds

December 31, 2014

**Statement 13**

	Special Revenue	Debt Service	Capital Project	Totals Nonmajor Governmental Funds
<b>Assets</b>				
Cash and investments	\$ 782,986	\$ 2,660,035	\$ 2,432,884	\$ 5,875,905
Restricted cash with escrow agent	-	1,397,098	-	1,397,098
Accrued interest receivable	1,822	7,593	3,850	13,265
Accounts receivable	82,708	-	-	82,708
Loan receivable	-	-	150,663	150,663
Taxes receivable	1,604	4,504	45,444	51,552
Special assessments receivable	-	360,927	-	360,927
Interfund receivable	-	-	863,738	863,738
Due from other governmental units	6,529	-	-	6,529
Prepaid items	540	-	-	540
<b>Total assets</b>	<b>\$ 876,189</b>	<b>\$ 4,430,157</b>	<b>\$ 3,496,579</b>	<b>\$ 8,802,925</b>
<b>Liabilities</b>				
Accounts payable	\$ 39,691	\$ 1,041	\$ 29	\$ 40,761
Salaries payable	3,265	-	-	3,265
<b>Total liabilities</b>	<b>42,956</b>	<b>1,041</b>	<b>29</b>	<b>44,026</b>
<b>Deferred inflows of resources</b>				
Unavailable revenue – property taxes	950	3,517	45,231	49,698
Unavailable revenue – special assessments	-	357,086	-	357,086
<b>Total deferred inflows of resources</b>	<b>950</b>	<b>360,603</b>	<b>45,231</b>	<b>406,784</b>
<b>Fund balances</b>				
Nonspendable	540	-	-	540
Restricted	594,780	2,857,874	3,415,223	6,867,877
Committed	236,963	-	-	236,963
Assigned	-	1,210,639	36,096	1,246,735
<b>Total fund balances</b>	<b>832,283</b>	<b>4,068,513</b>	<b>3,451,319</b>	<b>8,352,115</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 876,189</b>	<b>\$ 4,430,157</b>	<b>\$ 3,496,579</b>	<b>\$ 8,802,925</b>

**CITY OF SHOREVIEW, MINNESOTA**

Combining Statement of Revenues, Expenditures, and  
 Changes in Fund Balances  
 Nonmajor Governmental Funds  
 For The Year Ended December 31, 2014

**Statement 14**

	Special Revenue	Debt Service	Capital Project	Totals Nonmajor Governmental Funds
<b>Revenues</b>				
Taxes				
General property taxes	\$ 166,505	\$ 535,765	\$ 19,838	\$ 722,108
Tax increments	-	-	1,811,837	1,811,837
Franchise tax	331,303	-	-	331,303
Special assessments	-	83,553	-	83,553
Intergovernmental	67,528	1,180	139,914	208,622
Charges for services	526,236	-	125	526,361
Earnings on investments	28,194	88,915	81,720	198,829
Other	38,071	-	2,695	40,766
Total revenues	<u>1,157,837</u>	<u>709,413</u>	<u>2,056,129</u>	<u>3,923,379</u>
<b>Expenditures</b>				
Current				
General government	217,781	-	98,627	316,408
Public works	514,442	-	156,452	670,894
Community development	150,695	-	629,670	780,365
Capital outlay				
General government	10,775	-	22,250	33,025
Public works	-	-	851,214	851,214
Debt service				
Principal	-	1,265,000	-	1,265,000
Interest	-	369,330	-	369,330
Fiscal charges	-	4,911	-	4,911
Total expenditures	<u>893,693</u>	<u>1,639,241</u>	<u>1,758,213</u>	<u>4,291,147</u>
Revenues over (under) expenditures	<u>264,144</u>	<u>(929,828)</u>	<u>297,916</u>	<u>(367,768)</u>
<b>Other financing sources (uses)</b>				
Issuance of refunding debt	-	100,000	-	100,000
Premium on debt issuance	-	5,822	-	5,822
Payment to refunded bond escrow agent	-	(860,000)	-	(860,000)
Transfers in	10,000	1,374,348	978,462	2,362,810
Transfers out	(160,000)	(67,599)	(403,666)	(631,265)
Total other financing sources (uses)	<u>(150,000)</u>	<u>552,571</u>	<u>574,796</u>	<u>977,367</u>
Net change in fund balances	<u>114,144</u>	<u>(377,257)</u>	<u>872,712</u>	<u>609,599</u>
Fund balances – January 1	<u>718,139</u>	<u>4,445,770</u>	<u>2,578,607</u>	<u>7,742,516</u>
Fund balances – December 31	<u>\$ 832,283</u>	<u>\$ 4,068,513</u>	<u>\$ 3,451,319</u>	<u>\$ 8,352,115</u>

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## NONMAJOR SPECIAL REVENUE FUNDS

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

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

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

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

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

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

**CITY OF SHOREVIEW, MINNESOTA**

Subcombining Balance Sheet  
 Nonmajor Special Revenue Funds  
 December 31, 2014

**Statement 15**

	Recycling	Cable TV	Slice of Shoreview Event	Economic Development Authority	Housing & Redevelopment Authority	Total Nonmajor Special Revenue Funds
<b>Assets</b>						
Cash and investments	\$ 290,211	\$ 117,453	\$ 75,601	\$ 210,741	\$ 88,980	\$ 782,986
Accrued interest receivable	464	343	230	586	199	1,822
Accounts receivable	-	82,174	534	-	-	82,708
Taxes receivable	-	-	-	805	799	1,604
Due from other governmental units	6,529	-	-	-	-	6,529
Prepaid items	30	510	-	-	-	540
Total assets	<u>\$ 297,234</u>	<u>\$ 200,480</u>	<u>\$ 76,365</u>	<u>\$ 212,132</u>	<u>\$ 89,978</u>	<u>\$ 876,189</u>
<b>Liabilities</b>						
Accounts payable	\$ 30,580	\$ 7,576	\$ 14	\$ 1,494	\$ 27	\$ 39,691
Salaries payable	-	745	-	983	1,537	3,265
Total liabilities	<u>30,580</u>	<u>8,321</u>	<u>14</u>	<u>2,477</u>	<u>1,564</u>	<u>42,956</u>
<b>Deferred inflows of resources</b>						
Unavailable revenue – property taxes	-	-	-	479	471	950
<b>Fund balances</b>						
Nonspendable	30	510	-	-	-	540
Restricted	266,624	31,037	-	209,176	87,943	594,780
Committed	-	160,612	76,351	-	-	236,963
Total fund balances	<u>266,654</u>	<u>192,159</u>	<u>76,351</u>	<u>209,176</u>	<u>87,943</u>	<u>832,283</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 297,234</u>	<u>\$ 200,480</u>	<u>\$ 76,365</u>	<u>\$ 212,132</u>	<u>\$ 89,978</u>	<u>\$ 876,189</u>

**CITY OF SHOREVIEW, MINNESOTA**

Subcombining Statement of Revenues, Expenditures, and  
Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For The Year Ended December 31, 2014

**Statement 16**

	<u>Recycling</u>	<u>Cable TV</u>	<u>Slice of Shoreview Event</u>	<u>Economic Development Authority</u>	<u>Housing &amp; Redevelopment Authority</u>	<u>Total Nonmajor Special Revenue Funds</u>
<b>Revenues</b>						
Taxes						
General property taxes	\$ -	\$ -	\$ -	\$ 78,507	\$ 87,998	\$ 166,505
Franchise tax	-	331,303	-	-	-	331,303
Intergovernmental	67,528	-	-	-	-	67,528
Charges for services	501,400	-	24,836	-	-	526,236
Earnings on investments	7,185	5,303	3,557	9,066	3,083	28,194
Other	-	1,125	36,946	-	-	38,071
Total revenues	<u>576,113</u>	<u>337,731</u>	<u>65,339</u>	<u>87,573</u>	<u>91,081</u>	<u>1,157,837</u>
<b>Expenditures</b>						
Current						
General government	-	152,976	64,805	-	-	217,781
Public works	514,442	-	-	-	-	514,442
Community development	-	-	-	73,360	77,335	150,695
Capital outlay						
General government	-	10,775	-	-	-	10,775
Total expenditures	<u>514,442</u>	<u>163,751</u>	<u>64,805</u>	<u>73,360</u>	<u>77,335</u>	<u>893,693</u>
Revenues over (under) expenditures	<u>61,671</u>	<u>173,980</u>	<u>534</u>	<u>14,213</u>	<u>13,746</u>	<u>264,144</u>
<b>Other financing sources (uses)</b>						
Transfers in	-	-	10,000	-	-	10,000
Transfers out	-	(160,000)	-	-	-	(160,000)
Total other financing sources (uses)	<u>-</u>	<u>(160,000)</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>(150,000)</u>
Net change in fund balances	61,671	13,980	10,534	14,213	13,746	114,144
Fund balances – January 1	204,983	178,179	65,817	194,963	74,197	718,139
Fund balances – December 31	<u>\$ 266,654</u>	<u>\$ 192,159</u>	<u>\$ 76,351</u>	<u>\$ 209,176</u>	<u>\$ 87,943</u>	<u>\$ 832,283</u>

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## NONMAJOR DEBT SERVICE FUNDS

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

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

G.O. Capital Improvement Plan Refunding Bonds of 2013 – This fund was established to provide financing for the 2013 Refunding Capital Improvement Plan Bonds. The 2013 bonds refunded the 2004 bonds. Revenue sources are from property tax collections.

G.O. Street Reconstruction Bonds of 2006/Refunding 2013 – This fund was established to provide financing for the 2006 and 2013 Refunding Street Reconstruction Bonds. The 2006 bonds were refunded by the 2013 bonds and will be called for redemption on February 1, 2015. Revenue sources are from property tax collections.

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

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

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

G.O. Improvement Refunding Bonds of 2013 (2004) – This fund was established to provide financing for the 2013 Refunding Improvement Bonds. The 2013 bonds refunded the 2004 bonds. Revenue sources are from special assessments and property tax collections.

G.O. Improvement Refunding Bonds of 2013 (2006) – This fund was established to provide financing for the 2013 Refunding Improvement Bonds. The 2013 bonds refunded the 2006 bonds. Revenue sources are from special assessments and property tax collections.

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

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

G.O. Improvement Bonds of 2010/Refunding 2014 – This fund was established to provide financing for the 2010 and 2014 Refunding Improvement Bonds. The 2010 bonds were refunded by the 2014 bonds and will be called for redemption on February 1, 2015. Revenue sources are from special assessments and property tax collections.

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

**CITY OF SHOREVIEW, MINNESOTA**

Subcombining Balance Sheet  
 Nonmajor Debt Service Funds  
 December 31, 2014

**Statement 17**  
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	Refunding Certificates of Participation of 2011	G.O. Capital Improvement Plan Refunding Bonds of 2013	G.O. Street Reconstruction Bonds of 2006/ Refunding 2013	G.O. Street Reconstruction Bonds of 2013
<b>Assets</b>				
Cash and investments	\$ 506,829	\$ 134,620	\$ 193,852	\$ 174,938
Restricted cash with escrow agent	-	-	1,397,098	-
Accrued interest receivable	2,434	169	1,821	198
Taxes receivable				
Delinquent	-	891	1,444	1,079
Due from county	-	(15)	(20)	1,307
Special assessments receivable				
Delinquent	-	-	-	-
Deferred	-	-	-	-
Special deferred	-	-	-	-
Due from county	-	-	-	-
Total assets	<u>\$ 509,263</u>	<u>\$ 135,665</u>	<u>\$ 1,594,195</u>	<u>\$ 177,522</u>
<b>Liabilities</b>				
Accounts payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Deferred inflows of resources</b>				
Unavailable revenue – property taxes	-	891	1,444	1,079
Unavailable revenue – special assessments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>891</u>	<u>1,444</u>	<u>1,079</u>
<b>Fund balances</b>				
Restricted	509,263	134,774	1,592,751	176,443
Assigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>509,263</u>	<u>134,774</u>	<u>1,592,751</u>	<u>176,443</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 509,263</u>	<u>\$ 135,665</u>	<u>\$ 1,594,195</u>	<u>\$ 177,522</u>

**CITY OF SHOREVIEW, MINNESOTA**

Subcombining Balance Sheet  
 Nonmajor Debt Service Funds  
 December 31, 2014

	G.O. Tax Increment Refunding Bonds of 2007	G.O. Improvement Refunding Bonds of 2013 (2004)	G.O. Improvement Refunding Bonds of 2013 (2006)
<b>Assets</b>			
Cash and investments	\$ 4,672	\$ 74,751	\$ 3,576
Restricted cash with escrow agent	-	-	-
Accrued interest receivable	-	214	-
Taxes receivable			
Delinquent	-	-	45
Due from county	-	-	50
Special assessments receivable			
Delinquent	-	-	-
Deferred	-	25,606	18,759
Special deferred	-	-	933
Due from county	-	-	-
Total assets	<u>\$ 4,672</u>	<u>\$ 100,571</u>	<u>\$ 23,363</u>
<b>Liabilities</b>			
Accounts payable	<u>\$ 450</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Deferred inflows of resources</b>			
Unavailable revenue – property taxes	-	-	45
Unavailable revenue – special assessments	<u>-</u>	<u>25,606</u>	<u>19,692</u>
Total deferred inflows of resources	<u>-</u>	<u>25,606</u>	<u>19,737</u>
<b>Fund balances</b>			
Restricted	4,222	74,965	3,626
Assigned	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>4,222</u>	<u>74,965</u>	<u>3,626</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 4,672</u>	<u>\$ 100,571</u>	<u>\$ 23,363</u>

G.O. Improvement Bonds of 2008	G.O. Improvement Bonds of 2009	G.O. Improvement Bonds of 2010/ Refunding 2014	Closed Bonds	Total Nonmajor Debt Service Funds
\$ 122,730	\$ 71,235	\$ 165,091	\$ 1,207,741	\$ 2,660,035
-	-	-	-	1,397,098
353	191	178	2,035	7,593
-	-	-	58	3,517
-	-	-	(335)	987
-	789	-	1,334	2,123
116,511	104,355	60,269	20,429	345,929
8,101	-	-	-	9,034
-	634	1,418	1,789	3,841
<u>\$ 247,695</u>	<u>\$ 177,204</u>	<u>\$ 226,956</u>	<u>\$ 1,233,051</u>	<u>\$ 4,430,157</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 591</u>	<u>\$ 1,041</u>
-	-	-	58	3,517
<u>124,612</u>	<u>105,144</u>	<u>60,269</u>	<u>21,763</u>	<u>357,086</u>
<u>124,612</u>	<u>105,144</u>	<u>60,269</u>	<u>21,821</u>	<u>360,603</u>
123,083	72,060	166,687	-	2,857,874
-	-	-	1,210,639	1,210,639
<u>123,083</u>	<u>72,060</u>	<u>166,687</u>	<u>1,210,639</u>	<u>4,068,513</u>
<u>\$ 247,695</u>	<u>\$ 177,204</u>	<u>\$ 226,956</u>	<u>\$ 1,233,051</u>	<u>\$ 4,430,157</u>

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**CITY OF SHOREVIEW, MINNESOTA**

Subcombining Statement of Revenues, Expenditures, and  
 Changes in Fund Balances  
 Nonmajor Debt Service Funds  
 For The Year Ended December 31, 2014

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	Refunding Certificates of Participation of 2011	G.O. Capital Improvement Plan Refunding Bonds of 2013	G.O. Street Reconstruction Bonds of 2006/ Refunding 2013	G.O. Street Reconstruction Bonds of 2013
<b>Revenues</b>				
General property taxes	\$ -	\$ 128,646	\$ 208,569	\$ 191,210
Special assessments	-	-	-	-
Intergovernmental	-	-	-	-
Earnings on investments	30,760	2,538	6,196	3,069
Total revenues	<u>30,760</u>	<u>131,184</u>	<u>214,765</u>	<u>194,279</u>
<b>Expenditures</b>				
Debt service				
Principal	350,000	110,000	160,000	145,000
Interest	117,315	31,721	94,080	70,048
Fiscal charges	2,000	126	-	-
Total expenditures	<u>469,315</u>	<u>141,847</u>	<u>254,080</u>	<u>215,048</u>
Revenues over (under) expenditures	<u>(438,555)</u>	<u>(10,663)</u>	<u>(39,315)</u>	<u>(20,769)</u>
<b>Other financing sources (uses)</b>				
Issuance of refunding debt	-	-	-	-
Premium on debt issuance	-	-	-	-
Payment to refunded bond escrow agent	-	(760,000)	-	-
Transfers in	455,000	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>455,000</u>	<u>(760,000)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>16,445</u>	<u>(770,663)</u>	<u>(39,315)</u>	<u>(20,769)</u>
Fund balances – January 1	492,818	905,437	1,632,066	197,212
Fund balances – December 31	<u>\$ 509,263</u>	<u>\$ 134,774</u>	<u>\$ 1,592,751</u>	<u>\$ 176,443</u>

**CITY OF SHOREVIEW, MINNESOTA**

Subcombining Statement of Revenues, Expenditures, and  
 Changes in Fund Balances  
 Nonmajor Debt Service Funds  
 For The Year Ended December 31, 2014

	G.O. Tax Increment Refunding Bonds of 2007	G.O. Improvement Bonds of 2002	G.O. Improvement Refunding Bonds of 2013 (2004)
<b>Revenues</b>			
General property taxes	\$ -	\$ (302)	\$ -
Special assessments	-	-	11,833
Intergovernmental	-	-	-
Earnings on investments	231	155	3,316
Total revenues	<u>231</u>	<u>(147)</u>	<u>15,149</u>
<b>Expenditures</b>			
Debt service			
Principal	340,000	50,000	45,000
Interest	27,600	913	2,250
Fiscal charges	450	591	52
Total expenditures	<u>368,050</u>	<u>51,504</u>	<u>47,302</u>
Revenues over (under) expenditures	<u>(367,819)</u>	<u>(51,651)</u>	<u>(32,153)</u>
<b>Other financing sources (uses)</b>			
Issuance of refunding debt	-	-	-
Premium on debt issuance	-	-	-
Payment to refunded bond escrow agent	-	-	-
Transfers in	368,000	17,599	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>368,000</u>	<u>17,599</u>	<u>-</u>
Net change in fund balances	181	(34,052)	(32,153)
Fund balances – January 1	<u>4,041</u>	<u>34,052</u>	<u>107,118</u>
Fund balances – December 31	<u>\$ 4,222</u>	<u>\$ -</u>	<u>\$ 74,965</u>

G.O. Improvement Refunding Bonds of 2013 (2006)	G.O. Improvement Bonds of 2008	G.O. Improvement Bonds of 2009	G.O. Improvement Bonds of 2010/ Refunding 2014	Closed Bonds	Total Nonmajor Debt Service Funds
\$ 7,879	\$ -	\$ -	\$ -	\$ (237)	\$ 535,765
6,618	16,406	17,405	13,512	17,779	83,553
-	-	-	1,180	-	1,180
(11)	5,465	2,955	2,766	31,475	88,915
<u>14,486</u>	<u>21,871</u>	<u>20,360</u>	<u>17,458</u>	<u>49,017</u>	<u>709,413</u>
15,000	20,000	20,000	10,000	-	1,265,000
4,180	11,225	6,362	3,636	-	369,330
21	42	75	1,554	-	4,911
<u>19,201</u>	<u>31,267</u>	<u>26,437</u>	<u>15,190</u>	<u>-</u>	<u>1,639,241</u>
<u>(4,715)</u>	<u>(9,396)</u>	<u>(6,077)</u>	<u>2,268</u>	<u>49,017</u>	<u>(929,828)</u>
-	-	-	100,000	-	100,000
-	-	-	5,822	-	5,822
(100,000)	-	-	-	-	(860,000)
-	-	-	-	533,749	1,374,348
-	-	-	-	(67,599)	(67,599)
<u>(100,000)</u>	<u>-</u>	<u>-</u>	<u>105,822</u>	<u>466,150</u>	<u>552,571</u>
<u>(104,715)</u>	<u>(9,396)</u>	<u>(6,077)</u>	<u>108,090</u>	<u>515,167</u>	<u>(377,257)</u>
<u>108,341</u>	<u>132,479</u>	<u>78,137</u>	<u>58,597</u>	<u>695,472</u>	<u>4,445,770</u>
<u>\$ 3,626</u>	<u>\$ 123,083</u>	<u>\$ 72,060</u>	<u>\$ 166,687</u>	<u>\$ 1,210,639</u>	<u>\$ 4,068,513</u>

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## NONMAJOR CAPITAL PROJECT FUNDS

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

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

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

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

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

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

Tax Increment Financing District #7 Shoreview Senior Living – This fund is used to account for the receipt and use of tax increment collections in tax increment district number seven within development district number two.

Tax Increment Financing District #9 TSI Inc. – This fund is used to account for the receipt and use of tax increment collections in tax increment district number nine within development district number two.

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

- Information Technology
- Gaston/Grove St. Albans Water Main Extension
- Red Fox Road Reconstruction
- County Road D Reconstruction
- Cottage Place Reconstruction
- 2013 Street Rehabilitation
- Hanson/Oakridge/Nottingham Reconstruction

**CITY OF SHOREVIEW, MINNESOTA**

Subcombining Balance Sheet  
 Nonmajor Capital Project Funds  
 December 31, 2014

	District #1 Deluxe	District #2 City Center	District #4 Scandia Shores	Tax Increment Financing District #5 Shoreview Mall and Summer House Senior Housing
<b>Assets</b>				
Cash and investments	\$ 1,687,310	\$ 278,945	\$ 816	\$ 394,860
Accrued interest receivable	1,862	673	-	1,206
Loan receivable	150,663	-	-	-
Taxes receivable				
Delinquent	45,107	25	-	-
Due from county	-	-	-	-
Interfund receivable	863,738	-	-	-
Total assets	<u>\$ 2,748,680</u>	<u>\$ 279,643</u>	<u>\$ 816</u>	<u>\$ 396,066</u>
<b>Liabilities</b>				
Accounts payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Deferred inflows of resources</b>				
Unavailable revenue - property taxes	<u>45,107</u>	<u>25</u>	<u>-</u>	<u>-</u>
<b>Fund balances</b>				
Restricted	2,703,573	279,618	816	396,066
Assigned	-	-	-	-
Total fund balances	<u>2,703,573</u>	<u>279,618</u>	<u>816</u>	<u>396,066</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,748,680</u>	<u>\$ 279,643</u>	<u>\$ 816</u>	<u>\$ 396,066</u>

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District #6 Gateway	District #7 Shoreview Senior Living	District #9 TSI Inc.	Information Technology	Total Nonmajor Capital Project Funds
\$ 13,154	\$ 20,225	\$ 1,662	\$ 35,912	\$ 2,432,884
-	109	-	-	3,850
-	-	-	-	150,663
-	-	-	99	45,231
-	-	-	213	213
-	-	-	-	863,738
<u>\$ 13,154</u>	<u>\$ 20,334</u>	<u>\$ 1,662</u>	<u>\$ 36,224</u>	<u>\$ 3,496,579</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29</u>	<u>\$ 29</u>
-	-	-	99	45,231
13,154	20,334	1,662	-	3,415,223
-	-	-	36,096	36,096
<u>13,154</u>	<u>20,334</u>	<u>1,662</u>	<u>36,096</u>	<u>3,451,319</u>
<u>\$ 13,154</u>	<u>\$ 20,334</u>	<u>\$ 1,662</u>	<u>\$ 36,224</u>	<u>\$ 3,496,579</u>

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**CITY OF SHOREVIEW, MINNESOTA**

Subcombining Statement of Revenues, Expenditures, and  
 Changes in Fund Balances  
 Nonmajor Capital Project Funds  
 For The Year Ended December 31, 2014

**Statement 20**  
**Page 1 of 2**

	Tax Increment Financing			
	District #1 Deluxe	District #2 City Center	District #4 Scandia Shores	District #5 Shoreview Mall and Summer House Senior Housing
<b>Revenues</b>				
Taxes				
General property taxes	\$ -	\$ -	\$ -	\$ -
Tax increments	908,932	493,740	105,162	-
Intergovernmental	-	-	-	-
Charges for services	125	-	-	-
Earnings on investments	49,907	10,407	36	18,642
Other	2,695	-	-	-
<b>Total revenues</b>	<b>961,659</b>	<b>504,147</b>	<b>105,198</b>	<b>18,642</b>
<b>Expenditures</b>				
Current				
General government	-	-	-	-
Public works	-	-	-	-
Community development	237,543	2,834	105,162	368
Capital outlay				
General government	-	-	-	-
Public works	-	-	-	-
<b>Total expenditures</b>	<b>237,543</b>	<b>2,834</b>	<b>105,162</b>	<b>368</b>
<b>Revenues over (under) expenditures</b>	<b>724,116</b>	<b>501,313</b>	<b>36</b>	<b>18,274</b>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	(368,000)	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(368,000)</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>724,116</b>	<b>133,313</b>	<b>36</b>	<b>18,274</b>
Fund balances – January 1	1,979,457	146,305	780	377,792
Fund balances – December 31	<b>\$ 2,703,573</b>	<b>\$ 279,618</b>	<b>\$ 816</b>	<b>\$ 396,066</b>

**CITY OF SHOREVIEW, MINNESOTA**  
Subcombining Statement of Revenues, Expenditures, and  
Changes in Fund Balances  
Nonmajor Capital Project Funds  
For The Year Ended December 31, 2014

	<u>Tax Increment Financing</u>			
	<u>District #6</u>	<u>District #7</u>	<u>District #9</u>	<u>Information</u>
	<u>Gateway</u>	<u>Shoreview</u>	<u>TSI Inc.</u>	<u>Technology</u>
<b>Revenues</b>				
Taxes				
General property taxes	\$ -	\$ -	\$ -	\$ 19,838
Tax increments	100,883	187,197	15,923	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Earnings on investments	614	1,681	75	358
Other	-	-	-	-
<b>Total revenues</b>	<u>101,497</u>	<u>188,878</u>	<u>15,998</u>	<u>20,196</u>
<b>Expenditures</b>				
Current				
General government	-	-	-	98,627
Public works	-	-	-	-
Community development	100,883	168,544	14,336	-
Capital outlay				
General government	-	-	-	22,250
Public works	-	-	-	-
<b>Total expenditures</b>	<u>100,883</u>	<u>168,544</u>	<u>14,336</u>	<u>120,877</u>
<b>Revenues over (under) expenditures</b>	<u>614</u>	<u>20,334</u>	<u>1,662</u>	<u>(100,681)</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	93,510
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>93,510</u>
<b>Net change in fund balances</b>	<u>614</u>	<u>20,334</u>	<u>1,662</u>	<u>(7,171)</u>
Fund balances – January 1	12,540	-	-	43,267
Fund balances – December 31	<u>\$ 13,154</u>	<u>\$ 20,334</u>	<u>\$ 1,662</u>	<u>\$ 36,096</u>

Gaston/Grove St. Albans Water Main Extension	Red Fox Road Reconstruction	County Road D Reconstruction	Cottage Place Reconstruction	2013 Street Rehabilitation	Hanson/ Oakridge/ Nottingham Reconstruction	Total Nonmajor Capital Project Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,838
-	-	-	-	-	-	1,811,837
-	-	139,914	-	-	-	139,914
-	-	-	-	-	-	125
-	-	-	-	-	-	81,720
-	-	-	-	-	-	2,695
-	-	139,914	-	-	-	2,056,129
-	-	-	-	-	-	98,627
-	16,538	139,914	-	-	-	156,452
-	-	-	-	-	-	629,670
-	-	-	-	-	-	22,250
-	73,618	58,909	35,067	4,620	679,000	851,214
-	90,156	198,823	35,067	4,620	679,000	1,758,213
-	(90,156)	(58,909)	(35,067)	(4,620)	(679,000)	297,916
-	95,030	69,930	36,372	4,620	679,000	978,462
(4,323)	(14,368)	(11,021)	(5,954)	-	-	(403,666)
(4,323)	80,662	58,909	30,418	4,620	679,000	574,796
(4,323)	(9,494)	-	(4,649)	-	-	872,712
4,323	9,494	-	4,649	-	-	2,578,607
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,451,319

**CITY OF SHOREVIEW, MINNESOTA**

Nonmajor Special Revenue Fund – Recycling  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance – Budget and Actual  
 For The Year Ended December 31, 2014

**Statement 21**

	Original and Final Budget	Actual Amounts	Variance With Final Budget
Revenues			
Intergovernmental	\$ 66,000	\$ 67,528	\$ 1,528
Charges for services			
Recycling fees	493,500	501,400	7,900
Earnings on investments	–	7,185	7,185
Total revenues	<u>559,500</u>	<u>576,113</u>	<u>16,613</u>
Expenditures			
Public works			
Current			
Personal services	26,579	22,128	4,451
Materials and supplies	1,100	6,177	(5,077)
Contractual services	501,890	486,137	15,753
Total expenditures	<u>529,569</u>	<u>514,442</u>	<u>15,127</u>
Net change in fund balances	<u>\$ 29,931</u>	<u>61,671</u>	<u>\$ 31,740</u>
Fund balances – January 1		204,983	
Fund balances – December 31		<u>\$ 266,654</u>	

**CITY OF SHOREVIEW, MINNESOTA**

Nonmajor Special Revenue Fund – Cable TV  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance – Budget and Actual  
 For The Year Ended December 31, 2014

**Statement 22**

	Original and Final Budget	Actual Amounts	Variance With Final Budget
<b>Revenues</b>			
Taxes			
Franchise tax	\$ 314,000	\$ 331,303	\$ 17,303
Earnings on investments	1,600	5,303	3,703
Other	1,200	1,125	(75)
Total revenues	<u>316,800</u>	<u>337,731</u>	<u>20,931</u>
<b>Expenditures</b>			
General government			
Current			
Personal services	34,217	33,833	384
Materials and supplies	500	–	500
Contractual services	114,870	119,143	(4,273)
Capital outlay	–	10,775	(10,775)
Total expenditures	<u>149,587</u>	<u>163,751</u>	<u>(14,164)</u>
Revenues over (under) expenditures	<u>167,213</u>	<u>173,980</u>	<u>6,767</u>
<b>Other financing sources (uses)</b>			
Transfers out	(160,000)	(160,000)	–
Net change in fund balances	<u>\$ 7,213</u>	<u>13,980</u>	<u>\$ 6,767</u>
Fund balances – January 1		<u>178,179</u>	
Fund balances – December 31		<u>\$ 192,159</u>	

**CITY OF SHOREVIEW, MINNESOTA**

Nonmajor Special Revenue Fund – Slice of Shoreview Event  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance – Budget and Actual  
 For The Year Ended December 31, 2014

**Statement 23**

	<u>Original and Final Budget</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
Revenues			
Charges for services	\$ 26,000	\$ 24,836	\$ (1,164)
Earnings on investments	–	3,557	3,557
Contributions	32,000	36,946	4,946
Total revenues	<u>58,000</u>	<u>65,339</u>	<u>7,339</u>
Expenditures			
General government			
Current			
Materials and supplies	2,000	350	1,650
Contractual services	63,735	64,455	(720)
Total expenditures	<u>65,735</u>	<u>64,805</u>	<u>930</u>
Revenues over (under) expenditures	<u>(7,735)</u>	<u>534</u>	<u>8,269</u>
Other financing sources (uses)			
Transfer in	10,000	10,000	–
Net change in fund balances	<u>\$ 2,265</u>	<u>10,534</u>	<u>\$ 8,269</u>
Fund balances – January 1		<u>65,817</u>	
Fund balances – December 31		<u>\$ 76,351</u>	

**CITY OF SHOREVIEW, MINNESOTA**

Nonmajor Special Revenue Fund – Economic Development Authority  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance – Budget and Actual  
 For The Year Ended December 31, 2014

**Statement 24**

	Original and Final Budget	Actual Amounts	Variance With Final Budget
<b>Revenues</b>			
General property taxes			
Current	\$ 80,000	\$ 78,446	\$ (1,554)
Other	–	61	61
Total general property taxes	<u>80,000</u>	<u>78,507</u>	<u>(1,493)</u>
Earnings on investments	<u>–</u>	<u>9,066</u>	<u>9,066</u>
Total revenues	<u>80,000</u>	<u>87,573</u>	<u>7,573</u>
<b>Expenditures</b>			
Community development			
Current			
Personal services	39,497	40,034	(537)
Supplies	3,200	2,253	947
Contractual services	<u>28,310</u>	<u>31,073</u>	<u>(2,763)</u>
Total expenditures	<u>71,007</u>	<u>73,360</u>	<u>(2,353)</u>
Net change in fund balance	<u>\$ 8,993</u>	<u>14,213</u>	<u>\$ 5,220</u>
Fund balances – January 1		<u>194,963</u>	
Fund balances – December 31		<u>\$ 209,176</u>	

**CITY OF SHOREVIEW, MINNESOTA**

Nonmajor Special Revenue Fund – Housing and Redevelopment Authority  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance – Budget and Actual  
 For The Year Ended December 31, 2014

**Statement 25**

	Original and Final Budget	Actual Amounts	Variance With Final Budget
<b>Revenues</b>			
General property taxes			
Current	\$ 90,000	\$ 87,933	\$ (2,067)
Other	–	65	65
Total general property taxes	<u>90,000</u>	<u>87,998</u>	<u>(2,002)</u>
Earnings on investments	–	3,083	3,083
Total revenues	<u>90,000</u>	<u>91,081</u>	<u>1,081</u>
<b>Expenditures</b>			
Community development			
Current			
Personal services	61,621	62,776	(1,155)
Contractual services	19,750	14,559	5,191
Total expenditures	<u>81,371</u>	<u>77,335</u>	<u>4,036</u>
Net change in fund balance	<u>\$ 8,629</u>	<u>13,746</u>	<u>\$ 5,117</u>
Fund balances – January 1		<u>74,197</u>	
Fund balances – December 31		<u>\$ 87,943</u>	

## INTERNAL SERVICE FUNDS

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

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

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

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

**CITY OF SHOREVIEW, MINNESOTA**

Combining Statement of Net Position

Internal Service Funds

December 31, 2014

**Statement 26**

	Short-Term Disability Self-Insurance	Liability Claims	Central Garage	Total
<b>Assets</b>				
Current assets				
Cash and investments	\$ 42,657	\$ 201,226	\$ 6,043,678	\$ 6,287,561
Accrued interest receivable	129	629	3,212	3,970
Accounts receivable	-	7,140	1,475	8,615
Taxes receivable	-	-	1,393	1,393
Due from other governmental units	-	-	32,066	32,066
Prepaid items	-	-	1,651	1,651
Total current assets	<u>42,786</u>	<u>208,995</u>	<u>6,083,475</u>	<u>6,335,256</u>
Noncurrent assets				
Capital assets				
Land	-	-	36,293	36,293
Buildings and structures	-	-	6,929,379	6,929,379
Machinery and equipment	-	-	5,393,870	5,393,870
Total capital assets	<u>-</u>	<u>-</u>	<u>12,359,542</u>	<u>12,359,542</u>
Less accumulated depreciation	<u>-</u>	<u>-</u>	<u>(4,100,921)</u>	<u>(4,100,921)</u>
Total capital assets (net of accumulated depreciation)	<u>-</u>	<u>-</u>	<u>8,258,621</u>	<u>8,258,621</u>
Total assets	<u>42,786</u>	<u>208,995</u>	<u>14,342,096</u>	<u>14,593,877</u>
<b>Liabilities</b>				
Current liabilities				
Accounts payable	-	1,110	32,158	33,268
Salaries payable	838	-	5,155	5,993
Accrued bond interest payable	-	-	109,211	109,211
Due to other governmental units	-	-	324	324
Compensated absences payable	-	-	631	631
Bonds payable	-	-	5,025,000	5,025,000
Total current liabilities	<u>838</u>	<u>1,110</u>	<u>5,172,479</u>	<u>5,174,427</u>
Noncurrent liabilities				
Compensated absences payable (net of current portion)	-	-	5,835	5,835
Bonds payable (net of current portion)	<u>-</u>	<u>-</u>	<u>4,849,019</u>	<u>4,849,019</u>
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>4,854,854</u>	<u>4,854,854</u>
Total liabilities	<u>838</u>	<u>1,110</u>	<u>10,027,333</u>	<u>10,029,281</u>
<b>Net position</b>				
Net investment in capital assets	-	-	3,233,621	3,233,621
Unrestricted	41,948	207,885	1,081,142	1,330,975
Total net position	<u>\$ 41,948</u>	<u>\$ 207,885</u>	<u>\$ 4,314,763</u>	<u>\$ 4,564,596</u>

**CITY OF SHOREVIEW, MINNESOTA**

Combining Statement of Revenues, Expenses, and  
Changes in Fund Net Position  
Internal Service Funds  
For The Year Ended December 31, 2014

**Statement 27**

	Short-Term Disability Self-Insurance	Liability Claims	Central Garage	Total
Operating revenues				
Customer billings	\$ 7,604	\$ –	\$ 1,240,763	\$ 1,248,367
Operating expenses				
Personal services	8,910	–	205,156	214,066
Materials and supplies	–	–	301,741	301,741
Contractual services	–	150,694	77,480	228,174
Utilities	–	–	25,839	25,839
Insurance	–	–	23,326	23,326
Depreciation	–	–	654,540	654,540
Total operating expenses	8,910	150,694	1,288,082	1,447,686
Operating income (loss)	(1,306)	(150,694)	(47,319)	(199,319)
Nonoperating revenues (expenses)				
General property taxes	–	–	179,245	179,245
Earnings on investments	1,997	9,729	49,848	61,574
Gain on sale of capital assets	–	–	78,143	78,143
Loss on disposal of capital assets	–	–	(17,184)	(17,184)
Other	–	155,602	161	155,763
Interest	–	–	(247,018)	(247,018)
Fiscal charges	–	–	(71,974)	(71,974)
Total nonoperating revenues (expenses)	1,997	165,331	(28,779)	138,549
Income (loss) before contributions and transfers	691	14,637	(76,098)	(60,770)
Capital contributions	–	–	77,106	77,106
Transfers				
Transfer in	–	–	119,400	119,400
Transfer out	–	(34,631)	(9,589)	(44,220)
Total transfers	–	(34,631)	109,811	75,180
Change in net position	691	(19,994)	110,819	91,516
Net position – January 1	41,257	227,879	4,203,944	4,473,080
Net position – December 31	\$ 41,948	\$ 207,885	\$ 4,314,763	\$ 4,564,596

**CITY OF SHOREVIEW, MINNESOTA**

Combining Statement of Cash Flows

Internal Service Funds

For The Year Ended December 31, 2014

**Statement 28**

	Short-Term Disability Self-Insurance	Liability Claims	Central Garage	Total
Cash flows from operating activities				
Receipts from interfund services provided	\$ 7,604	\$ –	\$ 1,240,763	\$ 1,248,367
Payments to suppliers	–	(150,556)	(469,637)	(620,193)
Payments to employees	(8,072)	–	(203,158)	(211,230)
Miscellaneous revenue	–	148,462	161	148,623
Net cash flows from operating activities	<u>(468)</u>	<u>(2,094)</u>	<u>568,129</u>	<u>565,567</u>
Cash flows from noncapital financing activities				
Transfers to other funds	–	–	(9,589)	(9,589)
Cash flows from capital and related financing activities				
Proceeds from sales of capital assets	–	–	126,427	126,427
Proceeds from the sale of bonds	–	–	4,850,008	4,850,008
Acquisition and construction of capital assets	–	–	(529,055)	(529,055)
Receipts from taxpayers	–	–	183,232	183,232
Transfers from other funds	–	–	119,400	119,400
Transfers to other funds	–	(34,631)	–	(34,631)
Capital contributions	–	–	77,837	77,837
Principal paid on capital debt	–	–	(245,000)	(245,000)
Interest and paying agent fees on capital debt	–	–	(311,748)	(311,748)
Net cash flows from capital and related financing activities	<u>–</u>	<u>(34,631)</u>	<u>4,271,101</u>	<u>4,236,470</u>
Cash flows from investing activities				
Earnings on investments	<u>1,981</u>	<u>9,686</u>	<u>49,385</u>	<u>61,052</u>
Net change in cash and cash equivalents	1,513	(27,039)	4,879,026	4,853,500
Cash and cash equivalents – January 1	<u>41,144</u>	<u>228,265</u>	<u>1,164,652</u>	<u>1,434,061</u>
Cash and cash equivalents – December 31	<u><u>\$ 42,657</u></u>	<u><u>\$ 201,226</u></u>	<u><u>\$ 6,043,678</u></u>	<u><u>\$ 6,287,561</u></u>
Reconciliation of operating income (loss) to net cash flows from operating activities				
Operating income (loss)	<u>\$ (1,306)</u>	<u>\$ (150,694)</u>	<u>\$ (47,319)</u>	<u>\$ (199,319)</u>
Adjustments to reconcile operating income (loss) to net cash flows from operating activities				
Miscellaneous revenue	–	155,602	161	155,763
Depreciation	–	–	654,540	654,540
Decrease (increase) in receivables	–	(7,140)	9,774	2,634
Decrease (increase) in prepaid items	–	–	811	811
Increase (decrease) in payables	838	138	(49,838)	(48,862)
Total adjustments	<u>838</u>	<u>148,600</u>	<u>615,448</u>	<u>764,886</u>
Net cash flows from operating activities	<u><u>\$ (468)</u></u>	<u><u>\$ (2,094)</u></u>	<u><u>\$ 568,129</u></u>	<u><u>\$ 565,567</u></u>
Noncash investing, capital, and financing activities				
Capital assets purchased on account				
Accounts payable	\$ –	\$ –	\$ 4,992	\$ 4,992
Due from other governmental units –				
Capital contribution	–	–	(731)	(731)
Taxes receivable	–	–	(3,987)	(3,987)

## FIDUCIARY FUNDS

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

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

**CITY OF SHOREVIEW, MINNESOTA**

Statement of Changes in Assets and Liabilities

Agency Fund

For The Year Ended December 31, 2014

**Statement 29**

	Agency			
	Balance – January 1, 2014	Additions	Deletions	Balance – December 31, 2014
<b>Hockey Association</b>				
Assets				
Cash and investments	\$ 382,572	\$ 25,362	\$ 5,000	\$ 402,934
Accrued interest receivable	41	45	41	45
Total assets	<u>\$ 382,613</u>	<u>\$ 25,407</u>	<u>\$ 5,041</u>	<u>\$ 402,979</u>
Liabilities				
Deposits payable	<u>\$ 382,613</u>	<u>\$ 25,407</u>	<u>\$ 5,041</u>	<u>\$ 402,979</u>

**FINANCIAL SECTION –  
SUPPLEMENTARY FINANCIAL INFORMATION**



**SUPPLEMENTARY FINANCIAL INFORMATION**

**CITY OF SHOREVIEW, MINNESOTA**

Combining Schedule of Indebtedness

December 31, 2014

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

N/A – Not Applicable

Exhibit 1

Prior Years		Outstanding 12/31/2013	2014		Outstanding 12/31/2014	Principal Due in 2015	Interest Due in 2015
Authorized and Issued	Payments		Issued	Payments			
\$ 430,000	\$ 380,000	\$ 50,000	\$ -	\$ 50,000	\$ -	\$ -	\$ -
205,000	90,000	115,000	-	115,000	-	-	-
330,000	50,000	280,000	-	20,000	260,000	20,000	10,425
235,000	40,000	195,000	-	20,000	175,000	25,000	5,687
140,000	10,000	130,000	-	10,000	120,000	120,000	1,787
235,000	-	235,000	-	45,000	190,000	70,000	3,100
1,775,000	-	1,775,000	-	-	1,775,000	-	59,310
-	-	-	100,000	-	100,000	-	1,679
<u>3,350,000</u>	<u>570,000</u>	<u>2,780,000</u>	<u>100,000</u>	<u>260,000</u>	<u>2,620,000</u>	<u>235,000</u>	<u>81,988</u>
1,090,000	400,000	690,000	-	340,000	350,000	350,000	14,000
1,600,000	730,000	870,000	-	870,000	-	-	-
2,500,000	790,000	1,710,000	-	160,000	1,550,000	1,550,000	31,640
5,615,000	345,000	5,270,000	-	245,000	5,025,000	5,025,000	118,600
750,000	-	750,000	-	-	750,000	120,000	13,800
1,380,000	-	1,380,000	-	-	1,380,000	-	27,600
2,415,000	-	2,415,000	-	145,000	2,270,000	140,000	46,669
-	-	-	4,670,000	-	4,670,000	-	83,024
<u>14,260,000</u>	<u>1,865,000</u>	<u>12,395,000</u>	<u>4,670,000</u>	<u>1,420,000</u>	<u>15,645,000</u>	<u>6,835,000</u>	<u>321,333</u>
295,000	265,000	30,000	-	30,000	-	-	-
860,000	285,000	575,000	-	575,000	-	-	-
845,000	225,000	620,000	-	50,000	570,000	55,000	21,471
2,365,000	445,000	1,920,000	-	125,000	1,795,000	130,000	72,095
1,240,000	145,000	1,095,000	-	75,000	1,020,000	1,020,000	17,988
775,000	-	775,000	-	70,000	705,000	70,000	13,400
610,000	-	610,000	-	40,000	570,000	105,000	10,350
305,000	-	305,000	-	-	305,000	30,000	8,700
-	-	-	915,000	-	915,000	-	15,372
270,000	90,000	180,000	-	180,000	-	-	-
260,000	70,000	190,000	-	15,000	175,000	15,000	6,631
580,000	110,000	470,000	-	30,000	440,000	30,000	17,701
985,000	115,000	870,000	-	60,000	810,000	810,000	14,331
285,000	-	285,000	-	40,000	245,000	60,000	4,300
-	-	-	730,000	-	730,000	-	12,237
475,000	425,000	50,000	-	50,000	-	-	-
600,000	160,000	440,000	-	35,000	405,000	40,000	15,230
230,000	40,000	190,000	-	10,000	180,000	15,000	7,182
1,180,000	290,000	890,000	-	100,000	790,000	105,000	25,975
355,000	40,000	315,000	-	20,000	295,000	295,000	5,219
960,000	-	960,000	-	90,000	870,000	90,000	16,500
155,000	-	155,000	-	55,000	100,000	50,000	1,500
190,000	-	190,000	-	-	190,000	15,000	5,475
-	-	-	265,000	-	265,000	-	4,510
<u>13,820,000</u>	<u>2,705,000</u>	<u>11,115,000</u>	<u>1,910,000</u>	<u>1,650,000</u>	<u>11,375,000</u>	<u>2,935,000</u>	<u>296,167</u>
<u>32,520,000</u>	<u>5,540,000</u>	<u>26,980,000</u>	<u>6,680,000</u>	<u>3,670,000</u>	<u>29,990,000</u>	<u>10,355,000</u>	<u>713,488</u>
N/A	N/A	403,427	N/A	N/A	632,915	N/A	N/A
4,620,000	635,000	3,985,000	-	350,000	3,635,000	360,000	110,315
6,000,000	-	6,000,000	-	-	6,000,000	-	-
-	-	345,651	451,428	431,407	365,672	35,638	-
<u>\$ 43,140,000</u>	<u>\$ 6,175,000</u>	<u>\$ 37,714,078</u>	<u>\$ 7,131,428</u>	<u>\$ 4,451,407</u>	<u>\$ 40,623,587</u>	<u>\$ 10,750,638</u>	<u>\$ 823,803</u>

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

**Exhibit 2**

	<u>Tax Capacity Values 2012/2013</u>		<u>Tax Capacity Values 2013/2014</u>	
Taxable valuations				
Real estate	\$ 27,546,240		\$ 27,706,866	
Personal property	311,101		192,279	
Fiscal disparities net	(242,396)		(86,124)	
Less captured tax increment value	<u>(1,379,783)</u>		<u>(1,319,882)</u>	
Totals	<u>\$ 26,235,162</u>		<u>\$ 26,493,139</u>	
Tax levies				
Year of extension	2012		2013	
Year of collection	2013		2014	
	<u>Certified Levy</u>	<u>Tax Capacity Rate</u>	<u>Certified Levy</u>	<u>Tax Capacity Rate</u>
Taxes levied				
General Fund	\$ 6,639,567	25.557%	\$ 6,837,154	25.842%
Shoreview EDA	60,000	0.231%	80,000	0.302%
Capital project funds	2,220,000	8.545%	2,270,000	8.580%
Debt service funds	501,000	1.929%	548,000	2.071%
Central Garage Fund	<u>184,000</u>	<u>0.708%</u>	<u>184,000</u>	<u>0.695%</u>
Totals	<u>\$ 9,604,567</u>	<u>36.970%</u>	<u>\$ 9,919,154</u>	<u>37.490%</u>
Shoreview HRA	<u>\$ 75,000</u>	<u>0.289%</u>	<u>\$ 90,000</u>	<u>0.345%</u>

**CITY OF SHOREVIEW, MINNESOTA**

Schedule of Deferred Tax Levies

Other General Obligation Bonds

December 31, 2014

**Exhibit 3**

Year of Tax Levy/Collection	G.O. Capital Improvement Plan Refunding Bonds of 2013	G.O. Capital Improvement Plan Bonds of 2010/ Refunding 2014	G.O. Street Reconstruction Bonds of 2006/ Refunding 2013	G.O. Street Reconstruction Bonds of 2013	Total
2014/2015	\$ 132,000	\$ 208,000	\$ 212,000	\$ 184,000	\$ 736,000
2015/2016	136,710	400,798	224,280	201,987	963,775
2016/2017	144,690	405,838	220,290	198,837	969,655
2017/2018	141,960	410,668	221,550	200,937	975,115
2018/2019	139,230	407,098	217,455	197,682	961,465
2019/2020	-	413,871	218,610	199,677	832,158
2020/2021	-	414,921	224,910	201,567	841,398
2021/2022	-	415,656	-	198,102	613,758
2022/2023	-	413,345	-	199,887	613,232
2023/2024	-	410,917	-	201,121	612,038
2024/2025	-	412,755	-	196,987	609,742
2025/2026	-	407,295	-	198,102	605,397
2026/2027	-	406,928	-	198,863	605,791
2027/2028	-	400,995	-	-	400,995
2028/2029	-	400,155	-	-	400,155
Totals	<u>\$ 694,590</u>	<u>\$ 5,929,240</u>	<u>\$ 1,539,095</u>	<u>\$ 2,577,749</u>	<u>\$ 10,740,674</u>

**CITY OF SHOREVIEW, MINNESOTA**

Schedule of Deferred Tax Levies  
 General Obligation Improvement Bonds  
 December 31, 2014

**Exhibit 4**

Year of Tax Levy/ Collection	G.O. Improvement Bonds				Total
	2009	2010/ Refunding 2014	Refunding 2013	2013	
2014/2015	\$ -	\$ -	\$ 16,000	\$ -	\$ 16,000
2015/2016	5,395	7,746	15,963	14,750	43,854
2016/2017	4,542	7,431	9,403	12,073	33,449
2017/2018	3,623	1,866	3,943	9,395	18,827
2018/2019	2,704	6,801	9,088	6,718	25,311
2019/2020	1,654	6,329	8,878	9,290	26,151
2020/2021	-	5,855	8,668	11,705	26,228
2021/2022	-	-	-	8,713	8,713
2022/2023	-	-	-	5,720	5,720
2023/2024	-	-	-	13,228	13,228
2024/2025	-	-	-	10,764	10,764
2025/2026	-	-	-	8,076	8,076
2026/2027	-	-	-	10,638	10,638
2027/2028	-	-	-	7,782	7,782
2028/2029	-	-	-	10,176	10,176
2029/2030	-	-	-	10,461	10,461
2030/2031	-	-	-	6,891	6,891
2031/2032	-	-	-	8,571	8,571
2032/2033	-	-	-	10,041	10,041
2033/2034	-	-	-	6,051	6,051
<b>Total</b>	<b>\$ 17,918</b>	<b>\$ 36,028</b>	<b>\$ 71,943</b>	<b>\$ 181,043</b>	<b>\$ 306,932</b>

**CITY OF SHOREVIEW, MINNESOTA**

Debt Service Payments to Maturity

Revenue Bonds

December 31, 2014

**Exhibit 5**

Page 1 of 2

	Water Revenue Bonds						
	2007	2008	2010	2013A	Refunding 2013B	2013C	Refunding 2014
Bonds payable	\$ 570,000	\$ 1,795,000	\$ 1,020,000	\$ 705,000	\$ 570,000	\$ 305,000	\$ 915,000
Future interest payable	109,284	453,108	17,988	65,550	42,700	46,425	153,610
Totals	<u>\$ 679,284</u>	<u>\$ 2,248,108</u>	<u>\$ 1,037,988</u>	<u>\$ 770,550</u>	<u>\$ 612,700</u>	<u>\$ 351,425</u>	<u>\$ 1,068,610</u>
Payments to maturity							
2015	\$ 76,471	\$ 202,095	\$ 1,037,988	\$ 83,400	\$ 115,350	\$ 38,700	\$ 15,372
2016	74,409	201,795	–	86,950	88,500	37,800	97,600
2017	77,238	201,295	–	85,450	62,150	36,900	101,050
2018	74,943	200,595	–	83,950	70,950	36,000	99,450
2019	72,603	204,595	–	87,400	69,650	35,100	97,450
2020	75,117	203,175	–	85,800	68,350	34,200	95,050
2021	77,400	206,328	–	84,200	67,050	33,300	92,650
2022	74,547	204,081	–	87,550	70,700	32,400	90,250
2023	76,556	206,431	–	85,850	–	31,500	93,094
2024	–	208,234	–	–	–	35,525	91,181
2025	–	209,484	–	–	–	–	99,038
2026	–	–	–	–	–	–	96,425
	<u>\$ 679,284</u>	<u>\$ 2,248,108</u>	<u>\$ 1,037,988</u>	<u>\$ 770,550</u>	<u>\$ 612,700</u>	<u>\$ 351,425</u>	<u>\$ 1,068,610</u>

**CITY OF SHOREVIEW, MINNESOTA**

Debt Service Payments to Maturity

Revenue Bonds

December 31, 2014

Sewer Revenue Bonds						
	2007	2008	2010	Refunding 2013B	Refunding 2014	2007
Bonds payable	\$ 175,000	\$ 440,000	\$ 810,000	\$ 245,000	\$ 730,000	\$ 405,000
Future interest payable	33,909	110,490	14,331	15,150	120,118	76,939
Totals	<u>\$ 208,909</u>	<u>\$ 550,490</u>	<u>\$ 824,331</u>	<u>\$ 260,150</u>	<u>\$ 850,118</u>	<u>\$ 481,939</u>
Payments to maturity						
2015	\$ 21,631	\$ 47,701	\$ 824,331	\$ 64,300	\$ 12,237	\$ 55,230
2016	21,069	51,401	-	63,100	82,938	53,730
2017	25,407	50,001	-	22,300	81,637	52,220
2018	24,642	48,601	-	21,900	80,338	55,594
2019	23,862	52,101	-	21,500	78,712	53,839
2020	23,068	50,471	-	21,100	76,763	52,050
2021	22,263	48,811	-	20,700	74,812	55,138
2022	21,448	52,025	-	25,250	72,863	53,100
2023	25,519	50,112	-	-	71,156	51,038
2024	-	48,172	-	-	74,637	-
2025	-	51,094	-	-	72,975	-
2026	-	-	-	-	71,050	-
	<u>\$ 208,909</u>	<u>\$ 550,490</u>	<u>\$ 824,331</u>	<u>\$ 260,150</u>	<u>\$ 850,118</u>	<u>\$ 481,939</u>

Surface Water Revenue Bonds

2008	2009	2010	2013A	Refunding 2013B	2013C	Refunding 2014	Total
\$ 180,000	\$ 790,000	\$ 295,000	\$ 870,000	\$ 100,000	\$ 190,000	\$ 265,000	\$ 11,375,000
44,476	105,725	5,219	80,400	2,000	29,700	45,697	1,572,819
<u>\$ 224,476</u>	<u>\$ 895,725</u>	<u>\$ 300,219</u>	<u>\$ 950,400</u>	<u>\$ 102,000</u>	<u>\$ 219,700</u>	<u>\$ 310,697</u>	<u>\$ 12,947,819</u>
\$ 22,182	\$ 130,975	\$ 300,219	\$ 106,500	\$ 51,500	\$ 20,475	\$ 4,510	\$ 3,231,167
21,582	127,825	–	104,700	50,500	20,025	26,650	1,210,574
20,983	129,463	–	107,850	–	24,500	26,250	1,104,694
20,382	125,750	–	105,950	–	23,900	25,850	1,098,795
19,782	126,812	–	104,050	–	23,300	30,275	1,101,031
19,171	127,400	–	107,100	–	22,700	29,525	1,091,040
18,549	127,500	–	105,100	–	22,100	28,775	1,084,676
17,919	–	–	103,100	–	21,500	28,025	954,758
22,175	–	–	106,050	–	20,900	27,369	867,750
21,313	–	–	–	–	20,300	26,806	526,168
20,438	–	–	–	–	–	26,212	479,241
–	–	–	–	–	–	30,450	197,925
<u>\$ 224,476</u>	<u>\$ 895,725</u>	<u>\$ 300,219</u>	<u>\$ 950,400</u>	<u>\$ 102,000</u>	<u>\$ 219,700</u>	<u>\$ 310,697</u>	<u>\$ 12,947,819</u>

**CITY OF SHOREVIEW, MINNESOTA**

Debt Service Payments to Maturity  
 General Obligation Improvement Bonds  
 December 31, 2014

**Exhibit 6**

	G.O. Improvement Bonds						Total
	2008	2009	2010	Refunding 2013B	2013C	Refunding 2014	
Bonds payable	\$ 260,000	\$ 175,000	\$ 120,000	\$ 190,000	\$ 1,775,000	\$ 100,000	\$ 2,620,000
Future interest payable	65,701	22,530	1,787	8,400	695,525	11,504	805,447
<b>Total</b>	<b>\$ 325,701</b>	<b>\$ 197,530</b>	<b>\$ 121,787</b>	<b>\$ 198,400</b>	<b>\$ 2,470,525</b>	<b>\$ 111,504</b>	<b>\$ 3,425,447</b>
Payments to maturity							
2015	\$ 30,425	\$ 30,687	\$ 121,787	\$ 73,100	\$ 59,310	\$ 1,679	\$ 316,988
2016	29,625	29,937	–	56,850	143,035	17,400	276,847
2017	28,825	29,156	–	21,100	140,485	17,100	236,666
2018	28,025	28,313	–	10,800	137,935	16,800	221,873
2019	27,225	27,437	–	5,650	135,385	11,500	207,197
2020	31,307	26,500	–	10,500	132,835	16,125	217,267
2021	30,269	25,500	–	10,300	135,210	15,675	216,954
2022	29,219	–	–	10,100	137,435	15,225	191,979
2023	28,156	–	–	–	134,585	–	162,741
2024	31,969	–	–	–	131,735	–	163,704
2025	30,656	–	–	–	138,735	–	169,391
2026	–	–	–	–	110,880	–	110,880
2027	–	–	–	–	108,320	–	108,320
2028	–	–	–	–	110,680	–	110,680
2029	–	–	–	–	107,960	–	107,960
2030	–	–	–	–	109,800	–	109,800
2031	–	–	–	–	101,300	–	101,300
2032	–	–	–	–	97,900	–	97,900
2033	–	–	–	–	99,400	–	99,400
2034	–	–	–	–	100,700	–	100,700
2035	–	–	–	–	96,900	–	96,900
<b>Total</b>	<b>\$ 325,701</b>	<b>\$ 197,530</b>	<b>\$ 121,787</b>	<b>\$ 198,400</b>	<b>\$ 2,470,525</b>	<b>\$ 111,504</b>	<b>\$ 3,425,447</b>

**CITY OF SHOREVIEW, MINNESOTA**

Debt Service Payments to Maturity  
 G.O. Tax Increment and Other General Obligation Bonds  
 December 31, 2014

**Exhibit 7**

	TIF Refunding Bonds 2007	Other G.O. Bonds						Total
		Street 2006	Capital Plan 2010	Capital Plan		Street		
				Refunding 2013	Refunding 2013	Street 2013	Capital Plan Refunding 2014	
Bonds payable	\$ 350,000	\$ 1,550,000	\$ 5,025,000	\$ 750,000	\$ 1,380,000	\$ 2,270,000	\$ 4,670,000	\$ 15,995,000
Future interest payable	14,000	31,640	118,600	45,900	125,300	364,066	1,144,880	1,844,386
<b>Total</b>	<b>\$ 364,000</b>	<b>\$ 1,581,640</b>	<b>\$ 5,143,600</b>	<b>\$ 795,900</b>	<b>\$ 1,505,300</b>	<b>\$ 2,634,066</b>	<b>\$ 5,814,880</b>	<b>\$ 17,839,386</b>
Payments to maturity								
2015	\$ 364,000	\$ 1,581,640	\$ 5,143,600	\$ 133,800	\$ 27,600	\$ 186,669	\$ 83,024	\$ 7,520,333
2016	-	-	-	131,400	225,600	188,819	343,912	889,731
2017	-	-	-	129,000	211,700	190,869	379,113	910,682
2018	-	-	-	136,500	207,900	187,869	383,812	916,081
2019	-	-	-	133,900	209,050	189,819	386,913	919,682
2020	-	-	-	131,300	205,150	186,719	383,437	906,606
2021	-	-	-	-	206,200	188,569	389,663	784,432
2022	-	-	-	-	212,100	190,319	390,512	792,931
2023	-	-	-	-	-	187,019	392,263	579,282
2024	-	-	-	-	-	188,456	390,006	578,462
2025	-	-	-	-	-	189,575	387,225	576,800
2026	-	-	-	-	-	185,638	388,000	573,638
2027	-	-	-	-	-	186,531	382,725	569,256
2028	-	-	-	-	-	187,197	382,225	569,422
2029	-	-	-	-	-	-	376,500	376,500
2030	-	-	-	-	-	-	375,550	375,550
	<b>\$ 364,000</b>	<b>\$ 1,581,640</b>	<b>\$ 5,143,600</b>	<b>\$ 795,900</b>	<b>\$ 1,505,300</b>	<b>\$ 2,634,066</b>	<b>\$ 5,814,880</b>	<b>\$ 17,839,386</b>

**CITY OF SHOREVIEW, MINNESOTA**

Debt Service Payments to Maturity

Certificates of Participation

December 31, 2014

**Exhibit 8**

	Refunding Certificates of Participation 2011
Bonds payable	\$ 3,635,000
Future interest payable	628,038
Total	<u>\$ 4,263,038</u>
Payments to maturity	
2015	\$ 470,315
2016	467,935
2017	469,540
2018	474,978
2019	474,058
2020	477,057
2021	478,155
2022	473,750
2023	477,250
	<u>\$ 4,263,038</u>

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**CITY OF SHOREVIEW, MINNESOTA**

Combining Schedule of Property and Equipment

For The Year Ended December 31, 2014

	Capital Assets				Balance – December 31, 2014
	Balance – January 1, 2014	Additions	Deletions	Reclassification	
Governmental activities					
Governmental activities (excluding internal service funds)					
Land	\$ 7,688,052	\$ –	\$ –	\$ –	\$ 7,688,052
Buildings and structures	28,000,036	15,709	–	–	28,015,745
Machinery and equipment	2,887,262	32,981	4,951	56,966	2,972,258
Infrastructure	58,543,640	131,000	4,429,664	4,667,117	58,912,093
Construction in progress	5,634,487	1,396,909	–	(4,724,083)	2,307,313
Total	<u>102,753,477</u>	<u>1,576,599</u>	<u>4,434,615</u>	<u>–</u>	<u>99,895,461</u>
Internal service fund					
Central garage					
Land	36,293	–	–	–	36,293
Buildings and structures	6,929,379	–	–	–	6,929,379
Machinery and equipment	5,215,132	534,047	355,309	–	5,393,870
Total central garage	<u>12,180,804</u>	<u>534,047</u>	<u>355,309</u>	<u>–</u>	<u>12,359,542</u>
Total governmental activities	<u>114,934,281</u>	<u>2,110,646</u>	<u>4,789,924</u>	<u>–</u>	<u>112,255,003</u>
Business-type activities					
Water utility					
Land	27,577	–	–	–	27,577
Buildings and structures	6,733,215	–	–	–	6,733,215
Machinery and equipment	2,474,505	–	3,480	–	2,471,025
Distribution system	16,194,662	–	–	544,812	16,739,474
Construction in progress	674,087	805,470	–	(544,812)	934,745
Total water utility	<u>26,104,046</u>	<u>805,470</u>	<u>3,480</u>	<u>–</u>	<u>26,906,036</u>
Sewer utility					
Land	11,459	–	–	–	11,459
Buildings and structures	1,608,118	–	–	58,891	1,667,009
Machinery and equipment	46,746	–	6,419	–	40,327
Collection system	11,742,573	–	–	102,793	11,845,366
Construction in progress	86,000	310,976	–	(161,684)	235,292
Total sewer utility	<u>13,494,896</u>	<u>310,976</u>	<u>6,419</u>	<u>–</u>	<u>13,799,453</u>
Surface water management utility					
Land	265,166	21,000	–	–	286,166
Machinery and equipment	10,132	–	1,594	–	8,538
Collection system	10,990,405	–	–	1,147,326	12,137,731
Construction in progress	1,233,696	446,630	–	(1,147,326)	533,000
Total surface water management utility	<u>12,499,399</u>	<u>467,630</u>	<u>1,594</u>	<u>–</u>	<u>12,965,435</u>
Street light utility					
Machinery and equipment	723	–	–	–	723
Distribution system	1,796,540	–	39,454	269,885	2,026,971
Construction in progress	119,372	251,933	–	(269,885)	101,420
Total street light utility	<u>1,916,635</u>	<u>251,933</u>	<u>39,454</u>	<u>–</u>	<u>2,129,114</u>
Total business-type activities	<u>54,014,976</u>	<u>1,836,009</u>	<u>50,947</u>	<u>–</u>	<u>55,800,038</u>
Total government	<u>\$ 168,949,257</u>	<u>\$ 3,946,655</u>	<u>\$ 4,840,871</u>	<u>\$ –</u>	<u>\$ 168,055,041</u>

Exhibit 9

Accumulated Depreciation				Net Capital Assets		
Balance – January 1, 2014	Additions	Deletions	Reclassification	Balance – December 31, 2014	Balance – January 1, 2014	Balance – December 31, 2014
\$ –	\$ –	\$ –	\$ –	\$ –	\$ 7,688,052	\$ 7,688,052
8,600,063	587,481	–	–	9,187,544	19,399,973	18,828,201
1,760,335	151,811	–	–	1,912,146	1,126,927	1,060,112
35,812,598	1,678,489	3,574,015	–	33,917,072	22,731,042	24,995,021
–	–	–	–	–	5,634,487	2,307,313
<u>46,172,996</u>	<u>2,417,781</u>	<u>3,574,015</u>	<u>–</u>	<u>45,016,762</u>	<u>56,580,481</u>	<u>54,878,699</u>
–	–	–	–	–	36,293	36,293
1,476,665	254,010	–	–	1,730,675	5,452,714	5,198,704
2,259,558	400,530	289,842	–	2,370,246	2,955,574	3,023,624
<u>3,736,223</u>	<u>654,540</u>	<u>289,842</u>	<u>–</u>	<u>4,100,921</u>	<u>8,444,581</u>	<u>8,258,621</u>
<u>49,909,219</u>	<u>3,072,321</u>	<u>3,863,857</u>	<u>–</u>	<u>49,117,683</u>	<u>65,025,062</u>	<u>63,137,320</u>
–	–	–	–	–	27,577	27,577
2,788,986	185,556	–	–	2,974,542	3,944,229	3,758,673
421,135	97,881	3,480	–	515,536	2,053,370	1,955,489
8,426,400	351,124	–	–	8,777,524	7,768,262	7,961,950
–	–	–	–	–	674,087	934,745
<u>11,636,521</u>	<u>634,561</u>	<u>3,480</u>	<u>–</u>	<u>12,267,602</u>	<u>14,467,525</u>	<u>14,638,434</u>
–	–	–	–	–	11,459	11,459
558,751	66,700	–	–	625,451	1,049,367	1,041,558
32,181	2,777	6,419	–	28,539	14,565	11,788
6,645,723	259,953	–	–	6,905,676	5,096,850	4,939,690
–	–	–	–	–	86,000	235,292
<u>7,236,655</u>	<u>329,430</u>	<u>6,419</u>	<u>–</u>	<u>7,559,666</u>	<u>6,258,241</u>	<u>6,239,787</u>
–	–	–	–	–	265,166	286,166
8,993	175	1,594	–	7,574	1,139	964
2,353,243	242,950	–	–	2,596,193	8,637,162	9,541,538
–	–	–	–	–	1,233,696	533,000
<u>2,362,236</u>	<u>243,125</u>	<u>1,594</u>	<u>–</u>	<u>2,603,767</u>	<u>10,137,163</u>	<u>10,361,668</u>
252	72	–	–	324	471	399
1,019,635	51,887	38,462	–	1,033,060	776,905	993,911
–	–	–	–	–	119,372	101,420
<u>1,019,887</u>	<u>51,959</u>	<u>38,462</u>	<u>–</u>	<u>1,033,384</u>	<u>896,748</u>	<u>1,095,730</u>
<u>22,255,299</u>	<u>1,259,075</u>	<u>49,955</u>	<u>–</u>	<u>23,464,419</u>	<u>31,759,677</u>	<u>32,335,619</u>
<u>\$ 72,164,518</u>	<u>\$ 4,331,396</u>	<u>\$ 3,913,812</u>	<u>\$ –</u>	<u>\$ 72,582,102</u>	<u>\$ 96,784,739</u>	<u>\$ 95,472,939</u>

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## **STATISTICAL SECTION**



### III. STATISTICAL SECTION (UNAUDITED)

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

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

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

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

	Fiscal Year			
	2005	2006	2007	2008
<b>Governmental activities</b>				
Net investment in capital assets	\$ 36,726,916	\$ 37,146,161	\$ 37,992,925	\$ 38,182,484
Restricted	3,672,378	3,944,143	4,570,921	3,453,661
Unrestricted	8,626,192	9,746,983	10,283,862	9,760,917
<b>Total governmental activities net position</b>	<b>\$ 49,025,486</b>	<b>\$ 50,837,287</b>	<b>\$ 52,847,708</b>	<b>\$ 51,397,062</b>
<b>Business-type activities</b>				
Net investment in capital assets	\$ 20,884,710	\$ 19,844,055	\$ 19,677,375	\$ 19,623,905
Restricted	761,313	550,207	437,425	441,550
Unrestricted	4,537,985	5,625,299	6,259,855	6,621,360
<b>Total business-type activities net position</b>	<b>\$ 26,184,008</b>	<b>\$ 26,019,561</b>	<b>\$ 26,374,655</b>	<b>\$ 26,686,815</b>
<b>Primary government</b>				
Net investment in capital assets	\$ 57,611,626	\$ 56,990,216	\$ 57,670,300	\$ 57,806,389
Restricted	4,433,691	4,494,350	5,008,346	3,895,211
Unrestricted	13,164,177	15,372,282	16,543,717	16,382,277
<b>Total primary government net position</b>	<b>\$ 75,209,494</b>	<b>\$ 76,856,848</b>	<b>\$ 79,222,363</b>	<b>\$ 78,083,877</b>

**Table 1**

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$ 39,316,149	\$ 39,050,369	\$ 40,029,233	\$ 40,154,929	\$41,391,324	\$40,908,853
4,507,834	5,329,637	6,325,795	5,364,477	4,646,335	7,253,717
8,899,115	10,475,310	10,991,847	12,597,300	10,639,322	13,905,130
<u>\$ 52,723,098</u>	<u>\$ 54,855,316</u>	<u>\$ 57,346,875</u>	<u>\$ 58,116,706</u>	<u>\$56,676,981</u>	<u>\$62,067,700</u>
\$ 20,721,589	\$ 20,512,610	\$ 20,704,816	\$ 21,585,799	\$21,332,825	\$22,829,472
432,375	408,379	246,811	183,496	217,442	224,368
6,904,000	7,090,656	6,974,381	7,185,024	8,556,468	8,141,056
<u>\$ 28,057,964</u>	<u>\$ 28,011,645</u>	<u>\$ 27,926,008</u>	<u>\$ 28,954,319</u>	<u>\$30,106,735</u>	<u>\$31,194,896</u>
\$ 60,037,738	\$ 59,562,979	\$ 60,734,049	\$ 61,740,728	\$62,724,149	\$63,738,325
4,940,209	5,738,016	6,572,606	5,547,973	4,863,777	7,478,085
15,803,115	17,565,966	17,966,228	19,782,324	19,195,790	22,046,186
<u>\$ 80,781,062</u>	<u>\$ 82,866,961</u>	<u>\$ 85,272,883</u>	<u>\$ 87,071,025</u>	<u>\$86,783,716</u>	<u>\$93,262,596</u>

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

	Fiscal Year		
	2005	2006	2007
<b>Expenses</b>			
Governmental activities			
General government	\$ 1,957,641	\$ 2,012,555	\$ 2,128,804
Public safety	2,120,855	2,280,770	2,283,009
Public works	4,134,959	3,249,104	3,520,883
Parks and recreation	4,969,529	5,030,570	4,980,839
Community development	907,790	979,173	886,415
Interest on long-term debt	670,144	576,390	675,827
Total governmental activities expenses	<u>14,760,918</u>	<u>14,128,562</u>	<u>14,475,777</u>
Business-type activities			
Water	1,679,459	1,776,555	1,792,092
Sewer	2,653,292	2,704,443	2,683,832
Surface water	583,521	659,539	700,644
Street lights	226,177	257,344	255,020
Total business-type activities expenses	<u>5,142,449</u>	<u>5,397,881</u>	<u>5,431,588</u>
Total primary government expenses	<u>\$ 19,903,367</u>	<u>\$ 19,526,443</u>	<u>\$ 19,907,365</u>
<b>Program revenues</b>			
Government activities			
Charges for services			
General government	\$ 1,048,227	\$ 1,007,442	\$ 1,073,599
Public safety	61,284	61,161	53,697
Public works	640,760	541,602	675,276
Parks and recreation	2,844,391	2,791,453	2,748,584
Community development	559,333	610,697	709,768
Operating grants and contributions	342,822	277,233	241,590
Capital grants and contributions	1,024,129	1,029,830	78,181
Total governmental activities program revenues	<u>6,520,946</u>	<u>6,319,418</u>	<u>5,580,695</u>
Business-type activities			
Charges for services			
Water	1,360,134	1,649,154	1,847,847
Sewer	2,462,406	2,616,043	2,695,914
Surface water	599,376	632,155	684,387
Street lights	197,108	218,101	232,419
Operating grants and contributions	—	—	—
Capital grants and contributions	50,730	32,290	220,512
Total business-type activities program revenues	<u>4,669,754</u>	<u>5,147,743</u>	<u>5,681,079</u>
Total primary government program revenues	<u>\$ 11,190,700</u>	<u>\$ 11,467,161</u>	<u>\$ 11,261,774</u>

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

Fiscal Year						
2008	2009	2010	2011	2012	2013	2014
\$ 2,225,081	\$ 2,199,814	\$ 2,192,010	\$ 2,227,952	\$ 2,349,276	\$ 2,582,399	\$ 2,529,960
2,659,654	2,612,926	2,642,094	2,783,332	3,113,032	3,543,388	3,568,459
3,860,277	3,737,382	3,512,821	3,909,642	3,998,390	6,798,886	5,178,104
5,862,962	5,931,822	5,737,675	6,169,365	6,128,769	6,123,840	6,726,335
2,555,177	1,357,296	1,472,700	1,398,228	2,904,944	2,210,253	1,580,709
572,356	524,858	697,523	911,854	595,009	730,200	680,281
<u>17,735,507</u>	<u>16,364,098</u>	<u>16,254,823</u>	<u>17,400,373</u>	<u>19,089,420</u>	<u>21,988,966</u>	<u>20,263,848</u>
1,927,324	1,912,770	2,051,213	2,281,299	2,206,516	2,238,481	2,251,547
2,883,638	3,320,551	3,173,831	3,315,044	3,283,498	3,498,374	3,569,836
753,179	755,520	906,527	966,638	1,019,008	954,828	1,032,375
258,168	255,038	282,638	318,063	275,412	295,949	305,615
<u>5,822,309</u>	<u>6,243,879</u>	<u>6,414,209</u>	<u>6,881,044</u>	<u>6,784,434</u>	<u>6,987,632</u>	<u>7,159,373</u>
<u>\$ 23,557,816</u>	<u>\$ 22,607,977</u>	<u>\$ 22,669,032</u>	<u>\$ 24,281,417</u>	<u>\$ 25,873,854</u>	<u>\$ 28,976,598</u>	<u>\$ 27,423,221</u>
\$ 1,053,965	\$ 1,103,341	\$ 1,210,068	\$ 1,309,819	\$ 1,248,377	\$ 1,405,214	\$ 1,286,854
59,091	61,578	36,315	64,225	70,304	55,362	52,034
702,876	815,048	692,040	741,563	828,857	918,543	833,176
2,877,161	3,144,695	3,385,971	3,620,548	3,651,544	3,744,316	3,837,325
575,989	388,087	579,792	479,074	611,623	758,157	746,075
118,437	236,381	250,264	311,246	320,347	1,345,155	1,401,114
131,876	920,597	881,392	1,145,697	852,396	911,375	3,360,726
<u>5,519,395</u>	<u>6,669,727</u>	<u>7,035,842</u>	<u>7,672,172</u>	<u>7,583,448</u>	<u>9,138,122</u>	<u>11,517,304</u>
1,920,360	2,225,830	2,009,301	2,186,139	2,918,022	2,694,959	2,481,331
2,849,000	3,151,607	3,254,199	3,548,325	3,568,777	3,777,352	3,859,639
749,967	809,111	926,154	1,008,151	1,147,539	1,221,047	1,371,166
303,697	334,047	348,778	365,475	456,284	474,872	495,367
-	-	-	-	-	-	-
87,063	1,088,613	37,176	27,878	109,985	76,008	173,961
<u>5,910,087</u>	<u>7,609,208</u>	<u>6,575,608</u>	<u>7,135,968</u>	<u>8,200,607</u>	<u>8,244,238</u>	<u>8,381,464</u>
<u>\$ 11,429,482</u>	<u>\$ 14,278,935</u>	<u>\$ 13,611,450</u>	<u>\$ 14,808,140</u>	<u>\$ 15,784,055</u>	<u>\$ 17,382,360</u>	<u>\$ 19,898,768</u>

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

	Fiscal Year		
	2005	2006	2007
Net (expense) revenue			
Governmental activities	\$ (8,239,972)	\$ (7,809,144)	\$ (8,895,082)
Business-type activities	(472,695)	(250,138)	249,491
Total primary government net expense	<u>\$ (8,712,667)</u>	<u>\$ (8,059,282)</u>	<u>\$ (8,645,591)</u>
General revenues and other changes in net position			
Governmental activities			
Taxes			
Property taxes	\$ 6,452,818	\$ 6,966,696	\$ 7,584,996
Tax increments	1,556,678	1,638,599	1,785,481
Franchise tax	222,715	239,281	259,107
Unrestricted grants and contributions	37,547	36,342	311,849
Investment earnings	282,518	565,522	776,753
Gain on disposal of capital assets	36,241	32,762	7,317
Miscellaneous	620	–	–
Transfers	(95,797)	141,743	180,000
Total governmental activities	<u>8,493,340</u>	<u>9,620,945</u>	<u>10,905,503</u>
Business-type activities			
Investment earnings	125,546	227,434	285,603
Transfers	95,797	(141,743)	(180,000)
Total business-type activities	<u>221,343</u>	<u>85,691</u>	<u>105,603</u>
Total primary government	<u>\$ 8,714,683</u>	<u>\$ 9,706,636</u>	<u>\$ 11,011,106</u>
Change in net position			
Governmental activities	\$ 253,368	\$ 1,811,801	\$ 2,010,421
Business-type activities	(251,352)	(164,447)	355,094
Total primary government	<u>\$ 2,016</u>	<u>\$ 1,647,354</u>	<u>\$ 2,365,515</u>

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

Fiscal Year						
2008	2009	2010	2011	2012	2013	2014
\$ (12,216,112)	\$ (9,694,371)	\$ (9,218,981)	\$ (9,728,201)	\$ (11,505,972)	\$ (12,850,844)	\$ (8,746,544)
87,778	1,365,329	161,399	254,924	1,416,173	1,256,606	1,222,091
<u>\$ (12,128,334)</u>	<u>\$ (8,329,042)</u>	<u>\$ (9,057,582)</u>	<u>\$ (9,473,277)</u>	<u>\$ (10,089,799)</u>	<u>\$ (11,594,238)</u>	<u>\$ (7,524,453)</u>
\$ 7,919,725	\$ 8,328,002	\$ 8,620,022	\$ 8,911,670	\$ 9,243,083	\$ 9,666,218	\$ 9,776,446
1,840,640	2,007,418	1,935,523	2,035,627	1,980,051	1,882,775	1,816,702
279,644	280,687	283,344	287,206	301,530	456,242	1,120,948
187,030	44,876	40,762	41,851	33,369	33,500	33,218
503,337	192,083	168,822	374,378	231,716	(553,422)	849,339
31,090	60,749	29,473	64,709	26,561	56,763	78,143
-	-	-	-	-	-	-
4,000	106,592	273,253	504,319	459,493	(130,957)	462,467
<u>10,765,466</u>	<u>11,020,407</u>	<u>11,351,199</u>	<u>12,219,760</u>	<u>12,275,803</u>	<u>11,411,119</u>	<u>14,137,263</u>
228,382	112,412	65,535	163,758	71,631	(235,147)	328,537
(4,000)	(106,592)	(273,253)	(504,319)	(459,493)	130,957	(462,467)
<u>224,382</u>	<u>5,820</u>	<u>(207,718)</u>	<u>(340,561)</u>	<u>(387,862)</u>	<u>(104,190)</u>	<u>(133,930)</u>
<u>\$ 10,989,848</u>	<u>\$ 11,026,227</u>	<u>\$ 11,143,481</u>	<u>\$ 11,879,199</u>	<u>\$ 11,887,941</u>	<u>\$ 11,306,929</u>	<u>\$ 14,003,333</u>
\$ (1,450,646)	\$ 1,326,036	\$ 2,132,218	\$ 2,491,559	\$ 769,831	\$ (1,439,725)	\$ 5,390,719
312,160	1,371,149	(46,319)	(85,637)	1,028,311	1,152,416	1,088,161
<u>\$ (1,138,486)</u>	<u>\$ 2,697,185</u>	<u>\$ 2,085,899</u>	<u>\$ 2,405,922</u>	<u>\$ 1,798,142</u>	<u>\$ (287,309)</u>	<u>\$ 6,478,880</u>

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**CITY OF SHOREVIEW**

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

**Table 3**

<u>Fiscal Year</u>	<u>General Property Tax</u>	<u>Tax Increments</u>	<u>Franchise Tax</u>	<u>Total</u>
2005	\$ 6,452,818	\$ 1,556,678	\$ 222,715	\$ 8,232,211
2006	6,966,696	1,638,599	239,281	8,844,576
2007	7,584,996	1,785,481	259,107	9,629,584
2008	7,919,725	1,840,640	279,644	10,040,009
2009	8,328,002	2,007,418	280,687	10,616,107
2010	8,620,022	1,935,523	283,344	10,838,889
2011	8,911,670	2,035,627	287,206	11,234,503
2012	9,243,083	1,980,051	301,530	11,524,664
2013	9,666,218	1,882,775	456,242	12,005,235
2014	9,776,446	1,816,702	1,120,948	12,714,096

**CITY OF SHOREVIEW**

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

	Fiscal Year			
	2005	2006	2007	2008
General Fund				
Nonspendable				
Prepaid items	\$ -	\$ -	\$ -	\$ -
Unassigned	-	-	-	-
Reserved	11,763	41,139	46,887	47,363
Unreserved	<u>2,822,064</u>	<u>3,010,210</u>	<u>3,394,008</u>	<u>3,555,239</u>
Total General Fund	<u>\$ 2,833,827</u>	<u>\$ 3,051,349</u>	<u>\$ 3,440,895</u>	<u>\$ 3,602,602</u>
All other governmental funds				
Nonspendable				
Prepaid items	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Reserved	3,213,286	3,572,300	5,402,601	3,299,496
Unreserved, reported in				
Special revenue funds	927,985	930,430	922,183	952,644
Capital projects funds	<u>4,008,834</u>	<u>6,300,458</u>	<u>5,366,600</u>	<u>4,441,511</u>
Total all other governmental funds	<u>\$ 8,150,105</u>	<u>\$ 10,803,188</u>	<u>\$ 11,691,384</u>	<u>\$ 8,693,651</u>

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

**Table 4**

Fiscal Year					
2009	2010	2011 (1)	2012	2013	2014
\$ -	\$ -	\$ 17,954	\$ 69,213	\$ 82,971	\$ 63,953
-	-	3,958,458	4,066,796	4,220,635	4,383,445
48,559	6,463	-	-	-	-
3,814,089	3,914,672	-	-	-	-
<u>\$ 3,862,648</u>	<u>\$ 3,921,135</u>	<u>\$ 3,976,412</u>	<u>\$ 4,136,009</u>	<u>\$ 4,303,606</u>	<u>\$ 4,447,398</u>
\$ -	\$ -	\$ 9,924	\$ 8,680	\$ 14,642	\$ 2,350
-	-	5,955,357	5,105,880	6,832,418	7,097,111
-	-	5,030,274	5,562,550	5,517,902	7,046,321
-	-	1,200,724	1,858,594	967,183	2,090,550
-	-	(46,333)	(222,622)	(1,294,351)	(907,931)
4,204,725	5,336,946	-	-	-	-
1,083,914	1,338,648	-	-	-	-
3,499,574	3,884,575	-	-	-	-
<u>\$ 8,788,213</u>	<u>\$ 10,560,169</u>	<u>\$ 12,149,946</u>	<u>\$ 12,313,082</u>	<u>\$ 12,037,794</u>	<u>\$ 15,328,401</u>

**CITY OF SHOREVIEW**

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	Fiscal Year			
	2005	2006	2007	2008
<b>Revenues</b>				
Taxes				
General property taxes	\$ 6,443,342	\$ 6,964,113	\$ 7,578,220	\$ 7,897,145
Tax increments	1,556,678	1,638,599	1,785,481	1,840,640
Franchise tax	222,715	239,281	259,107	279,644
Special assessments	223,774	217,849	152,745	159,197
Licenses and permits	479,418	519,666	653,392	531,895
Intergovernmental	964,114	950,468	409,907	280,361
Charges for services	4,364,782	4,157,841	4,282,726	4,403,209
Fines and forfeits	55,782	52,605	49,462	55,814
Earnings on investments	264,449	527,272	727,810	477,652
Payments in lieu of taxes	110,000	110,000	110,000	110,000
Billboard fees	-	-	-	-
Antenna fees	147,194	142,183	147,056	156,934
Loan payments	14,500	14,500	14,500	21,750
Miscellaneous	396,400	238,796	198,053	81,209
Total revenues	<u>15,243,148</u>	<u>15,773,173</u>	<u>16,368,459</u>	<u>16,295,450</u>
<b>Expenditures</b>				
Current				
General government	1,797,619	1,837,668	1,929,640	2,009,234
Public safety	2,045,987	2,188,814	2,175,694	2,550,216
Public works	2,701,593	1,776,118	1,986,180	2,215,994
Parks and recreation	4,580,040	4,638,698	4,579,140	5,322,799
Community development	898,564	971,118	894,001	2,558,932
Miscellaneous	94,460	100,375	110,135	117,609
Capital outlay	2,667,448	8,078,575	2,472,723	1,520,192
Debt service				
Principal	1,626,674	1,670,000	1,550,000	1,705,000
Interest	685,268	569,286	650,836	601,052
Paying agent fees	19,645	11,206	33,913	14,172
Payment to refunded bond escrow agent	-	-	-	-
Total expenditures	<u>17,117,298</u>	<u>21,841,858</u>	<u>16,382,262</u>	<u>18,615,200</u>
Revenues over (under) expenditures	<u>(1,874,150)</u>	<u>(6,068,685)</u>	<u>(13,803)</u>	<u>(2,319,750)</u>
<b>Other financing sources (uses)</b>				
Issuance of refunding debt	-	-	1,090,000	-
Loan issued	-	6,000,000	-	-
Bonds issued	-	2,705,000	-	330,000
Premium on debt issuance	-	-	17,027	-
Discount on debt issuance	-	(10,869)	-	(1,676)
Payments to refunded bond escrow agent	(2,550,000)	-	-	(1,085,000)
Sale of capital assets	9,106	5,159	-	400
Transfers in	246,380	240,000	244,518	240,000
Transfers out	-	-	(60,000)	-
Total other financing sources (uses)	<u>(2,294,514)</u>	<u>8,939,290</u>	<u>1,291,545</u>	<u>(516,276)</u>
Net change in fund balances	<u>\$ (4,168,664)</u>	<u>\$ 2,870,605</u>	<u>\$ 1,277,742</u>	<u>\$ (2,836,026)</u>
<b>Debt service as a percentage of noncapital expenditures</b>				
	<u>16.0%</u>	<u>16.3%</u>	<u>15.8%</u>	<u>13.5%</u>

Table 5

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$ 8,274,948	\$ 8,649,002	\$ 8,843,965	\$ 9,011,334	\$ 9,463,973	\$ 9,617,824
2,007,418	1,935,523	2,035,627	1,980,051	1,882,775	1,811,837
280,687	283,344	287,206	301,530	456,242	1,120,948
260,209	208,473	193,372	181,035	149,647	262,313
368,878	501,198	441,243	540,755	648,306	628,033
404,823	449,736	1,180,975	913,123	1,973,301	2,474,156
4,773,333	5,012,643	5,272,954	5,380,786	5,857,355	5,698,863
55,582	32,813	62,135	67,000	52,440	49,430
179,965	133,828	352,042	216,714	(508,781)	787,765
110,000	110,000	110,000	110,000	—	—
—	—	—	43,557	51,667	50,300
178,643	228,607	319,150	246,611	243,606	300,670
21,750	21,750	21,750	—	—	—
68,358	88,001	87,816	154,427	147,399	365,766
<u>16,984,594</u>	<u>17,654,918</u>	<u>19,208,235</u>	<u>19,146,923</u>	<u>20,417,930</u>	<u>23,167,905</u>
1,982,564	2,086,403	2,062,470	2,205,967	2,385,455	2,352,792
2,515,416	2,557,182	2,697,842	3,027,782	3,458,358	3,483,427
2,135,743	1,913,770	2,235,780	2,335,935	5,172,372	2,614,448
5,442,013	5,213,371	5,746,983	5,620,067	5,634,141	6,218,662
1,347,855	1,468,725	1,392,619	2,903,360	2,206,684	1,581,136
145,689	120,007	—	—	—	—
1,932,761	1,295,891	2,191,037	1,362,235	6,938,968	1,600,173
1,115,000	1,120,000	1,125,000	1,335,000	1,395,000	1,265,000
525,063	495,569	359,612	397,416	329,902	408,211
10,463	16,511	7,601	10,407	126,892	5,254
—	—	85,989	—	—	—
<u>17,152,567</u>	<u>16,287,429</u>	<u>17,904,933</u>	<u>19,198,169</u>	<u>27,647,772</u>	<u>19,529,103</u>
<u>(167,973)</u>	<u>1,367,489</u>	<u>1,303,302</u>	<u>(51,246)</u>	<u>(7,229,842)</u>	<u>3,638,802</u>
—	—	4,620,000	—	2,365,000	100,000
—	—	—	—	—	—
235,000	140,000	—	—	4,190,000	—
6,150	—	—	—	285,435	5,822
—	(1,120)	(44,759)	—	—	—
—	—	(4,575,241)	—	(135,000)	(860,000)
8,431	—	752	250	3,290	7,914
273,000	324,074	341,000	373,729	413,426	541,861
—	—	—	—	—	—
<u>522,581</u>	<u>462,954</u>	<u>341,752</u>	<u>373,979</u>	<u>7,122,151</u>	<u>(204,403)</u>
<u>\$ 354,608</u>	<u>\$ 1,830,443</u>	<u>\$ 1,645,054</u>	<u>\$ 322,733</u>	<u>\$ (107,691)</u>	<u>\$ 3,434,399</u>
<u>10.8%</u>	<u>10.8%</u>	<u>9.4%</u>	<u>9.7%</u>	<u>8.3%</u>	<u>9.3%</u>

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**CITY OF SHOREVIEW**

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

**Table 6**

Fiscal Year	Real Property		Personal Property	Agricultural and Miscellaneous	Less Captured Tax Increment Value	Total Taxable Net Tax Capacity Value	Total Direct Tax Rate	Total Market Value	Net Tax Capacity as a Percentage of Market Value
	Residential Property	Commercial Property							
2005	\$ 22,604,377	\$5,831,835	\$ 273,152	\$ 29,250	\$ 1,601,414	\$ 27,137,200	25.445%	\$2,544,617,800	1.1%
2006	25,308,639	6,526,392	280,671	24,285	1,665,131	30,474,856	23.974%	2,844,890,400	1.1%
2007	27,747,993	7,310,552	287,179	29,364	1,830,461	33,544,627	23.299%	3,124,914,300	1.1%
2008	28,781,938	8,444,482	278,268	23,059	2,129,346	35,398,401	23.532%	3,276,232,000	1.1%
2009	28,005,715	8,329,045	272,674	25,617	2,033,697	34,599,354	25.129%	3,198,277,000	1.1%
2010	26,372,797	8,238,244	269,727	8,996	1,933,124	32,956,640	27.569%	3,015,578,000	1.1%
2011	24,749,422	7,524,515	276,239	23,332	1,784,852	30,788,656	30.671%	2,838,577,100	1.1%
2012	22,153,383	7,228,211	296,285	21,668	1,549,078	28,150,469	33.252%	2,568,566,800	1.1%
2013	20,538,954	6,704,036	311,101	60,854	1,379,783	26,235,162	36.970%	2,404,938,000	1.1%
2014	20,887,523	6,674,198	192,279	59,021	1,319,882	26,493,139	37.490%	2,412,883,200	1.1%
Percentage of Total Net Tax Capacity Value									
2005	83.3%	21.5%	1.0%	0.1%	5.9%	100.0%			
2006	83.0%	21.4%	0.9%	0.1%	5.5%	100.0%			
2007	82.7%	21.8%	0.9%	0.1%	5.5%	100.0%			
2008	81.3%	23.9%	0.8%	0.1%	6.0%	100.0%			
2009	80.9%	24.1%	0.8%	0.1%	5.9%	100.0%			
2010	80.0%	25.0%	0.8%	0.1%	6.0%	100.0%			
2011	80.4%	24.4%	0.9%	0.1%	5.8%	100.0%			
2012	78.7%	25.7%	1.0%	0.1%	5.5%	100.0%			
2013	78.3%	25.6%	1.2%	0.2%	5.3%	100.0%			
2014	78.9%	25.2%	0.7%	0.3%	5.1%	100.0%			

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

Source: Ramsey County Assessor's Office

**CITY OF SHOREVIEW**

Property Tax Rates

Direct and Overlapping (1) Governments

Last Ten Fiscal Years

City of Shoreview	2005	2006	2007
<b>Tax Capacity Rates:</b>			
City of Shoreview			
General Fund	19.352%	18.244%	17.164%
Special Revenue	-	-	-
Capital Project	4.865%	4.632%	4.403%
Debt Service	1.228%	1.098%	1.732%
Internal Service	-	-	-
Total City Tax Rate	25.445%	23.974%	23.299%
Shoreview HRA	-	-	-
Overlapping Rates			
Ramsey County	45.848%	43.554%	41.967%
Ramsey County Library	3.362%	3.069%	2.976%
Total County Tax Rate	49.210%	46.623%	44.943%
Rice Creek Watershed	1.606%	1.794%	1.315%
Metro Watershed	-	-	-
School Districts			
District #621	22.112%	23.419%	23.264%
District #623	16.713%	16.664%	12.372%
District #916	0.075%	0.066%	-
Other			
Regional rail	0.833%	2.453%	3.956%
Metropolitan Council	2.755%	2.491%	2.174%
Mosquito Control	0.588%	0.523%	0.501%
<b>Total Direct and Overlapping Tax Capacity Rates:</b>			
Grass Lake, #621 & #916	101.018%	99.549%	98.137%
Rice Creek, #621 & #916	102.624%	101.343%	99.452%
Metro Watershed, #621 & #916	-	-	-
Grass Lake, #623 & #916	95.619%	92.794%	87.245%
Rice Creek, #623 & #916	97.225%	94.588%	88.560%
Metro Watershed, #623 & #916	-	-	-
<b>State-Wide Tax Capacity Rates:</b>			
Commercial, industrial, and non-electric public utilities	51.121%	50.827%	48.032%
Cabins	51.121%	28.385%	24.225%
<b>Market Value Tax Rates:</b>			
Overlapping Rates			
School Districts			
District #621	0.12131%	0.12803%	0.18163%
District #623	0.16244%	0.15115%	0.16932%

Source: Ramsey County Assessor's office

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

**Table 7**

2008	2009	2010	2011	2012	2013	2014
16.972%	18.346%	20.053%	21.634%	23.148%	25.557%	25.842%
–	–	–	0.085%	0.197%	0.231%	0.302%
4.863%	5.175%	5.786%	6.821%	7.552%	8.545%	8.580%
1.697%	1.608%	1.730%	1.797%	1.582%	1.929%	2.071%
–	–	–	0.334%	0.773%	0.708%	0.695%
23.532%	25.129%	27.569%	30.671%	33.252%	36.970%	37.490%
–	–	0.169%	0.198%	0.254%	0.289%	0.345%
41.158%	43.171%	46.598%	50.801%	56.945%	60.638%	59.105%
2.865%	3.375%	3.650%	3.877%	4.372%	4.602%	4.630%
44.023%	46.546%	50.248%	54.678%	61.317%	65.240%	63.735%
1.608%	1.545%	1.511%	1.618%	2.348%	2.322%	2.346%
–	–	–	–	3.043%	3.643%	4.499%
20.380%	22.937%	24.560%	25.573%	29.044%	29.444%	29.734%
10.175%	10.624%	13.065%	14.566%	17.065%	15.464%	16.251%
–	–	–	–	–	–	–
3.454%	3.521%	3.700%	3.921%	4.330%	4.528%	4.196%
2.051%	2.084%	2.261%	2.313%	2.706%	2.776%	2.729%
0.479%	0.487%	0.480%	0.503%	0.571%	0.573%	0.554%
93.919%	100.704%	108.987%	117.857%	131.474%	139.820%	138.783%
95.527%	102.249%	110.498%	119.475%	133.822%	142.142%	141.129%
–	–	–	–	134.517%	143.463%	143.282%
83.714%	88.391%	97.492%	106.850%	119.495%	125.840%	125.300%
85.322%	89.936%	99.003%	108.468%	121.843%	128.162%	127.646%
–	–	–	–	122.538%	129.483%	129.799%
45.949%	45.535%	45.881%	49.043%	51.100%	52.523%	52.160%
20.385%	18.214%	17.755%	19.145%	20.750%	22.327%	22.836%
0.18924%	0.18685%	0.18882%	0.19536%	0.21242%	0.22834%	0.21069%
0.18134%	0.20390%	0.20374%	0.19715%	0.19591%	0.24553%	0.25826%

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

**Table 8**

Taxpayer	2014				2005			
	Market Value	Taxable Net Tax Capacity Value	Rank	Percentage of Total Net Tax Capacity Value	Market Value	Taxable Net Tax Capacity Value	Rank	Percentage of Total Net Tax Capacity Value
JPMCC 2006-LDP7 Gramsie Rd LLC	\$ 39,761,500	\$ 794,480	1	3.00%	\$ -	\$ -	-	-
Wells Fargo	36,898,500	737,220	2	2.78%	36,100,000	721,250	2	2.66%
Deluxe Corporation	21,900,000	437,250	3	1.65%	30,125,900	601,768	3	2.22%
Medtronic	14,870,000	296,650	4	1.12%	14,024,100	279,732	6	1.03%
Dayton Hudson Corporation	14,598,700	290,474	5	1.10%	15,500,000	309,250	5	1.14%
Terrace Apartments Company	22,366,500	279,581	6	1.06%	25,253,500	315,669	4	1.16%
Carroll Ventures Company	16,621,300	207,766	7	0.78%	14,400,000	180,000	9	0.66%
Lakeshore Oaks Apartments LLF	15,818,000	197,725	8	0.75%	-	-	-	0.00%
Northern States Power Co.	9,296,500	180,170	9	0.68%	13,041,600	260,832	8	0.96%
TSI Inc.	8,972,900	178,708	10	0.67%	7,411,300	147,476	10	0.54%
Shoreview Owner, LLC	-	-	-	-	38,832,100	775,892	1	2.86%
Canis Major Development LP	-	-	-	-	13,134,000	261,180	7	0.96%
<b>Total</b>	<b>\$ 201,103,900</b>	<b>\$ 3,600,024</b>		<b>13.59%</b>	<b>\$ 207,822,500</b>	<b>\$ 3,853,049</b>		<b>14.19%</b>

Rank is based on Taxable Net Tax Capacity Value

Source: Ramsey County Board of Equalization and Assessment

**CITY OF SHOREVIEW**

Property Tax Levies and Collections:  
Last Ten Fiscal Years

Levy Year	Total Tax Levy for Fiscal Year (1)	Collections (Refunds) within the Fiscal Year						
		2005	2006	2007	2008	2009	2010	2011
<b>Property Taxes:</b>								
2004 and prior		\$ (12,339)	\$ 5,455	\$ 100	\$ 2,069	\$ 40	\$ 40	\$ -
2005	\$ 6,567,362	6,444,720	42,719	(1,415)	3,164	942	135	205
2006	7,028,114	-	6,907,441	74,370	(20,580)	1,585	981	(6,484)
2007	7,557,202	-	-	7,498,003	2,782	3,568	5,152	(10,043)
2008	8,045,252	-	-	-	7,906,905	38,347	767	(16,093)
2009	8,350,663	-	-	-	-	8,224,205	23,468	(27,916)
2010	8,731,773	-	-	-	-	-	8,608,884	29,965
2011	9,051,713	-	-	-	-	-	-	8,980,471
2012	9,360,028	-	-	-	-	-	-	-
2013	9,679,510	-	-	-	-	-	-	-
2014	10,009,093	-	-	-	-	-	-	-
Non-levy collections (2)		10,961	8,498	7,162	2,805	6,261	9,575	(8,254)
Total collections within fiscal year		<u>\$ 6,443,342</u>	<u>\$ 6,964,113</u>	<u>\$ 7,578,220</u>	<u>\$ 7,897,145</u>	<u>\$ 8,274,948</u>	<u>\$ 8,649,002</u>	<u>\$ 8,941,851</u>
<b>Tax Increments:</b>								
2004 and prior		\$ -	\$ (19,903)	\$ -	\$ -	\$ -	\$ -	\$ -
2005	\$ 1,612,519	1,556,678	15,546	-	-	-	-	-
2006	1,651,885	-	1,642,956	-	-	-	-	-
2007	1,785,481	-	-	1,785,481	-	-	-	-
2008	1,990,510	-	-	-	1,840,640	-	-	-
2009	2,037,210	-	-	-	-	2,007,418	-	-
2010	2,096,947	-	-	-	-	-	1,935,523	9,302
2011	2,094,246	-	-	-	-	-	-	2,026,325
2012	2,013,059	-	-	-	-	-	-	-
2013	1,917,808	-	-	-	-	-	-	-
2014	1,837,507	-	-	-	-	-	-	-
Non-levy collections (2)		-	-	-	-	-	-	-
Total collections within fiscal year		<u>\$ 1,556,678</u>	<u>\$ 1,638,599</u>	<u>\$ 1,785,481</u>	<u>\$ 1,840,640</u>	<u>\$ 2,007,418</u>	<u>\$ 1,935,523</u>	<u>\$ 2,035,627</u>

(1) Net of county rounding adjustment

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

Table 9

Collections (Refunds) within the Fiscal Year			Percentage Collected Within the Fiscal Year of the Levy	Total Collections to Date		Abatements and Adjustments	Total Uncollected	
2012	2013	2014		Amount	Percentage of Levy		Amount	Percentage of Levy
\$ -	\$ -	\$ -						
-	-	-	98.1%	\$ 6,490,470	98.8%	\$ (76,892)	\$ -	0.00%
127	-	-	98.3%	6,957,440	99.0%	(70,674)	-	0.00%
369	1,183	-	99.2%	7,501,014	99.3%	(56,188)	-	0.00%
908	785	830	98.3%	7,932,449	98.6%	(110,333)	2,470	0.03%
(4,727)	962	1,404	98.5%	8,217,396	98.4%	(130,676)	2,591	0.03%
(69,854)	(5,977)	3,529	98.6%	8,566,547	98.1%	(172,887)	(7,661)	(0.09)%
(7,542)	(11,727)	(65,999)	99.2%	8,895,203	98.3%	(153,460)	3,050	0.03%
9,262,995	28,098	(40,783)	99.0%	9,250,310	98.8%	(100,478)	9,240	0.10%
-	9,607,386	14,812	99.3%	9,622,198	99.4%	(51,987)	5,325	0.06%
		9,922,551	99.1%	9,922,551	99.1%	(37,230)	49,312	0.49%
43,440	26,253	(38,859)						
<u>\$ 9,225,716</u>	<u>\$ 9,646,963</u>	<u>\$ 9,797,485</u>					<u>\$ 64,327</u>	
\$ -	\$ -	\$ -						
-	-	-	96.5%	\$ 1,572,224	97.5%	\$ (40,295)	\$ -	0.00%
-	-	-	99.5%	1,642,956	99.5%	(8,929)	-	0.00%
-	-	-	100.0%	1,785,481	100.0%	-	-	0.00%
-	-	-	92.5%	1,840,640	92.5%	(149,870)	-	0.00%
-	-	-	98.5%	2,007,418	98.5%	(29,792)	-	0.00%
-	-	-	92.3%	1,944,825	92.7%	(152,122)	-	0.00%
9,864	-	(13,785)	96.8%	2,022,404	96.6%	(71,842)	-	0.00%
1,939,529	(8,553)	(7,020)	96.3%	1,923,956	95.6%	(74,339)	14,764	0.73%
-	1,891,327	10,706	98.6%	1,902,033	99.2%	(978)	14,797	0.77%
-	-	1,821,936	99.2%	1,821,936	99.2%	-	15,571	0.85%
30,658	-	-						
<u>\$ 1,980,051</u>	<u>\$ 1,882,774</u>	<u>\$ 1,811,837</u>					<u>\$ 45,132</u>	

**CITY OF SHOREVIEW**  
 Water Sold by Type of Customer  
 Last Ten Fiscal Years  
 (in millions of gallons)

Fiscal Year	Residential				Total Residential
	Tier 1 – First 15,000 Gallons	Tier 2 – Second 15,000 Gallons	Tier 3 – Remaining Gallons		
2005	388.4	243.5	110.9		742.8
2006	389.0	266.7	160.0		815.7
2007	387.0	260.4	190.6		838.0
2008	381.5	254.2	141.8		777.5
2009	389.9	280.8	171.5		842.2

Fiscal Year	(1) Residential				Total Residential
	Tier 1 – First 10,000 Gallons	Tier 2 – Second 20,000 Gallons	Tier 3 – Remaining Gallons		
2010	362.0	230.8	94.8		687.6
2011	360.5	221.7	94.7		676.9

Fiscal Year	(3) Residential				Total Residential
	Tier 1 – First 5,000 Gallons	Tier 2 – Second 5,000 Gallons	Tier 3 – Third 20,000 Gallons	Tier 4 – Remaining Gallons	
2012	199.7	165.0	250.7	148.8	764.2
2013	201.1	161.8	219.1	107.5	689.5
2014	201.6	155.9	187.6	55.5	600.6

Fiscal Year	Tier 1 – First 5,000 Gallons	Tier 2 – Second 5,000 Gallons	Tier 3 – Third 20,000 Gallons	Tier 4 – Remaining Gallons	Total Residential
2005	41.8%		26.2%	11.9%	79.9%
2006	38.9%		26.7%	16.0%	81.6%
2007	37.1%		24.9%	18.2%	80.2%
2008	38.9%		25.9%	14.4%	79.2%
2009	36.4%		26.2%	16.0%	78.6%
2010	39.8%		25.3%	10.4%	75.5%
2011	40.6%		24.9%	10.6%	76.1%
2012	19.5%	16.2%	24.6%	14.6%	74.9%
2013	22.1%	17.8%	24.0%	11.8%	75.7%
2014	25.3%	19.6%	23.6%	7.0%	75.5%

- (1) In 2010 the City adjusted its tiers for residential accounts, and established tiers for Commercial/Industrial etc. accounts.
- (2) The City does not bill the various departments for water use, this consumption is for tracking purposes only. The City started tracking internal water consumption in 2007.
- (3) In 2012 the City adjusted its tiers for residential accounts by splitting the first tier into two tiers.

Source: City of Shoreview utility billing department

**Table 10**

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

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

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

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

Tier 1 – First 50,000 Gallons	Tier 2 – Second 1,150,000 Gallons	Tier 3 – Remaining Water Consumed	Total Commercial/ Industrial Etc.	Shoreview City Accounts (2)	Total Water Sold
28.2	151.5	49.5	229.2	26.0	1,019.4
27.0	135.3	39.1	201.4	20.2	911.1
26.7	126.0	26.4	179.1	16.8	796.5

Percentage of Total Water Sold

0.0%	20.1%	0.0%	20.1%	0.0%	100.0%
0.0%	18.4%	0.0%	18.4%	0.0%	100.0%
0.0%	18.1%	0.0%	18.1%	1.7%	100.0%
0.0%	19.0%	0.0%	19.0%	1.8%	100.0%
0.0%	19.2%	0.0%	19.2%	2.2%	100.0%
3.0%	15.5%	3.5%	22.0%	2.5%	100.0%
2.9%	14.2%	4.7%	21.8%	2.1%	100.0%
2.8%	14.8%	4.9%	22.5%	2.6%	100.0%
3.0%	14.8%	4.3%	22.1%	2.2%	100.0%
3.4%	15.7%	3.3%	22.4%	2.1%	100.0%

**CITY OF SHOREVIEW**

Residential Utility Rates per Quarter  
Last Ten Fiscal Years

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

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

	(2) Water					Surface Water Management			
	Base Rate Per Unit	Rate per 1,000 Gallons				Per Unit		Per Acre	
		Tier 1 First 5,000 Gallons	Tier 2 Second 5,000 Gallons	Tier 2 Third 20,000 Gallons	Tier 3 Remaining Gallons	Single-Family	Town Home	Condos	Apartments and Mobile Homes
2012	\$ 13.00	\$ 1.04	\$ 1.69	\$ 2.34	\$ 3.84	\$ 17.57	\$ 18.61	\$ 146.94	\$ 146.94
2013	13.40	1.08	1.74	2.41	3.96	19.33	20.47	161.63	161.63
2014	13.96	1.13	1.81	2.51	4.13	21.26	22.52	177.79	177.79

Source: City of Shoreview utility billing department

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

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

**Table 11**

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

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

Sewer						Street Lighting	
Base Rate Per Unit	Use Rate per unit (Based on Winter Water Use)					Per Unit	
	Tier 1 Less Than 5,000 Gallons	Tier 2 Between 5,000 and 10,000 Gallons	Tier 3 Between 10,001 and 20,000 Gallons	Tier 4 Between 20,001 and 30,000 Gallons	Tier 5 Greater Than 30,000 Gallons	Single and Multi- Family	Condos Apartments and Mobile Homes
\$ 35.76	\$ 15.11	\$ 26.02	\$ 39.90	\$ 54.26	\$ 70.50	\$ 9.11	\$ 6.83
37.91	16.02	27.58	42.29	57.52	74.73	9.47	7.10
39.05	16.50	28.41	43.56	59.25	76.97	9.85	7.38

**CITY OF SHOREVIEW**

Commercial Utility Rates per Quarter  
Last Ten Fiscal Years

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

Fiscal Year	Base Rate Per Account	Rate per 1,000 gallons		
		First 50,000	Next 1,150,000	All Remaining
2010	\$ 10.00	\$ 1.40	\$ 1.86	\$ 2.95
2011	11.00	1.54	2.05	3.25
2012	13.00	1.69	2.34	3.84
2013	13.40	1.74	2.41	3.96
2014	13.96	1.81	2.51	4.13

Source:

City of Shoreview utility billing department

(1) Rates through 2009 are based on 5/8" meter. The City charged higher minimum water rates for meter sizes larger than a 5/8" meter through 2009.

(2) Conservation based rate structure implemented in 2010 for commercial accounts.

**Table 12**

Sewer		Surface Water Management	Street Lights
Base Rate – First 15,000 Gallons	Rate per 1,000 Gallons	Rate Per Acre	Rate Per Acre
\$ 49.82	\$ 2.50	\$ 83.36	\$ 12.00
52.56	2.640	86.07	13.20
55.56	2.798	91.23	14.00
58.99	2.970	100.35	18.20
64.89	3.270	110.40	20.02

Sewer		Surface Water Management	Street Lights
Sewer Availability Charge Per Account	Rate per 1,000 Gallons	Rate Per Acre	Rate Per Acre
\$ 32.51	\$ 3.47	\$ 121.44	\$ 20.82
35.76	3.82	133.58	21.86
35.76	3.82	146.94	27.33
37.91	4.05	161.63	28.42
39.05	4.17	177.79	29.56

**CITY OF SHOREVIEW**

Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years

Fiscal Year	Governmental Activities					Business- Type Activities
	General Obligation Improvement Bonds	Other General Obligation Bonds	General Obligation Tax Increment Bonds	Certificates of Participation	Loan Payable	Water Bonds
2005	\$ 2,300,000	\$ 1,600,000	\$ 5,700,000	\$ 5,950,000	\$ -	\$ 1,850,000
2006	2,120,000	4,035,000	4,770,000	5,660,000	6,000,000	2,495,000
2007	1,820,000	3,950,000	4,925,000	5,430,000	6,000,000	3,120,000
2008	1,835,000	3,795,000	2,845,000	5,190,000	6,000,000	5,210,000
2009	1,765,000	3,570,000	2,510,000	4,940,000	6,000,000	4,895,000
2010	1,610,000	8,950,000	2,180,000	4,680,000	6,000,000	5,710,000
2011	1,350,000	8,705,000	1,830,000	4,620,000	6,000,000	5,250,000
2012	1,065,000	8,355,000	1,320,000	4,330,000	6,000,000	4,700,000
2013	2,780,000	12,395,000	690,000	3,985,000	6,000,000	5,930,000
2014	2,620,000	15,645,000	350,000	3,635,000	6,000,000	5,880,000

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

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

**Table 13**

<u>Business-Type Activities</u>				Percentage of	Percentage of	
<u>Sewer</u>	<u>Surface</u>	<u>Unamortized</u>	<u>Total Primary</u>	<u>Estimated</u>	<u>Estimated actual</u>	
<u>Bonds</u>	<u>Water</u>	<u>Premium</u>	<u>Government</u>	<u>Personal</u>	<u>Market Value of</u>	<u>Per Capita (2)</u>
	<u>Bonds</u>			<u>Income (2)</u>	<u>Property (1)</u>	
\$ 365,000	\$ 895,000	\$ -	\$ 18,660,000	1.76%	0.73%	\$ 707
605,000	815,000	-	26,500,000	2.40%	0.93%	1,021
835,000	1,335,000	-	27,415,000	2.37%	0.88%	1,051
1,370,000	1,485,000	-	27,730,000	2.34%	0.85%	1,060
1,315,000	2,555,000	-	27,550,000	2.47%	0.86%	1,058
2,220,000	2,780,000	-	34,130,000	3.07%	1.13%	1,319
2,130,000	2,555,000	-	32,440,000	2.89%	1.14%	1,295
1,985,000	2,300,000	-	30,055,000	2.59%	1.17%	1,197
1,995,000	3,190,000	403,427	37,368,427	3.16%	1.55%	1,470
2,400,000	3,095,000	632,915	40,257,915	3.22%	1.67%	1,571

**CITY OF SHOREVIEW**

Ratios of Net General Bonded Debt Outstanding  
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-Type Activities		
	General Obligation Improvement Bonds	Other General Obligation Bonds	General Obligation Tax Increment Bonds	Water Bonds	Sewer Bonds	Surface Water Bonds
2005	\$2,300,000	\$1,600,000	\$ 5,700,000	\$ 1,850,000	\$ 365,000	\$ 895,000
2006	2,120,000	4,035,000	4,770,000	2,495,000	605,000	815,000
2007	1,820,000	3,950,000	4,925,000	3,120,000	835,000	1,335,000
2008	1,835,000	3,795,000	2,845,000	5,210,000	1,370,000	1,485,000
2009	1,765,000	3,570,000	2,510,000	4,895,000	1,315,000	2,555,000
2010	1,610,000	8,950,000	2,180,000	5,710,000	2,220,000	2,780,000
2011	1,350,000	8,705,000	1,830,000	5,250,000	2,130,000	2,555,000
2012	1,065,000	8,355,000	1,320,000	4,700,000	1,985,000	2,300,000
2013	2,780,000	12,395,000	690,000	5,930,000	1,995,000	3,190,000
2014	2,620,000	15,645,000	350,000	5,880,000	2,400,000	3,095,000

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

**Table 14**

<u>Unamortized Premium</u>	<u>Total</u>	<u>Resources Restricted for Repayment</u>	<u>Net General Bonded Debt</u>	<u>Percentage of Estimated Actual Market Value of Property (1)</u>	<u>Per Capita (2)</u>
\$ -	\$12,710,000	\$ 640,485	\$12,069,515	0.47%	\$ 458
-	14,840,000	638,152	14,201,848	0.50%	547
-	15,985,000	1,829,311	14,155,689	0.45%	543
-	16,540,000	862,984	15,677,016	0.48%	599
-	16,610,000	884,321	15,725,679	0.49%	604
-	23,450,000	939,736	22,510,264	0.75%	870
-	21,820,000	980,000	20,840,000	0.73%	832
-	19,725,000	881,898	18,843,102	0.73%	750
403,427	27,383,427	3,325,237	24,058,190	1.00%	946
632,915	30,622,915	2,348,611	28,274,304	1.17%	1,103

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**CITY OF SHOREVIEW**

Direct and Overlapping Governmental Activities Debt  
as of December 31, 2014

**Table 15**

Governmental Unit	Gross Debt Outstanding (1)	Estimated Percentage Applicable (2)	Estimated Share of Overlapping Debt
Overlapping debt			
Ramsey County	\$ 206,362,000	6.486%	\$ 13,385,134
Independent School District #621 (Mounds View)	109,550,000	30.861%	33,808,412
Independent School District #623 (Roseville)	41,585,000	3.594%	1,494,692
Special Independent School District #916 (Vo-Tech)	2,695,000	11.723%	315,944
Metropolitan Council	1,507,019,856	0.883%	13,312,725
Metro Airport Commission	2,840,000	0.883%	25,084
Total overlapping debt			62,341,991
City of Shoreview direct debt excluding premiums (1)			28,250,000
Total direct and overlapping debt			\$ 90,591,991

Debt Ratios

Ratio of debt per capita (25,630 population, Table 18)	\$ 3,535
Ratio of debt to net tax capacity valuations (after fiscal disparities) (\$26,493,139, Table 6)	341.95%
Ratio of debt to estimated actual market value of property (\$2,412,883,200, Table 6)	3.75%

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

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

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

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

	Fiscal Year			
	2005	2006	2007	2008
Debt limit	\$ 50,892,356	\$ 56,897,808	\$ 62,498,286	\$ 98,286,960
Total net debt applicable to limit	<u>6,920,862</u>	<u>9,055,007</u>	<u>8,614,289</u>	<u>8,075,009</u>
Legal debt margin	<u>\$ 43,971,494</u>	<u>\$ 47,842,801</u>	<u>\$ 53,883,997</u>	<u>\$ 90,211,951</u>
Total net debt applicable to the limit as a percentage of debt limit	13.60%	15.91%	13.78%	8.22%

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

**Table 16**

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$ 95,948,310	\$ 90,467,340	\$ 85,157,333	\$ 77,057,004	\$ 72,148,140	\$ 72,386,496
<u>7,611,185</u>	<u>12,747,163</u>	<u>12,442,328</u>	<u>11,798,714</u>	<u>13,168,149</u>	<u>16,872,663</u>
<u>\$ 88,337,125</u>	<u>\$ 77,720,177</u>	<u>\$ 72,715,005</u>	<u>\$ 65,258,290</u>	<u>\$ 58,979,991</u>	<u>\$ 55,513,833</u>
7.93%	14.09%	14.61%	15.31%	18.25%	23.31%

Legal Debt Margin Calculation for Fiscal Year 2014

Market value (payable 2014 value, Table 6)	\$2,412,883,200
Debt limit (3% of market value)	72,386,496
Debt applicable to limit	
Other general obligation bonds	15,645,000
Certificates of participation	3,635,000
Less cash set aside for repayment of general obligation debt	<u>(2,407,337)</u>
Total net debt applicable to limit	<u>16,872,663</u>
Legal debt margin	<u>\$ 55,513,833</u>

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

**Table 17**

Fiscal Year	Utility Revenues	Less Operating Expenses (1)	Net Available Revenue	Debt Service		Times Coverage
				Principal	Interest	
<b>Water Revenue Bonds</b>						
2005	\$ 1,415,773	\$ 1,185,849	\$ 229,924	\$ 200,000	\$ 73,273	0.84
2006	1,749,143	1,243,722	505,421	215,000	101,273	1.60
2007	1,981,574	1,239,931	741,643	220,000	103,071	2.30
2008	2,033,018	1,329,619	703,399	275,000	126,890	1.75
2009	2,282,465	1,245,066	1,037,399	315,000	197,535	2.02
2010	2,042,580	1,339,306	703,274	425,000	192,894	1.14
2011	2,279,802	1,368,874	910,928	460,000	202,063	1.38
2012	2,966,297	1,405,259	1,561,038	550,000	183,921	2.13
2013	2,585,461	1,403,838	1,181,623	460,000	183,026	1.84
2014	2,668,132	1,432,452	1,235,680	965,000	163,432	1.10
<b>Sewer Revenue Bonds</b>						
2005	\$ 2,513,120	\$ 2,421,374	\$ 91,746	\$ 30,000	\$ 10,923	2.24
2006	2,704,890	2,455,406	249,484	30,000	21,362	4.86
2007	2,799,893	2,416,145	383,748	30,000	23,635	7.15
2008	2,923,581	2,590,220	333,361	45,000	34,913	4.17
2009	3,187,514	3,013,766	173,748	55,000	50,951	1.64
2010	3,274,000	2,869,607	404,393	80,000	57,495	2.94
2011	3,617,492	2,953,041	664,451	90,000	76,061	4.00
2012	3,604,257	2,893,667	710,590	145,000	72,489	3.27
2013	3,718,390	3,100,871	617,519	275,000	67,690	1.80
2014	3,973,536	3,163,229	810,307	325,000	58,703	2.11
<b>Surface Water Management Revenue Bonds</b>						
2005	\$ 618,569	\$ 421,645	\$ 196,924	\$ 80,000	\$ 27,538	1.83
2006	670,491	491,989	178,502	80,000	26,492	1.68
2007	751,760	516,526	235,234	80,000	32,303	2.09
2008	837,128	545,757	291,371	80,000	48,344	2.27
2009	826,536	565,250	261,286	110,000	26,179	1.92
2010	937,550	656,073	281,477	130,000	90,408	1.28
2011	1,032,620	669,298	363,322	225,000	91,277	1.15
2012	1,159,830	710,054	449,776	255,000	84,797	1.32
2013	1,188,105	621,960	566,145	415,000	84,608	1.13
2014	1,411,270	695,548	715,722	360,000	80,992	1.62

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

(1) Operating expenses do not include depreciation.

**CITY OF SHOREVIEW**

Demographic and Economic Statistics  
Last Ten Fiscal Years

**Table 18**

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Estimated Personal Income (Amounts Expressed in Whole Dollars) (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>School Enrollment District #621 (4)</u>	<u>School Enrollment District #623 (4)</u>	<u>Unemployment Rate (5)</u>
2005	26,381	\$ 1,060,859,153	\$ 40,213	10,513	6,269	3.1 %
2006	25,964	1,103,184,396	42,489	10,234	6,296	3.1 %
2007	26,093	1,156,102,551	44,307	10,116	6,373	3.5 %
2008	26,159	1,183,485,478	45,242	9,914	6,391	4.4 %
2009	26,036	1,113,924,224	42,784	9,901	6,481	6.1 %
2010	25,882	1,111,062,496	42,928	9,849	6,489	6.5 %
*2011	25,043	1,122,903,077	44,839	9,914	6,593	5.6 %
2012	25,118	1,158,818,930	46,135	10,006	6,765	4.7 %
2013	25,429	1,183,185,941	46,529	10,233	6,902	4.0 %
2014	25,630	1,248,462,930	48,711	10,734	7,437	3.2 %

Notes/Sources:

- (1) Population figures other than Census year are estimates provided by the Metropolitan Council. The last census was taken in 2010. Figures are as of December 31 of the prior year.
- (2) This estimated personal income number is calculated by taking the per capita personal income and multiplying it by the City’s population. Also see note (3) regarding the per capita personal income figures.
- (3) Per capital personal income data is provided by the Bureau of Economic Analysis. The 2005–2013 data is for Ramsey County, in which the City resides, the smallest region applicable to the City that this information is available for. The 2014 figure is an estimate for the state of Minnesota as there were no other relevant estimates available at the time of this report.
- (4) The City is served by two independent school districts. District #621 covers approximately 90% of the City, while District #623 covers approximately 10% of the City. Accordingly, not all students enrolled in District #621 or District #623 live in the City.
- (5) Annual average unemployment provided by the Minnesota Department of Employment & Economic Development.

\* 2010 Federal Census data

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**CITY OF SHOREVIEW**

Principal Employers

Current Year and Nine Years Ago

**Table 19**

Employer	2014			2005		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Wells Fargo	1,200	1	11.15%	1,200	1	9.39%
Deluxe Corporation	1,150	2	10.69%	1,044	3	8.17%
Land O'Lakes	800	3	7.44%	–	–	–
Cummins Power Generation	600	4	5.58%	–	–	–
Target Corporation	500	5	4.65%	500	4	3.91%
TSI, Inc.	485	6	4.51%	395	5	3.09%
DJO Global – Empi Inc.	430	7	4.00%	310	6	2.43%
Westinghouse (PaR Nuclear)	300	8	2.79%	–	–	–
Fiserv	200	9	1.86%	–	–	–
PaR Systems	200	10	1.86%	215	7	1.68%
Medtronic	–	–	–	1,200	2	9.39%
Curtis 1000	–	–	–	175	8	1.37%
AGS Publishing	–	–	–	120	9	0.94%
	–	–	–	120	10	0.94%
<b>Total</b>	<b>5,865</b>		<b>54.51%</b>	<b>5,279</b>		<b>41.32%</b>

Source: Official Statements for 2014 and 2005

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

**CITY OF SHOREVIEW**

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

Function	Budgeted Full-Time Equivalent Employees as of December 31,			
	2005	2006	2007	2008
General government	12.16	13.36	12.16	13.61
Public safety				
Emergency services	0.20	0.20	0.16	0.16
Public works				
Engineering	4.39	4.39	4.39	4.05
Maintenance	6.93	6.93	6.99	7.36
Parks and recreation				
Administration	6.30	6.31	6.27	6.26
Maintenance	9.04	9.04	9.40	9.87
Community center	42.63	45.81	43.72	39.51
Recreation programs	21.91	23.06	22.12	25.42
Community development	5.60	5.60	5.75	5.75
Water	7.80	7.82	8.11	8.36
Sewer	6.53	6.56	6.83	7.08
Surface water	2.87	2.87	2.88	3.33
Street lights	0.10	0.10	0.10	0.20
Central garage	2.40	2.40	2.40	2.40
<b>Total</b>	<b>128.86</b>	<b>134.45</b>	<b>131.28</b>	<b>133.36</b>
Full-time	75.00	77.00	76.00	77.25
Part-time	0.75	–	–	0.75
Associate	53.11	57.45	55.28	55.36
<b>Total</b>	<b>128.86</b>	<b>134.45</b>	<b>131.28</b>	<b>133.36</b>

Source: City Finance Department

**Table 20**

Budgeted Full-Time Equivalent Employees as of December 31,					
2009	2010	2011	2012	2013	2014
12.25	14.05	12.66	14.69	13.46	14.22
0.16	0.08	0.08	0.07	0.08	0.08
4.05	4.05	4.05	4.03	4.03	4.03
7.35	6.83	6.83	6.84	7.12	7.68
6.15	6.00	5.00	4.00	4.00	4.44
9.45	9.51	9.71	9.95	9.95	10.00
37.29	36.03	36.68	36.44	36.61	38.44
26.41	26.08	28.54	29.13	29.74	32.73
5.77	5.82	5.82	5.84	6.56	6.95
8.43	8.33	8.35	8.40	8.39	8.41
7.22	7.34	7.35	7.41	7.41	7.44
3.37	3.52	3.52	3.55	3.55	3.67
0.20	0.20	0.20	0.20	0.20	0.28
2.40	2.40	2.40	2.40	2.40	2.40
<u>130.50</u>	<u>130.24</u>	<u>131.19</u>	<u>132.95</u>	<u>133.50</u>	<u>140.77</u>
78.68	79.75	79.00	79.00	79.00	83.36
0.75	0.75	0.75	1.55	1.55	0.42
<u>51.07</u>	<u>49.74</u>	<u>51.44</u>	<u>52.40</u>	<u>52.95</u>	<u>56.99</u>
<u>130.50</u>	<u>130.24</u>	<u>131.19</u>	<u>132.95</u>	<u>133.50</u>	<u>140.77</u>

**CITY OF SHOREVIEW**

Operating Indicators by Function  
Last Ten Fiscal Years

Function	Fiscal Year		
	2005	2006	2007
Police (contracted with Ramsey County Sheriff's Department)			
Calls for service	7,115	6,508	6,526
Fire (contractual service with Lake Johanna Fire Department)			
Calls for service	302	274	302
Public works			
Salt (tons)	260	715	705
Sand (tons)	940	–	–
Crack sealant (pounds)	22,000	18,000	18,000
Asphalt repairs (tons of asphalt)	668	684	595
Recyclables collected (tons)	3,412	3,942	3,723
Trails resurfaced (miles)	–	4.50	5.75
Parks and recreation			
Recreation program users (registered participants)	14,931	15,228	14,828
Community program attendance (non-fee programs)	–	–	–
Community center users	406,783	423,314	415,886
Community development			
Permits issued	1,013	1,146	3,057
Permit valuation (millions)	\$ 32.0	\$ 40.3	\$ 32.3
Water			
Water main breaks	16	5	7
Meters replaced	301	524	128
Curb box repairs (water valves)	85	225	180
Hydrants repaired	18	22	32
Average annual residential water use per household	80,802	88,068	91,881
Average daily consumption (millions of gallons)	3.14	3.28	3.50
Maximum daily gallons pumped (millions)	8.90	9.77	10.10
Sewer			
Sewage flow (millions of gallons)	950	886	920
Miles jetted	60	58	60
Miles rodded	8	8	9
Miles inspected	40	40	40
Surface water management			
Material dredged from ponds (yards)	425	425	425
Sweepings collected (tons of material)	1,200	450	200
Miles of street swept	360	450	450
Street sweeping rounds per year	4	5	5
Lake augmentation, gallons pumped (millions)	32.3	10.4	135.9
Central garage			
Gallons of gas	22,000	20,000	17,500
Gallons of diesel	23,000	17,500	20,000
Oil changes	99	101	115
Tires replaced	27	81	34

Sources: Various city departments

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

N/A Indicators are not available for these years

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

Table 21

Fiscal Year						
2008	2009	2010	2011	2012	2013	2014
6,719	6,441	6,298	6,443	6,661	7,057	8,128
307	306	806	988	1,060	1,275	1,449
938	350	525	438	373	500	460
—	—	—	—	—	—	—
10,000	11,250	9,000	13,500	9,000	12,000	7,500
795	578	579	775	505	380	278
3,385	3,204	3,342	2,985	3,165	3,242	2,762
5.00	5.50	4.50	5.00	9.90	5.00	—
16,369	17,997	20,679	26,317	28,601	25,726	29,270
—	—	—	* 57,055	49,542	47,964	39,261
449,811	507,951	627,822	699,025	692,616	698,892	593,172
2,350	1,352	1,044	922	867	1,312	1,053
\$ 26.6	\$ 18.3	\$ 42.1	\$ 21.9	\$ 29.9	\$ 42.4	\$ 40.3
21	9	14	3	3	10	15
372	8,100	61	25	16	23	45
485	1,130	458	385	225	75	105
192	39	42	75	18	25	35
82,600	89,050	82,742	81,368	91,605	82,554	73,557
3.24	3.30	2.91	2.69	3.01	2.69	2.43
8.33	8.17	9.46	5.91	6.97	7.68	5.88
926	874	865	914	791	871	813
68	65	72	82	82	62	81
28	25	38	32	35	32	30
49	48	40	60	40	40	44
500	432	795	—	—	—	—
300	200	250	200	250	350	350
360	270	405	353	405	794	794
4	3	5	4	5	9	9
—	32.5	221.2	—	110.7	8.7	—
18,512	15,409	17,500	14,676	14,980	17,333	14,469
18,901	22,265	20,000	20,002	23,183	24,727	20,914
108	97	164	116	114	78	89
51	29	42	17	54	53	39

**CITY OF SHOREVIEW**

Capital Asset Statistics by Function  
Last Ten Fiscal Years

Function	Fiscal Year			
	2005	2006	2007	2008
Public safety				
Police (contractual service with Ramsey County Sheriff's Department)				
Patrol units (24-hour)	2	2	2	2
Fire (contractual service with Lake Johanna Fire Department)				
Fire stations in service	4	4	4	4
Number of firefighters	65	65	65	66
Public works				
Streets (miles)	87.6	87.6	87.6	87.6
Culture and recreation				
Parks acreage	268	268	268	268
Parks	10	10	10	10
Park buildings	8	8	8	8
Picnic shelters	5	5	5	5
Community center (square footage)	111,000	111,000	111,000	111,000
Water				
Water mains (miles)	102.8	102.8	102.8	102.8
Fire hydrants	1,310	1,312	1,312	1,318
Wells	6	6	6	6
Maximum storage capacity (millions of gallons)	4	4	4	4
Sewer				
Sanitary sewers (miles)	107.9	107.9	107.9	107.9
Lift stations	17	17	17	17
Surface water management				
Storm water lift stations	3	3	4	4
Storm ponds	198	200	200	200
Street lights	645	659	659	659

Sources: Various city departments

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

**Table 22**

Fiscal Year					
2009	2010	2011	2012	2013	2014
2	2	2	2	2	2
4	4	4	4	4	4
61	60	60	60	60	60
87.6	88.2	89.0	89.0	89.0	89.4
268	268	268	268	268	268
10	10	10	10	10	10
8	8	8	8	8	8
6	6	6	6	7	7
111,000	111,000	111,000	111,000	111,000	111,000
102.8	102.8	103.0	103.0	103.0	103.3
1,318	1,318	1,325	1,327	1,328	1,330
6	6	6	6	6	6
4	4	4	4	4	4
107.9	107.9	108.2	108.2	108.2	108.5
17	17	17	17	17	17
5	5	4	4	4	4
200	200	200	200	201	202
681	692	692	701	717	731

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